



Formal meeting of the Ascension Island Council

16:30 on Thursday 17 July 2025 at the Courthouse

MINUTES

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| Present: | HE Nigel Phillips CBE, Governor HH Simon Minshull, Administrator Sara McIlroy, Acting Attorney General Peter Thomas, Director of Resources Martin Hogg, HoAO | Councillor Ethan Bally Councillor Eugene Bennett Councillor Thomas Barnes Councillor Michael Ellick Councillor Thomas Hickling Councillor Alan Nicholls | [remotely] |
| In attendance: | Daniel Weight, Acting Crown Counsel Chrystele Todd, FCDO Desk Officer James Twigg, Crown Counsel designate for Ascension Georgina Wilson, Clerk of Council | [remotely] [remotely] [remotely] | |
| Apologies: | Councillor Laura Shearer | | |

1. Welcome

HH the Administrator Simon Minshull welcomed all parties present and introduced those attending remotely. HE Nigel Phillips CBE, the Governor explained that it was a pleasure to be attending personally the first formal council meeting of the Ascension Island Council, as ordinarily, himself and the Attorney General attend remotely. HE the Governor expressed his congratulations to the elected councillors for their success at the Ascension Island election and welcomed back Councillor Nicholls and Councillor Shearer to the Council. HE the Governor referred to what he had said in his initial conversation with councillors on 14 July highlighting how democratic legitimacy was critical to how Ascension Island Government works, and the importance of councillors' views. HE The Governor explained that he looked forward to receiving the advice that the councillors will develop in due course along with the Ascension Island Government to assist him to proceed.

2. Approval of Minutes

The Administrator outlined the standard process of approving previous meeting minutes from previous informal and formal council meetings, but noted that as this is the first meeting with the new council, there were no minutes requiring approval.

3. Matters arising

The Administrator explained that previous actions had been closed off, so there were no outstanding actions from previous meetings.

4. Audited Financial Statements & Auditors Report

The Director of Resources, Peter Thomas, outlined the key points of the audited annual financial statement, as follows:

"This item is to present to the Governor and members of the Island Council the audited annual financial statements of Ascension Island Government for the Final Year 2023-2024, including the Chief Auditor's Independent Report and Management Letter.

The Auditor's management letter explains that 'The main objectives of the audit are to form an opinion as to whether the financial statements present fairly the financial position of Ascension Island Government at 31 March 2024 and of its financial performance and cash flows for the year then ended, to confirm that expenditure and income has been applied to the purposes intended, and that the financial statements are prepared in accordance with all relevant laws and policies'.

In essence this means that the Auditor's independent and professional opinion provides the Governor and members of the Island's Council an insight and assurance that AIG's financial statements are accurate, that they fairly reflect AIG's financial position, that public funds have been spent where they were authorised to be spent, and that they comply with relevant regulations and accounting standards.

In the opinion of the Independent Auditor, except for the possible effects of the matters described in the basis for qualified opinion section of his report, AIG's financial statements present fairly, in all material aspects, the financial position of AIG as at 31 March 2024, and its financial performance and its cash flows for the year then ended in accordance with Financial Reporting Standard (FRS) 102.

The two areas for the basis of Qualified opinion are under Property, Plant and Equipment and Regularity. For the two matters under Property, Plant and Equipment, namely valuation of part of the pierhead and assets which have become fully depreciated, AIG will work with the auditors to address these points and to seek an agreed position demonstrating compliance to FRS 102.

With reference to the Qualified Opinion on Regularity this has now been resolved by consent from HE the Governor for the overspend of £622 to stand against public funds. The auditor's report provides a number of Recommendations in assistance to AIG. Progress has already commenced to each of prior year recommendations and an Action Plan will be developed by myself to resolve the matters for each qualification and recommendation made.

AIG thanks the Auditor and the St Helena Audit team for their work, findings and recommendations to the 2023/24 financial statements.

The Auditor's report highlights the additional work that the Deputy Director of Resources and her Finance team completed whilst clearing the historical scope limitations and misstatements which were carried forward from the 2022/23 audit. Similarly, I also wish to thank the Deputy Director of Resources and the Finance Team for their hard and diligent work in producing the financial statements and supporting the audit process."

The Director of Resources concluded by reminding councillors that although the documents are for presentation he was happy to answer any questions they may have in scrutiny of the audited annual financial statements and the Chief Auditor's report.

The Administrator invited questions or comments, starting with HE the Governor.

HE the Governor explained to Councillors that while they may not be aware that a lot of ground had to be covered to get this report completed. The Auditor was, in the previous year unable to offer an opinion on aspects of the accounts. HE the Governor expressed his formal thanks for the work that was undertaken by the Director of Resources, the Deputy Director of Resources and the Finance team to create a constructive dialogue and find solutions that enabled the audit team to move beyond the previous year's challenges. Audit St Helena are an independent organisation who challenge everybody. To get to this stage with limited qualified comment is a testament to the effort that was put in.

The Administrator opened questions to the Councillors. Councillor Nicholls raised a question on excess expenditure and statutory compliance. Councillor Nicholls noted that the report states that, "The laws of Ascension do not prescribe any particular statutory requirements as to the form and content of the Government financial statements. Accordingly, I have no matters to report as to whether the accounts and financial statements have been prepared in accordance with all relevant laws and policies." Councillor Nicholls asked if this matter was going to be addressed.

The Director of Resources noted that this issue had been raised with the former Attorney General (AG), and the words implied that the law does not enforce or delegate any accounting standards. The former AG's legal view was that this was not quite technically right, and the Director of Resources agreed that the accounts are produced to Financial Reporting Standards 102 which the auditor has audited against. The Chief Auditor's comment this year was that the Laws of Ascension do not prescribe how the audit is carried out to the opinion, and so takes the three criteria from St Helena which is more general.

The Director of Resources did not assess there is much significance to that, because both Ascension and St Helena have to prepare true and fair accounts, and the criteria are relevant to Ascension. The Director of Resources emphasised that the accounts were audited to financial reporting standards 102 which the auditor acknowledged. The Acting Attorney General agreed that the Director of Resources' response was a fair representation, and it was clear that there is compliance with Financial Reporting Standards 102, which came with internationally recognised standards with the auditor content that those represent a structure and a form for integrity of the accounts. The Acting Attorney General suggested that this may be a matter for the Council to discuss if it considers that there is need for greater form or structure that needs to be prescribe either by law or guidance, depending on the council's legislative priorities or agenda.

Daniel Weight, Acting Crown Council, reflected the comments made by the Acting Attorney General and noted that the Council may request a more formal mechanism for determining which accounting standards that the financial accounts are compared against. He also noted what a hypothetical provision may look like, it might not specify a specific standard, but may require the Governor to nominate a standard that shall be applied. Currently Financial Reporting Standard 102 has been applied, but there is not a formal mechanism to apply that elected standard, and the Council may want to develop a formal mechanism to elect financial standards going forward.

The Director of Resources welcomed the technical advice and noted that the finance ordinance allows GAAP (Generally Accepted Accounting Practices), and Financial Reporting Standards 102, or in the case of St Helena, international accounting standards are Generally Accepted Accounting Practices (GAAP). The DoR noted there was an argument that AIG does meet the requirement of GAAP, but if HE the Governor were to formally adopt Financial Reporting Standard 102 and that satisfied the Chief Auditor, the DoR is happy for that to be considered by Council to recommend to the Governor.

Councillor Nicholls accepted the explanation. He asked a follow up question, asking the Director of Resources what the position is on the new financial regulations. The Director of Resources explained that they have been drafted, and will be worked on once the new Crown Counsel is in post. The DoR noted that the new financial regulations have Financial Reporting Standards 102 as standard. The Director of Resources confirmed that this first draft has been shown to the Chief Auditor, the previous Council, and HE the Governor. The Administrator confirmed that these will shortly come into force pending the final checks and approvals needed.

Councillor Nicholls asked about the recommendations of the report, expressing his disappointment that only one item had been cleared. The Director of Resources explained that the majority of the recommendations are reported by the Chief Auditor as being in process with satisfactory progress made on each of the recommendations. The Director of Resources explained that he is preparing an updated action plan to look at how these actions can be further progressed as much as possible. Limited team and more historical recommendations may mean that some may not be fully cleared. A reduction in qualifications has shown the progress made in the financial management of the Ascension Island Government, but the Director of Resources recognised the point made by Councillor Nicholls and offered continued progress on the recommendations as much as possible.

Councillor Nicholls asked how the valuation of the pierhead would be undertaken. The Director of Resources noted that warehouse, buildings, and surface comprising the pierhead had been valued and was unsure how much further the valuation could go. The Director of Resources explained that he was due to have a discussion with the auditors at the end of the month and the question of the pierhead will come up. There are people who can value pierheads and the Director of Resources explained he was in contact with the Falkland Islands and companies who could do the valuation. A quote to satisfy the auditors would need to be approved by Council. The AIG and Council will then need to decide whether to agree to fund a valuation to clear the auditor's

recommendation or to accept an ongoing qualification. Councillor Nicholls accepted the response and had no further questions.

5. Any other business

There were two items of **other business**:

- i. **Food Security:** Councillor Bennett asked for the issue of food security to be added to the agenda of the next council meeting. He explained that it was a big concern on Island presently. He had met the Chandlery staff this week to try and understand the difficulties the shop faced, and gauge what plans the shop had for the future. He confirmed that he was aware of discussions between employing organisations on Island to possibly lend a hand or give help where possible. Councillor Bennett asked if there was any information that could be shared with the community, any discussions that have been ongoing and reassure the community that the Ascension Island Government is looking into the issue of food security, and to assure them that the matter is being taken forward. The Administrator agreed that it is an important issue and suggested a memo be produced to frame the exact information that Council would find helpful, highlighting the actions taking place to address concerns.
- ii. **Formation of Committees:** Councillor Nicholls asked when committee composition was to be decided. The Administrator suggested that the Council meet informally and discuss among themselves and liaise with Clerk of Council to confirm these committees, including Councillor Shearer (albeit not formally sworn in). The Clerk of Council will co-ordinate with Councillors.

6. Proposed dates of next meetings:

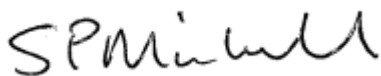
Informal Council meeting – 16:30 Thursday 21 August 2025

Formal Council meeting – 16:30 Thursday 04 September 2025

There was no further business and the meeting ended at 17:03

Georgina Wilson
Clerk of Council

I certify that this is a true record of the meeting to which it relates.



Simon Minshull

On behalf of HE the Governor, Mr Nigel Phillips CBE