

## PUBLIC ACCOUNTS COMMITTEE

Open Minutes of the Meeting held  
Wednesday 26<sup>th</sup> September 2018 commencing at 10.00  
at the Public Accounts Committee Office, Reflections Building, Dean Street

**An audio copy will be available from the Secretary once the minutes have been approved.**

<b>Present:</b>	Dr Andrea Clausen	(AC) (Chair)
	Dr Barry Elsby MLA	(BE)
	Mr Richard Cockwell	(RC) (Deputy Chair)
	Mrs Nadia Knight	(NK)
	Mrs Nancy Locke	(NL) (Secretary)
<b>In attendance:</b>	Mr Philip Honeybone	(PH) Chief Internal Auditor, FIG
	Mr Gavin Short	Falklands Radio

### 1. Apologies

Apologies received from Mr Mark Pollard MLA (MP)

The Chair welcomed everyone to the PAC meeting.

### 2. Declarations of Interest

None.

### 3. Minutes of the Meeting held on Wednesday 20<sup>th</sup> July 2018

The Open Minutes of the meeting held on 20<sup>th</sup> July 2018 were signed as an accurate record of the meeting.

### 4. Matters Arising from the Open Minutes of the Meeting held on Wednesday 20<sup>th</sup> July 2018

4. SAAS accounts, not received, see item 6 below.

6. Media Trust accounts, completion report not received for 2016 and will not be forthcoming and no accounts received for 2017, item 5 below. The PAC are therefore behind in reviewing the accounts in a timely fashion and reporting to Legislative Assembly.

**Action: Secretary/AC**

7. FLH accounts, FLH does not receive a subvention and the reply from Financial Secretary policy on how far remit of investigation goes in the case of reserves was read out as follows: *'1. As part of the annual process for grants (known as "subventions" within FIG), Statutory Corporations and other bodies are required to make a request for funding, and to include details of accumulated reserves;*

*2. Certainly as part of the 18/19 budget process I recall being in touch with FIDC and FITB to establish the extent to which those bodies needed a full year of subvention, given that there were what appeared to be some available reserves. In the end I was content with the level of reserves, and there is a balance to be had between the extra notional return on investments*

*(i.e. FIG Growth Fund will generally earn more investment return than the interest rate in a bank account), but the amounts were not significant in relation to other working capital efficiencies that FIG should be targeting (e.g. debt collection).*

*3. The organisations that receive the permission to draw down grant from FIG do not have to actually access the cash. For example, in 2017/18, FIDC accessed £450k cash, rather than the full allocation of @ £1m. This represents a trusting working relationship.*

*4. In the case of FLH, there have been financial surpluses as a result of improved micron and higher wool prices. There are now more funds available for investment in building / farm improvements and purchase of equipment. FLH receives no subvention from FIG. There is also the issue of cash flow, and the need to have reserves sufficient to deal with the timing of sales of wool towards the second half of the financial year. Having reserves helps cash flow without recourse to other methods, such as a requirement for more subvention or a bank overdraft.’ PAC were content with the response and will monitor the situation when the next accounts are received to see whether the accumulated capital has been spent in a timely manner.*

8. FIMCO, accountant confirmed that the papers were complete when presented to the PAC.

9. Falklands Conservation, completion report was requested by accountants who reported that: *‘the accounts are not straightforward to read and understand and so if the committee has specific queries or would like a rounded narrative then this is something that we could look at providing’.*

**5. Media & National Trust 2017 – Not Received**

**Action: Secretary/AC**

**6. SAAS Ltd 2017 – Not Received**

It was reported by the accountant that ‘unfortunately the 2017 accounts for SAAS have not been signed off by the auditors and this is a result of a hold up by FIG’. It is hoped that the accounts will be available to present to the next meeting of the PAC in January 2019.

**7. Responses to the PAC from the Legislative Assembly:**

**a) PWD Tenders**

The committee were content with the response noting that there were clearly improvements. It was also noted that the Partnership Agreement had not been submitted to ExCo, an update would be requested and the PAC Secretary would clarify progress on recommendations made five years ago on Morrison’s agreement.

**Action: Secretary**

**b) FIG Mortgages**

The committee were content with the response.

**c) Review of Seatruck Procurement**

The committee were content with the response.

**8. Confirmation of dates & times for next meetings**

The following dates were proposed for meeting during 2019:

January 31<sup>st</sup> 2019 at 15:00

April 11<sup>th</sup> 2019 provisionally at 10:30

July 25<sup>th</sup> 2019 provisionally at 14:00

October 18<sup>th</sup> 2019 provisionally at 10:30

**9. Authority for documents from this meeting to be published**

Members of the Public would be advised that copies of the minutes of the previous meeting and FIG responses to PAC recommendations would be available from the office.

The Chair requests that members of the public leave the room for the consideration of the following items in accordance with the Public Accounts Committee Ordinance as amended by the Part 9 of the Committees (Public Access) Ordinance 2012.

I confirm that these minutes are an accurate record of the meeting

.....  
(Chairperson)

.....  
(Date)