



AUDIT ST HELENA
External Auditors

Management Letter

Equality and Human Rights Commission

31 March 2022

29 SEPTEMBER 2022

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INTRODUCTION

In accordance with Schedule 1 (section 4) clause 14(d) of the Commission for Equality and Human Rights Ordinance, I have been requested to perform an independent examination of the financial statements of the Equality and Human Rights Commission (EHRC) for the period ended 31 March 2022 and report my findings to the Commissioners.

The purpose of this report is to summarise for the Commissioners, the key issues arising from my examination procedures and report any material weaknesses in the accounting and internal controls that have come to my attention during the review.

RESPECTIVE RESPONSIBILITIES

The preparation of the Financial Statements is the responsibility of the management of EHRC. Management is also responsible for internal controls that are necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

My responsibility as the Appointed Examiner is to perform an examination sufficient to certify the Financial Statements and report any matters arising.

REVIEW OBJECTIVES

I have conducted my review in accordance with International Standard on Review Engagements (ISRE) 2400, *Engagements to Review Historical Financial Statements*. ISRE 2400 requires me to conclude whether anything has come to my attention that causes me to believe that the Financial Statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. ISRE 2400 also requires us to comply with relevant ethical requirements.

A review of Financial Statements in accordance with ISRE 2400 is a limited assurance engagement. I have performed procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluated the evidence obtained. These procedures are performed to enable me to express my conclusion on the Financial Statements in accordance with ISRE 2400.

INDEPENDENCE

As the Appointed Examiner, I am the independent examiner, and confirm that my team and I have complied with relevant ethical requirements regarding independence. There are no identified threats to my independence in undertaking this review engagement.

GOING CONCERN

The examiner is required to communicate with the Commissioners, as those charged with governance, any events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern. Such communication with those charged with governance shall include the following:

- a) Whether the events or conditions constitute a material uncertainty;
- b) Whether the use of the going concern assumption is appropriate in the preparation of the financial statements; and
- c) The adequacy of related disclosures in the financial statements.

The Commission has prepared the financial statements on the basis of the Commission continuing as a going concern in the foreseeable future. I have identified no reason to challenge this assertion.

INDEPENDENT EXAMINERS CONCLUSION

I have reviewed the financial statements of the Equality and Human Rights Commission for the year ended 31 March 2022 in accordance with the Commission for Equality and Human Rights Ordinance. The financial statements comprise the Statement of Cash Receipts and Payments, and the related Notes including the Accounting Policies.

My responsibility is to review and express a conclusion on the financial statements in accordance with applicable legal requirements and International Standards on Review Engagement (ISRE) 2400. This standard requires me to comply with the International Code of Ethics for Professional Accountants (the IESBA Code).

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not properly present the Statement of Cash Receipts and Payments of the Equality and Human Rights Commission for the year ended 31 March 2022, and its supporting notes, in accordance with the Cash Basis International Public Sector Accounting Standard – *Financial Reporting Under the Cash Basis of Accounting*.

The following emphasis of matter paragraphs were included to draw attention of the Commissioners:

1. Note 4 wherein EHRC has a liability of £1,080 arising from non-compliance in prior periods with section 15(1) of the Income Tax Ordinance and section 6(1) of the Income Tax Regulations. My conclusion was not modified in this regard.

The form of my report containing this conclusion is included in Appendix A.

PROGRESS ON MATTERS RAISED PREVIOUSLY

We have followed up previous recommendations remaining outstanding from the prior year review. The table below sets out the summary position on these recommendations in terms of those raised and those either closed or remaining open and requiring further management response.

Status of previous open recommendations	Number
Open recommendations brought forward	2
Recommendations cleared by management	1
New recommendation made this year	0
Recommendations open and requiring further action	1

We have reported open recommendations from prior periods requiring attention from management in Appendix B to this report.

CHANGES TO ACCOUNTS

No material adjustments were made to the presentation and disclosure of the financial statements.

CLOSING REMARKS

I acknowledge and thank the officers of Equality and Human Rights Commission, for their assistance and co-operation given to Audit St Helena during the course of the examination.



Brendon Hunt
Appointed Examiner

29 September 2022

APPENDIX A: INDEPENDENT EXAMINER'S REPORT

Independent Examiners Report to the Commissioners of the Equality and Human Rights Commission

I have reviewed the financial statements of the Equality and Human Rights Commission for the year ended 31 March 2022 in accordance with the Commission for Equality and Human Rights Ordinance. The financial statements comprise the Statement of Cash Receipts and Payments, and the related Notes including the Accounting Policies.

Respective Responsibilities of the Commissioners and the Independent Examiner

The Commissioners are responsible for preparing the financial statements in accordance with the International Public Sector Accounting Standard – Cash Basis and being satisfied that they properly present the financial performance of the Commission. The Commissioners are also responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

My responsibility is to review and express a conclusion on the financial statements in accordance with applicable legal requirements and International Standards on Review Engagement (ISRE) 2400. This standard requires me to comply with the International Ethics Standards Board for Accountants (IESBA) Code of Ethics.

Scope of the Review of the Financial Statements

A review engagement under this ISRE is a limited assurance engagement. I have performed procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluated the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (ISAs), and, accordingly, I do not express an audit opinion on the financial statements.

Conclusion on the Financial Statements

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not properly present the Statement of Cash Receipts and Payments for the year ended 31 March 2022 and its supporting notes, in accordance with the Cash Basis International Public Sector Accounting Standard – *Financial Reporting under the Cash Basis of Accounting*.

Emphasis of Matter

Without modifying my conclusion, the following matters are noted for the attention of the Commissioners:

1. As disclosed in Note 4 a tax liability of £1,080 existed at 31st of March 2022 which arose from non-compliance in prior periods with section 15(1) of the Income Tax Ordinance and section 6(1) of the Income Tax Regulations.

Brendon Hunt CA (SA)
Appointed Examiner
Audit St Helena, Jamestown, St Helena

29 September 2022

APPENDIX B: RECOMMENDATIONS

Table 1: Prior year Recommendations

No	Recommendation	Priority	Status	Comment
1	<p>Non-Compliance with the Income Tax Ordinance</p> <p>The Commissioners should engage the Tax Commissioner, establish the exact liability owed and institute a repayment plan.</p> <p>Reasons for non-payment should be sought from management and where applicable the relevant amounts should be recovered from the employee concerned.</p> <p>The Commissioners should also establish internal arrangements to ensure future due compliance with statutory and regulatory requirements in the administration of the Commission.</p>	High	Open	<p>The EHRC established the exact liability owed and a repayment plan was agreed for the outstanding tax.</p> <p>First instalment of £2,000 made in March 2020. In addition, monthly instalments of £150.00 commenced from April 2020 and has continued throughout the current financial year. A total of £2,140 was paid during the financial year with a balance of £3,945 remaining.</p> <p>The Financial Secretary waived 50% of the penalties on September 2021. Following payments made during the Financial Year 2021/22 the tax balance outstanding at 31 March 2022 is £1080.00. This balance will be cleared by November 2022.</p> <p>The EHRC have established internal arrangements for tax to be deducted from all salaries and the tax office is informed monthly. The Commission is complying with statutory and regulatory requirements.</p>

No	Recommendation	Priority	Status	Comment
				This matter will be closed upon settlement of the tax liability.
2	Salary Increases and Budget Prioritisation Commissioners ensure that remuneration increases are only affected once the funding limit for the year under review has been approved. This will enable the Commissioners to correctly prioritise remuneration increases against other policy outcomes the Commission wishes to achieve.	High	Closed	Confirmed that this has been included in the Financial Policy and Procedures that was reviewed and approved in February 2022.

DEFINITION OF PRIORITIES	
HIGH	Immediate risk of error, loss of cash or other assets or significant non-compliance with relevant Ordinances or regulations. Action should be taken on these within 2 months.
MEDIUM	Issues identified which would improve the quality of financial reporting and/or internal control systems. Action should be taken on these within 6 months, or by the end of the next financial reporting period, whichever is the earliest.