



AUDIT ST HELENA
External Auditors

Management Letter

Equality and Human Rights Commission

31 March 2023

4 December 2023

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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 2023 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 Commission 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 Equality and Human Rights Commission financial statements are prepared in accordance with the International Public Sector Accounting Standard (IPSAS) financial reporting framework under the Cash Basis of Accounting. In considering whether the going concern basis of preparation remains appropriate, The Commission is required to look at a minimum future 12 month period from the date of the approval of the financial statements. Under this framework, management prepared the financial statements on the basis of the Commission continuing as a going concern in the foreseeable future.

Under The Commission for Equality & Human Rights Ordinance, St Helena Government must fund the Commission such sums as appear to the Legislative Council reasonably sufficient for the purposes of enabling the Commission to perform its functions. This aid commitment from St Helena Government is formalised through a Grant Award Letter for the financial year 2023-2024 albeit falls short of the minimum future 12month period. The absence of the approved St Helena Government 2024-25 budget creates uncertainty as to the appropriateness of the use of the going concern basis of accounting. This material uncertainty is disclosed in note 10 to the financial statements and I have drawn attention to this disclosure via an emphasis of matter paragraph.

INDEPENDENT EXAMINERS CONCLUSION

I have reviewed the financial statements of the Equality and Human Rights Commission for the year ended 31 March 2023 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 2023, and it's 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 paragraph was included to draw attention to the users of the financial statements:

1. Without modifying my conclusion, I draw attention to Note 10 in the financial statements, which describes that the 2024/25 budget for the Commission has not yet been approved by St Helena Government. As indicated in the note, this condition indicates that a material uncertainty exists that may cast significant doubt on the Commission's ability to continue as a going concern. My conclusion is not modified in respect to this matter

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	1
Recommendations cleared by management	1
New recommendation made this year	0
Recommendations open and requiring further action	0

There are no open recommendations from prior periods requiring attention from management. This is reflected in Appendix B to this report.

CHANGES TO ACCOUNTS

The following adjustments were made to the presentation and disclosure of the financial statements:

Description of correction	Note affected	Value of error £
Amendments to the Going Concern note to include the material uncertainty emanating from the absence of an approved SHG 2024-25 Budget.	10	N/A
Clarification of the description of income received from FCDO - Victim Support Scheme.	Statement of Cash Receipts and Payments	N/A
Reclassification of the prior year salary related transport costs previously disclosed separately and now lumped with salaries.	Statement of Cash Receipts and Payments	982
Amendment to separately classify training costs which had been incorrectly added to salaries.	Statement of Cash Receipts and Payments	550

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.

A handwritten signature in blue ink, appearing to read 'Vimbai Chikwenhere', with a stylized, flowing script.

Vimbai Chikwenhere

Appointed Examiner

4 December 2023

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 2023 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 2023 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, I draw attention to Note 10 in the financial statements, which describes that the 2024/25 budget for the Commission has not yet been approved by St Helena Government. As indicated in the note, this condition indicates that a material uncertainty exists that may cast significant doubt on the Commission's ability to continue as a going concern. My conclusion is not modified in respect to this matter.

Vimbai Chikwenhere CA (Z)
Appointed Examiner
Audit St Helena, Jamestown, St Helena
30 October 2023

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	Closed	The tax liability was cleared off during the financial year. Therefore recommendation is now closed.

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.