

# EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

**Committee:** Audit and Governance Committee      **Date:** Thursday, 23 June 2011

**Place:** Council Chamber, Civic Offices, High Street, Epping      **Time:** 7.00 - 9.20 pm

**Members Present:** Councillors A Watts (Chairman), C Finn and R Thompson

**Other Councillors:** Councillors Mrs D Collins, Mrs M McEwen, G Mohindra, J Philip, D Stallan, Mrs L Wagland and C Whitbread

**Apologies:** Mrs M Peddle and Ms S Watson

**Officers Present:** D Macnab (Acting Chief Executive), C O'Boyle (Director of Corporate Support Services), R Palmer (Director of Finance and ICT), B Bassington (Chief Internal Auditor), P Maddock (Assistant Director (Accountancy)), B Moldon (Principal Accountant) and G J Woodhall (Democratic Services Officer)

**Also in attendance:** R Bint (External Auditor)

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## 1. DECLARATIONS OF INTEREST

(a) Pursuant to the Council's Code of Member Conduct, Councillor Mrs D Collins declared a personal interest in agenda item 20. The Councillor had determined that her interest was not prejudicial and would remain in the meeting for the consideration of the issue.

(b) Pursuant to the Council's Officer Code of Conduct, C O'Boyle declared a personal interest in agenda item 20. The Officer had determined that her interest was not prejudicial and would remain in the meeting for the consideration of the issue.

## 2. MINUTES

### Resolved:

(1) That the minutes of the meeting held on 4 April 2011 be taken as read and signed by the Chairman as a correct record.

## 3. MATTERS ARISING

There were no matters arising from the previous meeting.

## 4. CORPORATE GOVERNANCE GROUP - 16 MARCH 2011

The Director of Finance & ICT presented the minutes from the meeting of the Corporate Governance Group held on 16 March 2011. The Committee's attention was drawn to the topics of discussion and actions arising from the meeting.

### Resolved:

(1) That the minutes of the meeting of the Corporate Governance Group held on

16 March 2011 be noted.

**5. CORPORATE GOVERNANCE GROUP - 20 APRIL 2011**

The Director of Finance & ICT presented the minutes from the meeting of the Corporate Governance Group held on 20 April 2011. The Committee's attention was drawn to the topics of discussion and actions arising from the meeting.

**Resolved:**

(1) That the minutes of the meeting of the Corporate Governance Group held on 20 April 2011 be noted.

**6. CORPORATE GOVERNANCE GROUP - 1 JUNE 2011**

The Director of Finance & ICT presented the minutes from the meeting of the Corporate Governance Group held on 1 June 2011. The Committee's attention was drawn to the topics of discussion and actions arising from the meeting. It was noted that the Constitution & Member Services Scrutiny Panel had not yet discussed the issue of Deputy Portfolio Holders being appointed to the Audit & Governance Committee.

**Resolved:**

(1) That the minutes of the meeting of the Corporate Governance Group held on 1 June 2011 be noted.

**7. ANNUAL ACCOUNTS UNDER INTERNATIONAL FINANCIAL REPORTING STANDARDS**

The Assistant Director (Accountancy) presented a report concerning the adoption of the International Financial Reporting Standards for the Council's annual accounts.

The Assistant Director reported that the accounts for 2009/10 had been restated to comply with the new standards, and the accounts for 2010/11 were substantially complete on the same basis. The Committee noted the differences for the four main financial statements of the new standards, namely the Comprehensive Income & Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet and the Cashflow Statement, from the Statements that had previously been prepared. In addition, there had been some changes required to the notes within the Statements and these were set out in Appendix 5 of the report. Finally, the Accounting and Audit Regulations 2011 had reinstated the previous practice of the annual accounts being scrutinised and approved after their audit by the External Auditors in September of each year.

The External Auditor added that there had been no serious problems to report in the work undertaken so far by the Council in converting their financial statements to conform with the International Financial Reporting Standards.

**Resolved:**

(1) That the format of the core financial statements and notes to be included in the Statutory Statement of Accounts for 2010/11 be noted; and

(2) That the consideration of the Statutory Statement of Accounts for 2010/11 by the Committee would not occur until the meeting scheduled for 22 September 2011,

after the audit of the accounts, be noted.

## **8. ANNUAL GOVERNANCE STATEMENT 2010/11**

The Chief Internal Auditor introduced a report on the Annual Governance Statement for 2010/11.

The Committee was informed that the Council's Statutory Statement of Accounts had been prepared in accordance with the Accounts and Audit Regulations 2003 (as amended by the Accounts and Audit Regulations (Amendment) (England) 2006). Within the Regulations, and in accordance with defined 'proper practice', there was a mandatory requirement to publish an Annual Governance Statement (AGS). The arrangements were designed to provide the Authority with assurance regarding the adequacy of its governance arrangements, and identifying where those arrangements needed to be improved. Three internal control issues had been identified and these were now being addressed.

The Committee commented that the Finance system was no longer called Cedar and that section 3.5 should be updated accordingly, whilst section 7.1.1 should be revised to include the measures being taken to reduce the risks identified for the throughput of Freedom of Information requests.

### **Resolved:**

(1) That the draft Annual Governance Statement for 2010/11 be approved subject to the following amendments:

- (a) updating the name of the computer system used by the Finance Directorate; and
- (b) including the measures being taken to reduce the risks for the throughput of Freedom of Information requests.

## **9. TREASURY MANAGEMENT STRATEGY STATEMENT & INVESTMENT STRATEGY 2011-2014**

The Principal Accountant presented a report upon the Treasury Management Strategy Statement and Investment Strategy 2011/12 to 2013/14.

The Principal Accountant reported that the Council was required to approve the Treasury Management Strategy and Prudential Indicators and a statement on the Minimum Revenue Provision (MRP) before the start of each financial year. This had been achieved for the municipal year 2011/12 when the Council approved the original Strategy in February 2011. However, following the Government announcement to proceed with Housing Self Financing through the Localism Bill, the Council now needed to be ready to borrow up to £200million and the amended Strategy would enable the Council to accomplish this.

The Principal Accountant outlined a number of risks associated with the change to the Strategy. The first risk was the level of borrowing being set too low, however with an estimated debt of £180million and a new debt ceiling of £200million, the likelihood of this was considered low. The second risk was being unable to finance the level of debt, however financial modelling had indicated that the Housing Revenue Account Business Plan would be viable with the debt being repaid within 17 years whilst still also being able to fund the capital programme. The third identified risk was the timing

and changes to interest rates, which could result in the Council paying higher interest charges over the entire life of the loan.

The Principal Accountant concluded that the Council would need to determine how best to create its debt portfolio, taking account of the prevailing interest rates, duration and type of loan. Further reports on the structure of the Council's borrowing would be submitted to the Cabinet in due course after consultations with the Council's treasury advisors Arlingclose.

In addition to the risks outlined within the report, it was highlighted that there were also the risk to the Council of the accuracy of the Government's estimate of the Council's share of the debt being £180million. In addition, the Government had not provided any assurance that the Council would not be allocated further debt once it had paid off its original tranche. The Committee felt that the proposed borrowing represented a considerable risk to the Council and that it should be added to the Corporate Risk Register.

**Resolved:**

(1) That, in complying with the Government's proposals for Housing Revenue Accounts to be self-financing, the risks associated with the revised Treasury Management Strategy Statement and Investment Strategy for the period 2011/12 to 2013/14 be noted; and

(2) That the risks identified with the proposed borrowing of £180million by the Council be added to the Corporate Risk Register and an Action Plan compiled if required.

**10. REPORT OF THE EXTERNAL AUDITOR - AUDIT FEE LETTER**

The External Auditor presented the Annual Audit Fee Letter for 2011/12, which provided an indicative fee for the year's audit and summarised the current significant audit risks.

The External Auditor reported that the indicative fee for the 2011/12 Audit was £142,215 and was based upon the risk-based approach to audit planning as set out in the Code of Audit Practice. The indicative fee consisted of £82,215 for the audit of financial statements, £31,500 for the Value for Money conclusion and £28,500 for planning and reporting activities. There was an additional fee estimated at £62,000 for the certification of grant claims and returns. Any significant variance to the indicative fee would be reported to the Director of Finance & ICT in the first instance, with a report for discussion with the Audit & Governance Committee. It was intended to bill the fee in four equal instalments of £35,553.75.

The External Auditor stated that no significant audit risks had been identified during the assessment, however there were three issues of note. The Council's financial position would be monitored during the course of the audit and the Council's financial resilience, including the utilisation of reserves and plans for delivering efficiencies, would be assessed as part of the Value for Money Conclusion. The implementation of the Action Plan from the Audit Commission's inspection report of the Council's Benefit service would be monitored for any delays or audit risks arising thereof. Finally, the possible development of a retail park at Langston Road in Loughton and the further development opportunities at North Weald Airfield would be scrutinised.

The Chairman pointed out that progress with the implementation of the Action Plans for the Benefits Division was monitored by the Finance & Performance Management

Scrutiny Panel as well as the Department of Work and Pensions. The Director of Finance & ICT reassured the Committee that the Accountancy section would liaise closely with the External Auditors regarding the supporting documents that they would require to undertake the Audit.

**Resolved:**

- (1) That the Annual Audit Fee Letter for 2011/12 be noted.

**11. INTERNAL AUDIT MONITORING REPORT - JANUARY TO MARCH 2011**

The Chief Internal Auditor presented the Internal Audit Monitoring Report for the final quarter of 2010/11.

The Chief Internal Auditor advised the Committee of the audit reports that had been issued during the fourth quarter:

- (a) Full Assurance:
- Housing Rent Collection & Arrears;
  - Cash Receipting & Income Control;
  - Pest Control Contract; and
  - Verification of Cash Floats.
- (b) Substantial Assurance:
- Risk Management & Insurance;
  - Bank Reconciliation;
  - Creditors;
  - Treasury Management;
  - Budgetary Control;
  - General Ledger;
  - Cash Receipting ICT System;
  - ICT Procurement;
  - Asset Management;
  - National Non-Domestic Rates;
  - Network Operating System Security;
  - Car Parking;
  - Housing Lettings; and
  - Recruitment & Selection.
- (c) Limited Assurance:
- Housing Maintenance Stores Stock Take (31 March 2011).
- (d) At draft report stage:
- Payroll;
  - Corporate Procurement;
  - Housing Benefits;
  - Building Control;
  - North Weald Airfield;
  - Housing Maintenance Depot; and
  - Waste Management & Recycling.

The Audit Plan had included six financial audits, two ICT audits and a Corporate Procurement audit to be carried out by the Council's Audit Contractor Deloitte and Touche. Eight of these audits had been completed, whilst the Procurement audit was

being subjected to the contractor's quality control process before the draft report was issued.

The Committee's attention was drawn to the Priority 1 Actions Status report, and the Limited Assurance Audit Follow Up Status report. It was also noted that the Action Plan arising from the Annual Governance Statement had been appended to allow the Committee to monitor progress against the targets.

The Chief Internal Auditor reported upon the current status of the Internal Audit Unit's Local Performance Indicators for 2010/11.

- % Planned Audits Completed Target 90% Actual 82%;
- % Chargeable Staff Time Target 72% Actual 69%;
- Average Cost per Audit Day Target £320 Actual £333; and
- % User Satisfaction Target 85% Actual 80%.

The Committee noted that there had been a shortfall in the planned audits completed and an increase in the average cost per audit day. This was principally due to the unavailability of a member of staff since early January on long-term sickness.

With regards to the limited assurance audit for the Housing Maintenance Stores Stock Take, the Chief Internal Auditor stated that the Council was not suffering a significant financial loss, it was simply a case of copious errors. This was not considered to be due to theft; the previous system had failed and the new database was put together very quickly but the staff had not learned how to use the system properly. Consequently, half of the stock records were incorrect. The newly appointed external contractor would be implementing their own stock control system, which would hopefully solve the problem.

The Assistant Director (Accountancy) reported that spreadsheets were still being used for some Asset Management records, as there were some issues remaining with the new system, but the new system would be used from 2011/12 as these issues were resolved. The Chief Internal Auditor agreed to report back to the Committee when the Tenancy Fraud Prevention Strategy had been implemented. In respect of Bed & Breakfast Contracts, the Council had continued to use the Park Hotel, despite the overpayment of £1025 not being refunded. It was noted that this had been the Council's mistake in using an incorrect rate on the order and therefore would be written off in due course. With regard to the Cash Summary Sheets and Banking Procedures at Norway House, the timescales for both would be clarified but that it was felt that the next working day would be more appropriate than either "...a timely manner..." or "...at the earliest opportunity...". All of the outstanding Priority One Actions would be reviewed as part of the next planned audit for the area concerned.

The report from the recent audit of Risk Management and Insurance in March 2011 had been attached to the Quarterly Monitoring Report at the request of the Committee. The Director of Finance & ICT added that the Council provided claims handling and policy advice to Uttlesford District Council.

**Resolved:**

(1) That the following issues arising from the Internal Audit Monitoring Report for the fourth quarter of 2010/11 be noted:

(a) the Audit reports issued between January and March 2011 and significant findings therein;

- (b) the Priority 1 Actions Status Report;
- (c) the Limited Assurance Audit Follow-Up Status Report; and
- (d) The Risk Management and Insurance Audit report.

## **12. INTERNAL AUDIT ANNUAL REPORT 2010/11 & REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL AUDIT**

The Chief Internal Auditor presented the Internal Audit Annual Report for 2010/11, along with a review of the effectiveness of the system of Internal Audit.

The Chief Internal Auditor stated that the Annual Report had provided a summary of the work undertaken by Internal Audit during the period April 2010 to March 2011, had compared the actual performance against the Audit Plan for 2010/11, and had supported the opinion of Internal Audit on the adequacy of the Council's internal control environment.

The Chief Internal Auditor reported that 49 audit reports were compiled during the year, of which 4 were given full assurance, 37 were given substantial assurance and 7 were given limited assurance. One report had been compiled but was within the Internal Audit Contractor's quality control process and had not yet been formally issued. This number of planned audits completed represented 82% of the original Audit Plan, against a target of 90%, and the chargeable staff time was 66%, against a target of 72%. It was highlighted that there had been a vacancy during the first quarter of the year, one member of staff had taken study days for a professional qualification and another member of staff had suffered long-term sickness during the final quarter of the year.

The Chief Internal Auditor declared that, although awareness of governance requirements had improved and the supporting systems had also improved, risks could not be totally eliminated and therefore an overall full assurance could not be given. Consequently, the opinion given in the Annual Report provided a reasonable level of assurance that there were no significant weaknesses in the Council's control environment. The audits carried out in 2010/11 concluded that the systems were generally operating satisfactorily and appropriate follow-up action had been taken where appropriate to reduce the risk of error or fraud.

The Committee noted that the Accounts and Audit Regulations included a requirement for the Council to carry out an annual review of the effectiveness of its system of internal audit, as part of the wider review of the effectiveness of the system of governance. The report summarised the review undertaken for 2010/11 by the Corporate Governance Group, to assist the Committee in assessing the effectiveness of the system of Internal Audit on behalf of the Authority. The Group was satisfied that the Council's system of Internal Audit was effective during 2010/11.

### **Resolved:**

- (1) That the Audit Plan Status Report for 2010/11, as at 31 March 2011, be noted;
- (2) That, in the context of the Council's Governance Statement, the review of the effectiveness of the system of Internal Audit for 2010/11, as undertaken by the Corporate Governance Group, be noted; and

(3) That the satisfaction of the Committee with the effectiveness of the system of internal Audit during 2010/11 be confirmed.

### 13. BRIBERY ACT - POLICY

The Chief Internal Auditor presented a report regarding the Council's Bribery Act Policy.

The Committee was informed that the Bribery Act 2010 was due to come into force on 1 July 2011 and required action by organisations to ensure that due diligence procedures were applied, taking a proportionate and risk based approach to mitigate the risk of bribery. The Act also included a corporate offence of failure by the Council to prevent bribery, against which the Council would have to show that it had adequate procedures in place to prevent bribery by or of persons associated with the Council. Therefore, the first stage of this process was the adoption of a Bribery Act Policy.

The Chief Internal Auditor added that following the adoption of the policy, all Members and Officers would be made aware of their responsibilities under the Policy, and that guidance would be included as part of the Local Government Finance training currently given. The reporting of suspected breaches of the Policy through the Council's Confidential Reporting Policy would be encouraged and the Council's standard forms of contract would be reviewed to include appropriate anti-bribery clauses.

The Chief Internal Auditor re-iterated the measures that the Council would need to take to mitigate the risk of corporate prosecution, these being: proportionate procedures; top level commitment; risk assessment; due diligence; communication, including training; and monitoring & review. The Council would also need to research those companies convicted of bribery as part of the tender evaluation process for each contract, and that the scope of the policy would have to extend to include all contractors, consultants and third party organisations in association with the Council.

The Committee felt strongly that the policy should also include references to Members and their responsibilities, and not just Officers and other staff. It was also felt that the top level commitment to the policy should be highlighted at the start of the document and that the Confidential Reporting Policy should be clarified and simplified. The Chief Internal Auditor stated that the Gifts & Hospitality Policy was more extensive in the Staff Handbook, and that the Confidential Reporting Policy covered any concerns at work and not just suspected bribery. The Committee felt that the policy should 'stand alone' and requested that the extra elements be added as Appendices. It was agreed that the Policy would be revised and submitted to the Council on 26 July for approval, and that the revised version would be reviewed via email by members of the Committee. An additional meeting of the Committee would only be convened if the revised version was not ratified by the Corporate Governance Group.

#### **Resolved:**

- (1) That the draft Bribery Act Policy be revised to include:
  - (a) references to elected Members and their responsibilities;
  - (b) additional relevant sections as appendices, such as the Gifts & Hospitality Policy and Confidential Reporting at Work Policy;



(2) That, prior to its approval by the Council, the revised Bribery Act Policy be submitted to the Corporate Governance Group for clearance and distributed via email to the members of the Audit & Governance Committee;

(3) That an additional meeting of the Audit & Governance Committee only be convened if the Corporate Governance Group raised concerns about the revised Policy; and

(4) That the revised Bribery Act Policy be submitted to the Council scheduled for 26 July 2011 for final approval.

#### **14. LEGACY BENEFITS OF THE 2012 OLYMPIC & PARALYMPIC GAMES**

The Acting Chief Executive introduced a report concerning the potential legacy benefits from the 2012 Olympic and Paralympic Games. This had been requested by the Committee at its previous meeting as it was felt that there was a risk of the District not benefitting from the Games.

The Acting Chief Executive reported that the East of England had been one of the foremost supporters of the London 2012 Olympic Bid, with Essex being a strong contributor in helping the Region to register the highest level of public support across the whole of the United Kingdom. The Economic Impact Study prepared as part of the Olympic Bid submission, had estimated that the benefit to the County could be £139million. In addition to the economic benefits, the experience of other host cities, had indicated that there were equally significant social benefits to be realised through increased sports participation, volunteering, tourism, cultural opportunities and the inspirational effect of the games, in particular, for young people.

The Acting Chief Executive detailed a range of initiatives that the Council, along with its partners, were engaged in, to ensure that the legacy benefits of the Games for the District were maximised. These included:

(i) Construction and Procurement Opportunities – a number of West Essex companies had been successful in winning Olympic Construction Contracts, whilst other firms had been competing for Games-time contracts;

(ii) Employment and Training – opportunities had become available at the White Water Centre, which was now open to the public, including a number of apprenticeships for young people;

(iii) Volunteering – a number of event specific volunteers would be recruited locally to support the Olympic canoe events;

(iv) Economic Development and Regeneration – the construction of the Lee Valley White Water Centre represented a significant investment in the local area and would have ongoing benefits from the expected 70,000 visitors per annum. The District Council had already granted Waltham Abbey £160,000 to undertake amenity improvements;

(v) Lee Valley White Water Centre Economic Development Study – commissioned to identify the regeneration and economic legacy benefits that could be provided by the Centre. The completed report was expected to be published in June 2011;

- (vi) 2015 World Slalom Canoe Championships – the Council had supported the British Canoe Union in their successful bid to hold the 2015 Championships, which would benefit the local economy by approximately £1.7million; and
- (vii) Cultural Olympiad – a celebration of the Games through a number of arts and festival events involving local groups to complement the London 2012 Festival.

**Resolved:**

- (1) That the work undertaken with a range of partners to maximise the legacy benefits for the District of the 2012 Olympic and Paralympic Games be noted.

## **15. FUTURE OF LOCAL PUBLIC AUDIT - CONSULTATION**

The Director of Finance & ICT presented a report on a consultation upon the future of local public audit.

The Director reported that the Government had issued a consultation paper entitled “Future of Local Public Audit”, which had a closing date for responses of 30 June 2011. The consultation was over sixty pages long and had fifty detailed questions, most of which were either not relevant to the Council or were too complex to easily form a view on. However, there was a proposal about the future structure of Audit Committees that was relevant and would impact on the Council. The proposal was for Audit Committees to have a majority of independent Members, including the Chairman, with the elected Members being non-executive, non-Cabinet members and at least one with recent and relevant financial experience. The current structure for the Council’s Audit & Governance Committee involved a majority of elected Members with the Chairman being a Councillor and the Vice-Chairman being an independent Member.

Both the Finance & Performance Management Cabinet Committee and Scrutiny Panel had previously considered the report. The Director reported that the Cabinet Committee had been supportive of the existing structure as it was felt to be balanced and worked well. Sourcing additional independent members could be problematic and might necessitate additional remuneration. In addition, the Cabinet Committee had felt that Town and Parish Councils should have the option to appoint their own Auditor but that the County Council might be able to achieve better value for money, whilst it was questioned whether Independent Members would be subject to the provisions of the Data Protection and Freedom of Information Acts as per Elected Members. The Scrutiny Panel had a similar view and felt that there was no need to change the composition of the Audit & Governance Committee as it was working well in its current form.

The Committee broadly agreed with the consensus view of the both the Cabinet Committee and Scrutiny Panel. The Acting Chief Executive suggested that a joint response from all three Committees be prepared and reviewed by the Chairman of the Audit & Governance prior to its submission. The Committee questioned the public interest in the consultation at the current time, and the Acting Chief Executive stated that the viewing figures from all three webcasts could be provided.

**Resolved:**

- (1) That a joint response from the Audit & Governance Committee, Finance & Performance Management Cabinet Committee and Finance & Performance Management Scrutiny Panel be prepared to the “Future of Local Public Audit” consultation;

- (2) That this response be based upon:
- (a) the current structure of the Audit & Governance Committee to be retained with no Independent Chairman nor a majority for Independent Members;
  - (b) the recruitment of additional Independent Members with the necessary expertise could be difficult and would almost certainly involve additional payments which would increase the overall cost of audit within the Council;
  - (c) Parish and Town Councils to rely upon the County Council to appoint an external Auditor on their behalf if necessary; and
  - (d) further consideration to be given by the Government as to whether Independent Members of Audit Committees were covered by the requirements of Data Protection and Freedom of Information as per elected Members; and
- (3) That the proposed joint response be reviewed by the Chairman of the Audit & Governance Committee prior to its submission to the Government.

**16. ANY OTHER URGENT BUSINESS**

There was no other urgent business for the Committee to consider.

**17. EXCLUSION OF PUBLIC AND PRESS**

**Resolved:**

(1) That, in accordance with Section 100(A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the item of business set out below as it would involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12(A) of the Act indicated and the exemption is considered to outweigh the potential public interest in disclosing the information:

<u>Agenda Item</u>	<u>Subject</u>	<u>Exempt Information Paragraph Number</u>
No 20	Former Chief Executive – Contract of Employment	1, 2 and 3

**18. FORMER CHIEF EXECUTIVE - CONTRACT OF EMPLOYMENT**

The Committee considered a restricted report from the Council’s External Auditor which reviewed the legal basis for the contract of employment of the previous Chief Executive, who left the Council’s employment in July 2010.

The External Auditor had completed enquiries into the award of the former Chief Executive’s contract in May 2007 and was of the opinion that there were issues in the procedure followed, which should be brought to the attention of the Council. Although the External Auditor was satisfied that there were no significant financial consequences arising from the issues identified for the Council, the report concluded with four recommendations for the Council to consider in the future.

The Committee accepted that there were lessons to be learned for the future in relation to this matter and concluded that these should be drawn to the attention of the Council at its next scheduled meeting on 26 July 2011, with a view that an

appropriate Committee or Panel being requested to draw up procedures to prevent a re-occurrence.

**Resolved:**

- (1) That the report of the Council's External Auditor on the contract of employment for the former Chief Executive be noted; and
- (2) That the Council be requested to consider the report and its recommendations to prevent a re-occurrence of this situation in the future.

**CHAIRMAN**