

## **EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES**

**Committee:** Audit and Governance Committee      **Date:** Thursday, 12 September 2019

**Place:** Council Chamber - Civic Offices      **Time:** 7.30 - 9.05 pm

**Members Present:** J Knapman (Chairman), N Nanayakkara (Vice-Chairman), A Jarvis, R Jennings and B Vaz

**Other Councillors:** A Patel and C Whitbread

**Apologies:** I Hadley and S Heap

**Officers Present:** N Dawe (Interim Strategic Director & Chief Financial Officer), S Marsh (Chief Internal Auditor), M Crowe (Corporate Fraud Manager), G Woodhall (Senior Democratic Services Officer), S Mitchell (PR Website Editor) and D Cox

**Also in attendance:** O Richardson and C Wisdom (External Auditors)

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### **1. WEBCASTING INTRODUCTION**

The Chairman made a short address to remind everyone present that the meeting would be broadcast live to the internet, and would be capable of repeated viewing, which could infringe their human and data protection rights.

### **2. ELECTION OF CHAIRMAN & VICE-CHAIRMAN**

The Senior Democratic Services Officer reminded the Committee that it needed to elect a Chairman and Vice-Chairman for 2019/20 and that, under the Terms of Reference for the Committee, where the Chairman was an elected Member then the Vice-Chairman had to be one of the Co-Opted Members and vice versa. Nominations were then invited from the Committee for the role of Chairman for the forthcoming municipal year.

Following the election of the Chairman, nominations were also sought for the role of Vice-Chairman for the forthcoming municipal year.

#### **Resolved:**

(1) That Cllr J Knapman be elected Chairman of the Audit & Governance Committee for 2019/20; and

(2) That N Nanayakkara be elected Vice-Chairman of the Audit & Governance Committee for 2019/20.

### **3. DECLARATIONS OF INTEREST**

There were no declarations of interest pursuant to the Council's Code of Member Conduct.

**4. MINUTES**

**Resolved:**

- (1) That the minutes of the meeting held on 25 March 2019 be taken as read and signed by the Chairman as a correct record.

**5. MATTERS ARISING**

Mr T Jarvis highlighted the Business Continuity issues that had been raised by Councillor J M Whitehouse at the previous meeting of the Committee in March, under the Internal Audit Strategy & Plan 2019/20 item, as it appeared that these issues still existed in relation to the preparation of the Council's final accounts for 2018/19.

The Committee acknowledged that this issue would be discussed in further detail later in the meeting.

**6. AUDIT & GOVERNANCE COMMITTEE - WORK PROGRAMME**

The Committee noted its Work Programme for 2019/20, and that other items might be added as the year progressed.

**7. ANNUAL REPORT OF THE CHIEF INTERNAL AUDITOR**

The Chief Internal Auditor presented the Annual Report of the Chief Internal Auditor for 2018/19, which was required to provide the Council with a statement on the adequacy and effectiveness of the organisation's risk management, control and governance processes.

The Chief Internal Auditor reminded the Committee that, in giving an opinion, it should be noted that assurance could never be absolute; the most the internal audit service could provide to the organisation was a reasonable assurance that there were no major weaknesses in the Council's risk management, control and governance processes. In assessing the level of assurance to be given, the following had been taken into account:

- all 25 audits undertaken during the year;
- any follow-up action taken in respect of audits from previous periods;
- high priority recommendations not accepted by management or acted upon (there were none) and the consequent risks;
- the effects of any significant changes in the Council's objectives, activities or systems;
- matters arising from previous reports to the Audit and Governance Committee;
- any limitations which might have been placed on the scope of Internal Audit (there had not been any);
- whether there had been any resource constraints imposed on the Chief Internal Auditor's ability to meet the full audit needs of the Council (there had been none); and
- the results of work performed by other assurance providers, including the work of the external auditors.

The Chief Internal Auditor was satisfied that sufficient internal audit work had been undertaken, and based on the results of this work it was the Chief Internal Auditor's overall opinion that the Council had adequate and effective governance, risk management arrangements and control processes. The exception to this was

Business Continuity, but the Council was already addressing the weaknesses identified in this area.

Mr T Jarvis was concerned that the report was optimistic in the light of recent events, and he had misgivings about the way financial matters were administered within the Council. The Chairman pointed out that the Chief Internal Auditor's report had been written before the External Auditor's report had been received by the Council, and perhaps the Committee needed a third recommendation to the report to reflect this. The Chief Internal Auditor reminded the Committee that her report covered the last financial year and the External Auditor's report would be considered later in the meeting.

The Chairman raised a concern of planning applications granted planning permission not proceeding to the construction phase, due to issues with agreeing the recompense under the Habitats Regulations Assessment with Natural England. The Chairman pointed out that planning permissions, when granted, only lasted for a period of three years from the date of decision, and suggested the Internal Auditors should examine this issue in the near future as it represented a risk to the Council's prospective tax revenues. The Interim Strategic Director reassured the Chairman that the Council was examining all issues which could affect the budget for 2020/21 and the future growth of the tax base; the Council was currently under its Council Tax yield due to a number of different factors. The Chairman also suggested the Cabinet should consider this issue as well, and the Leader of Council stated that the Cabinet was aware of this problem, was working to address it, and the Leader hoped to provide the Committee with an update at its next meeting in November.

The Chairman suggested that the Committee agree a third recommendation to note that the report of the Chief Internal Auditor was specific to the year ended 31 March 2019, and the Committee assented.

**Resolved:**

- (1) That the Annual Report of the Chief Internal Auditor for 2018/19 and the Assurance Level given be noted;
- (2) That, for the twelve-month period ending 31 March 2019, the confirmation by the Chief Internal Auditor that the Council had operated adequate and effective governance, risk management arrangements and control processes, with the exception of business continuity where the weaknesses identified were being addressed be agreed; and
- (3) That the report was specific to the year ended 31 March 2019 be noted.

**8. CORPORATE FRAUD TEAM ANNUAL SUMMARY FOR 2018/19**

The Corporate Fraud Manager presented the Corporate Fraud Team Annual Summary for 2018/19, which summarised the key achievements of the Corporate Fraud Team during the year.

The Corporate Fraud Manager reported that 110 investigations were opened during the year, with 169 investigations closed. Of these 169 investigations, 67 (40%) were closed as 'Fraud Proven'. Significant achievements during the year included:

- the withdrawal of 18 Right-to-Buy applications saving approximately £1.5million in potential Right-to-Buy discounts;

- the stopping of five Tenancy Successions found to be fraudulent with the properties subsequently recovered;
- the removal of four fraudulent applications from the Council's Housing waiting list;
- the refusal of one Joint Tenancy application found to be fraudulent;
- the recovery of 33 Council housing properties from tenants for suspected housing fraud;
- the cancellation of two applications for Decent Homes Grants found to be fraudulent; and
- the identification of fraudulent Council Tax Discount and Exemption applications worth £45,000.

The Corporate Fraud Manager also highlighted the benefits of participation in the National Fraud Initiative exercise, and the joint working arrangements in place with Brentwood Borough Council and Chelmsford City Council. Finally, the Committee's attention was drawn to the new format of the report for this year and whether it was an improvement on the reports received in previous years.

The Chairman welcomed the work of the Corporate Fraud Team and, on behalf of the Committee, requested that this style of report be used again in the future.

In response to questions from the Committee, the Corporate Fraud Manager confirmed that loopholes in the Council's procedures were closed where they were discovered as a result of fraud investigations, and the Team would work with the Service involved to positively change their working practices.

**Resolved:**

- (1) That the Corporate Fraud Team Annual Summary for 2018/19 be noted.

**9. ANNUAL GOVERNANCE STATEMENT 2018/19**

The Chief Internal Auditor presented a report on the Annual Governance Statement for 2018/19.

The Chief Internal Auditor reminded the Committee that the Council's Statutory Statement of Accounts had been prepared in accordance with the Accounts and Audit Regulations 2015. Within the regulations, and in accordance with defined 'proper practice', there was a mandatory requirement to publish an Annual Governance Statement. These arrangements were designed to provide the Council with assurance regarding the adequacy of its governance arrangements and identifying where those arrangements needed to be improved.

The Chief Internal Auditor reported that the Annual Governance Statement had identified progress on two significant governance issues during 2018/19, these being:

- (a) the General Data Protection Regulation; and
- (b) the Transformation Programme.

The Chief Internal Auditor informed the Committee that four areas had been identified for improvement or monitoring during 2019/20, these being:

- (i) Business Continuity Planning;

- (ii) the Economic Climate, and in particular the continuing uncertainty over Brexit;
- (iii) the compliance of the Council's statutory posts with relevant legislation; and
- (iv) the close down of the Council's accounts.

The Chief Internal Auditor added a further common theme had been identified in that the Council's scheme of delegation needed to remain robust and fit for purpose throughout the current restructure process.

The Chief Internal Auditor stated that the Annual Governance Statement demonstrated that the Council had sound governance arrangements in place which continued to work well in practice for 2018/19. However, the Council was not complacent as evidenced by the areas identified for monitoring and improvement in the coming year.

Ms N Nanayakkara emphasised that capacity, capability or resource issues were frequently quoted by Officers in Internal Audit reports, and these issues should be considered by the Committee to ensure that the Council was not in a similar position next year. It would also have been useful to have had sight of a work plan indicating how the Council was going to deal with these issues.

The Chief Internal Auditor acknowledged the comments made and referenced the business resilience issues that had been raised at the start of the meeting, and the need to ensure that a robust end-of-year Accounts process was in place which had both been identified as areas requiring improvement in the future. In respect of the capacity issues, vacant posts were being recruited to and Internal Audit was monitoring the situation closely. The Interim Strategic Director reassured the Committee that the capacity of the Finance department was sufficient, and that the Council was already working with the External Auditors to resolve the issues identified and make lasting improvements to the processes. The Leader of Council added that the Cabinet was working closely with the Chief Executive and the new Leadership Team to resolve the capacity issues and an update to the Committee would be provided in the future.

The Committee was reluctant to approve the Annual Governance Statement, preferring to note it instead, and wished for the capacity issues frequently identified by Officers to be considered as well.

**Resolved:**

- (1) That the Annual Governance Statement for 2018/19 be noted and attention be drawn to the need to further consider the capacity constraints being experienced throughout the Council.

**10. ANY OTHER BUSINESS**

**Resolved:**

- (1) That, in accordance with Section 100B(4)(b) of the Local Government Act 1972, the following items of urgent business be considered following the publication of the agenda:
  - (a) External Audit Report – 2018/19.

**11. EXTERNAL AUDIT REPORT - 2018/19**

The Council's external auditors, Deloitte, presented a report on their audit of the Council's Accounts for the year ended 31 March 2019.

The External Auditor explained that it had been a difficult audit for both the Council and the external auditors, with significant delays in completing the audit process due primarily to the recent loss of significant corporate knowledge within the Finance team and weaknesses in the arrangements for the preparation of the final accounts. However, the audit was now moving towards a completion and the External Auditor expected to issue an unqualified opinion if no further issues were uncovered.

The External Auditor reported that three significant risks had been identified at the beginning of the audit process, and these were: management override of controls; Capital Expenditure; and the valuation of fixed assets and investment properties. The defined benefits pension scheme was also identified as an area of audit focus.

For the first significant risk, the External Auditor clarified that this included the potential for Officers to use their judgement to influence the financial statements as well as the potential to override the Council's controls for specific transactions. Some control deficiencies had been identified, but there were no instances of inappropriate management override of controls in relation to the transactions tested. For the second significant risk, some errors in relation to inappropriate capitalisation of demolition costs were identified, and the Council's management had indicated that they would review these transactions. In respect of the third significant risk, work on the Council's property valuations was ongoing but a number of recommendations had been identified by the valuations specialists for discussion by the Council's management with their Valuers.

In relation to the defined benefits pension scheme, administered by Essex County Council, the Council's pension liability had been affected by the McCloud legal judgement regarding potential discrimination in the implementation of transitional protections following changes to public sector pensions schemes in 2015. As a result of this, the Council had adjusted its pension liability by £1.6million based on assumptions regarding future salary increases and the age of the membership. The External Auditor had reviewed these assumptions and on the whole they had seemed reasonable.

The External Auditor drew the Committee's attention to the recommendations that had been made as a result of the audit so far in respect of: the quality of draft financial statements; preparation of accounting papers; documentation of controls and processes; review and approval of working papers; control of cash accounts; maintenance of contact information and mandates with third parties; evidence of the 'rents to mortgages' scheme; disposal processes; depreciation policy; production of debtor and creditor listings; elimination of internal recharges; retention of signed employee contracts; new accounting standards IFRS 9 and 15; preparation for IFRS 16; and the preparation of cash forecasts.

The External Auditor highlighted the two incorrect and unadjusted misstatements which had been identified regarding the incorrect capitalisation of disposal costs and the transfer of the building value of garages awaiting demolition to assets under construction. In both cases, management had been requested to correct the misstatements. Finally, the External Auditor stated that they had incurred additional costs in performing the audit for the Council, due to the difficulties and delays in

obtaining information and the errors identified in the financial statements. This additional cost was currently estimated to be £40,000.

Mr T Jarvis commented that there was a considerable amount for the Council to learn from the External Auditor's report and the Co-Opted Member was not reassured to note the intent to improve the process of preparing the Final Accounts; was there not a plan to implement the necessary improvements? The Interim Strategic Director reassured the Committee that Officers were already working to remedy the issues raised by the External Auditor, and an Improvement Plan had been drawn up. One element would be to have a test run preparing the Final Accounts after month 9 of the financial year using the available data. The Interim Strategic Director suggested a further recommendation to submit the Improvement Plan to the next meeting of the Committee for consideration, and this was agreed.

Mr T Jarvis added that, in respect of recommendation 5 concerning the supplementary audit fee, he would like to see a schedule detailing the items which had led to the additional cost of £40,000 submitted to the next meeting of the Committee. The External Auditor agreed to prepare a schedule itemising the extra costs incurred for the Committee's next meeting. The Committee asked about the status of the Value for Money and Capital Expenditure audits. The External Auditor responded that the Capital Expenditure audit was substantially complete, whilst the Value for Money assessment needed to consider the challenges that had been faced by the Council before issuing a conclusion.

Ms N Nanayakkara commented that it was important for the Committee to recognise that there had been a poor handover when the previous senior Financial Officers had left the Council, and the existing infrastructure did not support the Officers that remained which was an internal control weakness. Ms Nanayakkara was also concerned that some issues were not picked up until the External Auditor noticed them, and would be interested to read the Improvement Plan when it was presented to the Committee's next meeting. The Interim Strategic Director reassured the Committee that these issues had been included in the Improvement Plan, as well as the cashflow issues identified by the External Auditor.

The Chairman opined that the issues which had been identified mainly revolved around handover procedures when Officers left the Council. The Council needed to make sure that this did not happen again and develop some sort of written process for leaving staff to follow to ensure information was handed over to those staff remaining at the Council.

**Resolved:**

- (1) That the comments made by the external auditor concerning the final accounts and the process of producing the final accounts be noted;
- (2) That the areas where further follow-up is required and the completion of the outstanding "Value for Money" assessment be noted;
- (3) That the intent of the Authority to make any necessary adjustments to the accounts to reflect the findings and suggestions of the External Auditor be noted;
- (4) That the existing and future intent of the Authority, to address any process and procedure issues associated with the preparation of the Final Accounts to the satisfaction of the External Auditor by 31 December 2019 be noted;

(5) That, reflecting delays and interruptions in the audit work and the extent of the audit review, the payment of the supplementary external audit fee of £40,000 be approved and a schedule detailing the items incurring this additional cost be submitted to the next meeting of the Audit & Governance Committee; and

(6) That, on the advice of the Authority's Section 151 Officer, the Chairman of the Audit and Governance Committee be delegated to make any final adjustments to the figures and text of the final accounts and report all such changes at the next meeting of the Audit and Governance Committee; and

(7) That the Improvement Plan detailing the changes to be implemented to address the process and procedure issues associated with the preparation of the final accounts be submitted to the next meeting of the Audit & Governance Committee.

## **12. ANNUAL OUTTURN REPORT ON THE TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS FOR 2018/19**

The Interim Strategic Director presented the Annual Outturn report on the Council's Treasury Management function and Prudential Indicators for 2018/19.

The Interim Strategic Director reminded the Committee that the annual Treasury Management outturn report was a requirement of the Council's reporting procedures to comply with the Code of Practice issued by the Chartered Institute of Public Finance & Accountancy (CIPFA), and covered the Treasury activity for the 2018/19 year as well as the associated risks for the Treasury Management function with how those risks were managed during the year.

The Interim Strategic Director reported that, overall, the Council had managed its Treasury Management function within the previously agreed parameters, and continued to finance its Capital Programme through the use of internal resources. Whilst the Capital Receipts Reserve had been fully exhausted, it was anticipated that future Right-to-Buy sales would fund some part of the Programme and the Major Repairs Reserve would be available to support the on-going capital maintenance of the housing stock, before the possible need to borrow arose towards the end of the 2018/19 financial year. The Council did not breach any of the Treasury Prudential Indicators during the year.

Mr T Jarvis enquired whether the Council had the ability to respond to any sudden volatility in the financial markets? The Interim Strategic Director responded that the Council did have the ability, and the Council's portfolio of investments was designed to spread the risks. The Council's investments were actually very liquid at the moment with a substantial amount being kept in short term notice accounts. In addition, the Council produced cash flow forecasts to give a month-by-month forecast of the cash that would be available, and the advice of the Council's appointed Treasury Management advisors was sought for any significant investment decisions. Although, it was acknowledged that the process could be improved further.

The Chairman commented that this was a prudent Council, not a high risk organisation in terms of where it invested its cash reserves; the policy had not changed for a number of years and it did not look like the Council needed to change its policy any time soon. The Strategic Interim Director added that the Council's



balance sheet strength had a silver rating, and that the Council was strongly in the middle of the silver rating.

**Resolved:**

- (1) That the continuation of the prudent approach of this Council towards the risks associated with the Treasury Management be noted; and
- (2) That the continuation of the prudent approach and policy with the Council's Treasury Management function throughout 2018/19 be welcomed and noted.

**13. AUDIT & GOVERNANCE COMMITTEE ANNUAL REPORT 2018/19**

The Chief Internal Auditor presented the Annual Report of the Audit & Governance Committee for 2018/19.

The Chief Internal Auditor reminded the Committee that its Annual Report outlined the work and achievements of the Committee during 2018/19. It also helped to demonstrate to residents and other stakeholders the vital role carried out by the Committee and the contribution it made to the Council's overall governance arrangements.

The Chief Internal Auditor stated that the Annual Report had concluded the Committee's remit had been achieved through it being appropriately consulted, and by it being effective in ensuring internal accountability and the delivery of a robust assurance framework. The Committee had received and challenged reports throughout the year, including those from both Internal and External Audit. The Work Programme also enabled the Committee to provide independent assurance to the Council as to the adequacy of the risk management framework and control environment.

The Chief Internal Auditor commented that the Committee had continued to make a real and positive contribution to the Council's governance arrangements. And the Committee's key achievement had been the additional assurance provided of the robustness of the Council's arrangements regarding corporate governance, risk management and the control environment.

In light of the External Auditor's report, which had been considered earlier in the meeting and had identified a number of weaknesses in the preparation of the Council's final accounts, Ms N Nanayakkara was uncomfortable with the paragraph in the Annual Report which stated that "*There had been no reported major breakdowns in internal control, governance and risk management that have led to a significant loss in one form or another, nor any major weakness in the governance systems that has exposed, or continues to expose, the Council to an unacceptable level of risk.*" The Interim Strategic Director reassured the Committee that the underlying systems of internal control were satisfactory.

Mr T Jarvis suggested that the submission of the Committee's Annual Report to the Council should be delayed until after the External Auditor had completed their work. The Senior Democratic Services Officer confirmed that the Committee's Annual Report did not have to be submitted to the next meeting of the Council, and the Interim Strategic Director stated that the final accounts would not be submitted to the Council until the meeting scheduled for 5 November 2019.

Other than the issue raised by Ms N Nanayakkara, the Committee was generally satisfied with its draft Annual Report, and decided to defer its submission until the Council meeting scheduled for 5 November 2019 to coincide with the submission of the final accounts to the same meeting.

**Resolved:**

- (1) That the Annual Report of the Audit & Governance Committee for 2018/19 be agreed; and
- (2) That the Annual Report be submitted to the Council meeting scheduled for 5 November 2019, to coincide with the submission of the Council's final accounts to the same meeting.

**14. INTERNAL AUDIT MONITORING REPORT - APRIL TO JULY 2019**

The Chief Internal Auditor presented the Internal Audit Monitoring report for the period April to July 2019.

The Chief Internal Auditor stated that eleven reports had been issued since the Committee's last meeting in March 2019. Of these, 7 had been issued with substantial assurance, 3 with moderate assurance, and 1 report – Business Continuity- had been issued with no assurance. The Committee was informed that neither the Business Continuity Plan nor the ICT Disaster Recovery Plan were fit for purpose, and the contingency arrangements in place were also inadequate. An urgent project had been initiated to address the issues, which involved a dedicated Officer group working in conjunction with an external specialist. Progress with the project would be closely monitored by the Corporate Governance Group, which was chaired by the Chief Executive.

The Chief Internal Auditor added that the Audit Plan for 2018/19 had been delivered, with the exception of one audit – Access to Housing (Homelessness) – which the Committee had agreed to defer to the 2019/20 Audit Plan. However, sufficient work had been undertaken for the Chief Internal Auditor to give her annual assurance opinion.

In response to questions from the Committee regarding the lack of assurance for Business Continuity Planning, the Chief Internal Auditor explained that the previous Business Continuity Officer had moved to a different position within the Council, the Risk Management Group was not convening, and the new Business Continuity Officer had initially concentrated on the Health & Safety framework; the Business Continuity Plan was next on her work programme. The Council was exposed, but would be able to react if something catastrophic happened. The Project Plan attached to the report as an Appendix was highlighted as the management actions in place to address this issue, and there would be an update on the project to the Committee at its next meeting in November when the project should be close to completion.

Ms N Nanayakkara commented that this appeared to be another handover issue, and the Committee needed assurance that the same problems were not happening elsewhere throughout the Council. The Chairman added that there appeared to be a clear weakness with handovers which needed to be addressed, although it was accepted this was an unique circumstance where a number of senior people had left the Council within a short space of time for differing reasons. The Leader of Council acknowledged that steps should be taken to ensure that this did not happen again. The Chief Internal Auditor reminded the Committee that the Audit Plan was based on

risk which highlighted some issues, and there were regular meetings with the Chief Executive and Leadership Team to ascertain if there were other issues that required investigation. The Council's Risk Management framework was being reviewed as well and the Corporate Risk Register reporting arrangements were also being examined.

The Chairman congratulated the Internal Audit Team for achieving the Audit Plan for 2018/19, and remarked that it showed the advantage of having a shared audit service with Broxbourne Borough and Harlow District Councils as more could be achieved.

**Resolved:**

- (1) That the progress made against the Internal Audit Plan for 2019/20 be noted; and
- (2) That the summary of work performed by Internal Audit for the period April 2019 to July 2019 be noted.

**15. APPOINTMENT OF CO-OPTED MEMBER**

The Senior Democratic Services Officer presented a report on the proposed approach to appoint a new Co-Opted Member for the Committee.

The Committee was reminded that it had two Co-Opted Members who served three-year terms on the Committee. After their first term had expired, they could be appointed again if they wished for a second term unopposed; however, if they wished to serve further terms after this then their further appointment had to be subject to a competitive selection process.

The Senior Democratic Services Officer reported that one of the Co-Opted Members, Mr T Jarvis, was approaching the end of his second term with his last meeting due to be on 12 September 2019. Mr Jarvis had indicated that he wished to serve for a further three years at least but, as he had already served two terms on the Committee, there had to be a competitive selection process undertaken on this occasion.

The Committee was informed that a similar approach to the previous two appointments was being proposed, with an Interview / Selection Panel consisting of the Chairman of the Committee and one nomination from each of the other political groups on the Council. So far, nominations had been received from the Loughton Residents Association – Councillor R Jennings – and the Green Party – Councillor S Heap – for the Panel. The Committee's second Co-opted Member, Ms N Nanayakkara, had indicated that she had extensive work commitments in October, and in the circumstances it had seemed sensible to appoint her as an advisory, non-voting member of the Panel.

The Chairman offered his personal thanks to Mr T Jarvis for his service and input over the past six years as a Co-Opted Member to the Committee.

**Resolved:**

- (1) That a report be submitted to the Council recommending as follows:
  - (a) That a Panel of four Councillors be appointed, including the Chairman of the Audit & Governance Committee, with delegated

authority to undertake the interviews following public advertisement and to appoint the preferred candidate for the vacant Co-Opted Member position on the Audit & Governance Committee;

(b) That pro rata rules not be applied and that nominations be sought from the remaining Group Leaders to serve on the Panel with the Chairman of the Audit & Governance Committee;

(c) That, following nominations from the Group Leaders, the following 4 Councillors be appointed to the Interview and Selection Panel:

(i) Councillor J Knapman – Chairman of the Audit & Governance Committee & Conservative Group;

(ii) Councillor R Jennings – Loughton Residents Association;

(iii) Councillor S Heap – Green Party; and

(iv) Councillor [to be advised] – Liberal Democrats Group;

(d) That Ms N Nanayakkara, the other Co-Opted Member on the Audit & Governance Committee, also be invited to attend the interviews in an advisory, non-voting capacity.

#### **16. EXCLUSION OF PUBLIC AND PRESS**

The Committee noted that there was no business which necessitated the exclusion of the public and press from the meeting.

**CHAIRMAN**