

# **LONGREACH REGIONAL COUNCIL ORDINARY MEETING AGENDA**

**Thursday 21 April 2022**

*Civic Centre, 96a Eagle Street, Longreach*

## **LATE ITEMS**

### **15. Late Items**

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- 15.2 Chief Executive Officer Recruitment and Selection Process .....17

**15. LATE ITEMS**  
**15.1 - External Audit Management Report**

**15. LATE ITEMS**

**15.1 External Audit Management Report**

File Ref:

Consideration of the Final Management Report from QAO for the 2020-2021 Financial Report.

**Council Action**

Deliver

**Applicable Legislation**

*Local Government Act 2009*

*Local Government Regulation 2012 Section 213*

**Policy Considerations**

Various Accounting Policies

Long Term Financial Plan

**Corporate and Operational Plan Considerations**

CORPORATE SERVICES: Financial Management			
Link to Corporate Plan	Activity	Key Performance Indicators	Operational Targets
4.2.2	Council operations managed within approved Annual Budget.	Revenues meet Budget. Operating Expenses within Budget. Capital Expenditure within Budget. One off projects within Budget.	Quarterly review on progress against budget; <ul style="list-style-type: none"><li>Monitor and report on achievement of revenue, operating, capital and one-off projects are within budget and on time.</li><li>Prepare a quarterly report to Council on status, highlighting areas over budget and non-achievement.</li></ul>

**Budget Considerations**

Nil

**Previous Council Resolutions related to this Matter**

NA

**Officer Comment**

**Responsible Officer:** David Wilson, Chief Financial Officer

**Background:**

It is a requirement under the *Local Government Act 2009* that Council be presented with the External Audit Interim and Final Report.

**Issue:**

Council has received the Final Management Report from Queensland Audit Office (QAO) for the 2020-2021 Financial Reports. It is a requirement under section 213 of the Local Government Regulation 2012 that this report is presented at Council's next ordinary general meeting.

## 15. LATE ITEMS

### 15.1 - External Audit Management Report

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**Risk Management Factors:**

This matter has been assessed using Council's Risk Matrix to decide the likelihood and consequence of any risk to Council:

Likelihood: Rare  
Consequence: Moderate  
Rating: Medium (3)

**Environmental Management Factors:**

Nil

**Other Comments:**

Nil

**Appendices**

1. Final Management Letter 2020-2021 Financial Report

***Recommendation:***

*That Council notes the contents of the report.*

*That Council direct its CEO to provide a report which addresses the following:*

- *The matters arising from audit correspondence from the Queensland Audit Office dated 17 March 2022;*
- *An improvement strategy regarding asset management and accounting;*
- *The audit committee function;*
- *A proposed schedule of strategic internal audits;*
- *A proposed reporting regime for both Ordinary Meetings and Audit Committee Meetings to monitor improvements; and*
- *A reporting process regarding the undertaking and performance of regular system reconciliations.*



Your ref:  
Our ref: Longreach Regional Council  
Tim Cronin/0421 056 478

17 March 2022

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Cr Tony Rayner  
Mayor  
Longreach Regional Council  
PO Box 1441  
ILFRACOMBE Queensland 4727

Dear Cr Rayner

### **Final Management Report for Longreach Regional Council**

We have completed our 2021 financial audit for Longreach Regional Council. Michael Claydon, Director, as delegate of the Auditor General issued an unmodified audit opinion on your financial statements.

The purpose of this letter is to update you on any matters that have arisen since we forwarded our closing report to Council on 31 January 2022. Please note that under section 213 of the Local Government Regulation 2012, you must present a copy of this report at your Council's next ordinary meeting.

### **Reporting on issues identified after the closing report**

I can confirm that we have not identified significant issues since the presentation of our closing report. Issues and other matters formally reported to management and an update on actions taken by management to resolve these issues is included as Appendix A to this letter.

### **Report to parliament**

Each year we report the results of all financial audits and significant issues to Parliament.

This year we intend to include the results of our audit of Longreach Regional Council in our report to Parliament on the results of the Local Government sector. In this report we will comment on the results of our audit of your financial report, any significant internal control issues we identified, and the overall results of the sector, including, major transactions and events. We will discuss the proposed content of our report with your Chief Executive Officer and will continue to consult as we draft our report. Formally, you will have an opportunity to comment on our report and for these comments to be included in the final report.

### **Audit fee**

The final audit fee for this year was advised as \$72,000 exclusive of GST in our External Audit Plan. As advised in our Closing Report, an additional fee would be charged due to additional work required. The final audit fee is \$97,466.

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 Queensland Audit Office (QAO)

We would like to thank you and your staff for their engagement in the audit this year and look forward to working with your team again next year.

If you have any questions about this letter or would like to discuss any matters regarding our audit service, please contact me on 0421 056 478.

Yours sincerely



Timothy Cronin  
Engagement Partner

cc Mr Mitchell Murphy, Chief Executive Officer





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## Appendix A1—Internal control deficiencies

The following table details control deficiencies and other matters identified since our last interim report dated 6 August 2021. It includes a response from Management.

Our risk ratings are as follows—refer to Internal controls rating definitions for more detail.

	Significant deficiency		Deficiency		Other matters
	<ul style="list-style-type: none"><li>Significant Deficiencies</li></ul>				
<b>21CR-1 Reconciliation of Asset Valuation Upload to Fixed Asset Register Control Activities</b>					
<p>Longreach Regional Council (LRC) undertook a comprehensive valuation of land, buildings, and other infrastructure assets (other space and recreation). Desktop valuations were conducted for water and sewerage and road infrastructure. The upload of the valuation to the fixed asset register was performed by IT Vision, LRC's provider of Synergy software.</p> <p>The upload of the valuation was performed at the Entity Id level. It should have been performed at Part Id level. The result was a significant overstatement of the revaluation increment. By way of example, buildings had an opening valuation of \$63.310m in the FAR. The revaluation increment for buildings was \$53.999m, an increase of 85%.</p> <p>The error was not detected by IT Vision or LRC due to a lack of control procedures in respect of the valuation upload process. There was no review or reconciliation process undertaken by IT Vision to ensure that the valuation upload was correctly processed. LRC adopted the approach that IT Vision were responsible for the upload and therefore did not undertake any review or reconciliation of the valuation to the FAR.</p> <p>The process to correct the error of the incorrect loading of the valuation to FAR proved challenging and took considerable time. The lack of a copy of FAR prior to valuation meant the incorrect upload had to be reversed. This was a difficult process and resulted in additional errors as the initial revaluation was reversed and adjusted.</p> <p><b>Implication</b></p> <p>The outcome of the error in the valuation upload was a material overstatement of property, plant, and equipment classes. The closing balance of PPE in the first draft of the financial statements was \$370.030m, compared to a closing balance of PPE in the final financial statements of \$318.596m, a difference of \$51.434m.</p> <p>The lack of review and reconciliation controls resulted in a long and complex process to reverse the incorrect valuation upload and to upload the valuation correctly.</p> <p>The lack of controls over the valuation upload to FAR is the primary reason the financial statements were not able to be completed by the statutory timeframe 31 October 2021.</p> <p><b>QAO recommendation</b></p> <p>LRC need to review the processes and controls in relation to the valuation process and in particular the uploading of the valuation to FAR. Examples of controls that should be implemented include:</p> <ul style="list-style-type: none"><li>Clear written instructions to IT Vision</li></ul>					

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- Creation of a back-up of FAR prior to valuation upload that can be used in the event of issues with the upload
- Control total checks by IT Vision
- Review and reconciliation of FAR to valuation post upload by LRC
- Review of financial statements for overall reasonableness by LRC

### Management response

Management agrees with the QAO recommendations made in 21CR-1 and will also add a step that the valuation upload will be performed in a test environment first before attempting the upload in the actual FAR.

Responsible officer:	Asset Manager
Status:	Work in progress
Action date:	30 June 2022

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## Appendix A1—Internal control deficiencies



### • Deficiencies •

#### 21CR-2 Valuation Control Processes Control Activities

Valuation Report referred to control processes in respect of completeness of asset registers for valuation.

Testing of the valuation by LRC's consultant highlighted that the land valuation included land that LRC no longer owned. These lots were included in the 2020 desktop valuation and identified by QAO as no longer owned by LRC. Refer to Prior Year Matters 20FR-3.

QAO review of the 2021 valuations also identified the Emu Street Car Park (gross value \$2,050,000) as being included in roads and other infrastructure assets.

#### Implication

The matters identified would have resulted in a significant overstatement of valuations for assets. They indicate that LRC need to improve controls in respect of valuations. Further, the land valuation issue was raised in 2020. That it has re-occurred indicates that the matter was not addressed.

#### QAO recommendation

The matters raised indicate that LRC need to improve controls in respect of valuations. It is important that the valuer has a complete and accurate register of assets to be valued in each class. It is also important that LRC reconcile valuations to FAR.

#### Management response

Matters raised have been corrected by LRC in so far as they impact the 2021 financial statements. Land not owned was removed from the valuation. An adjusting journal has been posted to remove the duplicate asset. LRC will review valuation processes to ensure the completeness and accuracy of valuations in future years. An Asset Manager has been appointed and will oversee this process.

Responsible officer: Asset Manager

Status: Work in Progress

Action date: 30 June 2022

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## Appendix A1—Internal control deficiencies



### • Other matters •

#### 21CR-3 Revaluations – Synergy Fixed Asset Register

The Synergy system does not include a separate column in the asset register for revaluation increments and decrements for accumulated depreciation. These adjustments are posted to the column used for depreciation expense.

#### Implication

It is not possible to split out depreciation expense and the asset revaluation increments and decrements when a revaluation has been uploaded to the asset register.

#### QAO recommendation

QAO recommend that Council work with Synergy to add an additional column to the asset register to allow separate recording of depreciation expense and revaluation increments and decrements.

In the interim, QAO recommend that a copy of the asset register be captured prior to the uploading of asset revaluations. This will provide an asset register with depreciation expense for the financial year.

QAO are aware that this is an issue at other Councils in Queensland. It may be possible to work in co-ordination with other Councils to resolve this matter.

#### Management response

Council will work with IT Vision to try and resolve this issue. As an initial step, a copy of FAR will be captured prior to the valuation upload process.

Responsible officer:

Status: Work in progress

Action date: 30 June 2022

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## Appendix A1—Internal control deficiencies



### • Other matters •

#### 21CR-4 Revaluations – Synergy Asset Revaluation Journals

Review of the asset revaluation journals highlighted that for some of the asset accounts, journals were posted on an asset-by-asset basis. Normal practice is that such journals are posted in summary form. Asset Revaluation Reserve for Water and Sewerage general ledger account had almost 10,000 entries as a result of individual asset revaluation movements being posted to the general ledger.

The valuation upload to FAR is automatically posted to the general ledger asset revaluation reserve. Given the inconsistent nature of postings, it is possible that it may be a system option selected that has caused individual assets to be posted.

#### Implication

The general ledger should be a summary of subsidiary ledger transactions. Posting individual transactions makes it difficult to use the general ledger as intended. This issue made the resolution of end of year journals (refer next matter) very difficult.

#### QAO recommendation

QAO recommend that Council work with Synergy to review the valuation upload process and processing of journals to the asset revaluation reserve accounts. The process should ensure that summary journals only are used for posting revaluation adjustments to the general ledger.

#### Management response

Council will work with IT Vision to try and resolve this issue.

Responsible officer:

Status: Work in progress

Action date: 30 June 2022

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## Appendix A1—Internal control deficiencies



### • Other matters •

#### 21CR-5 End of Year Journals – Synergy

As a result of issues with uploading of valuations to FAR, along with other matters raised, there were 40 adjusting journal entries required from the first draft of the financial statements to the final draft of the financial statements. On requesting a listing of the adjusting journals, QAO were advised that Synergy was not able to provide such a listing. Follow up queries and escalation to Synergy for assistance did not resolve the matter.

QAO ultimately had to resolve the matter by reviewing journal batches, trial balance movements and in the case of the asset accounts, detailed analysis of asset, accumulated depreciation, and asset revaluation reserve accounts. This process was timely and inefficient.

#### Implication

The general ledger should be able to produce a summary report detailing journals posted. As LRC was not able to provide QAO with this report, significant time was expended working around the issue to create a journal listing. The posting of asset journals on an asset-by-asset basis (refer 21CR-3) exacerbated this matter.

#### QAO recommendation

QAO recommend that Council work with Synergy to review the reporting and functionality of Synergy to produce listing of journals.

#### Management response

Council will work with IT Vision to try and resolve this issue.

Responsible officer:

Status: Work in progress

Action date: 30 June 2022

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## Appendix A1—Internal control deficiencies



• Other matters •

### 21CR-6 Revaluations – Desk Top Reviews

Desk top reviews were conducted for water and sewerage and roads infrastructure asset classes for the financial year ending 30 June 2021. The overall change in valuation were 0.61% and 0.11% respectively. These are below QAO's specific materiality benchmark for the valuation of property, plant, and equipment.

#### Implication

The process of uploading asset valuations is complex and detailed, particularly with the large asset classes of LRC. Uploading a valuation with movements less than 1% does not add value to the financial statements.

#### QAO recommendation

QAO recommend that LRC consider the value in uploading asset valuations where the movement is not material. LRC should update its valuation processes to incorporate benchmarks of valuation movements to be met before an asset valuation is uploaded.

#### Management response

Council will review its asset valuation processes to include references to benchmark valuation movements.

Responsible officer:	Asset Manager
Status:	Work in progress
Action date:	30 June 2022

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## Appendix A2—Financial reporting issues



The following tables detail financial reporting issues identified through our audit since our last interim report dated 6 August 2021. It includes a response from Management.

Our risk ratings are as follows—refer to Financial reporting issues rating definitions for more detail.

•

▲ High

◓ Medium

▼ Low

•

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◓

• Medium risk issue

### 21FR-1 Property, plant and equipment not depreciated

#### Observation

Review of the fixed asset register highlighted assets that were not being depreciated, resulting in an understatement of depreciation of \$203,019 for plant and equipment. These consisted of assets acquired in 2021. The date depreciation commenced was not consistent with the date of acquisition. Adjustments were made and depreciation recalculated. This resulted in an increase of \$203,019 in depreciation expense.

This error also impacted depreciation on buildings with an understatement of depreciation of \$157,209. This was not adjusted.

QAO understands that issue arose due to the depreciation start date being different from the asset acquisition date. As a result, the system was not correctly set up to start depreciation for these assets.

#### Implication

Accounting standards require that assets are depreciated from the time that they are installed and ready for use. Depreciation represents the use of assets by Council in the delivery of services each year. It is important that assets are correctly captured and depreciated over their estimated useful lives.

#### QAO recommendation

QAO recommend that Council review processes for the updating of the asset register for new assets to ensure that the system depreciates new assets from the date that they are installed and ready for use. This should include training of staff to ensure that relevant system fields are completed to ensure depreciation commences on the correct date.

#### Management response

The acquisition dates were corrected, and depreciation calculated. An adjusting journal has been posted to correctly state depreciation expense in the trial balance and the financial statements. Buildings will be reviewed, and relevant assets corrected.

Responsible officer: Asset Manager

Status: Work in Progress

Action date: 31 March 2022

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## Appendix A2—Financial reporting issues



### • Low risk issue

#### 21FR-2 Longreach Wild Dog Fence Exclusion Scheme (LWDEFS) – Special Charges

##### Observation

Special charges of \$497,254 were included as interest received in the first draft of the financial statements.

Significant work was conducted on LWDEFS scheme as part of the 2020 audit. QAO provided a detailed accounting advice to LRC setting out the correct accounting treatment for LWDEFS. This advice included that special charges were to be treated as part of rates, not as interest received.

##### Implication

This is a classification error. Interest received was overstated and rates, levies and other charges understated. It has no effect on the net result.

##### QAO recommendation

QAO recommend that Council follows the accounting advice provided and treat special charges as rates.

##### Management response

The error was corrected by Management after it was raised by QAO.

Responsible officer: Adam Seiler

Status: Resolved

Action date: 30 September 2021



### • Low risk issue

#### 21FR-3 Longreach Wild Dog Fence Exclusion Scheme (LWDEFS) – WIP

##### Observation

Review of WIP identified that LWDEFS WIP at 30 June 2021 was the same balance as at 30 June 2020. Follow up confirmed that all work had been completed for LWDEFS WIP as at 30 June 2020. However, the final certification was outstanding and hence it was WIP at 30 June 2020. Subsequent to 30 June 2020, all matters had been finalised and WIP of \$950,061 should have been transferred to LWDEFS Receivable. Reconciliation processes for WIP and LWDEFS should have identified the issue prior to audit.

##### Implication

This is a classification issue in that total asset were correctly stated. LWDEFS was understated and WIP was overstated in the first draft of the financial statements. However, it highlights inadequacies in the reconciliation procedures of LRC.

##### QAO recommendation

QAO recommend that LRC review reconciliation processes for WIP and LWDEFS to ensure that these are adequate to identify such matters in future.

##### Management response

Management accepted the recommendation, posted an adjusting journal posted and the correct balances were taken up in financial statements as at 30 June 2021.

Responsible officer: Adam Seiler

Status: Resolved

Action date: 30 September 2021





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## Appendix A3—Matters previously reported



The following table summarises previously reported control deficiencies, financial reporting issues and other matters that we reported this year in our interim management letter and unresolved issues raised in prior years.

Reference	Issue	Status
•	• <b>Internal control deficiencies</b>	•
•	 Significant deficiencies	•
•	 Deficiencies	•
19CR-2	<p>Year-end close process – Information and Communication</p> <p>Management did not meet the 2020FY milestones set. There were some weaknesses in council's year end close processes with resulting insignificant adjustments to note disclosures within the financial statements.</p>	<p>Work in progress</p> <p>Responsible officer: Head of Finance Action date: 30 June 2022 LRC has not met timelines again in 2021, primarily due to valuation upload – refer 21CR-1. QAO will continue to work with Management to improve processes.</p>
	 <b>Other Matters</b>	
21IR-1	<p>Standard Trial Balance</p> <p>The Synergy system has a number of options for printing out a trial balance as a standard system report. Unfortunately, none of these options produce a trial balance with the level of account detail that is required for the preparation of financial statements. This also impacts external audit as the trial balance is the starting point for lead schedules for income, expenditure, and the balance sheet.</p>	<p>Work in Progress</p> <p>Action Date: 20 July 2022</p> <p>This was marked as resolved in the Interim Report. However, further work is required. This is currently a work in progress.</p> <p>QAO created a work-around for 30 June 2021 which required significant additional work. Matter to be raised with IT Vision</p>
•	• <b>Financial reporting issues</b>	•
•	 High risk	•
20FR-3	<p>Property, plant and equipment – Land revaluation</p> <p>Council engaged an independent valuer to conduct a desktop valuation of Land. In reviewing the valuation, it was identified that it included a revaluation of land at Cleeve Paddock. This land was in Council's records with nil value and revalued to \$1,250,000. Investigation identified that this land was disposed of by Council in 2011 as part of the long-term lease of the airport to QAL.</p>	<p>Re-raised</p> <p>Responsible officer: Head of Finance Action date: 30 June 2022 This error was replicated in the 2021 land valuation. Refer 21CR-2 for further information</p>

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## Appendix A3—Matters previously reported



20FR-5	Longreach Wild Dog Fence Exclusion Scheme – Accounting Accounting for LWDEFS dating back to inception in 2016/17 was incorrect. This impacted interest and administration revenue, interest expense, special charges and WIP.	Resolved Responsible officer: Head of Finance Action date: 30 June 2021 Most issues resolved however special charges and reconciliation matters raised in 2021. Refer 21FR-2&3
•	• Medium risk	•
20FR-2	Property, plant and equipment – Negative depreciation Independent recalculation of depreciation for the financial year ending 30 June 2020 identified assets that had negative depreciation. Further review identified that revaluation decrements for accumulated depreciation were combined with depreciation expense in the asset register.	Work in progress Responsible officer: Head of Finance Action date: 30 June 2021 This is an on-going issue.

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## Appendix A4—Our rating definitions



### • Internal controls rating definitions

	Definition	Prioritisation of remedial action
<b>Significant deficiency</b> 	<p>A significant deficiency is a deficiency, or combination of deficiencies, in internal control that requires immediate remedial action.</p> <p>Also, we increase the rating from a deficiency to a significant deficiency based on:</p> <ul style="list-style-type: none"> <li>the risk of material misstatement in the financial statements</li> <li>the risk to reputation</li> <li>the significance of non-compliance with policies and applicable laws and regulations</li> <li>the potential to cause financial loss including fraud, or</li> <li>where management has not taken appropriate timely action to resolve the deficiency.</li> </ul>	This requires immediate management action to resolve.
<b>Deficiency</b> 	A deficiency arises when internal controls are ineffective or missing, and are unable to prevent, or detect and correct, misstatements in the financial statements. A deficiency may also result in non-compliance with policies and applicable laws and regulations and/or inappropriate use of public resources.	We expect management action will be taken in a timely manner to resolve deficiencies.
<b>Other matter</b> 	An other matter is expected to improve the efficiency and/or effectiveness of internal controls, but does not constitute a deficiency in internal controls. If an other matter is not resolved, we do not consider that it will result in a misstatement in the financial statements or non-compliance with legislative requirements.	Our recommendation may be implemented at management's discretion.

### • Financial reporting issues rating definitions

	Potential effect on the financial statements	Prioritisation of remedial action
<b>High</b> 	We assess that there is a high likelihood of this causing a material misstatement in one or more components (transactions, balances and disclosures) of the financial statements, or there is the potential for financial loss including fraud.	This requires immediate management action to resolve.
<b>Medium</b> 	We assess that there is a medium likelihood of this causing a material misstatement in one or more components of the financial statements.	We expect management action will be taken in a timely manner.
<b>Low</b> 	We assess that there is a low likelihood of this causing a material misstatement in one or more components of the financial statements.	We recommend management action to resolve; however, a decision on whether any action is taken is at management's discretion.

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## 15. LATE ITEMS

### 15.2 - Chief Executive Officer Recruitment and Selection Process

#### 15.2 Chief Executive Officer Recruitment and Selection Process

File Ref:

Consideration to having any required delegations in place to undertake the Chief Executive Officer recruitment and selection process.

#### Council Action

Deliver

#### Applicable Legislation

*Local Government Act 2009*

*Local Government Regulations 2012*

#### Policy Considerations

04-05 Code of Conduct for Employees Policy

#### Corporate and Operational Plan Considerations

GOVERNANCE: HUMAN RESOURCES			
Link to Corporate Plan	Activity	Key Performance Indicators	Operational Targets
2.1.9	Continue to advocate the Workplace of Choice Policy and commit to provide a workplace that attracts superior employees.	A range of workplace initiatives based on Workplace of Choice Policy and Management Directives.	Workplace Initiatives: <ul style="list-style-type: none"><li>• Big Day In</li><li>• Immunisation Program</li><li>• Employee Excellence Awards</li><li>• Recognition of Service Awards</li></ul> 80% retention rate by June 2022

#### Budget Considerations

This report has no known further budget implications on what has previously been decided by Council.

#### Previous Council Resolutions related to this Matter

*(Res-2022-03-259)*

*Moved Cr Emslie seconded Cr Hatch*

*That Peak Services be engaged to provide recruiting services for the appointment of a Chief Executive Officer.*

#### Officer Comment

**Responsible Officer/s:** *Darren Foster, Acting Executive Officer Governance and Special Projects*

#### Background:

Council at its Special Meeting held on 7 March 2022, confirmed the recruiting services provider for the appointment of a Chief Executive Officer. The purpose of this report is to provide appropriate delegations to the Mayor with the assistance of the Acting Chief Executive Officer to oversee the Chief Executive Officer recruitment and selection process.

## 15. LATE ITEMS

### 15.2 - Chief Executive Officer Recruitment and Selection Process

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**Issue:**

As a part of the recruitment and selection process a number of decisions including the appointment of a selection panel will be required. Delegating authority to the Mayor and the Acting Chief Executive Officer will allow for the recruitment and selection process to continue through the initial stages without unnecessary procedural delay.

As previously advised the Acting Chief Executive Officer has informed he will not be an applicant of the position and has no foreseen conflicts with the selection and recruitment procedural process. The Mayor with assistance from the Acting Chief Executive Officer will ensure all councillors are consulted throughout the Chief Executive Officer recruitment and selection process.

It is proposed a selection report will be tabled at a future meeting of Council for consideration to appoint a successful applicant.

**Risk Management Factors:**

This matter has been assessed using Council's Risk Matrix to decide the likelihood and consequence of any risk to Council:

Likelihood: Unlikely  
Consequence: Moderate  
Rating: Medium (6/25)

Risk has been calculated based on proceeding as recommended.

**Environmental Management Factors:**

Nil

**Other Comments:**

Nil

**Recommendation:**

*That Council:*

- 1. provide the Mayor (with the assistance of the Acting Chief Executive Officer) delegated authority to oversee the Chief Executive Officer recruitment and selection process in consultation with councillors; and*
- 2. consider a short list of interviewed candidates and subsequently appoint a suitably qualified person to fulfil the role of Chief Executive Officer.*