

COMPANY GOVERNANCE ARRANGEMENTS – AYLESBURY VALE BROADBAND

1 Purpose

- 1.1 To enable the Committee to comment and make any recommendations it feels appropriate in relation to the Council's governance arrangements over Aylesbury Vale Broadband.

2 Recommendations/for decision

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| 2.1 To note the attached information
(The full report, including findings and any recommendations for improvement will be circulated separately in advance of the meeting). |
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3 Supporting information

- 3.1 The governance of any company owned or invested in by AVDC is important as there is a need to
- Ensure that it is clear for staff, public, members and the company staff who is responsible for what, when and why?
 - Ensure that AVDC and the company is clear on its roles and responsibilities
 - Ensure that nothing is developed that conflicts with AVDC, or places AVDC in a position of challenge
 - Ensure that any and all legal or contractual issues are complied with
 - Ensure that the company is operating ethically and transparently and complies with the Council's legal obligations.
- 3.2 Good corporate governance is aimed at ensuring continuing maintenance of the reputation of both the company and AVDC, and overall to ensure that the company delivers against its objectives and its business plan.
- 3.3 Guidance on the principles to be applied in the governance arrangements of the Council's owned (part or whole) companies is set out in the document "Guidance to creation and working with companies in which AVDC has a financial interest". This guide was approved by Council in March 2016, and is available to view on the web-site.
- 3.4 The Directors and Members recognise the importance of effective governance arrangements over the Council's whole or partly owned Companies. Accordingly an Internal Audit review had been planned as part of the 2017/18 programme of work to provide insight to the current governance status of all the Council's wholly or part owned companies, and inform further areas of focus.
- 3.5 At the Council meeting on 22 February 2017 some Members raised questions relating to Aylesbury Vale Broadband (AVB). The Audit Committee Chairman informed Members that information on the governance arrangements for AVB would be reported at the March meeting of the this Committee, in accordance with the Audit Committee Terms of Reference.
- 3.6 As a result, the review of the Council's governance arrangements over AVB has been brought forward.

- 3.7 Using the “Guide to creation and working with companies” as a reference, the review evaluates the effectiveness of key governance arrangements, as set out below:
- Start up
 - Roles of members and staffs
 - Role of Scrutiny Committee
 - Appointment of directors
 - Adequacy and effectiveness of reporting and performance monitoring, including:
 - Quarterly financials and performance compared to business plan
 - Annual report & business plan
 - Loans and dividends
 - Use of Council assets (IT, Property, Staff) and charges
 - Data handling and protection
 - State Aid
- 3.8 Work is nearing completion but unfortunately it has not been possible to finalise the Audit Committee report for despatch with the agenda.
- 3.9 The full report, including findings and any recommendations for improvement will therefore be circulated separately in advance of the meeting.

4 Reasons for Recommendation

- 4.1 To allow members of the Audit Committee to consider and comment upon the governance arrangements.

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Background Documents None