

UPDATE ON AYLESBURY VALE BROADBAND REVIEW

1 Purpose

- 1.1 To update the Audit Committee on the cross party working group established to oversee the recommendations of the Aylesbury Vale Broadband report.

2 Recommendations/for decision

- | | |
|-----|---|
| 2.1 | The Committee is asked to approve the membership and terms of reference of the Cross Party Group. |
|-----|---|

3 Supporting information

- 3.1 On 12 June, Council resolved that:
- (1) That this Council notes that, at its meeting on 12 June 2018, the Audit Committee of AVDC accepted and agreed the twenty two recommendations of the BDO LLP review into AVB. As such, Council endorses the decision and formally adopts the recommendations which are to be applied to all its current and future commercial ventures. Further, a cross party group will be formed to oversee the implementation of the recommendations, the group to be appointed by the Audit Committee.
 - (2) That in view of concerns about various financial aspects of financial matters reported in the BDO LLP report on the review of Aylesbury Vale Broadband (AVB), the Council as 95% shareholder in AVB, agrees for a detailed examination of the accounts of AVB to be carried out as a matter of urgency by AVDC's internal audit team and a report of this be delivered to the Audit Committee.
- 3.2 Group Leaders put forward the following people to comprise the Cross Party Working Group: Councillors C Branston, B Chapple, A Cole, S Cole, A Christensen, S Lambert and P Cooper.
- 3.3 The Cross Party Group held its first meeting on 10 September, 2018. The headlines from that meeting were:-
- Councillor C Branston was elected as Chairman of the Group.
 - The Group approved the terms of reference (attached).
 - The 22 AVB review recommendations and the proposed next steps for their implementation were considered. The Group made a number of comments on these that will be used to update this 'next steps' information further.
 - The Council's Lead Legal and Monitoring Officer has been formally asked to investigate the yellow pages breaches that had been raised during the review of AVB.
 - The Corporate Governance Manager and the Director with responsibility for Finance have been asked to undertake a sample checking exercise on some areas of AVB's accounts, e.g. on customer invoices and orders placed, and on fuel receipts, to enable the Officers to give Members and the public some assurance that the accounts were an accurate record of the affairs of the company.

- The next meeting of the AVB Cross Party Group will be held in October or November, when an update on all the aforementioned issues can be reported back to Members.

Contact Officer

Kate Mulhearn – Corporate Governance Manager
Tel: 01296 585724

Background Documents

None

Cross Party Working Group – Terms of Reference

Membership: Councillors Branston (Chairman), B Chapple, A Cole, S Cole, Christensen, Lambert and Cooper

Officer support: Andrew Small (Sec 151), Kate Mulhearn (Corporate Governance), Bill Ashton (Democratic Services), Craig Saunders (Democratic Specialist)

On 12 June, Council resolved that:

(1) That this Council notes that, at its meeting on 12 June 2018, the Audit Committee of AVDC accepted and agreed the twenty two recommendations of the BDO LLP review into AVB. As such, Council endorses the decision and formally adopts the recommendations which are to be applied to all its current and future commercial ventures. Further, a cross party group will be formed to oversee the implementation of the recommendations, the group to be appointed by the Audit Committee.

(2) That in view of concerns about various financial aspects of financial matters reported in the BDO LLP report on the review of Aylesbury Vale Broadband (AVB), the Council as 95% shareholder in AVB, agrees for a detailed examination of the accounts of AVB to be carried out as a matter of urgency by AVDC's internal audit team and a report of this be delivered to the Audit Committee.

The terms of reference for the cross party group are:

- Oversee the implementation of the 22 recommendations to strengthen governance processes and controls over commercial investments (see attached)
 - The majority of recommendations made in the Aylesbury Vale Broadband (AVB) Review (June 2018) will only become applicable when a new company is formed or financial investment is made. To ensure that the learnings identified from the review become embedded, our policies, procedures and working practices need to be updated. The "Guide to creation and working with companies in which AVDC has a financial interest" ("the Guide") sets out the current protocols and is already part of the Council's Constitution (Section G, Appendix K). For other recommendations, updates to the Code of Conduct are required.
 - Recommendation 17 relates to the treatment of confidential council information. Issues relating to breaches of the code of conduct will be investigated by the Council's Monitoring Officer, the results of work will be reported to the cross party group.

- Agree the scope for work on the "examination of the accounts of AVB" as set out in resolution 2, and receive the draft report prior to delivery to audit committee.

- Timing – work to be concluded by end of December to align with conclusion of warranty period.