

SUMMARY OF EVIDENCE**1) Council Governance Arrangements**

Evidence	What should you be able to find?	What evidence have you found?	RAG Rating	Actions Recommended	Responsible person/ body
Governance aims					
C1 There should be evidence that the council and senior management recognise the importance of establishing appropriate and proportionate governance arrangements for the oversight of entities	<ul style="list-style-type: none"> The council has sufficient control to ensure that its investment can be obtained and that the activities of the entity are aligned with the values and strategic objectives of the council “Teckal” companies demonstrate compliance with relevant exemption requirements under EU procurement law 	<p>Established specific governance structure in March 2022, as recommended by Max Caller: a Shareholder Committee of the Cabinet to represent the Council’s interests and to effect clear oversight of the entities (meets quarterly).</p> <p>The committee approves the annual business plans of the entities.</p> <p>Leadership Team and Cabinet responded to ‘best practice’ reports arising from the experience of other authorities.</p>	G	None	CMT, Cabinet
C2 There should be evidence of a culture of challenge and clarity relating to the purpose, efficiency,	<ul style="list-style-type: none"> There is a culture of challenge There is a clarity of purpose The entity has clear objectives The entity has sufficient freedoms to achieve its objectives 	<p>Terms of reference of the Shareholder Committee specifically envisage a check and challenge role.</p> <p>Borne out in the action plan of the Committee and the challenge sessions with company</p>	G	None	Shareholder Committee

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effectiveness, specific objectives, and freedoms of the entity		<p>representatives on successive agendas.</p> <p>The committee has reviewed the articles of association, annual business plans and the financial position of all of the subsidiary bodies.</p>			
The council’s shareholder role					
<p>C3 There should be a clearly designated council shareholder role or function which is both understood and recognised by the council and the entity (and documented in terms of reference)</p>	<ul style="list-style-type: none"> • The council has a designated “shareholder” role to represent its ownership of the entity • The shareholder provides oversight of any decisions taken by the entity • The shareholder provides a regular review of whether the entity provides the most effective vehicle to deliver the outcomes it requires and whether there are suitable alternatives • The process for appointing a shareholder is set out in terms of reference 	<p>Shareholder Committee established July 2022 with terms of reference to carry out the Council’s shareholder role and scrutinise the purpose and effectiveness of the companies.</p> <p>The Committee has reviewed the purpose of the entities and questioned the need for one of these (Consilio).</p> <p>The process for appointing members to the Committee is set out in the terms of reference.</p> <p>Cabinet is the parent body.</p>	A	<p>Potential for the Committee, as part of its annual review of each entity, to consider “whether the entity provides the most effective vehicle to deliver the outcomes it requires and whether there are suitable alternatives”.</p>	<p>Cabinet, Shareholder Committee</p>

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<p>C4 There should be clarity regarding the role of shareholder, with reserved matters clearly documented and updated as required, reflecting any changes made as the entity has developed, in a shareholder’s agreement (or as set out in the company’s governing articles of association)</p>	<ul style="list-style-type: none"> • The council has sufficient control to ensure that its investment is protected, appropriate returns on investment can be obtained and that the activities of the entity are aligned with the values and strategic objectives of the council • “Teckal” companies demonstrate compliance with relevant exemption requirements under EU procurement law 	<p>Financial position of the entities regularly reviewed.</p> <p>Cabinet-level membership of the Committee; senior officer support – to assist ensuring alignment to strategic objectives.</p> <p>Annual report covering the activities of the committee is reported to Cabinet.</p>	<p>A</p>	<p>Committee to undertake an annual review of its own terms of reference and make any recommendations on potential refinement, e.g. based on best practice, and experience, to Cabinet.</p> <p>Annual report made to Cabinet to also confirm the health of the entities and their alignment to the Council’s strategic objectives.</p>	<p>Cabinet, Shareholder Committee</p>
<p>C5 There should be evidence that the individual undertaking the shareholder role is provided with suitable training and support</p>	<ul style="list-style-type: none"> • There is a culture of challenge • There is a clarity of purpose • The entity has clear objectives • The entity has sufficient freedoms to achieve its objectives 	<p>Training took place for all members of the Committee, its supporting officers and the company directors in September 2022. Well attended with great feedback received.</p>	<p>A</p>	<p>Further training arranged in October 2023 for the current director who missed the previous training and for potential future directors of companies.</p>	<p>Cabinet</p>

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commensurate with the role					
<p>C6 There should be evidence of formal periodic shareholder/Chair/CEO meetings with effective supporting papers to inform subsequent company board meetings</p>	<ul style="list-style-type: none"> • The shareholder has a mechanism to communicate its view to the entity • Periodic and effective shareholder/Chair/CEO meetings are documented 	<p>Shareholder Committee provides a formal forum for engagement with the entities. Representatives of the entities are invited to present reports.</p>	G	None	Shareholder Committee
Council oversight, scrutiny, and governance framework					
<p>C7 There should be documented evidence of transparent member and officer scrutiny, oversight, and approval of business plans</p>	<ul style="list-style-type: none"> • There is a clearly defined governance framework underpinned by clear governance principles • The role of shareholder is separate from the board • The business plan is current and updated at least annually • The business plan is challenged and monitored by the board 	<p>Shareholder Committee clearly established to terms of reference separate from Cabinet, with delegated responsibilities.</p> <p>Shareholder Committee meetings cover review and approval of the annual business plans.</p>	A	<p>Make appropriate connections for the select committees and the Audit & Governance Committee – so that the governance itself and the work of the Committee receive adequate scrutiny and transparency. A&G Committee to give annual review to the developing governance arrangements. Select Committee to be aware of the <i>work</i> of the Committee and</p>	Director of Legal and Democratic Services

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				have the opportunity to reflect it in Select Committee forward plan.	
C8 There should be evidence of a clear set of KPIs that fall out of the business planning process	<ul style="list-style-type: none"> The council regularly undertakes an objective assessment of how successfully each entity supports its policies and strategies KPIs are relevant to “SMARTER” goals KPIs are reported and monitored within the context of the governance framework 	<p>Performance of the entities is monitored through structured agenda items/reports/challenge sessions.</p> <p>The Shareholder Committee have requested that entity KPIs be brought to the next meeting as these were not presented alongside the annual business plans.</p>	R	Establish clear KPIs – to enable measurement of the entities’ alignment to the Council’s strategic objectives.	Shareholder Committee, Company Directors
C9 There should be evidence that senior company staff are performance managed against KPIs	<ul style="list-style-type: none"> Board, committee, chair, and director performance is evaluated annually, including against agreed KPIs 	<p>Performance of the entities is monitored through structured agenda items/reports/challenge sessions.</p>	R	Undertake a review of each entity’s internal structure and performance mechanisms.	Shareholder Committee, Company Directors
C10 There should be evidence of ongoing assessment of	<ul style="list-style-type: none"> Regular reviews take account of value-for-money and performance quality 	<p>Performance of the entities is monitored through structured agenda items/reports/challenge sessions.</p>	A	Review of performance quality (including KPIs) to be reported on going forward (alongside financial performance).	Shareholder Committee

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value-for-money and quality offered by the entity through an adequately resourced monitoring function		<p>sessions (including review of entities annual accounts).</p> <p>A review of non-financial performance / quality has yet to be considered by the Shareholder Committee.</p>			
C11 There should be ongoing assessment of risks relating to the entity, supported by processes to ensure that risks are managed as part of the council's overall risk management approach, with appropriate escalation and reporting	<ul style="list-style-type: none"> The council regularly reviews risks relating to its entities and establishes whether they are effectively managed and scrutinised The council's overview and scrutiny committee (or equivalent) provides overview, pre-decision scrutiny and call-in decisions in relation to the entity 	The Shareholder Committee has reviewed risks registers of the subsidiary bodies. These were comprehensive for Buckinghamshire Advantage but less so for the others.	A	<p>Further review of risks relating to both Consilio and Aylesbury Vale Estates to come to the next meeting and then on a six-monthly basis.</p> <p>Ensure that the role and work of the Shareholder Committee, and the performance of the entities, is reflected in the Council's Business Assurance Team's work programme.</p>	Shareholder Committee, Audit & Governance Committee, Chief Internal Auditor
C12 There should be evidence of a consistent	<ul style="list-style-type: none"> All council entities are managed in a consistent way 	Performance of the entities is monitored through structured	G	None	Shareholder Committee

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approach across the council when it comes to engaging with its entities	with appropriate support, guidance and controls	agenda items/reports/challenge sessions.			
C13 The council should have clear and unfettered access to audited accounts for its entities	<ul style="list-style-type: none"> The council’s audit committee pays specific attention to accounts and audit reports The council’s internal auditors are able to gain clear and transparent access to financial information and oversight of internal controls 	<p>Group accounts produced for main subsidiary bodies and audited as part of the overall Buckinghamshire Council accounts (approved by Audit & Governance Committee).</p> <p>Internal audit of subsidiary bodies has been programmed in for Q3 2023/24.</p>	A	Review audit findings following internal audit review of subsidiary bodies in Q3 2023/24.	Shareholder Committee, Audit & Governance Committee, Chief Internal Auditor
Business Case for the entity					
C14 A business case which assessed the risk involved in establishing the entity and recommended its establishment, taking account of other potential delivery models, should be available to review	<ul style="list-style-type: none"> There is a clear and comprehensive business case that recommended the creation of the entity The business case took account of alternative delivery methods, with the case for the entity’s creation having clear benefits over other methods 	<p>Original business cases were pre-unitary. Purpose of companies has been reviewed and challenged, particularly for Consilio both in terms of the commercial acquisitions within it and the viability of future affordable housing proposals.</p> <p>Performance of the entities is monitored through structured agenda items/reports/challenge sessions.</p>	A	Review updated business case for Consilio that is due to come to the next Shareholder Committee meeting.	Cabinet, Shareholder Committee

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C15 Objectives of the entity defined and documented, and regularly reviewed to ensure that its operation continues to support council policy and strategy, including periodically reviewing the business case to ensure it is still valid	<ul style="list-style-type: none"> The objectives of the entity are clearly articulated, defined and documented The objectives are regularly reviewed The objectives continue to reflect council policy and strategy The business case and objectives are regularly reviewed to ensure they are still valid 	<p>Objectives clearly articulated within articles of memorandum and business plan. Will be reviewed on an annual basis.</p> <p>Consilio business case / objectives to be reviewed at next Shareholder Committee meeting.</p>	A	Potential for the Committee to review the objectives of each entity and whether it provides the most effective vehicle to deliver the outcomes it requires and whether there are suitable alternatives.	Shareholder Committee
Agreements with the entity					
C16 Agreements should be documented between the council and the entity for any support or services provided by either party to the other party	<ul style="list-style-type: none"> The council and entity have clear and commented agreements for any services or support provided by either party to the other party There is a clear process for escalation if the support or services agreements are not performed to either party's satisfaction 	<p>These have been reviewed and little support or services provided directly.</p> <p>Shareholder Committee provided with clear means of escalation if support or service arrangements are found wanting.</p>	G	None	Shareholder Committee

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C17 All agreements should be clear, up-to-date and regularly monitored and reviewed, with any changes to agreements documented so that a clear audit trail exists	<ul style="list-style-type: none"> • Agreements for support or services between the parties are up-to-date and regularly monitored and reviewed • Changes to agreements are documented with a clear audit trail 	As above (C16).	G	None	Shareholder Committee
Avoiding and managing conflicts of interest					
C18 There should be evidence that a culture exists whereby actual or potential conflicts of interests are identified, declared, and acted upon, including evidence of appropriate training across the organisation	<ul style="list-style-type: none"> • All parties are trained and demonstrate a commitment to avoiding and monitoring actual or potential conflicts 	<p>Bespoke conflicts of interest policy commissioned by the Committee and adopted in January 2023, based on the publication “Local Authority Company Review Guidance” and other best practice sources.</p> <p>Members of the Committee and directors of the entities provided with a copy of the guidance.</p> <p>Interests formed part of the training in September 2023.</p>	G	None	Shareholder Committee

Evidence	What should you be able to find?	What evidence have you found?	RAG Rating	Actions Recommended	Responsible person/ body
C19 The council should have clear and up-to-date policies and processes to consistently manage actual conflicts or potential conflicts of interest, including a clear process for investigations and procedures for appropriate disciplinary actions in the event of breaches	<ul style="list-style-type: none"> • There is a clear conflict of interest policy which is managed actively • There is a clear process for investigation and dealing with breaches of the conflicts of interest policy • Internal and external auditors review the management of conflicts of interest and escalate any concerns to the Monitoring Officer 	Conflicts of Interest Policy established a process for managing interests, overseen by the Monitoring Officer.	G	Adequacy of these arrangements to be reviewed as part of the Audit & Governance Committee's overall annual review of company governance. Business Assurance Team to factor company governance into their work programme.	Shareholder Committee, Director of Legal and Democratic Services
C20 The roles, responsibilities and reporting lines of officers and members who are involved in council oversight of the entities, the provision of	<ul style="list-style-type: none"> • Officers and members make themselves available to scrutiny and other council governance forums 	Officers regularly attend the meetings of the Shareholder Committee in their public and exempt sessions.	G	Develop pen-portraits of the roles of those officers supporting the Shareholder Committee, e.g. as part of an annual refresh of the terms of reference; and/or in annual report	CMT, Shareholder Committee

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services between the entities or the running of the entities should be clearly defined and documented					
Council appointments to the board					
<p>C21 There should be evidence that appointments to the board are subject to a documented formal, rigorous, and transparent procedure based on merit and published objective criteria which also promote diversity</p>	<ul style="list-style-type: none"> • Board members have completed declaration of interest forms • Appointments to the board are relevant to the post or office of the council • Council appointed directors cease to be members if they leave their qualifying roles • The process for the appointment and renewal of directors is set out in the articles of association • If there is a remuneration committee, relevant matters are referred appropriately • Appointments are based on a review of the skills, qualifications, diversity, and other attributes required for the role 	<p>Shareholder Committee commissioned a review of the process for appointing directors and agreed a process in March 2023. The process was consistent with the Committee’s Conflicts of Interest Policy.</p> <p>In March 2023, the Committee reviewed the nature of current director appointments and clarified its intentions with regard to future appointments and their renewal.</p> <p>Nominations to be suggested by Cabinet (for members) and the Council’s senior leadership team – CMT – for officers, based on ability, skills and development; and with avoiding conflicts at the heart of their considerations.</p>	G	None	Shareholder Committee, CMT

Evidence	What should you be able to find?	What evidence have you found?	RAG Rating	Actions Recommended	Responsible person/ body
	<ul style="list-style-type: none"> Where a board member is eligible for renewal and reappointment, this is subject to considering their performance to date and skills, and the needs of the board 	<p>Declarations of interest forms completed regularly.</p> <p>Pool of Directors being created to ensure appropriate skills are available for future appointments.</p>			
2) Entity Governance Arrangements					
Evidence	What should you be able to find?	What evidence have you found?	RAG Rating	Actions Recommended	Responsible person/ body
Articles of Association					
E1 The entity's articles of association should be clear, up-to-date, and reflective of how the entity is run	<ul style="list-style-type: none"> The entity has articles of association, documenting its constitution The articles address the entity's purpose, conduct of meetings, and role and appointment of directors If the entity is a Teckal company, the articles demonstrate that the council exercises control 	Reviewed to ensure up-to-date and relevant.	G	Annual review of articles of association	Shareholder Committee, Director of Legal and Democratic Services
Business Planning					

Evidence	What should you be able to find?	What evidence have you found?	RAG Rating	Actions Recommended	Responsible person/ body
E2 There should be evidence of an up-to-date business plan that is reflective of the current circumstances and environment in which the entity operates	<ul style="list-style-type: none"> There is an up-to-date business plan, setting out the organisation's objectives and how these will be resourced and achieved Requirements to meet the legal criteria in relation to any Teckal companies are reflected in the business plan 	Annual business plans approved by entities and reviewed at the Shareholder Committee for comment / endorsement.	G	None	Shareholder Committee
Role and behaviours of the board					
E3 There should be evidence that the board meets regularly to consider, review and record discussions and conclusions	<ul style="list-style-type: none"> The board meets regularly, and all decisions are recorded and documented Decisions are taken at the appropriate place, including deferral and recommendations of decisions on matters that are reserved for the shareholder 	<p>Performance of the entities is monitored through structured agenda items/reports/challenge sessions.</p> <p>A requirement can be added to provide evidence demonstrating compliance with E3-E7.</p>	A	<p>Review the internal governance and decision-making mechanisms of each company/entity (via internal audit review in Q3).</p> <p>Request each entity to complete answers to questions E3 to E7 for consideration by the Committee.</p>	Shareholder Committee, Chief Internal Auditor
E4 There should be evidence of delivery of strategies and plans including scrutinising key	<ul style="list-style-type: none"> The board has delegated detailed scrutiny to committees or directors with appropriate skills, including financial management 	As above (E3)	A	As above (E3)	Shareholder Committee

Evidence	What should you be able to find?	What evidence have you found?	RAG Rating	Actions Recommended	Responsible person/ body
operational and finance performance information	<ul style="list-style-type: none"> The board challenges performance and key financial operational reporting 				
E5 There should be evidence of the desired culture and behaviours	<ul style="list-style-type: none"> The board promotes the success of the company The board provides entrepreneurial leadership Prudent and effective controls are demonstrated where risk is assessed and managed The board sets strategic aims and ensures sufficient resources (financial and human) are available to meet objectives The board reviews management performance, including that of the CEO/MD and leadership team The board sets corporate values and standards The board ensures obligations to shareholders and others are met 	As above (E3)	A	As above (E3)	Shareholder Committee
E6 The company structures should	<ul style="list-style-type: none"> The company structures are regularly reviewed 	As above (E3)	A	As above (E3)	Shareholder Committee

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be regularly scrutinised in order to ensure they remain fit for purpose	<ul style="list-style-type: none"> Financial and performance benchmarking exercises are carried 				
E7 There should be evidence that the board has clear policies and procedures for its members to ensure that actual or potential conflicts of interests are identified, declared and acted upon	<ul style="list-style-type: none"> The board regularly monitors conflicts of interest, including with suppliers and users 	As above (E3)	A	As above (E3)	Shareholder Committee
Role and behaviours of company directors					
E8 There should be evidence that directors have sufficient skills and experience to run the entity	<ul style="list-style-type: none"> Directors' skills align well to the organisation's purpose and objectives Directors are trained so that they are competent in undertaking their roles and responsibilities 	Shareholder Committee adopted a process for nominating and appointing directors; this involves a requirement for all potential directors to receive training on the role.	G	None	Shareholder Committee

Evidence	What should you be able to find?	What evidence have you found?	RAG Rating	Actions Recommended	Responsible person/ body
<p>E9 There should be evidence that directors' behaviours are aligned with the requirements of the Companies Act 2006 and the Nolan Principles as well as Cabinet Office's Code of Conduct for Board Members of Public Bodies</p>	<p>Directors:</p> <ul style="list-style-type: none"> • Act within their powers • Promote the success of the company • Exercise independent judgement • Exercise reasonable care skill and diligence • Avoid conflicts of interest • Do not accept benefits from third parties • Declare an interest in proposed transactions or arrangements with the company <p>Directors act in accordance with the seven Nolan Principles</p> <ul style="list-style-type: none"> • Selflessness • Integrity • Objectivity • Accountability • Openness • Honesty • Leadership 	<p>The training approved by the Committee covers these elements.</p>	<p>G</p>	<p>Requirement of entities to comment on Director performance against these principles.</p>	<p>Shareholder Committee</p>
<p>E10 The scope of directors' authorities should be documented</p>	<ul style="list-style-type: none"> • Directors' authorities are demonstrated in a scheme of delegation 	<p>Scheme of delegation needs to be reviewed for each company.</p>	<p>A</p>	<p>Committee to ask for info. on the entity's scheme of delegation and the extent of authorities under it.</p>	<p>Shareholder Committee</p>

Evidence	What should you be able to find?	What evidence have you found?	RAG Rating	Actions Recommended	Responsible person/ body
and clear to all parties	<ul style="list-style-type: none"> The scheme of delegation includes reference to matters that are reserved for board decision and cannot be delegated 				
Company Board Composition					
<p>E11 There should be evidence that the board has a diverse membership with the collective skills and attributes needed to lead the entity effectively</p>	<ul style="list-style-type: none"> There are between five and ten directors on the board At least half of the directors are independent non-executives Appointments to the board are subject to a formal, rigorous, and transparent selection procedure based on merit and published objective criteria 	<p>Shareholder Committee has given express consideration to the number and nature of directors required, proportionately. Nomination and selection procedure agreed.</p> <p>An additional Director for Consilio has recently been agreed.</p> <p>Shareholder Committee decision taken with “Local Authority Company Review Guidance” in mind.</p>	G	None	Shareholder Committee
<p>E12 There should be evidence that board membership is reviewed regularly for composition and fitness for purpose</p>	<ul style="list-style-type: none"> Board composition and individual director performance is reviewed periodically to evaluate board composition, the effectiveness of individual contribution, and how effectively board members 	<p>Shareholder Committee has given express consideration to the number and nature of directors required, proportionately. Nomination and selection procedure agreed.</p>	G	<p>Shareholder Committee to check how board member performance is considered within each entity and to consider the best means of assessing such performance as Shareholder.</p>	Shareholder Committee

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	work together to achieve the objectives of the entity				
The board and risk management					
E13 There should be evidence that the board understands the organisation’s risk profile and the effectiveness of key controls and regularly review risks and risk appetite	<ul style="list-style-type: none"> The board demonstrates ultimate responsibility for risk management within the entity and ensures that appropriate risk management arrangements that are in place The board regularly reviews risks and how they are being managed The board is aware of its appetite for risk and determines the risk profile for the entity The board’s approach to risk is proportionate and appropriate to its model 	<p>Risk registers now exist for each entity and these are subject to review by the Shareholder Committee.</p> <p>Unclear how regularly these are reviewed and the board’s approach to risk management.</p>	A	Review the entities’ own means of assessing and managing risk as part of the internal audit review in Q3.	Shareholder Committee, Chief Internal Auditor
Board members’ skills and development					
E14 There should be documented evidence that the board regularly undertakes a skills audit to ensure	<ul style="list-style-type: none"> The board regularly undertakes skills audits The entity has a board which includes a range of skills and backgrounds including commercial, financial, 	Consideration of the skills and experience of directors considered as part of their appointment.	A	Review the entities’ own means of assessing skills in practice as part of the internal audit review in Q3.	Shareholder Committee, Chief Internal Auditor

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that it has an appropriate balance of skills and experience	business development, technical, legal and HR experience				
E15 There should be evidence of ongoing professional training provided to ensure that all board members are up to date in their understanding and supported in their roles	<ul style="list-style-type: none"> Regular training and updates cover legal roles and responsibilities, company directors' roles and companies generally Directors' training included responsibilities under the Companies Act 2006, Insolvency Act 1986, Bribery Act 2010, Modern Slavery Act 2015, Data Protection Act 2018 and Health and Safety at Work etc. Act 1974 	Shareholder Committee ensure that all directors have undertaken training around the roles and responsibilities of bring a director as well as best practice for managing a company.	A	Review extent to which entities identify, deliver, review and record training; and the scope of it as part of the internal audit review in Q3.	Shareholder Committee, Chief Internal Auditor
The role of executive directors and non-executive directors					
E16 There is evidence that the role of executive directors is clearly defined and documented	<ul style="list-style-type: none"> Executive directors' roles are clearly defined and documented Directors' roles are focused on running the entity's business activities and implementing the board's plans and policies 	Training covers the roles and business plans.	G	None	Shareholder Committee

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<p>E17 Non-executive directors are in place to bring an independent judgement to bear on issues of subject matter expertise, strategy, performance, resources including key appointments, and standards of conduct</p>	<p>Non-Executive directors:</p> <ul style="list-style-type: none"> • Challenge, and contribute to the development of the company's strategy • Scrutinise performance of management in meeting agreed goals and monitor reporting of performance • Satisfy themselves on the accuracy of financial information and that financial controls and risk management are robust and defensible • Determine executive directors' remuneration and prime role in appointing/removing senior management 	<p>Not applicable for Council's entities.</p>	<p>G</p>	<p>None</p>	<p>Shareholder Committee</p>
<p>E18 There is documented evidence that the board values the role of non-executive directors, and their views are</p>	<p>The board values its non-executive directors, so that they are able to demonstrate:</p> <ul style="list-style-type: none"> • Sound judgement and an enquiring mind • Knowledge of the business, its operating environment, and issues it faces 	<p>Not applicable for Council's entities.</p>	<p>G</p>	<p>None</p>	<p>Shareholder Committee</p>

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influential in the board’s decisions	<ul style="list-style-type: none"> • Integrity, probity, and high ethical standards • Objectivity as the basis for questioning and challenging accepted thinking of executives • Strong interpersonal skills 				
The role of the board chair					
<p>E19 There is evidence that the chair provides clear board leadership, supporting directors and chief executive and taking account of shareholders views</p>	<p>The chair is primarily responsible for:</p> <ul style="list-style-type: none"> • The workings of the board • Its balance of membership subject to board and shareholders’ approval • Ensuring that all relevant issues are on the agenda • Ensuring that all directors, executive and non-executive alike, are enabled and encouraged to play their full part in its activities • The chair is able to stand sufficiently back from the day-to-day running of the business to ensure their 	<p>Training provided covers the role of the chair.</p>	<p>A</p>	<p>Review role of the Chair of each Board as part of the internal audit review in Q3.</p> <p>Potentially, authorise a Shareholder Committee representative to observe a meeting(s) of each entity’s board to view the role in practice.</p>	<p>Shareholder Committee, Chief Internal Auditor</p>

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	<p>board is in full control of the company's affairs</p> <p>The chair is responsible for:</p> <ul style="list-style-type: none"> • Formulating the board's strategy • Promoting the efficient and effective use of staff and other resources • Delivering high standards in terms of integrity and policy 				
Financial Management					
<p>E20 There should be a fully documented and approved business plan that is consistent with and no more than 12 months older than the previous business plan. The changes within the updated business plan should accord with the trajectories that are apparent from</p>	<ul style="list-style-type: none"> • The business plan and business planning process are critical parts of the governance culture and environment 	<p>Performance of the entities is monitored through structured agenda items/reports/challenge sessions.</p> <p>This involves consideration of business plans.</p>	G	None	Shareholder Committee

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monthly financial and non-financial performance reports					
E21 The financial transactions and values attributable to the company within the council's medium term financial plan should agree with the projections in the business plan	<ul style="list-style-type: none"> The business plan provides the basis for monitoring financial performance and feeds into the medium-term financial planning of the council in situations where it expects to receive dividends, loan repayments, capital receipts or provide financial support in terms of working capital or longer-term finance 	<p>Performance of the entities is monitored through structured agenda items/reports/challenge sessions.</p> <p>Loan repayments and dividend amounts expected to be received from AVE are built into the MTFP.</p>	G	None	Shareholder Committee
E22 Board reports should include clear presentation of the monthly income and expenditure position of the company as well as a cash flow statement and balance sheet	<ul style="list-style-type: none"> Board reports feature clear articulation of the current financial position of the company in terms of its, trading position (income and expenditure), liquidity (cash flow) and solvency (balance sheet) 	This is undertaken for Consilio and possibly for the other entities.	A	Undertake occasional review of Board reports.	Shareholder Committee

Evidence	What should you be able to find?	What evidence have you found?	RAG Rating	Actions Recommended	Responsible person/ body
<p>E23 There should be evidence of an annual audit letter from the council’s external auditors, confirming the degree of confidence they hold in respect of consolidation or treatment of financial instruments entered by the company</p>	<ul style="list-style-type: none"> • The council’s external auditor has provided an annual audit letter annually • The annual audit letter confirms the degree of confidence they hold in respect of consolidation or treatment of financial instruments entered by the company 	<p>Each entities own auditors provide an annual audit letter annually.</p> <p>Oversight and operation of council companies and the governance of them features in the External Auditor’s annual letter.</p> <p>Audit & Governance Committee reviews External Audit letter in draft and final form.</p>	<p>G</p>	<p>None</p>	<p>Shareholder Committee, External Auditor, Audit & Governance Committee</p>
<p>E24 Documented financial policies and procedures should be available</p>	<ul style="list-style-type: none"> • The company has an independent financial status from the council, including separate bank accounts and designated signatories • The financial transactions of the company are recorded on the company’s own, separate ledger system and the council is able to demonstrate how the results of the company are 	<p>To be reviewed as part of an internal audit of council entities.</p>	<p>A</p>	<p>Review the financial procedures of each entity as part of the internal audit review in Q3.</p>	<p>Shareholder Committee, Chief Internal Auditor</p>

Evidence	What should you be able to find?	What evidence have you found?	RAG Rating	Actions Recommended	Responsible person/ body
	consolidated into its own group accounts <ul style="list-style-type: none"> • The company has a set of documented financial policies and procedures which describe areas such as borrowing and overdraft limits and levels which are reserved for council approval 				
E25 There should be evidence of an effective annual internal audit programme	<ul style="list-style-type: none"> • The company operates a system of internal controls that are consistent with financial policies and procedures • The company’s internal controls are subject to periodic testing by internal auditors 	To be reviewed as part of an internal audit of council entities.	A	Review the extent and nature of the entity’s internal controls and operation as a separate entity (Q3)	Chief Internal Auditor