

**Annex 1**

**Buckinghamshire Council – Shareholder Committee**

**Best Practice Checklist – update on amber/red actions**

**C = council related action E = entity related action**

<b>Red Rating</b>		<b>Update</b>
C9	Undertake a review of each entity’s internal structure and performance mechanisms	Shareholder Committee to establish KPIs for reviewing each entity. See C8 below.
E1	The entity’s articles of association should be clear, up-to date, and reflective of how the entity is run	This Committee identified at its last meeting that the Articles are not consistently up to date, for example with references to legacy councils rather than the present Council. Directors to review in liaison with the Council.
E7	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	Under review. Any Internal Audit outcome to be considered.
<b>Amber Rating</b>		<b>Update</b>
C8	Establish clear Key Performance Indicators (KPIs) – to enable measurement of the entities’ alignment to the Council’s strategic objectives	This Committee has identified the need to monitor the alignment of entity performance with the Council’s strategic objectives and reviewing against KPIs will form part of this.  Any Internal Audit outcome to be considered.

C3 & C15	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”.	Shareholder Committee to consider as part of annual review of each entity – at the meeting on 13 March 2024
C4	Annual review of its own terms of reference. Annual report to Cabinet on terms of reference; and on entities’ health and alignment to Council’s strategic objectives.	Considered by the Committee on 10 January 2024
C5	Further training arranged in October 2023 for the current director who missed the previous training and for potential future directors of companies	Completed.
C7	Connections with the work programmes for the Audit & Governance Committee; and Select Committee	Audit & Governance Committee scheduled to consider an annual report on company governance arrangements in March 2024, following the outcome of the Internal Audit and reflecting upon the self-assessment best practice review.
C10	Review of performance quality (including KPIs) to be reported (alongside financial performance)	Shareholder Committee to consider as part of annual review of each entity – at the meeting on 13 March 2024
C11 & C14	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  Review updated business case for Consilio that is due to come to the next Shareholder Committee meeting	To be considered at the Shareholder Committee in March 2024.
C13	Review audit findings following internal audit review of subsidiary bodies in Q3 2023/24	Verbal update to Shareholder Committee on 10 January 2024  Full update to Shareholder Committee on 13 March 2024
E3	Review the internal governance and decision-making mechanisms of each company/entity (via internal audit review in Q3)	Request each entity to complete answers to questions E3 to E7 for consideration by the Committee – May 2024.  No additional comment from Internal Audit

E10	Committee to ask for information on the entity's scheme of delegation and the extent of authorities under it	Any Internal Audit outcome to be considered.
E12	There should be evidence that board membership is reviewed regularly for composition and fitness for purpose	Any Internal Audit outcome to be considered
E13 E14 E15 E19 E24	<p>In the internal audit review in Q3, review the entities' own means of:</p> <ul style="list-style-type: none"> <li>a) assessing and managing risk</li> <li>b) assessing skills in practice</li> <li>c) identifying, delivering, reviewing and recording training and the scope</li> <li>d) role of the Chair of each Board</li> <li>e) financial procedures</li> <li>f) internal controls</li> </ul>	A short pro forma can be developed between the Shareholder Committee and the entities, for use by both, for assessing the range of skills of potential and actual board members – based on the best practice categories of commercial, financial, business development, technical, legal and HR experience. Entities could then conduct a review against the pro forma each year.
E19 E20	<p>Authorise a Shareholder Committee representative to observe a meeting(s) of each entity's board to view the role in practice (re: culture and conduct of meetings)</p> <p>Undertake occasional review of Board reports (content, quality, topic)</p>	Shareholder Committee agreed to this at the 10 January 2024 meeting.