

**Audit, Risk and Governance Committee**

Meeting to be held on Monday, 24 July 2023

Electoral Division affected:  
(All Divisions);

**Review of Arrangements for the Oversight of Council Controlled Companies**  
(Appendix 'A' refers)

Contact for further information:

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**Brief Summary**

This report provides the outcome of the work undertaken to strengthen the county council's strategic management of companies that it either wholly or partly owns following the recommendations of the Audit, Risk and Governance Committee.

**Recommendation**

The Audit, Risk and Governance Committee is asked to consider the information provided, in particular that the newly established Company Member Cabinet Committee shall provide strategic management of county council owned companies and agree that any risks identified by the Company Member Cabinet Committee in relation to the companies shall be reported to the Audit, Risk and Governance Committee as appropriate.

**Detail**

At its meeting held on 26 May 2022 Full Council resolved to request that an audit exercise be conducted into how the county council is performing as a company member/shareholder in relation to the companies over which it exercises control and report those findings to the Audit, Risk and Governance Committee.

This work was commissioned through an independent auditor, Veritau with a report on their findings presented to the Audit, Risk and Governance Committee at its meeting held on 30 January 2023.

Whilst no significant problems were uncovered in relation to any of the county council companies, the independent auditors identified a gap in the county council's governance arrangements. In summary, some companies operated with limited county council oversight (at a shareholder / member level) and there was no structural process which enabled the county council to link its aims and objectives to the activities and performance of the companies themselves. This activity did happen



but on a local level: those officers and members associated with a service provided by, or with the assistance of, a council company provided oversight and were involved in relevant company activities. However, this was not always cascaded to a wider audience, which left a gap in how the county council approached company activity, benefit, and cost on a strategic basis; this is not the most effective method of ensuring accountability and best value.

Following this the Audit, Risk and Governance Committee noted the report and requested that a further report on officers' recommendations be presented to a future meeting of the committee.

A report was then presented to Cabinet on 4 May 2023 containing Terms of Reference (attached at Appendix 'A') to establish a new Company Member Cabinet Committee to provide the necessary strategic oversight of county council owned companies identified by the Veritau report. Cabinet duly approved the establishment of this new Cabinet Committee which has since held its first meeting on 22 June 2023, at which it agreed to adopt Best Practice Guidance in relation to its management of county council owned companies and a work programme for each company ensuring robust oversight.

Should the Company Member Cabinet Committee, in its strategic management role of county council owned companies, identify any risks associated with any of the county council's companies they will be reported to the Audit, Risk and Governance Committee as appropriate.

## Appendices

| Appendix     | Title   |
|--------------|---|
| Appendix 'A' | Company Member Cabinet Committee – Terms of Reference |

## Consultations

N/A

## Implications:

This item has the following implications, as indicated:

## Risk management

The newly established Company Member Cabinet Committee shall strategically monitor all county council owned companies and will manage any risks associated with them, reporting any significant risks to the Audit, Risk and Governance Committee as appropriate.



**Local Government (Access to Information) Act 1985  
List of Background Papers**

Paper Date Contact/Tel

None

Reason for inclusion in Part II, if appropriate

N/A

