Annual Governance Statement – additional information

Under “Scope of Responsibility”

The Council has a wholly owned subsidiary Ipswich Buses Limited, and is in the process of setting up a further wholly owned subsidiary, Ipswich Borough Assets Limited. The governance arrangements for Ipswich Buses Limited are included in the body of this report.

Under “The purpose of the governance framework”

Ipswich Buses Limited has a system of governance which is designed to give the Directors and shareholder adequate information to review the activities of the company and control the business risks.

Under “Governance Framework” new subsection “Subsidiary Companies”

The Board of Ipswich Buses Limited (IBL) is responsible for the management of internal control throughout IBL. Ipswich Borough Council is represented on the board of directors of IBL by one Council officer and 2 councillors. KPMG provided the external audit services to IBL for the year ended 26th March 2016. Annual budgets are approved by the Board, who receive regular financial and non-financial reports throughout the year. IBL has a policy on Health and Safety which has been communicated to employees.

Under “Significant Governance Issues”

<table>
<thead>
<tr>
<th>Issues/Challenges identified</th>
<th>Improvement Plan</th>
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| Governance arrangements for subsidiary companies | - Review the governance arrangements for Ipswich Buses Limited  
- Ensure that the governance arrangements for any new subsidiary companies are fully documented and approved by the Board of Directors |