Isle of Wight Council

Annual Governance Statement

2023-2024

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1. Introduction

Governance within an organisation in its simplest form is about who has authority to act, who can take decisions, and how the organisation is kept accountable for the decisions it makes. These basic principles are translated into processes that facilitate the making and implementing of decisions. This is not about making "correct" decisions but about having processes in place that assist with making the best possible decisions with ultimately better outcomes being secured. It can be said that good decision-making processes and therefore good governance share several characteristics which include:

- *Good governance is accountable* – local government has an obligation to report, explain and be answerable for the consequences of decisions it has made on behalf of the communities it represents.
- *Good governance is transparent* – people should be able to follow and understand the decision-making process. This means that they will be able to clearly see how and why a decision was made, what information, advice and consultation was considered together with any risks identified, mitigating actions and legislative requirements (where relevant) were considered.
- *Good governance follows the rule of law* – which means that decisions are consistent with relevant legislation or common law and are within the powers of the council to act.
- *Good governance is responsive* – local government should always seek to serve the needs of all its communities and the priorities identified by them (as reflected in the council's Corporate Plan), while balancing competing interests in a timely, appropriate, and responsive manner.
- *Good governance is equitable and inclusive* – a community's wellbeing stems from all its councillors feeling that their interests have been considered by the council in its decision-making process. This means that all groups, particularly the most vulnerable, should have opportunities to participate in the process.
- *Good governance is effective and efficient* – local government should implement decisions and follow processes that make the best use of available resources, and time to ensure the best possible outcomes are secured against its agreed priorities.
- *Good governance is participatory* – anyone affected by or interested in a decision should have the opportunity to participate in the process for making that decision. This might be by being provided with information, asked for their opinion, or given the opportunity to make recommendations to be taken into consideration.

To evaluate good governance in practice, there is a statutory requirement under the Accounts and Audit (England) Regulations 2015 for every local authority to prepare and publish an annual governance statement. This provides members of the public with an open assessment of how effective the council's governance arrangements are against a code of corporate governance entitled "Delivering Good Governance in Local Government 2016".

This document is published by CIPFA/SOLACE as recognised national lead bodies for public services. The code considers the characteristics of good governance set out above and translates them into specific core activities, including how a council:

- Upholds high standards of conduct and behaviour
- Engages with local people and other stakeholders to ensure robust public accountability
- Creates and implements a vision for the local area
- Determines the interventions necessary to optimise the achievement of agreed outcomes
- Develops the capacity and capability of councillors and council staff to be effective
- Takes informed and transparent decisions that are subject to effective scrutiny and risk management
- Has councillors and council staff that work together to achieve a common purpose

This document therefore provides an overview of the Isle of Wight Council's governance arrangements in place against the core activities set out in the code of corporate governance and characteristics of good governance set out above, underpinned by an honest self-assessment of their effectiveness for the period 2023/24. It includes an action plan for the coming year to address any identified areas of concern and a report on progress made against those areas highlighted for improvement in its 2022/23 annual governance statement.

In its preparation, the statement contained within this document, covers the council's significant corporate systems, processes and controls that are designed to ensure that:

- Laws and regulations are complied with
- Council policies are implemented in practice
- Required processes are adhered to
- High quality services are delivered efficiently and effectively
- The council's values and ethical standards are met
- Performance and financial statements and other published information are accurate and reliable
- Human, financial, and other resources are managed efficiently and effectively

2. The Council's responsibilities

As a public body, the council is responsible for carrying out its business in line with the law and proper standards to ensure that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively. There is also a duty under the Local Government Act 1999 to plan to secure continuous improvement in the way the council's functions are exercised, having regard to a combination of economy, efficiency, and effectiveness. To do this, there must be in place a robust set of arrangements for the governance of its affairs and in facilitating the effective delivery of its functions, including arrangements for the management of risk and for dealing with any issues that may arise from them.

3. The purpose of a governance framework

To assist with the delivery of good governance, each council has a local governance framework that brings together all the relevant legislative requirements, governance

principles and activities (as described above), corporate strategies and policies, business systems, management processes together with an operating culture and set of values upon which business is conducted. The quality of these arrangements underpins the level of trust in public services and is fundamental to the delivery of the council's statutory and democratic obligations. A governance framework therefore allows the council to be clear about how it discharges its responsibilities.

A system of internal control, designed to give assurance of operational effectiveness, is a significant part of operating the council's governance framework, and is also designed to assist with the management of risks to a tolerable level. However, it is important to note that it is not possible to eliminate all risks and can only serve to demonstrate reasonable assurance of effectiveness. The management of risk is an ongoing process, designed to identify and prioritise the risks associated with the achievement of the council's key priorities, policies, aims and objectives, to evaluate the likelihood of those risks occurring and to manage their impact should they happen.

4. The Isle of Wight Council's governance framework

The Isle of Wight Council's local governance framework is designed to be consistent with the CIPFA/SOLACE Delivering Good Governance in Local Government code of practice. The framework summarises the council's internal arrangements that have been put in place to ensure that there is effective governance and includes hyperlinks to supporting documentation and can be found at Addendum A to this document.

The overarching aim of good governance is to ensure that the council achieves its intended priority outcomes, while always acting in the public interest. The following text provides a high-level overview of the key elements of the structures and processes in practice that form an essential part of the council's governance framework against the code of practice and each of the governance indicators and their descriptors of what good governance should look like.

The governance framework is taken into account when considering significant partnerships approaches and how the council engages effectively with key strategic partnerships. A new partnership framework and process to collect and collate information regarding the effectiveness of partnerships was introduced in 2023 and is refreshed annually.

Principle 1: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law:

The council's constitution sets out how it conducts its business, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent, and accountable to local people. Some of these processes are required by law, while others are a matter for the council to determine. The constitution is divided into 6 main parts, with a number of sub sections that set out the basic rules governing the council's business with more detailed procedures and codes of practice provided in support of their delivery. The constitution is refreshed at least annually, usually at Annual Council

and may be updated more frequently if there are changes in any legislation affecting the contents of the constitution.

- *Full Council at its meeting of 1 May 2024 resolved to introduce a committee system of governance with effect from Annual Council in May 2025. The project plan for this transition to be in place for May 2025 is being developed to ensure close monitoring of progress and effective communication of the changes to all stakeholders and our community.*

- There is a code of conduct for councillors and council staff which sets out the expected behaviour and standards to be adhered to.

- The Monitoring Officer is a statutory function and ensures that the council, its staff, and councillors maintain the highest possible standards of conduct in all they do. The designated Monitoring Officer for the Isle of Wight Council is the Assistant Director of Corporate Services and holds responsibility for monitoring and reviewing the operation of the council's constitution, ensuring compliance with established policies, procedures, laws, and regulations and for reporting any actual or potential breaches of the law or maladministration to the Full Council and/or Cabinet.

  The council is committed to achieving the highest possible standards of openness and accountability. It has in place a "whistleblowing policy" which reflects the legal framework and obligation to enable staff or those delivering services on behalf of the council, without recrimination, to raise concerns about conduct that may be unlawful, of financial malpractice, presents a danger to the public or the environment, affects the general welfare of the public or integrity of public services.

- As part of the council's commitment to the safeguarding of public funds, there is an anti-fraud, bribery and corruption policy and strategy that sets out the process to be followed where there is suspicion of financial irregularity.

- The Section 151 Officer is a statutory function that requires a member of staff who must be appropriately qualified to be responsible for the financial administration of the council. The designated Section 151 officer for the Isle of Wight Council is the Director of Finance.

- There is a complaints procedure for dealing with any complaints related to the delivery of council services which is available on the council's website. If complainants remain dissatisfied, they have the right to refer the matter to the Local Government and Social Care Ombudsman (LGSCO) and complainants are informed of this right. The monitoring and learning gained from complaints is reported through the council's performance report to Cabinet. In accordance with legislation there are also separate procedures in place for complaints relating to Children's Services and Adult Social Care. Complaints about councillors are dealt with under the councillors' code of conduct.

Principle 2: Ensuring openness and comprehensive stakeholder engagement:

- The council recognises that effective community engagement is an essential contribution to strong corporate governance and uses a variety of ways to engage with its communities and stakeholders to assist. The Forward Plan (iow.gov.uk) section of the council's website provides access to the published forward plan which provides an indication of future reports that are to be considered together with agendas and minutes of all public committees. This ensures that people know what decisions the council is planning to take as well as the decisions taken. It provides access to a facility for making general complaints about council services and about councillors where their conduct is in question. The process to follow is set out clearly. There is also a facility for petitions (iow.gov.uk) to be launched and submitted on matters that are important to local people.

- The Home Page (iow.gov.uk) of the council's website provides information on latest news and updates on council services together with a range of information that is available for the public scrutiny in accordance with the code of recommended practice for local authorities on data transparency. There are details of all consultations and engagement (iow.gov.uk) where residents and stakeholders can voice their opinions and assist with shaping service delivery. *A full review of the process, guidance, and support to services in the development of consultation activities was undertaken in 2023 with significant additional support being made available to ensure transparency and to feedback results from consultations effectively.*

- The Isle of Wight Youth Council (iow.gov.uk)is in place to provide opportunity for young people to influence how services are delivered, highlight issues that need to be reviewed and to help shape public services for our communities.

- The council operates a Corporate Scrutiny Committee (iow.gov.uk)whose remit is to review and challenge the policy decisions that are taken by Cabinet. Corporate Scrutiny is supported by three policy and scrutiny panels (Health and Social Care, Children's Services, Education and Skills, Neighbourhoods and Regeneration) who aid the Cabinet in the development of council policy together with a review of any matter relating to these specific service areas. They assess how the council is performing and see whether they are providing the best possible, cost-effective services for the Island's communities. In addition, there is an Audit and Governance Committee whose specific remit is to review the council's financial and non-financial performance as well as to receive reports that deal with issues that are essential for good governance. Each committee has its own terms of reference.

Principle 3: Defining outcomes in terms of sustainable economic, social, and environmental benefits:

- The council's corporate plan is the key strategic document that sets out its vision and ambitions for the Island. The plan sets out the priorities, the outcomes that are expected to be achieved, what it will do to deliver them and what measures it will use to monitor progress against their successful achievement. The corporate plan is underpinned by a number of directorate plans, prepared by directors, which include the operational detail for core business that must be delivered, plans for improvement,

development or change, financial planning, key risks and their management/mitigation as performance measures and monitoring arrangements.

- Central to the delivery of the corporate plan is the council's medium term financial strategy which plays a pivotal role in translating ambitions into action. The strategy focuses on determining the overall financial position for the council and considers any major issues affecting the council's finances. It forms the basis for developing the overall budget, and any contingencies that need to be put in place for any unavoidable service pressures that may arise.

- All committee reports require an assessment of the options considered and their impact on the key priorities of the council:

  - ✓ Provision of affordable housing for Island residents
  - ✓ Responding to climate change and enhancing the biosphere
  - ✓ Economic recovery and reducing poverty
  - ✓ Impact on young people and future generations

- *The Climate and Sustainable Development Impact Assessment Tool (CSD Impact Assessment Tool) aids decision makers within the council by creating a visual impact assessment that focusses on two distinct categories: United Nations Sustainable Development Goals (UN SDGs) which we have committed to through supporting the Isle of Wight Biosphere Reserve and key outputs from the IWC Climate and Environment Strategy. It has been adapted by models used by other local authorities through consultation in best practise.*

  The CSD Impact Assessment Tool focuses on the impacts of our decisions to the environmental and socio-economic conditions of the Island.

  The CSD Impact Assessment Tool has been developing as part of the ongoing actions working towards the Council's commitment to the Climate and Environment Strategy 2021- 2040.

  As part of making climate change a key corporate priority, the CSD Impact Assessment Tool has been developed to be used in the Cabinet decision making process.

  All staff who are submitting papers for decision to Cabinet must complete the CSD Impact Assessment Tool in its entirety, giving due diligence to the completion of each section.

- As part of the call over process the Council's key advisers for the relevant priority are given sight of all papers for comment. Every decision taken must have regard to the priorities of the council.

Principle 4: Determining the interventions necessary to optimise the achievement of intended outcomes:

- Underpinning the delivery of the corporate plan are a series of directorate plans that translate the council's priorities and outcomes expected to be achieved into operational service delivery activities. Each of the directorate plans has a suite of performance measures that enable critical delivery requirements to be tracked and monitored. The directorate plans now include a section that identifies the workforce resources required to deliver the outcomes required. These plans are used by Human Resource, to support services in their recruitment, retention and succession planning which enable the council to develop and maintain an effective workforce.

- To allow the transition of the council's priorities into their most granular form, the council also operates a Personal Performance Management Framework through which staff and managers agree individual performance objectives that play an important part in achieving the overall desired outcomes. These objectives are also supported by any relevant learning and development required to successfully achieve them.

- Monitoring of progress against targets is undertaken on several levels, from strategic quarterly performance reporting to Cabinet, to directorate level service board meetings that measure performance against agreed business plans to regular discussions between managers and staff to review operational and day to day business performance. The council's Performance Management Framework was reviewed and refreshed to consider the changes in management structure and directorate make up during 2023 to ensure that the reporting framework remains sustainable and current.

- *Quarterly reporting on progress against the delivery of agreed priorities and outcomes is undertaken by Cabinet and is also provided to the scrutiny committee for review. The format and metrics that support this process have been fully reviewed and updated to ensure they remain relevant and useful to measure performance across the council.*

- The council also has a robust decision-making framework in place that requires all reports to be subject to the corporate "call over" clearance process prior to publication. All reports follow a standard template that provides the decision maker with all the relevant information and advice necessary to make an informed decision. Reports provide background information; details of the issue under consideration and includes options open to the decision maker together with the pros and cons of each of those options to provide a recommended course of action if required. Professional advice in respect of any considerations of a legal, financial, equality, risk, the provision of affordable housing, climate & environmental impacts and the UNESCO Biosphere, impact on young people and future generations are clearly set out as is any consultation that has been undertaken to assist with the decision.

- *A review of the governance arrangement across the formal and informal partnerships that the council works with was undertaken in 2023. A Partnerships Framework has been developed to ensure adequate governance and reporting arrangements are in place to now undertake an annual review. Any proposal for the development of a new partnership is required to follow the framework to ensure that it is set up and managed effectively.*

- The council's Corporate Scrutiny Committee scrutinises items on the council's forward plan and acts in the capacity of critical friend to the Cabinet prior to decisions being taken. Scrutiny meetings are held in public where members of the public can ask questions or submit questions in writing to the committee. *All committee meetings are recorded and available for public viewing through the council's website.*

Principle 5: Developing the council's capacity, including the capability of its leadership and the individuals within it:

- The council operates a robust interview and selection process to ensure that offers of appointment are based upon securing the right level of skills and experience to fulfil the role. If working with children and/or vulnerable adults the necessary clearance checks are undertaken prior to appointment. There is a corporate induction programme that welcomes new staff into the council, assisting with understanding of the council's priorities and ambitions as well as the prevailing culture and expected standards of behaviour. It provides a wide range of information on how the council operates and the key policies that new starters need to be aware of.

- There is a corporate core learning and development programme that sets required activities for new staff to complete and for existing staff to receive by way of updates. There is also a core learning and development programme for managers designed to ensure they are fully conversant with their people management responsibilities. These learning programmes have been included in the council's Learning Hub which enables staff to undertake and record training events, and managers to access reports on training uptake.

- *Following a restructure of the senior management teams during 2023, there* is a full complement of appointments to the corporate management team, all of whom are appropriately qualified and experienced in their field and capable of providing strong, resilient, and stable corporate leadership.

- *A new networking and leadership group (Department Management Team) of the third-tier managers has been established to act as a consultative body on changes to corporate strategies / savings proposals/policy development and to ensure consistency in approach across the Council (where appropriate). The group is intended to increase opportunities to collaborate across the Council and to better facilitate understanding of each other's work, identifying areas to support and enhance each other's work*

- *The council has several strategic partnerships to enable the capacity of a small unitary council to be maximised to its full potential. Strategic partnerships include the management of the council's public health service with Hampshire County Council; Portsmouth City Council for the provision of a Director of Finance and Section 151 Officer and Chief Internal Auditor roles.*

- There are learning and development programmes in place for aspiring leaders and managers that aims to improve the council's future succession planning

arrangements, and which also seeks to facilitate engagement and empowerment of future talent in the development of the council's critical business priorities and intended outcomes. The Council's successful approach to the use of the Apprenticeship Levy has led to an increase in existing staff accessing development programmes which assist with succession planning.

- Newly elected councillors are provided with a comprehensive induction programme that assists with full understanding of their roles and responsibilities, political management and decision making, financial management, health and safety, information governance, safeguarding and code of conduct.

- Councillors are provided with a regular calendar of events that aims to provide a wide range of on-going learning and development in specific areas of council activity, legislative changes, and personal skill development. Access to the local government association leadership academy is afforded to cabinet members and aspiring cabinet members and other relevant external or on-line learning opportunities are made available to enable specific portfolio or areas of interest to be developed.

Principle 6: Managing risk and performance through robust internal control and strong public financial management:

- The council has in place frameworks for risk and performance management alongside the strategy and policy that sets out the framework arrangements and responsibilities for the successful delivery of agreed priorities and intended outcomes. The risk policy was refreshed in February 2024 and is intended to assist council staff at all levels in applying sound risk management principles and practice across their areas of responsibility. Risks and performance are monitored and reported to corporate management team and directorate service boards, review of risk and performance is undertaken by the Corporate Scrutiny Committee. The Audit and Governance Committee reviews and monitors the strategic risk profile of the council.

- The council has two major, long term commercial contracts in place for highways and waste service delivery both of which have their own contract management team, councillor boards and delivery boards to maintain oversight and formal monitoring of performance.

- The council's financial management arrangements conform to the governance requirements of the CIPFA "statement on the role of the Chief Financial Officer in local government (2016)". The Chief Financial Officer is professionally qualified; is a member of the corporate management team; has input into all major decisions; advises Cabinet on financial matters and is responsible for ensuring that budgets are agreed in advance, are robust and that the finance function is fit for purpose. The Chief Financial Officer is the Director of Finance and Section 151 Officer.

- The council's assurance arrangements also conform to the governance requirements of the CIPFA "statement on the role of the Head of Internal Audit (Chief Internal Auditor) in public service organisations (2016)". The Chief Internal Auditor is

professionally qualified and leads on the review and adequacy of the council's internal control environment. Where necessary, to the proper discharge of the internal audit function, the Chief Internal Auditor has direct access to the Chief Executive, Section 151 officer, Monitoring Officer, and Councillors, especially those who serve on committees charged with governance.

Principle 7: Implementing good practices in transparency, reporting and audit to deliver effective accountability:

- The council's constitution is always under review and is refreshed at least annually. It sets out how decisions are made, it makes specific reference to decision making by Full Council, Cabinet, and other established committees. There is also a scheme of delegations that describes the limits of responsibilities that can be delegated to the Chief Executive and chief officers (and who in turn may delegate further as appropriate).

   The council is committed to openness and transparency and now publishes a significant amount of data and information to increase its accountability to residents. There are dedicated transparency pages on the council's website that provides access to the council's spend transactions month by month; statement of accounts; councillor allowances and declarations of interest; budget consultation outcomes; workforce data and pay policy setting out the council's terms and conditions of employment; trade union facility time; councillors questions and contracts to name but a few.

- The council publishes a [Forward Plan (iow.gov.uk)](iow.gov.uk) of all key decisions which are proposed to be taken and other decisions where practicable to assist in providing public transparency and confidence in decision making. All committee agendas and minutes of constituted committees are also published on the council's website and in accordance with publication timescales.

- All reports requiring a decision are considered by appropriately professionally qualified legal and finance staff prior to publication and all advice is made public within the report template. The council must also ensure that it meets its duties and obligations under the Equality Act 2010, and any proposals for changes to service delivery, projects or policies have regard to equality when being considered to better understand whether they impact on people who are protected under the Act and to assist with informed decision making.

- A Local Government Framework has been used as a basis for self-assessment and a baseline for the council's current equality and diversity provisions. An action plan has been developed to monitor progress and this is monitored through the Equality and Diversity Board.

5. *Financial Management Code 2019:*

A key goal of the Financial Management Code is to improve the financial resilience of organisations by embedding enhanced standards of financial management. There are clear links between the Financial Management Code and the Governance Framework.

A significant amount of the Code is part of the council's current and ongoing activity. The assessment of the council's financial regulations policies and procedures was undertaken to evidence that they continue to meet the CIPFA Code requirements.

The medium-term financial plan, which started in 2016, has not changed significantly since that date. The annual budget report is the mechanism for those in year changes to be identified and actioned dependent on the priorities and plans of the council.

6. ***Auditing of the Accounts:***

There remains concern nationally, with the continued delay in the completion of the audited accounts for 2022/23 and this has an impact on the publication of accounts for 2023/24.

The Department for Levelling Up, Housing & Communities (DLUHC) reported in February 2024 that the backlog in the publication of audited accounts of local bodies in England had grown to an unacceptable level. The number of outstanding opinions peaked on 30 September 2023 at 918. As of 31 December 2023, the backlog of outstanding audit opinions stood at 771.

Despite some local authorities having a longer-term backlog, the Isle of Wight Council 2021/22 accounts were formally signed off in September 2023, but the 2022/23 accounts are still outstanding. This delay can have significant implications for perceived local accountability and the effective management of public money. Local public bodies deliver many services to residents, businesses and taxpayers and account for a significant amount of public spending. High quality local auditing is essential for public trust in how taxpayers' money is spent.

Through a joint statement with system partners in February 2024, DLUHC have consulted on a range of proposals to clear the backlog and put the system back on a sustainable footing. The proposals consist of 3 stages:

- ***Phase 1: Reset** involving clearing the backlog of historical audit opinions up to and including financial year 2022/23 by 30 September 2024*
- ***Phase 2: Recovery** from Phase 1 in a way that does not cause a recurrence of the backlog by using backstop dates to allow assurance to be rebuilt over multiple audit cycles*
- ***Phase 3: Reform** involving addressing systemic challenges in the local audit system and embedding timely financial reporting and audit*

The results of the consultation and approach to formalising 2022/23 are expected over the summer of 2024.

The Isle of Wight Council Financial Management Team undertook a complete refresh of closedown planning documents in early 2024 in readiness for the 2023/24-year end,

presenting task planning and prioritisation advice to wider finance staff, and improving liaison with other relevant corporate colleagues in preparation for the closedown period. This planning should allow a productive engagement with external auditors on the 2023/24 accounts, currently planned for autumn 2024.

7. **The annual review of effectiveness:**

The council is required to undertake, at least annually, a review of the effectiveness of its governance framework, through the internal audit assurance process and self-assessment survey, including the system of internal control. The outcomes of the review are considered by the Corporate Management Team and Audit and Governance Committee (who approve the final statement). Once approved, the annual governance statement is published alongside the council's statement of accounts.

In reviewing the council's governance framework arrangements and to complete this assurance statement, assurances are drawn from the following sources:

- Full council, Cabinet, and other key decision-making committee outcomes
- Outcomes from Scrutiny committees and Audit and Governance Committee
- The Monitoring Officer, Section 151 Officer, and Chief Executive
- Corporate service departments
- Internal audit report on the annual governance statement
- Internal audit annual opinion
- Internal audit self-assessment survey and report
- The Annual Governance Statement Self-Assessment
- Risk, performance, and financial reports
- The Strategic Equality and Diversity board
- The Strategic Health and Safety board
- Customer complaints and feedback
- Freedom of Information requests
- Data protection and information governance issue
- Health and Wellbeing Board
- External audit reports
- External inspections and peer reviews
- Benchmarking activity
- Evaluation of progress against previously identified governance issues

This all supports the completion of the self-assessment statement which covers key processes and systems that comprise the council's governance arrangements and is intended to identify any areas where improvement or further development is required.

8. **Governance *issues – Part One - Progress Against the 2022/2023 Self-Assessment***

The completion of the self-assessment for 2022/23 did not highlight any significant governance failures. However, the following issues were identified as areas where improvements could be made:

	Governance issue	Actions to address the issue	Measure of success	Progress to Date
	Both audits and investigations carried out have identified an increasing trend of potential theft/ fraud during 2022/23. All minor in nature. *This is likely to be linked to changes in working practices/less direct supervision of staff, reductions in capacity and the wider economic climate, putting pressure on staff.* *A review of a number of key controls, for example, cash handling arrangements, across Council sites has also recently been carried out by Internal Audit.* *This identified weaknesses across sites as to how cash is managed, making this more vulnerable to theft. The lack of appropriate controls over cash handling also increase the risk that any thefts will not be identified in a timely manner.*	*Continue current mechanisms to staff, who may be suffering hardship.* *Implement consistent processes, to control assets, for example personal belongings and cash. Specifically receipting, secure storage (within safe limits) and records of when withdrawn and for what purpose.* *Monitor actions from the two audits to ensure they comply within the agreed timescales.*	*Issues identified will be confirmed as addressed at the audit follow-up.*	*Follow up work has shown good movement in general.*

Governance issues – Part Two: Action Plan from the 2023/4 self-assessment:

Many of the results from the 2023/24 internal audit workplan have been rated as 'reasonable assurance' or 'assurance' with only three areas rated limited assurance, although there are currently three reports pending finalisation. All the three reports

finalised with a limited assurance rating to date substantively cover issues discrete to specific services and are not assessed as being indicative of pervasive issues; as such they do not impact on the overall audit opinion, which remains at 'reasonable assurance'.

Considering the issues (cash/asset controls and fraud) identified in the 2022/23 Annual Audit Opinion similar issues continue to be identified in the wider audit programme of working, including investigations carried out by Internal Audit.

Both Internal Audit and senior management (specifically the Strategic Director for Corporate Services and Chief Executive) are alert to these issues, with ongoing actions planned, to detect and respond, as covered below. Following changes to the management structure and service responsibilities relevant directors have been briefed by Internal Audit, regarding issues materialising before they came into post and will continue to receive briefings regarding any emerging issues, if they are identified.

*The overall annual opinion remains at **'reasonable assurance'**.*

	Governance issue	Actions to address the issue	Measure of success	Lead Person
1	*Following the trend from 2022/23 and prior years, both audits and investigations continue to identify issues of control failings and potential fraud, leading to the misuse of public funds.* *For context sums involve are relatively minor but it is important that spend from the public purse is always used for its intended purpose.*	*Internal Audit carried out a comprehensive assessment of anti-fraud measures in place, both corporately and across service areas, towards the end of 2023/24.* *The results of this survey have been shared with senior management and, at the Chief Executive's request, similar exercises will be scheduled periodically by Internal Audit.* *This will help to inform a view as to the status of anti-fraud*	*Improving trend of anti-fraud controls identified in future exercises carried out by Internal Audit.* *Reduction of issues identified in future audits and investigations.* *Intelligence from senior management, showing a reduction in issues identified.*	*Section 151 Officer*

	Governance issue	Actions to address the issue	Measure of success	Lead Person
		arrangements, track improvements, share good practice and identify any areas where enhancements are necessary. *Regarding wider actions senior management (most importantly, given areas of responsibility, the Director of Corporate Services) should continue to be alert to any emerging issues and engage with wider services, including Internal Audit, to identify and implement further enhancements as necessary.*		

Summary

The annual assessment and review process of the council's corporate governance arrangements has identified several issues that could further enhance the current arrangements. As a result, the Isle of Wight Council will take steps to address the above identified issues to secure further assurance in the areas identified above.

Signed on behalf of Isle of Wight Council:

Wendy Perera
Chief Executive

Councillor Phil Jordan
Leader of the Council

Strategic Planning Documents

Corporate Plan 2021-2025
Performance Management Framework*
IWC Risk Management Framework*
Forward Plan
Constitution (including Member Code of Conduct)
Complaints Policy
Town and Parish and Community Council Protocol (16)

Human Resources Documents

IWC Terms and Conditions/Contracts of Employment*
Pay Policy
Capability Policy*
Disciplinary Policy*
Bullying and Harrassment Policy*
Expenses Policy*
Behaviour Framework*
Equality Impact Assessment Guidance
Workforce Plan
Whistleblowing Policy*
Employee Code of Conduct*
Recruitment Policy and Procedure*
Disclosure and Barring Service (DBS) Policy*
Equality Policy Statement & Guidance*

Financial Management Documents

Medium Term Financial Plan
Treasury Management Strategy*
Income and Charging Policy*
Anti-money Laundering Policy*
Anti-fraud, Bribery and Corruption Policy
Corporate Tax Evasion Policy*
Contract Standing Orders*
Financial Regulations
Pension Fund Governance Policy*
Accountable Body Policy*
Grant Policy*
Loans Policy*
VAT Manual*
Procurement Strategy*

ICT and Legal Documents

Data Protection Policy*
GDPR – Privacy Impact Assessment*
Protective Marking Policy*
Records Management Policy*
Information Security Policy*
Cloud Storage Policy*
Social Media Policy*
Electronic Communications Policy*
ICT Hardware Policy*
ICT Software Policy*
ICT Artificial Intelligence Policy*
Telecommunications Policy*
Mobile and Homeworking Policy*
Data Breach Incident Reporting Policy*

* Intranet Only

Authority and Service Policies, Directorate Plans and Risk Registers

Performance Management & Data Quality

Service Board Reports
Quarterly Performance Reports
Benchmarking Clubs
Personal Performance Management Reviews*
Job Descriptions*
Corporate Induction
Corporate Management Team Schedule of Meetings

Risk Management

Strategic Risk Register
Service Risk Register
Project Risk and Issues Log
Service Board Reports
Online Risk Management Training
Classroom Risk Management Training

Information Governance

Training Programme
Department Information Guardian Meetings
Data Sharing Agreements
Information Governance Group
Cyber Security Strategy Programme Board
FOI Requests
Complaints Submission
Subject Access Request

Financial Management

Statement of Accounts
Capital Programme
Service Board Reports
Treasury Management
Statutory Returns
Outturn Reports
Procurement Board

Legal and Regulatory Assurance

Sections of Committee Reports Legal Advice
Equality Impact Assessments
Transparency Reports
Register of Interests
Whistleblowing Reports
Call Over Process

Other Sources of Assurance

Council Regulatory Body Inspection
Ombudsman Reports
Staff Equality and Diversity Group
Health and Safety Board
Vine Staff Newsletter
Managers Briefings
Mental Health Working Group

Internal Audit

Annual Plan
Periodic Reporting to Audit and Governance Committee
Annual Audit Governance Statement

External Audit

Annual Plan
Annual Audit and Inspection Letter

Members Assurance

Council Meetings – Modern Council (moderngov.co.uk)
Scrutiny Committee
Cabinet
Full Council
Audit and Governance Committee
Appeals Committee
Member Induction
Member Training Programme
Health and Wellbeing Board

Assurance by Directors/Heads of Service

Council Corporate Management Team Meetings
One to One meeting with CX
Monitoring Officer
Section 151 Officer
Chief Executive

Review the effectiveness of the system of Internal Audit

Chief Executive with responsibility for drafting AGS after evaluating assurance and supporting evidence

Independent review and approval by Audit and Governance Committee who examine the draft AGS and supporting evidence

ANNUAL GOVERNANCE STATEMENT
Signed by the Leader of the Council and Chief Executive. Published with the Statement of Accounts