Isle of Wight Council

Annual Governance Statement

2021-22

Contents:

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.

In order 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 considered to be 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 2021/22.
- An action plan for the coming year to address any identified areas of concern.
- A report on progress made against those areas highlighted for improvement in its 2020/21 annual governance statement.
- Analysis and feedback from the new self-assessment survey undertaken by the council's internal audit team.

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 make arrangements 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 Appendix A to this document.

The overarching aim of good governance is to ensure that the council achieves its intended priority outcomes, while acting in the public interest at all times. 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.

Strategic partnerships are becoming an increasingly important element of the council's corporate growth strategies helping pool knowledge and resources to deliver better outcomes for the island population and its visitors. Whether this be by direct service provision in partnership, by alternative innovative service delivery mechanisms or simply by exerting influence to deliver better social value outcomes as well as value for money. The governance framework is taken into account when

considering significant partnerships approaches and the governance arrangements for the partnerships developed and reviewed to ensure they meet the requirements of the specific partnership.

The local delivery arrangements are identifying strategic issues and opportunities to challenge some of the current approaches to delivery and investment. The council is seeking to better align planned investment expenditure to key corporate priorities to accelerate improvement opportunities. An example of this is through the current activity being formalised via the Isle of Wight Integrated Care Partnership (ICP) that aims to align strategic needs around the health and social care local system needs in accordance with the new legislation permitting such arrangements. Areas of joint commissioning and provider committees seek to align to shared governance arrangements and funding agreements.

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 updated 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.

- 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. The policy sets out how to report a concern and what action to take together with details of how concerns will be investigated and the protections afforded to whistle-

blowers, as well as the provision of access to an independent "hotline" reporting facility. Reported concerns are reviewed annually by the Audit Committee.

- 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 councillor's 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. A variety of ways to engage with its communities and stakeholders are utilised to assist. The "How The Council Works" 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 e-petitions to be launched and submitted on matters that are important to local people.

- The Your Council section 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 Current Consultations (iow.gov.uk) where residents and stakeholders can voice their opinions and assist with shaping service delivery.

- There is a strong focus on youth participation and the Isle of Wight Youth Council provides 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 whose remit is to review and challenge the policy decisions that are taken by Cabinet. 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 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, that 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.

- Quarterly reporting on progress against the delivery of agreed priorities and outcomes is undertaken by Cabinet and which is also available to the scrutiny committee for review.

- 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 and the ongoing impact of COVID-19.

- All committee reports require an assessment of the carbon impact of the options considered. As part of the call over process the Council's Principal Officer (Environment) is given sight of all papers for comment, every decision taken must have regard to the need to reduce the council's and the Island's carbon footprint.

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 HR, 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 a number of levels, from strategic quarterly performance reporting to Cabinet, to service boards 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 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. This process was reviewed and strengthened in 2021. 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 in order to provide a recommended course of action if required. Professional advice in respect of any considerations of a legal, financial, equality, risk, impact on young people and future generations, and the UNESCO Biosphere and Climate & Environmental impacts are clearly set out as is any consultation that has been undertaken to assist with the decision.

- 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 have the opportunity to ask questions or submit questions in writing to the committee.

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.

- 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.

- The council has a number of 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 children's services and public health 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 2023 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 review is undertaken by the Corporate Scrutiny Committee.

- 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 refreshed at least annually and 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 in order 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; performance monitoring; 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](#) 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.   Assessment of the longer-term disruption and consequences arising from the coronavirus pandemic:

Projects and programmes that were put on hold have restarted with the inevitable delays planned into future project timescales.

As part of the recovery programme there is a regular meeting of the council and key partners which oversees the recovery phase from the Covid-19 pandemic. This group agreed the restoration and renewal priorities of service areas and continues to consider the wider community impacts.

The audit plan for 2021/22 was prioritised to those areas most affected by the covid response activity to ensure adequate assurance of systems and processes in the longer term.

6.   **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. Inevitably, the impact of Covid-19 had tested that financial resilience and will continue to do so in coming years. There are clear links between the Financial Management Code and the Governance Framework.

2020/21 was a 'shadow' year for the introduction and implementation of the Financial Management Code 2019 with full implementation during 2021/22.

A key goal of the Financial Management Code is to improve the financial resilience of organisations by embedding enhanced standards of financial management. Inevitably, the impact of Covid-19 had tested that financial resilience and will continue to do so in coming years. 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. To provide the required evidence of compliance the Section 151 Officer requested a full review to assess the level of compliance of the council's current policies, systems, and processes against the new Financial Management Code. The review evidenced that the council's financial regulations policies and procedures continue to meet the 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.

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 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 in order to complete this assurance statement, there are a number of assurances drawn from the following sources:

- Full council, Cabinet, and other key decision-making committee outcomes
- Outcomes from Scrutiny committees and Audit 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 a self-assessment statement which covers the 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 2020/2021 Self-Assessment**

The completion of the self-assessment for 2020/21 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
1	Lack of consistent compliance with policy process legislation, further complicated by the ability to provide this assurance with the work from anywhere model. *Examples of audits where this has been identified are: Digital / CCTV / Schools / Insurance / accounts receivable / accounts payable / SARS etc.*	Follow up audits will revisit the areas to be actioned and will be reported through the Audit Committee and CMT. **ACTIONS COMPLETED**	Reduction in the number of cases and areas reported as not complying with appropriate policy and process.	Results from the analysis of the "full" audits completed during 2021-22 indicate significant improvement under compliance with 15/29 of areas tested achieving 'assurance'. 12/29 were rated as 'reasonable assurance' and only 2 were noted 'limited assurance' these cover Deprivation of Liberty Standards and School Landlord Responsibilities. Following consultation with key managers across the Council an agreed set of policies/key documents, relevant to the AGS, has been identified and agreed between Internal Audit and the Organisational Intelligence Team. In November Internal Audit validated policies/key documents as part of the annual AGS assurance exercise, to confirm those that have been reviewed and updated and those that still require a refresh. This continues to be monitored on a regular basis through Corporate Management Team.

	Governance issue	Actions to address the issue	Measure of success	Progress to Date
2	Introduction of the CIPFA Financial Management Code	Review of activity and compliance with the new code. Identification of changes needed to address gaps or limitations in compliance with the FM Code. **ACTIONS COMPLETED**	IWC financial policies and processes continue to meet the standards required by the CIPFA Financial Code.	Self-assessment review has been undertaken by the Assistant Director of finance to assess the compliance of the council's policies, procedures and guidance following the revision of the code. There are very few amendments to the financial policies required. The council's systems of internal control continue to meet the code requirements. The financial policies themselves may change very slightly in some areas and a full update is planned for early 2023.
3	Compliance with Risk Management Framework at service level needs to be tested	Relaunch of the council's risk management framework and internal risk management system. Risk Management Audit AGS self-assessment survey and sample testing **ACTIONS COMPLETED**	Service risks are reported effectively to all service boards and escalated where necessary. Services utilise the council's risk management system or have evidence of adequate alternative reporting in place	All Directorates are making use of the IWC Risk Management Framework to some level. Where service (Directorate) Boards take place risk is discussed. The majority use the IWC Risk Management System (IWRMS) except Childrens Services who use arrangements put in place by Hants CC. Actual Risk Management arrangements and progress towards implementing enhanced arrangements were reviewed as part of the 2021/22 Audit Programme. The findings from the review were generally positive with only two medium and one low risk exceptions raised.

	Governance issue	Actions to address the issue	Measure of success	Progress to Date
				Actions agreed focussed on implementing consistent arrangements across the Council, specifically to ensure there is sufficient corporate visibility of risk across the Council and how this is being mitigated/managed. Internal Audit were able to validate progress made at the January 2023 review.
4	Compliance with the council's performance management framework and links to the corporate plan	Refresh of directorate service plans and team plans to identify key areas of performance linked back to the refreshed corporate plan priorities. Refresh of data book metrics and measures reported to the corporate management team and through the quarterly performance monitoring reporting to cabinet. **ACTIONS COMPLETED**	Service plans reflecting the corporate priorities, feeding into team plans and down to individual performance plans. Effective reporting of performance against each of the corporate plan outcomes.	Directorate Plans have been produced that assign all objectives from the Corporate Plan to the most appropriate directorate and detail what performance measures are in place to monitor delivery and what risks have been identified to the delivery of those objectives. Reporting against each of the Corporate Objectives is included within the Quarterly Performance Management Report to Cabinet. Performance measures were reviewed as part of the transfer to a new performance management system in March 2022 and will be done so again periodically. Internal Audit noted in its 2021/22 AGS Report that the Performance Management Framework had been revised and did not identify any significant issues regarding how this is operating. Following Internal Audit's annual risk assessment (informed by above) no specific audits are

	Governance issue	Actions to address the issue	Measure of success	Progress to Date
				scheduled for 2022/23 on Performance Management. High level arrangements for Performance Management will be reviewed as part of the annual assurance exercise of the AGS.
5	Post-election there will be a need to support the audit committee in the delivery of its duty.	Training and development support to new councillors Completion of the self-assessment tool for successful audit committees through CIPFA **ACTIONS COMPLETED**	Induction plans in place and completed by all councillors Assurance that the audit committee have been supported to understand and undertake their roles on the committee effectively.	A comprehensive induction programme was put in place to provide newly elected members with the information and knowledge required to fulfil their duties and responsibilities. This included specific mandatory pre-requisite training requirements for those councillors nominated for the licensing and planning committees. There is a dedicated area of the council's learning management system for councillors to access a range of e-learning modules and other sources of information and support, including the LGA. A training needs analysis has been undertaken to identify their on-going development needs. There is also a councillor development group in place, designed to co-ordinate and develop learning activities on common matters of interest for councillors. The CIPFA self-assessment tool has been completed by committee members. A specific learning event is also scheduled to take place for committee members to afford continued learning in respect of the roles and responsibilities of the committee members and to enhance the effectiveness of the work of the committee.

Governance issues – Part Two: Action Plan from the 2021/22 self-assessment:

Over the course of 2021/22 Internal Audit has completed all 54 reviews within the review plan. These include a combination of full audits (29), follow up reviews and grant verifications.

Across all areas of the audit plan, no audit has resulted in a 'no assurance' opinion and only three areas have been rated as 'limited assurance'. In addition, there has been improvement noted relating to the implementation of agreed actions, as evidenced in follow up reviews, where actions have been closed in a timely manner. All of these results indicate a stable internal control framework.

The types of issues identified through 2021/22 are consistent with those identified during 2020/21, for example governance, management reporting, and general compliance are common themes, although all show an improvement from the previous year.

The overall annual opinion will therefore remain at **'reasonable assurance'**.

	Governance issue	Actions to address the issue	Measure of success	Lead Person
1	An agreed set of policies/key documents, relevant to the AGS, has been identified and agreed. Some policies are not up to date or require review.	Identified policies to be reviewed and where necessary updated and re-issued	All relevant policies are up to date and meet current governance requirements. In November 2022 Internal Audit will validate policies/key documents as part of the annual AGS assurance exercise, to confirm they have been reviewed and updated.	Strategic Manager – Organisational Intelligence
2	Further embedding of the risk management framework across all service areas	Implanting of consistent arrangements across the Council, specifically to ensure there is sufficient corporate visibility of risk across the	Internal Audit will validate that appropriate progress is being made by following up on agreed actions as part of	Strategic Manager – Organisational Intelligence

	Governance issue	Actions to address the issue	Measure of success	Lead Person
		Council and how this is being mitigated/managed.	the 2022/23 Audit Programme.	

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 of most concern identified above.

Signed on behalf of Isle of Wight Council:

Wendy Perera
Chief Executive

Councillor Lora Peacey-Wilcox
Leader of the Council

IWC Governance Framework

Strategic Planning Documents

- Corporate Plan 2019 to 2025
- Performance Management Framework
- IWC Risk Management Framework
- IWC Project Management Framework*
- Forward Plan
- Constitution (including Member Code of Conduct)
- Council Complaints Policy
- Town and Parish Council Protocol (16)

Human Resources Documents

- IWC Terms and Conditions /Contracts of Employment*
- Pay Policy
- Capability Policy*
- Disciplinary Policy*
- Harassment & Bullying Policy
- Gifts and hospitality Guidance for staff and members
- Expenses Policy
- Behaviour Framework*
- Equality Impact Assessment Guidance
- Workforce Plan
- Whistleblowing Policy
- Employee Code of Conduct
- Recruitment Policy & 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*
- Corporate Retention Policy
- Information Security Policy
- Cloud Storage Policy
- Social Media Policy*
- Electronic Communications Policy*

(*) Intranet Only

ANNUAL GOVERNANCE STATEMENT
Signed by the Leader of the Council, Chief Executive and S151 Officer and published with the Statement of Accounts

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

Authority & Service Policies, Directorate Plans and Risk Registers

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

Review of the effectiveness of the system of Internal Audit

Performance Management	Risk Management	Information Governance	Legal and Regulatory Assurance	Members Assurance
• Service Board Reports • Quarterly Performance Reports • Benchmarking Clubs • Personal Performance Management Reviews • Job descriptions • Corporate Induction • Corporate Management Team Schedule of Meetings	• Strategic Risk Register • Service Risk Registers • Project Risk and Issues Logs • Service Board Reports • Online RM Training • Classroom RM Training	• Training Programme • Department Information Guardian Meetings • Data Sharing Agreements • Information Governance Group • Information Security Group • FOI Requests • Complaints submission • Subject Access Request	• Sections of Committee Reports Legal Advice • Equality Impact Assessments • Transparency reports • Register of interests • Whistleblowing Policy • Call over processes	• Council Meetings - Modern Council (moderngov.co.uk) • Overview and Scrutiny Committees • Cabinet • Full Council • Audit Committee • Appeals Committee • Member Induction • Member Training Programme • Health and Wellbeing board
Assurance by Directors/Heads of Service • Corporate Management Team meetings • One to One meeting with CX • Monitoring Officer • Section 151 Officer • Chief Executive Officer	**Other Sources of Assurance (including third party)** • Regulatory body Inspections • Ombudsman Reports (2021-22) • Staff Equality and Diversity Group • Health and Safety Board • Vine Staff Newsletter • Manager's briefings • Mental Health Working Group	**Financial Management** • Statement of Accounts • Capital Programme • Service Board Reports • Treasury Management • Statutory Returns • Outturn Reports • Procurement Board	**Internal Audit** • Annual Plan • Periodic Reporting to Audit Committee	**External Audit** • Annual Plan • Annual Audit and Inspection Letter