



Isle of Wight Council

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# **Annual Governance Statement**

**2020-21**

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**Addendum A: Local governance framework**

## 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 and 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 taken into account.
- **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 business 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 of 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 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 2015”. This document is published by CIPFA/SOLACE as recognised national lead bodies for public services. The code takes into account 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 2020/21
- 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 2019/20 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 and ensures 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 good governance 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 whether that be, for example:

- a company;
- a contractual arrangement;
- a joint committee;
- a grant arrangement; or
- an agreement under National Health Services Act 2006

The local delivery arrangements are identifying strategic issues and opportunities to challenge some of the current approaches to delivery and investment. We are seeking to better align planned investment expenditure to key corporate priorities to accelerate improvement opportunities.

## **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 set 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 and anti-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" Modern Gov section of the council's website provides access to the published forward plan which provides 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; consultations where residents and stakeholders can voice their opinions and assist with shaping service delivery 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 is a strong focus on youth participation and the "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 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 (adult social care & health; children's and regeneration, planning, housing and environment) who provide assistance to 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 business 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 to 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 by playing a pivotal role in translating ambitions into action. The strategy focuses on determining the overall financial position for the council and takes into account 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 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.

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

- Underpinning the delivery of the corporate plan are a series of business plans that translate the council's priorities and outcomes expected to be achieved into operational service delivery activities. Each of these business plans has a suite of performance measures that enable critical delivery requirements to be tracked and monitored. 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 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 1:1s 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. 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 and risk are clearly set out as is any consultation that has been undertaken to assist with the decision.
- The council's 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 out a number of 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 entered into 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; and the arrangements for the Combined Fire Authority have been transferred to the Hampshire Fire & Rescue Authority.
- There are a number of 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 councillors and aspiring cabinet councillors 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 policy is intended to assist council staff at all levels in applying sound risk management and performance 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 overview and 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 (2010)". 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 in public service organisations (2010)". The head of internal audit 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 sets out how decisions are made and 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 are 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

## **5. The Impact of the Covid-19 Pandemic on Governance**

CIPFA Application of the Good Governance Framework 2020/21 guidance concerns the impact of the continuing Covid-19 pandemic on governance in local government bodies and the requirements of the Delivering Good Governance in Local Government Framework 2016 CIPFA and Solace (the Framework).

The impact of the Covid-19 pandemic has been taken into account when conducting the annual review for 2020/21, both identifying changes that have resulted from the pandemic and identifying the impact on effectiveness of arrangements in practice.

The Isle of Wight Council has had to adapt its governance arrangements during 2020/21 as a result of the impact of Covid-19 in a range of ways most critical were:

- Adaptations were implemented through the silver and gold command groups to reflect new ways of working and emergency arrangements
- Changes to 'business as usual' activities, including cessation or reduced frequency or scale of activities was agreed through the command structures.
- Longer-term changes to priorities, programmes, strategies and plans as a result of the impact of the pandemic on the organisation and the local area were agreed through Gold command and with the leader of the council and the cabinet.
- Changes to council meetings and decision making arrangements were put on hold for April and May, recommenced virtually as of 1 June 2020. Key decisions made at Gold level would not have involved all councillors or given opportunity for all councillors to be

involved, even within groups.

- Funding challenges were supported through the administration of the available grants and resulted in a balanced budget.

These arrangements were communicated through the senior management team, command structures and the Corporate Management Team to the Leader, Cabinet Councillors and were critical to ensuring effective decision making was undertaken in an inclusive, open way and each decision recorded effectively through the cell resources.

## **6. Assessment of the longer term disruption and consequences arising from the coronavirus pandemic:**

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

New priorities and objectives were introduced with the council services being directed to critical service areas. Systems and processes were brought in to support the job role changes and the staff affected.

New risks were identified and the existing risk in relation to pandemic was reviewed and the activities required to mitigate the risk were escalated through Gold Command as necessary.

As part of the recovery programme there have been significant de-briefing sessions for the command groups, directors and cabinet councillors. This has provided a full report of the lessons learned and will be used to develop future pandemic and response plans

The internal audit team performed specific Covid Assurance work across systems and grants. The audit plan for 2021/22 has been prioritised to those areas most affected by the covid response activity to ensure adequate assurance of systems and processes in the longer term.

## **7. Financial Management Code 2019:**

2020/21 is a 'shadow' year for the introduction and implementation of the 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 has tested that financial resilience in 2020/21 and will continue to do so in coming years. For this reason, the implementation of the Code in the shadow year remains a critical task. 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 activity. In order to provide the required evidence of compliance the Section 151 Officer will undertake a review to assess the level of compliance of the council's current systems and processes against the new Financial Management Code during 2021/22. Where there are outstanding matters or areas for improvement, these will be included in the future action plan.

## 8. The annual review of effectiveness

The council is required to undertake, at least annually, a review of the effectiveness of its governance framework, 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 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 reports
- Internal audit annual opinion
- Internal audit governance self-assessment survey
- Risk, performance, and financial reports
- The strategic diversity board
- The strategic health and safety board
- Customer complaints and feedback
- Freedom of Information requests
- Data protection and information governance issues
- 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.

## 9. Governance issues – Part One - Progress Against the 2019/2020 Self-Assessment

The completion of the self-assessment for 2019-20 did not highlight any significant governance failures. However, the following issues were identified as areas where improvements could be made:

	<b>Governance issue</b>	<b>Actions to address the issue</b>	<b>Measure of success</b>	<b>Progress to Date</b>
1	Compliance with financial framework. Audits completed throughout the year identified gaps in process that whilst are not significant show a pattern that there are some operational areas that require addressing.	Follow up audits will revisit the areas to be actioned and will be reported through the Audit Committee and CMT.	Improvement in the compliance with the financial framework will be evidenced in the audit refreshes.	<p>There are fewer examples of non-compliance in the audits. However, it is clear that the further away from the corporate centre the service operates the less likely they are to comply with central requirements and there is a lack of visible of compliance or non-compliance.</p> <p>15 audits still showed small pockets of non-compliance, less examples from last year. It is not just compliance with contract or financial regulations.</p> <p>Internal Audit are currently performing some analyses work in relation to Financial Rules and their robustness. This work will be reported back to the s151 officer to determine next steps.</p>
2	The required action identified in audits undertaken remedy issues raised within the audit are not undertaken in a timely manner within the agreed timescales.	Directors will monitor compliance with audit report timescales to ensure deadlines are not exceeded.	Action timescales agreed in reports will be met.	<p>The audit follow up process has improved these areas of activity. 28 follow up were performed with 68 percent of those reviews showing a positive improvement. Resulting in the overall assurance levels for individual audits also improving.</p> <p>The follow up process will continue for the year 2021/2022 where regular follow up work will be performed and reported to CMT. This should enable us to evidence sustained compliance with timescales required to mitigate risk exposure.</p>

## Governance issues – Part Two: Action Plan from the 2020/2021 self assessment:

Over the course of 2020/21 Internal Audit has completed 54 reviews, this figure includes 15 full audits and 28 follow up audits. The process and discussions utilised in those follow up visits evidenced there has been good movement on the timeliness of compliance with actions required to mitigate identified risks.

The Internal Audit Team also undertook assurance work across 11 Grants all of which have satisfied the terms and conditions of the grants,

No audits have resulted in no assurance and the number of areas rated as limited assurance is consistent between 2019/20 and 2020/21.

While audits continue to identify some noncompliance with the council's financial and governance expectations, these are less common than in previous years and are limited to services more remote from the corporate centre.

During 2021/22 the council will be rolling out a suite of financial training through its online training hub, which will both promote awareness and support improved compliance with corporate expectations.

Implementation rates for actions agreed in audit reports has improved, with the majority of follow-up audits able to improve overall assurance ratings. Internal Audit has been able to close 77 percent of individual actions followed up during 2020/21.

Internal Audit will continue its programme of follow-up reviews during 2021/22, including second follow-ups where all actions are not closed at the point of first follow-up in 2020/21.

Four audit opinion levels are in place and these are: no assurance, limited assurance, reasonable assurance and full assurance. Where there are mainly medium or low risk exceptions the annual audit opinion would be reasonable or full assurance. As a result of the findings summarised above and detailed in the annual report the audit opinion for 2020/21 remains as **reasonable assurance**.

	<b>Governance issue</b>	<b>Actions to address the issue</b>	<b>Measure of success</b>	<b>Lead Person</b>
	Lack of consistent compliance with policy process legislation, further complicated by the ability to provide this assurance with the work from anywhere model.	Follow up audits will revisit the areas to be actioned and will be reported through the Audit Committee and CMT.	Reduction in the number of cases and areas reported as not complying with appropriate policy and process.	Claire Shand

	<b>Governance issue</b>	<b>Actions to address the issue</b>	<b>Measure of success</b>	<b>Lead Person</b>
	<i>Examples of audits where this has been identified are: Digital / CCTV / Schools / Insurance / accounts receivable / accounts payable / SARS etc.</i>			
	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.	IWC financial policies and processes continue to meet the standards required by the CIPFA Financial Code.	Chris Ward
	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	Service risks are reported effectively to all service boards and escalated where necessary.  Services utilise the council's risk management system	Wendy Perera
	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	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.	John Metcalfe

	<b>Governance issue</b>	<b>Actions to address the issue</b>	<b>Measure of success</b>	<b>Lead Person</b>
		performance monitoring reporting to cabinet.		
	Post-election there will be a need to support the audit committee in the delivery of its duty.	<p>Training and development support to new councillors</p> <p>Completion of the self-assessment tool for successful audit committees through CIPFA</p>	<p>Induction plans in place and completed by all councillors</p> <p>Assurance that the audit committee have been supported to understand and undertake their roles on the committee effectively.</p>	Claire Shand

## 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.

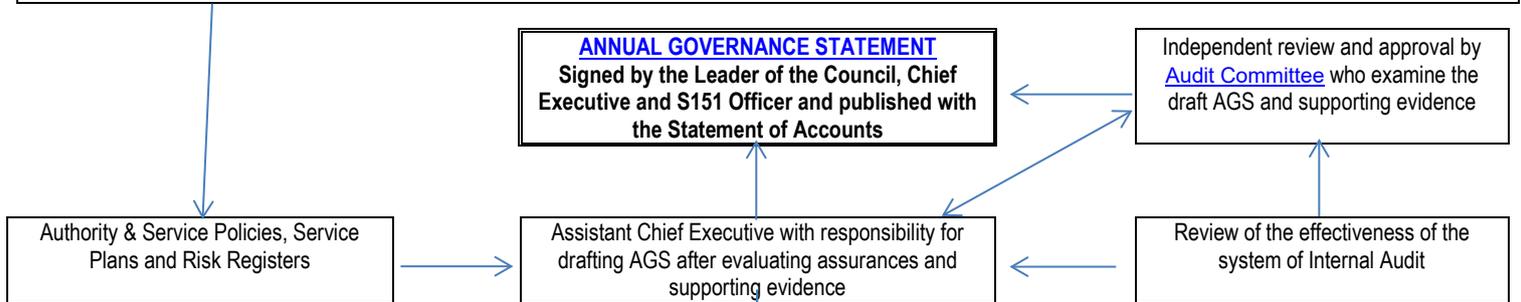
**Signed on behalf of Isle of Wight Council:**

**John Metcalfe**  
Chief Executive

**Councillor Lora Peacey-Wilcox**  
Leader of the Council

## IWC GOVERNANCE FRAMEWORK

<b>Documentation</b>		
<ul style="list-style-type: none"> <li>• <a href="#">Corporate Plan 2019 to 2022</a></li> <li>• <a href="#">Performance Management Framework</a></li> <li>• <a href="#">IWC Risk Management Framework</a></li> <li>• <a href="#">IWC Programme Management Framework</a></li> <li>• <a href="#">IWC Project Management Framework</a></li> <li>• <a href="#">Access to Information Policy</a></li> <li>• <a href="#">Forward Plan</a></li> <li>• <a href="#">IWC Terms and Conditions /Contracts of Employment</a></li> <li>• <a href="#">Capability Policy</a></li> <li>• <a href="#">Disciplinary Policy</a></li> <li>• <a href="#">Gifts and hospitality Guidance for staff and members</a></li> <li>• <a href="#">Member code of Conduct</a></li> </ul>	<ul style="list-style-type: none"> <li>• Anti-money laundering policy</li> <li>• <a href="#">Behaviour Framework</a></li> <li>• <a href="#">Counter Fraud and Corruption Strategy</a></li> <li>• <a href="#">Data Protection Policy</a></li> <li>• <a href="#">Privacy Impact Assessment</a></li> <li>• <a href="#">Employee Code of Conduct</a></li> <li>• <a href="#">Recruitment Policy &amp; Procedure</a></li> <li>• <a href="#">Equality Policy Statement &amp; Guidance</a></li> <li>• <a href="#">Procurement Strategy</a></li> <li>• <a href="#">Whistleblowing Policy</a></li> <li>• <a href="#">Protective marking Policy</a></li> <li>• <a href="#">Portable File Storage Policy</a></li> <li>• <a href="#">Equality Impact Assessment Guidance</a></li> <li>• <a href="#">Constitution</a></li> </ul>	<ul style="list-style-type: none"> <li>• Medium Term Financial Plan</li> <li>• <a href="#">Treasury Management Strategy</a></li> <li>• Charging Policy</li> <li>• <a href="#">Complaints Policy</a></li> <li>• <a href="#">Contract Standing Orders</a></li> <li>• <a href="#">Corporate Retention Policy</a></li> <li>• <a href="#">Financial Regulations</a></li> <li>• <a href="#">Information Security Policy</a></li> <li>• <a href="#">Pension Fund Governance Policy</a></li> <li>• <a href="#">Workforce Plan</a></li> <li>• <a href="#">ICT Security Policy</a></li> <li>• <a href="#">Social Media Policy</a></li> <li>• Town and Parish Council Protocol</li> <li>• Electronic Communications Policy</li> </ul>



<b>Performance Management &amp; Data Quality</b>	<b>Risk Management</b>	<b>Information Governance</b>	<b>Legal and Regulatory Assurance</b>	<b>Members Assurance</b>
<ul style="list-style-type: none"> <li>• Service Board Reports</li> <li>• <a href="#">Quarterly Performance Reports</a></li> <li>• Benchmarking Clubs</li> <li>• Personal Performance Management Reviews</li> <li>• Job descriptions</li> <li>• Corporate Induction</li> <li>• Corporate Management Team Schedule of Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Service Risk Registers</li> <li>• <a href="#">Strategic Risk Register</a></li> <li>• Project Risk and Issues Logs</li> <li>• Service Board Reports</li> <li>• Training</li> </ul>	<ul style="list-style-type: none"> <li>• Training Programme</li> <li>• Department Information Guardian Meetings</li> <li>• Data Sharing Agreements</li> <li>• Information Governance Group</li> <li>• Information Security Group</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Sections of Committee Reports</a></li> <li>• Legal Advice</li> <li>• Equality Impact Assessments</li> <li>• <a href="#">Transparency reports</a></li> <li>• <a href="#">Register of interests</a></li> <li>• <a href="#">Whistleblowing reports</a></li> <li>• <a href="#">Call over processes</a></li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Council Meetings - Modern Council (moderngov.co.uk)</a></li> <li>• Scrutiny Committees</li> <li>• Cabinet</li> <li>• Full Council</li> <li>• Audit Committee</li> <li>• Appeals Committee</li> <li>• Member Induction</li> <li>• Member Training Programme</li> <li>• Corporate Management team</li> <li>• Health and Wellbeing board</li> </ul>
<b>Assurance by Directors/Heads of Service</b>	<b>Other Sources of Assurance (including third party)</b>	<b>Financial Management</b>	<b>Internal Audit</b>	<b>External Audit</b>
<ul style="list-style-type: none"> <li>• <a href="#">Peer Reviews</a></li> <li>• Benchmarking club membership/reports</li> <li>• Corporate Management Team meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory body Inspections</li> <li>• <a href="#">Ombudsman Reports</a></li> <li>• Equality &amp; Diversity Board</li> <li>• Staff Equality Group</li> <li>• Health and Safety Board</li> <li>• Vine Staff Newsletter</li> <li>• Manager's briefings</li> </ul>	<ul style="list-style-type: none"> <li>• Capital Programme</li> <li>• Service Board Reports</li> <li>• Treasury Management</li> <li>• Statement of Accounts</li> <li>• Statutory Returns</li> <li>• Outturn Reports</li> </ul>	<ul style="list-style-type: none"> <li>• Annual Plan</li> <li>• Risk -based audit plans</li> <li>• <a href="#">Periodic Reporting to Audit Committee</a></li> </ul>	<ul style="list-style-type: none"> <li>• Annual Plan</li> <li>• Annual Audit and Inspection Letter</li> </ul>

**Ongoing assurance of effective control over key risks**