



Isle of Wight Council

Annual Governance Statement

2019-20

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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 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 members 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 members and officers to be effective

- Takes informed and transparent decisions that are subject to effective scrutiny and risk management
- Has members and officers that work together to achieve a common purpose

This document therefore provides:

- An overview of the Isle of Wight Council's, including the Isle of Wight Fire & Rescue Service, 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 2019/20
- 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 2018/19 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 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.

Impact of the Covid-19 Pandemic on Governance

This Annual Governance Statement assesses the governance arrangements that were in place during 2019/20 so for the majority of the year the governance arrangements as described in this document were in place and unaffected by Covid-19. As the pandemic materially affected the Council through March 2020, the analysis of corporate governance for 2019/20 is based on work undertaken before the pandemic and remains valid and accurate.

It is recognised that the Covid-19 pandemic will have had an impact on governance during March 2020 and into the financial year 2021. In many cases normal business operations were required to adapt, in some cases cease, whilst new responsibilities and processes had to be adopted,

developed and implemented at short notice to support the critical services of the council and new responsibilities brought to the council through the COVID pandemic.

Clearly, a very significant number of risks and governance exposures for the organisation arise from the immediate response to the Covid-19 pandemic, and these will need to be addressed as part of the recovery. However, it must be recognised that the nature of the situation is that some areas of the business will still be working in a "response" phase even when others have moved onto a recovery or even business as usual footing, so there will be variation of approach across the organisation.

These issues will be reported on as part of the usual reporting against the matters in the Annual Governance Statement and summarised in the Annual Governance Statement for 2020/21.

On the 30th January 2020 the first Silver Group was established by the Emergency Management Team and was chaired by the Director of Public Health. This was further strengthened with the full Silver Group Structure in place on 5th March.

On the 24th March as a result of the global pandemic regarding Covid-19, The Isle of Wight Council instructed all staff who could work from home to work from home and on moved to running business critical services only. This resulted in the majority of staff either working from home, being redeployed to critical services or simply not being able to work. The council enacted its emergency procedures and created a Covid-19 Emergency Response Team lead by the Chief Executive. The composition of the board include leads in the key areas of the council deemed critical along with statutory officers such as the monitoring officer and Head of Emergency Planning.

All decisions made by the Covid-19 Response group have been documented.

The council has acted swiftly to ensure its critical services have been delivered which has resulted in the need for flexibility in working practices, which in turn will have impacted on some of the agreed Governance arrangements such as financial regulations, i.e with a need to pay in advance. Many staff have also voluntarily been redeployed into critical services departments to meet the demand, specifically in relation to small business grants. This will have also created a strain on governance as staff will have received minimal training due to the short timescales needed to process these services.

The council is aware that the pandemic and its response will have presented an opportunity for fraud to occur, and while processes have altered to minimise this risk, the council plans a comprehensive post Covid-19 assurance programme undertaken by its Internal Audit department, with specific focus on the Small Business Grants and Covid19 related spend.

In addition, while the audit plan was slightly reduced, sufficient work was completed to enable the Chief Internal Auditor to present an annual audit opinion. As noted above however, the council is aware the pandemic will have caused significant governance issues which require detailed consideration. **These issues will be reported on as part of the usual reporting against the matters in the Annual Governance Statement and summarised in the Annual Governance Statement for 2020/21.**

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 19 articles 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 elected members and 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 officers and elected members 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 an officer 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 elected members are dealt with under the member'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 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 elected members 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.

- 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 signed off with 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 members 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.
- Members 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 policy is intended to assist officers 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 and member 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 Elected Members, 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; members 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 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
- 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 leads to 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. This self-assessment is shown at Appendix B.

6. Governance issues – Part One - Progress Against the 2018-19 Self-Assessment

The completion of the self-assessment for 2018-19 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	General Data Protection Regulation Compliance	Delivery of the agreed action plan in response to the internal audit report dated May 2019	<p>Up to date accurate assurance information for all council services is held centrally</p> <p>Requirements to assure the council's compliance with GDPR are captured, monitored and non-compliance is addressed.</p>	<ul style="list-style-type: none"> • GDPR action plan updates have continued to be provided to the audit committee showing the progress being made against required actions to provide overall assurance of the council's compliance with the regulations. • Audit Committee are due to receive their next report on 27 July 2020. This will show that high risk area relating to the management of information asset registers is now complete; the review of IT systems is being delivered in accordance with the plan and supplier contract compliance has only 4 of the original 35 contracts with a value of more than £25,000 with supplier negotiations to complete. Contract compliance for all contracts below the £25,000 threshold have been confirmed by services as now compliant. All audit report issues rated as medium or low risk have also now been completed. • The strategic risk is now being considered for a reduction to a medium rating pending the completion of a follow up audit.

	Governance issue	Actions to address the issue	Measure of success	Progress to Date
2	The council's strategic partnerships and their governance arrangements	<p>Review the strategic partnership arrangements between the Isle of Wight Council; IoW NHS and IoW Clinical Commissioning Group in relation to the health and social care integration agenda.</p> <p>Ensure the new strategic partnership arrangements between the Isle of Wight Council and Portsmouth City Council for internal audit are robust.</p> <p>Ensure the strategic partnership arrangements for the Isle of Wight Council with Hampshire County Council for public health are robust.</p>	Up to date formal agreements that clearly set out the specific service specifications and the associated governance arrangements.	<ul style="list-style-type: none"> • The new Integrated Care Partnership arrangements were reviewed and agreed at cabinet on 9 January 2020. ICP formalises on 26 February 2020 with TOR's and IWC Strategic Manager for One Public Service has lead governance role for ICP. • The roll out of the new contract monitoring system further supports the collection and review of existing partnership arrangements. • PCC agreement: The partnership has been added into the contract monitoring system and will alert the authorised officer of key dates and milestones for review under the partnership. The procurement team are working with the authorised officer to capture the specific targets and monitoring detail to include in the system. • HCC agreement: This is currently being reviewed by John Metcalfe and Claire Shand. Once signed off the agreement will be sealed by both parties. The partnership commenced on the 1st September 2019.
3	Project and programme management	Further embedding of standard practice and templates; further evidence of continued assurance for new and existing projects	New projects evidence appropriate levels of governance in place effective reporting of key strategic projects through to senior management and members	<ul style="list-style-type: none"> • Project Manager Network in place and operating quarterly to raise awareness of good practice, share experiences and lessons learned.

	Governance issue	Actions to address the issue	Measure of success	Progress to Date
				<ul style="list-style-type: none"> • New and revised governance structures in place to improve assurance and reporting of projects and programmes • Revised project and programme management frameworks published and work planned to promote through the new learning and development interactive portal • Revised project and programme manager training offer agreed for 2020 that promotes a range of learning opportunities to meet the different level of need across the organisation in a learning style that suits them. Providing more practical support and guidance where required. • Strategic Manager for One Public Service supporting governance oversight of the delivery of the health and social care sustainability plan programmes to embed programme governance and practice assurance across the health and social care partnership reporting through the new ICP governance structure developed.

Governance issues – Part Two: Action Plan for 2019/20

Over the course of 2019/20 Internal Audit has completed 43 reviews. These include a combination of full audits and follow up reviews. While no audits have resulted in no assurance the number of areas rated as limited assurance is consistent between 2018/19 and 2019/20 (two reports are currently pending finalisation), with issues identified regarding governance, reporting, corporate visibility and financial framework compliance as a common theme. Follow-up reviews have identified a widespread lack of timely action to address issues identified in 2018/19; effectively this means that the Council is open both to risks identified during 2019/20 and those not yet addressed from 2018/19.

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 2019/20 remains as reasonable assurance. However, this position is influenced by the results of full audits and also the implementation of agreed actions. If this is not resolved moving forward it will have an impact on future assessments, which may result in a reduction and move the overall opinion to limited.

	Governance issue	Actions to address the issue	Measure of success	Lead Officer
	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.	Wendy Perera
	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.	Wendy Perera

Summary

The annual assessment and review process of the council's corporate governance arrangements has identified two main 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.

Signed on behalf of Isle of Wight Council:

**John Metcalfe
Chief Executive**

**Cllr Dave Stewart
Leader of the Council**