Isle of Wight Council

Annual Governance Statement

2024/2025

1. Introduction

1.1. 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.

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

1.3. 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

1.4. 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 2024/25. It includes an action plan for the coming year to address any identified areas of concern and a report on progress made against those areas highlighted for improvement in its 2023/24 annual governance statement.

1.5. 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

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

delivery of its functions, including arrangements for the management of risk and for dealing with any issues that may arise from them.

3.   The purpose of a governance framework

3.1. 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.

3.2. 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

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

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

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

4.3. 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.

4.4. The constitution is divided into 6 main parts, with a number of sub sections that set out the basic rules governing the council's business with more detailed procedures and codes of practice provided in support of their delivery. The constitution is refreshed at least annually and presented to the Annual Council Meeting. It may be updated more frequently if there are changes in any legislation affecting the contents of the constitution.

4.5. Full Council at its meeting of 1 May 2024 resolved to introduce a committee system of governance with effect from the Annual Council Meeting on 21 May 2025.   The transition was managed through a robust project board, which included close monitoring of progress and effective communication of the changes to all stakeholders and our community.

4.6. A full review of the council's constitution was undertaken as part of this transition project and a revised version was recommended and agreed at the 21 May 2025 Annual Council Meeting.

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

4.8. 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 Strategic 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.

4.9. 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.

4.10. 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.

4.11. 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.

4.12. 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

Policy, Resources and Finance. In accordance with legislation there are also separate procedures in place for complaints relating to Children's Services and Adult Social Care. Complaints about councillors are dealt with under the councillors' code of conduct.

Principle 2: Ensuring openness and comprehensive stakeholder engagement:

4.13. The council recognises that effective community engagement is an essential contribution to strong corporate governance and uses a variety of ways to engage with its communities and stakeholders to assist.

4.14.   The Council's Communication Protocol described in Section 5 of its Constitution describes how stakeholders will be kept well informed about services that affect them

4.15. The Browse Forward Plans section of the council's website provides access to the published workplan 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.

4.16. The Home page of the council's website provides information on latest news and updates on council services together with a range of information that is available for the public scrutiny in accordance with the code of recommended practice for local authorities on data transparency. There are details of all consultations and engagement (iow.gov.uk) where residents and stakeholders can voice their opinions and assist with shaping service delivery.

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

4.18. The political proportionate nature of each of the council's committees provides the opportunity for councillors to review and challenge as part of the decision-making process. Individual committees have a role in assessing how the council is performing and to determine whether they are providing the best possible, cost-effective services for the Island's communities.

4.19. The public may attend all committee meetings subject only to the exceptions detailed in the Constitution (e.g. confidential or exempt information disclosure) or where the law otherwise requires or authorises. All committee meetings are recorded and available for public viewing through the council's website.

4.20. Within the committee form of governance, the Council retains responsibility for certain mandatory external statutory Scrutiny functions. These functions relating to health; crime and disorder and flood risk are undertaken by the Adult Social Care, Public Health, and Housing Needs Committee and the Environment and Community Protection Committee respectively.

4.21. In addition, there is an Audit and Governance Committee whose specific remit is to review the council's financial and non-financial performance as well as to receive reports that deal with issues that are essential for good governance.

4.22. The Chair of the Council has the responsibility to promote public involvement in the Council's activities to assist the role of Councillors in the representative form of democracy where it is for Councillors to exercise their judgment of where the public interest rests, leading to better informed decision-making.

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

4.23. The council's corporate plan is the key strategic document that sets out its vision and ambitions for the Island. The plan sets out the priorities, the outcomes that are expected to be achieved, what it will do to deliver them and what measures it will use to monitor progress against their successful achievement. The corporate plan is underpinned by a number of directorate plans, prepared by directors, which include the operational detail for core business that must be delivered, plans for improvement, development or change, financial planning, key risks and their management/mitigation as performance measures and monitoring arrangements. The Directorate Plans will be refreshed in line with the development of the revised corporate plan during 2025/26.

4.24. 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.

4.25. All committee reports require an assessment of the options considered and their impact on the key priorities of the council:
  ✓ Provision of affordable housing for Island residents
  ✓ Responding to climate change and enhancing the biosphere
  ✓ Economic recovery and reducing poverty
  ✓ Impact on young people and future generations

4.26. As part of the quality assurance (QA) process the Council's key advisers for the relevant priority are given sight of all papers for comment. Every decision taken must have regard to the priorities of the council.

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

4.27. Underpinning the delivery of the corporate plan are a series of directorate plans that translate the council's priorities and outcomes expected to be achieved into operational service delivery activities. Each of the directorate

plans has a suite of performance measures that enable critical delivery requirements to be tracked and monitored. The directorate plans now include a section that identifies the workforce resources required to deliver the outcomes required. These plans are used by Human Resource, to support services in their recruitment, retention and succession planning which enable the council to develop and maintain an effective workforce.

4.28. 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.

4.29. Monitoring of progress against targets is undertaken on several levels, from strategic quarterly performance reporting to the various committees, to directorate level service board meetings that measure performance against agreed directorate plans to regular discussions between managers and staff to review operational and day to day business performance. The council's Performance Management Framework was reviewed and refreshed to consider the changes in management structure and directorate make up during 2024 to ensure that the reporting framework remains sustainable and current.

4.30. Performance reporting on progress against the delivery of agreed priorities and outcomes was undertaken by the Cabinet and moving forward performance reporting will be provided to the individual service committees. The format and metrics that support this process have been fully reviewed and updated to ensure they remain relevant and useful to measure performance across the council.

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

4.32. Learning needs analysis has been undertaken to understand the training, advice and guidance required to support councillors and officers in the change to a committee system. Training and Development plans have been established for the service committees and an Officers' Forum meets regularly to deliver training, facilitate discussion and receive feedback. A separate section of the council's Learning and Development Portal has been established to hold documentation, training aids and to signpost staff to Local government Association (LGA) support materials. Externally

delivered training has been commissioned from the LGA for Chairs and Vice-Chairs to equip those councillors undertaking these critical roles with the tools and strategies to deliver effective and successful meetings. Three mock-committee meetings have been held, prior to the change in the council's governance structure, for councillors and staff to understand the mechanics of the process, be given the opportunity to ask questions and participate.

4.33. A review of the governance arrangement across the formal and informal partnerships that the council works is reviewed on an annual basis. A Partnerships Framework has been developed to ensure adequate governance and reporting arrangements are in place. Any proposal for the development of a new partnership is required to follow the framework to ensure that it is set up and managed effectively.

4.34. The political proportionate nature of each of the council's committees provides the opportunity for councillors to review and challenge as part of the decision-making process. All committee meetings are recorded and available for public viewing through the council's website.

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

4.35. 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.

4.36. 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.

4.37. 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.

4.38. A new networking and leadership group (One Council Department Management Team) of the third-tier managers has been established to act as a consultative body on changes to corporate strategies / savings proposals/policy development and to ensure consistency in approach across the Council (where appropriate). The group is intended to increase opportunities to collaborate across the Council and to better facilitate

understanding of each other's work, identifying areas to support and enhance each other's work

4.39. The council retains a strategic partnership to enable the capacity of a small unitary council to be maximised to its full potential. Strategic partnerships include the management of the council's public health service with Hampshire County Council which will end in September 2025 transferring the public health function back to the sole leadership of the Isle of Wight Council and Portsmouth City Council for the provision of a Director of Finance and Section 151 Officer and Chief Internal Auditor roles.

4.40. 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.

4.41. 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.

4.42. 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. There is a dedicated area on the Council's learning management system with a wide range of learning resources available for on-going personal and professional development.

4.43. There is a councillor development forum led by the Council's lead officer for learning and organisational development.

4.44. Access to the local government association leadership academy is afforded to Chairs of committees , Vice-Chairs and aspiring chairs and other relevant external or on-line learning opportunities are made available to enable specific portfolio or areas of interest to be developed.

4.45. Learning needs analysis has been undertaken to understand the training, advice and guidance required to support councillors and officers in the change to a committee system. Training and Development plans have been established for the service committees and an Officers' Forum meets regularly to deliver training, facilitate discussion and receive feedback. A separate section of the council's Learning and Development Portal has been established to hold documentation, training aids and to signpost staff to Local government Association (LGA) support materials. Externally delivered training has been commissioned from the LGA for Chairs and Vice-Chairs to equip those councillors undertaking these critical roles with the tools and strategies to deliver effective and successful meetings. Three mock-committee meetings have been held , prior to the change in the council's governance structure, for councillors and staff to understand the

mechanics of the process, given the opportunity to ask questions and participate.

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

4.46. 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 is intended to assist council staff at all levels in applying sound risk management principles and practice across their areas of responsibility. Cyber security has been recently reinforced with additional training and risk assessment templates being utilised to raise awareness of this across the council. The ICT and risk teams working together to maximise the impact.

4.47. Risks and performance are monitored and reported to the corporate management team and directorate service boards, review of risk and performance is undertaken by the Policy, Resources and Finance Committee. The Audit and Governance Committee reviews and monitors the strategic risk profile of the council.

4.48. 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 programme delivery boards to maintain oversight and formal monitoring of performance.

4.49. 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 Policy, Resources and Finance Committee 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.

4.50. 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:

4.51. The council's constitution has been thoroughly reviewed and rewritten with specialist legal representation to ensure the governance arrangements under the new committee system are effective and comply with legislative requirements.

4.52. The constitution sets out how decisions are made, it makes specific reference to decision making by Full Council, Service Committees, 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).

4.53. The council is committed to openness and transparency and now publishes a significant amount of data and information to increase its accountability to residents. There has been a full review of the council's compliance with the transparency code and the new procurement regulations which came into force in February 2025.

4.54. The [Local Government Transparency Data](#) website pages provide access to the council's spend transactions month by month; statement of accounts; councillor allowances and declarations of interest; budget consultation outcomes; workforce data and pay policy setting out the council's terms and conditions of employment; trade union facility time; councillors questions and contracts to name but a few.

4.55. The council publishes a [Forward Plan](#) which gives access to the published workplan which provides an indication of future reports that are to be considered together with agendas and minutes of all public committees. All committee agendas and minutes of constituted committees are also published on the council's website and in accordance with publication timescales.

4.56. All reports requiring a decision are considered by appropriately professionally qualified legal and finance staff prior to publication as part of the QA process, 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.

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

5. Financial Management Code 2019:

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

5.2. A significant amount of the Code is part of the council's current and ongoing activity. The assessment of the council's financial regulations policies and

procedures was undertaken to evidence that they continue to meet the CIPFA Code requirements. The main Financial Regulations were primarily updated in April 2024, but then followed up with a further update in early 2025 ensuring they remain fit for purpose following changes to procurement regulations, and in preparation for the councils move to a committee-based governance system.

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

6.   Auditing of the Accounts:

6.1. Recent years have seen significant national delays in the auditing of the accounts. Government proposals original presented during early 2024 were enacted through secondary legislation later to 2024 to put in train the clearing of the backlog in local audit and ensure the audit system is on a sustainable footing going forward. The proposals covered phases on reset, recovery and reform.

6.2. A number of backstop dates were communicated as part of the proposals, including December 2024 for the completion of audit opinions to 2022/23 financial year, and February 2025 for all audits up to 2023/24 financial year. Working with the external audit partners, the council met these dates to ensure published final accounts being available on time. Like a significant proportion of local authorities, the limited timeframe for reset has meant auditors have not had sufficient time to gain enough reliable appropriate evidence and have therefore issued disclaimed opinions on the accounts for these two years.

6.3. Going forward external auditors will rebuild assurance over possibly a number of years. For 2024/25 a full audit is planned for the autumn of 2025 ensuring sufficient time in meeting the upcoming backstop date for published final accounts and to begin their work in obtaining sufficient evidence over the reasonableness of prior year closing balances.

6.4. To ensure the continued quality of accounts information, the council actively engages with local authority finance networks, with CIPFA and external professional support for complex or changing areas.

7.   The annual review of effectiveness:

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

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

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

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

8. Governance issues – Part One - Progress Against the 2023-24 Self-Assessment

8.1. The completion of the self-assessment for 2023-24 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.	Following the trend from 2022/23 and prior years, both audits and investigations continue to identify issues of control failings and potential fraud, leading to the misuse of public funds. For context sums involve are relatively minor but it is important that spend from the public purse is always used for its intended purpose.	Internal Audit carried out a comprehensive assessment of anti-fraud measures in place, both corporately and across service areas, towards the end of 2023/24. The results of this survey have been shared with senior management and, at the Chief Executive's request, similar exercises will be scheduled periodically by Internal Audit. This will help to inform a view as to the status of anti-fraud arrangements, track improvements, share good practice and identify any areas where enhancements are necessary. Regarding wider actions senior management (most importantly, given areas of responsibility, the Director of Corporate Services) should continue to be alert to any emerging issues and engage with wider services, including Internal Audit, to identify and implement further enhancements as necessary.	Improving trend of anti-fraud controls identified in future exercises carried out by Internal Audit. Reduction of issues identified in future audits and investigations. Intelligence from senior management, showing a reduction in issues identified.	AGS key controls continue to be monitored. Findings, suggested changes and learning outcomes are logged each year to demonstrate both audit trails and activities undertaken.

9.   Governance issues – Part Two: Action Plan from the 2024/25 self-assessment:

2024/25 audit comment:

9.1. The majority of the results from the 2024/25 internal audit workplan have been rated as 'reasonable assurance' or 'assurance' with currently three areas rated limited assurance. All three reports finalised with a limited assurance rating to date substantively cover issues discrete to specific services and are not assessed as being indicative of pervasive issues; as such they do not impact on the overall audit opinion, which remains at 'reasonable assurance'.

9.2. Through 2024/25 Internal Audit identify issues related to limited resources and a lack of supporting documentation specifically around decision making, although some of this was found to be associated with historic actions and where key individuals had left the councils employment. There were also gaps in cash/asset controls and a risk of fraud, however this has improved from previous years due to additional work carried out across the year by relevant services, predominately within corporate services.

9.3. Both Internal Audit and senior management (specifically the Strategic Director for Corporate Services and Chief Executive) are alert to ongoing pressures and actions plans already enacted will continue, to detect and respond to changing risk exposure within the control environment. Following changes to the management structure and service responsibilities relevant directors have been briefed by Internal Audit, regarding issues materialising before they came into post and will continue to receive briefings regarding any emerging issues, if they are identified.

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

9.5. However, whilst there are no issues identified to manage, the following areas have the potential to significantly impact on the continued ability to maintain such a reasonable assurance opinion and will be closely monitored through 2025/26.

	Governance issue	Actions to address the issue	Measure of success	Lead Person
1	Ensure the new governance arrangements for the Isle of Wight Council	The statutory officers will maintain oversight of progress with the new committee system and identify and	Good understanding of the committee system as it is intended to be delivered.	Chief Executive

	Governance issue	Actions to address the issue	Measure of success	Lead Person
	committee system are robust and meet the needs of the council to take decisions and support the community and that Councillors and Officers are appropriately supported to operate effectively within the new arrangements.	respond to any areas where there may be initial implementation challenges. There will be an on-going learning and development programme of support for the new governance arrangements. A new project is to be initiated to conduct a post implementation review during the first six months to assess progress, identify potential improvements and address any refinements required to the constitution.	Councillors and Officers demonstrate confidence in their respective roles. Learning from delivery experience brings about improvements to the governance arrangements that significantly contribute to effective decision making and delivery of stated corporate priorities	

Summary

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

Signed on behalf of Isle of Wight Council:

Wendy Perera
Chief Executive

Councillor Phil Jordan
Leader of the Council