Assurance Level Opinions - Definitions

Categories of Assurance	Assessment
Substantial Assurance	Controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
Reasonable Assurance	Most controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
Partial Assurance	There are weaknesses in the system of control and/or the level of non-compliance is such as to put the achievement of the system or service objectives at risk.
Minimal Assurance	Controls are generally weak or non-existent, leaving the system open to the risk of significant error or fraud. There is a high risk to the ability of the system/service to meet its objectives.

Executive Summary – Community Infrastructure Levy (CIL)

1. Introduction

1.1 The Community Infrastructure Levy (CIL) Regulations, introduced in April 2010, allow local authorities to raise funds from developers who are undertaking new building projects.

1.2 Most developments have an impact on infrastructure due to demand. Gaining planning permission will generally increase the value of land, and developer contributions allow some of this financial gain to benefit the community by being used towards providing new or improved infrastructure. This results in reducing any adverse impact that the new development may have on the existing infrastructure.

1.3 SDNPA formally approved its CIL Charging Schedule and supporting policies in January 2017 and charging commenced on 1 April 2017 across the whole Park. CIL money will be used to help deliver key National Park priorities, such as green infrastructure, sustainable transport and education.

1.4 For 2018/19, total CIL receipts are expected to be in the region of £800k.

1.5 This audit review is part of the agreed Internal Audit Plan for 2018/19.

2. Scope

2.1 The key areas examined to ensure that:
- The correct CIL apportionment is passed to town parishes (25% where there is a Neighbourhood Plan, or 15% where there is no Neighbourhood Plan).
- CIL surcharges and other penalties are appropriately applied.

3. Audit opinion

3.1 Reasonable Assurance is provided in respect of the Community Infrastructure Levy (CIL). Most controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives

4. Basis of Opinion

4.1 We have given Reasonable Assurance over the Community Infrastructure Levy because:
- The Independent Examiner approved the SDNPA Community Infrastructure Levy (CIL) Charging Schedule without modifications. His report states that the Charging Schedule complies with the legislation and is supported by an adequate financial appraisal.

- As at the time of the audit, there are 21 granted planning applications without a CIL liability notice. These cases are awaiting correspondence from applicants in order to process the CIL liability. Validation controls could be further strengthened through a formal reconciliation between planning applications and CIL forms.

- The Gross Internal Area (GIA) figure is the key metric for calculating the liability. However, there is limited verification of this figure, which is supplied by the applicant. The lower the GIA the less the CIL.

- Monitoring for commencement of site works is targeted to those more significant developments, involving the Ranger and Planning Teams; however, there is an element of trust with the developer to submit the commencement notice (Form 6). There are a number of desktop checks undertaken (such as reviewing the weekly planning lists where pre-commencement conditions have been discharged).

- Where there was late payment, financial penalties had been calculated and served. However, there is no approved framework for allowing time extensions for payment. Controls to strengthen consistency in this area are required.

Executive Summary – Code of Conduct (Members & Officers)

1   Introduction

1.1   Ensuring that Members and Officers maintain high standards of conduct is a key component of organisational governance arrangements.

1.2   All Officers and Members are required to comply with the SDNPA's Code of Conduct. Key requirements include the disclosure of any financial or other interests officers have outside work and relationships to other Officers/Members or others which may cause conflict. In addition officers and Members must register any gift or hospitality that has been offered (whether or not it is accepted) where the value of the gift or hospitality is of a nominal value of £50 or more.

1.3   The overall objective is to evaluate the adequacy of SDNPA's arrangements to ensure high standards of conduct.

1.4   This audit review is part of the agreed Internal Audit Plan for 2018/19.

2.   Scope

2.1   The key areas examined were to ensure that:

- There are defined standards of expected conduct, effectively communicated to staff and Members;
- Systems and processes are in place to manage declarations of interests, gifts and hospitality;
- Breaches of the Code of Conduct are effectively managed and that outcomes include improving controls where applicable;
- Whistleblowing arrangements are fit for purpose.

3. Audit opinion

3.1   **Reasonable Assurance** is provided in respect of Code of Conduct (Members & Officers). Most controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives

4.   Basis of Opinion

4.1   We have given Reasonable Assurance over the Code of Conduct (Members & Officers) because:

- There are defined standards of expected conduct which are effectively communicated to staff and Members. The Officers Code of Conduct (CoC) was last reviewed in March 2018. Whilst the core behavioural areas are contained within the document, there are some areas where it could be strengthened.

- Under the current policy, there is no requirement for staff to make annual declarations of interest, only required as/when circumstances change. An annual declaration provides for a strengthened ethical culture, and acts as a positive, preventive control against the risk of potential fraud. A minor compliance issue was identified which has already been actioned by management.

- The current process for making a declaration is via a paper-based form. With the planned move for SDNPA to use the PIER IT system there is an opportunity to further strengthen controls and accountability over declarations of interest.

Executive Summary – Performance Management

1. Introduction

1.1 Performance management is an activity and set of processes that aim to maintain and improve performance in line with an organisation's objectives. It is strategic as well as operational and should cover key areas of activity. It is an essential component of the Authority's governance framework and a mechanism for providing assurance of the delivery of its priorities.

1.2 SDNPA as a publicly accountable body is responsible for monitoring its performance. Responsibility for this monitoring lies with the Policy and Resources (P&R) Committee.

1.3 Following a review in 2017 of performance reports presented to P&R, a new format was introduced during 2018.

1.4 This audit review is part of the agreed Internal Audit Plan for 2018/19.

2. Scope

2.1 The key areas examined were to ensure that:

- Reporting of performance to senior management and Members is regular and sufficiently supported by evidence.
- Targets, indicators and other measures of performance are specific, measurable, achievable, realistic and timely (SMART).

3. Audit opinion

3.1 **Substantial Assurance** is provided in respect of Performance Management. Controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives

4. Basis of Opinion

4.1 We have given Substantial Assurance over Performance Management because:

- An overview of performance for each of the objectives in the Corporate Plan is reported to P&R Committee quarterly. An overall RAG status is used for performance against delivery of key priorities and core work. Method statements for each indicator are in use covering definition, format and frequency, which provides consistency of reporting.
- There are good links between the PMP, the Corporate Plan and directorate/team plans. Often known as the golden thread, there is a clear vision for the SDNPA, underpinned by objectives and plans.
- There is now clarity over performance of projects as progress is now reported separately from performance against the Corporate Plan.
- The SDNPA currently has an interim corporate plan for 2018/19 and also for 2019/20, whilst it prepares a 5-year plan to align with the Partnership Management Plan (PMP). The corporate plan shows for each of its four strategic priorities, core work, key projects and key priorities underpinned by measures of success.
  - The new software system (Tableau) provides further consistency for monitoring of the many projects in progress at SDNPA.
  - SDNPA does not have specific targets associated with its strategic priorities. This is contrary to the concept of having (SMART) performance management processes. For example, planning statistics show 86% of applications were determined within statutory timeframes; but this does not demonstrate if this is good, average or poor performance. By having a target, this then becomes quantified.

Executive Summary – Access Control

1. Introduction

1.1. South Downs National Park Authority uses Elite to manage its IT Network services; this includes installing any programmes onto computers within the authority.

1.2. Third party systems cover all computer systems and applications used outside the direct control of the Authority. Where these services and applications are hosted outside of the authority network infrastructure the risks to the security and availability of the data held within the systems is greatly increased.

1.3. Consistent with other organisations, a number of the Authority's applications are provided by a number of third party providers.

1.4. To support the audit, we undertook detailed testing of a sample of third party systems of varying size and complexity, as agreed with the IT Strategy Manager. The systems selected were:
   - Idox – The system contains a number of modules, including the system for delivering the planning function for National Park, (planning applications, appeals and enforcement).
   - ThankQ – The system acts as a repository of contact information for SDNPA, particularly for the teams involved in fundraising.
   - Volunteer Impact – Stores legally required personal data of volunteers and provides a platform for contacting volunteers and for organising volunteer events.

1.5. The objective of the audit was to provide assurance that controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.

1.6. This review is part of the agreed Internal Audit Plan for 2018/19.

1.7. This report has been issued on an exception basis whereby only weaknesses in the control environment have been highlighted within the main body of the report.

2. Scope

2.1. The purpose of the audit was to provide assurance that controls are in place to meet the following objectives:

   - There are adequate governance processes in place to ensure all systems are reviewed and approved appropriately prior to installation;

   - System access is restricted to appropriately authorised individuals and the permissions provided to those users are in line with business requirements and this is kept up to date to reflect role changes;

   - Leavers are promptly and consistently removed from all systems;

   - Access to SDNPA data is held in accordance with relevant legislation and data is sufficiently protected by the service provider;

   - A process or agreement is in place for externally hosted systems in order to identify and manage vulnerabilities as they arise. This could include patches and other updates are applied in a timely manner and Penetration testing where appropriate;

   - Service providers have sufficient disaster recovery and business continuity arrangements in place.

Executive Summary – Access Control

> 3. **Audit opinion**
> **Substantial Assurance** is provided in respect of **IT audit review - Access Controls**.
> This opinion means that controls are in place and are operating as expected to
> manage key risks to the achievement of system or service objectives.

4. **Basis of Opinion**

- We have been able to provide **Substantial Assurance** over the controls operating within the area under review because:

- There are adequate governance processes in place to ensure all systems are reviewed and approved appropriately prior to installation. The network is locked down to prevent unauthorised downloading of executable files and other applications.

- The 'system owners' of the systems we tested all understood their roles and responsibilities, however, these responsibilities have not been formally documented.

- Access to the third party systems we tested is generally restricted to appropriately authorised individuals and the permissions provided to those users are in line with business requirements. Some weaknesses were identified, these are detailed in the report with agreed actions.

- Systems are generally well monitored and the business critical Idox system has regular reviews to ensure the access of leavers is removed promptly. Minor weakness with a non-critical system are detailed in the actions contained within the report.

- For the systems tested, we found that data is held in accordance with relevant legislation and data is sufficiently protected by the service provider, one provider stores the data in Canada but comprehensive checks were carried out by SDNPA staff to ensure this complied with UK legislation and to ensure the data was secure.

- For each system we found that Penetration testing, patching and system updating were all robustly managed by the third party system providers.

- Service providers have a scheme of backups and this is detailed in the contract arrangements. A specific business continuity plan exists for the Idox systems and is kept up to date.

(For actions graded as High or Medium priority).

Actions overdue for implementation

Audit	Agreed Actions (with priority)	Due	Officer Responsible / Update
There are no overdue actions			

Actions not yet due

Audit	Agreed Actions (with priority)	Due	Officer Responsible / Update
Community Infrastructure Levy (CIL)	Planning Applications that are CIL liable are not identified Links between the Planning validation process and the CIL process, greater awareness of officers of both systems and further training in how to better use the IT software is planned. (Medium)	Original - 30/04/19	Provided by Major Projects Team: Work is underway to provide further training and advice to validation teams and other officers.
Code of Conduct (Members & Officers)	Officers Code of Conduct We will review the Code, and compare ourselves against other National Parks and BHCC for good practice. (Medium)	Original - 30/07/19	Head of Governance update: This report has only recently been issued, and work is in progress.
Code of Conduct (Members & Officers)	Staff Declarations Of Interest SDNPA is planning a move to using BHCCs HR module (PIER) from April 2019. Within this, there is a declaration of interest option, which links directly to an individual's line manager for approval and provides good functionality for reporting and review by senior management. We will investigate the feasibility of utilising this alongside a move to annual declarations for all staff. (Medium)	Original - 30/10/19	Head of Governance update: This report has only recently been issued, and work is in progress.
Code of Conduct (Members & Officers)	Declarations of gifts and hospitality We have considered having a minimum value (for gifts/hospitality) included within the Code of Conduct. However, we wish to encourage any and all gifts/hospitality to be declared, so have decided	Original - 30/10/19	Head of Governance update: This report has only recently been issued, and work is in progress.

(For actions graded as High or Medium priority).

Audit	Agreed Actions (with priority)	Due	Officer Responsible / Update
	against having a minimum value stated within the Code. We also believe it is more important to record the offer, rather than being prescriptive over the form to be completed. However, we will look to review the form to include a fiscal value and to make it explicit if the Chief Exec approves/rejects it. Gifts and hospitality offered to the Chief Exec will be formally scrutinised and approved by a senior member of staff in consultation with the Chair of SDNPA. (Medium)		
Perf Mgt	We will look at introducing SMART targets for our highest key priority areas. However as an organisation we have developed measures of success. (Medium)	Original – 30/10/19	Research & Performance Lead update: This report has only recently been issued, and work is in progress.