

Audit and Corporate Services Review Committee

14 July 2021

Present: Councillor D Clements (Chair)
Councillor P Baker, Dr R Heath Davies, Mrs S Hoss, Councillor M James and Mr G Jones.

(Virtual Meeting: 10.00am-11.45am; 11.55am – 12.40pm)

[Dr R Heath-Davies took the Chair for item 1 only]

1. Election of Chair

It was **unanimously resolved** that Councillor Mrs D Clements be elected Chair for the ensuing year.

2. Election of Deputy Chair

It was **unanimously resolved** that Dr R Heath-Davies be elected Deputy Chair for the ensuing year.

3. Apologies

Apologies for absence were received from Councillor P Kidney, Councillor R Owens and Councillor M Williams.

4. Disclosures

There were no disclosures of interest.

5. Minutes

The minutes of the meeting held on the 12 May 2021 were presented for confirmation and authentication.

It was **RESOLVED** that the minutes of the meeting held on 12 May 2021 be confirmed and authenticated.

6. Matters Arising

There were no matters arising.

7. Statement of Accounts

The Finance Manager reported that a draft of the Authority's accounts 2020/21 had been passed to Audit Wales on 18 June 2021 and officers were currently addressing the Audit findings. It was anticipated that the ISA260 report would be published by the end of the week, and be presented to the National Park Authority on 28 July 2021.

The accounts showed that the revenue funding for 2020/21 had increased compared to 2019/20 due to an increase in the National Park Grant,



however as this had taken the form of baseline supplemental grants, it had not attracted additional Levy funding. Authority generated income had reduced due to COVID-19 restrictions in Q1, despite planning income having increased as a result of a number of large applications.

Service/Project specific revenue grants had also increased reflecting the additional funding received from Welsh Government to cover additional costs and loss of car park income as well as the HMRC furlough scheme. These had compensated for the reduction in Authority generated income.

The accounts also detailed the capital programme, the size of which had increased due to the Authority having been awarded grant funding by Welsh Government under the Sustainable Landscapes Sustainable Places fund. It was anticipated that the remainder of the funding would be spent in the first part of 2021/22

Overall, revenue expenditure was largely unchanged from 2019/20.

Within departmental budgets, the outturn Net Cost of Service expenditure for the year was above the revised budget by £39k. Details for the various service areas were set out and these consisted of both over and under spends due to reduced income as well as lockdown restrictions leading to an inability to spend as budgeted.

Finally the summarised balance sheet showed that there had been a decrease in the pension liability as a result of movements in pension asset values following a recovery from March 2020.

The Finance Manager added that adjustments as a result of the audit had been minimal and related to a reclassification of some fixed assets as heritage assets and in regard to the Furlough Scheme.

Deryck Evans from Audit Wales was also in attendance and he thanked the Finance Manager and his team for their work in what had been a difficult year, and for the quality of the accounts and working papers provided. He explained that in respect of assets, Freshwater East Burrows should have been classified as a heritage asset, however it had not been incorrectly valued.

One Member asked about pension liabilities and both Mr Evans and the Finance Manager agreed that this was a complicated area, however movements were in line with those elsewhere in the country. The Chief Executive added that the current contribution rate was of greatest concern to the Authority, and this had decreased. The Finance Manager confirmed that at 12.6%, this was one of the lowest across Wales, with the Dyfed Pension Fund performing well. A question was also asked regarding the sums for debtors and creditors shown on the summarised balance sheet and the Finance Manager explained that the higher figures



related to activity undertaken at the end of the year and the VAT that was recoverable in respect of it.

The Chair, on behalf of all Members thanked the Finance Manager and his team for their hard work in preparing the accounts.

Noted

8. Human Resources Update

The report provided details of various Health and Safety, wellbeing and human resources indicators for the quarter, with comparison for previous quarters where available. It also summarised the work of the department in terms of policy development and other projects; the draft HR People Strategy 2021-2024 had been presented and discussed at the recent meeting of the Personnel Committee, and a copy was provided as reference to the Audit and Corporate Services Review Committee also.

Thanking the officer for a helpful report, Members sought clarification on a number of aspects, and this was provided. The HR Manager added that additional information, including comparisons with previous years, would be provided as use of the new Cezanne HR System became established.

One Member also asked about the impacts of COVID-19 in respect of site closures. Officers replied that a report could be provided at a future meeting outlining the work being undertaken to protect the public visiting the Authority's sites, and noted that much work had been undertaken in recent years regarding visitor safety in the countryside.

Noted.

9. Performance Report for the Period ending 31 May 2021

The report followed the structure of the Corporate and Resources Plan for 2021/22. This followed the approach of the Well-being of Future Generations Act with seven well-being objectives, with an additional section providing general governance information. Activities responding to Covid 19 recovery had been mainstreamed into work streams under each of the well-being Objectives.

The report presented the performance to 31 May 2021. Due to the reporting period, statistical data for work streams was only available for data inputted into the Performance Reporting System on a weekly and monthly basis. Quarter 1 statistics for data sets recorded quarterly on the system would be reported at the next Committee.

A number of actions were in amber and red. These related to areas where work had not yet begun, further work was needed to progress the



activities, activities were on hold due to officer leaving role or activities had faced continued delay due to the impact of Covid 19. It was anticipated that these activities would move from red and amber to green as actions were initiated and progress was made through the year.

The report went on to outline the Authority's work as Covid restrictions eased and also highlighted the success of a number funding bids, with details of the successful projects being provided. Finally it was noted that the Welsh Government had released its public sector net zero reporting guide and associated spreadsheet in May 2021. An initial meeting had been held with staff from relevant teams to look at how the Authority could trial this approach and co-ordinate the collection of data.

Thanking the officer for her report, and noting the progress being made by staff in achieving the objectives set out, Members asked for further information about the Sustainable Landscapes Sustainable Places community woodland project, procurement project, sponsor a gate scheme, reopening of the centres and progress with the business continuity plan. Officers agreed to ask relevant officers to provide information regarding the first three of these, while the Director of Countryside, Community and Visitor Services provided an update on the operation of the Centres. The Chief Executive advised that the Business Continuity Plan was a work in progress as it had to continually adapt to the changing needs of the Authority. However he reassured Members that robust backup procedures for IT services were in place.

Noted

10. Engagement Action Plan Group

The report explained that creation of the engagement action plan and its monitoring group had come about as result of staff identifying a need for the Authority to take a cross team approach to engagement, which supported shared learning and the use of different expertise from across teams. Officers had recognised that there were a range of different engagement activities the Authority could pursue, but to lead to improvement in its approach across the Authority within the resources available, there was a need to set some clear priority areas. The plan did not focus on all the Authority's engagement activities but concentrated on areas that could help lead to improvements in its approach.

The plan currently had three priority areas: engaging with people through National Park Management Plan implementation; development of mechanisms for young people to influence the work of the Authority; and engaging Volunteers and service users; as well as three longer term aims: staff involvement with engagement; online engagement and interpretation; and the integrated approach to collation and analysis of feedback and engagement. The report went on to outline the key



achievements to date, which included a shared learning exercise in respect of the way the Authority had adapted its approach in response to the COVID-19 pandemic through use of virtual/ digital approaches in 2020/21.

The Performance and Compliance Coordinator, on behalf of the Engagement Action Plan Group, presented an infographic to the meeting which illustrated some of the work undertaken and welcomed any comments from Members on the Plan.

Members welcomed the report, which they believed contained many examples of good practice. There followed some discussion regarding greater promotion of the Welsh Language through the work of the Authority, and also greater engagement with Community Councils. The Chief Executive replied that the Authority had held a Seminar with Community Councils the previous evening regarding the current consultation on the Authority's High Level Strategy, and other officers and Members noted that there was regular engagement with Community Councils, however this often went unrecorded.

Noted

[Councillor P Baker tendered his apologies and left the meeting]

[The meeting was adjourned between 11.45am and 11.55am]

11. Review of Resilience - PCNPA Action Plan for Proposals for Improvement

Members were reminded that the 2020/21 performance audit work by Audit Wales had focused on the resilience of the Authority and a report on the findings of the review had been presented to the meeting of the Authority held on 5th May 2021. In response to proposals for improvement within the report officers had created an action plan to support delivery of improvements and this was appended to the report.

Members asked for greater clarity regarding the timing of actions to develop a renewed business continuity approach and the Chief Executive agreed to follow this up. There was also a discussion regarding the statement that smaller Committees may decide to continue holding virtual meetings, and the Administration and Democratic Services Manager clarified that this would not be a collective decision by individual Committees as the guidelines required the Authority to make provision for all meetings to be multi-location meetings, which would allow Members to attend either in person or via video conference depending on their personal choice and circumstances. It was also questioned whether the actions in the plan would deliver the Audit Wales recommendation "To



streamline and improve decision making”. The Chief Executive replied that as the Authority’s meetings were governed by regulations, he was uncertain how much they could be streamlined, however it was intended to review with Members the current ways of working in respect of the operation of the Authority’s meetings in the autumn.

Noted

12. Internal Audit follow Up Review 2020/21

Members were reminded that the Internal Audit Follow-Up Review report 2020/21 had been omitted from the papers for the previous meeting of the Committee and it was therefore included for Members’ information. The report sought to establish the management action that had been taken in respect of the recommendations arising from internal audit reviews undertaken in 2019/20.

Jonathan Maddock, from TIAA, the Authority’s internal auditors noted that 33 of the recommendations had been implemented, 3 had been considered but not implemented and 5 were outstanding, and he was pleased with the progress that had been made.

Noted.

13. Audit Enquiries to those charged with Governance and Management 2021

It was reported that Audit Wales were required to complete their financial audit in accordance with the requirements set out in International Standards on Auditing (ISAs). As part of the requirements of the ISAs, documented consideration and understanding had to be sought on a number of governance areas that impacted on the audit of the financial statements. These considerations were relevant to both the Pembrokeshire Coast National Park Authority’s management and ‘those charged with governance’ i.e. the Audit and Corporate Services Review Committee.

A number of enquiries were appended to the report. Responses had been prepared by the Finance Manager, Chief Executive and Chair of the Committee, however comments from any other Members were also welcomed.

Unfortunately Deryck Evans from Audit Wales had had to leave the meeting prior to consideration of this item and the report was taken by the Finance Manager. Members were happy with the response provided, however it was suggested that additional points could be made, noting that all Members were made aware of the results of Development Management appeals; the role of the Authority’s Standards Committee;



and inclusion of the risk register at each meeting of the Committee. If it was not possible to include these points on this occasion it was suggested that they be noted for future reference.

Noted.

14. Risk Register

Members were asked to consider the latest risk register, which had been reviewed by both the Management and Leadership Teams. It was noted that a number of changes had been made to the Register since the last meeting, with some redundant risks removed and others combined.

The Finance Manager apologised that the wording of risk 1 – the short term financial risk of a decrease in funding had not printed and the sequencing of the numbers was not correct towards the end of the Register.

Jonathan Maddock, from TIAA, the Authority's internal auditors noted that the inherent risk for risk 45 should be 8, rather than 9 and the residual risk for risk 14 should be 2 rather than 4. Thanking him, the Finance Manager agreed to take those points on board.

One Member asked about risk 33, and the Authority's attendance at the panel to review the impact of Brexit. The Chief Executive replied that it had recently been announced that the panel would be disbanded, however the Authority would continue to monitor the situation, although the impacts were likely to be indirect.

Another Member noted that there were some typographical errors in the progress update column and also asked whether it was intended to implement the internal audit recommendation for each risk to be allocated to a named person. The Chief Executive replied that TIAA had been asked to review the risk register as part of their programme of work in the coming year and it was intended to hold a workshop for Members on the subject in the autumn.

Noted.

15. Budget Performance

The Finance Manager presented details of the Authority generated income for the first quarter of the year. He noted that in setting the budget for 2021/22, income levels had been set at 1/3 of the previous year's budget, however actual figures were substantially higher than anticipated with merchandise sales of £53k compared to a budget of £22k and admission fees £52k compared to a budget of £17k. When compared to actual figures for 2019/20 income in these areas was lower,



but not by a substantial amount. Car park income had also performed well at £232k versus a budget of £146k; this included income from the four car parks at which charging had commenced this year.

As the slide shown by the Finance Manager had proved difficult to read, he agreed to email it to Members after the meeting.

Noted.

16. Delegation of any issues for consideration by the Continuous Improvement Group

It was **RESOLVED** that there were no issues of concern that the Committee wished to delegate to the Continuous Improvement Group for consideration.

The Minutes of this meeting were confirmed at the meeting of the Audit and Corporate Services Review Committee held on 10 November 2021 without amendment

