

**REPORT OF CHIEF EXECUTIVE**

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**SUBJECT: ANNUAL AUDIT LETTER 2019-20 AND ANNUAL AUDIT SUMMARY 2020**

The Auditor General for Wales' Annual Audit letter details his statutory responsibilities under the Public Audit (Wales) Act 2004 and the Code of Audit Practice. In addition, Audit Wales have provided an Annual Audit Summary 2020. Both documents are attached.

**Recommendation**

**Members are asked to NOTE the Annual Audit Letter and Annual Audit Summary 2020.**

Background Documents

None

*(For further information, please contact Richard Griffiths Ext 4815)*

**Reference:** 2181A2020-21

**Date issued:** December 2020

## **Audit of Pembrokeshire Coast National Park Authority's assessment of 2019-20 performance**

### **Certificate**

I certify that I have audited Pembrokeshire Coast National Park Authority's (the Authority) assessment of its performance in 2019-20 in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and my Code of Audit Practice.

As a result of my audit, I believe that the Authority has discharged its duties under sections 15(2), (3), (8) and (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.

### **Respective responsibilities of the Authority and the Auditor General**

Under the Measure, the Authority is required to annually publish an assessment which describes its performance:

- in discharging its duty to make arrangements to secure continuous improvement in the exercise of its functions;
- in meeting the improvement objectives it has set itself;
- by reference to performance indicators specified by Welsh Ministers, and self-imposed performance indicators; and
- in meeting any performance standards specified by Welsh Ministers, and self-imposed performance standards.

The Measure requires the Authority to publish its assessment before 31 October in the financial year following that to which the information relates, or by any other such date as Welsh Ministers may specify by order.

The Measure requires that the Authority has regard to guidance issued by Welsh Ministers in publishing its assessment.

As the Authority's auditor, I am required under sections 17 and 19 of the Measure to carry out an audit to determine whether the Authority has discharged its duty to publish an assessment of performance, to certify that I have done so, and to report whether I believe that the Authority has discharged its duties in accordance with statutory requirements set out in section 15 and statutory guidance.

## Scope of the audit

For the purposes of my audit work I will accept that, provided an authority meets its statutory requirements, it will also have complied with Welsh Government statutory guidance sufficiently to discharge its duties.

For this audit I am not required to form a view on the completeness or accuracy of information. Other assessment work that I will undertake under section 18 of the Measure may examine these issues. My audit of the Authority's assessment of performance, therefore, comprised a review of the Authority's publication to ascertain whether it included elements prescribed in legislation. I also assessed whether the arrangements for publishing the assessment complied with the requirements of the legislation, and that the Authority had regard to statutory guidance in preparing and publishing it.

The work I have carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.



**Adrian Crompton**

**Auditor General for Wales**

CC: Julie James AM – Minister for Housing and Local Government  
Nick Selwyn – Manager



## Pembrokeshire Coast National Park Authority

### Annual audit summary 2020

This is our audit summary for Pembrokeshire National Park Authority. It shows the work completed since the last Annual Improvement Report, which was issued in 2019. Our audit summary forms part of the Auditor General for Wales' duties.



More information about these duties can be found on our [website](#).

## About the National Park Authority

### Some of the services the Authority provides



#### Key facts

The Authority is made up of 18 members who represent the following:

- Welsh Government Appointees – 6
- Pembrokeshire County Council – 12

The Authority spent £7.4 million on providing services during 2019-20, the second highest spend of the three national park authorities in Wales and the eighth highest of the 13 national park authorities in England and Wales.

As at 31 March 2020, the Authority had £5.4 million of usable financial reserves. This is equivalent to 73% of the Authority's annual spend on services. This is the highest percentage of the 13 national park authorities in England and Wales. Most of the reserves are held as earmarked reserves. The Authority's general fund balance of £1 million as at 31 March 2020, represents 14% of its annual gross expenditure on services. The average for the three Welsh authorities is 11%, and across England and Wales 21%.

In 2019-20, the Authority generated £1.96 million of service-related income, representing 33% of its total general funding. This compares to the overall average for the Welsh national parks of 41% and the average for all English and Welsh authorities of 43%. The highest proportion for a Welsh authority is 51%, and for an English authority is 59%.

## Key facts

In 2019, 100% of all major planning applications and 90% of all planning applications were decided in time. The average length of time taken by the Authority to decide on major applications was 224 days.

94.8% of applications are decided on using delegated powers. 100% of planning appeals were dismissed, and only 3.8% were made by members against officer advice.

80.5% of enforcement cases are investigated within 84 days but the average time taken to undertake positive enforcement work is 331.8 days.

## The Auditor General's duties

### We complete work each year to meet the following duties

- **Audit of Accounts**

Each year the Auditor General audits the Council's financial statements to make sure that public money is being properly accounted for.

- **Value for money**

The Council has to put in place arrangements to get value for money for the resources it uses, and the Auditor General has to be satisfied that it has done this.

- **Continuous improvement**

The Council also has to put in place arrangements to make continuous improvements, including related plans and reports, and the Auditor General has to assess whether the Council is likely to (or has) met these requirements.

- **Sustainable development principle**

Public bodies need to comply with the sustainable development principle when setting and taking steps to meet their well-being objectives. The Auditor General must assess the extent to which they are doing this.



Since the Spring of 2020, the ongoing pandemic has affected our audit work. We recognise the huge strain on public services and have reshaped our work programme, and found new ways of working to reduce its impact on public bodies' response to COVID-19, while still meeting our statutory duties.



**To meet the Auditor General's duties we complete specific projects, but we also rely on other audit work, and the work of regulators such as Care Inspectorate Wales and Estyn (the education inspectorate). We take the findings of our audit work into account when assessing whether the Authority has put in place arrangements to secure value for money. Our findings and conclusions are summarised below.**

## What we found

### Audit of Pembrokeshire Coast National Park Authority's 2019-20 Accounts

Each year we audit the Authority's financial statements.

#### For 2019-20:

- We gave an unqualified true and fair opinion on the Authority's financial statements on 1 October 2020. As a result of the COVID-19 pandemic, the Authority was unable to meet the statutory deadlines for completion of the accounts. We agreed an amended timetable with the Authority and completed the audit in accordance with this revised timescale and within the Welsh Government's amended expected timetable.
- The Authority's Annual Governance Statement and Narrative Report were prepared in line with the CIPFA/LASAAC Code and relevant guidance. They were also consistent with the financial statements prepared by the Authority and with our knowledge of the Authority.
- The quality of the draft statements presented for audit on 1 July 2020 was generally good.
- A number of changes were made to the Authority's financial statements arising from our audit work, which were reported to the Authority in our Audit of Financial Statements Report in September 2020.
- We issued the certificate confirming that the audit of accounts for 2019-20 has been completed alongside the audit opinion.

### Well-being of Future Generations Examination – Involvement

The examination that we undertook in 2019-20 considered the extent to which the Authority has acted in accordance with the sustainable development principle when taking steps to increase involvement. We concluded that the Authority is developing a more corporate and

consistent approach to involvement, but further work is required to involve stakeholders in deciding spending priorities and to strengthen resilience.

## **Continuous Improvement**

We certified that the Authority has met its legal duties for improvement planning and reporting and are satisfied that is likely to meet the requirements of the Local Government (Wales) Measure 2009 during 2020-21.

## **Local Government Studies**

As well as local work at each council, each year we also carry out studies across the local government sector to make recommendations for improving value for money. Since the last annual improvement report we have published the following reports.

### **The effectiveness of local planning authorities (June 2019)**

We reviewed progress of local planning authorities in delivering their new responsibilities. We concluded that planning authorities are not resilient enough to deliver long-term improvements because of their limited capacity and the challenge of managing a complex system. [The full report can be viewed here.](#)

### **The 'Front Door' to Social Care (September 2019)**

We considered the effectiveness of the new 'front door' to social care, looking specifically at services for adults. We found that whilst councils are preventing social-care demand, information, advice and assistance are not consistently effective. [The full report can be viewed here.](#)

### **Review of Public Services Boards (October 2019)**

We inspected how Public Service Boards are operating; looking at their membership, terms of reference, frequency and focus of meetings, alignment with other partnerships, resources and scrutiny arrangements. We concluded that Public Services Boards are unlikely to realise their potential unless they are given freedom to work more flexibly and think and act differently. [The full report can be viewed here.](#)

### **Progress in implementing the Violence Against Women, Domestic Abuse and Sexual Violence Act (November 2019)**

We examined how the new duties and responsibilities of the Violence against Women, Domestic Abuse and Sexual Violence (Wales) Act are being rolled out and delivered. We found that victims and survivors of domestic abuse and sexual violence are often let down by an inconsistent, complex and fragmented system. [The full report can be viewed here.](#)

## **Rough Sleeping in Wales – Everyone’s Problem; No One’s Responsibility (July 2020)**

We looked at how well public services are responding to the issue of rough sleeping. Overall, we found that responding to COVID-19 is an opportunity for public bodies to start addressing long standing weaknesses in partnership working which has stopped them from tackling rough sleeping in the past. [The full report can be viewed here.](#)

## **Better Law Making (September 2020)**

This report draws on five reports published between 2019 and today looking at how local authorities are responding to the challenge of implementing new legislation. Implementation is a complex task which needs to be fully thought through by the Welsh Government and the Senedd whenever they bring forward and make any new legislation. The paper highlights the difficulties faced by local authorities and their public sector partners in implementing their new responsibilities. [The full report can be viewed here.](#)

## **Commercialisation in Local Government (October 2020)**

Councils have conducted commercial activity for a long time, and many councils are exploring additional commercial opportunities to mitigate against the financial pressures they face. Our report is specifically targeted at helping elected members and senior officers to examine and judge the potential impact on their organisations when considering whether to undertake commercialisation. It will also help councils to demonstrate how well they are discharging their value for money responsibilities. [The full report can be viewed here.](#)

## **Planned work for 2020-21**

We also looked at the key challenges and opportunities facing the Authority. These risks could have an effect on the Authority’s ability to meet its legal obligations in relation to the sustainable development principle, the use of its resources and continuous improvement.

Taking our current and previous work into consideration and after reviewing the challenges and opportunities the Authority faces, the most significant risk and issue facing national parks and the wider public sector during 2020-21 is the COVID-19 pandemic. We have shaped our work to provide assurance and challenge in a way which helps to support the Authority through this period. Our work for 2020-21 includes:

- Recovery planning in response to the COVID-19 pandemic
- COVID-learning project – helping to identify and share learning from the way in which public bodies have responded to the pandemic
- A review of the Authority’s resilience

The Auditor General is independent of government, and is appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the Senedd.

The Auditor General audits local government bodies in Wales, including unitary authorities, police, probation, fire and rescue authorities, national parks and community councils. He also conducts local government value for money studies and assesses compliance with the requirements of the Local Government (Wales) Measure 2009.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Senedd Commission and National Health Service bodies in Wales.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities with their own legal functions, as described above. Audit Wales is not a legal entity.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

This document is also available in Welsh.