

REPORT OF CHIEF EXECUTIVE

SUBJECT: ANNUAL AUDIT LETTER 2020-21 AND ANNUAL AUDIT SUMMARY 2021

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 2021. Both documents are attached.

Recommendation

Members are asked to NOTE the Annual Audit Letter and Annual Audit Summary 2021.

Background Documents

None

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

Reference: 2705A2021-22

Date issued: November 2021

Audit of Pembrokeshire Coast National Park Authority's assessment of 2020-21 performance

Certificate

I certify that I have audited Pembrokeshire Coast National Park Authority's (the Authority) assessment of its performance in 2020-21 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. 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.



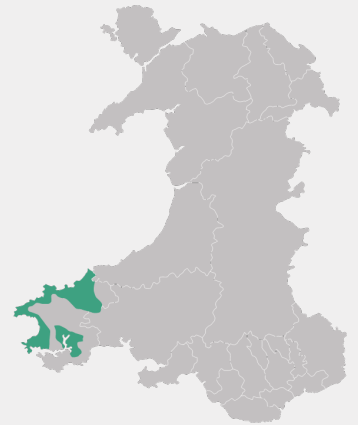
Adrian Crompton

Auditor General for Wales

CC: Rebecca Evans MS – Minister for Finance and Local Government
Nick Selwyn – Audit Manager

Pembrokeshire Coast National Park Authority Annual Audit Summary 2021

This is our audit summary for Pembrokeshire Coast National Park Authority. It shows the work completed since the last Annual Audit Summary, which was issued in January 2021. 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 members – 12

The Authority spent £7.6 million on providing services during 2020-21 compared to £7.4 million in 2019-20. This places the Authority second of the three Welsh national park authorities and the eighth highest of the 13 national park authorities in England and Wales¹.

As at 31 March 2021, the Authority had £6.0 million of usable financial reserves compared with £5.4 million at 31 March 2020. This is equivalent to 78% of the Authority's total annual spending on services, an increase from 73% in 2019-20. This is the highest percentage of the national park authorities in England and Wales. Taking into account service-related income, usable reserves now represent 114% of the Authority's net cost of services, up from 99% in 2019-20 and is the third highest in England and Wales. The increase in reserves is due in part to the impact of the COVID-19 pandemic.

¹ Source: 2020-21 Statement of Accounts

Key facts

In 2020-21, the Authority generated £2.5 million of service-related income, representing 36% of its total general funding. In 2019-20, the equivalent amounts were £2.0 million and 33% respectively. Service-related income is the second highest of the three Welsh authorities and the eighth highest across England and Wales. The average for all English and Welsh authorities is 41%. The highest proportion for a Welsh authority is 57% and for an English authority is 55%.

In 2020-21, 66.31% of all planning applications were decided on time. The average length of time taken by the Authority to decide on applications was 109.75 days.

92.45% of applications are decided on using delegated powers. 75% of planning appeals were dismissed, and 7.14% of decisions were made by members against officer advice.

78.15% of enforcement cases are investigated within 84 days but the average time taken to undertake positive enforcement work is 103 days.

The Auditor General's duties

We completed work during 2020-21 to meet the following duties

- **Audit of Accounts**

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

- **Continuous improvement**

The Authority also had to put in place arrangements to make continuous improvements, including related plans and reports, and the Auditor General had to assess whether the Authority met these requirements during 2020-21.

- **Value for money**

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

- **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.



We continue to recognise the huge strain on public services and to work in a way that seeks to reduce the 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. 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 2020-21 Accounts

Each year we audit the Authority's financial statements.

For 2020-21:

- the Auditor General gave an unqualified true and fair opinion on the Authority's financial statements on 29 July 2021, two days ahead of the statutory deadline. The statutory date was achieved notwithstanding the ongoing difficulties arising from COVID-19.
- the Authority's Annual Governance Statement and Narrative Report were prepared in line with the CIPFA 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 15 June 2021 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 July 2021.
- the Auditor General has issued the certificate confirming that the audit of accounts for 2020-21 has been completed.

Our work in response to the COVID-19 pandemic

In response to the COVID-19 pandemic, we changed the approach and focus of our performance audit work in local government and other bodies. Below is a summary of some of the work we have undertaken in response to the pandemic across a number of sectors, much of which is of relevance to local government.

We undertook a project to support public sector efforts by sharing learning through the pandemic. The project aimed to help prompt some thinking, and practise exchange. [Further information is available on our website.](#)

In March 2021, we published a [national report](#) setting out an overview of progress to date on Test, Trace, Protect in Wales. In December 2020, we also published some [observations](#) of the Auditor General on the procurement and supply of PPE during the COVID-19 pandemic, followed by a [report](#) in April 2021. In June 2021, we also published our [report](#) on the rollout of the COVID-19 vaccination programme in Wales.

Continuous improvement

The Auditor General certified that the Authority had met its remaining Local Government (Wales) Measure 2009 duties for the financial year 2020-21, as saved by an order made under the Local Government and Elections (Wales) Act 2021.

Well-being of Future Generations Examination – Resilient and Sustainable Services in Pembrokeshire Coast National Park Authority

In 2020-21, we reviewed the resilience and sustainability of services at the Authority to provide assurance on how well financial and capacity challenges were being addressed. Overall, our report concluded that the Authority proved to be an adaptable and resilient organisation in the face of immediate disruptive threats, but further work is needed to ensure this continues over the longer term.

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:

Discretionary Services (April 2021)

Financial pressures have led to councils reducing spending and cutting services, but the pandemic has shown local government services are essential to keeping people safe and healthy. We focussed on how councils define services, the systems and processes they have used to review services and how robust these are. Demand for some essential services is continuing to increase and councils are not confident that they can continue to deliver these services in the face of this rising and complex demand. Councils need to take the opportunity to refresh, reevaluate and reset what they do and to learn from the pandemic to build a better future. Our [report](#) was published in April 2021.

Regenerating town centres in Wales (September 2021)

Between 1950 and 1980, local authorities prioritised regeneration of town centres creating new and greater retail space. However, past policy choices, changing consumer expectations and technological advances are now adversely affecting many Welsh town centres. And the pandemic has created challenges for local government and central government, with one in seven shops on Welsh high streets now empty, despite the Welsh Government investing and leveraging in £892.6 million in the last seven years. Local authorities do not have the capacity to respond to this situation and are not always using the powers they have to help regenerate towns. To deliver the best local outcomes, policies and joint working need to be aligned and integrated, and resources prioritised on town centres. Our [report](#) was published in September 2021.

Planned work for 2021-22

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

The most significant risk and issue facing authorities and the wider public sector during 2021-22 continues to be 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 planned work for 2021-22 includes a review of how the Authority is promoting sustainable tourism.

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, fire and rescue authorities, national parks and community councils. He also conducts local government value for money studies, assesses compliance with the remaining requirements of the Local Government (Wales) Measure 2009 and may undertake special inspections under the Local Government & Elections (Wales) Act 2021.

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.