

**Joint Report of the Chief Financial Officer
& Audit Wales**

Subject: ISA260 Report to Those Charged With Governance

A presentation will be made on the Audit Wales ISA260 Report: Communication Concerning Financial Statements to those Charged with Governance.

The Authority's Statement of Accounts 2021/22 will also be presented for confirmation and signature.

RECOMMENDATIONS:

- a) Members are invited to consider and accept the ISA260 Report from Audit Wales.**
- b) The Authority approve the Statement of Accounts 2021/22**

Background documents:

- ISA260 Report – 2021/22 Audit
- Statement of Accounts 2021/22

For further information on this report, please contact Mr Richard Griffiths (Chief Financial Officer) or Mr Adrian Crompton (Auditor General, Audit Wales).

Adroddiad ar yr Archwiliad o'r Cyfrifon – Awdurdod Parc Cenedlaethol Arfordir Penfro

Blwyddyn archwilio: 2021-22

Dyddiad cyhoeddi: Gorffennaf 2022

Cyfeirnod y ddogfen: 3071A2022

Paratowyd y ddogfen hon fel rhan o waith a gyflawnir yn unol â swyddogaethau statudol.

Os ceir cais am wybodaeth y gall y ddogfen hon fod yn berthnasol iddi, tynnir sylw at y Cod Ymarfer a gyhoeddwyd o dan adran 45 Deddf Rhyddid Gwybodaeth 2000. Mae Cod adran 45 yn nodi'r arfer o ran trin ceisiadau a ddisgwylir gan awdurdodau cyhoeddus, gan gynnwys ymgynghori â thrydydd partïon perthnasol. Mewn perthynas â'r ddogfen hon, mae Archwilydd Cyffredinol Cymru a Swyddfa Archwilio Cymru'n drydydd partïon perthnasol. Dylid anfon unrhyw ymholiadau ynglŷn â datgelu neu aildddefnyddio'r ddogfen hon i Swyddfa Archwilio Cymru yn swyddog.gwybodaeth@archwilio.cymru.

Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Saesneg. This document is also available in English.

Cynnwys

Rydym yn bwriadu cyhoeddi adroddiad archwilio diamod ar eich Cyfrifon. Mae rhai materion y mae angen rhoi gwybod ichi amdanynt cyn eu cymeradwyo.

Adroddiad ar yr Archwiliad o'r Cyfrifon

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Adroddiad ar yr Archwiliad o'r Cyfrifon

Cyflwyniad

- 1 Rydym yn crynhoi prif ganfyddiadau ein harchwiliad o'ch cyfrifon ar gyfer 2021-22 yn yr adroddiad hwn.
- 2 Rydym eisoes wedi trafod y materion hyn gyda Rheolwr Cyllid yr Awdurdod.
- 3 Nid yw archwilwyr byth yn gallu rhoi sicrwydd cyflawn bod cyfrifon wedi'u datgan yn gywir. Yn lle hynny, rydym yn gweithio i lefel o 'berthnasedd'. Pennir y lefel hon o berthnasedd i geisio adnabod a chywiro camddatganiadau a allai beri fel arall i'r sawl sy'n defnyddio'r cyfrifon gael ei gamarwain.
- 4 Pennwyd lefel perthnasedd o £187,780 ar gyfer archwiliad eleni.
- 5 Ceir rhai meysydd o fewn y cyfrifon a allai fod yn bwysicach i'r darllenydd ac rydym wedi pennu lefel perthnasedd is ar gyfer y rhain, fel a ganlyn:
 - £1,000 ar gyfer cydnabyddiaeth ariannol, pensiwn a pheccynau ymadael uwch swyddogion; a
 - £5,000 ar gyfer trafodion a balansau partïon cysylltiedig, a'r rheiny'n fuddiannau ariannol a/neu swyddi dylanwadol a ddelir gan uwch swyddogion ac aelodau, neu gan eu teulu agos.
- 6 Rydym bellach wedi cwblhau archwiliad eleni yn sylweddol.
- 7 Yn ein barn broffesiynol ni, rydym wedi cydymffurfio â'r safonau moesegol sy'n berthnasol i'n gwaith; rydym yn annibynnol arnoch chi; ac nid yw ein gwrthrychedd wedi cael ei beryglu mewn unrhyw ffordd. Nid oes unrhyw berthnasoedd rhyngom ni a chi a allai danseilio ein gwrthrychedd a'n hannibyniaeth yn ein tyb ni.

Effaith Covid-19 ar archwiliad eleni

- 8 Mae pandemig COVID-19 wedi cael effaith barhaus ar y modd y cynhaliwyd ein harchwiliad. Rydym yn crynhoi'r prif effeithiau yn **Arddangosyn 1**. Ac eithrio lle'r ydym yn gwneud argymhellion penodol, darperir y manylion yn **Arddangosyn 1** er gwybodaeth yn unig i'ch helpu i ddeall effaith pandemig COVID-19 ar broses archwilio eleni.

Arddangosyn 1 – effaith COVID-19 ar archwiliad eleni

Amserlen	<ul style="list-style-type: none">31 Mai 2022 oedd y terfyn amser statudol o hyd i'r swyddog cyllid cyfrifol lofnodi eich cyfrifon drafft ar gyfer 2021-22; ac yna 31 Gorffennaf 2022 oedd y terfyn amser i'r Archwilydd Cyffredinol ardystio'r archwiliad ohonynt.Fodd bynnag, roedd Adran Gyllid Llywodraeth Cymru wedi hysbysu, oherwydd effaith COVID-19, y gallai cyrff gyflwyno cyfrifon drafft wedi'u lofnodi erbyn 31 Awst 2022 a chael eu hardystio erbyn 30 Tachwedd 2022.Cawsom y cyfrifon drafft ar 13 Mehefin 2022. Er bod hyn ar ôl y dyddiad a nodir yn y Rheoliadau, rydym yn disgwyl cyhoeddi ein barn archwilio ar 29 Gorffennaf 2022.
Tystiolaeth archwilio	<p>Fel mewn blynyddoedd blaenorol, cawsom y mwyafrif o'r dystiolaeth archwilio mewn fformat electronig. Rydym wedi defnyddio amryw dechnegau i sicrhau ei dilysrwydd. Lle nad ydym wedi gallu cael mynediad at ddogfennau papur oherwydd cyfyngiadau COVID-19, rydym wedi llunio methodolegau archwilio amgen i gael digon o dystiolaeth archwilio. Yn benodol:</p> <ul style="list-style-type: none">darparodd swyddogion bapurau gwaith electronig trwy blatfform rhannu diogel yr oedd archwilywyr yn gallu cael mynediad ato o bell;darparodd swyddogion dystiolaeth archwilio ar gyfer y tîm archwilio trwy'r e-bost; acroedd swyddogion ar gael trwy fideogynadledda ar gyfer trafodaethau.
Llofnodion electronig	<p>Byddwn yn parhau i dderbyn y defnydd o lofnodion electronig a ffeiliau wedi'u trosglwyddo'n electronig yn ystod y broses o gymeradwyo a llofnodi'r cyfrifon.</p>

Barn archwilio arfaethedig

- 9 Rydym yn bwriadu cyhoeddi barn archwilio ddiamod ar gyfrifon eleni unwaith y byddwch wedi rhoi Llythyr Sylwadau inni yn seiliedig ar yr hyn a nodir yn **Atodiad 1**.
- 10 Rydym yn cyhoeddi barn archwilio 'amodol' lle mae gennym bryderon perthnasol ynghylch rhai agweddau ar eich cyfrifon; fel arall rydym yn cyhoeddi barn ddiamod.
- 11 Mae'r Llythyr Sylwadau'n cynnwys rhai cadarnhadau y mae'n ofynnol inni eu cael gennych chi dan safonau archwilio ynghyd â chadarnhad o wybodaeth benodol arall yr ydych chi wedi'i darparu ar ein cyfer yn ystod ein harchwiliad.
- 12 Caiff ein hadroddiad archwilio arfaethedig ei nodi yn **Atodiad 2**.

Materion Arwyddocaol sy'n codi o'r Archwiliad

Camddatganiadau nas cywirwyd

- 13 Nid oes unrhyw gamddatganiadau wedi'u canfod yn y cyfrifon, sy'n dal heb eu cywiro.

Camddatganiadau a gywirwyd

- 14 Roedd camddatganiadau yn y cyfrifon yn wreiddiol sydd bellach wedi cael eu cywiro gan y rheolwyr. Fodd bynnag, rydym ni'n credu y dylid dwyn y rhain i'ch sylw a chânt eu nodi yn **Atodiad 3**.

Materion Arwyddocaol eraill sy'n codi o'r Archwiliad

- 15 Nid oedd unrhyw faterion arwyddocaol yn codi yn ystod archwiliad eleni.

Argymhellion

- 16 Rydym wedi adnabod rhai meysydd lle mae cyfle i ddatblygu ymhellach, a byddwn yn adrodd ar y rhain ar wahân wrth y Rheolwyr a byddwn yn gwneud gwaith dilynol ar gynnydd gyda hwy yn ystod archwiliad y flwyddyn nesaf. Lle mae unrhyw gamau gweithredu heb gael eu rhoi ar waith, byddwn yn parhau i fonitro cynnydd ac yn rhoi gwybod i chi am hynny yn adroddiad y flwyddyn nesaf.

Atodiad 1

Llythyr Sylwadau Terfynol

[Pennawd llythyr y corff a archwilir]

Archwilydd Cyffredinol Cymru
Swyddfa Archwilio Cymru
24 Heol y Gadeirlan
Caerdydd
CF11 9LJ

27 Gorffennaf 2022

Sylwadau ynghylch datganiadau ariannol 2021-22

Darperir y llythyr hwn mewn cysylltiad â'ch archwiliad o ddatganiadau ariannol Awdurdod Parc Cenedlaethol Arfordir Penfro (yr Awdurdod) ar gyfer y flwyddyn a ddaeth i ben ar 31 Mawrth 2022 at ddiben mynegi barn ynglŷn â'u cywirdeb a thegwch a'u paratoi'n briodol. Yr ydym ni'n cadarnhau hyd eithaf ein gwybodaeth a'n cred, ar ôl gwneud yr ymholiadau a oedd yn ddigonol yn ein tyb ni, y gallwn gyflwyno'r sylwadau canlynol i chi.

Sylwadau'r rheolwyr

Cyfrifoldebau

Rydym wedi cyflawni ein cyfrifoldebau am:

- baratoi'r datganiadau ariannol yn unol â gofynion deddfwriaethol a Chod Ymarfer CIPFA ar gyfer Cadw Cyfrifon Awdurdodau Lleol yn y Deyrnas Unedig; yn arbennig, mae'r datganiadau ariannol yn rhoi darlun cywir a theg yn unol â'r rhain; a
- dylunio, gweithredu, cynnal ac adolygu rheolaeth fewnol i atal a chanfod twyll a gwallau.

Gwybodaeth a ddarparwyd

Rydym wedi darparu'r canlynol ar eich cyfer:

- mynediad llawn at:
 - yr holl wybodaeth yr ydym yn ymwybodol ohoni sy'n berthnasol i baratoi'r datganiadau ariannol megis llyfrau cyfrifon a dogfennaeth ategol, cofnodion cyfarfodydd a materion eraill;

- gwybodaeth ychwanegol yr ydych chi wedi gofyn amdani gennym ni at ddiben yr archwiliad; a
- mynediad digyfngiad at aelodau o staff y penderfynoch chi fod angen cael tystiolaeth archwilio ganddynt;
- canlyniadau ein hasesiad ni o'r risg y gallai'r datganiadau ariannol fod wedi'u camddatgan yn berthnasol o ganlyniad i dwyll;
- ein gwybodaeth ni am dwyll gwirioneddol neu dwyll tybiedig yr ydym ni'n ymwybodol ohono ac sy'n effeithio ar yr Awdurdod ac sy'n cynnwys:
 - rheolwyr;
 - cyflogeion sydd â rolau arwyddocaol mewn rheolaeth fewnol; neu
 - eraill lle gallai'r twyll gael effaith berthnasol ar y datganiadau ariannol;
- ein gwybodaeth ni am unrhyw honiadau o dwyll gwirioneddol, neu dwyll tybiedig, sy'n effeithio ar y datganiadau ariannol a gyflëwyd gan gyflogeion, cyn-gyflogeion, rheoleiddwyr neu eraill;
- ein gwybodaeth ni am bob achos hysbys o ddiffyg cydymffurfio gwirioneddol neu ddiffyg cydymffurfio tybiedig â deddfau a rheoliadau y dylid ystyried eu heffeithiau wrth baratoi'r datganiadau ariannol; a
- gwybodaeth am bwy yw'r holl bartïon cysylltiedig a'r holl berthnasoedd â phartïon cysylltiedig a thrafodion partïon cysylltiedig yr ydym yn ymwybodol ohonynt.

Sylwadau am y datganiadau ariannol

Mae'r holl drafodion, asedau a rhwymedigaethau wedi cael eu cofnodi yn y cofnodion cyfrifyddu ac fe'u hadlewyrchir yn y datganiadau ariannol.

Mae'r dulliau, y data a'r tybiaethau arwyddocaol a ddefnyddiwyd i lunio amcangyfrifon cyfrifyddu, a'u datgeliadau cysylltiedig, yn briodol i gyflawni cydnabyddiaeth, mesuriad neu ddatgeliad sy'n rhesymol yng nghyd-destun y fframwaith adrodd ariannol perthnasol.

Rhoddwyd cyfrif priodol am berthnasoedd a thrafodion partïon cysylltiedig ac maent wedi cael eu datgelu'n briodol.

Lle cafwyd digwyddiadau ar ôl y dyddiad adrodd yr oedd yn ofynnol gwneud addasiad ar eu cyfer neu eu datgelu, mae'r holl addasiadau a datgeliadau hyn wedi cael eu gwneud.

Mae pob ymgyfreithiad a hawliad gwirioneddol neu bosibl hysbys y dylid ystyried eu heffeithiau wrth baratoi'r datganiadau ariannol wedi cael eu datgelu wrth yr archwilydd a rhoddwyd cyfrif amdanynt ac maent wedi cael eu datgelu yn unol â'r fframwaith adrodd ariannol perthnasol.

Nid oes unrhyw gamddatganiadau perthnasol, gan gynnwys hepgoriadau, yn y datganiadau ariannol. Nid oes unrhyw gamddatganiadau nas cywirwyd yn y datganiadau ariannol.

Sylwadau gan yr Awdurdod

Rydym yn cydnabod bod y sylwadau uchod a wnaed gan y rheolwyr wedi cael eu trafod gyda ni.

Rydym yn cydnabod ein cyfrifoldeb am sicrhau bod y cwmni'n cadw cofnodion cyfrifyddu digonol.

Rydym yn cydnabod ein cyfrifoldeb am baratoi datganiadau ariannol cywir a theg yn unol â'r fframwaith adrodd ariannol perthnasol. Cymeradwywyd y datganiadau ariannol gan yr Awdurdod Parc Cenedlaethol ar 27 Gorffennaf 2022.

Rydym yn cadarnhau ein bod wedi cymryd pob cam angenrheidiol er mwyn ein gwneud ein hunain yn ymwybodol o unrhyw wybodaeth archwilio berthnasol ac er mwyn cadarnhau ei bod wedi cael ei chyfleu i chi. Rydym yn cadarnhau, hyd y gwyddom, nad oes unrhyw wybodaeth archwilio berthnasol nad ydych chi'n ymwybodol ohoni.

Llofnodwyd gan:

Swyddog Adran 151

Dyddiad: 27 Gorffennaf 2022

Llofnodwyd gan:

Cadeirydd yr Awdurdod Parc
Cenedlaethol

Dyddiad: 27 Gorffennaf 2022

Atodiad 2

Adroddiad Archwilio Arfaethedig

Adroddiad archwilydd annibynnol Archwilydd Cyffredinol Cymru i aelodau Awdurdod Parc Cenedlaethol Arfordir Penfro

Barn ar y datganiadau ariannol

Rwyf wedi archwilio datganiadau ariannol Awdurdod Parc Cenedlaethol Arfordir Penfro ar gyfer y flwyddyn a ddaeth i ben ar 31 Mawrth 2022 dan Ddeddf Archwilio Cyhoeddus (Cymru) 2004.

Mae datganiadau ariannol Awdurdod Parc Cenedlaethol Arfordir Penfro yn cynnwys y Datganiad o Symudiadau mewn Cronfeydd wrth Gefn, y Datganiad o Incwm a Gwariant Cynhwysfawr, y Fantolen, y Datganiad o Lifoedd Arian Parod, a'r nodiadau cysylltiedig, gan gynnwys crynodeb o'r polisïau cyfrifyddu arwyddocaol.

Y fframwaith adrodd ariannol a gymhwyswyd wrth eu paratoi yw'r gyfraith berthnasol a'r safonau cyfrifyddu rhyngwladol fel y'u dehonglwyd ac y'u haddaswyd gan y Cod Ymarfer ar gyfer Cadw Cyfrifon Awdurdodau Lleol yn y Deyrnas Unedig 2021-22.

Yn fy marn i mae'r datganiadau ariannol:

- yn rhoi darlun cywir a theg o sefyllfa ariannol Awdurdod Parc Cenedlaethol Arfordir Penfro ar 31 Mawrth 2022 ac o'i incwm a'i wariant ar gyfer y flwyddyn a ddaeth i ben ar y dyddiad hwnnw; ac
- wedi'u paratoi'n briodol yn unol â gofynion deddfwriaethol a'r safonau cyfrifyddu rhyngwladol fel y'u dehonglwyd ac y'u haddaswyd gan y Cod Ymarfer ar gyfer Cadw Cyfrifon Awdurdodau Lleol yn y Deyrnas Unedig 2021-22.

Sail y farn

Cynhaliais fy archwiliad yn unol â'r gyfraith berthnasol a'r Safonau Rhyngwladol ar Archwilio yn y DU (ISAs (Y DU)) a Nodyn Ymarfer 10 'Archwilio Datganiadau Ariannol Endidau'r Sector Cyhoeddus yn y Deyrnas Unedig'. Caiff fy nghyfrifoldebau dan y safonau hynny eu disgrifio ymhellach yn yr adran o'm hadroddiad sy'n nodi cyfrifoldebau'r archwilydd am archwilio'r datganiadau ariannol. Rwy'n annibynnol ar Awdurdod Parc Cenedlaethol Arfordir Penfro yn unol â'r gofynion moesegol sy'n berthnasol i'm harchwiliad o'r datganiadau ariannol yn y DU, gan gynnwys Safon Foesegol y Cyngor Adrodd Ariannol, ac rwyf wedi cyflawni fy nghyfrifoldebau moesegol eraill yn unol â'r gofynion hyn. Credaf fod y dystiolaeth archwilio yr wyf wedi'i chael yn ddigonol ac yn briodol i ddarparu sail i'm barn.

Casgliadau sy'n ymwneud â busnes gweithredol

Wrth archwilio'r datganiadau ariannol, rwyf wedi dod i'r casgliad bod defnyddio'r sail gyfrifyddu busnes gweithredol i baratoi'r datganiadau ariannol yn briodol.

Yn seiliedig ar y gwaith yr wyf wedi'i gyflawni, nid wyf wedi adnabod unrhyw ansicrwydd perthnasol mewn perthynas â digwyddiadau neu amodau a all, yn unigol neu ar y cyd, fwrw amheuaeth sylweddol ar allu'r Awdurdod i barhau i fabwysiadu'r sail gyfrifyddu busnes gweithredol am gyfnod o ddeuddeng mis o leiaf o'r dyddiad pan awdurdodir cyhoeddi'r datganiadau ariannol.

Caiff fy nghyfrifoldebau i a chyfrifoldebau'r swyddog cyllid cyfrifol mewn perthynas â busnes gweithredol eu disgrifio yn yr adrannau perthnasol o'r adroddiad hwn.

Gwybodaeth arall

Mae'r wybodaeth arall yn cynnwys yr wybodaeth yn yr adroddiad blynyddol, heblaw am y datganiadau ariannol a'm hadroddiad i fel archwilydd ar y rhain. Y Swyddog Cyllid Cyfrifol sy'n gyfrifol am yr wybodaeth arall yn yr adroddiad blynyddol. Nid yw fy marn am y datganiadau ariannol yn cwmparu'r wybodaeth arall a, heblaw i'r graddau a nodir yn benodol fel arall yn fy adroddiad, nid wyf yn mynegi unrhyw fath o gasgliad sicrwydd ar yr wybodaeth arall honno. Fy nghyfrifoldeb i yw darllen yr wybodaeth arall ac, wrth wneud hynny, ystyried a yw'r wybodaeth arall yn berthnasol anghyson â'r datganiadau ariannol neu wybodaeth a gefais wrth i mi gyflawni'r archwiliad, neu'n ymddangos fel arall fel pe bai wedi cael ei chamddatgan yn berthnasol. Os wyf yn canfod anghysonderau perthnasol o'r fath neu wybodaeth berthnasol o'r fath sy'n ymddangos fel pe bai wedi cael ei chamddatgan, mae'n ofynnol i mi benderfynu a yw hyn yn achosi camddatganiad perthnasol yn y datganiadau ariannol eu hunain. Yn seiliedig ar y gwaith yr wyf wedi'i wneud, os wyf yn dod i'r casgliad bod yr wybodaeth arall hon wedi'i chamddatgan yn berthnasol, mae'n ofynnol i mi nodi'r ffaith honno.

Nid oes unrhyw beth gennyf i'w nodi yn hyn o beth.

Adroddiad ar ofynion eraill

Barn am faterion eraill

Yn fy marn i, yn seiliedig ar y gwaith a wnaed yn ystod fy archwiliad:

- mae'r wybodaeth a geir yn yr Adroddiad Naratif ar gyfer y flwyddyn ariannol y paratowyd y datganiadau ariannol ar ei chyfer yn gyson â'r datganiadau ariannol ac mae'r Adroddiad Naratif wedi'i baratoi yn unol â'r Cod Ymarfer ar gyfer Cadw Cyfrifon Awdurdodau Lleol yn y Deyrnas Unedig 2021-22; ac
- mae'r wybodaeth a roddir yn y Datganiad Llywodraethu Blynyddol ar gyfer y flwyddyn ariannol y paratowyd y datganiadau ariannol ar ei chyfer yn gyson â'r datganiadau ariannol ac mae'r Datganiad Llywodraethu Blynyddol wedi'i baratoi yn unol â'r canllawiau.

Materion y cyflwynaf adroddiad arnynt drwy eithriad

Yng ngoleuni'r wybodaeth a'r ddealltwriaeth am yr Awdurdod a'i amgylchedd a gafwyd yn ystod yr archwiliad, nid wyf wedi nodi unrhyw gamddatganiadau perthnasol yn yr Adroddiad Naratif na'r Datganiad Llywodraethu Blynyddol.

Nid oes gennyf unrhyw beth i'w nodi o ran y materion canlynol, y cyflwynaf adroddiad i chi arnynt os bydd yr amgylchiadau canlynol yn berthnasol, yn fy marn i:

- ni chadwyd cofnodion cyfrifyddu digonol, neu ni chafwyd ffurflenni sy'n ddigonol ar gyfer fy archwiliad o ganghennau nad ymwelodd fy nhîm â hwy;
- nid yw'r datganiadau ariannol yn gyson â'r cofnodion a'r ffurflenni cyfrifyddu; neu
- nid wyf wedi cael yr holl wybodaeth ac esboniadau y mae eu hangen arnaf ar gyfer fy archwiliad.

Cyfrifoldebau

Cyfrifoldebau'r swyddog cyllid cyfrifol am y datganiadau ariannol

Fel yr esbonnir yn fanylach yn y Datganiad o Gyfrifoldebau am y Datganiad Cyfrifon a nodir ar dudalen 56, y swyddog cyllid cyfrifol sy'n gyfrifol am baratoi'r datganiad cyfrifon, sy'n rhoi darlun cywir a theg, ac am ba bynnag reolaeth fewnol sy'n angenrheidiol ym marn y swyddog cyllid cyfrifol i allu paratoi datganiadau cyfrifon heb unrhyw gamddatganiadau perthnasol, boed hynny trwy dwyll neu wall.

Wrth baratoi'r datganiad cyfrifon, mae'r swyddog cyllid cyfrifol yn gyfrifol am asesu gallu'r Awdurdod i barhau fel busnes gweithredol, gan ddatgelu fel y bo'n gymwys, faterion sy'n ymwneud â'r busnes gweithredol a defnyddio sail gyfrifyddu busnes gweithredol oni thybir nad yw'n briodol.

Cyfrifoldebau'r archwilydd am archwilio'r datganiadau ariannol

Fy amcanion yw cael sicrwydd rhesymol ynghylch p'un a yw'r datganiadau ariannol yn eu cyfanrwydd yn rhai heb unrhyw gamddatganiad perthnasol, boed hynny trwy dwyll neu wall, a chyhoeddi adroddiad archwilydd sy'n cynnwys fy marn. Mae sicrwydd rhesymol yn lefel uchel o sicrwydd, ond nid yw'n gwarantu y bydd archwiliad a gynhelir yn unol â'r Safonau Rhyngwladol ar Archwilio yn y DU wastad yn canfod camddatganiad perthnasol pan fo'n bodoli. Gall camddatganiadau ddeillio o dwyll neu wall ac fe'u hystyrir yn berthnasol os, yn unigol neu gyda'i gilydd, gellid yn rhesymol ddisgwyl iddynt ddylanwadu ar benderfyniadau economaidd defnyddwyr a wneir ar sail y datganiadau ariannol hyn.

Mae afreolaidd-dra, gan gynnwys twyll, yn golygu achosion o ddiffyg cydymffurfio â deddfau a rheoliadau. Rwy'n dylunio gweithdrefnau yn unol â'm cyfrifoldebau, a nodir uchod, i ganfod camddatganiadau perthnasol mewn perthynas ag afreolaidd-dra, gan gynnwys twyll.

Roedd fy ngweithdrefnau'n cynnwys y canlynol:

- holi'r rheolwyr, tîm archwilio mewnol yr Awdurdod a'r rhai sy'n gyfrifol am lywodraethu, gan gynnwys cael ac adolygu dogfennaeth ategol mewn perthynas â pholisïau a gweithdrefnau Awdurdod Parc Cenedlaethol Arfordir Penfro sy'n ymwneud ag:
 - adnabod, gwerthuso a chydymffurfio â deddfau a rheoliadau a pha un a oeddent yn ymwybodol o unrhyw achosion o ddiffyg cydymffurfio;
 - canfod ac ymateb i'r risgiau o dwyll a pha un a oes ganddynt wybodaeth am unrhyw dwyll gwirioneddol, tybiedig neu honedig; a hefyd
 - y rheolaethau mewnol a sefydlwyd i liniaru risgiau sy'n gysylltiedig â thwyll neu ddiffyg cydymffurfio â deddfau a rheoliadau.
- ystyried fel tîm archwilio sut a ble allai twyll ddigwydd yn y datganiadau ariannol ac unrhyw ddangosyddion posibl o dwyll. Fel rhan o'r drafodaeth hon, canfûm botensial ar gyfer twyll yn y meysydd canlynol: adnabod refeniw a chofnodi dyddlyfrau anarferol.
- cael dealltwriaeth am y fframwaith awdurdod sydd gan Awdurdod Parc Cenedlaethol Arfordir Penfro, yn ogystal â fframweithiau cyfreithiol a rheoleiddiol eraill y mae Awdurdod Parc Cenedlaethol Arfordir Penfro yn gweithredu oddi mewn iddynt, gan ganolbwyntio ar y deddfau a'r rheoliadau hynny a gafodd effaith uniongyrchol ar y datganiadau ariannol neu a gafodd effaith sylfaenol ar weithrediadau Awdurdod Parc Cenedlaethol Arfordir Penfro.

Yn ychwanegol at yr uchod, roedd fy ngweithdrefnau i ymateb i risgiau a ganfuwyd yn cynnwys y canlynol:

- adolygu'r datgeliadau yn y datganiadau ariannol a phrofi yn erbyn dogfennaeth ategol i asesu cydymffurfiaeth â deddfau a rheoliadau perthnasol a drafodir uchod;
- holi'r rheolwyr a'r Pwyllgor Archwilio ynghylch ymglyfreithiad a hawliadau gwirioneddol a phosibl;
- darllen cofnodion cyfarfodydd yr Awdurdod fel y rhai sy'n gyfrifol am lywodraethu, a'i bwyllgorau;
- wrth fynd i'r afael â'r risg o dwyll trwy wrthwneud rheolaethau gan reolwyr, profi priodoldeb cofnodion dyddlyfr ac addasiadau eraill; asesu a yw'r dyfarniadau a wnaed wrth lunio amcangyfrifon cyfrifyddu'n rhoi arwydd o wyrduedd posibl; a gwerthuso'r rhesymeg fusnes dros unrhyw drafodion arwyddocaol sy'n anarferol neu y tu allan i gwrs arferol busnes; ac
- fe wnes i hefyd gyfleu deddfau a rheoliadau dynodedig perthnasol a risgiau posibl o dwyll i holl aelodau'r tîm archwilio ac aros yn effro i unrhyw arwyddion o dwyll neu ddiffyg cydymffurfio â deddfau a rheoliadau trwy gydol yr archwiliad.

Effeithir ar y graddau y mae fy ngweithdrefnau'n gallu canfod afreolaidd-dra, gan gynnwys twyll, gan yr anhawster cynhenid o ran canfod afreolaidd-dra, effeithiolrwydd rheolaethau Awdurdod Parc Cenedlaethol Arfordir Penfro, a natur, amseriad a hyd a lled y gweithdrefnau archwilio a gyflawnwyd.

Ceir disgrifiad pellach o gyfrifoldebau'r archwilydd am archwilio'r datganiadau ariannol ar wefan y Cyngor Adrodd Ariannol yn www.frc.org.uk/auditorsresponsibilities. Mae'r disgrifiad hwn yn rhan o'm hadroddiad archwilio.

Tystysgrif cwblhau'r archwiliad

Yr wyf yn tystio fy mod wedi cwblhau'r archwiliad o gyfrifon Awdurdod Parc Cenedlaethol Arfordir Penfro yn unol â gofynion Deddf Archwilio Cyhoeddus (Cymru) 2004 a Chod Ymarfer Archwilio Archwilydd Cyffredinol Cymru.

Adrian Crompton
Archwilydd Cyffredinol Cymru
29 Gorffennaf 2022

24 Heol y Gadeirlan
Caerdydd
CF11 9LJ

Atodiad 3

Crynodeb o Gywiriadau a Wnaed

Yn ystod ein harchwiliad canfuom y camddatganiadau canlynol sydd wedi cael eu cywiro gan y rheolwyr, ond y dylid eu dwyn i'ch sylw yn ein tyb ni oherwydd eu perthnasedd i'ch cyfrifoldebau chi dros y broses adrodd ariannol.

Arddangosyn 2: crynodeb o gywiriadau a wnaed

Gwerth y cywiriad	Natur y cywiriad	Rheswm dros gywiro
£56,000 (Cynnydd o £56,000 i'r ffigwr Gwarged/Diffyg yn y DIGC) (Effaith net o ddim ar y Fantolen)	Y Fantolen <ul style="list-style-type: none">Cynnydd yn y ffigwr ar gyfer 'Eiddo, Offer a Chyfarpar' o £56,000 ac addasiadau cysylltiedig yn Nodyn 11 (Eiddo, Offer a Chyfarpar)Cynnydd mewn 'Cronfeydd wrth gefn annefnyddiadwy' o £56,000 ac addasiadau cyfatebol yn Nodyn 22 (Cronfa wrth gefn ailbrizio) i adlewyrchu'r cynnydd yn yr ennill ailbrizio.Mae'r newid hwn yn cael effaith net o DDIM ar y Fantolen. Datganiad o Incwm a Gwariant Cynhwysfawr (DIGC) a Datganiad o Symudiadau mewn Cronfeydd Wrth Gefn (DSCWG) <ul style="list-style-type: none">Cynnydd yn y ffigwr gwarged ar ailbrizio asedau sefydlog o £56,000 yn y DIGC a'r DSCWG i adlewyrchu'r ennill ailbrizio uwch. O ystyried natur y newid hwn, nid oes effaith ar y ffigwr gwarged/diffyg ar ddarparu gwasanaethau.	I gywiro'r symudiadau ailbrizio a ddatgelir yn y cyfrifon.
£20,000 (Dim effaith gyffredinol ar y prif ddatganiadau)	Nodyn 13 – Prydlesi <p>Newid i'r ffigwr a ddatgelir ar gyfer taliadau isafswm sy'n dderbyniadwy mewn blynnyddoedd yn y dyfodol o £20,000. Gan mai nodyn datgelu yw hwn nid oedd effaith gyffredinol ar y prif ddatganiadau.</p>	I sicrhau cysondeb â'r dystiolaeth ategol.

Gwerth y cywiriad	Natur y cywiriad	Rheswm dros gywiro
Amrywiol – datgeliadau cydnabyddiaeth ariannol (Dim effaith gyffredinol ar y prif ddatganiadau)	<p>Nodyn 28 – Cydnabyddiaeth ariannol swyddogion</p> <ul style="list-style-type: none"> Gostyngiad yng nghyfanswm y ffigyrau cydnabyddiaeth ariannol a ddatgelir ar gyfer y Prif Weithredwr, y Cyfarwyddwr Cynllunio a Chyfeiriad y Parc a Chyfarwyddwr Gwasanaethau Cefn Gwlad, Cymunedol ac Ymwelwyr o £1,000 i sicrhau cysondeb â'r ddogfennaeth ategol. Cafodd datgeliad ar gyfer cydnabyddiaeth ariannol y Swyddog Monitro (£17,000) ei gynnwys i sicrhau y cydymffurfir â gofynion y Cod. <p>Gan mai nodyn datgelu yw hwn nid oedd effaith gyffredinol ar y prif ddatganiadau.</p>	I ddatgelu ffigyrau cydnabyddiaeth ariannol yn gywir ar gyfer uwch swyddogion.
Amrywiol (Dim effaith gyffredinol ar y prif ddatganiadau)	<p>Nodyn 31 – Trafodion partïon cysylltiedig</p> <p>Newid i'r naratif i gael gwared ar ddatgeliadau mewn blynyddoedd blaenorol nad ydynt yn ofynnol mwyach a'r trafodion a ddatgelir ar gyfer y 'Gronfa Datblygu Cynaliadwy' nad ydynt yn cyd-fynd â'r diffiniad o barti cysylltiedig.</p> <p>Gan mai nodyn datgelu yw hwn nid oedd effaith gyffredinol ar y prif ddatganiadau.</p>	I ddatgelu natur partïon cysylltiedig yn gywir yn unol â'r Cod Llywodraeth Leol.
£212,000 (Dim effaith gyffredinol ar y prif ddatganiadau)	<p>Nodyn 33 – Cynlluniau budd diffiniedig</p> <p>Gostyngiad yn y ffigwr ar gyfer 'Cyfanswm buddion a gredydwyd i'r DIGC' o £212,000 i gyd-fynd â'r symudiad yn y DIGC. Gan mai newid i'r swm yn y nodyn datgelu yn unig yw hwn nid oedd effaith gyffredinol ar y DIGC/prif ddatganiadau.</p>	I sicrhau cywirdeb y datganiadau ariannol.
Amrywiol (Dim effaith gyffredinol ar y prif ddatganiadau)	Fe wnaed nifer o fân newidiadau i'r datganiadau ariannol mewn perthynas naill ai â diwygiadau i ddatgeliadau gwybodaeth, newidiadau naratif, gwallau wrth lunio cyfrifiadau, cymariaethau â blynyddoedd blaenorol neu wallau teipio.	I sicrhau cywirdeb y datganiadau ariannol.



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We welcome correspondence and
telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a
galwadau ffôn yn Gymraeg a Saesneg.

**Pembrokeshire Coast
National Park Authority**



*Helping you understand
The Authority's income and expenditure*

**STATEMENT OF ACCOUNTS
2021/22**

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STATEMENT OF ACCOUNTS

2021/22

NARRATIVE REPORT & SUMMARISED ACCOUNTS

INTRODUCTION

1. Under the provisions of Section 63 of the Environment Act 1995, and the National Park Authorities (Wales) Order 1995, the Secretary of State for Wales established the Pembrokeshire Coast National Park Authority on 23rd November 1995. From 1ST April 1996, the National Park ceased to be managed as a committee of Dyfed County Council and became a free-standing, special purpose local authority. Article 17(1) of the Local Government Reorganisation (Wales) (Property etc.) Order 1996 had the general effect of vesting in the new National Park Authority the property rights and liabilities (but not any loan debt) of the former County Council, as it related to the National Park area.
2. The Statement of Accounts is a publication required by law that gives local taxpayers, members of the Authority and other stakeholders clear information about the financial performance and position of Pembrokeshire Coast National Park Authority, in order to facilitate an assessment of the stewardship of public funds and for making economic decisions.
3. This Narrative Report provides an easily understandable guide to the most significant matters reported in the Statement of Accounts. A simplified summarised revenue account is presented, along with supporting information, to clearly demonstrate the cost of services and how these costs are funded. Wherever possible technical terms have been avoided in this Narrative Report.

EXPENDITURE & FUNDING

4. Each year the National Park Authority is required to submit a bid to the Welsh Government for its funding for the following year. The bid is submitted as a combined Welsh National Parks' Grant Bid document and following consultation with Natural Resources Wales, the Welsh Government determines the National Park Grant for the forthcoming year.
5. In setting the amount of National Park Grant, the Welsh Government also determines, in accordance with statutory powers, the minimum amount that can be raised by the National Park Authority as a Levy against Pembrokeshire County Council. The National Park Grant represents 75% of the Authority's core grant funding, with the remaining 25% represented by the Levy. The net revenue budget accounts for income generated locally by the National Park Authority, for example through car park charges and planning fees, and from other service specific grants, for example for the maintenance of the Coast Path (National Trail). Any balance above or below the approved net budget is managed via the Authority's revenue reserves.

6. In 2021/22 the Authority's funding for revenue expenditure, (that is, day to day operational activities) was £8,442k, and a capital program spend of £668k. We set out in the following paragraphs information about the sources of funding and what it has been spent on.

(a) **Where the money came from:-**

REVENUE BUDGET	2021/22 £ 000	2021/22 %	2020/21 £ 000	2020/21 %
National Park Grant, from the Welsh Government:	3,559	42%	3,419	43%
National Park Levy, against Pembrokeshire County Council:	1,083	13%	985	12%
Authority Generated Income (through fees and charges):	2,174	26%	1,094	13%
Service/Project Specific Revenue Grants:	1,626	19%	1,429	17%
Earmarked/General Reserves:	-	0%	1,243	15%
TOTAL REVENUE FUNDING	8,442	100%	8,170	100%

CAPITAL BUDGET	2021/22 £ 000		2020/21 £ 000
Project Specific Capital Grants:	639		909
Use of capital receipts	-		-
CAPITAL FUNDING	639		909
Plus, funding from the revenue budget (included above)	29		611
TOTAL CAPITAL BUDGET	668		1,520

The Authority's income and expenditure is split for accounting purposes between revenue funds and capital funds in accordance with local authority accounting practice. The Authority is able to use some of its revenue funding to contribute to capital projects, but it cannot use capital grants to contribute to revenue expenditure.

The Authority's overall revenue funding increased by 3.3% in 2021/22 and for every £1 provided by the National Park Grant and Levy in the year, the Authority generated a further 82p from other sources (2020/21=85p).

Authority Generated Income consisted of:

AUTHORITY GENERATED INCOME	2021/22 £000's	2020/21 £000's	% Change
Merchandise Sales and income from Information Centres	239	75	220%
Car park charges and concessions income	869	350	148%
Admissions fees and Activities & Events	317	71	343%
Advertising income	60	38	59%
Planning fees	264	347	-24%
café sales	117	31	276%
Other : rents, advertising	223	112	100%
Income from investment properties	83	57	47%
Investment income (spare cash invested)	2	13	-84%
TOTAL LOCAL INCOME	2,174	1,094	99%

The Authority is enormously grateful to all the organisations that support its work through providing revenue and capital funding. Further information on revenue grants and a breakdown of capital grants provided can be found in the Statement of Accounts.

(b) **What the money was spent on:-**

REVENUE BUDGET	2021/22 £000	2021/22 %	2020/21 £000	2020/21 %
Employees	4,379	52%	4,140	51%
Premises related	1,043	12%	717	9%
Transport & Travel	264	3%	196	2%
Supplies, Services and Grants	1,988	24%	1,625	20%
Transfers to Earmarked Reserves	474	6%	880	11%
Contribution to capital projects	29	0%	611	7%
Financing charges	1	0%	1	0%
Increase/ (decrease) in General Reserves	264	3%	0	0%
TOTAL REVENUE COST	8,442	100%	8,170	100%

7. Revenue Budget

The Authority manages its revenue budget on a “net” budget basis. This means that locally generated income and specific grants are allocated to individual budget headings and are offset against the expenditure against those headings to arrive at the net budget.

The net budget for each service also includes a “capital charge”. This is based on the assets used by services and is made up of a charge for depreciation (being the value of assets used-up by a service during the year). The capital charges are reversed out of the accounts, as they are non-cash adjustments - that is, they balance to nil and do not need any cash funding.

Similarly, adjustments are made for pension costs in accordance with accounting requirements known as IAS 19 Employee benefits *Retirement Benefits*. Service budgets are charged with a “current service cost” (being the cost of what employees have earned in pension rights during the year) in lieu of the cost of employer contributions (being the actual amount charged to the accounts for contributions in the year to the Pension Fund). These adjustments are also reversed out of the accounts below the Net Cost of Services, via the *Movement on Pensions Reserve*, to revert the cost in the accounts back to the value of employer contributions. These technical adjustments are intended to bring IAS19 in line with statute.

The net budget and net out-turn position are presented on the following page for the Authority’s main service areas, shown within a simplified Income & Expenditure Account (profit/loss account).

2021/22 Revenue Account	Net Budget £000	Net out-turn £000	Variance £000	2020/21 Net Out-turn £000
Conservation of the Natural Environment	430	406	24	469
Conservation of the Cultural Heritage	122	123	-1	106
Development Control	386	375	11	166
Forward Planning & Communities	237	241	-4	296
Promoting and Understanding	1,584	1,211	373	993
Recreation Management & Transport	58	-267	325	-1
Rangers, Estates & Volunteers	1,362	1,285	77	1,204
Democratic Representation & Management	533	555	-22	711
Service Management & Support Services	1,582	1,559	23	1,278
Net cost of services	6,294	5,488	806	5,223
Interest and investment income earned during the year	-2	-2		-13
Other Items debited or credited to the Authority Reserves for the year:	-1044	-238	-806	-1388
National Park Grant - Welsh Government	-3,559	-3,559		-3,419
National Park Levy – Pembrokeshire County Council	-1,083	-1,083		-985
Net Operating Surplus / Deficit (-)	606	606		583
Less Net Transfer to (-) / from Earmarked Reserves	-473	-473		-583
END OF YEAR SURPLUS	133	133		0

Summary Comment

The out-turn Net Cost of Service (N.C.S.) expenditure for the year was £5,488k against a budget N.C.S. of £6,294k and an actual of £5,222k for 2020/21. The N.C.S. was below the revised budget by £817k, and an explanation for the major variances within each service is as follows:

- **Conservation of the Natural Environment (£24k under budget).** The Cilrhedyn Woodland Centre net expenditure was £19k below budget due to income from proceeds from the sale of redundant equipment and timber sales exceeding that budgeted. The Authority received funding Heritage Lottery for Achub Brith y Gors project and from the Welsh Government Sustainable Landscapes Sustainable Places scheme for the Greening Agriculture and Decarbonisation of Designated Landscapes were projects.
- **Conservation of Cultural Heritage (£1k Over budget)** The Dawnsio ar y Dibyn project was funded by Welsh Government in collaboration with Gwynedd County Council. Through Welsh Government's Sustainable Management Scheme, the Authority the project was awarded £85k and has been developed to identify and share good practice in Coastal Management in Wales.

- **Development Management (£11k under budget).** Within Development Management planning fees, land searches and pre application fees income of £263k were up £30k versus budget which offset higher than budgeted salary and professional fee costs.
- **Forward Planning & Communities (£4k over budget).** The original SDF budget of £100k was augmented by a further £90k from Welsh Government under the Sustainable Landscapes Sustainable Places scheme. The Development Planning budget was £4k over budget, due to slightly higher than budgeted salary costs and translation costs associated with the publication of special planning guidance.
- **Promoting & Understanding (£373k under budget).** The table that follows shows the current year budget, actual and prior years' figures for merchandise sales, admissions income and car park income for the 12 months ended 31st March 2022. Total Merchandise income of £238k was £147k above budget and £163k versus 2020/21. Total Admission income of £274k was above budget by £202k and £205k against the comparable period for 2020/21. Carew Castle Café has also generated significant income of £117k during the period which was considerably in excess of budget and prior years.

Pembrokeshire Outdoor Schools continued to operate successfully as a project through the pandemic, however certain activities, in particular those relating to face to face activity with teachers and pupils, did not taken place. The under spend recorded and additional project funding received will be used to fund the project in 22/23. Similarly, the under spend recorded in the West Wales Walk for Wellbeing and Pathways projects were largely attributable to the covid restrictions and will also be extended until 2022/23. The First 1000 Days project start was delayed until January 2022.

- **Recreation & Park Management (£325k under budget).** The table that follows shows the Car Park income of £849k is up £341k versus budget and £499k versus the same period in 2020/21. While comparison with last year's figures need to consider that the car parks were closed during the first quarter of 2020/21 and that charging commenced at four additional car parks in the current year, the performance for 2021/22 was exceptional and this reflects how busy the county had been during the 2021 summer season.
- **Rangers, Estates & Volunteers (£77k under budget).** Due to single vehicle occupancy the Authority had increased fleet costs over and above those budgeted. These and other Covid related costs were funded via the Welsh Government Hardship Fund grant. Under the Estates Management budget, the Authority received higher income than expected from a number of filming companies: total income of £41k was up £17k versus budget.
- **Democratic Representation & Management (£22k over budget).** Within the Democratic Representation service grants to other bodies included an additional payment to Visit Pembrokeshire and a payment to support to the World Sea Rowing and Beach Sprints championships to be held in Saundersfoot in October 2022. There were however savings on members allowances and expenses and translations and conferences costs.

- **Service Management & Support Services (£23k under budget).** Several budget areas under Service Management & Support Services were under spent against budget, notably Llanion Building and I.T. services.

DRAFT

2021/22 Income Versus Budget & Prior Years

Merchandise Sales	Budget	Actual	Variance	2020/21	Variance	2019/20	Variance	2018/19	Variance
Carew Income	28,024	87,285	59,261	17,135	70,150	76,729	10,556	79,274	8,011
Oriel Y Parc	50,212	112,874	62,662	49,034	63,840	118,460	-5586	120,514	-7,640
Castell Henllys	13,320	38,108	24,788	8,269	29,839	31,280	6828	35,622	2,486
Total Merchandise Sales	91,556	238,267	146,711	74,438	163,829	226,469	11,798	235,410	2,857
Admission Fees									
Carew Income	48,473	207,989	159,516	50,797	157,192	151,425	56564	140,448	67,541
Castell Henllys	23,310	66,200	42,890	18,118	48,082	64,731	1469	64,105	2,095
	71,783	274,189	202,406	68,915	205,274	216,156	58033	204,553	69,636
Carew Café Income	28,323	116,648	88,325	31,297	85,351	72,116	44,532	50,568	66,080
Car Park Income									
Car Park Operations	31,000	58,233	27,233	24,857	33,376	30,287	27,946	28,113	30,120
Manorbier Car Park	43,389	69,328	25,939	38,873	30,455	44,051	25,277	45,727	23,601
Little Haven Car Park	30,155	44,079	13,924	21,428	22,651	29,526	14,553	31,917	12,162
St Davids Car Park	71,000	93,691	22,691	31,649	62,042	65,944	27,747	70,254	23,437
Poppit Car Park	40,524	99,583	59,059	48,175	51,408	60,253	39,330	57,462	42,121
Saundersfoot Car Park	70,920	74,403	3,483	37,441	36,962	53,827	20,576	66,461	7,942
Freshwater East Car Park	24,204	56,644	32,440	33,606	23,038	24,277	32,367	24,738	31,906
Broad Haven Car Park	22,138	60,100	37,962	29,583	30,517	23,020	37,080	22,132	37,968
Newport Car Park	22,757	41,113	18,356	16,325	24,788	20,562	20,551	21,126	19,987
Newgale Car Park	23,500	37,029	13,529	17,248	19,781	19,797	17,232	20,974	16,055
Solva Car Park	57,000	81,985	24,985	33,408	48,577	53,234	28,751	56,517	25,468
Amroth Car Park	26,250	49,023	22,773	499	48,524		49,023		49,023
West Angle Car Park	21,750	47,128	25,378	24	47,104		47,128		47,128
Nolton Car Park	15,000	19,759	4,759	223	19,536		19,759		19,759
Penally Car Park	8,250	17,118	8,868	318	16,800		17,118		17,118
Total	507,837	849,216	341,379	333,657	515,559	424,778	424,438	445,421	403,795

8. Capital Programme

The following projects were funded as part of the capital programme for the year:

	Total Cost 2021/22 £000	Total Cost 2020/21 £000
Promoting Understanding & Enjoyment	18	33
Castell Henllys	18	33
Recreation & Park Management	510	949
E.V. Charging Points	482	523
Car Parks	28	426
Conservation of Natural Environment	1	203
Corporate & Support Services	139	335
Vehicles & Equipment	72	179
Green Room Development	1	
Information & Communications Technology	66	156
TOTAL CAPITAL SPEND	668	1,520
Financed by:		
Financing from the Revenue budget	-29	-611
Additional Grants	-639	-909
Total	-668	-1,520

Details of the capital programme are:

- Promoting Understanding & Enjoyment**
 During 2021/22 work was undertaken to refurbish the ramparts and driveway to the Castell Henllys centre. This was funded as part of a Welsh Government capital grant allocation of £150k to improve the site.
- Recreation & Park Management.** On top of the £1.9m from Welsh Government 2020/21 the Authority received a further £482k in 2021/22 to install Electric Vehicle Charges Points. In partnership with Pembrokeshire County Council These have been installed not just on the Authority's land but across the county.
 The expenditure under the Car Parks category relates refurbishing costs of the Poppit Sands and Broad Haven Car Parks
- Conservation of Natural Environment.** £1k relates to Community Woodland Development initial costs
- Corporate & Support Services.** During the year the Authority purchased two warden vehicles, a mobility scooter and a range of replacement IT equipment.

9. Summarised Balance Sheet as at 31 March 2022

	2021/22 £000	2020/21 £000
Fixed Assets	15,478	13,825
Cash in hand/bank	6,489	5,770
Stocks of merchandise and timber	134	129
Debtors – money owed to the Authority	539	611
Creditors – money owed by the Authority	-671	-641
Provisions – for known commitments	-8	-8
Cash Reserves:		
Earmarked Reserves – for specific purposes	-5,056	-4,601
General Revenue Reserves	-1,141	-1,008
Usable Capital Receipts Reserve	-389	-370
Non-cash:		
Accrued Absences Reserve	77	92
Capital Adjustment Account	-11,192	-10,814
Revaluation Reserve	-4,260	-2,985
Pension Liability	-7,010	-8,478
Pensions Reserve (to balance with liability)	7,010	8,478
BALANCED TO:	Nil	Nil

The net value of the Authority's fixed assets employed at the year-end was £15,478k, up from £13,825k, as at 31 March 2021. The increase reflects asset additions at Castell Henllys and the revaluations on Oriel y Parc, The Round Houses, Cilrhedyn Woodland Centre and Newport and Poppit Sands Car Parks. These are undertaken as part of the usual five-year rolling programme of revaluations but in the case of Oriel Y Parc and The Round Houses, which are valued at depreciated replacement cost basis, inflationary pressures in the construction sector have required their revaluation.

Stock, Debtors, Creditors and Provisions balances arise from the normal revenue and capital expenditure activities of the Authority. The year-on-year movements in these are not considered to be significant. The Authority's cash balance has increased by £719k due to grants received in advance of expenditure

Earmarked Reserves are reserves created from current and prior year surpluses and set aside for specific projects. General Reserves are accumulative surpluses available for all Park purposes.

Usable Capital Receipts are proceeds from sale of Authority assets and can only be used to fund capital expenditure.

The balance on the Capital Receipts Reserve has increased to £389k. During the year the Earmarked Reserves increased from £4,604k to £5,056k. The Earmarked reserve increase was due to the Authority receiving additional grant funding from Welsh Government less the reserves utilised to fund revenue and capital expenditure during the year.

The General Reserve balance has increased from £1,008k to £1,141k at the end of the financial year. The Authority's financial position at the end of 2021/2 remains strong with sizeable cash reserves in place. The Accumulated Absences Reserve relates to staff accrued absences earned but not taken in the year. Due to the way the Authority accounts for capital expenditure the balances on the Capital Adjustment Account and Revaluation Reserve mirror the value of fixed assets employed.

The Pension Fund Liability at the year-end decreased to £7,010k compared with the liability at the close of 2020/21 of £8,478k. While the size of the pension fund liabilities at £43,275 has remained relatively unchanged the value of the fund assets increased from £34,087 to £36,265. While there has been considerable volatility in assets values since the start of the Covid 19 pandemic asset values have stabilised and bond rates have settled higher than at the beginning of the year. However, it is anticipated that the impact of the war in Ukraine will again bring volatility to the markets.

STATEMENT OF ACCOUNTS

- 11 The remainder of this document presents the statutory statements of accounts for the Authority.
- 12 The Authority's Accounts, which are covered by the Statements of Responsibilities and the Auditors report, are set out on pages 16 to 57 and comprise of:-
 - The Statement of Accounting Policies (from page 16) explains the principles and bases on which the Authority's accounts have been prepared.
 - The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants etc.) by the Authority in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Authority's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.
 - The Comprehensive Income & Expenditure Statement summarises the resources that have been generated and consumed in providing services and managing the Authority during the year. It includes all day-to-day expenses and related income on an accruals basis, as well as transactions measuring the value of fixed assets actually consumed and the real projected value of the retirement benefits earned by employees in the year.
 - The Authority Movement in Reserves Statement. This statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable

reserves' (i.e. those that can be applied to fund expenditure) and other reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance. The Net Increase/Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from Earmarked Reserves undertaken by the Authority.

- The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.
- The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.
- Notes to the Financial Statements

- 13** The Statement of Responsibilities for the Statement of Accounts (page 57) explains the Authority's responsibilities and the Chief Financial Officer's responsibilities in administering the Authority's financial affairs and preparing the Statement of Accounts.
- 14** The Annual Governance Statement (page 58) sets out the framework within which financial control is managed and reviewed in the Authority.
- 15** The Auditors' Report (page 78)

Further information about this Statement of Accounts is available from:

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STATEMENT OF ACCOUNTING POLICIES

1. General Principles

The purpose of the Statement of Accounting Policies is to explain the calculation bases of the figures in the accounts.

The accounts have been prepared in accordance with:

- The Code of Practice on Local Authority Accounting in the United Kingdom – which interprets International Financial Reporting Standard (I.F.R.S) guidelines. This document, prepared by CIPFA, pulls together legislative requirements and other guidance notes applicable to the preparation and publication of local authority accounts.
- Service Reporting Code of Practice for Local Authorities (SeRCOP)
- The accounting convention adopted is historic cost with current value for some classes of fixed assets

2. Accounting Concepts

The accounts have been prepared in accordance with the following fundamental and pervasive accounting principles and concepts:

- Relevance
- Reliability
- Comparability
- Understandability
- Materiality
- Faithful representation
- Timeliness
- Accruals
- Going concern
- Primacy of legislative requirements

These principles and concepts have been used in the selection and application of accounting policies and estimation techniques and in the exercise of professional judgement.

3. Accruals of Income & Expenditure

Customer and other receipts in the form of sales, fees, charges, rents and grant aid are accrued and accounted for in the period to which they relate. All known uncollectable debts are written off at the time they become uncollectable. The full cost of employees is charged to the accounts for the period in which the employee worked. Reimbursed travel expenses are not accrued for the 12th month of each year. Interest payable on external borrowings and interest income is accrued and accounted for in the accounts for the period to which it relates, in so far as the amounts are material. The costs of supplies and services are accrued and accounted for in the period during which they were consumed or received.

4. Contingent Assets and Contingent Liabilities

Contingent Assets and Liabilities are not recognised within the Financial Statements, but are disclosed by way of a note to the Balance Sheet. The note, where necessary, will identify the nature of the asset or liability and an estimate of its potential financial impact and timing.

5. Events After the balance sheet date

Where an event after the Balance sheet provides evidence of conditions existing at the Balance Sheet date occurs, the amounts recognised in the accounts will be adjusted. Where an event occurs after the Balance Sheet date and is indicative of conditions that arose after the Balance Sheet date, amounts recognised in the accounts will not be adjusted and the event will be disclosed by way of a note to the statements, if material. However during the year there have been no such events.

6. Grants Received

Grants received are matched with the expenditure to which they relate. The National Park Grant from the Welsh Government and the Levy from Pembrokeshire County Council, which finance the general activities of the Authority, are credited to the revenue account for the period in respect of which they are payable. Revenue grants for specific services are presented against those services in the Comprehensive Income & Expenditure Account. Where the acquisition of a fixed asset is financed either wholly or in part by a grant from another organisation, the amount of grant is credited to the Capital Adjustment Account. Changes in regulations require that unless any conditions have not been met grants and contributions for revenue purposes must be fully recognised in the Comprehensive Income & Expenditure Account in the period of receipt. Previously, income would not be taken to the Comprehensive Income & Expenditure Account until the period of matching expenditure. However, authorities may consider earmarking such revenue grant income until it is applied. Transfers from the General Fund to earmarked reserves are accounted for in the Movement in Reserves Statement (MiRS) within the transfers to or from earmarked reserves line.

7. Group Accounts

Group Accounts are not applicable to the Authority's 2021/22 accounts, as no relationships exist with any subsidiaries, associates or joint ventures as defined for reporting purposes.

8. Investments and Capital Instruments

The Authority does not hold any investments in listed and unlisted companies. Surplus cash is deposited in short-term money market accounts with the Authority's bankers, Lloyds and NatWest. The Authority does not issue or hold any capital instruments that are listed or publicly traded on a stock exchange or market.

9. Leases

The Authority manages Operating Leases for its main photocopiers and for the majority of its vehicles, including vehicles provided to nominated staff under the Staff Lease Car Scheme. Lease payments are charged in full according to date payable on a straight-line basis, ensuring an equal annual charge to service revenue accounts throughout the life of the lease.

The Authority rents a number of properties in support of its services, and rental costs are accounted for on a straight-line basis in the relevant rental periods. The Authority also rents-out a number of owned properties that are not required for direct service provision. The properties are held as fixed assets in the balance sheet, and income relating to these properties is accounted for on a straight-line basis in the relevant rental periods.

No Finance Leases exist.

10. Employee Benefits

Short term employee benefits include wages and salaries, paid annual leave, paid sick, paternity and maternity leave and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements, including flexitime, earned by employees but not taken before the year end which employees can carry forward into the

next financial year. The accrual is charged to Surplus or Deficit on the Provision of Services and then reversed out through the Movement in Reserves Statement.

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the appropriate service in the Comprehensive Income and Expenditure Statement. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Reserve balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year. The Statement of Accounts includes a statement to disclose information in relation to exit packages.

The Authority's employees have access to the Dyfed Pension Fund, a defined benefit scheme, which is administered by Carmarthenshire County Council. The cost of providing pensions for employees is funded in accordance with the statutory requirements governing the scheme in which the Authority participates. However, accounting for these pensions is to be done in accordance with generally accepted accounting practice as interpreted by the Code. Where the payments made for the year in accordance with the scheme requirements do not match the change in the Authority's recognised asset or liability for the same period, the recognised cost of pensions will not match the amount to be met through approved net funding. This is represented by an appropriation to or from the pension's reserve which equals the net change in the pension's liability recognised in the Comprehensive Income & Expenditure Statement.

The assets of the fund are measured at their fair value at the balance sheet date and any liabilities, such as accrued expenses, are deducted. The attributable scheme liabilities are measured on an actuarial basis using the projected unit method. The scheme liabilities comprise:

- Any benefits promised under the formal terms of the scheme; and
- Any constructive obligations for further benefits where a public statement or past practice by the employer has created a valid expectation in the employees those benefits will be granted.

The surplus/deficit in the scheme is the excess/shortfall of the value of the assets in the scheme over/below the present value of the scheme liabilities. The Authority should recognise an asset to the extent that it is able to recover a surplus either through reduced contributions in the future or through refunds from the scheme. The Authority should recognise a liability to the extent that it reflects its legal or constructive obligation. Any changes in the defined benefit asset or liability is analysed into its component parts.

11. Provisions

Provisions are made and charged to the appropriate revenue account when the Authority has a present obligation based on a past event, where it is probable that a transfer of economic benefit will occur and where a reliable estimate can be made of the value of the benefit. Provisions are charged to the Comprehensive Income & Expenditure Statement, but when expenditure is incurred it is charged direct to the provision. Provisions are reviewed at the end of each period and exclude future operation losses and items where it is no longer probable that a transfer of economic benefit will take place. A provision for bad and doubtful debts is included in the accounts and the carrying amount for debtors has been adjusted accordingly.

12. Reserves

Earmarked reserves are amounts set-aside from revenue, with prior approval, for a specific purpose, falling outside the definition of provisions. Transfers to and from Earmarked Reserves are disclosed in the Movement of the Authority's Reserves Statement Balance as Net Transfer to or from Earmarked

Reserves. General reserves are balances held for contingency and cash-flow purposes and are not earmarked for other specific purposes. Recognition is given to LAAP Bulletin 77 – Guidance Note on Local Authority Reserves & Balances in reviewing and monitoring the levels of reserves. Capital reserves are not available for revenue purposes. The Capital Adjustment Account is non-distributable and held for balance sheet purposes only. The usable capital receipts reserve and unapplied capital grants reserve can only be used for capital expenditure purposes, the latter reflecting capital grants received but not yet applied to capital projects.

13. Inventories & Long-term Contracts

Stocks of merchandise, timber, and stamps are included in the accounts at cost. This is a departure from recommended practice that requires stocks to be shown at the *lower of* actual cost or net realisable value. The difference is not considered to be material. Other immaterial stock, for example stationery, is treated as current expenditure and charged directly to revenue.

14. Non Current Assets

Fixed assets comprise capital expenditure on:

- All land and buildings purchases.
- Land and buildings enhancement exceeding £10,000.
- All items (such as vehicles and equipment) with a useful life in excess of one year and costing or valued at over £10,000 either individually or collectively. Repairs and general maintenance expenditure is charged directly to revenue and not capitalised.

Fixed assets are initially measured at cost but are then revalued on a rolling 5-year revaluation programme in order to ensure that their value is accurately reflected in the Authority's balance sheet. Revaluations are undertaken by the Authority's qualified Estates Officer, Carmarthenshire County Council and by qualified surveyors employed by R.K. Lucas & Son, in accordance with the RICS Appraisal & Valuation Manual and CIPFA guidelines as they relate to Asset Valuations.

When assets are revalued, any difference between the stated values and historic cost is represented in the Revaluation Reserve.

Non-current assets are carried in the Balance Sheet as follows:

- Operational property, plant and equipment assets are carried at their current value to the authority in their existing use.
- Non-operational property, plant and equipment – surplus assets are carried at fair value
- Non-operational assets in the course of construction/development are recorded at cost.
- Infrastructure – depreciated historical cost.
- Community assets – depreciated historical cost or valuation rather than current or fair value.
- Assets held for sale – measured at the lower of their carrying amount and fair value less costs to sell. These non-current assets are taken outside the scope of capital accounting pending sale although they remain subject to capital financing arrangements under the Prudential Framework.

In line with changes in accounting regulations as from April 2007 assets subject to positive revaluation have been reflected in the Revaluation Reserve and assets with negative revaluation, without a prior revaluations reserve balance, have been charged to the Comprehensive Income & Expenditure statement. Asset values are not altered when the Authority is not aware of any material change in an asset's value.

Proceeds from the sale of individual assets of £10,000 or less are not treated as capital receipts and are, instead, credited directly to the revenue account. Proceeds above this de-minimums are credited to the Usable Capital Receipts Reserve, on an accruals basis.

Upon disposal of an asset, the net book value of the asset is written off against the Capital Adjustment Account. Where a fixed asset is disposed of for other than a cash consideration, or payment is deferred, an equivalent asset is recognised and included in the balance sheet at its appropriate value.

Depreciation is charged on all fixed assets with a finite useful life, accounting for estimated residual values. Depreciation rates, on a straight-line basis, are as follows:

- Freehold land is not depreciated
- Freehold buildings are generally depreciated over 25 years, although the useful life of certain assets is determined under the Asset Valuation Report or external advice
- Car parks are depreciated to 50% over 25 years.
- Plant and machinery are depreciated over 10 years.
- Intangible Assets are depreciated over 4 years.
- IT equipment is depreciated over 4 years.
- Vehicles and equipment are depreciated over 5 years.
- Fully depreciated assets are reviewed to ascertain whether their value in the balance sheet and their potential future lifespan are appropriately represented. Where necessary, asset depreciable lives are extended, or assets are revalued to achieve the appropriate representation.
- Assets in the course of construction are not depreciated. Depreciation is not charged in the year of acquisition or transfer of assets, but is charged in each subsequent year, where applicable, including the year of disposal.

Under IFRS 13 Fair Value Measurement standard any surplus assets (assets that are not being used to deliver services, but which do not meet the criteria to be classified as either investment properties or non-current assets held for sale) held by the Authority are revalued at market value rather than value in existing use. Operational property, plant and equipment assets are outside the scope of IFRS 13.

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell. Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment

Account. The written-off value of disposals is not a revenue charge as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement

15. Capital Charges and Revenue Expenditure Funded From Capital Under Statute

The cost of services in the Comprehensive Income & Expenditure Account includes a capital charge for all fixed assets used by each service, as recorded in the balance sheet at 31st March 2021. These charges equate to the sum of depreciation. The General Fund Balance is adjusted so the overall result is of no financial impact on the amounts raised from the National Park Grant and Local Authority Levy – that is, the adjustments are self-balancing. All expenditure on repairs and maintenance relating to fixed assets is charged to the appropriate service revenue account. Payments that under legislation are funded from capital resources but where no fixed assets are created are charged to the appropriate service in the Comprehensive Income & Expenditure Statement. These charges are subsequently reversed out in the Movement in Reserves Statement with an equal charge to the Capital Adjustment Account.

16. Interest Charges and Receipts

Surplus funds, made available through prudent cash flow management, are invested via Lloyds and NatWest Banks and generate interest receipts that are credited to the Comprehensive Income & Expenditure Account.

17. Value Added Tax

The accounts have been prepared on a VAT exclusive basis as the Authority is able to recover VAT on its activities.

18. Investment Properties.

The Authority holds Investment properties which are a separate class of property (land or a building, or part of a building, or both) that is held solely to earn rentals or for capital appreciation, or both, and are carried at their market value. Income from rental of Investment properties and impairments in the value of Investment Properties are shown in the Financing and Investment Income & Expenditure line of the Comprehensive Income & Expenditure Statement. Investment properties are carried at fair value and following the specifications in IFRS 13 at highest and best use.

19. Heritage Assets

From 1 April 2010 the Authority is required to separately record Heritage Assets from other assets. Heritage Assets are assets preserved in trust for future generations because of their cultural, environmental or historic associations. The review of the impairment, acquisition and disposal of heritage assets is included within the of the Authority's Asset Management Group. Heritage Assets are subject to the Authority's normal revolving five yearly assets revaluations program and are valued on an historical cost basis. Depreciation of Heritage Assets, where appropriate, is in line with the general policy on depreciation.

Pembrokeshire Coast National Park Authority
Comprehensive Income and Expenditure Statement

1st April 2021 – 31st March 2022

£000's

	31 March 2022			31 March 2021		
	Expenditure	Income	Net	Expenditure	Income	Net
Conservation of the Natural Environment	1,069	-663	406	665	-197	468
Conservation of the Cultural Heritage	123	-1	122	107	0	107
Development Control	649	-274	375	537	-371	166
Forward Planning & Communities	413	-172	241	453	-157	296
Promoting Understanding	2,290	-1,079	1,211	1,652	-659	993
Recreation & Transport	942	-1,208	-266	773	-774	-1
Rangers, Estates & Volunteers	1,543	-258	1,285	1,344	-140	1,204
Democratic Representation & Management	558	-3	555	818	-107	711
Support Service Costs	1,614	-55	1,559	1,325	-47	1,278
Cost of Services	9,201	-3,713	5,488	7,674	-2,452	5,222
Financing & Investment Income & Expenditure (Note 8)			-81			133
Other Operating Expenditure (Note 9)			13			14
Taxation & Non -specific Grant Income (Note 10)			-5,146			-6,246
(Surplus) or Deficit on Provision of Services			274			-877
Surplus or deficit on revaluation of fixed assets (Note 11)			-1,374			-
Actuarial gains / losses on pension assets / liabilities (Note 33)			-2,699			-996
Other Comprehensive Income and Expenditure			-4,073			-996
Total Comprehensive Income and Expenditure (Note 6)			-3,799			-1,873

Pembrokeshire Coast National Park Authority

BALANCE SHEET

As at 31st March 2022

£000's

As at:	31 March 2022	31 March 2021
Property, Plant & Equipment (Note 11)	13,729	12,151
Heritage Assets (Note 11)	646	646
Intangible Assets (Note 14)	50	79
Investment Property (Note 12)	1,109	949
Long term Debtor (Note 17)		
Long Term Assets	15,534	13,825
Inventories (Note 16)	134	129
Short Term Debtors (Note 17)	532	611
Cash and Cash Equivalents (Note 18)	6,489	5,770
Current Assets	7,155	6,510
Short Term Creditors (Note 20)	-672	-641
Provisions (Note 20)	-	-8
Current Liabilities	-672	-649
Pension Liability (Note 33)	-7,010	-8,478
Long Term Liabilities	-7,010	-8,478
Net Assets	15,007	11,208
Usable Reserves (Note 21)	-6,586	5,979
Unusable Reserves (Note 22)	-8,421	5,229
Total Reserves	-15,007	11,208

Movement in Reserves Statement

1st April 2021 – 31st March 2022

£000's

	General Fund Balance	Earmarked GF Reserves	Capital Receipts Reserve	Total Usable Reserves	Revaluation Reserve	Capital Adjustment Account	Pensions Reserve	Accum Compensation Unusable Reserve	Unusable Reserves	Total Authority Reserves
Balance as at 31 March 2021	1,008	4,601	370	5,979	2,985	10,814	-8,478	-92	5,229	11,208
Surplus or (deficit) on provision of services	-274			-274						-274
Other Comprehensive Expenditure and Income					1,74		2,699		4,073	4,073
Total Comprehensive Expenditure and Income	-274			-274	1,374		2,699		4,017	3,743
Adjustment between accounting basis and funding basis under regulations	881			881	-43	377	-1,230	15	-881	
Net Increase/Decrease before Transfers to Earmarked Reserves	607	0	0	607	1,331	377	1469	15	3192	3799
Transfers to/from Earmarked Reserves	-474	455	19							
Increase/Decrease in Year	133	455	19	607	1331	377	1469	15	3192	3799
Roundings							-1			
Balance at 31 March 2021 carried forward	1,141	5,056	389	6,586	4,316	11,191	-7,010	-77	8,421	15,007

Movement in Reserves Statement

1st April 2020 – 31st March 2021

£000's

	General Fund Balance		Earmarked Reserves	Capital Receipts Reserve	Total Usable Reserves	Revaluation Reserve	Capital Adjustment Account	Pensions Reserve	Accumulated Absences Account	Unusable Reserves	Total Authority Reserves
Balance as at 31 March 2020	1,008		4,018	370	5,396	3,020	9,572	-8,573	-79	3,940	9,336
Surplus or (deficit) on provision of services	877				877						877
Other Comprehensive Expenditure and Income								996		996	996
Total Comprehensive Expenditure and Income	877				877			996		996	1,873
Adjustment between accounting basis and funding basis under regulations (Note 6)	-293				-293	-35	1,242	-901	-13	293	
Net Increase/Decrease before Transfers to Earmarked Reserves (Note 6)	584				584	-35	1,242	95	-13	1,289	1,873
Transfers to/from Earmarked Reserves	-583		583								
Increase/Decrease in Year	1		583		584	-35	1,242	95	-13	1,289	1,873
Roundings	-1				-1						-1
Balance at 31 March 2021 carried forward	1,008		4,601	370	5,979	2,985	10,814	-8,478	-92	5,229	11,208

Cash Flow Statement
1st April 2021– 31st March 2022
£000s

	31 March 2022		31 March 2021
Net (- surplus) or deficit on the provision of services	274		-877
Adjust net surplus or deficit on the provision of services for noncash Movements (Note 24)	-1,596		-1,086
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	148		1,898
Net cash flows from Operating Activities	-1,174		-65
Investing Activities (Note 25)	456		-327
Financing Activities (Note 25)	-1		-1
Net increase(-) or decrease in cash and cash equivalents	-719		-393
Cash and cash equivalents at the beginning of the reporting period	5,770		5,377
Cash and cash equivalents at the end of the reporting period	6,489		5,770

Notes to the Financial Statements

1. ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. At the balance sheet date, the following new standard and amendments to existing standards have been published but not yet adopted by the Code of Practice of Local Authority Accounting in the United Kingdom:

IFRS 16 Leases will requires that are lessees to recognise most leases on their balance sheets as right-of-use assets with corresponding lease liabilities (there is recognition for low-value and short-term leases). CIPFA/LASAAC have deferred implementation of IFRS16 for local government to 1 April 2024 and the impact of this is unknown as this stage.

2. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Other than those disclosed elsewhere in these notes the Authority has not had to make any critical judgements about complex transactions or those involving uncertainty about future events. However, with the uncertainty regarding the future level of funding for the National Park Authority beyond 2021/22 there is the assumption the authority will be able to able to conduct its primary functions post 2021/22 and be a going concern.

3. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY.

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

In the Authority's Balance Sheet on 31 March 2022 there is a risk of material adjustment in the forthcoming financial year in the size of the pension liability. Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.

The Statement of Accounts contains accruals for income and expenditure known as at the balance sheet date. In addition, they show the accumulative absences accrual is the value of staff leave due, but not taken, as at the end of the financial year.

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance bringing into doubt the useful lives assigned to assets. If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for buildings would increase in these circumstances.

4. MATERIAL ITEMS OF INCOME AND EXPENSE

There are no material items other than those disclosed in the Comprehensive Income and Expenditure Statement.

5. EVENTS AFTER THE BALANCE SHEET DATE

There were no post balance sheet events to report.

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6) NOTES TO COMPREHENSIVE INCOME & EXPENDITURE and MOVEMENT IN RESERVES ACCOUNTS

The Expenditure Funding Analysis below reconciles Comprehensive Income & Expenditure Statement to the movement on the General Reserve Fund:

£000's

	2021/22			2020/21		
	Net Expenditure chargeable to the General Reserve	Total Adjust between funding and accounting basis	NET Comprehensive Income Expenditure Statement Expenditure	Net Expenditure chargeable to the General Reserve	Total Adjust between funding and accounting basis	NET Comprehensive Income Expenditure Statement Expenditure
Conservation of the Natural Environment	251	155	406	374	94	468
Conservation of the Cultural Heritage	102	20	122	89	18	107
Development Control	268	108	376	90	76	166
Forward Planning & Communities	200	41	241	265	31	296
Promoting Understanding	807	423	1,230	721	272	993
Recreation & Transport	-398	131	-267	-69	68	-1
Rangers, Estates & Volunteers	1,006	279	1,285	975	229	1,204
Democratic Representation & Management	485	51	536	672	39	711
Support Service Costs	1,254	305	1,559	1,095	183	1,278
Past Service Gain / Pension Curtailment	0	0	0	0	0	0
Net Cost of Services	3,975	1513	5,488	4,212	1,010	5,222
Other Income & Expenditure	-4,108	-5,123	-9,231	-4,212	-2,883	-7,095
Surplus(-) / Deficit	-133	-3,610		0	-1,873	-1,873
Opening balance of General Reserve	1,008			1008		
Movement	133					
Roundings						
Closing Balance	1,141			1,008		

The following are the adjustments from the General Fund to arrive at the Comprehensive Income & Expenditure Statement amounts:

2021/22	£000's			
	Capital	Other	Pension	Total
Conservation of the Natural Environment	12	63	80	155
Conservation of the Cultural Heritage			19	19
Development Control	3		106	109
Forward Planning & Communities			41	41
Promoting Understanding	172	-7	256	421
Recreation & Transport	114	-21	38	131
Rangers, Estates & Volunteers	76	-46	250	280
Democratic Representation & Management			51	51
Support Services	109	-4	201	306
Net cost of services	486	-15	1042	1513
Other I&E	-2,138	-474	-2,511	-5,123
Total	-1,652	-489	-1,469	-3,610

2020/21	£000's			
	Capital	Other	Pension	Total
Conservation of the Natural Environment	10	46	38	94
Conservation of the Cultural Heritage		0	18	18
Development Control	3	4	69	76
Forward Planning & Communities		1	30	31
Promoting Understanding	106		166	272
Recreation & Transport	55	-13	26	68
Rangers, Estates & Volunteers	83	-22	168	229
Democratic Representation & Management		3	36	39
Support Services	57	-5	131	183
Net cost of services	314	14	682	1,010
Other I&E	-909	-1,194	-780	-2,883
Total	-595	-1,180	-98	-1,873

EXPENDITURE & INCOME ANALYSED BY NATURE

The table below show the surplus or deficit on the provision of services analysed by nature of expenditure:

	2021/22		2020/21
	£000's		£000's
Expenditure			
Employee benefits	5,609		5,041
Other services	3,295		2,538
Depreciation, amortisation, revaluations	326		312
Total expenditure	9,230		7,891
Income			
Fees, charges & services income	3,725		2,452
Interest & investment income	85		70
Government grants and contributions	5,146		6,246
Total Income	8,956		8,768
Surplus / deficit (-) on provision of services	274		877

ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATION

The following tables show the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure:

2021/22 ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATION £000's

Adjustment to revenue resources				
Charges for depreciation and impairment of non-current assets	426			-426
Revaluation losses on Property Plant and Equipment	61			-61
Movement in fair value of investment properties	-160			160
Accumulative Absences	-15			15
Employer's pensions contributions and direct payments to pensioners payable in the year	1,230			-1,230
Rounding	-1			1
Total Adjustment to revenue resources	1,541			-1,541
Adj between Revenue & Capital				
Capital exp charged against General reserve	-29			29
Revenue expenditure funded from capital under statute	-65			65
Revenue expenditure funded from capital grants	65			-65
Capital grants and contributions applied	-631			631
Tot Adj between Revenue & Capital	-660			660
Roundings				
Adjustments between accounting basis & funding basis under regulations	881			-881

2020/21
ADJUSTMENTS BETWEEN ACCOUNTING BASIS
AND FUNDING BASIS UNDER REGULATION
£000's

Adjustment to revenue resources				
Charges for depreciation and impairment of non-current assets	312			-312
Revaluation losses on Property Plant and Equipment				
Movement in fair value of investment properties				
Accumulative Absences	13			-13
Employer's pensions contributions and direct payments to pensioners payable in the year	901			-901
Total Adjustment to revenue resources	1,226			-1,226
Adj between Revenue & Capital				
Capital exp charged against General reserve	-611			611
Revenue expenditure funded from capital under statute	-102			102
Revenue expenditure funded from capital grants	102			-102
Capital grants and contributions applied	-909			909
Tot Adj between Revenue & Capital	-1,520			1,520
Roundings	1			-1
Adjustments between accounting basis & funding basis under regulations	-293			293

7. TRANSFERS TO/FROM EARMARKED RESERVES

This note sets out the amounts set aside from the General Fund balances in Earmarked Reserves to provide financing for future expenditure plans and the amounts posted back from Earmarked Reserves to meet General Fund expenditure in 2021/22.

	£000's			
	Closing Balance 31 March 21	Transfers to Revenue	Transfer s from Revenue	Closing Balance 31 March 22
*Receipts In Advance	-3,248	1,928	-1,151	-2,471
Asset Management	-37			-37
Planning (Formerly Local Plan)	-33	11		-22
Self-Insurance	-30			-30
Staff Restructuring	-189	189	-760	-760
National Park Wales	-13			-13
Planning System	-89	1		-88
Sponsor A Gate	-18		-11	-29
Rangers Services - Landscape Fund	-4			-4
SDF Increase In Funds	-29			-29
NPG Reduction	-287	287		0
Biodiversity	-11			-11
Planning Enforcement	-98			-98
Invasive Species	-29	17	-9	-21
The Pathways Project	-35			-35
Carew Causeway	-153			-153
Pollinator Project	-15			-15
Roots Project	-10	9	-10	-11
Carryovers from Underspend 21/22	-185	91	-177	-271
Digital Transformation	-88	28		-60
Green Room Redevelopment		2	-150	-148
Pay Regrading & Pay Award			-500	-500
Decarbonisation			-250	-250
Total	-4,601	2,563	-3,018	-5,056
*Contains grants for specific projects funded in advance of expenditure				

8. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

£000's		
Items	2021/22	2020/21
Movement in fair value of investment properties(- Gain)	-160	-
Income from Investment properties	-83	-57
Proceeds from sales of Fixed Assets	-11	
Pensions Net Interest Cost	175	203
Interest receivable and similar income	-2	-13
TOTAL	-81	133

9. OTHER OPERATING EXPENDITURE / INCOME

£000's		
Items	2021/22	2020/21
Movement on Bad Debt Provision	-	-
Movement on General Provision	-	1
Pension Administration Expenses	13	13
TOTAL	13	14

10. TAXATION AND NON-SPECIFIC GRANT INCOME

£000's		
Items	2021/22	2020/21
National Park Grant from Welsh Government	-3,560	-3,419
Levy on Pembrokeshire County Council	-1,083	-985
Capital grants and contributions	-503	-1,842
TOTAL	-5,146	-6,246

11. PROPERTY, PLANT AND EQUIPMENT

The following is a summary of capital expenditure during the reporting period, including assets acquired under finance lease, analysed for each category of fixed assets together with the sources of finance and capital financing requirement. The movements consist of additions arising from the capital programme, assets made operational during the year, asset revaluations, depreciation charges where applicable, disposals, impairments and reclassifications of held assets.

2021/22 Fixed Asset Schedule
£000's

	Operational Land & Buildings	Plant & Equipment	surplus assets	Assets held for sale	Non op'l Assets In Progress	<i>Total PP&E</i>
COST OR VALUATION						
As at 31 March 2021	11,778	2,435			16	14,229
Reclassifications						
Assets made operational in year	46				-46	
Additions		620			48	668
Disposals		-39				-39
Impairment						
Revaluations	1,015					1,015
As at 31 March 2022	12,839	3,016			18	15,873
DEPRECIATION						
As at 31 March 2021	-812	-1,266				-2,078
Charge for year	-192	-206				-398
Disposals		32				32
Reclassification						
Impairment						
Revaluation	300					300
Roundings						
As at 31 March 2022	-704	-1,440				-2,144
Rounding						
NET VALUE 31/3/21	10,966	1,169			16	12,151
NET VALUE 31/3/22	12,135	1,576			18	13,729

2020/21 Non Current Assets
£000's

	Operational Land & Buildings	Plant & Equipment	Surplus Assets	Assets held for sale	Assets under construction	<i>Total PP&E</i>
COST OR VALUATION						
As at 31 March 2020	11,081	1,577			52	12,710
Reclassifications						
Assets made operational in year	494				-494	
Additions	203	858			458	1,519
Disposals						
Impairment						
Revaluations						
As at 31 March 2021	11,778	2,435			16	14,229
DEPRECIATION						
As at 31 March 2020	-626	-1,169				-1,795
Charge for year	-186	-97				-283
Disposals						
Reclassification						
Impairment						
Revaluation						
Roundings						
As at 31 March 2021	-812	-1,266				-2,078
NET VALUE 31/3/20	10,455	408			52	10,915
NET VALUE 31/3/21	10,966	1,169			16	12,151

ASSETS MADE OPERATIONAL DURING THE YEAR

The following assets were made operational in the year:

£000's		
	2021/22	2020/21
Poppit Sands Car Park	22	-
Broad Haven Car Park	5	457
Castell Henllys Improvement	19	37
Total	46	494

Preliminary expenditure at the year-end, held under the non-operational (under construction) group, consists of:

£000's	
	£
Green Room Redevelopment Project	1
Community Woodland	1
Green Bridge	16
Total	18

ASSET ADDITION

This represents capital expenditure in the year impacting on asset values as explained in the section on the Capital Programme.

DISPOSAL

A number of Authority owned vehicles were disposed on during the year.

REVALUATIONS & IMPAIRMENT

Assets revalued during the year include Cilrhedyn Woodland Centre, Oriel Y Parc, The Round Houses at Castell Henllys and Newport and Poppit Sands Car Parks. As a result of the Welsh Government guidelines prohibiting non-essential travel and the instructions to work from home wherever possible, the 2020/21 Assets valuation exercise was undertaken as a desk top exercise. There were no revaluation adjustments required for 2020-21.

£000's		
	2021/22	2020/21
Revaluation of Fixed Assets included in Surplus/Deficit (-) on the Provision of Services	-58	-
Downward/ Upward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Service	1,374	-
Sub total	1,316	-
Revaluation and Impairment of Investment Properties	160	-
Total	1,476	-

All assets are normally revalued within a five-year rolling programme in accordance with the statement of accounting policies. However due to the current escalating rebuild costs two assets outside the cycle were included in the 2021/22 revaluation exercise.

A summary of the financial impact (excluding depreciation) of asset revaluations and impairment over the past five years is presented below:

Year	Other Land & Buildings	Surplus Assets	NET TOTAL
£000's			
2021/22	1,074	-	1,074
2020/21	-	-	-
2019/20	-147		-147
2018/19	607	150	757
2017/18	-23		-23

FINANCING OF FIXED ASSETS and INTANGIBLES

The net cash additions to fixed assets and intangibles of £668k (Additions less transfers from Non Operational Assets) were financed as follows:

£27k Funding from revenue grant
£639k Grant funding and other sources

CAPITAL COMMITMENTS

As at 31st March 2022 there were capital commitments totalling £786k on the Authority, (£248k as at 31st March 2021).

CAPITAL PROGRAMME

The following projects were funded as part of the capital programme for the year:

	Total Cost 2021/22 £000	Total Cost 2020/21 £000
Promoting Understanding & Enjoyment	18	33
Castell Henllys	18	33
Recreation & Park Management	510	949
E.V. Charging Points	482	523
Car Parks	28	426
Conservation of Natural Environment	1	203
Corporate & Support Services	139	335
Vehicles & Equipment	72	179
Green Room Development	2	
Information & Communications Technology	66	156
TOTAL CAPITAL SPEND	668	1,520
Financed by:		
Financing from the Revenue budget	-29	-611
Additional Grants	-639	-909
Capital Receipts	-	-
Total	-668	-1,520

* The additional grants were received from the following partners:	2021/22 £000's	2020/21 £000's
Welsh Government	639	856
European Rural Community Development Fund	-	53
TOTAL ADDITIONAL GRANTS	639	909

HERITAGE ASSETS.

The Authority's classification of heritage assets relates to specific buildings, monuments, cliffs, sand dunes, woodlands and other types of property. The total valuation as at the balance sheet date was £646k (£646k as at 31st March 2021).

12. INVESTMENT PROPERTIES

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

	2021/22 £000	2020/21 £000
Rental income from investment property	83	57
Net gain/(loss)	83	57

There are no restrictions on the Authority's ability to realise the value inherent in its investment property or on the Authority's right to the remittance of income and the proceeds of disposal. The Authority has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement. The following table summarises the movement in the fair value of investment properties over the year:

	2021/22 £000	2020/21 £000
Balance at start of the year	949	949
Net gains/losses from fair value adjustments	160	-
Balance at end of the year	1,109	949

13. LEASES

Finance Leases

The Authority had no finance leases as at 31st March 2022 (or as at 31st March 2021).

Operating Leases

The Authority leases the majority of vehicles under Contract Hire agreements, and some photocopiers under long-term Rental Agreements. The gross cost of these arrangements was £43,113 for 2021/22 (£47,908 for 2020/21). The Authority rents 13 properties to support its purposes, which includes for example, Carew Castle & Tidal Mill. The rental costs of these properties for 2021/22 were £26,301 (£27,628, 2020/21).

An analysis of the Authority's minimum lease expenditure in future years are:

£000's

	As at March 2022			As at March 2021		
	Land & Buildings	Vehicles & Equipment	Total	Land & Buildings	Vehicles & Equipment	Total
	£	£	£	£	£	£
Not Later than one year	25	27	52	24	39	63
Later than one year and not later than five years	78	33	111	88	64	152
Later than 5 years	220	-	220	217	-	217
	323	60	383	329	103	432

The Authority acts as Lessor on 24 properties, generating an income of £83,086 during 2021/22 (£84,335 in 2020/21). Examples of these properties are the lease of land at Freshwater East to the Caravan Club, and the lease of Llanion Park North Block to the Natural Resources Wales. Some of these property leases exceed 20 years and are valued on a long-leasehold basis. They have a combined net asset value of £1,130,251 with nil cumulative depreciation.

The future minimum lease payments receivable under non-cancellable leases in future years are:

£000's

	As at March 2022	As at March 2021
	£	£
Not Later than one year	125	105
Later than one year and not later than five years	412	371
Later than 5 years	2,575	2,403
	3,112	2,879

14. INTANGIBLE ASSETS

Intangible assets are assets such as software licences that do not have a physical substance but provide future economic benefits to the Authority.

	2021/22 £000's	2020/21 £000's
Balance at start of year	79	109
Additions	-	-
Amortisation	-29	-30
Balance at end of year	50	79

15. ASSETS HELD FOR SALE

As at 31 March 2022 the authority held no assets held for sale

16. INVENTORIES

£000's

	Information Centres	Cilrhedyn Woodland Centre	Franking Machine	Total
Balance outstanding as at 31/3/21	97	30	2	129
Purchases	143	73	9	225
Recognised as an expense in the year	-151	-65	-5	-221
Written out	1			1
Balance outstanding as at 31/3/22	90	38	6	134

17. LONG & SHORT TERM DEBTORS

£000's

	2021/22	2020/21
Long Term:		
Other Receivables	0	0
TOTAL	0	0
Short Term:		
Trade Receivables	45	64
Prepayments	84	96
Other Receivable Amounts	403	451
TOTAL	532	611

18. CASH AND CASH EQUIVALENTS

The balance of Cash and Cash Equivalents is made up of the following elements:

£000's

	2021/22	2020/21
Bank accounts & deposits	6,486	5,767
Cash held by the Authority	3	3
TOTAL	6,489	5,770

19. FINANCIAL INSTRUMENTS

Other than cash, trade receivables and trade payable there are no financial instruments carried on the Balance Sheet.

20. LONG & SHORT TERM CREDITORS & PROVISIONS

£000's

	2021/22	2020/21
Short term		
Trade Payables	-444	-420
Other Payables	-228	-221
TOTAL	-672	-641
Provisions		
General Provisions	-	-8
Total	-	-8

21. USABLE RESERVES

£000's

	2021/22	2020/21
General Fund : Resources available to meet future running costs of services	1,141	1,008
Earmarked Reserves : Reserves set aside for specific items	5,056	4,601
Capital Receipts : Proceeds on fixed asset sales available to meet future capital investment	389	370
TOTAL	6,586	5,979

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement.

22. UNUSABLE RESERVES

£000's

	2021/22	2020/21
Revaluation Reserve	4,316	2,985
Capital Adjustment Account	11,192	10,814
Pensions Reserve	-7,010	-8,478
Accumulated Absences Account	-77	-92
TOTAL	8,421	5,229

REVALUATION RESERVE

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account

£000's

	2020/21	2020/21
Balance at 1 April	2,985	3,020
Upward revaluation of assets	1,376	-
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	-2	-
Difference between fair value depreciation and historical cost depreciation	-43	-35
	4,316	2,985

CAPITAL ADJUSTMENT ACCOUNT

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement. The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Authority. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. **Note 6** provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

£000's

	2021/22	2020/21
Balance at 1 April	10,814	9,572
Charges for depreciation and impairment of non current assets	-426	-312
Revenue expenditure funded from capital under statute	-65	-102
Revenue grant funded from capital under statute grant	65	102
Depreciation adjusting amounts written out of the Revaluation Reserve	43	34
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	639	909
Capital expenditure charged against the General Fund balances	29	611
Non current assets written out on disposal	-7	
Revaluation on Property, Plant & Equipment	100	-
	11,192	10,814

PENSIONS RESERVE

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pay any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

£000's	2021/22	2020/21
Balance at 1 April	-8,479	-8,573
Actuarial gains or losses on pensions assets and liabilities	2,699	996
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	-1,582	-1,310
Employer's pensions contributions and direct payments to pensioners payable in the year	365	422
Administration Expenses	-13	-13
Roundings	0	-1
Balance at 31 March	-7,010	-8,479

23. ACCUMULATED ABSENCES ACCOUNT

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

£000's	2021/22	2020/21
Balance at 1 April	-79	-79
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	2	-13
Amounts accrued at the end of the current year	-77	-92

24. CASH FLOW STATEMENT –

Adjustment of net surplus or deficit on the provision of services for non-cash movements

£000's	2021/22	2020/21
Depreciation and Amortisation	-426	-312
Revaluations and Impairments	101	-
Movement in creditor/stock/debtors	-53	141
Provision of Services costs for post-employment benefits	-1,233	-901
Other non-cash items charged to the CIES	15	-14
Total	-1,596	-1086

25. CASH FLOW STATEMENT OPERATING & INVESTING ACTIVITIES

The cash flows for operating activities include the following items:

£000's	2021/22	2020/21
Interest received	2	43
Interest paid	Nil	Nil

Cash Flows from Investing Activities are:

£000's	2021/22	2020/21
Purchase of property, plant and equipment, investment property and intangible assets	668	1,518
Other receipts from investing activities	-212	-1,845
Net cash flows from investing activities	456	-327

Cash Flows from Financing Activities are:

£000's	2021/22	2020/21
Travel Loans: Advances Less Receipts	0	0
Repayment of Long-Term Loan	-1	-1
Net cash flows from investing activities	-1	-1

26. AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is that specified by CIPFA's Service Reporting Code of Practice. Similarly, the information used by the Authority for decision making is also prepared under the Best Value Accounting Code of Practice. Accordingly, there is no requirement under this note for reconciliation between the Comprehensive Income and Expenditure Statement and amounts reported for resource allocation decisions

27. MEMBERS ALLOWANCES & EXPENSES PAID IN THE FINANCIAL YEAR 2021/22

Total members' allowances paid during the year amounted to £85,171 (£84,270 in 2020/21) plus reimbursement of travelling, subsistence and other expense payments amounting to £1,374 (£412 in 2020/21).

28. OFFICERS REMUNERATION

There were four number of staff with remuneration in excess of £60,000 – earnings subject to Pay as You Earn taxation and pension contributions - was as follows:

	Chief Executive Officer		Director of Planning and Park Direction		Director of Countryside, Community and Visitor Services		Monitoring Officer (Employed on 25% of a full-time equivalent basis)	
	£000's							
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
Gross Pay	85	84	64	62	65	65	16	16
P11D values	1	1	1	1	1	1	-	-
Employer Pension Contributions	9	11	7	8	7	8	1	1
Total	95	96	72	71	73	74	17	17

The median remuneration of the Authority was £22,129 (£21,748 in 2020/21) with the ratio of the Chief Executive Officer to the median remuneration of 3.83:1 (3.84:1 in 2020/21). There were no compulsory redundancies in 2021/22 and none in 2020/21.

29. AUDIT COSTS

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Authority's external auditors:

	2021/22 £000	2020/21 £000
Fees payable to the Wales Audit Office with regard to external audit services carried out by the appointed auditor.	25	24
Fees payable to the Auditor General for Wales in respect of statutory inspections and the LG Measure 2011.	18	17
Total	43	41

30. GRANT INCOME

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement:

	2021/22 £000	2020/21 £000
Credited to Taxation and Non-Specific Grant Income:		
NPA Grant (Welsh Government funded)	3,560	3,419
Levy on Pembrokeshire County Council	1,083	985
Other Grant Income (Welsh Government funded)	503	1,842
Donations	0	-
	5,146	6,246
Credited to Services		
The Welsh Government: major funding towards Hardship expenditure, Invasive Species, Designated landscapes, additional SDF funding, E.V. charge points and Fritillary, and Damsel projects	982	810
Natural Resources Wales: contributed funding towards the National Trail/Coast Path management & maintenance; various woodland schemes, National Parks Wales and the Castle Martin Ranger post.	234	191
Pembrokeshire Coast National Park Trust: funding towards Invasive Species, Pembrokeshire Outdoor Schools, Storm Damage, Wild About Woodlands, Make More Meadows and Roots projects.	84	31
Pembrokeshire County Council: business support rate relief / Local Places for nature/ Biodiversity grant	31	45
H.M.R.C: Job Retention Scheme	15	209
Dept Works and Pensions; Kickstart Scheme	14	
Ministry of Defence: Castlemartin Ranger.	25	30
Sport Wales: West Wales Walking for Wellbeing project	116	75
Community Fund Roots to Recovery	74	
National Parks Partnership	0	8
TATE Gallery: Criw Celf project	0	2

Nature Network Fund (The National Lottery Heritage Fund) towards the Damsels in Distress project	50	
Other grants.	1	28
TOTAL GRANTS	1,626	1,429

31. RELATED PARTY TRANSACTIONS

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority. The Authority has adopted a materiality level of £5,000 for disclosure of related party transaction relevant to members and staff.

The National Park Authority is made up of 18 members, 12 appointed by Pembrokeshire County Council and 6 directly by the Welsh Government. Members of the Authority have direct control over the Authority's financial and operating policies. The Authority maintains registers of Members' Interests and Gifts & Hospitality, with register of Members' Interest available for inspection on the Authority's website. There are no issues to report arising from the entries in these registers, and the Authority's ability to control or influence another party as result of the recorded interests is considered highly unlikely.

In January 2022 the Authority became a member of the Southwest Wales Corporate Joint Committee which has prescribed functions related to the preparation of the regional transport plan, strategic development plan and the exercise of economic wellbeing powers. The Corporate Joint Committee, CJC, as a public body undertakes public functions and is subject to the necessary public body duties that already exist in legislation. The CJC members are entitled to vote in relation to any matter to be decided by the CJC, except that the Brecon Beacons National Park and Pembrokeshire Coast National Park Authority (together the "NPAs") members may only vote where the matter to be decided is about strategic planning functions (and associated issues), unless the Constituent Council members of the CJC choose, with the agreement of both the NPAs, to extend the NPA membership of the CJC to include other functions.

Disclosure notes 10 and 30 show the amount and sources of significant revenue and capital funding which the Authority received during the year. In addition to the receipt of a Levy from Pembrokeshire County Council the Authority also contracts with them for the supplies of goods and services including the provisions of refuse management, vehicle maintenance, internal audit and specialist planning advice. The Welsh Government has significant influence over the general operations of the Authority; it is responsible for providing the statutory framework within which the Authority operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties (e.g. council tax bills, housing benefits). The aggregate level of income and expenditure and end of year balances on the following third parties are:

Organisation	Income £000's	Expenditure £000's	31/3/22 Creditor £000's	31/3/22 Debtor £000's
Welsh Government	5,045	0	4	126
Pembrokeshire County Council	1,173	249	21	19

During the year the Authority contributed circa £6k to support the running of Pembrokeshire Coast National Park Trust. The trust is registered with the charity commission with the status of a charitable

incorporated organisation and the only voting members are the charity trustees. The Authority did provide other non-cash services to the Trust, e.g. officer time and advice and office space. The Trust has six current trustees, two of whom are members of the National Park Authority.

An employee of the Authority is a trustee of YHA. The Authority has a landlord tenant relationship with the YHA for its property at Broad Haven. The Authority is also paid subscription of £10k to the National Park Partnership, a limited liability partnership between the 15 U.K. National Park Authorities.

32. TERMINATION BENEFITS

The numbers of all exit packages, including pension payments and agreed severances, with total cost per band and total cost are set out in the table below:

	NUMBER OF SETTLEMENTS			COST
	to £20,000	£20,001 to £40,000	£40,001 to £60,000	
2020/21	-	-	-	-
2021/22		1	-	22

During the year 2021/22 the Authority paid £16,000 in termination benefits, (Nil in 2020/21).

33. DEFINED BENEFIT PENSION SCHEMES

The Authority offers defined retirement benefits to staff, relating to pay and service, under the Dyfed Pension Fund (Local Government Pension Scheme), being a funded scheme administered by Carmarthenshire County Council. Although these benefits will not actually be payable until employees retire, the Authority has a current commitment to make the benefits payments that needs to be disclosed at the time that employees earn their future entitlement. The Authority's contribution rates are determined by the Fund's professionally qualified actuaries based on triennial valuations of the Fund, the most recent of which was at 31st March 2019, and are set with the aim of ensuring that the overall liabilities of the fund can be met when matched with employee contributions. The principal risks to the Authority of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme.

Local authorities are required to recognise the costs of retirement in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, this conflicts with the charge the Authority is required to make in the Comprehensive Income & Expenditure Account based on the cash payable in the year to the pension fund, so the real cost of retirement benefits is then reversed out of the accounts in the statement of movement on the general fund balance. Under International Accounting Standards 19 (IAS 19) the accounting for pension's schemes has been revised for all fiscal years beginning on or after 1st January 2013 and these changes reflected in the financial statements includes interest on Assets. The expected return on assets is replaced with the "interest on assets". This is the interest on assets held at the start of the period and cash flows occurring during the period, calculated using the discount rate at the start of the year. The pension cost under the revised IAS 19 will see the interest cost and expected return on assets replaced with the "net interest cost". This will be calculated as interest on pension liabilities less the interest on assets. The revised IAS 19 guidance requires that all actuarial gains and losses be recognised in the year of occurrence via Other Comprehensive Income and Expenditure and can no longer be deferred.

Actuarial gains and losses on liabilities due to changes in actuarial assumptions will need to be split between the effect of changes in financial assumptions and changes in demographic assumptions. Administration expenses are recognised as a separate item within the pension cost.

Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

Total post-employment benefit charged to Comprehensive Income and Expenditure Statement	£000's	
	2021-22	2020-21
Service Costs:		
Current service cost	1,407	1,107
Effects of curtailment	0	0
Past Service Cost*	0	0
Financing & Investment Income & Expenditure:		
Interest cost on Liabilities	888	851
Interest on Plan Assets	-713	-648
Net Interest On Pension	175	203
Other Operating Income & Expenditure		
Administration Costs	13	13
Total Post-Employment Benefits charged to Surplus / Deficit on Provision of Services	1,595	1,323
Other Post Employment Benefits charged to Comprehensive Income & Expenditure:		
Return on plan assets (excluding the amount included in the net interest expense)	-1,714	-6,563
Actuary Experience gain/(loss)	106	-693
Actuary Gain / (Loss) on financial assumptions	-758	6,260
Actuary Gain / (Loss) on demographic assumptions	-333	0
Total Post-employment Benefits (charged) / credited to the Comprehensive Income and Expenditure Statement	-2,699	-996
Reversal of charges made to surplus/deficit on provision of services in the Movement in Reserves Statement		
Current service cost	-1,407	-1,107
Past service gain / loss	0	0
Effects of curtailment	0	0
Interest cost on Liabilities	-888	-851
Interest on Plan Assets	713	648
Administration Costs	-13	-13
Actual Amount charged against General Fund	-1,595	-1,323

Employer Contributions	365		422

Assets and Liabilities in Relation to Post-employment Benefits

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

	Funded liabilities: Local Government Pension Scheme £000's	
	2021/22	2020/21
Benefit Obligations at beginning of Year	42,566	35,690
Current Service Cost	1,407	1,107
Interest On Pension Liabilities	888	851
Member Contributions	215	201
Past Service Cost*	0	0
Actuarial (Gains)/Losses on Liabilities	0	0
Remeasurement of Liabilities:	0	0
Experience (gain)/loss	106	-693
(Gain) / Loss on financial assumptions	-758	6,261
(Gain) / Loss on demographic assumptions	-333	0
Curtailments	0	0
Benefits Paid	-816	-851
Rounding	0	0
Benefit Obligations at End of Year	43,275	42,566

Reconciliation of Present value Scheme Assets:

	Local Government Pension Scheme £000's	
	2021/22	2020/21
Fair Value at beginning of Year	34,087	27,117
Interest on / Expected Return on Plan Assets	713	648
Remeasurement / Actuarial Gains/(Losses) on Assets	1,714	6,563
Administration Expenses	-13	-13
Employer Contributions	365	422
Member Contributions	215	201
Benefits/transfers paid	-816	-851
Roundings	0	0
Fair Value at End of Year	36,265	34,087
Actual return on scheme assets	7,010	7,210

Statement of Recognised Gains & Losses

	2021/22 £000's	2020/21 £000's
Restatements / Actuarial (Gains)/Losses	-2,699	-996
Total pension cost recognised in MiRS	-2,699	-996

The *current service costs* reflect the increase in liabilities expected to arise from employee service in the current period. The *past service costs* reflect the increase in liabilities related to employee service in prior periods arising from the improvement of retirement benefits in the current period. The *curtailment/settlement costs* reflect changes in liabilities relating respectively to actions that relieve the employer of primary responsibility for a pension obligation (e.g. a group of employees being transferred to another scheme) or events that reduce the expected years of future service of employees or reduce the accrual of defined benefits over their future service for some employees (e.g. closing a business unit). The *return on assets* reflects the average rate of return expected on the actual assets held in the pension scheme. Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. These assumptions are made by the Fund's actuaries, William M Mercer Ltd, and are based on the actuarial valuation report at 31st March 2019. *Interest on pension liabilities* reflects the expected increase during the year in the present value of liabilities because the benefits are one year closer to settlement. The underlying assets and liabilities for retirement benefits attributable to the Authority as at 31st March 2022 are as follows:

DYFED PENSION FUND (Pembrokeshire Coast National Park Authority) 31 March 2022	
	£000
Present Value of Funded Benefits Obligations	43,225
Present Value of Unfunded benefit obligations	50
Total present value of Benefit Obligations	43,275
Fair Value of Plan Assets	(36,265)
Unrecognised Past Service	-
Deficit	7,010

Prior Year Scheme Values

Scheme Year	Present value Scheme Liabilities(£000)	Fair Value of Scheme Assets (£000)
31st March 2021	42,566	34,087
31st March 2020	35,690	27,117
31st March 2019	35,708	30,103

31st March 2018	32,212	28,474
31st March 2017	32,430	27,792

The main assumptions are set out below:

ACTUARIAL ASSUMPTIONS	Start of Year	End of year
<i>Financial Assumptions</i>		
Rate of CPI inflation / CARE benefits revaluation	2.7%	3.3%
Rate of increase in salaries	4.2%	4.8%
Rate of increase in pensions in payment / deferment	2.8%	3.4%
Discount rate	2.1%	2.8%

Detailed assets breakdown are as follows.

Investment Category			Quoted	31 March 2021	31 March 2022
			(Y/N)		
Equities:	UK quoted		Y	7,256	6,788
	Overseas pooled funds (unquoted)		N	8,863	11,278
	US		Y	3,695	2,372
	Canada		Y	150	160
	Japan		Y	1,149	1,393
	Pacific Rim		N	351	58
	Emerging Markets		N	2,911	2,858
	European ex UK		Y	876	1,302
Bonds:	UK Government indexed		Y	886	482
	UK Corporate		N	0	0
	Other Class 1		y	3,068	2,879
Property:	Property Funds		N	3,767	4,740
Alternatives	Class 2		y	716	1,338
Cash:	Cash accounts		Y	399	617
	Net current assets		N		
Total				34,087	36,265

Post Retirement mortality assumptions

	Start of Year	End of Year
Non-retired members	S3PA CMI_2018 (1.75%) Males - 100% Females - 91%	S3PA CMI_2021 (1.75%) Males - 100% Females - 91%
Retired members	S3PA CMI_2018 (1.75%) Males - 94% Females - 92%	S3PA CMI_2021 (1.75%) Males - 94% Females - 92%

Life Expectancy

	Start of Year	End of Year
Of males (female) future pensioner aged 65 in 20 years' time	24.7 (27.2) years	24.4 (27.1) years
Of males (female) current pensioner aged 65	23.1 (25) years	23.0 (24.9) years

Risk and Pension Sensitivity Analysis

The principal risks to the Authority of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts required by statute as described in the accounting policies note.

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table below. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method.

	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4	Sensitivity 5	
		+0.1% p.a. discount rate	+0.1% p.a. inflation	+0.1% p.a. pay growth	1 Year increase in life expectancy	+/- 1% change in 2021/22 Investment Returns £000's	
Disclosure Item	£000's					+1%	-1%
Liabilities	43,275	42,530	44,033	43,379	44,567	43,275	43,275
Assets	(36,265)	(36,265)	(36,265)	(36,265)	(36,265)	(36,265)	(36,265)
Deficit (Surplus)	7,010	6,265	7,768	7,114	8,302	7,010	7,010
Projected Service Costs for next year	1,332	1,298	1,367	1,332	1,374	1,332	1,332
Projected Net Interest Costs for Next year	191	177	213	194	228	181	201

History of experience gains and losses

The actual gains identified as movement on the Pension Reserve can be analysed into the following categories.

	2021/22 %	2020/21 %	2019/20 %	2018/19 %	2017/18 %	2016/17 %	2015/16 %
Actuarial (gains) / losses on Assets	4.7	19.3	(12.4)	(3.8)	(1.1)	(15.9)	4.2
Actuarial (gains) / losses on liabilities	(0.2)	14.7	(1.7)	5.2	(4.0)	(16.4)	5.8

Market value of whole fund assets (£millions)

Start of Year	End of year
2,958	3,181

The end of year figures for the market value of the assets and the split between investments categories have been calculated as at 31/12/21. The corresponding split of assets at the start of the year has been calculated as at 31/3/19. The actuarial assumptions used in the calculation of the end of year balance sheet liabilities are based on the 2019 actuarial valuation assumption, other than the financial assumptions which are shown above. A deduction of £13,000 in respect of expenses was made for the year.

The forecasted employer's contribution for 2022/23 is £354,000; implied service cost including net interest cost £1,332,000 and administration cost of £13,000. The projected deficit as at 31/3/23 is expected to be £8,192,000. Further information on the Dyfed Pension Fund, such as the annual report, is available from the Fund administrators at Carmarthenshire County Council, or on-line at www.dyfedpensionfund.org.uk

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTANTS

The Authority's responsibilities for the accounts under local government legislation and other requirements are:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Chief Financial Officer.
- to manage its affairs to secure economic, efficient, effective and best value use of resources and to safeguard its assets.
- to approve the statement of accounts by the statutory deadline.

Chairman.....

Date.....

The Chief Financial Officer's legal and professional responsibility for the accounts:

The Chief Financial Officer is responsible for the preparation of the Authority's statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code of Practice'). In preparing this statement of accounts, the Chief Financial Officer has:

- ✓ selected suitable accounting policies and then applied them consistently.
- ✓ made judgments and estimates that were reasonable and prudent.
- ✓ complied with the Code of Practice.

The Chief Financial Officer has also:

- ✓ kept proper accounting records which were up-to-date.
- ✓ taken reasonable steps for the prevention and detection of fraud and other irregularities.

Chief Financial Officer's Certificate

I hereby certify that the *Statement of Accounts 2021/22* presents a true and fair view of the financial position of the Authority at 31st March 2022 and its income and expenditure for the year ended 31st March 2022.

R.E.GRIFFITHS
Chief Financial Officer

Date

2021/22 ANNUAL GOVERNANCE STATEMENT

Introduction and acknowledgement of Responsibility

The Pembrokeshire Coast National Park Authority (“the Authority”) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and used economically, efficiently, and effectively. The Authority is a public body as defined under the Wellbeing of Future Generations Act legislative requirement since 1st April 2016. The Authority is required under the Act to set and publish well-being objectives, take all reasonable steps to meet those objectives and act in accordance with the sustainable development principle when setting well-being objectives and taking steps to meet them.

The Authority has an approved Code of Corporate Governance, which is consistent with the principles of the Chartered Institute of Public Finance and Accounting (CIPFA)/Society of Local Authority Chief Executives and Senior Managers (UK) (SOLACE) Framework ‘Delivering Good Governance in Local Government: Guidance for Welsh Authorities 2016’. This guidance recommends that the review of effectiveness of the system of internal control that local authorities are required to undertake in accordance with the Accounting and Audit Regulations should be reported in an Annual Governance Statement. In Wales the inclusion of the Annual Governance Statement in the Statement of Accounts is voluntary. CIPFA also published an “Application Note to Delivering Good Governance in Local Government: A Framework”. This note has been developed to advise on the application of the “Statement of the Role of the Chief Financial Officer on Local Government” under the CIPFA/SOLACE Framework “Delivering Good Governance in Local Government”. In preparation of the Annual Governance Statement the Authority reviews and adopts any additional guidance as issued, this includes CIPFA’s Financial Management Code (2019), the Financial Management Standards in the code and the reporting of the impact of Covid 19 pandemic. The Authority has decided to adopt the CIPFA framework and Annual Governance Statement approach.

We propose over the coming year to take steps to address the matters identified in this statement to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

SIGNED _____
Chairman

DATED _____

SIGNED _____
Chief Executive

DATE _____

The purpose of the Governance framework

The governance framework comprises the committees, systems and processes, cultures and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. Although mitigations steps are in place it cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks associated with the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Governance framework

There is clear definition of the roles of Members and officers and a clear committee and decision-making structure. This is based on:

The Authority

The Authority comprises 18 Members and will meet, either virtually or in person, at least 6 times a year and its main functions are:

- To approve the development of the Authority's strategic corporate planning framework through the National Park Management Plan (every five years), the Local Development Plan (formal review required every 5 years), and the Corporate and Resources Plan (annually).
- To determine all policy matters in support of its strategic planning objectives. The Authority may receive advice from its committees and may also set up task and finish advisory groups to investigate and advise on specific matters.
- To determine all Service Standards and the Authority's Statutory Duties.
- To agree policies relating to the management of the Authority's resources i.e. finance, staffing and assets; and to approve the budget, levy, charges, and the Annual Accounts.
- To ensure that the Authority complies with all legislation affecting its services.
- To determine membership of other committees, task & finish groups, working groups and advisory groups, within the Authority, and their terms of reference, and the Authority's representation on external bodies and organisations.
- To determine the delegation of the Authority's responsibilities to other committees of the Authority and when appropriate to the Chief Executive.

Audit and Corporate Services Review Committee

The Committee will comprise 9 Members of the Authority to be selected and/or confirmed at the Annual General Meeting each year. The Committee meets quarterly, and its role is to exercise the powers and duties of the Authority in relation to the following functions:

1. Regulatory Framework

- To monitor the Authority's performance against the National Park Management Plan
- To oversee the production of the Annual Governance Statement and to monitor the Authority's performance against the associated Action Plan

- To monitor the Authority's performance against the annual Strategic Remit Letter
 - To monitor performance against the Welsh Government's Standards relating to the Welsh language
 - To monitor performance against the Authority's adopted Service Standards
2. Audit Activity
 - To consider reports from Audit Wales (e.g. the Annual Improvement Report, Annual Audit Letter) and to monitor the Authority's performance thereon
 - To consider reports from Internal Audit on the Authority's financial systems and controls
 3. Finance
 - To consider quarterly reports on the Authority's financial performance and budgetary matters
 - To monitor the Authority's performance in relation to its Annual Statement of Accounts
 4. Human Resources

To monitor the Authority's performance:

 - against its adopted HR policies
 - in relation to Health and Safety
 5. Information Technology
 - To monitor the Authority's performance in relation to its Information Technology Strategy
 6. Performance Management
 - To consider quarterly reports on the performance reporting management system and to monitor the Authority's performance thereon
 - To review and monitor the Authority's Risk Register and make any recommendations to the National Park Authority.
 - To consider reports of the meetings of the Continuous Improvement Group
 7. Communications
 - To monitor the Authority's performance in relation to Communications and Marketing
 8. Other issues
 - To review any issue referred to it by the National Park Authority, any of its Committees or the Chief Executive Officer
 - To determine an Authority response on any proposals that affect the National Park or the Authority, its powers, duties, functions and responsibilities, particularly but not exclusively, from central, regional or local government, neighbouring authorities, partnerships and other external bodies where the proposals are relevant to the functions of the Committee and where the Chief Executive considers that such response should be determined by the Committee

Development Management Committee

The Development Management Committee is made up of the Authority's 18 Members, and is responsible for carrying out the Authority's statutory planning functions in relation to the determination of applications, appeals and enforcement matters, and allied issues relating to development and the regulation of uses and activities.

The terms of reference of the Development Management Committee are:

- (a) Except where those powers and duties have been delegated by the Authority to one of its officers and subject to its decisions being in conformity with the Authority's approved statements and plans the Committee shall exercise, with power to act, all the powers and duties of the Authority relating to the consideration of planning, listed building and conservation area applications, notification schemes, tree preservation orders, the control of development and the enforcement of such control, and other consultation schemes where appropriate.
- (b) Where Members resolve to take a decision, contrary to an officer's recommendation, which the Chief Executive (National Park Officer), (or, in his/her absence the officer with appropriate delegated authority) identifies as constituting a significant departure from an approved plan or policy of the Authority and in particular, the Local Development Plan, or as otherwise having significant implications for the Authority, the decision shall be deferred until the next meeting of the Committee.

If, ultimately, the Committee's decision is contrary to the officer recommendation, there shall be taken a full minuted record of Members' reasons for rejecting the officer recommendation, together with a recorded vote.
- (c) To receive reports from time to time from the Chief Executive (National Park Officer) and other officers on the exercise of any functions relating to the control of development which may have been delegated to them.
- (d) To deal with all matters relating to the designation and administration of Conservation Areas.

Operational Review Committee

The Committee comprises 9 Members of the Authority, to be selected and/or confirmed at the Annual General Meeting each year. The Committee meets on a quarterly basis and considers reports to the Authority on its performance. The role of the Committee is:

1. To monitor performance and make recommendations to the National Park Authority in relation to the functions of:
 - Development Management
 - Park Direction
 - Countryside, Community and Visitor Services
2. To review the Authority's financial performance in relation to the functions of the services referred to in 1 above.
3. To review any issue referred to it by the National Park Authority, any of its Committees or the Chief Executive.
4. To determine an Authority response on any proposals that affect the National Park or the Authority, its powers, duties, functions and responsibilities, particularly but not exclusively, from central, regional or local government, neighbouring authorities, partnerships and other

external bodies where the proposals are relevant to the functions of the Committee and where the Chief Executive considers that such response should be determined by the Committee.

5. Human Resources

To monitor the Authority's performance:

- against its adopted HR policies
- in relation to Health and Safety

Member Support And Development Committee

The Committee Composition comprises 9 Members and may, from time to time and without setting a precedent, invite other Members to attend a meeting in relation to a particular area of expertise.

Remit

1. To oversee the delivery of support to, and development of, Members of the Authority.
2. To oversee the delivery of the Member Development Strategy, including Member induction and the Training Plan.
3. To develop an application for the Wales Charter for Member Support and Development and to recommend it to the Authority prior to submission to the Welsh Local Government Association.
4. To review the support available to Members and to make recommendations to the Authority as necessary.
5. To consider any other matter referred to the Committee by the National Park Authority.

Human Resources Committee

The Human Resources Committee consists of nine members is responsible for all matters appertaining to the employment and deployment of staff by the Authority. The terms of reference of the HR Committee are:

1. To make recommendations to the Authority as to Human Resource Policies which might be adopted with regard to the employment relationship that exists between PCNPA and its staff.
2. To review, scrutinise and approve existing Human Resource Policies, where proposals are put forward to change their general aims and objectives.
3. To review and approve any National Joint Council (NJC) Terms and Conditions where discretion on its implementation is provided to the Authority and this discretion has a potential impact on financial or other resources.
4. To contribute to the formation and implementation of the Human Resources Strategy, be consulted on all new Human Resource Policies subject to NPA approval, and have general oversight of HR Policies in development and any legislative changes.

5. To keep under review the establishment, organisation and remuneration of the Authority's staff and to make recommendations to the Authority from time to time as to any changes which may be desirable.
6. To establish arrangements for, and to conduct negotiations on behalf of the Authority with Unions representing the interests of its staff via the Employee Forum or any other negotiating arrangements.
7. To make appointments including the conduct of recruitment and selection procedures in accordance with the Authority's Human Resources Strategy, and to make any recommendations on the exercise of the appointments function as may be deemed appropriate and relevant.
8. To contribute to the Authority's Health and Safety Policies and Procedures, such as they extend to staff mental health and general wellbeing.

The following duties have been delegated to the Authority's Leadership Team:

1. To review and approve new and existing Human Resource Policies, which are required as a result of new legislation or changes in the NJC's Terms and Conditions.
2. To review and approve existing Human Resource Policies where there is no change to the general aims, objectives or direction of decision making.

Continuous Improvement Group

The Continuous Improvement Group consists of four Members of the Authority plus the Chief Executive. The membership includes the Chairs of the Authority, Development Management Committee and the two Review Committees. The Group has authority to invite attendance of other Members or officers if the work programme indicates that their attendance or experience would add value to its work and meets as and when required.

Internal Audit

The review of the effectiveness of the system of internal control and governance arrangements is informed by the work of the Internal Auditors and their reporting to the Authority. This work is undertaken via a contract with TIAA. The terms of reference for internal audit require that work is conducted in accordance with standards as set out in the CIPFA Code of Practice for Internal Audit in Local Government. TIAA provide an audit opinion which is reported to the Authority.

External Audit

Audit Wales act as the Authority's external audit and make comments following their financial accounts and performance work and in the annual audit letter.

Section 151 Officer

Within the Authority the Finance Manager also acts as the Section 151 Officer. The Authority complies with the CIPFA "Statement on the Role of the Chief Financial Officer in Local Government". The Finance Manager is also a member of the Authority's Leadership Team.

Sustainable Development Fund Committee

The Authority has a Sustainable Development Fund Committee that consists of 6 Authority Members and may appoint up to 2 independent advisors who provide advice on the awarding of SDF grants.

The Committee's aim is to help reduce local carbon emissions in our environment and to respond to the climate emergency.

The Executive

Drawing from numerous sources the Executive structure for decision making for officers is based on a Senior Management Team and a Leadership Team.

Principles of Governance

The review of the effectiveness of the Authority systems of governance is undertaken in accordance with the following 6 CIPFA principles:

- Focusing on the Authority's purpose, on outcomes for the community including citizens and service users and creating and implementing a vision for the local area
- Members and officers working together to achieve a common purpose, with clearly defined functions and roles
- Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
- Developing the capacity and capability of Members and officers to be effective
- Engaging with local people and other stakeholders to ensure robust public accountability

Actions Taken During The Year

Previously identified Significant Governance Issues, the actions taken to tackle these issues and their evaluations are shown in the table below

Governance Issues / Risks Identified	Action to be taken	Evaluation
Take action to ensure that the Authority and the National Park is able to recover from the impact of the COVID pandemic	Review how we can ensure internal organisational efficiency and how we can support recovery in the wider community	New ways of working development, including holding remote meetings, to allow the authority to continue normal business activities
Prepare for future financial challenges through reviewing the mid-term financial plan	Revise plan	Review as part of the annual budget process. A new reserve for decarbonisation has been created. Discussions ongoing with WG re longer term settlements.
Undertake a review of Corporate Priorities and develop a new strategy.	Develop a new strategy and undertake work to ensure that the Authority is able to deliver that new strategy	New high level Corporate Strategy to be developed & agreed.
Undertake a review of procurement to take account of changes as a result of Brexit and the need to decarbonise the organisation.	Work with the other 2 Welsh National Park Authorities to review procurement.	Completion of Welsh Government Net Zero calculation including supply chain emission section. <i>External consultants carried out decarbonisation baseline and options report for Authority.</i> Authority will build on this to further develop its approach to decarbonisation and supply chain/ procurement.
Develop effective Business Continuity arrangements.	<ul style="list-style-type: none"> Review the impact of its Business Continuity Plans during the response to COVID-19. This will ensure they are up to date and have the right actions and measures to help counter likely threats in responding to future emergencies; 	New BCP drafted

	<ul style="list-style-type: none"> • Ensure staff are aware of updated Business Continuity arrangements and understand the procedure for their use; and • Ensure that ICT Business Continuity arrangements are sufficient to enable officers and Members to deliver their responsibilities effectively and efficiently. 	
Improve workforce resilience in the Authority	<ul style="list-style-type: none"> • consider the impact of the COVID-19 response and the switch to full remote working on staff wellbeing and identify how it can best support staff; and • ensure Health and Safety policies and procedures are updated to take account of new working arrangements. 	<p>Performance Management reviews changed to include focus on both Work and Wellbeing.</p> <p>Regular manager and employee briefings on physical and mental health via workplace counselling service – Care First.</p> <p>Implemented a Member lead Employee Assistance Service called the ‘Listening Service’ to provide counsel and coaching.</p> <p>Pilot training programme being delivered which focuses specifically on building resilience in the workplace. Programme includes a coaching programme to address individual development needs.</p> <p>Flexible Working Policy updated to reflect new work reality and new Home Working Policy issued.</p> <p>Manager support guides in place.</p>

		Other developments have been: Member care scheme Member listen service
Review the switch to online meetings and delegated decision making and identify opportunities to learn from its response to the pandemic and strengthen governance arrangements.	Undertake Review and develop appropriate policies to support this work	Formalise online meetings in line with prevailing legislation Public Participation at Development Management Committee Meetings approved by NPA.

Review of Effectiveness

The Authority is responsible for conducting an annual review of the effectiveness of its governance framework including the system of internal control. This review is informed by the work of the Authority's Members and its Committees, internal and external auditors, other review agencies (as appropriate) and senior managers who have responsibility for the development and maintenance of the internal control environment. The normal process of review has been impacted by the delay in the production of the Annual Improvement Report from the Audit Wales.

The review is based on the six principles of the CIPFA Code of Corporate Governance.

Principle 1

Focusing on the Authority's purpose, on outcomes for the community including citizens and service users and creating and implementing a vision for the local area.

The Authority has been focusing on developing work to ensure that it is 'fit for purpose' to meet the challenges of the future.

Valued and Resilient: The Welsh Government's Priorities for Areas of Outstanding Natural Beauty and National Parks

The Authority, in partnership with other designated areas has undertaken work to deliver the priorities identified in 'Valued and Resilient'. During the year discussions were held with Welsh Government officers on a new Term of Government Remit letter outlining priorities over the next five years.

Demonstrating Strategic Leadership

The Authority has a National Park Management Plan (NPMP) for the period 2020/24. Members had been involved with the development of the Plan through workshop sessions and in agreeing Action Plans to deliver the plan.

Corporate and Resources Plan and Well-being of Future Generations Act

The three National Park Authorities in Wales have agreed to work to a common format of an annual Corporate and Resources Plan to meet the requirements of the Well-being of Future Generations (Wales) Act 2015. The Corporate and Resources Plan document sets out the Authority's Well-being objectives and steps the Authority will take to achieve them. The Corporate and Resources Plan has been prepared to deliver against the seven Well-being Goals and take account of the Sustainable Development Principles within the Well-being of Future Generations (Wales) Act 2015. The plan shows budget distribution across the Well-being Goals and the Authority's Well-being Objectives.

New priorities and High Level Strategy on a Page

At the July 2021 NPA, Members agreed a new high level strategy for the Authority, with four priority areas to provide focus for the Authority's work over the 2022-2026. The identification of the priorities was informed by online survey with staff and Members and then a wider survey for the Public and a Seminar with representatives of City, Town and Community Council. An integrated assessment was carried out on the new high level strategy. *Following adoption of the high level strategy the Authority reviewed its Well-being Objectives to ensure alignment to support delivery of both the priorities and the Well-being Objectives.*

Quality of Service

The Authority carries out surveys of the effectiveness of its service delivery through customer satisfactions surveys, performance against quality standards and by monitoring formal complaints which remain at a low level.

Performance Reporting Management System

The Authority has in place a performance reporting management system to ensure that we develop and manage a robust system of performance information to highlight the impact of the work undertaken by the Authority. Performance review committee reports are prepared from information captured on the performance reporting management system. External support for the Authority's Ffynnon performance management system ended in 2020/21. As a result following a review of external options in terms of cost and capabilities, an internal replacement performance reporting management system was developed. This system was deployed in January 2021 and has continued to be used for the duration 2021/22. Staff update the Performance reporting management system directly with information to update performance reporting on a regular basis.

Community Engagement

The Authority has endorsed Participation Cymru's 10 National Principles for Public Engagement in Wales. An engagement action plan has been developed to help focus and drive action in this area with three priority areas and three longer term areas. An engagement action plan group is in place to monitor implementation of the action plan and has representation from across Authority departments

The three priority areas within the engagement action plan are:

- Development of mechanisms for young people to influence the work of the Authority
- Engaging Volunteers and Service Users
- Engaging with people through National Park Management Plan implementation

A presentation was delivered to the group during 2021/22 on the Experiences for All project outlining initial findings from this engagement project.

The Authority's Youth Committee continued to meet, with Member representation during 2021/22. Minutes of the Youth Committee meetings are shared with Members via NPA.

The Authority established a Volunteer Forum, providing an opportunity for volunteers to learn more about the Authority and influence its priorities, policies and volunteer offer. The forum draws on volunteer representatives from across the volunteer offer, including representatives from Pathways, Volunteer Wardens, Youth Rangers and Activity Leaders.

The Authority engaged with local communities in developing its plans for its site that was purchased via Sustainable Landscapes, Sustainable Places funding for Carbon Sequestration, through hosting a number of community walks at the site.

Membership of Public Services Board

The Authority is an invited member of the Pembrokeshire Public Services Board (PSB). The PSB agreed the Pembrokeshire Well-being Plan, and the Authority's Corporate Plan reflects the Well-being Objectives in the Plan.

Welsh Language Strategy

The Authority has in place a 5 year Welsh Language Strategy and has developed SMART measures that sit under it. Under the Welsh Language (Wales) Measure 2011, all local authorities in Wales must comply with a framework of Welsh Language Standards. Standard 145 requires the Authority

to produce a 5-year strategy that sets out how we propose to promote the Welsh language more widely in the National Park. The strategy must also include a target (in terms of the percentage of speakers in the National Park) for increasing or maintaining the number of Welsh speakers in the National Park by the end of the 5 year period concerned, together with a statement setting out how we intend to reach that target. During the year the Authority has had no complaints or investigations from the Welsh Language Commission

Socio Economic Duty

The Socio Economic Duty (under the Equality Act 2010) commenced in March 2021, the Authority has reviewed its approach to Equality Impact Assessments, in order to take an integrated approach that includes Socio Economic Disadvantage considerations, through trialling the use of integrated assessments..

Principle 2

Members and officers working together to achieve a common purpose, with clearly defined functions and roles.

National Park Grant and Levy

The NPG / Levy for 2021/22 increased by 10% from the 2020/21. The Authority was in receipt of a number of Welsh Government grants which were used to offset the additional Covid related operating costs.

Member and officer Joint Training & Development

The Authority actively promotes joint training sessions between Members & officers. During the year there were 3 training events and a further 5 workshops.

Advanced Charter for Member Support and Development

The Authority was successful in achieving the Advanced Charter for Member Support and Development in December 2021. The Charter is awarded by the Welsh Local Government Association, which works with local authorities, National Park Authorities and Fire and Rescue Authorities across Wales to provide a broad framework for local planning, self-assessment, action and review of the support and development opportunities extended to Members to enable them to meet the challenges of their role.

The Authority is one of only three authorities across Wales who have been awarded the Advanced Charter.

Consultations

Members have contributed their comments to responses to Welsh Government and other bodies' consultation papers including:

- National Development Framework
- Sustainable Farming
- Independent Remuneration Panel For Wales

Virtual Meetings and Web Casting

In response to COVID 19 and changes in legislation, the Authority held its Committee meetings virtually during 2021/22. Meetings were also web cast.

Employee Forum

The Authority has in place an Employee Forum. The purpose of the Forum is to provide a platform for Members and staff to maintain open and collaborative employee relations by discussing a range of employee matters and gaining an understanding from each other on issues facing the Authority.

Principle 3

Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.

A Code of Conduct for Members and a Code of Conduct for Officers is in place. Issues relating to breaking the Code of Conduct are dealt with by the following:

The Standards Committee

It is the responsibility of the Authority's Standards Committee to promote high standards of conduct by Members and officers. It does this by advising on and promoting awareness and understanding of the code of conduct for Members and the code of conduct for officers, both of which have been adopted by the Authority. During the year the Independent Members of the Committee increased from three to four and no cases were brought to the Committee.

Monitoring Officer

The statutory Monitoring Officer functions are set out in Section 5 of the Local Government and Housing Act 1989 (as amended) i.e., in short, to report to the Authority if the Monitoring Officer considers that any proposal, decision, or omission by the Authority may give rise to unlawfulness or maladministration.

Public Services Ombudsman for Wales

The Public Services Ombudsman for Wales has jurisdiction over the Authority's functions by virtue of the Public Services Ombudsman (Wales) Act 2005. He has not made any investigation into the Authority either in relation to any alleged breaches of the Members' Code of Conduct adopted by the Authority on 25 June 2008, or in relation to a complaint made against the Authority.

Advanced Charter for Member Support and Development

Members of the Authority are encouraged to undertake annual personal development reviews (PDR), which gives them an opportunity to reflect upon their role(s) within the Authority and to highlight any areas where they might need further support or development. A training plan is compiled from the results of the PDR, and the resulting development programme is rolled out to Members during the course of their term of office. A code of conduct workshop is also delivered annually to Members, this year's being delivered by an external consultant.

Staff Members

Issues relating to the conduct of staff are normally considered in accordance with the Authority's Disciplinary procedures. All Authority staff have Work and Well-being Reviews. This process allows an opportunity for managers and staff to review past performance, highlight potential areas of concern and agree future objectives to ensure they are linked to service plan/corporate targets.

Whistle Blowing Policy

In the Public Interest Disclosure Act 1998 the Government has given statutory protection to employees who 'blow the whistle' by speaking out against corruption and malpractice at work. It protects them against victimisation and dismissal. In its commitment to the highest standards of openness, probity and accountability, the policy states "The Authority encourages employees and others with serious concerns about the Authority's work to come forward and raise their concerns with the Authority".

Safeguarding Policy

The Authority approved an updated safeguarding policy and staff participated in an online training course. The policy had been revised to take account of changes to legislation (Social Services and Well-being (Wales) Act 2014) and in the way these changes have been interpreted and delivered at a local level in West Wales. The new policy includes additional guidance and provides updates regarding processes and procedures. The policy aims to ensure that sound working practices are in place that put safeguarding as a priority and which are effective in managing risk for these vulnerable groups, but which will also protect staff and volunteers against wrongful or malicious allegations.

Anti-Fraud and Bribery Policy

The Authority has in place approved an Anti-Fraud and Bribery Policy. The policy covers all employees, volunteers and members of the Authority. It incorporates the changes to the bribery legislation that have been included in the Bribery Act 2010. The Bribery Act 2010 establishes criminal offences and individuals found guilty can face an unlimited fine and imprisonment up to ten years. Where an organisation itself is found guilty of the offence then the penalty is an unlimited fine.

Financial Standards

During the year the Authority revised its Financial Standards and Contract Standing Orders, the purpose of which is to provide a financial and procurement framework within which the Authority can operate. These will assist the Authority in ensuring that:

- Legislation is complied with.
- The assets of the Authority are safeguarded.
- The funds available are spent wisely and efficiently.
- Appropriate income generation is undertaken.
- Best value is achieved

Data Protection and GDPR compliance

The Authority has in place an external DPO who has carried out an evaluation of current practices in 2021 to identify areas for improvement. The Authority's data protection policy was updated in 2021 and the updated version approved by Members. The Authority has carried out a number of data protection impact assessments as required during the year.

Principle 4

Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.

The Authority has taken the following action to improve its processes and structures and also to tackle identified issues of risk.

Risk Management

The Risk Register is presented to each meeting of the Audit & Corporate Services Review Committee. It is regularly reviewed by the Leadership Team when current risks are reviewed and new risks evaluated. During the year a review of Risk Management was undertaken by our Internal Auditors who made a presentation to the Authority on best practice. The recommendations of the review were discussed in the Workshop with Members and will be implemented over the next year.

Upgrading systems infrastructure

During 2021 the Authority undertook work on the following IT systems:

- Completion of all infrastructure and associated server applications (Production, Disaster Recovery and Backup) to ensure currency, security, resiliency and support.
- Microsoft 365 Phase 1 Complete:
 - Configuration of Microsoft 365 Tenant for PCNPA and requisite licences purchased/assigned.
 - Migration of all User and Shared Mailboxes to 365 within a hybrid Exchange environment.
 - Implementation of the Multifactor Authentication Mandate for all user accounts in accordance with direction from the National Cyber Security Centre.
 - Cessation of the legacy practice of forwarding Authority emails to Member's private email account with a requirement for Members to use their Authority email accounts directly implemented further mitigating the risk of Data loss.
- Microsoft 365 Phase 2 In Progress:
 - Migration of the Office 2016 desktop suite to Microsoft Enterprise for Apps (Office 365) and OneDrive
- 3CX (Voice over IP Telephony) upgrade to new V18 Desktop, integration with Microsoft 365 completed with platform extension to Visitor Centres and Depots in progress.
- An upgrade to the Exchequer platform (Finance system)

Internal Audit 2021/22

As part of the Authority's corporate governance programme a risk assessment was made on all its services and formed the basis of the work carried out during 2020/21 by the Authority's internal auditors Gateway Assure. The focus of the Audit was on the following areas:

- Risk Management – Mitigating Controls
- ICT Strategy
- Procurement and Creditor Payments
- Equality and Diversity

Resilient and Sustainable Services

Head of Internal Audit's Annual Opinion

At the Authority's Audit and Corporate Services Review Committee held on the 11th May 2022 the following audit opinion was given for 2021/22:

"TIAA is satisfied that, for the areas reviewed during the year, Pembrokeshire Coast National Park Authority has reasonable and effective risk management, control and governance processes in place.

This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by the Authority from its various sources of assurance"

Committees

Individual service team leaders update Members of their respective Review Committee with details of the work in progress within their respective teams. There is a clear documenting of decisions, meeting agenda and minute process. Members therefore make decisions based on timely and accurate

information, although some decisions are deferred to allow Members more time for considered decisions.

Audit Wales Reports

Audit Wales passes an opinion on its review of the Authority's performance and Statements of Accounts which is recorded in the AWO Improvement Assessment Letter and the ISA 260 report.

Audit Wales National Park Authorities

During 2021/22 the Audit Wales carried out field work which focused on:

"Is the Authority doing all it can to effectively manage sustainable tourism in the National Park?" They carried out an online survey with stakeholders promoted through Visit Wales and held focus groups and interviews with Members, staff and external stakeholders to inform this work.

Annual Report on meeting the Well-being objectives

In 2021/22 the Authority published its Annual Report on meeting the Well-being Objectives (which also acted as our final Annual Improvement Plan Part 2 under the Local Government (Wales) Measure 2011). This report sets out our performance on delivery in 2020/21 against the Authority's Well-being Objectives.

Benchmarking

The Authority undertakes benchmarking activities across a number of areas. Key performance indicators within the annual Corporate and Resources Plan are benchmarked against other National Park Authorities where comparative data is available.

The Authority submits an Annual Performance Report every November as part of the Welsh Government Planning Performance Framework. The annual report discusses how the Authority has performed against the indicators, identifying what it had done well so that this can be shared with others, and what steps might be taken to address areas of performance in need of improvement. Through the Framework the Authority is able to benchmark its performance against other Planning Authorities in Wales. As a result of the COVID 19 pandemic the Authority was not required by Welsh Government to submit an Annual Performance Report in 2021/22. However the Authority has continued to submit to Welsh Government quarterly performance data to support benchmarking activities.

Public Sector Net Zero reporting

In 2021 the Authority adapted its methodology to recording carbon emissions to the Welsh Government's public sector net zero reporting methodology that was released in May 2021. A group of staff from across the Authority worked together to complete submission of 2019/20 and 2020/21 data to the Welsh Government. In addition the Authority through the Designated Landscape Partnership has been leading on the delivery of two decarbonisation projects looking at baseline data and options for the National Park Authority and the National Park to get to net zero.

Principle 5

Developing the capacity and capability of Members and officers to be effective.

The Authority continuously looks to develop the capacity and capability of Members and during the year has undertaken the following:

Member induction

No new Members were appointed to the Authority in the last year, therefore no induction training took place. However, a training workshop on the Members' Code of Conduct, together with an overview of delegations to officers, was held.

Member Support and Development Committee

The Member Support and Development Committee meets on a quarterly basis and, over the last year, has reviewed the Personal Development Review framework for Members, encouraged Members to undertake their PDR, and has developed a training plan as a result of the process.

Wales Advanced Charter for Member Support and Development

The Authority was awarded the Welsh Local Government Association's Advanced Charter for Member Support & Development in December 2021. The Charter is awarded to those authorities who can evidence a robust support and development framework that enables Members to be better informed in their decision making.

Staff Development

Learning and Development needs are identified through the annual performance review cycle and this is then rolled up into a wider organisation Development Plan. The Authority will be drafting an annual Learning and Development Plan from 2021.

All new staff are 'inducted' on an individual basis when they start, and the Authority is currently reviewing its practices to deliver this on-line and in tandem with the other National Parks. Mandatory and job related training is scheduled and refresher training undertaken periodically.

Professional Development Programmes are utilised through Pembrokeshire County Council and Academy Wales and delivered by e-learning.

Employee Opinion Survey

A Staff Survey was undertaken in 2020. Results from the survey will be used to formulate a plan of action which will be incorporated into the HR strategy and Plan. This will be the Authority's main tool in gauging staff satisfaction and helping to drive capacity and capability of Officers.

Health and Safety

Health and Safety is delivered through a dedicated Health and Safety Committee, which includes representatives from across the organisation. The minutes of these meetings are presented to Members and progress is tracked monthly.

Work is being undertaken to schedule a review of all HR and Health & Safety Policies, Procedures and Risk Assessments. Funding has been allocated to deliver some staff training on-line, where this is possible, to ensure evidence and compliance. Progress has also been taken to progress accreditation towards the Welsh Government's Corporate Health Standard.

Principle 6

Engaging with local people and other stakeholders to ensure robust public accountability.

During the past year the Authority has sought to engage with local people and stakeholders through a range of consultations. Following last year's survey of community councils training sessions on planning have been provided to all who requested it.

The Authority proposes to continue to undertake consultation with residents, visitors, organisations and other stakeholders on a long term strategy on service delivery on the reducing funding anticipated over the next few years.

Strategic Plans

Following receipt of the Independent Inspectors report Local Development Plan 2 was adopted by Members in September 2020. Following this a work programme of consultation, review and adoption of supplementary planning guidance has commenced.

To support delivery of the National Park Management Plan the Authority has produced a range of action plans, including Responding to the Climate Change Emergency, Restoring Nature, Health and Wellbeing, Sustainable Recreation and Visitor Management and Celebrating Heritage. Stakeholders have been consulted where appropriate as part of the development of these action plans.

At the July 2021 NPA, Members agreed a new high level strategy for the Authority, with four priority areas to provide focus for the Authority's work over the 2022-2026. The identification of the priorities was informed by online survey with staff and Members and then a wider survey for the Public and a Seminar with representatives of City, Town and Community Council.

Partnership working arrangements

The Authority works with a number of external bodies helping to improve value for money and in communicating with various other interest groups to deliver a number of common projects, e.g.:

- Carmarthenshire County Council; SLA's Payroll / Pension, Minerals
- South Wales Local Authority Purchasing Group
- Brecon Beacons & Snowdonia National Parks Authorities, brokerage Insurance
- There has been significant engagement with Town and Community Councils on the changes in planning guidance and on Budget priorities for the Authority.
- Pembrokeshire Public Services Board
- National Park Partnership on corporate social responsibility options and other sponsorship funding
- The UK National Parks and National Parks Wales.
- Visit Pembrokeshire
- Pembrokeshire Coast National Park Charitable Trust.
- Joint Planning Ecologist with Pembrokeshire County Council.
- Joint Tree Officer with Brecon Beacons National Parks Authority.
- Pembrokeshire County Council – Local Access Forum.
- Landscape Wales a partnership of the 8 Welsh Designated Landscapes.
- South West Wales Corporate Joint Committee.

Engagement with Young People

The Authority's Youth Committee continued to meet, with Member representation during 2021/22. They have made presentations to the Operational Review Committee and minutes of their meetings are shared with Members via NPA Committees.

Significant Governance Issues

The following table highlights governance issues identified during the year which the Authority targets to resolve within the next financial year.

Governance Issues / Risks Identified	Action to be taken
Further develop our decarbonisation practices across the organisation, with particular focus on challenges relating to procurement.	Aquatera recommendation on Net Zero to be reported to NPA
Successful implementation of Microsoft 365 across the organisation.	Complete the full implementation of Office 365 across the Authority
Managing change across the organisation and successfully in order to consolidate delivery of new Authority priorities and Well-being Objectives.	The Authority will initiate a corporate review of the it structure.
Work in partnership with organisations across Pembrokeshire to support the development of a new Well-being Plan for Pembrokeshire.	Engage with organisation as part of the Pembrokeshire Public Services Board
Implement the recommendations of the audit of Risk Management	Working TIAA, the Authority's internal auditors, to develop risk management arrangements and reporting.

The independent auditor's report of the Auditor General for Wales to the members of Pembrokeshire Coast National Park Authority

Opinion on financial statements

I have audited the financial statements of the Pembrokeshire Coast National Park Authority for the year ended 31 March 2022 under the Public Audit (Wales) Act 2004.

Pembrokeshire Coast National Park Authority's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.

In my opinion the financial statements:

- give a true and fair view of the financial position of Pembrokeshire Coast National Park Authority as at 31 March 2022 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the [Authority [and its group]] in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Authority's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22;
- The information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

Responsibilities

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 56, the responsible financial officer is responsible for the preparation of the statement of accounts, which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the Authority's internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Pembrokeshire Coast National Park Authority's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and posting of unusual journals;
- Obtaining an understanding of Pembrokeshire Coast National Park Authority's framework of authority as well as other legal and regulatory frameworks that Pembrokeshire Coast National

Park Authority operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Pembrokeshire Coast National Park Authority

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit and Corporate Services Review Committee about actual and potential litigation and claims;
- reading minutes of meetings of the Authority as those charged with governance, and its committees;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Pembrokeshire Coast National Park Authority's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Authority's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Pembrokeshire Coast National Park Authority in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton

Auditor General for Wales
29 July 2022

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