

Audit and Corporate Services Review Committee

13 July 2022

Present: Councillor D Clements (Chair)
Councillor S Alderman, Dr R Heath Davies, Mrs S Hoss, Councillor M James and Mr G Jones, Councillor R Owens and Councillor S Skyrme-Blackhall.

(Virtual Meeting: 10.00am -11.55am)

1. Election of Chair

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

Dr Heath-Davies thanked the Committee for electing her as Chair. She then took the Chair for the remainder of the meeting.

2. Election of Deputy Chair

It was **unanimously resolved** that Councillor S Alderman be elected Deputy Chair for the ensuing year.

3. Apologies

There were no apologies for absence.

4. Disclosures

There were no disclosures of interest.

5. Minutes

The minutes of the meeting held on the 11 May 2022 were presented for confirmation and authentication.

It was **RESOLVED** that the minutes of the meeting held on 11 May 2022 be confirmed and authenticated.

6. Matters Arising

a) Sustainable Tourism (Minute 4)

In response to a question from Members, the Chief Executive confirmed that the Audit Wales report outlining the common messages for the three National Park Authorities had actually been published that day, and he agreed to circulate it to the Committee.

b) Internal Audit Report 2021/22 (Minute 9)

It was noted that the minutes referred to provision of an update report from officers in respect of outstanding recommendations arising from internal audit reviews carried out in 2020/21. The Chief Executive



apologised that it had not been possible for this to be provided at this meeting and that it would be either be circulated to Members or presented to the next meeting.

Noted.

[With the agreement of the Committee, the Chair proposed that report 16/22 Statement of Accounts be considered first, as Jason Blewitt from Audit Wales was present.]

7. Statement of Accounts

The Finance Manager reported that a draft of the Authority's accounts 2021/22 had been passed to Audit Wales on 13 June 2022 and officers were currently addressing the Audit findings. It was anticipated that the ISA260 report would be published by the end of the week, and be presented to the National Park Authority on 27 July 2022.

Jason Blewitt from Audit Wales was also in attendance and he thanked the Finance Manager and his team for their work, noting that preparation of the accounts was a massive task and their help with the audit was much appreciated. He confirmed that a draft ISA260 Report had been agreed with officers and that this would provide an unqualified audit opinion with no uncorrected misstatements or significant amendments.

The Finance Manager then presented the accounts, which showed that authority generated income had nearly doubled when compared to 2020/21 due to increases in merchandise sales, admissions and car park income, the latter bolstered by the introduction of charging at an additional four car parks. It was noted that planning fees were down on the previous year, despite an increase in the number of applications, as there had been a particularly large application in 2020/21. Expenditure had risen, however it still remained in line with pre-pandemic figures.

The overall revenue account showed a net operating surplus of £662,000 (rather than £664,000 as stated) which had led to a transfer of £473,00 to earmarked reserves and an increase in general reserves of £191,000. Details for the various service areas were set out and these consisted of both over and under spends.

The accounts also detailed the capital programme, which had been substantial due to a spend of over £1 million on Electric Vehicle Charging points over two years, however expenditure had decreased in 2021/22 due to a significant spend on car park refurbishment in 2020/21.

Finally the summarised balance sheet showed that there had been a revaluation of fixed assets on the advice of Audit Wales, due to an



increase in rebuild costs. There had also been a decrease in the pension liability as a result of continued recovery in pension asset values.

The Finance Manager drew Members' attention to the Authority's Earmarked Reserves, and the table on page 89 of the papers showed how the surplus generated this year had been allocated, through creation of reserves for Pay Award and Regrading, Decarbonisation and Green Room Redevelopment.

Members agreed that the transfers to earmarked reserves were sensible, particularly given the rising prices of construction and concerns regarding recruitment. Officers provided reassurance that a further report would be presented to the Authority in respect of the Green Room Redevelopment, when the contract for the project would be awarded. With regard to recruitment, it was noted that problems were being experienced across the country, particularly in smaller authorities.

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

Noted

8. Performance Report for the Period ending 31 May 2022

The report followed the structure of the Corporate and Resources Plan for 2022/23 which aimed to support the Authority as it moved to consolidate its activities to support delivery of its new Well-being Objectives and high-level priorities. As the Authority was going through a period of change, a transitional performance measurement framework had been put in place for 2022/23 which was monitored via the Authority's Performance Reporting system.

The report presented the performance to 31 May 2022. Due to the reporting period, statistical data for work streams was only available for data inputted into the Performance Reporting System on a weekly and monthly basis. Quarter 1 statistics for data sets recorded quarterly on the system would be reported at the next Committee.

Members were concerned about some of the delays highlighted in the officers report, in particular with regard to electric vehicles which impacted on the Authority's net zero carbon ambitions and also levels of staff sickness, particularly if due to work-related stress.

The Chief Executive responded that the shortage of electric vehicles was a widespread problem, however the Welsh Public Sector was coming together to try to get some leverage with suppliers by contracting for electric vehicles as one. In respect of staff sickness, he reported that this



was due to a variety of reasons, including COVID. It was acknowledged that some sickness was due to stress, to which work was probably a contributory factor in several cases, however individual circumstances were managed on a case by case basis and support was available through the counselling service. He added that with regard to the organisational change, this was progressing well, and the Authority was functioning well in the meantime. Work on the delivery plans would commence in the next couple of months, once the new structure and new functional heads were in place.

Noted

9. Freedom of Information Requests, Environmental Information Requests and Subject Access Requests Report 2021/22

The report explained the different sorts of requests which were made to the Authority and outlined the main themes covered in 2021/22, going on to identify trends in the numbers received over recent years. It was noted that most requests were responded to within statutory timescales, however there was a limited staff capacity to deal with them, and Covid 19 had delayed some responses. However administrative processes had been amended to try to prevent problems in the future.

Members thanked the officer for an interesting and informative paper, but expressed some concern that if numbers of requests were to continue to increase, additional resources may be needed, or information recorded differently, to ensure a timely response could be made. Officers noted that there were different variables, depending on the nature of the request and the workload of the individual who could deal with it, and Members suggested that monitoring of the length of time taken to respond to individual requests could help to highlight capacity issues.

Noted

10. Risk Register

Members were asked to consider the latest risk register, which had been reviewed by the Leadership Team. It was noted that three changes had been made to the Register since the last meeting, and these were set out, followed by a list of the top six risks for the Authority, based on a consideration of inherent risk.

Members asked that the wording of risk 45 (Difficulties in recruiting staff) be looked at to better identify the implications of failing to manage the risk, and the officer agreed to review this. There was also much concern regarding risk 37 (Ash Dieback) given the number of trees affected and the increasing rate of infection, as well as its impact on the landscape of the National Park. The Chief Executive replied that the register set out



the measures the Authority had taken to manage the risk to its operations, however he would check if officers felt the residual risk identified had increased. He added that the current Register focussed on the Health and Safety impacts of risks, but in its next major revision, the impacts of climate change and of ash dieback on the National Park itself would be included.

Noted.

11. Budget Performance

The Finance Manager presented details of the Authority generated income for the first quarter of the year, and a table had been circulated to the Committee prior to the meeting. This showed that the first quarter of the year had been busy, as Easter fell within the quarter, with merchandise sales, admission fees, Carew Café income and car park income all ahead of budget. Members were pleased with the figures, but asked about the profitability of the Authority's centres. The Chief Executive replied that the sites were not run as commercial entities, recognising that there was a thin line between public services acting in that manner and competing with private businesses. The Finance Manager added that the departmental reports in the statement of accounts would give an indication of how well the Centres were performing.

It was also noted that the Authority had recently received confirmation of £2.5 million capital funding from Welsh Government's Sustainable Landscapes, Sustainable Places fund, and further details of this would be reported to the forthcoming National Park Authority meeting.

Noted.

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

The Chief Executive asked whether there were any issues for consideration by the Group, or if there were any areas that the Committee itself would like to receive reports on. It was requested that further information be provided on longer term staffing costs as a result of the organisational restructure and pay and grading review as well as the report on outstanding recommendations arising from internal audit reviews carried out in 2020/21 as mentioned under minute 6b).

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

