

# Audit and Corporate Services Review Committee

9 November 2022

Present: Dr R Heath Davies (Chair)  
Councillor D Clements, Mrs S Hoss, Mr G Jones and Councillor V Thomas.

[Councillor S Alderman joined the meeting following consideration of the Minutes of the Health and Safety Group (Minute 5 refers); Councillor R Owens and Councillor S Skyrme-Blackhall joined the meeting during consideration of the Health and Safety Update (Minute 8 refers).]

(Virtual Meeting: 10.00am -11.50am; 12 noon – 12.45pm)

## 1. Apologies

An apology for absence was received from Councillor M James. Councillor S Skyrme-Blackhall had advised that she would be joining the meeting later.

## 2. Disclosures

There were no disclosures of interest.

## 3. Minutes

The minutes of the meeting held on the 13 July 2022 were presented for confirmation and authentication.

It was **RESOLVED** that the minutes of the meeting held on 13 July 2022 be confirmed and authenticated.

## 4. Matters Arising

### a) Sustainable Tourism (Minute 6)

One Member asked whether the Audit Wales report outlining the common messages for the three National Park Authorities had indeed been circulated to the Committee. A number of Members stated that they believed it had been, however the Chief Executive agreed to send it again to the Member in case it had got lost.

**Noted.**

### b) Budget Performance of Centres (Minute 11)

One Member asked for more information regarding the profitability or otherwise of the Authority's centres, although she understood they were not run as commercial entities. The Finance Manager advised that this



was included in the Budget Performance Report, and he would try to address the question when this was considered later on the agenda.

**Noted.**

- c) Authority Restructure and Pay and Grading Review (Minute 12)  
One Member asked for information on longer term staffing costs as a result of the Authority's restructure and pay and grading review. The Chief Executive advised that reports on these items would be considered by the Human Resources Committee at their meeting on 23 November, with the papers circulated to all Members. However information on staffing costs would need to be considered as part of the wider budget discussions, with a further budget workshop to be held in December. It was hoped that by that time, information on the Authority's likely budget settlement would have been provided by Welsh Government.

**Noted.**

## **5. Health and Safety Group: report of meeting**

Members considered the reports of the meetings of the Health and Safety Group held on 30 June 2022 and 20 October 2022.

It was **RESOLVED** that the reports of the meetings of the Health and Safety Group held on 30 June 2022 and 20 October 2022 be received.

[Councillor S Alderman joined the meeting prior to discussion on the following item.]

## **6. Internal Audit Report 2022/23**

The Chair welcomed Jonathan Maddock from the Authority's Internal Auditors TIAA, who reported on the outcome of two reviews undertaken into the work of the Authority, together with their Summary Internal Controls Assurance (SICA) report. The first review covered payroll and expenses, and Mr Maddock reported that this had been given a substantive assurance which had identified only a small number of routine control issues. The second report related to a review of visitor centres, using the example of the centre at Castell Henllys. This had been given a reasonable assurance highlighting a number of important and routine control issues. However Mr Maddock noted that as this was the first audit of any of the centres, he considered the review to be a good starting point, and hoped that the results would be shared across the other centres.

The final report was the SICA, which provided the Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of the Internal Audit work to date. One of the



Members sought clarification on the 'Direction of Travel' arrows in the table regarding Root Cause Indicators (para 8). Mr Maddock advised that these related to the risks identified in the recommendations for each of the reports undertaken. On this occasion there were no suggestions of items to be added to the risk register and hence there had been no movement. The Chief Executive added that in relation to the work previously undertaken on the Authority's Risk Register by TIAA, he was aware that there were two actions still to be completed: a piece of work regarding risk appetite and development of an approach in relation to a board assurance framework. These would be carried out in due course.

The Chair thanked the Auditor for his work and for clear presentation of the reports.

## **Noted**

### **7. Performance Report for the Period ending 30 September 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 30 September 2022 and included Q1 – Q2 statistics for some data sets recorded quarterly. Updates were provided in relation to the current organisational restructure; Sustainable Landscapes Sustainable Places (SLSP) projects; planning performance; and under the four objectives of conservation, climate, connection and communities.

Members were pleased to note how much work was going on across the Authority, some of which were longer term initiatives whose outcomes would take time to produce results, and were interested to read the case studies provided. Nevertheless it was noted that there were a lot of projects still in amber and it was questioned whether it was possible to deliver all of these before the end of the year. The officer reassured the Committee by explaining that as a result of the transitional framework which had been put in place, actions had been categorised from P1 through to P3 to indicate the level of priority and the risk to the Authority if they were not delivered or progressed before the end of the financial year. Members were therefore advised to focus their attention on progress of P1 actions.

There was also some confusion regarding the 'trend' column and how that related to the progress status of the action as in some cases the



information appeared to be contradictory. The Officer explained that there were factors other than timescale which might cause an action to move between the RAG ratings, however she agreed to look at those which were inconsistent.

Finally, with regard to the Welsh language complaint that had been received, officers were asked to check that this had been reported to the Welsh Language Commissioner. It was noted that a further complaint had recently been made directly to the Commissioner, however it had been found that there was no case to investigate in this instance.

### **Noted**

[Councillors R Owen and S Skyrme-Blackhall joined the meeting during consideration of the following report.]

## **8. Health, Safety and Wellbeing Quarterly Report**

The report of the Human Resources Manager outlined data and actions taken with regard to health, safety and wellbeing.

Members were disappointed to note an increase in verbal abuse experienced by staff and asked if there was any consistent reason behind this and whether communication with the public on difficult matters was sufficiently clear. The officer advised that one issue related to overnight parking and the others to planning matters, ie instances where the public were unhappy with the request/decision being made. It was noted that training was being provided to help staff deal with such situations and to become more resilient to such behaviour, although the Chief Executive added that receiving such abuse was not part of anyone's job and that this applied to Members as much as it did to staff members.

The Chair thanked the HR Manager for a comprehensive report.

### **Noted**

## **9. Risk Register**

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

The Finance Manager apologised for a typographical error in the first table in respect of the title of Risk 1, which should have read "Short Term Risk of significant reduction of funding.....". He also clarified that Members' views were sought on the inclusion of the owner, target score



and last reviewed columns, which it was intended to populate before the next meeting.

There was some discussion regarding Risk 5 – diversity requirements in Authority Membership, as it seemed the Authority had little control over those appointed by either Welsh Government or Pembrokeshire County Council. It was also noted that the County did not have as diverse a culture as other, more urban, parts of the country. The Chief Executive replied that discussion had been had with Welsh Government regarding a Member Mentoring Scheme to be developed in advance of anticipated appointments in the coming year and this, coupled with the development of a plan by the newly appointed Strategic Advisor for Inclusion, Diversity and Governance, would encourage people from diverse backgrounds to apply for positions as these arose. He agreed to amend the wording in the mitigation column to reflect actions within the Authority's control

Members also asked officers to look at the quarterly trend column as this did not necessarily correspond with the changes highlighted in table 1. It was also noted that Risk 44 referred to increased utility costs, however there were other cost pressures on the Authority and consideration should be given to consolidating the risk with those relating to income to reflect the future risk of a deficit budget.

**Noted.**

## **10. Budget Performance Report for the 6 Months to September 2022**

The report of the Finance Manager showed that the net revenue expenditure was £2,500k, £170k (6.4%) under the profiled budget of £2,670k, and the main reasons for the variance were set out. Particular attention was drawn to the table of Authority generated income which showed that merchandise income, admission fees and Carew café income were up against both budget and last year's figures. While car parking income was up against budget, it was down when compared to 2021/22 as a result of the particularly high volume of visitors in the county last year. He also clarified that the variations in income reflected the number of car park users, rather than any increase in car parking charges.

The report also set out additional funding awarded to the Authority in respect of the Welsh Government Brilliant Basics Fund and Sustainable Landscapes, Sustainable Places programme, the latter providing funding totalling up to £2,500k for three projects over three years. The officer agreed that it was his intention to provide a breakdown of the spend on these projects for future meetings.



The report went on to provide a revenue forecast for the end of the second quarter which showed a forecast operating surplus of £140,00 for the 2022/23 year end, versus a nil surplus in the original budget. This was due in part to a generous legacy of £52,000. The Chief Executive paid tribute to the work of the Authority's fundraising team and the National Park Trust for their legacy campaign which was beginning to bear fruit. He was pleased with the forecast position, but noted that the Authority was still facing financial challenges, however the current position would allow more time for the Authority to take the necessary action to change its funding mix and cost base. Members were pleased to see such a positive picture and hoped that the generous donation, which had come at an opportune time, could be appropriately acknowledged.

Details of the Capital Programme and Usable and Earmarked reserves were also given. It was noted that the Capital Programme for the year had increased (rather than decreased as stated in the report) from the original budget of £1,127,000 to a revised budget of £1,187,000. Part of the reason for this was the delay associated with the Green Room development, part of which was now expected to roll forward to the 2023/24 financial year. Some expenditure had also been carried forward from 2021/22.

Returning to the earlier point regarding the net cost of the Authority's centres, the Finance Manager drew Members' attention to the appendix to his report which set out the recorded operating costs, including salaries, net of any income, for the Authority's cost centres. The Director of Countryside, Community and Visitor Services advised that the Centres would not survive as private businesses and, similarly to leisure centres, were not expected to be profitable. He noted that consideration of what the Centres were expected to deliver depended on Members' aspirations, and this could be considered as part of the remit of the Authority's Operational Review Committee.

It was also noted that Members and officers had been participating in a review being undertaken by Audit Wales into income generation by the Authority, and it was anticipated that the resulting report would be presented to the Committee early in 2023.

**Noted.**

## **11. Delegation of any issues for consideration by the Continuous Improvement Group**

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



## **12. Exclusion of the Public**

It was **RESOLVED** that the public be excluded from the meeting as exempt information, as defined in Paragraphs 14 and 18 of Part 4 of Schedule 12A to the Local Government Act, would be disclosed.

[The meeting was adjourned between 11.50am and 12 noon]

## **13. Cyber Resilience**

The report introduced two reports by Audit Wales relating to Cyber Security. The first was a general report on “Cyber Resilience in the Public Sector” which had first been presented to the Committee in May 2021, while the second “Learning from Cyber Attacks” had been received the previous week.

Members agreed that the reports made interesting and sober reading and officers went on to provide the Committee with assurance that many of the recommendations contained in the reports were already in place, while others were being addressed. It was suggested that a Member Champion in respect of cyber resilience would be useful and a report seeking this would be presented to the next meeting of the Authority. However it was noted that all Members, and staff, would benefit from training and awareness raising. A Workshop could be arranged for Members and further updates would be provided at future meetings.

**Noted.**

