

# Audit and Corporate Services Review Committee

1 March 2023

## Present (in person)

Dr R Heath Davies (Chair)

Councillor S Alderman, Councillor D Clements, Mrs S Hoss, Mr G Jones and Councillor Mrs V Thomas

## Present (Remotely)

Councillor M James, Councillor R Owens and Councillor Mrs S Skyrme-Blackhall.

Matthew Brushett and Philippa Dixon from Audit Wales were also in attendance remotely.

(Llanion Park, Pembroke Dock and Remotely: 10.00am -11.25am; 11.35am – 1.30pm)

### 1. **Apologies**

There were no apologies for absence.

### 2. **Disclosures**

There were no disclosures of interest.

### 3. **Minutes**

The minutes of the meeting held on the 9 November 2022 were presented for confirmation and authentication.

It was **RESOLVED** that the minutes of the meeting held on 9 November 2022 be confirmed and authenticated.

### 4. **Matters Arising/Action Log**

#### a) Internal Auditors (Minute 6)

It was reported that following a process of recruitment, Astari had been appointed as the Authority's Internal Auditors with effect from 1 April.

#### b) Complaint regarding the Welsh Language (Minute 7)

This had now been reported to the Welsh Language Commissioner.

#### c) Cyber Awareness (Minute 10)

It was reported that the Cyber Awareness Training would be uploaded to the ELMS Online Learning Portal this week and would be available to Members in the near future. Links to the report had been circulated. An Action Plan would be presented in due course.



d) Legacy Donation (Minute 10)

It was reported that a letter had been written, via the Solicitor, to the family to acknowledge the donation.

**NOTED.**

**5. Annual Audit Summary**

Matthew Brushett reported that the Auditor General for Wales' Annual Audit summary showed the work completed since the last Annual Audit Summary, which was issued in February 2022. It noted that for 2021/22 the Auditor General had given an unqualified true and fair opinion on the Authority's financial statements and the certificate of completion had been issued. It was also noted that a project had been undertaken across the three National Parks in Wales looking at the effectiveness of the Authorities' approach to sustainable tourism, both individually and together. Reports across other areas of local government had also been carried out, and these were also referenced, together with an outline of the work planned for 2022-23.

One Member felt that the summary paragraph in relation to the review of Sustainable Tourism did not reflect the generally positive conclusions that had been reached in the report nor the strong partnership between the Authority and Visit Pembrokeshire. Members also felt that not all the local government studies were of relevance, while others eg public sector readiness for net zero carbon by 2030, to which the Authority had contributed, were not listed. The Auditor advised that all publications could be found on the [Audit Wales](#) website, and that all were of some relevance to the Authority, but that consideration would be given in future to making the list of reports referenced in the Annual Summary more useful.

The Chair congratulated the Finance Manager and his team for the unqualified audit opinion and thanked the Auditors for their report.

**NOTED.**

**6. Risk Register**

It was reported that following the review of the Risk Management approach by Internal Auditors, work had been undertaken to redesign the Risk Register. The Authority's Leadership Team had held a dedicated meeting to review the risk register in detail, and as a result, the register had been rationalised to a reduced number of headline risks, subsidiary risks had been identified and officers assigned responsibility for each risk. The process of review remained ongoing, and the Risk Register would be considered regularly by the Leadership Team.



Members were pleased that the revised Register focussed on the higher-level risks that they needed to be aware of and also that risk owners had been attributed. However it was requested the main changes to the risk register be highlighted in future reports as had been done previously. Explanation was sought regarding management of those risks on the subsidiary list and how they were escalated to the headline Register including whether the types of risk – strategic, financial, reputational and legal had any impact. The Chief Executive replied that there were various options for consideration of the complete Risk Register, including consideration by the Committee on a rotating basis of individual headline risks, together with the wider list which sat beneath them, or circulating the subsidiary register by email. Further work was needed on risk appetite and a workshop for all Members would take place in the coming months at which all these issues could be discussed. The Finance Manager added that he would circulate the Authority’s Risk Management Strategy prior to the Workshop.

Turning to specific risks, Risk 9 highlighted risks around the impact of climate change, but it was suggested that more needed to be done as this was red rated. It was also noted that flooding was not listed separately, and this would have major impacts for the Park’s coastal communities. The Director of Placemaking, Decarbonisation and Engagement noted that a workshop on flood risk would take place once consultation on TAN 15 had concluded. It was also noted that a Climate Adaption Plan for Pembrokeshire had been agreed and a presentation on this would be arranged.

Another question related to the planting of trees in response to Ash Dieback (Risk 36) and its associated cost, and the Director for Nature and Tourism noted that the Authority had a wider tree planting scheme, not specifically in response to Ash Dieback, but that an update on this matter would be provided at a future meeting. It was noted that the mitigation for this risk may need to be updated, that other risks could be written in a way that better defined the risk and also that the Register entries relating to Health and Safety and Pay and Grading needed to be properly completed.

## **NOTED.**

### **7. Annual Governance Statement 2022/23**

It was reported that the draft Annual Governance Statement (AGS) was before the Committee for comment. The document set out the Authority’s governance framework, the actions taken during the year to tackle previously identified governance issues, as well as a review of its effectiveness in respect of the principles identified in the Code of Corporate Governance. The AGS would be agreed at a future meeting of



the National Park Authority and would become an Annex to the Annual Accounts.

The Chair noted that there was a degree of repetition between the various sections, and that a more succinct document might be more effective. Officers acknowledged that there was a balance in the document between completeness and readability, however they felt there was a need for some duplication between the various sections of the document. It was also suggested that a diagram showing the interrelationship of the Authority and its Committees might be helpful as well as a diagram regarding the three lines of defence in respect of the system of internal control i.e. Authority process, internal audit and Members/External Audit. Members were encouraged to feedback any further comments directly to officers.

**NOTED.**

[The meeting was adjourned between 11.25am and 11.35am]

**8. Budget Performance for the Nine Months ending December 2022**

The report of the Finance Manager set out the detailed net revenue budget for the nine months to December 2022 which showed that the actual and committed expenditure was £3,898k, £291k (7.0%) under the profiled budget. He noted that there was a typographical error in the title of the second column of the table which should have read Net Budget 22/23 and another at the bottom of the following page where the Recreation and Park Management budget was £116k under budget. The main reasons for the variance of actual expenditure against budget for each service department were set out in the report.

In answer to a question, it was noted that the -459% variance in the Recreation and Park Management Budget was due to the excellent performance of the Authority's car parks, although this was down on last year. Under that same heading the additional cost burden in respect of work on the coast path was also noted, and there followed a discussion regarding the inconvenience caused when Natural Resources Wales (NRW) were late in paying their contribution. The Chief Executive reassured the Committee that he would raise the matter at a meeting with their Chief Executive in the coming weeks, and it could also be raised at the forthcoming meeting with the Welsh Government Minister.

At the end of the third quarter the forecast revenue position for the 2022/23 year end was an operating surplus of £55k versus a nil surplus in the original budget, and the reasons for this were set out in the report. The Chief Executive added that further in year funding was expected from Welsh Government before the end of the month and this would be used



to fund existing projects; there would however be a cost in terms of managing the projects and the reporting required.

The capital programme for the year had decreased from the original budget of £1,127k to a revised budget of £1,079k. The forecast was down due to the delays associated with the Green Room development, part of which was now expected to roll forward to 2023/24 financial year, and increases due to expenditure carried forward from 2021/22, notably on the Fleet upgrade and EV Charging Points. In addition, under the Sustainable Landscapes Sustainable Places grant scheme a Community Woodland was expected to be purchased.

Turning to the Authority's Reserves, it was reported that there was expected to be a surplus of £55k to add to the general Reserve at the end of the current financial year, taking it to £1.196k. The Capital Receipts reserve and Earmarked Reserves would be used to fund revenue and capital expenditure during the year and were expected to fall to £221k and £4018k respectively at the end of the financial year.

Members acknowledged the difficulty in identifying the baseline for setting budgets due to the impacts of Covid, and the Finance Manager replied that budgets for 23/24 were as tight as could be, due to the anticipated deficit; he added that he did not anticipate that the surplus would be replicated. The Director for Nature and Tourism paid tribute to staff, particularly the Visitor Services Team, for managing increased numbers of visitors, and Members thanked them for all their work.

#### **NOTED.**

[Councillors M James and S Skyrme-Blackhall tendered their apologies and left the meeting during the course of discussion on the following item.]

#### **9. Performance Report for the Period ending 31 December 2022**

The report followed the structure of the Corporate and Resources Plan for 2022/23. As the Authority was going through a period of change, a transitional performance measurement framework had been put in place for 2022/23.

The report presented the performance to date up to 31 December and included Q1 – Q3 statistics for some data sets recorded quarterly and highlighted those areas where targets were in red or amber or where positive progress had been made since the previous report. It was clarified that the only action in red related to the External Sustainable Events Research project and that work with the university was now closed due to their limited progress on project, a result of Covid. An



update on the financial implications of ending that project would be provided.

Some updates to the report were provided at the meeting, and it was noted that there were some amendments to the planning performance figures in respect of the percentage of applications determined in time, the percentage of applications determined under delegated powers and the number of enforcement cases. Corrected figures would be provided in the report to the forthcoming Operational Review Committee. It was noted that the planning team were tackling the backlog in applications, however this was having a negative impact on the performance figures in the short term. This was exacerbated by the time taken to agree S106 Agreements, and the Director agreed to see if that figure could be reported separately in future. The Authority was also trying to recruit additional staff to the Development Management Team, although this was challenging.

A typographical error was identified at the top of page 67 in respect of the date of the Sustainable Development Fund Committee consideration of the Greening Agriculture applications in February 2023.

Members expressed concern regarding the high sickness rate and the potential funding gap in respect of Walkability. With regard to sickness absence, the HR Manager explained that this was skewed by a small number of staff with recurrent health issues, however these were being managed by a programme of support. The Chief Executive noted that the Authority was committed to the Walkability project and expected funding to be obtained.

Members also asked for an update on the delays resulting from the organisation change, and the Chief Executive replied that a report regarding delivery plans would be presented to the meeting of the National Park Authority to be held at the end of the month, while work to implement the structure would be completed in the next few weeks.

## **NOTED**

### **10. Health, Safety and Wellbeing**

The report of the Human Resources Manager covered incidents and accidents, work undertaken at Cilrhedyn Woodland Centre, safety monitoring, Training, staff sickness absence and noise management.

One Member asked for further details of the changes that had been implemented as a result of the wheel nut near-miss, and officers explained that a method statement for vehicles was being developed as well as education of staff; an update on this would be provided at the next meeting. A Health and Safety log was also being created to monitor



risks. With regard to sickness absence, Members asked for a baseline and comparison with other authorities, and the HR Manager advised that as this information was provided to the HR Committee it could be provided as part of future reports to this Committee, however the Authority's absence rates compared well with the public sector and other National Park Authorities.

**NOTED.**

#### **11. Health and Safety Group Terms of Reference**

The HR Manager reported that the Terms of Reference of this group had been reviewed to ensure the involvement of managers across the Authority going forward, and these were appended for information and comment. The Group would receive training to ensure they understood their responsibilities, and they would report back to the Authority's Leadership Team and to this Committee.

The Chair suggested that there was a need to monitor training attendance by Group members, to add monitoring of RIDDOR incidents to the list of roles and responsibilities and to include a statement regarding accountability and responsibility. She asked for the finalised terms of reference to be reported back to the Committee. In response to a question, the HR Manager confirmed that the Group would also cover contractor and public health and safety, with some staff being members of the Visitor Safety Group. He added that the Authority was currently recruiting for a Health and Safety Project Manager to drive improvements to health and safety across all aspects of the Authority's work.

**NOTED.**

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

It was **RESOLVED** that the public be excluded from the meeting as exempt information, as defined in Paragraph 13 of Part 4 of Schedule 12A to the Local Government Act, would be disclosed.

#### **13. Hand Arm Vibration**

Members were reminded that following a visit by the Health and Safety Executive in December 2022 they had required the Authority to establish and implement a programme of action to reduce hand arm vibration exposure levels to as low as reasonably practicable. The Authority had taken a decision not to appeal the notice and would respond in full to the letter, setting out its plan of improvement. The Plan of Action had been provided to Members.

Officers answered a number of questions posed by the Committee and agreed to provide ongoing updates.



**NOTED.**

**14. 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.

