

REPORT OF FINANCE MANAGER

SUBJECT:
DRAFT STATEMENT OF ACCOUNTS 2022/23

Background:

This report accompanies the Draft Statement of Accounts 2022/23. They are for information purposes only and Members are requested to note the contents. .

RECOMMENDATION: To note the Draft Statement of Accounts 2022/23.

Background documents

Draft Statement of Accounts

(For further information, please contact Richard Griffiths, extension 4815 or at Richardg@pembrokeshirecoast.org.uk)

**Pembrokeshire Coast
National Park Authority**



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

**STATEMENT OF ACCOUNTS
2022/23**

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STATEMENT OF ACCOUNTS *the statutory information*

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STATEMENT OF ACCOUNTS

2022/23

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 2022/23 the Authority's funding for revenue expenditure, (that is, day to day operational activities) was £9,188k, and a capital program spend of £465k. 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 | 2022/23 £ 000 | 2022/23 % | 2021/22 £ 000 | 2021/22 % |
|---|--------------------------|----------------------|--------------------------|----------------------|
| National Park Grant, from the Welsh Government: | 3,561 | 39% | 3,559 | 42% |
| National Park Levy, against Pembrokeshire County Council: | 1,083 | 12% | 1,083 | 13% |
| Authority Generated Income (through fees and charges): | 2,333 | 25% | 2,174 | 26% |
| Service/Project Specific Revenue Grants: | 2,211 | 24% | 1,626 | 19% |
| Earmarked/General Reserves: | 0 | 0% | - | 0% |
| TOTAL REVENUE FUNDING | 9,188 | 100% | 8,442 | 100% |

| CAPITAL BUDGET | 2022/23 £ 000 | | 2021/22 £ 000 |
|--|--------------------------|--|--------------------------|
| Project Specific Capital Grants: | 380 | | 639 |
| Use of capital receipts | - | | - |
| CAPITAL FUNDING | 380 | | 639 |
| Plus, funding from the revenue budget (included above) | 85 | | 29 |
| TOTAL CAPITAL BUDGET | 465 | | 668 |

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 0.8% in 2022/23 and for every £1 provided by the National Park Grant and Levy in the year, the Authority generated a further 98p from other sources (2021/22=82p).

Authority Generated Income consisted of:

| AUTHORITY GENERATED INCOME | 2022/23 £000's | 2021/22 £000's | % Change |
|---|---------------------------|---------------------------|---------------------|
| Merchandise Sales and income from Information Centres | 289 | 239 | 21% |
| Car park charges and concessions income | 745 | 868 | -15% |
| Admissions fees and Activities & Events | 369 | 317 | 16% |
| Advertising income | 67 | 60 | 12% |
| Planning fees | 277 | 264 | 5% |
| Cafe sales | 144 | 117 | 23% |
| Other : rents, advertising | 321 | 224 | 43% |
| Income from investment properties | 80 | 83 | -4% |
| Investment income (spare cash invested) | 41 | 2 | |
| TOTAL LOCAL INCOME | 2,333 | 2,174 | 7% |

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 | 2022/23 £000 | 2022/23 % | 2021/22 £000 | 2021/22 % |
|--|-------------------------|----------------------|-------------------------|----------------------|
| Employees | 4,695 | 51% | 4,379 | 52% |
| Premises related | 975 | 11% | 1,043 | 12% |
| Transport & Travel | 220 | 2% | 264 | 3% |
| Supplies, Services and Grants | 2,462 | 27% | 1,988 | 24% |
| Transfers to Earmarked Reserves | 474 | 5% | 474 | 6% |
| Contribution to capital projects | 0 | 0% | 29 | 0% |
| Financing charges | 0 | 0% | 1 | 0% |
| Increase/ (decrease) in General Reserves | 362 | 4% | 264 | 3% |
| TOTAL REVENUE COST | 9,188 | 100% | 8,442 | 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).

| 2022/23 Revenue Account | Net Budget £000 | Net out-turn £000 | Variance £000 | 2021/22 Net Out-turn £000 |
|---|--------------------------------|----------------------------------|--------------------------|--|
| Conservation of the Natural Environment | 458 | 442 | 16 | 406 |
| Conservation of the Cultural Heritage | 114 | 106 | 8 | 123 |
| Development Control | 426 | 382 | 44 | 375 |
| Forward Planning & Communities | 151 | 148 | 3 | 241 |
| Promoting and Understanding | 1,421 | 1,226 | 195 | 1,211 |
| Recreation Management & Transport | 269 | 117 | 152 | -267 |
| Rangers, Estates & Volunteers | 1,289 | 1,232 | 57 | 1,285 |
| Democratic Representation & Management | 530 | 548 | -18 | 555 |
| Service Management & Support Services | 1,590 | 1,562 | 28 | 1,559 |
| Pension Curtailment Non Redistributed | 8 | 8 | 0 | |
| Net cost of services | 6,256 | 5,771 | 485 | 5,488 |
| Interest and investment income earned during the year | -5 | -41 | 36 | -2 |
| Other Items debited or credited to the Authority Reserves for the year: | | | | |
| National Park Grant - Welsh Government | -3,561 | -3,561 | 0 | -3,559 |
| National Park Levy – Pembrokeshire County Council | -1,083 | -1,083 | 0 | -1,083 |
| Net Operating Surplus / Deficit (-) | -113 | 187 | -300 | 606 |
| Less Net Transfer to (-) / from Earmarked Reserves | 116 | -184 | 300 | -473 |
| END OF YEAR SURPLUS | 3 | 3 | 0 | 133 |

Summary Comment

The out-turn Net Cost of Service (N.C.S.) expenditure for the year was £5,771k against a budget N.C.S. of £6,256k and an actual of £5,488k for 2021/22. 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 (£16k under budget).** The Cilrhedyn Woodland Centre's net operating costs were £13k below budget for the year due external sales being ahead of that budget. The Authority received a total £33k in grant income from the Pembrokeshire Coast National Park Trust (PCNPT) for the Make More Meadows and Wild About Woodlands projects whose income is recorded within the Conservation of the Natural Environment service.
- **Conservation of Cultural Heritage (£8k under budget).** The underspend within the Archaeological Budget was also due to an unspent £8k grant from the PCNPT. The grant is for the development of digital interpretation on archaeological sites within the county.

- **Development Management (£44k under budget).** Within Development Management planning fee and pre application fees income of £277k are up £75k versus budget and £78k against the same period for 2021/22. The additional costs associated planning assistance fees were offset by savings in salary costs, travel fees and advertising costs and resulted in a net departmental underspend of £45k for the year.
 - **Forward Planning & Communities (£3k over budget).** The SDF budget for 2022/23 was increased from £100k to £200k and was entire funded by Welsh Government under the Sustainable Landscapes Sustainable Places scheme. During the year grant totalling £194k was awarded to fourteen projects.
 - **Promoting & Understanding (£195k under budget).**
The table on page 11 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 2023. Total Merchandise income of £289k was £67k above budget and £50k above 2021/22 figures. Total Admission income of £292k was above budget by £103k and £17k against the comparable period for 2021/22. Carew Castle Café of £144k was ups £45k versus budget and £28k for 2021/22. Coast to Coast advertising revenue of £69k was down £8k versus budget but up £7k on 2021/22. In the Graphics department there were savings due to lower photocopier usage and savings of equipment maintenance.
- Recreation & Park Management (£152k under budget).** The car park income for the 12 months to the end of March 2023 was £718k, up £125k versus budget but down £131k versus the same period in 2021/22. The breakdown of this income by car park is shown in the table on page 11. The Sustainable Transport budget was under spent due to some of the coastal buses not operating as planned due to unforeseen bus driver and vehicle shortages.
- **Rangers, Estates & Volunteers (£57k under budget).** The Authority received a grant of £195k from Welsh Government which is recorded in the Head of Nature Recovery cost centre. The grant was awarded under the Local Places for Nature fund to help biodiversity in managing the coast path. The Ranger Services cost centre was also under budget due to a grant from the Local Places for Nature Fund. There were budget underspends in contractor and equipment costs within all three area managers budgets.
 - **Democratic Representation & Management (£18k over budget).** The overspend in the Corporate Activities Budget was due consultancy costs associated with the Authority regrading exercise and payments of grants to other bodies including Iron Man, Visit Pembrokeshire, and Pembrokeshire Coastal Forum. There was however underspend in the Democratic Representation budget which was mainly due savings in members expenses and allowances and the corporate events budget. In the Corporate Governance budget audit fees, were more than that expected.
 - **Service Management & Support Services (£28k under budget).** There was an overspend of circa £47k in the HR budget due to additional Health & Safety training requirement. Legal fees associated with planning advice were also more than expected. While gas and electric costs were subject to fixed price contracts there was significant increases in solid fuel heating costs at Llanion. These additional costs were offset by a very generous legacy donation of £52k.

2022/23 Income Versus Budget & Prior Years

| Merchandise Sales | Budget | Actual | Variance | 2021/22 | Variance | 2020/21 | Variance | 2019/20 | Variance |
|--------------------------------|----------------|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|----------------|
| Carew Income | 72,800 | 120,133 | 47,333 | 87,285 | 32,848 | 17,135 | 102,998 | 79,274 | 40,859 |
| Oriel Y Parc | 112,977 | 120,672 | 7,694 | 112,874 | 7,798 | 49,034 | 71,638 | 120,514 | 158 |
| Castell Henllys | 36,000 | 47,850 | 11,850 | 38,108 | 9,742 | 8,269 | 39,581 | 42,766 | 5,084 |
| Total Merchandise Sales | 221,777 | 288,654 | 66,877 | 238,267 | 50,388 | 74,438 | 214,217 | 242,554 | 46,101 |
| Admission Fees | | | | | | | | | |
| Carew Income | 125,921 | 208,885 | 82,963 | 207,989 | 896 | 50,797 | 158,088 | 140,448 | 68,437 |
| Castell Henllys | 63,000 | 82,935 | 19,935 | 66,200 | 16,735 | 18,118 | 64,817 | 64,105 | 18,830 |
| Total Admission Fees | 188,921 | 291,820 | 102,898 | 274,189 | 17,631 | 68,915 | 222,905 | 204,552 | 87,267 |
| Carew Café Income | 99,681 | 144,248 | 44,567 | 116,648 | 27,600 | 31,297 | 112,951 | 72,116 | 72,132 |
| Car Park Income | | | | | | | | | |
| Car Park Operations | 48,500 | 62,809 | 14,309 | 58,233 | 4,576 | 24,857 | 37,952 | 30,287 | 32,522 |
| Manorbier Car Park | 45,389 | 51,208 | 5,819 | 69,328 | -18,120 | 38,873 | 12,335 | 44,051 | 7,157 |
| Little Haven Car Park | 32,155 | 40,608 | 8,453 | 44,079 | -3,471 | 21,428 | 19,180 | 29,526 | 11,082 |
| St Davids Car Park | 74,000 | 80,572 | 6,572 | 93,691 | -13,119 | 31,649 | 48,923 | 65,944 | 14,628 |
| Poppit Car Park | 52,524 | 81,761 | 29,237 | 99,583 | -17,822 | 48,175 | 33,586 | 60,253 | 21,508 |
| Saundersfoot Car Park | 73,420 | 63,631 | -9,789 | 74,403 | -10,772 | 37,441 | 26,190 | 53,827 | 9,804 |
| Freshwater East Car Park | 33,404 | 41,856 | 8,452 | 56,644 | -14,788 | 33,606 | 8,250 | 24,277 | 17,579 |
| Broad Haven Car Park | 36,138 | 50,981 | 14,843 | 60,100 | -9,119 | 29,583 | 21,398 | 23,020 | 27,961 |
| Newport Car Park | 23,757 | 33,837 | 10,080 | 41,113 | -7,276 | 16,325 | 17,512 | 20,562 | 13,275 |
| Newgale Car Park | 24,500 | 25,964 | 1,464 | 37,029 | -11,065 | 17,248 | 8,716 | 19,797 | 6,167 |
| Solva Car Park | 59,000 | 72,528 | 13,528 | 81,985 | -9,457 | 33,408 | 39,120 | 53,234 | 19,294 |
| Amroth Car Park | 27,250 | 44,661 | 17,411 | 49,023 | -4,362 | 499 | 44,162 | | 44,661 |
| West Angle Car Park | 33,750 | 39,877 | 6,127 | 47,128 | -7,251 | 24 | 39,853 | | 39,877 |
| Nolton Car Park | 15,000 | 14,445 | -555 | 19,759 | -5,314 | 223 | 14,222 | | 14,445 |
| Penally Car Park | 14,250 | 13,259 | -991 | 17,118 | -3,859 | 318 | 12,941 | | 13,259 |
| Total | 593,037 | 717,997 | 124,959 | 849,216 | -131,219 | 333,657 | 384,340 | 424,778 | 293,220 |

- Capital Programme

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

| | Total Cost 2022/23 £000 | Total Cost 2021/22 £000 |
|--|--|--|
| Promoting Understanding & Enjoyment | - | 18 |
| Castell Henllys | - | 18 |
| Recreation & Park Management | 71 | 510 |
| E.V. Charging Points | 71 | 482 |
| Car Parks | - | 28 |
| Conservation of Natural Environment | 50 | 1 |
| Corporate & Support Services | 344 | 139 |
| Vehicles & Equipment | 309 | 71 |
| Green Room Development | 35 | 2 |
| Information & Communications Technology | - | 66 |
| TOTAL CAPITAL SPEND | 465 | 668 |
| Financed by: | | |
| Financing from the Revenue budget | -85 | -29 |
| Additional Grants | -380 | -639 |
| Capital Receipts | - | - |
| Total | -465 | -668 |

Details of the capital programme are:

- **Recreation & Park Management.** In addition to the significant expenditure in 2020/21 and 2021/21, in the year the Authority spent a further £71k in installing Electric Vehicle Charging Points on its properties.
- **Conservation of Natural Environment.** During the year the Authority completed the purchase of a Community Woodland at Brynberian in North Pembrokeshire.
- **Corporate & Support Services.** In contributing to its carbon reduction objectives, the Authority purchased 13 Electric Vehicles. The vehicles have been rolled out to various departments across the Authority and in addition to reducing the Authority's CO2 emissions, these grant funded vehicles will also reduce the Authority's fleet contract hire costs. The Authority spent £35k in connection with the design work on the redevelopment of the Authority's main committee meeting.

8. Summarised Balance Sheet as at 31 March 2023

| | 2022/23 £000 | 2021/22 £000 |
|--|-----------------|-----------------|
| Fixed Assets | 16,957 | 15,478 |
| Pension Asset | 4,922 | |
| Cash in hand/bank | 6,756 | 6,489 |
| Stocks of merchandise and timber | 154 | 134 |
| Debtors – money owed to the Authority | 533 | 531 |
| Creditors – money owed by the Authority | -756 | -671 |
| Provisions – for known commitments | | - |
| Cash Reserves: | | |
| Earmarked Reserves – for specific purposes | -5,256 | -5,056 |
| General Revenue Reserves | -1,143 | -1,141 |
| Usable Capital Receipts Reserve | -389 | -389 |
| Non-cash: | | |
| Accrued Absences Reserve | 77 | 77 |
| Capital Adjustment Account | -11,162 | -11,192 |
| Revaluation Reserve | -5,771 | -4,260 |
| Pension Liability | | -7,010 |
| Pensions Reserve (to balance with liability) | -4,922 | 7,010 |
| BALANCED TO: | Nil | Nil |

The net value of the Authority's fixed assets employed at the year-end was £16,957k, is up from £15,478k, as at 31 March 2022. The increase reflects the asset additions of land at Brynberian, purchase of E.V. charging points and electric vehicles. The increase is also due to asset revaluations which include Oriel Y Parc, Little Haven Boat Park, and Car Parks at Broad Haven, Little Haven, Nolton Haven, Porthgain, West Angle, Solva and Penally Station. Revaluations are undertaken as part of the usual five-year rolling programme of revaluations.

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 £266k 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 remains at £389k. During the year the Earmarked Reserves increased from £5,056k to £5,256k. 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 £1,141k to £1,144k at the end of the financial year. The Authority's financial position at the end of 2022/23 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 liabilities fell from £43m as at March 2022 to £30m at the end of March 2023. The fall was due to an increase of approximately 2% in the discount rate at which future pension fund liabilities are calculated, i.e. the discount rate at which future obligations to pay pensions are calculated. The pension liabilities were also impacted by a decrease of 0.3% - 0.8% p.a. in assumed CPI. While asset values also fell from £37m to £35m, the dramatic 25% fall in the value of liabilities resulted in the overall pension position moving from a deficit of £7m to a surplus of £5m at the end of the year.

10) Looking forward

The financial implications of the current economic climate are reflected in the Authority's medium term financial plan. Both Brexit and the war in Ukraine are impacting on supply chains and delays have been experienced in some areas of the Authority's business. The cost-of-living crisis in 2022 has seen prices rising faster than spendable income and inflation running at levels not seen since the 1980s. Consumer Prices Inflation (CPI) peaked at 11.1% in October 2022 pushed up by energy and goods prices. Whilst it is now slowly decreasing there remains uncertainty around the pace at which CPI inflation will return sustainably to more normal level. Further the Authority, along with all other public sector organisations, is faced with revenue pressures arising from a flat lined National Park Grant settlement, and higher than normal pay awards and prices inflation, The Authority has however strong cash backed reserves and a robust budget monitoring processes to cope with the financial pressures which are likely to materialise over the coming years.

STATEMENT OF ACCOUNTS

- 12** The remainder of this document presents the statutory statements of accounts for the Authority.
- 13** The Authority's Accounts, which are covered by the Statements of Responsibilities and the Auditors report, are set out on pages 15 to 55 and comprise of:-
 - The Statement of Accounting Policies (from page 15) 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

- 14 The Statement of Responsibilities for the Statement of Accounts (page 56) 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.
- 15 The Annual Governance Statement (page 57) sets out the framework within which financial control is managed and reviewed in the Authority.
- 16 The Auditors' Report (page 79)

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 2022/23 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. 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 several 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 Bank 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 2022 – 31st March 2023

£000's

| | 31 March 2023 | | | 31 March 2022 | | |
|--|---------------|---------------|----------------|---------------|---------------|---------------|
| | Expenditure | Income | Net | Expenditure | Income | Net |
| Conservation of the Natural Environment | 1,110 | -668 | 442 | 1,069 | -663 | 406 |
| Conservation of the Cultural Heritage | 115 | -9 | 106 | 123 | -1 | 122 |
| Development Control | 668 | -286 | 382 | 649 | -274 | 375 |
| Forward Planning & Communities | 342 | -194 | 148 | 413 | -172 | 241 |
| Promoting Understanding | 2,847 | -1,622 | 1,225 | 2,290 | -1,079 | 1,211 |
| Recreation & Transport | 1,107 | -990 | 117 | 942 | -1,208 | -266 |
| Rangers, Estates & Volunteers | 1,542 | -309 | 1,233 | 1,543 | -258 | 1,285 |
| Democratic Representation & Management | 630 | -82 | 548 | 558 | -3 | 555 |
| Support Service Costs | 1,661 | -99 | 1,562 | 1,614 | -55 | 1,559 |
| Past Service / Curtailment Cost (Note 33) | 8 | | 8 | | | |
| Cost of Services | 10,030 | -4,259 | 5,771 | 9,201 | -3,713 | 5,488 |
| Financing & Investment Income & Expenditure (Note 8) | | | 14 | | | -81 |
| Other Operating Expenditure (Note 9) | | | 17 | | | 13 |
| Taxation & Non -specific Grant Income (Note 10) | | | -4,644 | | | -5,146 |
| (Surplus) or Deficit on Provision of Services | | | 1,158 | | | 274 |
| Surplus or deficit on revaluation of fixed assets (Note 11) | | | -1,518 | | | -1,374 |
| Actuarial gains / losses on pension assets / liabilities (Note 33) | | | -13,200 | | | -2,699 |
| Other Comprehensive Income and Expenditure | | | -14,718 | | | -4,073 |
| Total Comprehensive Income and Expenditure (Note 6) | | | -13,560 | | | -3,799 |

Pembrokeshire Coast National Park Authority

BALANCE SHEET
As at 31st March 2023

£000's

| As at: | 31 March 2023 | 31 March 2022 |
|---------------------------------------|--------------------------|--------------------------|
| Property, Plant & Equipment (Note 11) | 15,122 | 13,729 |
| Heritage Assets (Note 11) | 646 | 646 |
| Intangible Assets (Note 14) | 25 | 50 |
| Investment Property (Note 12) | 1,165 | 1,109 |
| Pension Fund Asset (Note 33) | 4,923 | - |
| Long Term Assets | 21,881 | 15,534 |
| Inventories (Note 16) | 154 | 134 |
| Short Term Debtors (Note 17) | 533 | 532 |
| Cash and Cash Equivalents (Note 18) | 6,755 | 6,489 |
| Current Assets | 7,442 | 7,155 |
| Short Term Creditors (Note 20) | -756 | -672 |
| Current Liabilities | -756 | -672 |
| Pension Liability (Note 33) | - | -7,010 |
| Long Term Liabilities | - | -7,010 |
| Net Assets | 28,567 | 15,007 |
| Usable Reserves (Note 21) | -6,789 | -6,586 |
| Unusable Reserves (Note 22) | -21,778 | -8,421 |
| Total Reserves | -28,567 | -15,007 |

Movement in Reserves Statement

1st April 2022 – 31st March 2023

£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 | 1,141 | 5,056 | 389 | 6,586 | 4,316 | 11,192 | -7,010 | -77 | 8,421 | 15,007 |
| Surplus or (deficit) on provision of services | -1,158 | | | -1,158 | | | | | | -1,158 |
| Other Comprehensive Expenditure and Income | | | | | 1,518 | | 13,200 | | 14,718 | 14,718 |
| Total Comprehensive Expenditure and Income | -1,158 | | | -1,158 | 1,518 | | 13,200 | | 14,718 | 13,560 |
| Adjustment between accounting basis and funding basis under regulations | 1,361 | | | 1,361 | -63 | -30 | -1,268 | | -1,361 | 0 |
| Net Increase/Decrease before Transfers to Earmarked Reserves | 203 | | | 203 | 1,455 | -30 | 11,932 | | 13,357 | 13,560 |
| Transfers to/from Earmarked Reserves | -200 | 200 | | | | | | | | |
| Increase/Decrease in Year | 3 | 200 | | 203 | 1,455 | -30 | 11,932 | | 13,357 | 13,560 |
| Rounding's | | | | | | | | | | |
| Balance at 31 March 2022 carried forward | 1,144 | 5,256 | 389 | 6,789 | 5,771 | 11,162 | 4,922 | -77 | 21,778 | 28,567 |

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 | | | | | 1,374 | | 2,699 | | 4,073 | 4,073 |
| Total Comprehensive Expenditure and Income | -274 | | | -274 | 1,374 | | 2,699 | | 4,073 | 3,799 |
| 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 | 3,799 |
| Transfers to/from Earmarked Reserves | -474 | 455 | 19 | | | | | | | |
| Increase/Decrease in Year | 133 | 455 | 19 | 607 | 1331 | 377 | 1469 | 15 | 3192 | 3,799 |
| Rounding's | | | | | | | -1 | | | |
| Balance at 31 March 2022 carried forward | 1,141 | 5,056 | 389 | 6,586 | 4,316 | 11,191 | -7,010 | -77 | 8,421 | 15,007 |

Cash Flow Statement
1st April 2022– 31st March 2023
£000s

| | 31 March 2023 | | 31 March 2022 |
|--|------------------|--|------------------|
| Net (- surplus) or deficit on the provision of services | 1,158 | | 274 |
| Adjust net surplus or deficit on the provision of services for noncash Movements (Note 24) | -1,974 | | -1,596 |
| Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities | 80 | | 148 |
| Net cash flows from Operating Activities | -736 | | -1,174 |
| Investing Activities (Note 25) | 470 | | 456 |
| Financing Activities (Note 25) | 0 | | -1 |
| Net increase(-) or decrease in cash and cash equivalents | -266 | | -719 |
| Cash and cash equivalents at the beginning of the reporting period | 6,489 | | 5,770 |
| Cash and cash equivalents at the end of the reporting period | 6,755 | | 6,489 |

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 2023 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.

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

| | 2022/23 | | | 2021/22 | | |
|---|---|---|--|---|---|--|
| | 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 | 312 | 130 | 442 | 251 | 155 | 406 |
| Conservation of the Cultural Heritage | 89 | 17 | 106 | 102 | 20 | 122 |
| Development Control | 283 | 99 | 382 | 268 | 108 | 376 |
| Forward Planning & Communities | 108 | 40 | 148 | 200 | 41 | 241 |
| Promoting Understanding | 789 | 436 | 1,225 | 807 | 423 | 1,230 |
| Recreation & Transport | -147 | 264 | 117 | -398 | 131 | -267 |
| Rangers, Estates & Volunteers | 906 | 327 | 1,233 | 1,006 | 279 | 1,285 |
| Democratic Representation & Management | 499 | 49 | 548 | 485 | 51 | 536 |
| Support Service Costs | 1,255 | 307 | 1,562 | 1,254 | 305 | 1,559 |
| Past Service Gain / Pension Curtailment | 0 | 8 | 8 | 0 | 0 | 0 |
| Net Cost of Services | 4,094 | 1,677 | 5,771 | 3,975 | 1513 | 5,488 |
| Other Income & Expenditure | -4,097 | -15,234 | -19,331 | -4,108 | -5,123 | -9,231 |
| Surplus(-) / Deficit | -3 | -13,557 | -13,560 | -133 | -3,610 | -3,743 |
| Opening balance of General Reserve | 1,141 | | | 1,008 | | |
| Movement | 3 | | | 133 | | |
| Roundings | | | | | | |
| Closing Balance | 1,144 | | | 1,141 | | |

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

| 2022/23 | £000's | | | |
|---|-------------|-------------|----------------|----------------|
| | Capital | Other | Pension | Total |
| Conservation of the Natural Environment | 11 | 37 | 82 | 130 |
| Conservation of the Cultural Heritage | | -3 | 20 | 17 |
| Development Control | | 0 | 99 | 99 |
| Forward Planning & Communities | | -1 | 41 | 40 |
| Promoting Understanding | 133 | 0 | 303 | 436 |
| Recreation & Transport | 239 | -17 | 41 | 263 |
| Rangers, Estates & Volunteers | 99 | -14 | 242 | 327 |
| Democratic Representation & Management | | -1 | 50 | 49 |
| Support Services | 132 | -1 | 177 | 308 |
| Past Service Costs | | | 8 | 8 |
| Net cost of services | 614 | 0 | 1,063 | 1,677 |
| Other I&E | -1,574 | -666 | -12,994 | -15,234 |
| Total | -960 | -666 | -11,930 | -13,557 |

| 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 | -5123 |
| Total | -1,652 | -489 | -1,469 | -3,610 |

EXPENDITURE & INCOME ANALYSED BY NATURE

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

| | 2022/23 | | 2021/22 |
|---|----------------|--|----------------|
| | £000's | | £000's |
| Expenditure | | | |
| Employee benefits | 5,964 | | 5,609 |
| Other services | 3,660 | | 3,295 |
| Depreciation, amortisation, revaluations | 558 | | 326 |
| Total expenditure | 10,182 | | 9,230 |
| | | | |
| Income | | | |
| Fees, charges & services income | 4,259 | | 3,725 |
| Interest & investment income | 121 | | 85 |
| Government grants and contributions | 4,644 | | 5,146 |
| Total Income | 9,024 | | 8,956 |
| | | | |
| Surplus / deficit (-) on provision of services | 1,158 | | 274 |

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:

2022/23
ADJUSTMENTS BETWEEN ACCOUNTING BASIS
AND FUNDING BASIS UNDER REGULATION
£000's

| | | | | |
|---|--------------|--|--|---------------|
| Adjustment to revenue resources | | | | |
| Charges for depreciation and impairment of non-current assets | 545 | | | -545 |
| Revaluation losses on Property Plant and Equipment | 69 | | | -69 |
| Movement in fair value of investment properties | -56 | | | 56 |
| Accumulative Absences | - | | | - |
| Employer's pensions contributions and direct payments to pensioners payable in the year | 1,268 | | | -1,268 |
| Rounding | - | | | - |
| Total Adjustment to revenue resources | 1,826 | | | -1,826 |
| Adj between Revenue & Capital | | | | |
| Capital exp charged against General reserve | -465 | | | 465 |
| Revenue expenditure funded from capital under statute | -164 | | | 164 |
| Revenue expenditure funded from capital grants | 164 | | | -164 |
| Capital grants and contributions applied | - | | | - |
| Tot Adj between Revenue & Capital | -465 | | | 465 |
| Roundings | | | | |
| Adjustments between accounting basis & funding basis under regulations | 1,361 | | | -1,361 |

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 |

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 2022/23.

| £000's | | | | |
|---|-----------------------------------|----------------------------|------------------------------|-----------------------------------|
| | Closing Balance 31 March 22 | Transfers to Revenue | Transfers from Revenue | Closing Balance 31 March 23 |
| Receipts In Advance | -2,469 | 1,211 | -1,236 | -2,494 |
| Carryovers from Underspend | -271 | 118 | -63 | -216 |
| Asset Management | -37 | | | -37 |
| Planning (Formerly Local Plan) | -22 | | -27 | -49 |
| Self-Insurance | -30 | | | -30 |
| Staff Restructuring | -760 | | | -760 |
| National Park Wales | -13 | | -15 | -28 |
| Planning System | -87 | | | -87 |
| Sponsor A Gate | -28 | | -11 | -39 |
| Rangers Services - Landscape Fund | -4 | 4 | | 0 |
| SDF Increase In Funds | -29 | | | -29 |
| Biodiversity | -11 | | 11 | 0 |
| Planning Enforcement | -98 | | | -98 |
| Invasive Species | -22 | | | -22 |
| The Pathways Project | -35 | 35 | | 0 |
| Carew Causeway | -154 | | | -154 |
| Pollinator Project | -15 | | | -15 |
| Roots Project (2.252) | -13 | 10 | | -3 |
| Digital Transformation | -60 | 37 | | -22 |
| Green Room Redevelopment | -148 | 35 | | -113 |
| Pay Regrading & Pay Award | -500 | | | -500 |
| Decarbonisation | -250 | | | -250 |
| Planning Exercise Porthgain redevelopment | | | -10 | -10 |
| Payroll Reserve 23/24 | | | -300 | -300 |
| Total | --5,056 | 1,450 | -1,650 | -5,256 |
| *Contains grants for specific projects funded in advance of expenditure | | | | |

8. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

| £000's | | |
|--|-----------|------------|
| Items | 2022/23 | 2021/22 |
| Movement in fair value of investment properties(- Gain) | -56 | -160 |
| Income from Investment properties | -80 | -83 |
| Proceeds from sales of Fixed Assets | 0 | -11 |
| Pensions Net Interest Cost | 191 | 175 |
| Interest receivable and similar income | -41 | -2 |
| TOTAL | 14 | -81 |

9. OTHER OPERATING EXPENDITURE / INCOME

| £000's | | |
|---------------------------------|-----------|-----------|
| Items | 2022/23 | 2021/22 |
| Movement on Bad Debt Provision | 3 | - |
| Movement on General Provision | - | - |
| Pension Administration Expenses | 14 | 13 |
| TOTAL | 17 | 13 |

10. TAXATION AND NON-SPECIFIC GRANT INCOME

| £000's | | |
|---|---------------|---------------|
| Items | 2022/23 | 2021/22 |
| National Park Grant from Welsh Government | -3,561 | -3,560 |
| Levy on Pembrokeshire County Council | -1,083 | -1,083 |
| Capital grants and contributions | 0 | -503 |
| TOTAL | -4,644 | -5,146 |

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.

2022/23 Fixed Asset Schedule
£000's

| | Operational Land & Buildings | Plant & Equipment | Surplus assets | Assets held for sale | Non op'l Assets In Progress | Total PP&E |
|----------------------------------|------------------------------------|----------------------|-------------------|-------------------------|-----------------------------------|---------------------------|
| COST OR VALUATION | | | | | | |
| As at 31 March 2022 | 12,839 | 3,016 | | | 18 | 15,873 |
| Reclassifications | | | | | | |
| Assets made operational in yr | 1 | | | | -1 | |
| Additions | 51 | 379 | | | 35 | 465 |
| Disposals | | | | | | |
| Impairment | | | | | | |
| Revaluations | 1,333 | | | | | 1,333 |
| Roundings | | | | | | |
| As at 31 March 2023 | 14,224 | 3,395 | | | 52 | 17,671 |
| | | | | | | |
| DEPRECIATION | | | | | | |
| As at 31 March 2022 | -704 | -1,440 | | | | -2,144 |
| Charge for year | -240 | -281 | | | | -521 |
| Disposals | | | | | | |
| Reclassification | | | | | | |
| Impairment | | | | | | |
| Revaluation | 116 | | | | | 116 |
| Roundings | | | | | | |
| As at 31 March 2023 | -828 | -1,721 | | | | -2,549 |
| | | | | | | |
| NET VALUE 31/3/22 | 12,135 | 1,576 | | | 18 | 13,729 |
| NET VALUE 31/3/23 | 13,396 | 1,674 | | | 52 | 15,122 |

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 |

ASSETS MADE OPERATIONAL DURING THE YEAR

The following assets were made operational in the year:

| | £000's | |
|--------------------------------------|-----------|-----------|
| | 2022/23 | 2021/22 |
| Community Woodland (Brynberian Parc) | 51 | 22 |
| Broad Haven Car Park | - | 5 |
| Castell Henllys Improvement | - | 19 |
| Total | 51 | 46 |

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

| | £000's |
|----------------------------------|-----------|
| | £ |
| Green Room Redevelopment Project | 36 |
| Green Bridge | 16 |
| Total | 52 |

ASSET ADDITION

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

DISPOSAL

There were no disposals of fixed assets during the year.

REVALUATIONS & IMPAIRMENT

Assets revalued during the year include Oriel Y Parc, Little Haven Boat Park and Car Parks at Broad Haven, Little Haven, Nolton Haven, Porthgain, West Angle, Solva and Penally Station.

| | £000's | |
|---|--------------|--------------|
| | 2022/23 | 2021/22 |
| Revaluation of Fixed Assets included in Surplus/Deficit (-) on the Provision of Services | -69 | -58 |
| Downward/ Upward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Service | 1,518 | 1,374 |
| Sub total | 1,449 | 1,316 |
| Revaluation and Impairment of Investment Properties | 56 | 160 |
| Total | 1,505 | 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 2022/23 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 | | | |
| 2022/23 | 1,417 | | 1,417 |
| 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 £465k (Additions less transfers from Non Operational Assets) were financed as follows:

£85k Funding from revenue grant
£380k Grant funding and other sources

CAPITAL COMMITMENTS

As at 31st March 2023 there were capital commitments totalling £79k on the Authority, (£786k as at 31st March 2022).

CAPITAL PROGRAMME

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

| | Total Cost 2022/23 £000 | Total Cost 2021/22 £000 |
|--|-------------------------------|-------------------------------|
| Promoting Understanding & Enjoyment | - | 18 |
| Castell Henllys | - | 18 |
| Recreation & Park Management | 71 | 510 |
| E.V. Charging Points | 71 | 482 |
| Car Parks | - | 28 |
| Conservation of Natural Environment | 50 | 1 |
| Corporate & Support Services | 344 | 139 |
| Vehicles & Equipment | 309 | 71 |
| Green Room Development | 35 | 2 |
| Information & Communications Technology | - | 66 |
| TOTAL CAPITAL SPEND | 465 | 668 |
| Financed by: | | |
| Financing from the Revenue budget | -85 | -29 |
| Additional Grants | -380 | -639 |
| Capital Receipts | - | - |
| Total | -465 | -668 |

| * The additional grants were received from the following partners: | 2022/23 £000's | 2021/22 £000's |
|--|-------------------|-------------------|
| Welsh Government | 380 | 639 |
| TOTAL ADDITIONAL GRANTS | 380 | 639 |

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 2022).

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:

| | 2022/23 £000 | 2021/22 £000 |
|--|-----------------|-----------------|
| Rental income from investment property | 80 | 83 |
| Net gain/(loss) | 80 | 83 |

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:

| | 2022/23 £000 | 2021/22 £000 |
|--|-----------------|-----------------|
| Balance at start of the year | 1,109 | 949 |
| Net gains/losses from fair value adjustments | 56 | 160 |
| Balance at end of the year | 1,165 | 1,109 |

13. LEASES

Finance Leases

The Authority had no finance leases as at 31st March 2023 (or as at 31st March 2022).

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 £34,984 for 2022/23 (£43,113 for 2021/22). The Authority rents 13 properties to support its purposes, which includes for example, Carew Castle & Tidal Mill. The rental costs of these properties for 2022/23 were £26,217 (£26,301, 2021/22).

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

£000's

| | As at March 2023 | | | As at March 2022 | | |
|---|------------------|----------------------|------------|------------------|----------------------|------------|
| | Land & Buildings | Vehicles & Equipment | Total | Land & Buildings | Vehicles & Equipment | Total |
| | £ | £ | £ | £ | £ | £ |
| Not Later than one year | 26 | 22 | 48 | 25 | 27 | 52 |
| Later than one year and not later than five years | 96 | 21 | 117 | 78 | 33 | 111 |
| Later than 5 years | 255 | - | 255 | 220 | - | 220 |
| | 377 | 43 | 420 | 323 | 60 | 383 |

The Authority acts as Lessor on 24 properties, generating an income of £80,241 during 2022/23 (£83,086 in 2021/22). 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 £1,304,251 with nil cumulative depreciation.

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

£000's

| | As at March 2023 | As at March 2022 |
|---|------------------|------------------|
| | £ | £ |
| Not Later than one year | 116 | 125 |
| Later than one year and not later than five years | 341 | 412 |
| Later than 5 years | 2,366 | 2,575 |
| | 2,823 | 3,112 |

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.

| | 2022/23 £000's | 2021/22 £000's |
|---------------------------------|-------------------|-------------------|
| Balance at start of year | 50 | 79 |
| Additions | - | - |
| Amortisation | -25 | -29 |
| Balance at end of year | 25 | 50 |

15. ASSETS HELD FOR SALE

As at 31 March 2023 the authority held no assets held for sale

16. INVENTORIES

£000's

| | Information Centres | Cilrhedyn Woodland Centre | Franking Machine | Total |
|--|---------------------|---------------------------|------------------|------------|
| Balance outstanding as at 31/3/22 | 90 | 38 | 6 | 134 |
| Purchases | 198 | 51 | 13 | 262 |
| Recognised as an expense in the year | -192 | -38 | -16 | -246 |
| Written out | 4 | | | 4 |
| Balance outstanding as at 31/3/23 | 100 | 51 | 3 | 154 |

17. LONG & SHORT TERM DEBTORS

£000's

| | 2022/23 | 2021/22 |
|--------------------------|------------|------------|
| Long Term: | | |
| Other Receivables | 0 | 0 |
| TOTAL | 0 | 0 |
| | | |
| Short Term: | | |
| Trade Receivables | 243 | 45 |
| Prepayments | 88 | 84 |
| Other Receivable Amounts | 202 | 403 |
| TOTAL | 533 | 532 |

18. CASH AND CASH EQUIVALENTS

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

£000's

| | 2022/23 | 2021/22 |
|----------------------------|--------------|--------------|
| Bank accounts & deposits | 6,752 | 6,486 |
| Cash held by the Authority | 3 | 3 |
| TOTAL | 6,755 | 6,489 |

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

| | 2022/23 | 2021/22 |
|-------------------|-------------|-------------|
| Short term | | |
| Trade Payables | -550 | -444 |
| Other Payables | -206 | -228 |
| TOTAL | -756 | -672 |

21. USABLE RESERVES

£000's

| | 2022/23 | 2021/22 |
|---|--------------|--------------|
| General Fund : Resources available to meet future running costs of services | 1,144 | 1,141 |
| Earmarked Reserves : Reserves set aside for specific items | 5,256 | 5,056 |
| Capital Receipts : Proceeds on fixed asset sales available to meet future capital investment | 389 | 389 |
| TOTAL | 6,789 | 6,586 |

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

22. UNUSABLE RESERVES

£000's

| | 2022/23 | 2021/22 |
|------------------------------|---------------|--------------|
| Revaluation Reserve | 5,771 | 4,316 |
| Capital Adjustment Account | 11,162 | 11,192 |
| Pensions Reserve | 4,922 | -7,010 |
| Accumulated Absences Account | -77 | -77 |
| TOTAL | 21,778 | 8,421 |

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

| | 2022/23 | 2021/22 |
|--|--------------|--------------|
| Balance at 1 April | 4,316 | 2,985 |
| Upward revaluation of assets | 1,624 | 1,376 |
| Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services | -106 | -2 |
| Difference between fair value depreciation and historical cost depreciation | -63 | -43 |
| | 5,771 | 4,316 |

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

| | 2022/23 | 2021/22 |
|---|---------------|---------------|
| Balance at 1 April | 11,192 | 10,814 |
| Charges for depreciation and impairment of non current assets | -545 | -426 |
| Revenue expenditure funded from capital under statute | -164 | -65 |
| Revenue grant funded from capital under statute grant | 164 | 65 |
| Depreciation adjusting amounts written out of the Revaluation Reserve | 63 | 43 |
| Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing | 380 | 639 |
| Capital expenditure charged against the General Fund balances | 85 | 29 |
| Non current assets written out on disposal | 0 | -7 |
| Revaluation on Property, Plant & Equipment | -13 | 100 |
| | 11,162 | 11,192 |

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 | 2022/23 | 2021/22 |
|--|---------------|---------------|
| Balance at 1 April | -7,010 | -8,479 |
| Actuarial gains or losses on pensions assets and liabilities | 13,200 | 2,699 |
| 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 | -1,649 | -1,582 |
| Employer's pensions contributions and direct payments to pensioners payable in the year | 395 | 365 |
| Administration Expenses | -14 | -13 |
| Balance at 31 March | 4,922 | -7,010 |

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 | 2022/23 | 2021/22 |
|---|---------|---------|
| Balance at 1 April | -77 | -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 |
| Amounts accrued at the end of the current year | -77 | -77 |

24. CASH FLOW STATEMENT –

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

| £000's | 2022/23 | 2021/22 |
|--|---------------|---------------|
| Depreciation and Amortisation | -546 | -426 |
| Revaluations and Impairments | -13 | 101 |
| Movement in creditor/stock/debtors | -149 | -53 |
| Provision of Services costs for post-employment benefits | -1,268 | -1,233 |
| Other non-cash items charged to the CIES | 2 | 15 |
| Total | -1,974 | -1,596 |

25. CASH FLOW STATEMENT OPERATING & INVESTING ACTIVITIES

The cash flows for operating activities include the following items:

| £000's | 2022/23 | 2021/22 |
|-------------------|---------|---------|
| Interest received | 41 | 2 |
| Interest paid | Nil | Nil |

Cash Flows from Investing Activities are:

| £000's | 2022/23 | 2021/22 |
|--|------------|------------|
| Purchase of property, plant and equipment, investment property and intangible assets | 550 | 668 |
| Other receipts from investing activities | -80 | -212 |
| Net cash flows from investing activities | 470 | 456 |

Cash Flows from Financing Activities are:

| £000's | 2022/23 | 2021/22 |
|---|----------|-----------|
| Travel Loans: Advances Less Receipts | 0 | 0 |
| Repayment of Long-Term Loan | 0 | -1 |
| Net cash flows from investing activities | 0 | -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 £100,213 (£85,171 in 2021/22) plus reimbursement of travelling, subsistence and other expense payments amounting to £4,938 (£1,374 in 2021/22).

28. OFFICERS REMUNERATION

Staff with remuneration in excess of £60,000 (or pro rata) – 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 | | | |
|--------------------------------|-------------------------|--|---|------------|------------|--------------------|-----------|-----------|-----------|
| | £000's | | | | | | | | |
| | 2022/23 | 2021/22 | Employee 1 | Employee 2 | Employee 1 | 2022/23 | 2021/22 | 2022/23 | 2021/22 |
| | | | 2022/23 | 2022/23 | 2021/22 | | | | |
| Gross Pay | 86 | 86 | 25 | 25 | 65 | 67 | 66 | 17 | 16 |
| P11D values | 1 | 1 | 0 | 0 | 1 | 1 | 1 | 0 | 0 |
| Employer Pension Contributions | 9 | 9 | 3 | 3 | 7 | 7 | 7 | 2 | 2 |
| Total | 96 | 96 | 28 | 28 | 73 | 74 | 74 | 19 | 18 |

*The position of Director of Planning and Park Direction was held by two officers during year.

In addition to the above an Officer left the Authority during the year and received a settlement payment included below which meant their total emoluments for 2022/23 was £61k. The Monitoring Officer is employed 25% of normally contractual hours.

The median remuneration of the Authority was £24,054 (£21,129 in 2021/22) with the ratio of the Chief Executive Officer to the median remuneration of 3.60:1 (3.83:1 in 2021/22).

There were no compulsory redundancies in 2022/23 nor 2021/22. 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 | £000's |
| 2021/22 | - | - | - | - |
| 2022/23 | 3 | - | - | 34 |

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:

| | 2022/23 £000 | 2021/22 £000 |
|---|-----------------|-----------------|
| Fees payable to the Wales Audit Office with regard to external audit services carried out by the appointed auditor. | 30 | 25 |
| Fees payable to the Auditor General for Wales in respect of statutory inspections and the LG Measure 2011. | 18 | 18 |
| Total | 48 | 43 |

30. GRANT INCOME

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

| | 2022/23 | 2021/22 |
|---|--------------|--------------|
| | £000 | £000 |
| Credited to Taxation and Non-Specific Grant Income: | | |
| NPA Grant (Welsh Government funded) | 3,561 | 3,560 |
| Levy on Pembrokeshire County Council | 1,083 | 1,083 |
| Other Grant Income (Welsh Government funded) | 0 | 503 |
| | 4,644 | 5,146 |
| Credited to Services | | |
| The Welsh Government: Sustainable Landscapes Sustainable Places projects, Invasive Species, Designated landscapes, additional SDF funding, Brilliant Basics Projects | 1131 | 982 |
| Natural Resources Wales: contributed funding towards the National Trail/Coast Path management & maintenance; various woodland schemes, National Parks Wales and the Castlemartin Ranger post. | 225 | 234 |
| Pembrokeshire Coast National Park Trust: funding towards Invasive Species, Pembrokeshire Outdoor Schools, Storm Damage, Wild About Woodlands, Make More Meadows and Roots projects. | 49 | 84 |
| Pembrokeshire County Council: Local Places for nature/ Biodiversity grant | 354 | 31 |
| H.M.R.C: Job Retention Scheme | - | 15 |
| Dept Works and Pensions; Kickstart Scheme | 1 | 14 |
| Ministry of Defence: Castlemartin Ranger. | 20 | 25 |
| Sport Wales: West Wales Walking for Wellbeing project | 72 | 116 |
| Community Fund Roots to Recovery | 101 | 74 |
| WEFO Funded projects: Rediscovering Ancient Connections & Celtic Routes | 67 | - |
| Nature Network Fund (The National Lottery Heritage Fund) towards the Damsels in Distress project | | 50 |
| Gwynedd County Council Dawnsio Y Dibyn & Pollinators | 27 | |
| Other grants. | | 1 |
| TOTAL GRANTS | 2,047 | 1,626 |

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 | 4,612 | 35 | 1 | 81 |
| Pembrokeshire County Council | 1,438 | 303 | 38 | 196 |
| | | | | |

During the year the Authority contributed circa £4k 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 | £000's |
| 2021/22 | 1 | | - | 16 |
| 2022/23 | 3 | | - | 34 |

During the year 2022/23 the Authority paid £34k in termination benefits, (£16k in 2021/22).

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 | 2021-22 |
| Service Costs: | | |
| Current service cost | 1,450 | 1,407 |
| Effects of curtailment | 0 | 0 |
| Past Service Cost* | 8 | 0 |
| Financing & Investment Income & Expenditure: | | |
| Interest cost on Liabilities | 1,203 | 888 |
| Interest on Plan Assets | -1,012 | -713 |
| Net Interest On Pension | 191 | 175 |
| Other Operating Income & Expenditure | | |
| Administration Costs | 14 | 13 |
| Total Post-Employment Benefits charged to Surplus / Deficit on Provision of Services | 1,663 | 1,595 |
| | | |
| Other Post Employment Benefits charged to Comprehensive Income & Expenditure: | | |
| Return on plan assets (excluding the amount included in the net interest expense) | 2,046 | -1,714 |
| Actuary Experience gain/(loss) | 3,097 | 106 |
| Actuary Gain / (Loss) on financial assumptions | -17,141 | -758 |
| Actuary Gain / (Loss) on demographic assumptions | -1,202 | -333 |
| Total Post-employment Benefits (charged) / credited to the Comprehensive Income and Expenditure Statement | -13,200 | -2,699 |
| | | |
| Reversal of charges made to surplus/deficit on provision of services in the Movement in Reserves Statement | | |
| Current service cost | -1,450 | -1,407 |
| Past service gain / loss | 8 | 0 |
| Effects of curtailment | 0 | 0 |
| Interest cost on Liabilities | 1,203 | -888 |
| Interest on Plan Assets | 1,012 | 713 |
| Administration Costs | -114 | -13 |
| Actual Amount charged against General Fund | 659 | -1,595 |
| | | |
| Employer Contributions | 395 | 365 |
| | | |

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 | |
|--|-------------------------------------|---------|
| | 2022/23 | 2021/22 |
| Benefit Obligations at beginning of Year | 43,275 | 42,566 |
| Current Service Cost | 1,450 | 1,407 |
| Interest On Pension Liabilities | 1,203 | 888 |
| Member Contributions | 227 | 215 |
| Past Service Cost* | 8 | 0 |
| Actuarial (Gains)/Losses on Liabilities | 0 | 0 |
| Remeasurement of Liabilities: | 0 | 0 |
| Experience (gain)/loss | 3,097 | 106 |
| (Gain) / Loss on financial assumptions | -17,141 | -758 |
| (Gain) / Loss on demographic assumptions | -1,202 | -333 |
| Curtailments | 0 | 0 |
| Benefits Paid | -855 | -816 |
| Rounding | 0 | 0 |
| Benefit Obligations at End of Year | 30,062 | 43,275 |

Reconciliation of Present value Scheme Assets:

| | Local Government Pension Scheme £000's | |
|--|---|---------------|
| | 2022/23 | 2021/22 |
| Fair Value at beginning of Year | 36,265 | 34,087 |
| Interest on / Expected Return on Plan Assets | 1,012 | 713 |
| Remeasurement / Actuarial Gains/(Losses) on Assets | -2,046 | 1,714 |
| Administration Expenses | -14 | -13 |
| Employer Contributions | 395 | 365 |
| Member Contributions | 227 | 215 |
| Benefits/transfers paid | -855 | -816 |
| Roundings | 0 | 0 |
| Fair Value at End of Year | 34,984 | 36,265 |
| Net Surplus (-) Deficit | -4,922 | 7,010 |

Statement of Recognised Gains & Losses

| | 2022/23 £000's | 2021/22 £000's | 2020/21 £000's |
|--|-------------------|-------------------|-------------------|
| Restatements / Actuarial (Gains)/Losses | -13,200 | -2,699 | -996 |
| Total pension cost recognised in MiRS | -13,200 | -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 2022. *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 2023 are as follows:

| DYFED PENSION FUND (Pembrokeshire Coast National Park Authority) 31 March 2023 | |
|---|---------------|
| £000 | |
| Present Value of Funded Benefits Obligations | 30,022 |
| Present Value of Unfunded benefit obligations | 40 |
| Total present value of Benefit Obligations | 30,062 |
| Fair Value of Plan Assets | (34,984) |
| Unrecognised Past Service | - |
| Deficit (-Surplus) | -4,922 |

Prior Year Scheme Values

| Scheme Year | Present value Scheme Liabilities(£000) | Fair Value of Scheme Assets (£000) |
|--------------------|---|---|
| 31st March 2022 | 43,275 | 36,265 |
| 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 |

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 | 3.3% | 2.7% |
| Rate of increase in salaries | 4.8% | 4.2% |
| Rate of increase in pensions in payment / deferment | 3.4% | 2.8% |
| Discount rate | 2.8% | 4.8% |

Detailed assets breakdown are as follows.

| Investment Category | | Quoted | 31 March 2022 | 31 March 2023 |
|---------------------|----------------------------------|--------|---------------|---------------|
| | | (Y/N) | | |
| Equities: | UK quoted | Y | 6,788 | 6,675 |
| | Overseas pooled funds (unquoted) | N | 11,278 | 14,291 |
| | US | Y | 2,372 | 0 |
| | Canada | Y | 160 | 0 |
| | Japan | Y | 1,393 | 1,235 |
| | Pacific Rim | Y | 58 | 0 |
| | Emerging Markets | Y | 2,858 | 2,820 |
| | European ex UK | Y | 1,302 | 1,004 |
| Bonds: | UK Government indexed | Y | 482 | 189 |
| | UK Corporate | N | 0 | 0 |
| | Other Class 1 | Y | 2,879 | 2,477 |
| Property: | Property Funds | N | 4,740 | 4,705 |
| Alternatives | Class 1 | Y | 1,338 | 1,336 |
| Cash: | Cash accounts | Y | 617 | 252 |
| Total | | | 36,265 | 34,984 |

Post Retirement mortality assumptions

| | Start of Year | End of Year |
|---------------------|---|---|
| Non-retired members | S3PA CMI_2021 (1.75%) Males - 100% Females - 91% | S3PA CMI_2021 (1.5%) Males - 110% Females - 100% |
| Retired members | S3PA CMI_2021 (1.75%) Males - 94% Females - 92% | S3PA CMI_2021 (1.5%) Males - 107% Females - 101% |

Life Expectancy

| | Start of Year | End of Year |
|--|-------------------|-------------------|
| Of males (female) future pensioner aged 65 in 20 years' time | 24.4 (27.1) years | 23.3 (26) years |
| Of males (female) current pensioner aged 65 | 23.0 (24.9) years | 21.9 (24.1) 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 | 30,062 | 27,697 | 31,340 | 30,301 | 30,670 | 30,062 | 30,062 |
| Assets | (34,984) | (34,984) | (34,984) | (34,984) | (34,984) | (35,333) | (34,635) |
| Deficit (Surplus) | (4,922) | (7,287) | (3,644) | (4,683) | (4,314) | (5,271) | (4,573) |
| Projected Service Costs for next year | 649 | 561 | 700 | 649 | 665 | 649 | 649 |
| Projected Net Interest Costs for Next year | (245) | (396) | (184) | (234) | (216) | (262) | (229) |

History of experience gains and losses

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

| | 2022/23 % | 2021/22 % | 2020/21 % | 2019/20 % | 2018/19 % | 2017/18 % | 2016/17 % |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Actuarial (gains) / losses on Assets | 5.8 | 4.7 | 19.3 | (12.4) | (3.8) | (1.1) | (15.9) |
| Actuarial (gains) / losses on liabilities | (10.3) | (0.2) | 14.7 | (1.7) | 5.2 | (4.0) | (16.4) |

Market value of whole fund assets (£millions)

| Start of Year | End of year |
|---------------|-------------|
| 3,243 | 3,167 |

The end of year figures for the market value of the assets and the split between investments categories have been calculated as at 28/2/23. The corresponding split of assets at the start of the year has been calculated as at 31/3/22. The actuarial assumptions used in the calculation of the end of year balance sheet liabilities are based on the 2023 actuarial valuation assumption, other than the financial assumptions which are shown above. A deduction of £14k in respect of expenses was made for the year.

The forecasted employer's contribution for 2023/24 is £376k; implied service cost including net interest cost £649k and administration cost of £14k. The projected surplus as at 31/3/24 is expected to be £4.8m and the present value of future accounting service costs is £110.1m.

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 2022/23* presents a true and fair view of the financial position of the Authority at 31st March 2023 and its income and expenditure for the year ended 31st March 2023.

R.E.GRIFFITHS
Chief Financial Officer

Date

2022/2023 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 wellbeing 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) and the Financial Management Standards in the code. 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 _____
Chair

DATED _____

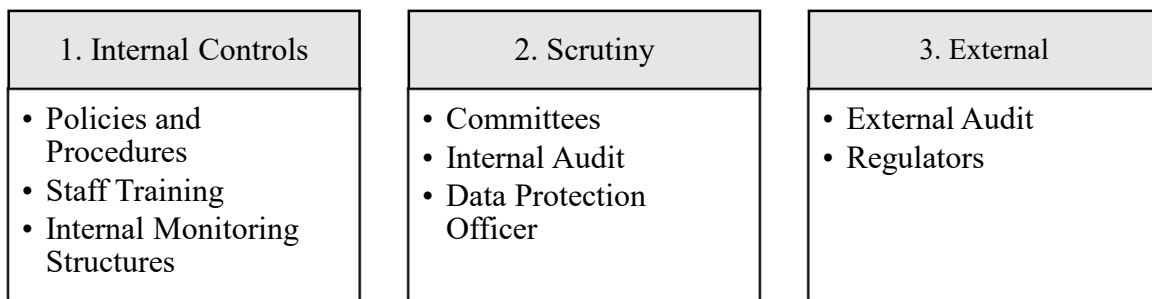
SIGNED _____
Chief Executive

DATE _____

The purpose of the Governance framework

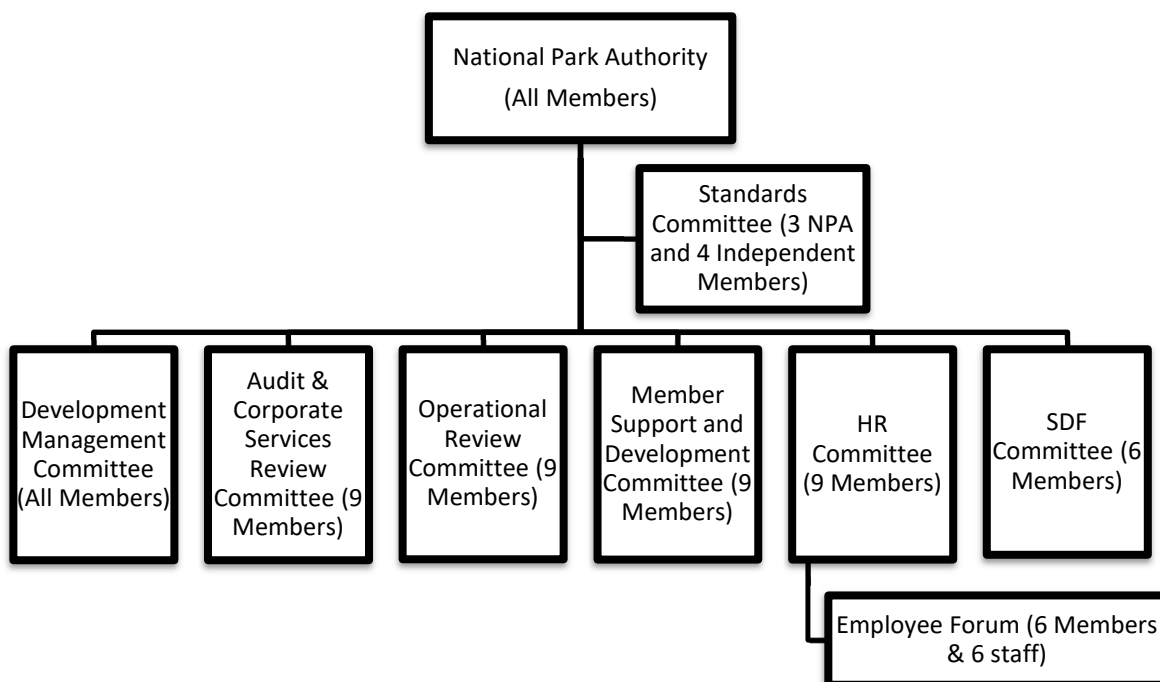
The governance framework comprises the committees, systems and processes, cultures and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic 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. The Authority processes, committee's and staff act three discreet lines of defence. Although mitigation 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 Groups to investigate and advise on specific matters.
- To determine all Service Standards and the Authority's Statutory Duties.
- To manage 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 and 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 Welsh Government's Term of 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.

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.

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

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.

National Park Officer

The Authority appoints a National Park Officer in accordance with the requirements of the Environment Act (1995) Schedule 7 clause 14 [Environment Act 1995 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

Section 151 Officer

Within the Authority the Finance Manager also acts as the Section 151 Officer. The role and responsibilities of the Section 151 Officer are detailed

<https://www.legislation.gov.uk/ukpga/1972/70/section/151>.

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.

Monitoring Officer

The Authority has appointed an independent Monitoring Officer under Section 5 of the Local Government and Housing Act 1989 to report on the Authority's conduct and standards function.

Data Protection Officer

The Authority has appointed a Data Protection Officer a requirement for Public Bodies under the UK GDPR. The Data Protection Officer assist the Authority to monitor internal compliance, inform and advice on data protection obligations, support completion of Data Protection Impact Assessment and act as a contact point for data subjects and the Information Commissioner’s Office.

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.

External Auditors and Regulators

In addition the Authority is subject to external audits and regulators:

- Audit Wales act as the Authority’s external audit and make comment following their financial accounts and performance work and in the annual audit letter. The Auditor General for Wales carries out examinations to assess the extent to which a public body has acted in accordance with the sustainable development principle under the Well-being of Future Generations (Wales) Act.
- Public Services Ombudsman for Wales, have legal powers to look into complaints about public services in Wales and to investigate complaints that local government councillors have breached their authority’s code of conduct.

- Well-being of Future Generations Commissioner may conduct a review into the extent to which a public body is safeguarding the ability of future generations taking account of the long-term impact of the things a body does under section 3 of the Act (well-being duty). Public bodies must respond to recommendations.
- Welsh Language Commissioner, sets and enforces Welsh Language standards and determines complaints and investigations. Following an investigation, the Commissioner may impose enforcement action where necessary.
- Information Commissioner's Office, is the UK independent body set up to uphold information rights, including data protection and Freedom of Information.
- The Health and Safety Executive is the national regulator for workplace health and safety. They carry out targeted inspections and investigations and can take enforcement action.
- Equality and Human Rights Commission is the regulatory body responsible for enforcing the Equality Act and have a range of enforcement powers.

Principles of Governance

The review of the effectiveness of the Authority systems of governance is undertaken in accordance with the following 7 CIPFA principles:

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- Ensuring openness and comprehensive stakeholder engagement.
- Defining outcomes in terms of sustainable economic, social and environmental benefits.
- Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- Managing risks and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting, and audit to deliver effective 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 |
|--|---|---|
| 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 | Report went to 14/12/22 NPA on PCNPA response to Audit Wales – Public Sector Readiness for Net Zero Carbon by 2030 calls for action. The report set out the Authority’s progress to date against these calls for action and future activities that will support it to further deliver against them. |
| Successful implementation of Microsoft 365 across the organisation. | Complete the full implementation of Office 365 across the Authority | System in use, however further work is needed to fully explore functionality potential and move to Sharepoint. |
| 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 its structure. | Consultation process completed on reorganisation. Key heads of appointed. Budgets being realigned to new structure for 2023/24. |
| 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 | Continued engagement with PSB during year as it developed Well-being Plan for Pembrokeshire. |
| Implement the recommendations of the audit of Risk Management | Working TIAA, the Authority’s internal auditors, to develop risk management arrangements and reporting. | Work in progress. Meeting held with Members. Revised risk register in place. Further work being carried out on risk appetite. |

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 Authority's Code of Corporate Governance which is based on the seven principles of the CIPFA Code of Corporate Governance.

Principle 1: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

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. No cases were brought to the Committee during the year.

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. The Monitoring Officer provides an annual code of conduct training session and advice when required to Members.

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 jointly with Pembrokeshire County Council. The Authority meets the standards for the Advanced Charter for Member Support and Development. The Authority has delivered a comprehensive induction training programme for new Members, to which all existing Members were invited as a refresher.

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”.

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.

Safeguarding Policy

The Authority has in place a safeguarding policy and staff participate in required training. The policy takes 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 policy includes 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.

Financial Standards

The Authority regularly reviews and updates 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.

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. They have 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.

Principle 2. Ensuring openness and comprehensive stakeholder engagement.

During the past year the Authority has sought to engage with local people and stakeholders through a range of consultations.

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.

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 common projects, e.g.:

- Carmarthenshire County Council; SLA's Payroll / Pension, Minerals
- South Wales Local Authority Purchasing Group
- Bannau Brycheiniog & Snowdonia National Parks Authorities, brokerage Insurance
- There has been significant engagement with Town and Community Councils on 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 Bannau Brycheiniog National Parks Authority.
- Local Access Forum, sharing secretariat with Pembrokeshire County Council. The Pembrokeshire Local Access Forum is a statutory body established jointly by Pembrokeshire County Council and the Pembrokeshire Coast National Park Authority, following legislation and regulations introduced by the Countryside and Rights of Way Act 2000. The statutory function of the Forum is to advise the County Council, National Park Authority, Natural Resources Wales and Welsh Government as to the improvement of public access to the countryside of Pembrokeshire for the purposes of open air recreation and enjoyment. The Forum's membership is balanced to reflect the concerns of local farmers and land managers, as well as the interests of recreational users of the countryside such as walkers, horse riders and cyclists. Local Access Forum meetings are held in public on a quarterly basis. Local Access Forum members are appointed for a term of three years. The secretariat of the Local Access Forum rotates between the National Park Authority and Pembrokeshire County Council. in the current term, 2022-24, the Access & Rights of Way Manager of the National Park Authority is the Forum secretary.
- Landscape Wales a partnership of the 8 Welsh Designated Landscapes.
- South West Wales Corporate Joint Committee.

Community, Project and Service User 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.

This year the group has explored how the Authority can support wider activities being carried out in Pembrokeshire on Tackling Poverty.

The Authority's Youth Committee continued to meet, with Member representation. 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 have been engaging with Community, Town and City Councils as part of a tree planting scheme to commemorate 70 years of National Park Designation.

The Authority has continued with a 'people led approach' for its Roots to Recovery and Pathways projects, capturing and collating participant and volunteer feedback for both projects. The Authority has continued to engage with stakeholder groups and organisations as part of its regional West Wales Walking for Well-being project.

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 Assessment and during the year has been consulting on new Well-being Goals and the draft Well-being Plan. The Authority is represented on PSB tackling poverty working group.

Webcasting Authority and Committee Meetings

The Authority continued to webcast its Committee meetings.

Inclusion, Diversity and Governance Excellence Strategic Lead

During the year the Authority with the two other National Park Authority's appointed an Inclusion, Diversity and Governance Excellence Strategic Lead. The lead has developed an action plan to inform the approach of the three Welsh National Park Authorities on reaching wider audiences.

Public participation in planning matters at Development Management Committees

All planning applications are subject to public consultation, as well as consultation with Statutory Consultees such as Town and Community Councils. For applications that are considered by Members at the Development Management Committee there is an opportunity for members of the public to address the committee for up to 5 minutes.

Principle 3. Defining outcomes in terms, of sustainable economic, social and environmental benefits.

The Authority has been focusing on developing work to ensure that it is 'fit for purpose' to meet the challenges of the future. In particular the 30 by 30 commitment for Nature Recovery and Net Zero and decarbonisation targets.

Welsh Government – Term of Government Remit Letter

The Welsh Government has issued the Authority with a Term of Government Remit letter which outlines its expectations on the Authority until 2026. However, the budget settlement is for only one year, with an indicative budget for the following year.

National Park Management Plan

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. Work has commenced on planning a new Management Plan to be agreed by the end of 2024.

Corporate and Resources Plan and Annual Report

The Corporate and Resources Plan document sets out the Authority's Well-being statement, 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.

High Level Strategy

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.

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. Work has been undertaken to develop a new strategy for the next five years. During the year the Authority has had one complaint made against it to the Welsh Language Commissioner, however the Commissioner decided not to investigate this.

Equality Plan and Objectives

In line with requirements of the Welsh specific equality duties the Authority has in place an equality plan. The plan sets out the Authority's Equality Objectives and what the Authority will do across 2020-2021 to achieve these objectives and promote equality and diversity.

Socio-economic duty

The Socio-Economic Duty (under the Equality Act 2010) commenced in March 2021. The Authority considers Socio Economic Disadvantage as part of its integrated assessments.

Section 6 – Signposting Document and Reporting

The Environment (Wales) Act 2016 Section 6 (Biodiversity and Resilience of Ecosystems Duty) requires that public authorities must seek to maintain and enhance biodiversity so far as consistent with the proper exercise of their functions, and in so doing, promote the resilience of ecosystems. The Authority has in place a signposting document that sets out the approach taken by PCNPA to embed the duty within its corporate planning framework. The Authority submitted reports on what it has done to comply with the Section 6 Duty to Welsh Government in 2022 in line with the Authority's Signposting Document.

Integrated Assessments

The Authority uses integrated assessments, a multi-purpose tool to ensure the appropriate steps are taken in our plan, policy and decisions making processes to:

- Comply with the Public Sector Equality Duty (we are required to assess equality impacts under the Welsh Specific duties.)
- Demonstrate that we have shown due regard to the need to reduce inequalities of outcome resulting from socio-economic disadvantage when taking strategic decisions under the Socio-economic Duty.
- Ensure we are considering impact on Health and Well-being.
- Ensure we are considering the Welsh Language Standards.
- Ensure we are considering the Section 6 Biodiversity Duty and wider carbon emission and carbon storage considerations in our plans and decision-making processes.
- Ensure we are considering the Well-being Goals for Wales, 5 Ways of Working under the Well-being of Future Generations Act and any relevant future trends/ horizon scanning information.

The Authority continued to complete integrated assessments during 2022/23 with summary information from assessments included in relevant Committee Papers to inform Members when making decisions.

Communication and Publicising Impact

Annual reports are published on the Authority's website. Authority includes impact case studies submitted by staff in its performance reports that go to Audit and Corporate Services Review Committee and Operational Review Committee. These case studies have been shared with the Well-being of Future Generations Commissioner Office. The Authority also submitted information to Welsh Government to inform the Welsh Ministers Report on Equality 2022. The Authority issues regular press releases raising awareness of activities it undertakes and their impact, with information shared across social media. The impact of the Authority's work is also highlighted in Coast 2 Coast.

Pembrokeshire Public Services Board

The Authority is an invited member of the Pembrokeshire Public Services Board (PSB). The PSB agreed the Pembrokeshire Well-being Assessment and during the year has been consulting on new Well-being Goals and the draft Well-being Plan. The Authority is represented on PSB tackling poverty working group.

Consultations

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

- Technical Advice Note (TAN) 15: Development, flooding and coastal erosion.
- Independent Remuneration Panel For Wales
- Planning Policy Wales on Net Gain Biodiversity

Principle 4. Determining the interventions necessary to optimise the achievement of the intended outcomes.

National Park Grant and Levy

The NPG / Levy for 2022/23 remained unchanged from the 2021/22. The Authority was in receipt of a number of Welsh Government grants which were used to offset the additional Covid related operating costs.

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.

Committees

Individual service team leaders update Members of the relevant 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.

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. Staff update the Performance reporting management system directly with information to update performance reporting on a regular basis. Performance reports are presented to Operational Review Committee and Audit and Corporate Services Review Committee for Member scrutiny and comment.

Financial Monitoring

There were two budget workshops held with Members to discuss the medium-term financial plan. The Authority reports its financial performance regularly to the Audit and Corporate Services Review Committee.

Integrated Assessments

The Authority continued to complete integrated assessments during 2022/23 with summary information from assessments included in relevant Committee Papers to inform Members when making decisions.

Delivery Plan Development

The Authority initiated a process in 2022/23 to develop Delivery Plans that will set out priority actions and deliverables to support Authority delivering on its high level strategy and new Well-being Objectives.

Leadership Team

Leadership Team provides governance, strategic management and decision-making on relevant issues and within delegated powers. It receives minutes and decides upon recommendations/ issues referred to it by Health and Safety Group, Asset Management Group, Staff Representative Group, Commercial Group and Engagement Action Plan Group.

Data Protection Impact Assessments

Authority continued to complete Data Protection Impact Assessments to help identify and minimise the data protection risks of projects and activities.

Planning Delegation

A report went to the December NPA on amendments to the Authority's Scheme of Delegation. Temporary amendments to the Authority's Scheme of Delegation in relation to Development Management were first agreed on 6th May 2020 and extended a number of times, most recently in December 2021. These amendments had been introduced to assist the Authority in delivering the continuity of the Development Management service during the Covid -19 period. Some elements of the temporary amendments ceased at the end of December 2022, but it was proposed that some were retained as permanent amendments. Some additional amendments were also proposed to improve the clarity of the Scheme and ensure any new powers which were introduced were captured immediately by the wording of the scheme.

Principle 5. Developing the entity's capacity, including the capability of its leadership and the individuals within it.

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

Member induction

Due to Local Government Elections, seven new Members were appointed to the Authority in 2022. They received a full programme of induction, including sessions to help them understand the context and remit of National Park Authorities and how they operate within the governance of Wales. The Authority's Monitoring Officer participated in the session on the Code of Conduct organised by Pembrokeshire County Council. All returning Members were invited to the induction sessions, and most were recorded to allow any Members not able to attend to view the sessions at their convenience.

Member Support and Development Committee

The Member Support and Development Committee meets on a quarterly basis and, over the last year, has reviewed the induction process and buddying scheme in advance of the appointment of new Members, agreed the policy on contributions towards the costs of care allowance, and reviewed progress against the training plan agreed previously.

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.

Member and officer Joint Training & Development

The Authority actively promotes joint training sessions between Members & officers. During the year there were 3 workshops, one of which was held jointly with Pembrokeshire County Council.

Restructure and Appointment of Heads of

During the year the Authority undertook a process of restructuring its work in order to better align it to its high level strategy and revised Well-being Objectives. This included an extensive process of consultation and responding to counter proposals. A key element was to increase leadership capacity and identify clearly lines of accountability.

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.

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.

Health and Safety

Significant change has been undertaken in relation to Health and Safety across the Authority. This was in part a response to the recommendations following a review of the Authority’s approach to managing Hand and Arms Vibration Syndrome (HAVS) by the Health and Safety Executive. The Executive raised an improvement notice on the Authority and as a result an action plan to change our work has been developed.

The terms of reference of the internal Health and Safety Group has been amended to make it more accountable and it now includes the managers for all relevant functions. A Project Officer has been recruited to undertake a review of Health and Safety across the Authority and any recommendations will be taken forward during 2023-24.

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 as outlined under Principle 2.

Members agreed the appointment of Members to the following external organisations at the National Park Authority AGM in June 2022:

- National Parks UK Executive Committee
- National Parks Wales
- Welsh Local Government Association (Council, Executive Board, Joint Council for Wales)
- WG Partnership Council for Wales
- Campaign for National Parks
- Alliance for National Parks
- National Coastal Forum
- Port of Milford Haven Advisory Committee
- Pembrokeshire Local Access Forum
- Pembrokeshire College Advisory Forum
- Pembrokeshire Coast National Park Trust
- Skomer Marine Conservation Zone Advisory Group
- Visit Pembrokeshire

Principle 6. Managing risks and performance through robust internal control and strong public financial management.

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 the Authority significantly amended its Risk Register to focus on key strategic risks, to allocate risks to officers and to identify risk tolerance.

Upgrading systems infrastructure

During 2022/23 the Authority undertook work on the following IT systems:

- The deployment and integration of the 3CX VOIP platform to visitor centres. Integrated calling between sites helps remove barriers to communication.
- Upgraded and secured the public Wi-Fi offering at the visitor centres.
- Moved the PCNPA committee meetings to a hybrid environment using Microsoft Teams and live streaming to YouTube. Remote attendance and public participation now possible, reducing the threat of disruption in the event of future pandemics.
- Replaced on-premises, end user security platform (ESET) with Microsoft 365 integrated Windows Defender. Benefiting in cost savings as well as tighter integration and improved reporting.
- Migrated Apple Macintosh from Intel to Apple Silicon, allowing updated software to be utilised for the Graphics team.
- Canon printer contract renegotiated, renewed, and extended to cover all main remote centres for the first time. Cloud-enabled print solution gives more print options and possibility for improvement over the course of the contract
- EPOS (Electronic Point of Sale) system including hardware, software and payment terminals replaced. New hardware is faster, secure, and has greater functionality than previous system.

Cyber Security and Data Protection

The Authority has in place an external DPO who provided advice and guidance to staff during 2022/23, including supporting the completion of Data Protection Impact Assessments. Mandatory online training was provided to staff on data protection and cyber security.

Members of Audit and Corporate Services Review Committee received two reports from Audit Wales on Cyber Security at the Audit and Corporate Services Review Committee 9 November 2022. Following this a Cyber Security Member Champion was appointed at the December 2022 NPA. The Authority has identified training for Members on Cyber Security. The creation of this training was sponsored by Welsh Government and designed specifically for Councillors. Multi Factor Authentication has been introduced to increase cybersecurity for those logging in to Authority systems. The Authority has signed up to additional NCSC services.

Internal Audit 2022/23

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 2022/23 by the Authority's internal auditors Gateway Assure. The focus of the Audit was on the following areas:

- Visitor Centre & Café Castell Henllys
- Payroll & Expenses

- Conservation Management
- Performance Management
- ICT Disaster Recovery

Head of Internal Audit's Annual Opinion

At the Authority's Audit and Corporate Services Review Committee held on the 12th July 2023 the following audit opinion was given for 2022/23:

"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. One area, ICT Disaster Recovery, was reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited assurance'. Recommendations were made to further strengthen the control environment in this area and management have accepted the recommendations and provided appropriate responses.

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"

Audit Wales Financial 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 Performance Reports and Fieldwork

During 2022/23 the Audit Wales carried out:

- field work which focused on: "Has the Authority established effective systems to consider and approve whether and how it should pursue new opportunities to optimise income?" They reviewed documentation, carried out an online survey with Members and held focus groups and interviews with Members and staff to inform this work.
- governance review which focused on: "Do National Park Authorities in Wales have effective governance arrangements that support good outcomes for citizens?" They reviewed documentation, carried out an online survey with Members and held focus groups and interviews with Members and staff to inform this work.

Annual Report on meeting the Well-being Objectives

In 2022/23 the Authority published its Annual Report on meeting the Well-being Objectives. This report sets out our performance on delivery in 2021/22 against the Authority's Well-being Objectives.

Local Development Plan 2 Annual Report

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 commenced. In the March 2023 the 2023 25 supplementary planning guidance documents were adopted by the National Park Authority.

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 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 and updated for 2021/22 reporting. A group of staff from across the Authority worked together to complete submission of 2021/22 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 7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

Committees

Individual service team leaders update Members of their relevant 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.

Publishing Authority/Committee Papers on Website and Webcasting

Authority/Committee agendas and reports are normally published on the Authority's website 5 clear working days prior to the meeting in accordance with Standing Orders, although in exceptional circumstances some reports may not be available until later. Meetings of the Authority and its Committees are webcast to the Authority's YouTube Channel, with a link to this provided on the Authority's website, and retained thereafter in accordance with its data retention policy.

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.

Employee Forum and Staff Reps

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. The Authority had a staff forum to create an inclusive culture built on trust, fairness, respect and teamwork.

Maintaining Procedures for public participation in Development Management Committees

The right to speak at meetings of the Authority's Development Management Committee has been in place since 2002 and this arrangement was confirmed, and the procedures reviewed most recently in June and July 2021.

Leadership Team – Agendas and Minutes

Leadership Team Agendas and Minutes are available for all staff to view.

Terms of References and Standing Orders

Terms and References and Standing Orders for Committees are available on our website and reviewed when required.

Internal Audit and Audit Wales

As referenced above TIAA have continued to undertake the Internal Audit functions for the Authority which has included work on area detailed above. A tender was issued to appoint Internal Auditors for the period 2023 – 2026, which was awarded to Astari Limited.

Audit Wales performance reports for the Authority are published on Audit Wales website and Audit Wales attend Committees to report findings of their reports.

Audit Wales have attended Authority Committees for observation activities as part of Governance Review.

Finance and Performance – Providing Information

Finance and Performance information is reported regularly to relevant Committees.

Responding to Regulators

The Authority responds to requests, recommendations and good practice identified by regulators.

| Governance Issues / Risks Identified | Action to be taken |
|---|---|
| Health and Safety | Undertake a review of management of health and safety |
| Continue implementation of Microsoft 365 across the organisation, including exploring functionality opportunities for Sharepoint alongside implementing improved record management processes and practices. | Undertake activities to support improved record management across the Authority, incorporating activities to support the move to Sharepoint. |
| Mid-term financial planning and cost pressures | Continue to work with Members and Welsh Government to manage mid term financial challenges and pressures. |
| Review of Corporate Policies | Undertake activities to support delivery of Corporate Improvement Project on management and communication of Corporate Policies and Standards |
| Complete Pay and Grading review | Complete and review outcome of Pay and Grading Review |
| Internal audit finding on ICT Disaster Recovery | Implement recommendation |
| Welsh Language Strategy | Completion and publication of Welsh Language Strategy. |
| Implement recommendations from Audit Wales review of Governance | Implement agreed recommendations from Audit Wales review of Governance |

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 2023 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 2022-23.

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 2023 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 2022-23.

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

24 Cathedral Road,
Cardiff
CF11 9LJ



To: Directors of Finance in Wales
Copied to: WLGA, Audit Wales

19 May 2023

Dear colleagues

Preparation and Publication of Statutory Financial Accounts for 2022-23, 2023-24 and 2024-25

I thought it may be helpful to write to confirm the Welsh Government's expectation for the timescales of the preparation and publication of statutory financial accounts for 2022-23 and the following two years, given recent correspondence from Audit Wales. Following the pandemic and infrastructure asset audit issues raised last year there has been some disruption in the standard accounts preparation timetable for a number of years. Audit Wales (AW) recently set out in their letter to you that their proposed timetable for the next three years is:

- Audit of Accounts 2022-23 – AW certification by 30 November 2023;
- Audit of Accounts 2023-24 – AW certification by 31 October 2024;
- Audit of Accounts 2024-25 – AW certification by 30 September 2025.

The Accounts and Audit (Wales) Regulations 2014 already make provision for an authority having to delay preparing and publishing their annual financial accounts. By virtue of regulation 10(4) authorities are able to include a note on websites to say why they haven't prepared or published their accounts within existing deadlines to comply with legislation. As we now have a longer term timetable we will seek to consult on and make amendments to the regulations before 31 March 2024 but will continue to rely on regulation 10(4) in the meantime and ask that bodies ensure they publish the required notices as set out in the regulations.

It remains important for all bodies to prepare their annual accounts on a timely basis. To provide some certainty and a framework for completion of the annual accounts, following the revised AW timetable and discussion through the Society of Welsh Treasurers we are suggesting that the timetable for the draft accounts to be prepared is:

- Preparation of Draft Accounts 2022-23 – 31 July 2023 ;
- Preparation of Draft Accounts 2023-24 – 30 June 2024;
- Preparation of Draft Accounts 2024-25 – 30 June 2025.

As discussed with the Society of Welsh Treasurers Executive Group, where councils are able, it is good practice to approve as early as possible and helpful to engage with auditors to help manage overall pressure on Audit Wales.

The AW timetable will then mean that the final accounts need to be published by:

- Publication of Final Accounts 2022-23 – 31 December 2023;
- Publication of Final Accounts 2023-24 – 30 November 2024;
- Publication of Final Accounts 2024-25 – 31 October 2025.

In relation to the meetings needed to approve draft and final accounts, the Local Government and Elections (Wales) Act 2021 makes provision for remote attendance at local authority meetings.

Yours sincerely



Deputy Director, Local Government Finance Policy and Sustainability Division