

# Audit and Corporate Services Review Committee

28 February 2024

## Present

Dr R Heath Davies (Chair)

Councillor S Alderman, Councillor D Clements, Mrs S Hoss, Dr M Havard and Councillor M James.

## Officers in attendance

Ceri Kwiecinski (Internal Audit), Chief Executive, Health and Safety Project Manager, Head of Finance and Fundraising, Head of Decarbonisation, Performance and Compliance Officer, Director of Placemaking, Decarbonisation and Engagement and Democratic Services Manager.

(Virtual Meeting: 10.00am -11.40am; 11.50am – 1.50pm)

### 1. **Personal Matters**

The Chair recalled the recent passing of Councillor R Owens and acknowledged his great service to the Authority, having served on the Committee since 2014. A minute's silence was observed.

### 2. **Apologies**

Apologies for absence were received from Councillor B Price and Councillor S Skyrme-Blackhall.

### 3. **Disclosures**

There were no disclosures of interest.

### 4. **Minutes**

The minutes of the meeting held on the 8 November 2023 were presented for confirmation and authentication.

On the proposal of Councillor James, seconded by Councillor Clements, it was **RESOLVED** that the minutes of the meeting held on 8 November 2023 be confirmed and authenticated.

### 5. **Action Log**

The updates provided in the table were **Noted**.

### 6. **Report of the meeting of the Health and Safety Group held on 28 November 2023**

The Health and Safety Project Manager provided Members with some additional information in respect of some of the items discussed at the meeting.



**NOTED.**

**7. Internal Audit Reports**

The Chair welcomed Ceri Kwiecinski from Astari, the Authority's Internal Auditors. She noted that delivery of the 2023/24 Internal Audit Annual Plan was progressing well and there were no issues to report. Turning to the Health and Safety Audit, the results of which were reported to the Committee that day, it was noted that this area of work had been given a reasonable assurance. Five recommendations and four points of good practice had been identified, however the Auditor noted that consideration had been given to the improvement work, ongoing and planned at the time of the review, to strengthen the control framework, and they had not raised additional recommendations where it was considered that the planned improvements would likely address risks identified, with the caveat that they were implemented as intended.

Officers clarified that the Health and Safety Policy would be reported to the March meeting of the Authority and on the advice of the Auditor it would be presented annually for review. In response to a question regarding the standardisation and currency of risk assessments officers advised that a new risk assessment template had been introduced across the Authority and training provided. The Authority had a large number of risk assessment documents and work was now ongoing to remove duplication and update these. Due to the scale of the task, it was requested that the implementation date be revised to September 2024.

Officers accepted the recommendations and it was agreed that they would be transferred to the Audit Action Log, however it was noted that the suggestions would be given a lower priority to the recommendations and would be addressed when time allowed.

**Noted.**

**8. Action Log for External Performance Audit and Internal Audit (Ending 31 December 2023)**

Members were reminded that following a request from Members, an Action Log for External Performance Audit and Internal Audit had been created to assist with monitoring of actions agreed from Audit reviews. The report provided an update on each of the actions, which had been categorised with a RAG (Red, Amber, Green) rating, and it was noted that these had now been added to the performance reporting system, to support co-ordination of monitoring of progress against actions.

The report highlighted that a number of high priority actions had now been completed, particularly in respect of risk management, business continuity and disaster recovery and other linked actions could now be



progressed. Members queried agreed action 1100 in respect of the need for a larger safe at Castell Henllys for storage of cash, when increasing numbers of transactions were undertaken by card; Officers agreed to review the action. Concern was also expressed regarding lack of progress on safeguarding. The Chief Executive reassured the Committee that safeguarding processes continued to be undertaken and he would follow up the action to produce an annual report which would be presented to a future meeting of the Committee.

**Noted.**

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

The Health and Safety Project Manager presented the Health and Safety / Human Resources dashboard containing information to the end of December 2023. He highlighted that there had been 68 incident reports during the year which included a 10% increase in incidents reported, but a 5% decrease in actual incidents; it was hoped that more reports of near misses would lead to fewer incidents. Members asked that near misses be reported separately in future and also that the time period for the statistics be included.

**Noted.**

#### **10. Risk Management Policy**

Members were reminded that in recent years the Authority's Internal Auditors had undertaken two reviews of Risk Management and Risk Maturity. A number of recommendations had been made, and in order to take these forward a revised Risk Management Policy had been produced which introduced new elements of Assurance to reflect the good practice provided by the three Line Model and also introduced an approach to Risk Appetite. Members of the Committee were invited to comment and make suggestions on the draft policy, which would be presented to a future meeting of the National Park Authority for approval.

Members suggested a number of changes to the policy, including renaming the Objectives of the Policy as set out in the introductory paper as Outcomes and amendments to the Risk Appetite section of the policy. It was acknowledged that the policy would need to be reviewed in due course to ensure it was working as anticipated. It was also questioned whether in future consideration should be given to co-opting external members onto the Committee to give an independent perspective; it was considered that this would be an interesting topic for discussion.

**NOTED.**

[The meeting was adjourned between 11.40am and 11.50am]



## **11. Risk Register**

The Chief Executive noted that the risk register had been reviewed and updated based on the existing Risk Management Policy. Once the new policy was approved, work would be undertaken to transfer to a new Risk Register that took account of wider assurance evidence and risk appetite.

Members suggested that consideration could be given to adding risks in respect of policies not having been reviewed within specified time periods and also additional workstreams for the Authority resulting from changes in Welsh Government Ministers. It was also requested that scores for risks 4 (delivery of targets) and 6 (habitat/biodiversity loss) be reviewed.

**NOTED.**

## **12. Annual Governance Statement 2023/24**

It was noted that during the later discussions on the 2022-23 Annual Governance Statement (AGS) some Members had expressed the view that they would like to see a more significant revision of the AGS. In view of this, Members were invited to indicate what changes they wished to make to the format and content of the AGS. These would be incorporated into a draft of the 2023/24 Statement which would be presented to the Authority to enable all Members to comment.

General comments made were inclusion of paragraph numbers and consistency in the way the Committees were described as well as removal of duplication through the use of cross-references and links.

**NOTED.**

## **13. Well-being Objectives Performance Report for the Period ending 31 December 2023**

It was reported that this revised report set out the Authority's performance against its four Well-being Objectives (Conservation, Climate, Connection and Communities) set out in its Corporate and Resources Plan 2023/24 – 2026/27. It outlined progress against priority indicators, projects, work programmes and internal development activities linked to activities identified in the Authority's Delivery Plans. The report presented the performance to date up to 31 December and included Q3 statistics for some measures.

Members welcomed the new report and asked about continuation of funding for the Walking for Wellbeing project to ensure that the work and engagement generated was not lost. Officers replied that the work of supporting walking groups would continue, however further grant funding would be sought for this area of work as it often fitted grant criteria. A question was also asked about the ongoing plan and strategy for Oriol y Parc to encourage more visitors to the gallery. Officers noted that the



current Lost Words exhibition had proved popular however a wider programme of work was also undertaken. In accordance with the report presented to the Authority in July 2023, work was currently being undertaken to create a bespoke plan for Oriel y Parc to develop the centre further.

## **NOTED**

### **14. Assurance Monitoring Report – Compliance, Public and Statutory Duties and Corporate Improvement**

The Performance and Compliance Officer noted that the aim of this report was to review the Authority's current performance in respect of its compliance, public and statutory duties and corporate improvement areas. It would act as one element of the risk management approach and support officers and Members in monitoring, assessing and responding to compliance and corporate improvement areas of work. The report also outlined progress against corporate improvement areas identified within the Annual Governance Statement and the Authority's Delivery Plans.

Members thanked the officer for the work to collate the information in the report which they found helpful in giving clarity and highlighting the scope of the work undertaken by the Authority. They noted that a number of policies were in amber and suggested that a schedule of documents with their review dates would be helpful. In response to questions regarding reports on public sector duties and child poverty and the Welsh Language, the officer highlighted that this was an assurance report and therefore only included information on areas where tolerance levels or triggers had been reached resulting in "Vulnerable" or "Of Concern" resilience scores. One Member considered that Welsh language impact assessments should be undertaken separately rather than as part of integrated assessments (Ref G20). The officer took on board the concerns but believed that a conscientious assessment as part of an integrated assessment would be more useful for officers.

**Noted.**

### **15. Budget Performance for the six Months ending December 2023**

The report of the Head of Finance and Fundraising set out the detailed net revenue budget for the nine months to December 2023 which showed that the actual and committed expenditure was £4,154k, £408k (9.0%) better than the profiled budget. The main reasons for the variance of actual expenditure against budget for each service department were set out in the report.

It was noted that car park season tickets were down on budget, likely to be due to the significant increase in price. Issues around the pay by phone and problems with signal were noted. The report also highlighted



that the Authority was facing increases in costs with electricity being a key example of the challenges faced. Electricity rates had increased by 180% over 22-23 and standing charges by 50%. Members asked whether the Authority was tied into a contract and the officer replied that it was part of a consortium which bought energy forwards. Current prices had reduced and therefore electricity costs should reduce. The Head of Decarbonisation added that the Authority was investing in Photovoltaic Canopies at Llanion which would bring costs down in future.

At the end of the third quarter the forecast revenue position for the 2023/24 year end was an operating deficit of £112k, £263k better than the budgeted deficit of £375k, and the forecast movement in the position was explained in the report.

The capital programme for the year had increased from the original budget of £995k to a revised budget of £1,469k. The forecast was up due to the acquisition of land at Newport Sands at £125k funded from bespoke Welsh Government Grant and £195k on new warden cutting machinery, funding for which came from a Local Places for Nature grant administered by the Welsh Council for Voluntary Action. In addition, there was a further payment for the installation of E.V. charging points which were now fully installed and operational as well as urgent replacement of the chiller at Oriel y Parc. However work had fallen behind on delivery of a number of programmes due to capacity and the need for professional reports; further details were presented in other reports on the agenda that day.

Turning to the Authority's Reserves, it was reported that the forecasted deficit for the year was expected to be £112k and the balance of the General Reserve was therefore expected to fall to £1,029k at the year end. The Capital Receipts reserve and Earmarked Reserves would be used to fund revenue and capital expenditure during the year and were expected to fall to £330k and £4000k respectively at the end of the financial year.

The officer reported that much work was ongoing to prepare for the year end, particularly with regard to accounting for ringfenced grants. The other main challenge was caused by the delay in completing the pay and grading review and the need to accrue for payments which were to be backdated to 01/04/2023 when final figures were not yet available. The Chief Executive added that an update on the Pay and Grading Review would be provided to the forthcoming HR Committee, but it was hoped to bring this to a close as quickly as possible. It was also noted that an Earmarked Reserve had been created in respect of the payments to be made.

**NOTED.**



## 16. Update on the Authority's transition to Microsoft 365

The Head of Decarbonisation explained that the transition to Microsoft 365 had resulted in a significant step forward in the Authority's efforts to enhance productivity, collaboration and flexibility. She noted that there had been changes to the IT Team during the year which had resulted in capacity issues and progress had also been impacted by the organisational restructure. Nevertheless significant progress had been made with training provided on the opportunities afforded by Microsoft 365 and a new intranet had been launched which contained areas for storage of key authority documentation such as policies and forms. Work was also ongoing to ensure that the file structure reflected the new organisational structure, and a Record Management Group had been created to manage this process in a phased manner.

Members were interested to learn more about work in respect of documentation and version control and hoped that a further update could be provided in future.

**Noted.**

## 17. Exclusion of the Public

On the proposal of Councillor Clements, seconded by Councillor James, it was **RESOLVED** that the public be excluded from the meeting as exempt information, as defined in Paragraph 14 of Part 4 of Schedule 12A to the Local Government Act, would be disclosed.

## 18. Information Communication Technology Disaster Recovery Plan

The report presented the Authority's latest ICT Disaster Recovery Plan, which had been updated in accordance with an Internal Audit recommendation. This set out the process for recovering systems following major disruption impacting the ICT infrastructure or other IT services with the objectives of minimising downtime and data loss, ensuring the continuation of operations and protecting sensitive information.

Members were reassured to know that this key piece of documentation was in place and that systems would be tested and reviewed.

**NOTED.**

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

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

