

AUDIT AND CORPORATE SERVICES REVIEW COMMITTEE

20th November 2013

Present: Councillor M Williams (Chairman)
Mr A Archer, Mrs G Hayward, Councillor M James and Councillor
DWM Rees.

(NPA Offices, Llanion Park, Pembroke Dock: 3.30pm – 4.30pm)

1. Apology

An apology for absence was received from Councillor RW Lewis.

2. Disclosures of interest

There were no disclosures of interest.

3. Minutes

The minutes of the meeting held on the 7th August 2013 were presented for confirmation and signature.

It was **RESOLVED** that the minutes of the meeting held on 7th August 2013 be confirmed and signed.

4. Health and Safety Group: reports of meetings

Members considered the reports of the meetings of the Health and Safety Group held on the 18th July 2013 and the 17th October 2013.

It was **RESOLVED** that the reports of the meetings of the Health and Safety Group held on the 18th July 2013 and the 17th October 2013 be received.

5. Performance Report for the period April to October 2013

The Business and Performance Manager presented Members with details of progress made during the first half of the financial year in respect of the key actions and measures set out in the team plans within Support Services, together with performance against the four Improvement Objectives set out in Part 1 of the Authority's Improvement Plan.

He also provided more detailed information on certain aspects of his report in response to Members' queries.

It was **RESOLVED** that the Performance Report for the period April to June 2013 be received.



6. Risk register

The Business and Performance Manager reminded the Committee that he provided an update each quarter on the potential risks to the Authority if certain circumstances occurred (e.g. significant loss of funding, loss of one of the Authority's premises due to fire, significant IT system failure, etc.), or if the Authority failed to properly deliver any of its services or failed to achieve its targets as set out in its Corporate Strategy and Improvement Plan. Following comments from the Wales Audit Office, he had recently undertaken a review of the register, resulting in some of the identified risks being consolidated, with other potential risks involved in delivering improvement objectives and key service projects being added.

He went on to say that, at previous meetings, the monitoring of risks had been allocated to individual Members, with the intention to update Members every quarter of any changes to those risks. However, this system had proven to be inconsistently implemented and, as such, a further review of the process was being considered.

The Chief Executive stated that the introduction of the concept of allocating risks had been invaluable, in that it had emphasised to Members the fact that they were, in fact, corporately liable for all potential risks to the Authority. He agreed, however, that the process of monitoring by, and reporting to, Members needed to be reviewed and that a report would be presented to the National Park Authority in due course.

It was **RESOLVED** that the report on the Authority's Risk Register be received.

7. Budget performance report: 6 months to September 2013

The Finance Manager reported in detail on the Authority's revenue and capital budgets for the six months leading up to the 30th September 2013. As at that date, it was reported that the Authority's net revenue expenditure was £365,000 less than the profiled budget, and the reasons for the underspend (e.g. vacant posts and an increase in income) were highlighted in his report. He added that income at the third party managed car park sites of Saundersfoot and Solva was down against comparators for 2012/13, while the Chief Executive reported that a report on the management of car parks would be presented to a future meeting of the Authority. The Finance Manager went on to say that the forecast revenue position for the year was a budget surplus of approximately £271,000. However, given the reduction in the National Park Grant for 2014/15, it had been considered prudent not to reallocate this surplus during the remainder of this financial year.

Turning to the capital programme, Members were reminded that the original budget of £1,192,000 at the start of the 2013/14 financial year



had been reduced in the last quarterly report to £1,272,000. This figure had now been reduced even further to £810,000 – the reasons for so doing being highlighted in the report before Members.

Finally, the Finance Manager reported that the Authority's audited General Reserve was forecast to increase to approximately £769,000 by the end of the financial year although this sum would act as a cushion for managing the significant reduction in National Park Grant over the next two financial years. The Earmarked Reserves were expected to fall to £714,000 at year end as funding would be used for the various capital and revenue projects identified previously. With regard to Capital Receipts, £15,000 of the £247,000 would be used to fund the capital programme. No other disposals or acquisitions were currently planned.

The Chief Executive stated that further details would be provided at the forthcoming budget workshop. He added that some of the current budget surplus could be used to offset the impending Welsh Government budget cuts, which would make next year's target more achievable. He went on to say that the more difficult challenges would come to light in 2015/16, although this would enable the Authority to consult more effectively in the intervening period.

Members congratulated officers on their prudent management of the Authority's accounts.

It was **RESOLVED** that the budgetary performance for the six months ending the 30th September 2013, as presented in the report of the Finance Manager, be endorsed.

8. Internal Audit 2013/14

The Committee was reminded of the statutory requirement for an Internal Audit service in National Park Authorities, and that this service was currently provided by Pembrokeshire County Council and used as a management tool to inform and improve internal financial control processes. During 2012/13, the internal auditors had concentrated on a review of the previous year's Agreed Action Plan, the Delivery department, Oriel y Parc, car park management, planning income, payroll and purchase cards, and the full Audit Report had been presented to this Committee on the 27th February 2013. No significant failings had been identified in that audit, although a number of minor improvements had been suggested and follow-up actions subsequently undertaken.

It was reported that the Internal Audit Plan for 2013/14 would concentrate on a review of the previous year's Agreed Action Plan, creditors, Historic Town Grants, IT risk, employee costs and the National Trail.



The Finance Manager went on to report that one of the requirements of the Public Sector Internal Audit Standards, which had come into force on the 1st April 2013 to supersede the CIPFA Code of Practice, was the need to set out an Internal Audit Charter. The Charter was to follow a specific format defined by the Standards and CIPFA and included, amongst other things, identify a Chief Audit Executive and establish the functional reporting relationship between that post and Members. Unfortunately, Pembrokeshire County Council had indicated only two months previously that its officers would be unable to fulfil the Executive role on behalf of the Authority for the current financial year. This had left the Authority with no time to tender for the service, therefore the next Internal Audit report would be presented to Members by the Finance Manager. This was not an ideal situation, and officers had informed the Wales Audit Office of the circumstances. However, Members were assured that the Authority would tender for an Internal Audit service for following years.

It was **RESOLVED**:

- (a) that the Internal Audit Plan for the 2013/14 accounting period be accepted, and
- (b) that the contents of the Internal Audit Charter, as set out in the report of the Finance Manager, be noted for the current financial year with a view to adopting the Charter in 2014/15 when the Authority tendered for its Internal Audit requirement, including the appointment of a Chief Audit Executive.

9. Health and Safety Annual Report 2012/13

Prior to presenting the Health and Safety Annual Report for 2012/13, the Personnel Manager introduced Ms Lowri Davies to the Committee. Ms Davies had secured a 6-month graduate placement with the Authority, and had recently been successful in gaining her Masters degree. It was hoped that her time with the Authority would help her gain a range of experience to enable her to launch into the professional arena.

Turning to the Health and Safety Annual Report, the Personnel Manager stated that the Health and Safety Executive had set out its expectations for effective leadership of health and safety and its belief that failure to include health and safety as a key business risk in “board” decisions could have catastrophic results. One of its key principles was identified as “strong and active leadership from the top” with visible, active commitment from the “board”.

As the Committee was aware, the Authority had fully accepted these principles, with reports of meetings of the officer-level Health and Safety Group being presented to both this Committee and the Corporate Management Team, together with the presentation each year to



Committee of the Health and Safety Annual Report. In addition, meetings of the Health and Safety Group were attended by the Chief Executive, and any incidents/accidents were reported on a regular basis to Corporate Management Team for monitoring purposes.

The Annual Report provided Members with information relating to health and safety management and practice within the Authority during 2012/13 and provided statistics on the number of accidents, incidents and 'near misses' that had occurred during the year. The Personnel Manager stated that the number of incidents/'near misses' had increased, although this could be viewed as a positive trend as the fact that it had been reported and actioned upon could prevent someone being hurt in future. She went on to say that hostile/aggressive incidents would be shown as a separate category from now on.

In response to a query from Members about the possibility of comparing statistics with other National Park Authorities, the Personnel Manager stated that benchmarking between Authorities had proved difficult as a number of different approaches had been adopted with regard to data collection.

In addition to a range of statistics, the report also highlighted the number of training courses that had been attended by staff during the course of the year, together with details of health and safety reviews and other training courses that were being organised throughout the current financial year.

It was **RESOLVED** that the Health and Safety Annual Report for 2012/13 be endorsed.

10. Conservation Area Grants

The Committee received a comprehensive report from the Building Conservation Officer on the background to, and the number of grants awarded under, the Authority's Conservation Area Grants Scheme. Since its introduction in 1988, 415 historic buildings within the National Park's fourteen Conservation Areas had received funding towards conserving the exterior fabric of the properties. The grant money awarded had levered in some £10million of conservation work over the period.

Members welcomed the grants scheme, as it had made a huge impact on conserving historic buildings within the National Park area and had also helped create long-term employment in some areas of the building trade. The Building Conservation Officer agreed, although he was uncertain whether the scheme would be able to continue in the future as confirmation was awaited from Cadw regarding the funding position. He took the opportunity, however, to place on record his appreciation of the



financial support given by Cadw over many years towards the grants scheme.

It was **RESOLVED** that the report of the Building Conservation Officer on Conservation Area Grants be received.

11. Continuous Improvement Group: delegation of issues of concern

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

12. Review of Review Committees

The Chief Executive reminded Members that the three Review Committees had been established in 2011, with a view to reviewing their performance twelve months later. However, due to the quite substantial change in membership in 2012, it was considered prudent to delay the review until such time as the new membership had had an opportunity to experience the work of the Review Committees. He went on to say that he would be preparing a report for consideration by the Authority in due course, and asked Members to submit their comments as soon as possible to him on the future role of the Committees.

Members were of the opinion that an audit committee of some form was an important element of the governance of the Authority. The Chief Executive replied that he would present a brief report to the Authority meeting in December with a view to canvassing comments from Members. An options report would then be presented in due course.

NOTED.

