

AUDIT AND CORPORATE SERVICES REVIEW COMMITTEE

16th July 2014

Present: Mr A Archer, Mr D Ellis, Mrs G Hayward, Councillors M James, R Owens, DWM Rees and M Williams.

(NPA Offices, Llanion Park, Pembroke Dock: 10.00am – 11.45am)

1. Appointment of Chair

It was **UNANIMOUSLY RESOLVED** that Councillor M Williams be appointed Chair for the ensuing year.

2. Appointment of Deputy Chair

It was **UNANIMOUSLY RESOLVED** that Mr A Archer be appointed Deputy Chair for the ensuing year.

3 Apologies

Apologies for absence were received from Councillors RM Lewis and L Jenkins.

4. Welcome

The Chairman welcomed Ms Daisy Hughes, the new manager at Carew Castle, to the meeting.

5. Disclosures

There were no disclosures of interest.

6. Minutes

The minutes of the meeting held on the 21st May 2014 were presented for confirmation and signature.

It was **RESOLVED** that the minutes of the meeting held on 21st May 2014 be confirmed and signed.

7. Matters Arising

a) Budget Performance Report 12 months to March 2014 (Minute 5)

Members pointed out that the minutes indicated that the Wales Audit Office had been asked to attend the next meeting of the Committee to explain the reasons for their increase in charges. Officers advised that Richard Harries would be attending the National Park Authority meeting in August when Members would have the opportunity to ask questions of him. Members also asked whether any response had been received from Paul Davies AM, and officers replied that they were unaware of one.

NOTED.



b) Draft Annual Governance Statement for 2013/14 (Minute 7)

The Finance Manager reported that under their new arrangements, the Wales Audit Office had also audited the Annual Governance Statement (AGS) and had made a number of comments which were circulated to Members at the meeting. He explained that while the AGS had been amended in response to some of these, others would be taken into consideration in preparing the 2014/15 statement, an approach Members were happy with. The Finance Manager asked for any further comments on the AGS to be made the end of the week. Approval of the revised statement would be sought at the meeting of the National Park Authority in August.

NOTED.

6. Performance Report for the period ending 30th June 2014

The Business and Performance Manager presented the performance to date for the Authority's Corporate Services for the first three months of the financial year. He explained that as this was effectively a new Committee, the report was slightly different to that presented on previous occasions as some indicators had been reported to the Operational Review Committee held the previous week. More or less information could be presented to future meetings of the Committee as Members wished.

Appended to the report, and also presented at the meeting, were the key actions and measures within Corporate Services, and these showed that most performance was on target, although some activities were not scheduled to commence until later in the year and some data was not yet complete.

The first measure that was reported showed that more than 97% of invoices were paid on time; Members asked what the time limit was and officers replied that the target was to pay invoices within 14 days. The high percentage of invoices paid within that timeframe was due in part to the use of purchase cards within the Authority which allowed smaller purchases to be processed more easily. One Member asked about the audit trail for the use of purchase cards as he recalled this had been an issue in another organisation a number of years ago. Members were reassured that the Authority participated in Welsh Government's Welsh Purchasing Card initiative which was well implemented with a very tight audit trail.

Another Measure related to Members' attendance and this too was above target. Referring to the recent publication of attendance figures for individual Members in the Statement of Accounts, one Member asked whether in future a separate record could be kept of Members' attendance at other meetings on behalf of the Authority where these



occurred at the same time as Authority meetings; currently Members were marked as not attending the Authority meeting in these circumstances. Officers agreed to ensure this happened in future.

Looking at the actions under the heading of communications and marketing, some Members questioned why the Authority had a stand at the National Eisteddfod, but no presence at the Royal Welsh Show (RWS) which they considered to be an important showcase. Officers replied that the Chief Executive did attend the RWS, however the cost of a stand was high, particularly in terms of officer preparation time, with little return; a similar market was catered for more effectively at the County Show. Members asked whether opportunities for joint working or sponsorship could be investigated to allow attendance in future years.

In conclusion, the Business and Performance Manager displayed the percentage of planning applications determined within eight weeks, which was topping 80%. Members were pleased with this performance, particularly when it was compared to the situation in 2009 when figures were considerably lower.

It was **RESOLVED** that the performance report be received.

7. Risk Register

The Business and Performance Manager reported that the Authority's risk register was monitored regularly and updated as changes occurred. Appended to his report was the current assessment of the risks affecting the Authority and the delivery of its main services.

Each risk was assessed in terms of likelihood and impact and by combining these, each risk could be set as low, medium or high. The current register showed 3 high risks with 7 medium and the remainder considered as low. He added that the impact of risk could be reduced by various actions, and these were set out in the report, although there would always be some residual risk beyond which the resources required to reduce further would be disproportionate.

The register also identified lead officers for each risk, someone responsible for review and a Member, the latter being a random allocation in most cases. The risk register would be reported to a future meeting of the National Park Authority when ways of reporting changes to the level of risk to Members would be identified.

In considering the risks, Members highlighted the risk of lack of staff capacity/skills for key work and officers confirmed that this risk had moved from green to amber due to the current financial pressures on local government, however the Chief Executive was trying to ensure staff were kept informed. Members agreed that it was a very uncertain time,



drawing attention also risk 29 – that of the Williams Commission recommendations impacting on service delivery. Officers replied that no changes were expected until the governance review announced by the Minister had taken place, however the Chairman of the Committee expressed the view that the National Park Authorities should come up with some options for the future in the meantime.

It was **RESOLVED** that the Risk Register be received.

8. Internal Audit Plan for 2014-15

The Chairman welcomed Richard Edwards, Principal Auditor with Pembrokeshire County Council (PCC) who would provide the Authority's internal audit services in the coming year. He explained that although PCC had been providing this service since 1996, changes to the Internal Audit Standards meant that they were now required to take on a more independent role and to report directly to Members.

Mr Edwards reported that in preparing the Plan, meetings had been held with all Senior Officers of the Authority and the Wales Audit Office to identify their current business risk and reference had also been made to other key documents including the Risk Register. The provisional risk based internal audit plan was appended to the report. It was anticipated that the work would take 22 auditor days with up to 10 additional audit management days to ensure satisfactory implementation of and compliance with the new internal audit standards. This would include presentation of a report to Members later in the year.

Asking about the cost, Members were informed that this was in the region of £8k, however it was noted that for 2015/16 a joint tendering exercise would be carried out with Brecon Beacons NPA.

It was **RESOLVED** that the Internal Audit Plan for 2014-15 be approved.

9. Draft Statement of Account 2013/14

The Finance Manager took Members through the Explanatory Foreword and Summarised Accounts in detail, explaining the sources of revenue and capital funding as well as locally generated income. He went on to outline expenditure and explained that overall there had been a surplus of £3k compared to an original budget surplus of £4k and an explanation of the major variances within each service was set out in the report.

Commenting on the figures for merchandise sales, admission fees and car park income, Members were concerned particularly with the reduction in car park income and were advised that this was largely down to the arrangements at Solva, which as previously reported to the Authority were being addressed for the forthcoming year.



Looking at Earmarked reserves, it was reported that there had been a transfer from Revenue to the staff restructuring reserve which reflected the fact that six members of staff had left since February this year and it was likely that this reserve would be challenged still further as financial pressures on the Authority continued to grow. In addition, a reserve had been created for replacement of two of the roundhouses at Castell Henllys over the coming years.

Finally, reference was made to Audit Costs in paragraph 34 of the notes to the financial statements. Approximately 40 auditor days of work had been carried out and this was considered to be disproportionate to the risks involved. Fees had increase significantly, and while credits to the value of £10k had been made in 2013/14, the Authority would be required to pay the full fee of £52k in 2014/15.

It was **RESOLVED** that the draft Statement of Accounts 2013/14 be noted.

10. Budget Performance for the first quarter

The Finance Manager reminded Members that the budget document prepared earlier in the year had identified a need for strategic savings (ie savings in staff costs) in order to avoid a deficit for 2014/15. He was pleased to report that savings in the region of £101k had been identified and a deficit was not predicted in the forthcoming year.

Two tables were circulated to the Committee, the first showing income from merchandise sales, admission fees and car parks. This showed that figures for the first quarter overall were up both against budget and against the previous year. Sales income at Castell Henllys was down, however this was probably as a result of the disruption caused by the work currently taking place on the site. The second table set out the 2014/15 capital programme, which had been revised upwards for the Origins Project and rebuilding of the roundhouses at Castell Henllys.

One Member asked whether more income was generated through the use of an attendant, rather than a pay and display machine, including money generated through fines for non-payment. The Business and Performance Officer replied that the Authority tried to avoid issuing penalty tickets by first issuing 'red' tickets which most people paid. The Authority's enforcement powers were limited under the current Parking Order and work to approve a new order was moving slowly and therefore the Order might not be in place by April 2015. He added that use of car park attendants as opposed to machines was a balance as expense was incurred in the employment of an attendant seven days a week and difficulties were often experienced in recruitment.

NOTED



11. Delegation of any issues of concern to 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.

