

## AUDIT AND CORPORATE SERVICES REVIEW COMMITTEE

12<sup>th</sup> February 2014

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

*[Councillor RM Lewis arrived during consideration of the report of the meeting of the Health and Safety Group (Minute 5 refers)]*

(NPA Offices, Llanion Park, Pembroke Dock: 10.00am – 12.00pm)

### 1. Apologies

Apologies for absence were received from Councillor M James. Councillor RM Lewis had sent word that he had been delayed and would arrive shortly.

### 2. Disclosures

There were no disclosures of interest.

### 3. Minutes

The minutes of the meeting held on the 20<sup>th</sup> November 2013 were presented for confirmation and signature.

It was noted that at the meeting of the recent National Park Authority when the above mentioned minutes had been considered, an error on pages 2 & 3 had been highlighted whereby the figures relating to the capital programme in Minute 7 had been transposed. The sentence should have read "Turning to the capital programme, Members were reminded that the original budget of £1,272,000 at the start of the 2013/14 financial year had been reduced in the last quarterly report to £1,192,000."

It was **RESOLVED** that the minutes of the meeting held on 20<sup>th</sup> November 2013 be confirmed and signed subject to the above amendment.

### 4. Health and Safety Group: report of meeting

Members considered the report of the meeting of the Health and Safety Group held on the 6<sup>th</sup> January 2014.

The Chief Executive noted that the meeting had consisted of a site visit to Carew causeway to consider health and safety issues. Members agreed that the Authority's approach to health and safety matters was appropriate, with officers keeping a minuted record of the reasons any particular decision had been taken.

It was **RESOLVED** that the report of the meeting of the Health and Safety Group held on 6<sup>th</sup> January 2014 be received.



## **5. Performance Report for the period April - December 2013**

The Business and Performance Manager presented progress for the key actions and measures set out in the team plans within Corporate Services and also performance against the four Improvement Objectives set out in the Improvement Plan Part 1. Appended to the report, and also presented at the meeting, were the key actions and measures within these areas of work.

Most of the indicators were green, with a few being shown as amber. Only two indicators were marked red, the first showed that the target for the number of Coed Cymru agreements had not been reached due to a combination of the Coed Cymru Officer being on long term sick leave, though he had now returned to work, and a problem with logging-on to the Forestry Commission website to register schemes. The second red indicator related to the area of land managed for conservation, this being below target as a number of established schemes had now come to an end, the land having reached the required standard. Members asked why these explanations had not appeared in the report, and the officer replied that this was due to a technical problem with the Ffynnon software, however he would ensure that explanations were provided in future reports for any indicators flagged as red.

At the meeting the officer also made reference to the performance of the Development Management team which was continuing to improve. In the ranking of the percentage of applications determined within 8 weeks, the Authority was now fourth in Wales, and scored highly against many other measures also. The Chairman recognised the turnaround that had taken place and said that the Authority appreciated the team's hard work. Another Member referred to the comparative data produced to support the Welsh Government Consultation on 'Positive Planning', which also showed that the Authority was performing well. He suggested that Members might find this document useful when considering the Authority's response to the Consultation which was being discussed at the Development Management Committee on 19<sup>th</sup> February. Officers agreed to circulate the document to the Committee. Members also asked that comparative data for appeal decisions across National Park Authorities be provided to a future meeting.

**NOTED.**

## **6. Risk Register**

The report of the Business and Performance Manager set out the current risk register, which showed that there were only three high level risk, there having been four in the previous quarter. He pointed out that there were three changes to the register: risk number 3 had been reduced from red to amber following negotiations; risk 16 reduced from amber to green following continuing performance in development management and risk 34 had been added in light of possible additional workload following the recent Williams' Commission report. It was reported that a revised document allocating oversight of risks to Members of the Authority would be brought to a future meeting of the National Park Authority.

**NOTED.**



## 7. Improvement Assessment Letter

It was reported that the Wales Audit Office, under the Local Government (Wales) Measure 2009, was required to give an opinion on whether the Authority had discharged its duties in respect of improvement reporting and met the requirements of the measure. The Auditor General for Wales had recently given his opinion that the Authority had discharged its duties and a copy of his Improvement Assessment letter was appended to the report.

**NOTED.**

## 8. Budget Performance Report 9 months to December 2013

The Finance Manager presented the detailed net revenue budget for the 9 months to December 2013 which showed that expenditure was £3,688k, £376k under the profiled budget of £3,064k. The main reasons for the variance of actual expenditure against budget for each service department was set out in the report.

A summary of income at car parks and the Authority's sites and centres was also provided and these showed that generally income was down on the prior year. It was reported that the machines at Saundersfoot car park had been vandalised and had not been working for a month which had reduced income. The report then went on to outline the revenue budget forecast for the year, which suggested a budget surplus of approximately £291k. Given the reduction in the 2014/15 National Park Grant it had been considered prudent not to reallocate this surplus in 2013/14 but to add it to the general reserve balance.

Turning to the revised capital programme, this had decreased from the original budget and that advised in the last quarterly report, and now stood at £786k. This reflected revision to expenditure on Carew and Llanion Buildings and details were provided. It was noted that agreement had been given at the National Park Authority on 5<sup>th</sup> February to allocate surplus funding from the Historic Town Scheme to St Davids Cathedral clock tower.

Finally it was reported that the Authority's audited General Reserve stood at £498k, and with the revised forecast surplus of £291k this balance should increase to £789k by the end of 2013/14. Earmarked funds were expected to fall to £714k at the year end with funds being used for various capital and revenue projects. Members noted that one such reserve related to staff restructuring; officers advised that this fund, together with an element of the revenue budget surplus, would be used to pay for voluntary redundancies and management were in discussions with a number of staff on this matter. The Chief Executive advised that there would be an initial cost to such redundancies but that expenditure would be reduced in the longer term. Once he had made these decisions a report would be brought before the Committee for their information.

It was **RESOLVED** that the budgetary performance report for the 9 months ended 31<sup>st</sup> December 2013 be endorsed.



## 9. Internal Audit Report for 2013/14

Members were reminded that as part of the Authority's Corporate Governance Programme, an audit of all services was carried out on a five year rolling programme by the County Council's Internal Audit Service. During 2013/14 the audit had concentrated on: a review of the previous year agreed action plan, creditor computer assisted Audit Techniques, Conservation Area Grants, IT risk, Employee Costs and the National Trail.

No significant failings had been identified in the latest internal audit programme, although a number of minor improvements had been suggested; the summary of the findings and the action plan following the audit was considered by the Committee. Members were of the view that the Management response to Recommendations E6.4 and E9.1 should be amended as they did not address all of the points raised by the auditors. Officers agreed, and the final report would be brought to the next meeting of the National Park Authority for approval.

It was **RESOLVED** that the Internal Audit Report for 2013/13 be noted, and that the planned actions forming part of the Management Response be amended as discussed at the meeting.

## 10. Internal Audit Provision 2014/15

It was reported that for many years, the Authority's Internal Audit provision had been carried out by Pembrokeshire County Council (PCC), with the current Service Level Agreement having been rolled over for the last couple of years. Options had therefore been explored for provision of the service in 2014/15. In the interests of joint working approaches had been made to the other National Parks in Wales, however Snowdonia NPA wished for their provision to be undertaken by Gwynedd County Council and Brecon Beacons NPA (BBNPA) were currently in year 2 of a three year contract with Deloitte.

The Chief Executive reported that it was likely the Authority would go out to tender next year so that the option of a joint tender exercise with BBNPA could be explored. Therefore costs had been sought from both Deloitte and PCC for provision of internal audit services for 2014/15. Members considered that there were advantages to be had from working jointly with either BBNPA or PCC.

It was **RESOLVED** that Pembrokeshire County Council's provision of internal audit services be extended for a further 12 months, and that a joint tender exercise be carried out with Brecon Beacons NPA for 2015/16.

## 11. Welsh Government Review of Audit, Inspection and Regulation

It was reported that in 2013 the Welsh Government proposed a three phase review of Audit, Inspection and Regulation (AIR) in Wales. Some initial research had been carried out and the Authority had been invited to respond to the consultation on these Phase 1 findings which aimed to establish by consensus the purpose of audit, inspection and regulation.

A copy of the consultation documents, together with the questionnaire for response, were appended to the report and Members' comments were sought.



Responses to the consultation would be collated and reflected in a final statement of principles and objectives for an AIR system in Wales which would form the basis of Phase 2 of the review.

Members were happy to agree the definitions set out in the consultation. They noted that the emphasis on coordination was more relevant to services other than National Parks, but were pleased to see an emphasis on improvement, not just compliance. Given their small size and comparatively limited scope, it was agreed that a comment should be added regarding the appropriateness of the Local Authority audit model to National Park Authorities.

It was reported at the meeting that there was currently another consultation on audit fees, which suggested that they would be increased significantly. It was proposed that a three park response to the consultation be provided stating that given the very difficult financial situation currently being experienced by National Park Authorities, an increase in fees was unacceptable. Members agreed with this approach.

It was **RESOLVED** that a response be made to the Audit, Inspection and Regulation Consultation agreeing the definitions set out in the consultations but commenting on the need for an appropriate audit regime for National Park Authorities.

## **12. 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.

