

AUDIT AND CORPORATE SERVICES REVIEW COMMITTEE

20th May 2015

Present: Councillor M Williams (Chair)
Mr A Archer, Councillors M James, L Jenkins and DWM Rees.

(NPA Offices, Llanion Park, Pembroke Dock: 10.00am – 12.10pm)

1. Apologies

Apologies for absence were received from Mr D Ellis, Mrs G Hayward, Councillor RM Lewis and Councillor R Owens.

2. Disclosures

There were no disclosures of interest.

3. Welcome

The Chairman welcomed Mr Richard Harries from the Wales Audit Office and Mr Lee Glover from Gateway Assure, who are the Authority's newly appointed internal auditors, to the meeting.

4. Minutes

The minutes of the meeting held on the 11th February 2015 were presented for confirmation and signature.

It was **RESOLVED** that the minutes of the meeting held on 11th February 2015 be confirmed and signed.

5. Health and Safety Group: report of meeting

It was reported that unfortunately the minutes of the Health and Safety Group held on 15th January 2015 had been omitted from the report. They would be considered at the next meeting of the Committee.

NOTED.

6. Wales Audit Office Audit Plan 2015/16

Mr Harries outlined for Members what was now a familiar plan for audit work to be undertaken in the forthcoming year, but added that it was slightly different this year as both performance and financial audit plans were contained within the same document. The plan also set out the cost of undertaking the work; this would remain unchanged from last year, however it was acknowledged that different levels of audit were appropriate for different organisations and through making efficiencies in the process it was hoped that the fee would reduce in the future. He also added that the 2013-2014 Annual Improvement Report was outstanding as was the planning audit report and he apologised for this and hoped to be able to put this right going forward.



It was reported that the Local Government study to be undertaken across local government in the coming year related to the strategic approach to income generation and charging for services. Officers from Wales Audit Office would try to make this relevant to the work of National Parks and it was therefore likely to focus on the work of the Visitor Centres, although the scope of the study had yet to be defined. Officers agreed to update Members of the Committee as this progressed.

Finally Mr Harries reported that there were some changes to the team which would be carrying out the audit, with the inclusion of Mr John Llewellyn as financial Audit Team Leader. This would hopefully make the work more efficient and allow reports to be presented in a more timely manner.

NOTED.

7. Performance Report for the Year Ending 31 March 2015

The Business and Performance Manager presented the performance for the Authority's Corporate Services for the 2014/15 financial year. 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 now complete or on target, although a few activities were deferred pending decisions elsewhere.

Updating the Committee on the Improvement Plan, the Manager reported that this had now been published bilingually on the Authority's website and Community Councils had been notified of its availability.

Members asked about the procurement of a new EPOS system and were advised that a decision to implement this had been delayed due to cost, however the Authority had been through a procurement exercise and a decision had been taken on the most appropriate system. It was likely that the new system would be implemented due to the vulnerability of the current system.

The figure regarding days lost through sickness was presented at 1.58 days per full-time equivalent per quarter which was only just above the target of 1.5. Health and safety incidents were also slightly above target, however these were all of a minor nature.

The Business and Performance Manager went on to report the figures for planning applications approved within 8 weeks which had been consistently high and stood at 85% for the year end. 95% of all applications had been approved. All three National Parks were in the first quartile of the Welsh Government league table with the Authority in 4th



place. Snowdonia had improved their position to 3rd and Members were interested to find out the reason for this, if their progress was sustained.

Finally, of the number of dwellings approved in the year, 30 of the 50 were affordable housing units. This was thought to be as a result of an improvement in the economy as well as changes in the Authority's policy. £84,000 had also been received in commuted sum funding provided through S106 agreements towards affordable housing units off-site, with another £250,000 expected.

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

8. Risk Register

The Business and Performance Manager reported that the risk register had recently been reviewed by senior managers and team leaders and the register consolidated where several similar risks had been previously identified. A number of amendments and new risks had been documented in light of recent and proposed changes in legislation and the present funding situation. He explained that where appropriate, suitable action and regular monitoring was in place to mitigate each risk, with the result that only two of the 37 were considered to be high risk – a significant reduction of funding and that of major IT failure. It was noted that many of the risks would always be present as it might be impossible to totally control or remove the factors creating the risk.

The register had recently been presented to the Operational Review Committee, and their opinion was that it should be presented more frequently with those risks that had changed highlighted. Members of the Committee were therefore asked for their views, particularly whether the practice of allocating individual risks to Members should be continued.

Members agreed that it was important to know if there had been any change in the level of the risk, and it was therefore suggested that the changes at least should be brought to each of the Review Committees and the entire register reported to the Committee and the Authority annually. While the system of allocating Members to risks had highlighted the responsibility of Members for risks, it was not felt that allocating individual risks was necessary.

It was **RESOLVED** that the Risk Register be presented to the National Park Authority to agree future reporting mechanisms taking account of the comments made at the Review Committees.

9. Review of Communications and Marketing

Apologising for the absence of the Communications and Marketing Manager, the Chief Executive presented the report which provided an overview of the role and work areas of the Marketing and



Communications Team as well as providing performance data on key marketing and communications services provided by the team. On hand to answer any questions were the Graphic Services Manager and one of the Communications Officers.

The report demonstrated the significant variety of work undertaken by the team, which was given quite a high priority within the Authority in terms of resources. The growth in electronic communication in recent years was highlighted. Finally, copies of the Communications Handbook were circulated to the Committee for information and also to provide a source of advice for example to those carrying out media interviews.

Members were impressed by description of the work of the team and their ability to deliver on park purposes, particularly through the production of Coast to Coast.

NOTED.

10. Internal Audit Strategy 2015/16 to 2017/18

The Internal Auditor presented the Internal Audit strategy for the coming year, together with an indicative strategy of areas to be looked in 16/17 and 17/18, though these were likely to be revisited in response to changes in the organisation and the risk environment. The report set out the process that had been undertaken in order to produce the draft strategy, but Members were assured that any comments they made would be taken into consideration, which they welcomed.

It was noted that Gateway had been appointed Internal Auditors for Brecon Beacons NPA and the Authority was keen to learn from and share experiences with them. A number of areas highlighted by management were common to the two Authorities and where possible these would be aligned so that they were undertaken in the same year to facilitate a comparison of the practices between the two Authorities.

Members were concerned that there would be duplication between the work of internal and external audit, but were reassured that contact would be maintained between the two organisations to ensure that account was taken of the work being undertaken.

In terms of identifying additional risks, Members raised the problem of mid-term budget cuts which had recently been announced by Welsh Government, and the challenges this action would cause the Authority. The Auditor therefore agreed to include both mid-term budget cuts and the need to take account of the work of other bodies when planning their work into the key findings.

NOTED.



11. Budget Forecast 2014/15

The Finance Manager explained that work to finalise the accounts for 2014/15 was ongoing as the Authority continued to receive invoices relating to this period. He circulated a table which set out the current situation in respect of the variance between the actual and budgeted surplus for 2014/15 and this showed a greater surplus than had been anticipated. This surplus will be used to create or add to the following earmarked reserves: £100k supplement SDF grant program for 2016/17, £100k for the impending Local Development Plan exercise, £100k for a car park refurbishment program, £200k to augment the existing restructuring reserve and £100k as a contingency for an in year cut to the National Park grant.

Officers reported that income and sales at the Authorities centres and car parks had been exceptional, but warned that these could not be depended upon in future years due to the vagaries of the weather.

Members agreed that it was prudent to create reserves to help the Authority through the current, difficult, financial period.

NOTED.

12. Forward Work Programme

Recapping on the discussions that had taken place that morning, the Chief Executive confirmed that reports on the risk register and final accounts would be brought to the next meeting of the Committee in addition to the normal performance reports. Members also suggested that a report on external funding provided by the Authority could also be prepared. Reports on document management and the Authority's property portfolio had previously been requested by the Committee, and it was hoped that these could also be presented.

NOTED.

13. 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.

