

**REPORT OF BUSINESS & PERFORMANCE MANAGER**

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**SUBJECT:  
WALES AUDIT OFFICE – ANNUAL IMPROVEMENT REPORT**

The Auditor General for Wales is required, under the Local Government (Wales) Measure 2009 to report the audit and assessment work in relation to whether Pembrokeshire Coast National Park Authority has discharged its duties and met the requirements of the Measure.

Mr John Roberts from the Wales Audit Office will present the report to members at the Authority meeting and answer any questions from Members.

The Annual Improvement Report from the Auditor General is attached.

**Recommendation:**

**Members are requested to receive and comment on the Improvement Assessment Letter.**

*(For further information, please contact Alan Hare, Business & Performance Manager on extension 4810)*



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

# Annual Improvement Report 2014-15

## Pembrokeshire Coast National Park Authority

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This Annual Improvement Report has been prepared on behalf of the Auditor General for Wales by John Roberts and Rob Hathaway under the direction of Alan Morris.

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The Auditor General is independent of government, and is appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office Board, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the National Assembly.

The Auditor General audits local government bodies in Wales, including unitary authorities, police, probation, fire and rescue authorities, national parks and community councils. He also conducts local government value for money studies and assesses compliance with the requirements of the Local Government (Wales) Measure 2009.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Assembly Commission and National Health Service bodies in Wales.

The Auditor General and staff of the Wales Audit Office aim to provide public-focused and proportionate reporting on the stewardship of public resources and in the process provide insight and promote improvement.

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# Summary report

## Purpose of this report

- 1 Each year, the Auditor General is required to audit the improvement planning and reporting arrangements of Welsh councils, fire and rescue authorities and national park authorities, and to assess whether each authority will meet statutory continuous improvement duties<sup>1</sup>. This work has been undertaken on behalf of the Auditor General by staff of the Wales Audit Office. [Appendix 1](#) provides more information about the Auditor General's powers and duties in local government.
- 2 This Annual Improvement Report (AIR) summarises the audit work undertaken at Pembrokeshire Coast National Park Authority (the Authority) since the last such report was published in May 2014. This report also includes a summary of the key findings from the Welsh Language Commissioner. This report does not represent a comprehensive review of all the Authority's arrangements or services. The conclusions in this report are based on the work carried out at the Authority by relevant external review bodies, where appropriate, and, unless stated otherwise, reflect the situation at the point in time that such work was concluded.
- 3 Taking into consideration the work carried out during 2014-15, the Auditor General will state in this report whether he believes that the Authority is likely to make arrangements to secure continuous improvement for 2015-16.
- 4 This statement should not be seen as a definitive diagnosis of organisational health or as a prediction of future success. Rather, it should be viewed as providing an opinion on the extent to which the arrangements currently in place are reasonably sound insofar as can be ascertained from the work carried out.
- 5 We want to find out if this report gives you the information you need and whether it is easy to understand. You can let us know your views by e-mailing us at [info@audit.wales](mailto:info@audit.wales) or writing to us at 24 Cathedral Road, Cardiff, CF11 9LJ.

<sup>1</sup> Duties and requirements contained within the Local Government (Wales) Measure 2009 (the Measure).

## The Authority has been effective in managing budget cuts, promoting health and well-being but has been less successful in encouraging some aspects of participation

- 6 We found that, in 2013-14, while Authority initiatives on promoting health and well being were very well attended, its work on improving the physical environment was less successful in encouraging the use of its footpaths. In particular:
  - a the Authority continued to develop and manage the physical environment, although fewer people made use of its footpaths; and
  - b significantly more people were involved in the Authority's initiatives to promote health and well-being.
- 7 We also found that:
  - a The Authority evaluated and reported on its performance and published its plans for improvement in accordance with the requirements of the Local Government Measure.
  - b The Authority has been effective in managing budget cuts and has looked for opportunities to minimise impacts. More could be done to improve its approach to medium term financial planning.
- 8 As part of our work at all three national park authorities in Wales to assess the extent to which they were delivering efficient planning services with less money, we found that the Authority actively explores ways of improving governance and of contributing towards sustainable development but performance management, particularly in relation to its planning service, does not make enough use of milestones, targets and comparative data.
- 9 In view of the above, and based on, and limited to, the work carried out by the Wales Audit Office and relevant regulators, the Auditor General believes that the Authority is likely to comply with the requirements of the Local Government Measure during 2015-16.

## Recommendations and proposals for improvement

- 10 Given the wide range of services provided by the Authority and the challenges it is facing, it would be unusual if we did not find things that can be improved. The Auditor General is able to:
- a make proposals for improvement – if proposals are made to the Authority, we would expect it to do something about them and we will follow up what happens;
  - b make formal recommendations for improvement – if a formal recommendation is made, the Authority must prepare a response to that recommendation within 30 working days;
  - c conduct a special inspection and publish a report and make recommendations; and
  - d recommend to Ministers of the Welsh Government that they intervene in some way.
- 11 During the course of the year, the Auditor General did not make any formal recommendations. However, lower-priority issues, known as proposals for improvement, are contained in our other reports but may be referred to later on in this report. We will continue to monitor proposals for improvement during the course of our improvement assessment work.
- 12 The Auditor General also makes recommendations that may be relevant to authorities in his Local Government National Reports. A list of relevant recommendations contained in reports issued in 2014-15 can be found at [Appendix 5](#).
- 13 We have not made any recommendations in this report but one proposal for improvement is set out below.

### Proposal for improvement

- P1 Develop a more robust approach to medium term financial planning that can help the Authority respond effectively to a range of possible reduced funding scenarios.

## Detailed report

While Authority initiatives on promoting health and well being were very well attended, its work on improving the physical environment was less successful in encouraging some aspects of participation



- 14 This section of the report looks back at the Authority's performance in the period between 1 April 2013 and 31 March 2014. We have focused on those areas that the Authority had identified as improvement objectives under the Local Government Measure and on the available evidence collected by the Authority that could demonstrate whether or not these objectives had been delivered. Any improvement objectives that were focused on issues relating to its planning service are discussed briefly later in this report in the section that summarises the specific work we carried out in relation to the Authority's planning service.

### The Authority continued to develop and manage the physical environment, although fewer people made use of its footpaths

- 15 The Authority aimed to review at least 50 per cent of its managed sites during 2013-14. The Authority's staff visited and assessed all 102 of the remaining managed sites on its database, with the reviews of 43 per cent of these sites being fully documented and recorded. Of these 44 sites, 70 per cent were assessed as being in good condition. The Authority's more recent figures show that of the 73 sites now having been reviewed, 66 per cent are considered as being in good condition. None of the sites reviewed were considered to be in poor condition. This work has helped the Authority meet its aim of identifying any managed sites that are failing to meet their management plan objectives.
- 16 Interestingly, the Authority's aim to increase the area of land managed during 2013-14 was not met because, in the event, the Authority chose to cease managed intervention on those areas of land that had, in its opinion, reached a stable and mature condition. In retrospect, the Authority recognises that this measure of success would have been more appropriate if it referred to 'new areas of land'.
- 17 During 2013-14, the Authority aimed to develop a network of rights of way which were open, usable, suitably signposted, and in an acceptable condition, with at least 80 per cent of its path network open and meeting its standard by March 2014. The Authority only missed this target by two per cent and has made significant progress in this area since the relevant quality criteria changed in 2012. Nevertheless, the number of people using the Authority's footpaths<sup>2</sup> fell by nearly 27 per cent to 13,646 compared with the total of 18,690 for 2012-13. While these figures can only represent a snapshot of use across the Authority's extensive footpath network, they do provide a useful indication of usage. The Authority attributes this reduction, at least partly, to exceptionally poor weather conditions. However, the Met Office reported that the previous year was the third wettest for Wales since records began. However, those figures relate to the whole of Wales and are not necessarily representative of the area covered by the Pembrokeshire Coast National Park.

<sup>2</sup> As measured by the fixed counters available on certain footpaths.

## Significantly more people were involved in the Authority's initiatives to promote health and well-being

- 18 The third of the Authority's improvement objectives for 2013-14 was to provide its services in a manner which improved the socio-economic well-being of residents and visitors to the National Park. The Authority recognised that there were no satisfactory means of measuring its achievement in relation to this objective but adopted some measures that could provide some confidence that the Authority had made a contribution towards these aims and objectives.
- 19 One of these measures related to the number of people involved in health related events arranged by the Authority. It set itself a target of 1,200, compared with the 902 achieved in 2012-13. The Authority's Walkability project was the main driver in achieving this goal. This project is designed to help people of all abilities enjoy the outdoors and includes: the giving of advice on suitable walking routes; the leading of groups on walks that match their needs; working with volunteer leaders; and provide training. The success of this project is demonstrated by the involvement of over 2,500 participants, over double the Authority's target for 2013-14.
- 20 Similar success was achieved by the Authority in the number of 'hard to reach' people involving themselves with the Pembrokeshire Coast National Park. Initiatives designed to increase these numbers included Your Park<sup>3</sup>, Mosaic<sup>4</sup> and the Walkability work referred to earlier. In 2012-13, the Authority involved 2,708 people and in 2013-14 it achieved its significantly increased target of 5,000 participants.
- 21 The Authority's efforts in relation to this objective are supported by its scrutiny work on affordable housing and the resulting recommendations being taken forward in its review of its Local Development Plan. Similarly, the Authority, together with Snowdonia National Park Authorities, intends to carry out a scrutiny exercise to identify ways of increasing national park authorities' contribution to socio-economic well-being.
- 22 One of the Authority's improvement objectives for 2013-14 was to maintain and improve the level of customer satisfaction for its services. Unfortunately the Authority did not pull all the relevant information together on this aspect in its own annual assessment of performance. However, planning agents we spoke to as part of our current work on the performance of the Authority's planning service expressed high levels of satisfaction and feedback from those involved in the Authority's Walkability project was positive. Other performance information which was collected which might be said to indicate that customers were generally satisfied included an inspiration score of 10 (out of a possible 11) for learners and pupils involved with educational aspects relating to the Authority's activities. An increase from 67 to 76 per cent of planning applications determined within eight weeks is also likely to result in increased customer satisfaction.

<sup>3</sup> Your Park is a Big Lottery Funded project aiming to help organisations working with disadvantaged groups to use the outdoors more independently.

<sup>4</sup> Mosaic projects give opportunities to young people and people from black and minority ethnic communities to experience the national parks.

- 23 The Authority was able to measure customer satisfaction as part of a wider Citizens Panel survey. This survey focused on experiences relating to such aspects as its visitor centres, car parking facilities, education service, footpaths and its Planning Department. With the exception of the Authority's Planning Department, responses were overwhelmingly positive. However, the survey was carried out towards the end of 2012-13 and it does not provide the Authority with information relating to whether or not customer satisfaction had improved.

## The Authority evaluated and reported on its performance and published its plans for improvement in accordance with the requirements of the Local Government Measure

- 24 In December 2014 the Auditor General issued a certificate to the Authority confirming that he had audited the Authority's Improvement Plan in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and the Wales Audit Office's Code of Audit Practice. As a result of that audit, the certificate also stated the Auditor General's belief that the Authority had discharged its duties under sections 15(2), (3), (8) and (9) of the Measure and had acted in accordance with Welsh Government guidance sufficiently to discharge its duties.
- 25 Under the Measure, the Authority is required to annually publish an assessment which describes its performance:
- a in discharging its duty to make arrangements to secure continuous improvement in the exercise of its functions;
  - b in meeting the improvement objectives it has set itself;
  - c by reference to performance indicators specified by Welsh Ministers, and self imposed performance indicators; and
  - d in meeting any performance standards specified by Welsh Ministers, and self imposed performance standards.
- 26 The Measure requires the Authority to publish its assessment before 31 October in the financial year following that to which the information relates, or by any other such date as Welsh Ministers may specify by order. The Measure requires that the Authority has regard to guidance issued by Welsh Ministers in publishing its assessment.
- 27 In June 2014 the Auditor General issued a certificate to the Authority confirming that the Authority's Improvement Plan had been audited in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and the Wales Audit Office's Code of Audit Practice. As a result of that audit, the certificate stated the Auditor General's belief that the Authority had discharged its duties under section 15(6) to (9) of the Measure and had acted in accordance with Welsh Government guidance sufficiently to discharge its duties.
- 28 Under the Measure, the Authority is required to prepare and publish an Improvement Plan describing its plans to discharge its duties to:
- a make arrangements to secure continuous improvement in the exercise of its functions;
  - b make arrangements to secure achievement of its improvement objectives; and
  - c make arrangements to exercise its functions so that any performance standard specified by Welsh Ministers is met.

- 29 The Measure requires the Authority to publish its Improvement Plan as soon as is reasonably practicable after the start of the financial year to which it relates, or after such other date as Welsh Ministers may specify by order. The Authority is responsible for preparing the Improvement Plan and for the information set out within it. The Measure requires that the Authority has regard to guidance issued by Welsh Ministers in preparing and publishing its plan.
- 30 The work carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.

## The Authority has been effective in managing budget cuts and has looked for opportunities to minimise impacts but it could do more to improve its approach to medium term financial planning

- 31 As was noted in last year's AIR, in order to respond to the significant budgetary cuts it was facing, the Authority planned to use up to half of its £200,000 sustainable development fund and reallocate over £116,000 of its revenue funding as capital spending. However, the Authority did not need to use capital spending to fund such matters as repairs and maintenance, although capital was used to help fund improvements to IT, work at Castell Henllys and on rights of way. The Authority did not carry out some planned projects, which allowed it to release ear-marked funds to help fill the budgetary gap.
- 32 Increased income from planning fees and estates, together with sales at Cilrhedyn<sup>5</sup>, contributed to a surplus of nearly £300,000 in the Authority's revenue budget. Additional savings were found by way of staff reductions and operational costs. Voluntary redundancies led to a saving of approximately £145,000, although provision had to be made to cover the short term costs of funding these redundancies. Voluntary redundancies included an IT technician, an ecologist and a woodland officer. Further cost reductions were achieved through additional staffing changes including deletion of posts, early retirement and making one post part time.
- 33 However, the Authority has not been tempted to take the easy approach to reducing costs. Some voluntary exit applications have been refused because the Authority judged that the resulting vacant posts would adversely affect its ability to deliver on its agreed priorities. While training budgets have been reduced, this was limited to a £6,000 reduction, compared with the original £10,000 proposed. The net amount compares favourably with the budget that was in place a few years ago.
- 34 These changes have led to some redistribution of responsibilities but, to date, no applications for the re-grading of posts. However there are inevitable impacts from these staff reductions. For example, some marketing has not been carried out and the Authority is not in such a strong position to take advantage of any opportunities for improvements that might emerge. The Authority is also likely to be less resilient when facing unforeseen problems, which increases the importance of the Authority ensuring it has a robust approach to risk management.
- 35 However, the Authority feels that there are also some benefits. For example, the loss of the Health and Safety advisor has led to the establishment of a new process for dealing with Health and Safety issues which the Authority feels works much better than in the past.
- 36 The Authority planned for two possible scenarios for its funding for 2015-16. These scenarios were for a 4.3 and a nine per cent reduction in budget. Workshops with members and some wider consultation informed the Authority's approach to agreeing on relevant options. The Authority also planned to move some capital into ear-marked projects for 2015-16 which would allow it to fund any relevant projects.

<sup>5</sup> A sawmill and workshop managed by the Authority.

- 37 The final funding figures from the Welsh Government for 2015-16 resulted in a budgetary reduction of 4.8 per cent. However the letter informing the Authority of this figure made it clear that revenue grant for the Authority may be reduced during the year, adding an element of uncertainty. Members have agreed to use the Authority's Sustainable Development Fund in the same way as in 2014-15. This, together with the Authority's reserves, is considered by the Authority to be sufficient enough to balance the books and deal with any financial issues that may arise during this year. The budget outturn for 2014-15 is likely to be an under spend as the Authority has controlled its costs and also had a good year in terms of the income it generated. As was the case for 2014-15, the Authority will not receive any capital funding from the Welsh Government in 2015-16, and will not be given an Access grant<sup>6</sup> as was the case late in the 2014-15 financial year and which included an element of capital funding.
- 38 The Authority has traditionally carried out budget planning on an annual basis and has not yet developed a robust approach to medium term financial planning. Although there is significant uncertainty about future levels of funding for all national park authorities in Wales, a medium term financial plan that includes a range of scenarios is becoming increasingly important for the Authority as a means of planning effectively for the future. A medium term financial plan would help support the Authority's move towards exploring options for how services could be provided in the longer term.
- 39 Any opportunity to carry out a review of the Authority's assets is complicated by the fact that most of the Authority's premises have long leases. Nevertheless, the Authority is exploring the possibility of some local private organisations taking over the running of the Cilrhedyn Woodland Centre. However, with all public sector organisations facing budgetary cuts, there are likely to be fewer options available for negotiating new arrangements for providing services.

**While there has been a slight increase in the proportion of Welsh speaking staff and there is provision for Welsh speaking practice sessions, the Authority has made little progress in developing systems that can provide it with more detailed information about its use of the Welsh language**

- 40 The role of the Welsh Language Commissioner (the Commissioner) was created by the Welsh Language (Wales) Measure 2011. New powers to impose standards on organisations came into force through subordinate legislation on 31 March 2015. The Commissioner will continue to review Welsh language schemes by virtue of powers inherited under the Welsh Language Act 1993.
- 41 The Commissioner works with all authorities in Wales to inspect and advise on the implementation of language schemes. It is the responsibility of authorities to provide services to the public in Welsh in accordance with the commitments in their language schemes. Every authority is committed to providing an annual monitoring report to the Commissioner outlining its performance in implementing the language scheme. The Commissioner analyses every monitoring report, provides a formal response and collects further information as required.

<sup>6</sup> A grant from the Welsh Government that focuses on promoting wider access to countryside and coastal areas.

42 The Commissioner reported that there has been a small increase in the proportion of the Welsh-speaking workforce, namely 25 per cent compared to 23 per cent last year. Sessions were arranged for staff to practise their Welsh language skills. The Authority has not yet developed performance measurement methods that are independent of the complaints process. The Authority has intended, since 2012, to introduce a new electronic human resources system that will collect more detailed information about the Welsh language skills of the workforce. The system was introduced early in 2014. The Authority has not yet presented the more detailed information collected.

## The Authority actively explores ways of improving governance and of contributing towards sustainable development but performance management, particularly in relation to its planning service, does not make enough use of milestones, targets and comparative data

- 43 As part of our current work reviewing the Authority's planning service we took the opportunity to explore further the Authority's approach to governance, performance management and sustainable development. Brief details of our findings are set out in the following paragraphs and, where relevant, have informed other aspects of this AIR.
- 44 Governance at the Authority, as with all national park authorities in Wales, is strengthened by the inclusion of a number of Welsh Government appointees. This approach helps to ensure that party politics does not become a significant factor. In addition, the absence of any ward constituency issues strengthens the Authority's ability to make better decisions on planning issues.
- 45 The Authority has further improved its approach to governance by exploring options for different committee structures. In June 2014 the Authority merged its Recreation and Tourism and its Conservation and Planning Review Committees into a new Operational Review Committee and revised its Terms of Reference. The new committee structure is designed to make it easier for the Authority to review its work, helps to reduce the demands placed on members and makes it easier to ensure that a quorum is achieved at each meeting. The new structure has also increased the options for member learning across the different aspects of service delivery.
- 46 Committees now work on a two year agenda cycle and a forward work programme is included as an item at every meeting of the Authority's Review Committee. Members we spoke to were content that committee papers were made available in a timely manner and were in a clear and appropriate format for communicating the required information to members.
- 47 Performance Management at the Authority is supported by the Ffynnon system and, for the planning service, team plans for Development Management and Park Direction. The Park Direction plan encompasses a broad range of activities that ensures a comprehensive approach to direction. However, both plans lack some clear milestones and targets and the absence of clearer overall planning service priorities undermines the Authority's ability to align resources to areas of most importance.
- 48 Performance data is input into the Ffynnon system, allowing reports to be generated when required. The Ffynnon system incorporates the ability for all three national park authorities in Wales to share performance data on a range of common themes, allowing some limited benchmarking between these authorities. The Welsh Government is withdrawing support for the Ffynnon system and introducing an improved system but which is no longer freely available to local authorities. The Authority remains part of the Ffynnon system until June 2016 but it is considering its options for how best to respond to this change, particularly at a time when its funding is being reduced.

- 49 Although performance information is regularly monitored by staff and reported to members, more could be done by the Authority to understand how the performance of its planning service could be improved by comparing with, and learning from, others. This aspect, together with more information on comparison of costs, will be discussed in more detail in our forthcoming report on the Authority's planning service.
- 50 Sustainable Development is promoted by the Authority in a number of ways. As with all national park authorities in Wales, the Authority has a statutory duty to foster social and economic well-being of local communities. The Authority's Local Development Plan included the required assessment of environmental capacity and annual monitoring indicates that there were no significant departures from the aims of the Local Development Plan's policies. In 2013-14, the Authority granted consent for the building of nine affordable houses, while the number of affordable houses being built was significantly less than the other two national park authorities in Wales.
- 51 During 2013-14, the Authority estimated that it had reduced its own CO<sub>2</sub> emissions by 5.6 per cent compared to 2012-13. A new biomass boiler and photovoltaic panels were installed at its Pembroke Dock office, which has now achieved an energy rating of B<sup>7</sup>.
- 52 The Authority's Sustainable Development Fund, provided by the Welsh Government, is used by the Authority to contribute towards the cost of local projects that can improve the quality of life and social resilience of local communities. During 2013-14, the Authority used the Sustainable Development Fund to provide grants totalling £254,000 and made additional funding available, totalling over £200,000 to seven local projects.

<sup>7</sup> Energy efficiency ratings range from A (the most efficient) to G (the least efficient).

# Appendix 1 – Status of this report

The Local Government (Wales) Measure 2009 (the Measure) requires the Auditor General to undertake an annual improvement assessment, and to publish an annual improvement report, for each improvement authority in Wales. This requirement covers local councils, national parks authorities, and fire and rescue authorities.

This report has been produced by staff of the Wales Audit Office on behalf of the Auditor General to discharge his duties under section 24 of the Measure. The report also discharges his duties under section 19 to issue a report certifying that he has carried out an improvement assessment under section 18 and stating whether, as a result of his improvement plan audit under section 17, he believes that the authority has discharged its improvement planning duties under section 15.

Improvement authorities are under a general duty to ‘make arrangements to secure continuous improvement in the exercise of [their] functions’. Improvement authorities are defined as local councils, national park authorities, and fire and rescue authorities.

The annual improvement assessment is the main piece of work that enables the Auditor General to fulfil his duties. The improvement assessment is a forward-looking assessment of an authority’s likelihood to comply with its duty to make arrangements to secure continuous improvement. It also includes a retrospective assessment of the extent to which an authority has achieved its planned improvements in order to inform a view as to the authority’s track record of improvement. The Auditor General will summarise his audit and assessment work in a published annual improvement report for each authority (under section 24).

The Auditor General may also, in some circumstances, carry out special inspections (under section 21), which will be reported to the authority and Ministers, and which he may publish (under section 22). An important ancillary activity for the Auditor General is the co-ordination of assessment and regulatory work (required by section 23), which takes into consideration the overall programme of work of all relevant regulators at an improvement authority. The Auditor General may also take account of information shared by relevant regulators (under section 33) in his assessments.

# Appendix 2 – Audit of Pembrokeshire Coast National Park Authority’s 2014-15 Improvement Plan

## Certificate

I certify that I have audited Pembrokeshire Coast National Park Authority’s (the Authority) Improvement Plan in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and my Code of Audit Practice.

As a result of my audit, I believe that the Authority has discharged its duties under section 15(6) to (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.

## Respective responsibilities of the Authority and the Auditor General

Under the Measure, the Authority is required to prepare and publish an Improvement Plan describing its plans to discharge its duties to:

- make arrangements to secure continuous improvement in the exercise of its functions;
- make arrangements to secure achievement of its improvement objectives; and
- make arrangements to exercise its functions so that any performance standard specified by Welsh Ministers is met.

The Measure requires the Authority to publish its Improvement Plan as soon as is reasonably practicable after the start of the financial year to which it relates, or after such other date as Welsh Ministers may specify by order.

The Authority is responsible for preparing the Improvement Plan and for the information set out within it. The Measure requires that the Authority has regard to guidance issued by Welsh Ministers in preparing and publishing its plan.

As the Authority’s auditor, I am required under sections 17 and 19 of the Measure to carry out an audit of the Improvement Plan, to certify that I have done so, and to report whether I believe that the Authority has discharged its duties to prepare and publish an Improvement Plan in accordance with statutory requirements set out in section 15 and statutory guidance.

## Scope of the Improvement Plan audit

For the purposes of my audit work I will accept that, provided an authority meets its statutory requirements, it will also have complied with Welsh Government statutory guidance sufficiently to discharge its duties.

For this audit I am not required to form a view on the completeness or accuracy of information, or whether the Improvement Plan published by the Authority can be achieved. Other assessment work that I will undertake under section 18 of the Measure will examine these issues. My audit of the Authority's Improvement Plan, therefore, comprised a review of the plan to ascertain whether it included elements prescribed in legislation. I also assessed whether the arrangements for publishing the plan complied with the requirements of the legislation, and that the Authority had regard to statutory guidance in preparing and publishing its plan.

The work I have carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.

Huw Vaughan Thomas  
**Auditor General for Wales**

CC: Carl Sargeant, Minister for Natural Resources  
Leighton Andrews, Minister for Public Services  
Alan Morris, Manager  
John Roberts, Performance Audit Lead

# Appendix 3 – Audit of Pembrokeshire Coast National Park Authority’s assessment of 2013-14 performance

## Certificate

I certify that I have audited Pembrokeshire Coast National Park Authority’s (the Authority]) assessment of its performance in 2013-14 in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and my Code of Audit Practice.

As a result of my audit, I believe that the Authority has discharged its duties under sections 15(2), (3), (8) and (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.

## Respective responsibilities of the Authority and the Auditor General

Under the Measure, the Authority is required to annually publish an assessment which describes its performance:

- in discharging its duty to make arrangements to secure continuous improvement in the exercise of its functions;
- in meeting the improvement objectives it has set itself;
- by reference to performance indicators specified by Welsh Ministers, and self-imposed performance indicators; and
- in meeting any performance standards specified by Welsh Ministers, and self-imposed performance standards.

The Measure requires the Authority to publish its assessment before 31 October in the financial year following that to which the information relates, or by any other such date as Welsh Ministers may specify by order.

The Measure requires that the Authority has regard to guidance issued by Welsh Ministers in publishing its assessment.

As the Authority’s auditor, I am required under sections 17 and 19 of the Measure to carry out an audit to determine whether the Authority has discharged its duty to publish an assessment of performance, to certify that I have done so, and to report whether I believe that the Authority has discharged its duties in accordance with statutory requirements set out in section 15 and statutory guidance.

## Scope of the audit

For the purposes of my audit work I will accept that, provided an authority meets its statutory requirements, it will also have complied with Welsh Government statutory guidance sufficiently to discharge its duties.

For this audit I am not required to form a view on the completeness or accuracy of information. Other assessment work that I will undertake under section 18 of the Measure may examine these issues. My audit of the Authority's assessment of performance, therefore, comprised a review of the Authority's publication to ascertain whether it included elements prescribed in legislation. I also assessed whether the arrangements for publishing the assessment complied with the requirements of the legislation, and that the Authority had regard to statutory guidance in preparing and publishing it.

The work I have carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.

Huw Vaughan Thomas  
**Auditor General For Wales**

CC: Carl Sargeant, Minister for Natural Resources  
Leighton Andrews, Minister for Public Services  
Alan Morris, Manager  
John Roberts, Performance Audit Lead

# Appendix 4 – Annual Audit Letter

Mr T Jones  
Chief Executive  
Pembrokeshire Coast National Park Authority  
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Dear Tegryn

## **Annual Audit Letter – Pembrokeshire Coast National Park Authority 2013-14**

This letter summarises the key messages arising from my statutory responsibilities under the Public Audit (Wales) Act 2004 as the Appointed Auditor and my reporting responsibilities under the Code of Audit Practice.

### **The Park Authority complied with its responsibilities relating to financial reporting and use of resources**

It is the Park Authority's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
- maintain proper accounting records;
- prepare a Statement of Accounts in accordance with relevant requirements; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the accounting statements;
- review the Park Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

Local authorities in Wales prepare their accounting statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This code is based on International Financial Reporting Standards. On 29 September 2014, I issued an unqualified audit opinion on the accounting statements confirming that they present a true and fair view of the Park Authority's financial position and transactions. My report is contained within the Statement of Accounts. The key matters arising from the accounts audit were reported to members of the Park Authority in my Audit of Financial Statements report on 24 September 2014. The main issues arising were as follows:

- There were no uncorrected misstatements in the financial statements and only a small number of presentational changes were made as a result of my audit.
- We received information in a timely and helpful manner and were not restricted in our work. The quality of working papers provided and finance officer co-operation was of a high standard.

**I am satisfied that the Park Authority has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources**

My consideration of the Park Authority's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed as part of the Improvement Assessment under the Local Government (Wales) Measure 2009. The Auditor General will highlight areas where the effectiveness of these arrangements has yet to be demonstrated or where improvements could be made when he publishes his Annual Improvement Report.

The Park Authority continues to face financial challenges due to the anticipated falls in its income from the Welsh Government's national park grant. The position is being monitored and I am satisfied with the action that the Park Authority has taken, and continues to take to address the pressures it faces.

**I issued a certificate confirming that the audit of the accounts had been completed on 29 September 2014**

The financial audit fee for 2013-14 will be in line with the agreed fee set out in the Annual Audit Outline. Further information is being prepared on the audit fee, as previously discussed, which will be shared and discussed with you early in 2015.

Yours sincerely



Richard Harries  
Engagement Lead  
**For and on behalf of the Appointed Auditor**

## Appendix 5 – National report recommendations 2014-15

Date of report	Title of review	Recommendation
May 2014	Good Scrutiny? Good Question!	R1 Clarify the role of executive members and senior officers in contributing to scrutiny.
		R2 Ensure that scrutiny members, and specifically scrutiny chairs, receive training and support to fully equip them with the skills required to undertake effective scrutiny.
		R3 Further develop scrutiny forward work programming to: <ul style="list-style-type: none"> <li>• provide a clear rationale for topic selection;</li> <li>• be more outcome focused;</li> <li>• ensure that the method of scrutiny is best suited to the topic area and the outcome desired; and</li> <li>• align scrutiny programmes with the council's performance management, self-evaluation and improvement arrangements.</li> </ul>
		R4 Ensure that scrutiny draws effectively on the work of audit, inspection and regulation and that its activities are complementary with the work of external review bodies.
		R6 Ensure that the impact of scrutiny is properly evaluated and acted upon to improve the function's effectiveness; including following up on proposed actions and examining outcomes.
		R7 Undertake regular self-evaluation of scrutiny utilising the 'outcomes and characteristics of effective local government overview and scrutiny' developed by the Wales Scrutiny Officers' Network.
		R8 Implement scrutiny improvement action plans developed from the Wales Audit Office improvement study.
		R9 Adopt Participation Cymru's 10 Principles for Public Engagement in improving the way scrutiny engages with the public and stakeholders.

Date of report	Title of review	Recommendation
July 2014	Young people not in education, employment or training - Findings from a review of councils in Wales	R1 Together with partners, map and review expenditure on NEETs services to better understand the resources required to deliver the Framework.
		R2 Clarify their strategic approach to reducing the proportion of 19 to 24 year olds who are NEET as well as their approach for 16 to 18 year olds.
		R3 Focus on young people with significant or multiple barriers to engaging with education, employment or training rather than those who are more likely to re-engage without significant additional support.
		R4 Develop their objectives and targets for reducing the number of young people NEET so that they can be held to account and their work aligns with the Welsh Government's targets and objectives.
		R5 Ensure that elected members and partners fully understand that councils have a clear responsibility for leading and co-ordinating youth services for 16 to 24 year olds.
		R6 Improve the evaluation of the effectiveness and relative value for money of the services and interventions in their area that are intended to reduce the proportion of young people who are NEET.

Date of report	Title of review	Recommendation
October 2014	<p><b>Delivering with less – the impact on environmental health services and citizens</b></p>	<p>R1 Revise the best practice standards to:</p> <ul style="list-style-type: none"> <li>• align the work of environmental health with national strategic priorities;</li> <li>• identify the wider contribution of environmental health in delivering strategic priorities of the Welsh Government; and</li> <li>• identify the benefit and impact of environmental health services on protecting citizens.</li> </ul> <p>R2 Provide scrutiny chairs and members with the necessary skills and support to effectively scrutinise and challenge service performance, savings plans and the impact of budget reductions.</p> <p>R3 Improve engagement with local residents over planned budget cuts and changes in services by:</p> <ul style="list-style-type: none"> <li>• consulting with residents on planned changes in services and using the findings to shape decisions;</li> <li>• outlining which services are to be cut and how these cuts will impact on residents; and</li> <li>• setting out plans for increasing charges or changing standards of service.</li> </ul> <p>R4 Improve efficiency and value for money by:</p> <ul style="list-style-type: none"> <li>• Identifying the statutory and non-statutory duties of council environmental health services.</li> <li>• Agreeing environmental health priorities for the future and the role of councils in delivering these.</li> <li>• Determining an ‘acceptable standard of performance’ for environmental health services (upper and lower) and publicise these to citizens.</li> <li>• Improving efficiency and maintaining performance to the agreed level through: <ul style="list-style-type: none"> <li>– collaborating and/or integrating with others to reduce cost and/or improve quality;</li> <li>– outsourcing where services can be delivered more cost effectively to agreed standards;</li> <li>– introducing and/or increasing charges and focusing on income-generation activity;</li> <li>– using grants strategically to maximise impact and return; and</li> <li>– reducing activities to focus on core statutory and strategic priorities.</li> </ul> </li> </ul> <p>R5 Improve strategic planning by:</p> <ul style="list-style-type: none"> <li>• identifying, collecting and analysing financial, performance and demand/need data on environmental health services;</li> <li>• analysing collected data to inform and understand the relationship between ‘cost: benefit: impact’ and use this intelligence to underpin decisions on the future of council environmental health services; and</li> <li>• agree how digital information can be used to plan and develop environmental health services in the future.</li> </ul>

Date of report	Title of review	Recommendation
January 2015	<b>Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales</b>	<p>R1 Improve strategic planning and better co-ordinate activity to tackle the impact of welfare reform on social-housing tenants by ensuring comprehensive action plans are in place that cover the work of all relevant council departments, housing associations and the work of external stakeholders.</p>
		<p>R2 Improve governance and accountability for welfare reform by:</p> <ul style="list-style-type: none"> <li>• appointing member and officer leads to take responsibility for strategic leadership on welfare reform and be accountable for performance; and</li> <li>• ensuring members receive adequate training and regular briefings on welfare reform to be able to challenge and scrutinise performance and decisions.</li> </ul>
		<p>R3 Ensure effective management of performance on welfare reform by:</p> <ul style="list-style-type: none"> <li>• setting appropriate measures to enable members, officers and the public to judge progress in delivering actions;</li> <li>• ensuring performance information covers the work of all relevant agencies and especially housing associations; and</li> <li>• establishing measures to judge the wider impact of welfare reform.</li> </ul>
		<p>R4 Strengthen how welfare-reform risks are managed by creating a single corporate-level approach that co ordinates activity across the Council and the work of others to provide adequate assurance that all the necessary and appropriate actions to mitigate risk are taking place.</p>
		<p>R5 Improve engagement with tenants affected by the removal of the spare-room subsidy through:</p> <ul style="list-style-type: none"> <li>• the provision of regular advice and information on the options open to them to address the financial impact of the change in their circumstances;</li> <li>• the promotion of the ‘Your benefits are changing’ helpline; and</li> <li>• the provision of support to tenants specifically affected by the removal of the spare-room subsidy to participate in regional/national employment schemes.</li> </ul>

Date of report	Title of review	Recommendation
January 2015	<p><b>Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales</b></p>	<p>R7 Improve management, access to and use of Discretionary Housing Payments by:</p> <ul style="list-style-type: none"> <li>• establishing a clear policy or guide that is available in hard copy and online to the public that sets out the Council's policy and arrangements for administering Discretionary Housing Payments;</li> <li>• clearly defining eligible and non-eligible housing costs covered by Discretionary Housing Payments in application forms, policy documentation and applicant guidance leaflets;</li> <li>• clearly setting out the maximum/minimum length of time that such payments will be provided;</li> <li>• setting and publishing the timescale for the Council making a decision on Discretionary Housing Payments applications;</li> <li>• including information within public literature on the Council's policy for right to review or appeal of a decision and the timescales and process to be followed in deciding on these; and</li> <li>• clearly define the priority groups for Discretionary Housing Payments in public literature to ensure that those seeking assistance, and those agencies supporting them, can assess whether such payments are a viable option to address their housing and financial needs.</li> </ul>

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