

AUDIT AND CORPORATE SERVICES REVIEW COMMITTEE

11th February 2015

Present: Councillor M Williams (Chair)
Mr A Archer, Mr D Ellis, Mrs G Hayward, Councillors M James, L Jenkins, RM Lewis and DWM Rees.

(NPA Offices, Llanion Park, Pembroke Dock: 10.00am – 12.45pm)

1. Apologies

An apology for absence was received from Councillor R Owens.

2. Disclosures

There were no disclosures of interest.

3. Minutes

The minutes of the meeting held on the 12th November 2014 were presented for confirmation and signature.

It was **RESOLVED** that the minutes of the meeting held on 12th November 2014 be confirmed and signed.

4. Matters Arising

a) Document Management (Minute 4)

In response to a question from a Member, officers advised that they would be looking again at document management software and would bring a report back to the next meeting of the Committee.

NOTED.

5. Health and Safety Group: report of meeting

Members considered the reports of the meetings of the Health and Safety Group held on the 17th July 2014 and 23 October 2014.

It was **RESOLVED** that the reports of the meetings of the Health and Safety Group held on the 17th July 2014 and 23 October 2014 be received.

6. Provision of Internal Audit for the years 2014/15 thru 2017/18

Members were reminded that, in collaboration with Brecon Beacons National Park Authority, a joint tendering exercise had been carried out with a view to appointing Internal Auditors and a Chief Audit Executive for a 3 year period commencing April 2015. Appointment of Internal Auditors was a separate process in each Authority. Of the tenders received by the Pembrokeshire Coast NPA, two organisations had been invited for



interview by the Committee – Gateway and Pembrokeshire County Council.

Having heard the presentations and asked questions of the representatives of the two organisations, Members also asked questions of officers regarding the cost, reputation, experience and quality of the applications. While some Members considered that the contract should remain with Pembrokeshire County Council as they had provided a reliable service for the previous 19 years, other Members believed that it would be good to get a fresh perspective on the Authority's work through a change of auditor.

It was **RESOLVED** that, subject to some reviews, Gateway be appointed to provide the Authority's Internal Audit for the years 2014/15 thru 2017/18.

7. **Internal Audit 2014/15**

Thanking officers for their assistance, the Internal Auditor, Mr Richard Edwards from Pembrokeshire County Council, presented the draft Internal Audit report for 2014/15. He pointed out that the covering report should have said that the audit of all services was now carried out as a risk based assessment to identify the areas on which the audit would concentrate, rather than on a five year rolling programme. Ten areas had been audited, as agreed in the Audit Plan approved by the Audit and Corporate Services Review Committee in July 2014. These were the main accounting system, payroll & expenses, debtors, grant funding arrangements, information governance, car parks, Cilrhedyn Woodland Centre, Newport Information Centre and Carew Castle (this latter provided guidance to the new manager only, rather than a full audit) as well as a follow up of actions identified in the previous Audit Action plan.

Mr Edwards reported that a high number of recommendations had been responded to positively, and where acceptance had been partial, other controls had generally been agreed. There were only a small number of cases where the recommendations had been rejected and in all cases these were desirable, rather than important or critical. The Auditor had no concerns about these recommendations. He went on to explain that a substantial assurance had been given on six of the ten areas reviewed and on the four areas where limited assurance had been given, actions were planned which, if implemented, would see the assurance rating rise to substantial. Members were invited to comment on the planned actions within the report and Mr Edwards concluded by saying that it was intended to present a final version of the report to the next meeting of the National Park Authority.

Looking at Section G of the Report (Review of Car Parks), one Member asked the Auditor to elaborate on his comments regarding the value for



money of car parks which were currently manned or managed by partner organisations. Mr Edwards replied that considering the small cost of purchasing pay and display machines and the seeming availability of a Car Park Warden to attend to them it seemed that there was potential to get better value for money. However he explained that the review that had been undertaken had not been all encompassing but had looked only at a financial level. The Chief Executive added that following what had been an informative debate on car parking at the recent meeting of the National Park Authority, it was intended to engage more with Members on this and other subjects and a report to progress this would be prepared for the next meeting of the Authority.

NOTED.

8. Budget Performance Report for the 9 Months to December 2014

The report set out the detailed net revenue budget for the 9 months to 31 December 2014. As at 31st December 2014, the Authority's net revenue expenditure was £4,285,000 which was £511,000 below the profiled budget. The main reasons for the variance of actual expenditure against budget in each service department was detailed, however the Finance Manager explained that it was largely due to an increase in income.

The report went on to outline the 2014/15 revenue forecast which was likely to be £180,000 in surplus rather than the £3,000 originally forecast and this was due to salary savings, additional income and budget surpluses. In addition to this surplus, the three National Parks had received a significant access grant, with £145,000 being received by Pembrokeshire Coast National Park for 2014/15 and this would fund some proposed work and allow other projects to be brought forward from 2015/15. Despite this good news, there was predicted to be a deficit in the 2015/16 budget and therefore remedial action would still be necessary.

Also set out was the Capital Programme 2014/15, the most significant element of which had been the Origins project. It was reported that the main outstanding item was the Sandy Haven River Crossing, however that project was now underway.

Turning to the Authority's reserves, it was reported that the revenue surplus for 14/15 would be added to earmarked reserves in respect of staff restructuring and car park refurbishment. Members asked about the level of the Authority's reserves, given general comments by the Audit Office and previous Welsh Government Ministers. The Chief Executive replied that sensible accounting practices pointed to a need for reserves which allowed for unforeseen expenditure. The ability to maintain reserves at their current level had been due to a good season in 2014,



however if the 2015 summer season were to be wet, income could easily be down £120,000 against budget.

It was **RESOLVED** that the budgetary performance report for the 9 months ended 31st December 2014 be endorsed.

9. Report of HMRC Inspection October 2014

The Finance Manager reported that HMRC had carried out a routine inspection of the Authority's accounting records in October 2014 which had concluded with no unresolved matters. Accordingly the HMRC had approved a further period of dispensation on the reporting of the Authority's expense details in the end of year tax return as laid out in their letter of 8th December 2014 which was appended to the report.

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

10. Performance Report for the period ending 31st December 2014

The Business and Performance Manager presented the performance for the Authority's Corporate Services for the nine months to December 2014. 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, some were completed and a few activities were deferred pending decisions elsewhere.

None of the measures or actions in the report were marked as red, and Members congratulated officers on a number of areas where targets had been met. There was some discussion regarding attendance by the Authority at national events such as the Royal Welsh Show and National Eisteddfod possibly through cooperation with other similar organisations. The Chief Executive explained that due to a diary clash it had not been possible for the Communications and Marketing Manager to give a presentation to the Committee that day, but it was hoped that this would take place at the meeting in May when a more comprehensive debate could be had on this subject.

Finally, although not strictly within the remit of the Committee, the Business and Performance Manager reported on the figures for planning applications approved within 8 weeks which stood at 95% for the quarter and 87% in the year to date.

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

11. Joint Working Opportunities

The Business and Performance Manager explained that the Authority was aware of the efficiency and cost effectiveness of working with partners both in formal contracted projects and on a more informal sharing approach. A list of current and recent joint working activities with



colleague National Parks in Wales and in England, Pembrokeshire County Council and other local authorities, and with other organisations was reported to the Committee. He added that some of these relationships were more active than others depending on the time and season, but all demonstrated cooperation with other organisations, both large and small.

Members felt the list was a useful tool which it was important to keep up to date.

NOTED.

12. Forward Work Programme

Recapping on the discussions that had taken place that morning, the Chief Executive confirmed that reports on Communications and Marketing and Document Management would be brought to the next meeting of the Committee in addition to the normal performance reports. He suggested that a report on the Authority's property portfolio could be prepared for a future meeting.

NOTED.

9. 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.

