

# AUDIT AND CORPORATE SERVICES REVIEW COMMITTEE

15 February 2017

Present: Councillor M Williams (Chair)  
Mr A Archer, Mrs G Hayward, Councillor M James, Councillor L Jenkins, Councillor RM Lewis, Councillor DWM Rees and Mr AE Sangster

(NPA Offices, Llanion Park, Pembroke Dock: 10.00am – 11.50am)

## 1. Apology

An apology for absence was received from Councillor R Owens.

## 2. Disclosures

Mr A Archer disclosed a personal but not prejudicial interest in report 07/17 Annual Governance Statement but remained in the meeting and participated in the debate.

## 3. Minutes

The minutes of the meeting held on the 9 November 2016 were presented for confirmation and signature.

It was **RESOLVED** that the minutes of the meeting held on 9 November 2016 be confirmed and signed.

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

Members considered the report of the meeting of the Health and Safety Group held on 20 October 2016.

It was **RESOLVED** that the report of the meeting of the Health and Safety Group held on 20 October 2016 be received.

## 5. Internal Audit Report 2016/17

The report summarised the outcome of work completed against the 2016/17 operational audit plan and incorporated cumulative data in support of internal audit performance and how this work fed into their annual opinion.

The Chairman welcomed Robin Pritchard from the Authority's internal auditors, Gateway Assure who presented the reports. The first of these was the Block 1 Report which covered two areas - an information governance review and a review of key financial controls in the areas of procurement and creditors. With regard to Information Governance, an adequate assurance had been provided with a number of issues identified. It was reported that management had reacted positively to



these issues as set out in the report. The review of key financial controls in procurement and creditors had achieved a substantial assurance.

The Block 2 Report covered reviews of support costs, business continuity, performance management and planning fees. It was reported that the review of support costs was undertaken as a benchmarking exercise across the National Parks and a few areas were highlighted as part of the Block 2 report. Members asked questions regarding the impact of the Welsh Language Standards on translation costs and the Authority's sickness absence rates, which officers would continue to monitor. The ability of English and Scottish National Parks to contract out their external audit to private companies was seen as the reason for their reduced costs in this area, and one Member felt that Authorities in Wales should have similar freedom in this respect. It was noted that this report was included in full for the Committee and would also be presented to the Working Group reviewing Support Services for further consideration.

Turning to the other elements of the Block 2 Report, both Business Continuity and Performance Management had been assessed as providing adequate assurance, again a number of recommendations had been identified and these had been agreed or partially agreed by management with the responses set out in the report. With regard to the recommendation to identify a Business Continuity Champion to facilitate the Business Continuity Plan should an incident occur, one Member felt that there was some merit in a person other than the Chief Executive taking over all charge in such circumstances.

**NOTED.**

#### **6. Internal Audit Strategy 2017/18 to 2019/20**

The Internal Auditor explained that the Internal Audit Strategy set out a plan of the Audit work to be completed by the Internal Auditors in the coming years. This was reviewed annually and was sufficiently flexible to reflect any emerging issues. The Strategy before the Committee was in draft form for Members' comment and had been based on an assessment of the Authority's audit needs. A number of areas had been added into the programme as a result of the Benchmarking exercise (Minute 5 refers), including income generation and grant income, safeguarding, communications and IT and data security.

With regard to the review of Communications, one Member hoped that this would include consideration of the outcomes that had been achieved as well as the costs incurred, to create an holistic picture. Members thanked the Auditor for his work and for the fresh approach that his team had brought to internal audit of the Authority's work.

**NOTED.**



## **7. Benchmarking of the Pembrokeshire Coast National Park Authority's Planning Authority Performance**

It was reported that in January, the Welsh Government's second All Wales Planning Annual Performance Report for the reporting period April 2015 to March 2016 was published. This report, which was appended for Members, provided a summary of benchmarked customer satisfaction data and key planning performance indicators across the areas of efficiency, quality and engagement.

The basis of the report was twofold – the performance framework which published performance against indicators and targets agreed with stakeholders and informed by data collected on a quarterly basis; and the Annual Performance Report prepared by each Authority, which summarised their performance over the previous financial year, and identified areas of best practice and actions to be taken to drive improvement where required. As part of this, the Authority had conducted a customer satisfaction survey aimed at assessing the views of people that had received a planning application decision during the year.

Overall the Authority performed well in terms of customer satisfaction, scoring better than the Wales average across all statements except for one where it was only 1% below the average. In terms of efficiency, the Authority was ranked 6<sup>th</sup> out of the Local Planning Authorities (LPAs) in Wales on average time taken to determine an application during the year. However in respect of planning applications determined within the required timescales it scored only 72% compared to 77% across Wales and therefore below the 80% target, although this had been met by only 8 Authorities. Performance in this area was affected in part by the fact that the Development Management section had been without a manager for approximately 5 months of the reporting period. Performance data for 2016/17 was now showing an upward trend in this area. Turning to quality of decisions, figures for appeals were pleasing as of the three that were decided during the year 100% had been dismissed. Finally with regard to engagement, while the Authority was one of only two Authorities to have only a partial online register of planning applications in 2015/16, this issue was being addressed through the introduction of a document management system.

Members were pleased with the results and asked that their thanks be conveyed to staff in the team and also that such a positive report should be highlighted in the press. However they noted that while 54% of respondents had the view that the Authority enforced its planning rules fairly and consistently, that meant that 46% either didn't have a view or didn't believe that to be true. Officers agreed that this was a difficult perception to tackle but it was noted that this was a survey of those who had received a determination of a planning permission and the decision could have influenced their response.



**NOTED.**

**8. Performance Report for the Year Ending 31 December 2016**

The Performance and Compliance Coordinator reminded Members that the structure of the Authority's Corporate Plan for 2016/17 reflected that of the Wellbeing of Future Generations Act, with seven well-being objectives. The performance report had also been modified to follow these objectives, with an additional section providing general governance information.

The report presented the performance to date for the first three quarters of the financial year. It was noted that the format of the report had been amended to include where possible comparator data from previous years and case studies to illustrate actions where appropriate.

The report highlighted that there had been improved performance across a number of planning indicators including the percentage of planning applications determined within 8 weeks in the year to date. However it was also noted that the main website had seen a decrease in website hits since last year, partly due to inflated user figures in 2015 following two major online campaigns. The end of project funding for Your Park in March 2016 had also affected the number of 'hard to reach' people engaging with the National Park. Members questioned whether this target had been realistic and officers accepted that it could have been reduced due to uncertainty regarding continued funding of the project. They reported that project funding had, however, been secured for the forthcoming year. Finally, it was noted that the figure for the number of volunteer days should have read 1207 rather than 1027.

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

**9. Budget Performance Report 9 Months to December 2016**

The Finance Manager presented the net revenue budget for the nine months to 31 December 2016. The Authority's net revenue expenditure was £3,309,000 which was £302,000 under the profiled budget of £3,611,000 for the 9 month period. The main reasons for the variance of actual expenditure against budget for each Service department were set out in the report, however these mainly related to timing issues, staff savings and higher than expected admission and car park income. It had been noted at the previous meeting that merchandise sales were down at Oriol y Parc and Castell Henllys. This remained the case and officers were looking into the reasons for this.

Officers confirmed that there was an ongoing programme of car park improvement across the Authority's site, but Members questioned whether the additional car park income generated could be put back into



community projects. The Chief Executive replied that all project funding undertaken by the Authority was spent in communities of the National Park and suggested that there should perhaps be greater promotion of this work.

It was reported that the capital programme had increased from the original budget of £150.9k to a revised £173.1k. This was due to the inclusion of a major car park refurbishment programme, predominantly funded by a Welsh Government grant, and the deferment of the Car Park Integration project. The fleet replacement expenditure had increased from £10k to £18.1k and the programme also now included work at the Gabion Walls in Angle and refurbishment at Castell Henllys.

General reserves stood at £702,000 as at 31 March 2016 and this was expected to increase to £804,000 at the end of the financial year due to the forecasted revenue surplus. Earmarked reserves were expected to fall by £182,000 to £1,607,000 at the year-end due to expenditure on various capital and revenue projects. The Authority had also approved the creation of three further reserves for the Stitch in Time, Pathways and Skills in Action II projects.

Members thanked officers for the budget performance report and noted that the reduction in revenue was being well managed. They asked that their thanks be passed on to staff.

## **NOTED.**

### **10. Risk Register**

The Finance Manager presented the latest risk register which had recently been reviewed by both the Authority's Management and Leadership Teams when progress and changes had been noted. Significant changes in risks were summarised in the report. Due to an error in printing the register, the final risk, number 38 relating to the potential for an adverse reaction to the consultation on the provision of information, had been omitted and this was therefore circulated to the Committee.

It was also noted that the arrow in respect of risk 27 – failure to improve web access and document management for DM service – should be pointing down, rather than up, as a document management system was now being implemented. The risk of a flawed decision on planning matters had also reduced with the previous risk of a judicial review now removed. However one Member who had been involved in a recent planning appeal noted that there was a risk of financial, as well as reputational damage with such decisions and the possibility of creating an earmarked reserve to mitigate for that possibility was discussed.



**NOTED.**

**11. Annual Governance Statement**

It was reported that the Annual Governance Statement (AGS) provided the vehicle for demonstrating the Authority's success in delivering continuous improvement in performance, identified control systems and processes and highlighted significant governance issues to be addressed. The 2015/16 Statement was appended to the report in order to provide Members with the basis to contribute to and shape the contents of the 2016/17 Statement, a draft of which was displayed on screen at the meeting.

Turning to the Significant Governance Issues to be addressed in part VI of the report, one Member suggested that there would be a need to successfully induct and integrate new Members of the Authority, both those soon to be appointed by Welsh Government and by Pembrokeshire County Council following the Local Government Elections in May.

It was **AGREED** that the above point be included in the draft Annual Governance Statement 2016/17 which would be presented to the meeting of the National Park Authority in March.

**12. Certificate of Compliance with Local Governance Measure**

It was reported that the Auditor General for Wales was required to certify that the Authority had discharged its duties under the Local Government Measure and had acted in accordance with Welsh Government guidance sufficiently to discharge its duties. The Authority had been issued with a Certificate of Compliance in December 2016 and this was attached for Members' information.

**NOTED.**

**13. Diagram outlining the linkages between the Authority's Plans**

Following a request from Members, the above mentioned diagram had been produced for their information.

**NOTED.**

**14. Review of the Terms of Reference of the Audit and Corporate Services Review Committee**

Members were reminded that a report had been presented to the meeting of the National Park Authority in February inviting Members to comment on the current Committee Structure. Members had generally felt that the existing structure was fit for purpose, however it had been agreed that the Audit and Corporate Services and Operational Review Committees be given an opportunity to review their Terms of Reference and to make any recommendations for their amendment to the National Park Authority.



It was **RESOLVED** that no amendment be made to the Terms of Reference of the Audit and Corporate Services Review Committee.

**15. 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.

