

AUDIT AND CORPORATE SERVICES REVIEW COMMITTEE

23 May 2018

Present: Councillor M Williams (Chair)
Mr A Archer, Dr R Heath Davies, Councillor M James and Councillor R Owens.

[Councillor D Clements arrived during consideration of the report on the Wales Audit Office Audit Plan 2018 (Minute 6 refers)]

(NPA Offices, Llanion Park, Pembroke Dock: 10.00am – 12.30pm)

1. Apologies

Apologies for absence were received from Councillor P Baker, Mrs G Hayward and Councillor P Kidney.

2. Chair's Announcements

The Chair welcomed the Authority's new Monitoring Officer, Mr Rhys Stephens, to the meeting, as well as Mr David Long from Gateway Assure and Mr Deryck Evans from the Wales Audit Office. He also asked the Committee to remember Mrs Hayward in their thoughts and prayers as she had recently suffered a family bereavement.

3. Disclosures

There were no disclosures of interest.

4. Minutes

The minutes of the meeting held on the 14 February 2018 were presented for confirmation and signature.

It was **RESOLVED** that the minutes of the meeting held on 14 February 2018 be confirmed and signed.

5. Health and Safety Group: report of meeting

Members considered the report of the meeting of the Health and Safety Group held on 19 January 2018.

It was **RESOLVED** that the report of the meeting of the Health and Safety Group held on 19 January 2018 be received.

6. Wales Audit Office Audit Plan 2018

Members were reminded that as part of the Authority's governance arrangements, it was audited by the Wales Audit Office annually, with the main aims of this process having been set out in the report. The programme of work for the forthcoming year was outlined in the Wales Audit Office Audit Plan 2018 and this was appended to the report.



Mr Evans from the Wales Audit Office (WAO) explained that this was a two part process with work to look back at the 2017/18 annual accounts as well as undertaking performance audit work. WAO were also required to consider any objections from the local electorate, however none had been received this year to date. Mr Evans explained that it was likely that the anticipated Local Government Wales Bill would propose that the Local Government (Wales) Measure 2009 no longer applied to National Park Authorities; the focus of the performance audit programme would therefore be more clearly aligned to the requirements of the Public Audit (Wales) Act. 2004. They would also look at collaborations and partnerships as part of the four year programme agreed with National Parks Wales.

Turning to the Audit fees, which were set out in the report, it was stressed that the WAO only charged for the cost of the work, and in fact the Authority would be receiving a refund for the 2017 work as this had been carried out at a lower than expected cost.

Members asked questions regarding the frequency of questions and objections from local electors, the scope of the study into value for money of planning service and the likely nature of the examination into compliance with the Wellbeing of Future Generations Act. Officers from WAO and the Authority clarified that questions from electors were not common, however they had received one in respect of this Authority two years ago. The Value for Money of Planning Services was a national study which would collect data from all 25 local authorities and then highlight issues and good practice. With regard to the Wellbeing of Future Generations Act, it was noted that the Authority had been an Early Adopter of the Act and had been involved in the pilot schemes regarding delivery of the wellbeing objectives. However at present the programme of work was still under review.

Several Members noted reference in the report to a series of free seminars which formed part of WAO's Good Practice Exchange, and asked whether further details of these could be circulated to them. This would be arranged.

NOTED.

7. Internal Audit Report 2017/18

Apologising for the absence of his colleague Robin Pritchard, David Long from Gateway Assure explained that the report summarised the outcome of work completed by them as the Authority's internal auditors against the 2017/18 operational audit plan.

During the year the internal audit service had reviewed Safeguarding, Key Financial Controls – Payroll and Expenses, Human Resources, Grant



Income, Departmental Review – Communications, Income Generation and an IT Health Check and reports on these had previously been made to the Committee. From these examinations, taking into account the relative risk of the business areas, generally very positive conclusions had been formed regarding the policies, procedures and operations in place and appropriate and timely action had been taken or was planned to implement the recommendation. This meant they had concluded that the Authority's risk management, control and governance procedures were adequate and effective. There had been only one significant recommendation, regarding the IT Strategy, and the auditor was happy with the way that was progressing.

Members asked what progress had been made regarding this recommendation and officers agreed to bring an update on this matter to the next meeting of the Committee. Members also noted that of the areas audited, all had received a substantial opinion with the exception of Human Resources which was adequate and Members questioned whether this was a cause for concern or a reflection on staff wellbeing. The Auditor explained that an adequate opinion meant that there was no cause for concern, and the Chief Executive added that there was no policy or approach flaw within that service. However it was a small, and due to high levels of recruitment, very busy department and as a result perhaps the pace of doing things was not as great as could be. It was suggested that a presentation on the new recruitment system currently being introduced could be made to the next meeting of the Committee.

NOTED.

8. Internal Audit Strategy 2018/19 to 2020/21

It was noted that a replacement Audit Strategy Document had been circulated to the Committee as an earlier version of the document had been sent out originally.

Mr Long reported that the Internal Audit Strategy was a three year rolling strategy and that this was reviewed continuously but had also been the subject of a formal update recently when the Authority's key operations and priorities for internal audit input were discussed with officers. The draft Strategy before Members was the result, however this remained a draft until it was approved by the Committee. The areas identified for inspection in 2018/19 as identified in Appendix B were Risk Management, Corporate Governance, Castell Henllys, Key Financial – Exchequer software, Health and Safety and Fleet Management.

Members asked whether consideration had been given to audits of work surrounding the General Data Protection Regulations (GDPR), Future Generations or the Authority's Human Resources (HR) or IT systems (given the issues identified with the in the 2017/18 report). Officers



replied that GDPR compliance would be considered in future once work to implement the regulations had been fully implemented and as no particular audit issues had been identified with HR this would be considered again in two years as part of the agreed three year cycle. Future Generations work was considered to be a cross cutting theme rather than a standalone piece of work.

Members also asked about the auditing of the Trust which the Authority had agreed to set up at its meeting the previous week. Officers advised that this would be an independent entity with its own audit requirements. However the next review of income generation would include the impact of the work of the Trust. It was also noted that figures on income generated by the Trust could be incorporated in future budget performance reports.

NOTED.

9. Performance Report for the Period Ending 31 March 2018

The Performance and Compliance Coordinator reminded Members that the structure of the Authority's Corporate and Resources Plan for 2017/18 reflected that of the Wellbeing of Future Generations Act, with seven well-being objectives. The performance report also followed these objectives, with an additional section providing general governance information.

The report presented the performance to 31 March 2018, and provided further details in relation to planning, website hits and web walk downloads, rights of way, centres, volunteering and social inclusion, education, the outcome of Wales Audit Office pilot work and GDPR Compliance. In relation to the latter, it was noted that the National Park Authority had appointed Paul Funnell as its Data Protection Officer at its meeting on 16 May 2018.

One of the Members expressed concern at the increase in Member decisions against officer advice, fearing that decisions taken at recent meetings might not be reflected in this figure and that it might therefore rise further. He questioned whether this should be highlighted in Authority's Risk Register. The Chief Executive agreed that, while acknowledging Members' right to make such decisions, and speaking without reference to any particular decision, this was a concern, particularly with regard to the reputation of the Authority. Ultimately developments within the National Park would not be brought forward if there was no confidence that those which accorded with policy would be approved. There was also an impact on staff who could feel that Members had no confidence in their recommendations. The Director of Park Direction and Planning added that the system was plan led, with that planning policy having been agreed by Members. She reiterated that development was a long term financial commitment, and the construction



industry wanted a high degree of certainty in the outcome. Some Members defended such decisions, believing that they were to be expected in a democratic system. The view was also expressed that, alongside statutory consultees, the views of local communities were also important. In addition it was suggested that training on specific areas, such as flood defence, would be helpful.

A further area of concern that was highlighted by Members was enforcement, and they hoped that now the new officer was in post that the backlog, and time taken to investigate cases, would reduce. The view was expressed that possibly more officers were needed and officers were asked to monitor the workload of staff. Officers replied that the Authority's enforcement capability was greater than many other authorities, relatively speaking, and noted that the current drop in performance demonstrated that the backlog was being reduced. Some Members also questioned whether too many conditions were imposed as each increased the pressure on the service, however it was suggested that both Members and Community Councils could assist with monitoring applications in their areas.

Members raised questions in regard to other areas, such as the effectiveness of the summer rangers, and officers replied that a report on this had been presented to the Operational Review Committee, so could therefore be made available to other Members. There was also a Measure in the performance report which recorded attendance at pop-up events, which were often organised by the summer rangers. Members asked whether it was possible to provide information on the number of filming requests that come to fruition alongside the number of filming requests received; officer replied that they would look into providing this information for future performance reports. Finally Members asked whether there was any official recognition of those who volunteered for the Authority. Officers did not believe that there was, although there was recognition at a local level, however they agreed that this would be worthwhile.

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

10. Risk Register

The Chief Executive 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. There were no significant changes in risks which had been identified or removed in the quarter.

Three risks in particular were highlighted – risk 15 of a flawed decision on planning matters which had already been discussed and which would be kept under review; risk 2 regarding a medium to long term risk of



significant reduction of funding and risk 41 the impact of Brexit, although it was acknowledged that as well as a potential reduction in funding there could be opportunities such as a possible programme focusing on the coastal slopes which could bring in additional resources. One Member suggested that risk 1 – the short term risk of significant reduction in funding should be increased to amber.

NOTED.

11. Budget Performance Report – 12 months ending March 2018

In the absence of the Finance Manager, it was reported that the annual accounts were in the process of being finalised, and were scheduled to go to the Auditor in mid-June. 2017/18 had been a good year financially, with strong performance from the Centres and car parks and higher than average planning fees. There was likely to be a surplus at year end, however some of that may be allocated to ongoing problems at the causeway at Carew and additional resources could be allocated to address the enforcement backlog.

NOTED.

12. Legislative Changes in Data Protection

The Chief Executive began by formally thanking Mair Thomas, the Authority's Performance and Compliance Coordinator for all her hard work in ensuring the Authority was prepared for the introduction of the new General Data Protection Regulations which came into effect on 25th May.

The Authority's Data Protection Officer then went on to give a presentation which outlined the Authority's role with regard to data protection and how that was changing as a result of new legislation. He went on to outline the practical steps the Authority was taking in order to comply with the new legislation and the consequences of this for Members.

Thanking the officer for an easy to follow presentation, Members asked whether there was a simplified list of do's and don'ts, and the officer agreed to circulate the 12-point infographic prepared by the Information Commissioner's Office to them. He also advised that, as most information they received would come by email, they should delete email's from their mailboxes once they had been dealt with. He further advised that Members used their PCNPA, rather than their personal, email address to respond to correspondence.

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.

