

Audit and Corporate Services Review Committee

11 May 2022

Present: Councillor D Clements (Chair)
Councillor P Baker BEM, Dr R Heath Davies, Mrs S Hoss, Councillor
M James and Mr G Jones,

(Virtual Meeting: 10.00am -11.55am)

1. Apologies

Apologies for absence were received from Councillor P Kidney, Councillor R Owens and Councillor M Williams.

2. Disclosures

There were no disclosures of interest.

3. Minutes

The minutes of the meeting held on the 2 March 2022 were presented for confirmation and authentication.

It was **RESOLVED** that the minutes of the meeting held on 2 March 2022 be confirmed and authenticated.

4. Sustainable Tourism

The Chair welcomed Nick Selwyn and Matthew Brushett from Audit Wales which, as part of its programme of performance auditing in 2021-22 had undertaken work on Sustainable Tourism with the focus “Is the Authority doing all it can to effectively manage sustainable tourism in the National Park”. This work had been set within the context of increased visitor numbers during the previous two years bringing both economic benefits and difficulties to the communities of the National Parks and was based on interviews, both of officers within the Authority and external stakeholders, and a questionnaire. The report was presented to the Committee, and the four recommendations highlighted. It had concluded that the Authority led on sustainable tourism in the National Park, but needed to communicate its vision, prioritise resources and fully involve communities and businesses in taking forward this agenda. Mr Selwyn added that this work had been undertaken for the three Welsh National Park Authorities and common messages from the three reports would be published shortly

Responding to the recommendations, the Chief Executive agreed that while establishing a biodiversity baseline was an aspiration, this was difficult both practically and in terms of resources, however a review of the use of data by the Authority would be undertaken. Noting that the report also referred to a need for the Authority to undertake a review of



the effectiveness of its existing promotional work, he considered that the Communications team had done excellent work in promoting the ‘tread lightly’ and responsible behaviour messages and these were emphasised in the Coast to Coast publication. He expressed some concerns regarding the survey of tourism businesses that had been undertaken as the definition of sustainable tourism varied widely. He also added that he considered that the Authority had worked well in partnership across the county and beyond to improve sustainable outcomes and would in future seek Members views on whether the Authority should seek additional powers or develop partnerships to further this work.

Thanking the Auditors for an interesting report, one Member noted that the report didn’t mention the Sandford Principle, which stated that the conservation purpose had to take precedence over enjoyment of the Park if there was a conflict, and that this was necessary to ensure people could continue to enjoy the natural beauty of the National Park. However, the need for greater baseline data with regard to biodiversity was a clear action. Members praised the Coast to Coast paper and agreed that its articles increased visitor knowledge on the need to act sustainably. They also noted that the Authority worked with Visit Pembrokeshire and that their influence would increase in time.

Audit Wales were asked whether they would be undertaking any work on public transport, which fell outside the remit of the Authority, and they replied that their forward programme was still under consideration. Other Members agreed that the coastal bus service was a huge asset, and whilst improved transport within the county was essential, bringing about a change in behaviour was a greater challenge. Reference was made by another Member to the work currently being undertaken by Transport for Wales and Welsh Government on bus reform which would help local authorities to tackle the problem.

Noted.

5. Audit Wales Audit Plan 2022

It was reported that in accordance with the requirements of the Public Audit (Wales) Act 2004, the Local Government (Wales) Measure 2009, the Local Government Act 1999, and the Code of Audit Practice, the Authority was audited by Audit Wales. The programme of work for the next year, which included both an audit of Financial Statements and a performance audit, was outlined in the Audit Wales Audit Plan 2022, which had been circulated to Members prior to the meeting.

The Chair welcomed Jason Blewitt the Audit Manager who presented the report, and explained that the programme for the performance audit was yet to be confirmed and updates would be provided once they were available. He added that as the fees had remained at the same level for



the last five years, it had been necessary to increase these by 3.7% in the forthcoming year due to increasing cost pressures.

Members were supportive of the plan.

Noted.

6. Audit Enquiries to those charged with Governance and Management

It was reported that the Authority was requested to provide documented consideration and understanding on a number of governance areas that impacted on Audit Wales' audit of the financial statements. These considerations were relevant to both the Pembrokeshire Coast National Park Authority's management and 'those charged with governance' (the Audit and Corporate Services Review Committee). As requested last year these enquiries were appended to the report for consideration by all Members of the Committee.

A draft response had been provided and Members were happy that this be submitted to Audit Wales.

NOTED.

7. Risk Register

Members were asked to consider the latest risk register, which had been reviewed by the Leadership Team. The main changes from the previous report were highlighted in a summary table and these related to attainment of the Advanced Charter for Member Support and Development; consultation on the proposed organisational restructure to address the risk of lack of staff capacity/skills; property group meetings to monitor progress of critical projects; risks relating to equality; and utility costs. Only the last of these risks had increased in the Register, the trend being downward or static in the other cases. The top six risks for the Authority were also highlighted.

Members said that they had found both tables helpful, however they asked that consideration be given to adding specific actions to replace the mitigations listed for Risk 9 long term impact from climate change and Risk 37 Ash Dieback. Also whether the risk of major IT failure or virus attack had increased in recent months. The Chief Executive replied that more information would become available in the coming months which would help the Authority develop its response to climate change, and the Register would then be updated. The planning system would need to continue to address flood risk, and the Authority had robust planning policies in this regard.

The risk of failing to recruit a new Director of Planning and Park Direction was also suggested as a new risk, and the Chief Executive replied that as



a small organisation, the Authority was vulnerable to the departure of key staff, however the approach to be taken in respect of this post would be agreed at an Extraordinary Meeting of the HR Committee the following week.

Finally, the Director of Countryside, Community and Visitor Services noted that following an investigation at Members' request, it had been determined that the pellets for the biomass boiler were sourced from Russia, and an alternative supply had now been found.

NOTED.

8. Performance Report for the Period ending 31 March 2022

The report followed the structure of the Corporate and Resources Plan for 2021/22. This followed the approach of the Well-being of Future Generations Act with seven well-being objectives, with an additional section providing general governance information. Activities responding to Covid 19 recovery had been mainstreamed into work streams under each of the well-being Objectives.

The report presented the performance for the full financial year - April to March 2021/22 and included Q4 data (January – March) for the majority of data sets. Data would be reviewed prior to inclusion in the Annual Report on Meeting Well-being Objectives. A number of completed projects were highlighted, as well as areas where the RAG rating was red. A verbal update was given on # staff who have completed work Welsh online course ytd, with the figure remaining at 3 for quarter 4.

One Member asked for further details of, and actions taken in response to, the RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013) incident in Q4, and the HR Manager agreed to circulate this to the Committee.

NOTED

9. Internal Audit Report 2021/22

The Chair welcomed Jonathan Maddock from TIAA, the Authority's Internal Auditors who presented a number of reports. The first of these was a follow up review which established the management action that had been taken in respect of all recommendations arising from internal audit reviews carried out in 2020/21. This concluded that the Authority had made reasonable progress with 11 recommendations, however 10 remained outstanding, and details of the progress made to date were provided. Two further recommendations had been superseded by the risk management report also included with the papers.



Members considered that an update from officers on the recommendations would be helpful, with explanations for those that remained outstanding. The Chief Executive noted that there were a variety of reasons why recommendations had not been actioned and agreed that a further report could be provided at the next meeting.

The second review related to equality and diversity, which had considered the arrangements the Authority had put into place to demonstrate that it operated fairly and equally, and the report provided reasonable overall assurance in this regard.

It was noted that there had been a delay in reporting the review of risk management and mitigating controls as this had been presented to a Members' Workshop on risk in November 2021, and again a reasonable assurance was provided. Members were concerned that the management comments had rejected the Internal Auditor's recommendations in two cases, and suggested that actions, rather than risks, could be allocated to individuals as a way forward. The Chief Executive replied that Internal Audit had carried out this work at the request of officers and further work on the Authority's approach to risk would be undertaken, taking account of the recommendations, to ensure that the Risk Register was a useful tool for both management and Members. A further report would be presented to the Committee in due course.

The fourth report related to a review of Resilient and Sustainable Services, and this provided a reasonable assurance. The Chief Executive agreed that the Authority was experiencing some capacity issues, however these were being addressed.

Also presented was the Summary Internal Controls Assurance (SICA) which provided an update on the emerging Governance, Risk and Internal Control related issues and the progress of TIAA's work for the Authority against the Audit Plan. One Member noted that client briefing notes were interesting, containing as they did fraud and other security alerts and that consideration should be given to sharing these more widely with Members. Mr Maddock suggested that some Authorities included these on their Members' portals.

The final report was the Internal Audit Annual Report which contained their audit opinion. This stated that TIAA was satisfied that for areas reviewed during the year, the Authority had reasonable and effective risk management, control and governance processes in place.

Members expressed their gratitude to TIAA for the work they had undertaken.



NOTED.

10. Budget Performance for the Twelve Months ending March 2022

The Finance Manager explained that his team was currently preparing for the audit which was due to commence on 20 June, and that it was hoped the accounts would be presented to the meeting of the Authority to be held on 27 July 2022. He was able to provide a summary of the income for the year, which showed positive variances against budget across admissions and merchandise at the Authority's sites and Visitor Centres as well as car parks. He noted that budgets for 2021/22 had been set conservatively due to the unknown impact of the pandemic, however those for the forthcoming year would return to more normal levels and the exceptional variances were unlikely to be repeated.

The Chief Executive wished to congratulate all staff for the results achieved, noting that they had undertaken a tremendous amount of work in dealing with significant visitor numbers. The Authority was in the fortunate position of being able to add to its reserves, and some of these would be used to facilitate the current restructuring process. However the Authority was faced with a flatline budget from Welsh Government going forward and this would provide a challenge in coming years.

Members echoed the Chief Executive's thanks to staff.

Noted.

11. 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.

12. Thanks

As this would be the final meeting of the Committee for some Members, following the local government elections, thanks were given to them for their contributions.

The Minutes of this meeting were confirmed at the meeting of the Audit and Corporate Services Review Committee held on 13 July 2022 without amendment

