

Audit and Corporate Services Review Committee

31 July 2024

Present (In Person)

Dr R Heath Davies

[Dr M Havard joined the meeting prior to disclosures of interest (Minute 3 refers).

Present (Remotely)

Councillor D Clements, Councillor M James, Councillor B Price and Councillor A Tinley

Officers in attendance

Ceri Kwiecinski (Internal Audit), Jason Blewitt and Charles Rigby (Audit Wales), Chief Executive, Head of Finance and Fundraising, Performance and Compliance Officer, Health and Safety Project Officer, Director of Place and Engagement, Director of Nature and Tourism, Head of Decarbonisation, Head of Finance and Fundraising and Democratic Services Manager.

(Virtual Meeting: 10.00am -12.15pm; 12.25pm – 1.45pm)

1. **Election of Chair**

The Chair of the Authority, Councillor D Clements opened the meeting and reported that only one nomination had been received for the office of Chair: Dr R Heath Davies.

As proposed by Councillor Clements, Seconded by Councillor M James, it was **RESOLVED** that Dr R Heath-Davies be elected Chair for the ensuing year.

Dr Heath Davies then took the Chair.

2. **Election of Deputy Chair**

The Chair sought nominations for the position of Deputy Chair as none had been received.

As proposed by Councillor Clements, Seconded by Dr Heath Davies, it was **resolved** that Councillor M James be elected Deputy Chair for the ensuing year.



3. Apologies

Apologies for absence were received from Mrs J James, Councillor S Skyrme-Blackhall and Mrs V Thomas.

4. Disclosures

There were no disclosures of interest.

5. Minutes

The minutes of the meeting held on the 15 May 2024 were presented for confirmation and signature.

On the proposal of Councillor Clements, seconded by Councillor Price, it was **resolved** that the minutes of the meeting held on 15 May 2024 be confirmed and signed.

6. Matters Arising/Action Log

The minutes had noted that an update would be provided by Audit Wales at the next meeting regarding performance audit as very little work had been undertaken in the previous year. The Chief Executive confirmed that a meeting had been held with the Director at which a revised programme had been agreed, however he was of the view that the full fee should not be paid for 2023. Charles Rigby, the Audit Lead for Performance Audit, said that he understood the Authority's frustration with the delays to the timetable which had been caused by capacity issues. He explained that Audit Wales could only charge for work performed and assured the Committee that the work would be undertaken in the coming weeks. In response to a question from a Member he confirmed that in effect two years' work would be undertaken in the current financial year.

The updates provided in the Action Log were noted, although the documents set out at ID988 had not been circulated. These were expected in September and the Chief Executive agreed to circulate them once received.

With regard to ID995, the Chief Executive said that the development of sub-risk registers was ongoing and a report on this would be presented to a future meeting.

7. Personal Matters

Before moving on to the substantive matters on the agenda, the Chair asked the Committee to pause to remember Councillor Peter Morgan, a longstanding Member of the Authority, who had recently passed away. A minute's silence was held.



8. Matters arising from consideration at the National Park Authority on 24/7/24 of the Draft Statement of Accounts for the year ended 31st March 2024

As the Head of Finance and Fundraising had not been able to be present at the recent Authority meeting, this item provided an opportunity for any outstanding questions on the Accounts to be answered. However the Chair noted that no substantive matters had been raised. The officer agreed to provide an explanation of properties that were leased/rented to a Member and noted that a final copy of the accounts would be presented to the Authority in October once the Audit was complete.

noted.

9. Audit Wales Audit Plan 2024

The Chair welcomed Jason Blewitt (Audit Manager – Financial Audit) and Charles Rigby from Audit Wales who outlined the programme of work for the forthcoming year. Mr Blewitt explained that the report set out levels of materiality and significant risks to be considered as part of the financial audit. The deadline for completion of the work was 30 September. In terms of performance audit, it was noted that there was a new team, and work on the 2023 “Promoting equality and diversity of access” Audit would be delivered over the coming 6 weeks, and an examination of the Authority’s compliance with the Wellbeing of Future Generations Act between June and October, however a further thematic/local project would also be arranged.

The Chair noted that having 3 Audit reviews in one year would be challenging for officers and offered the new team the opportunity to meet officers to familiarise themselves with the work of the Authority. The Chief Executive added that a failure to outline the work in the Audit Plan undermined the purpose of the Plan and questioned the fees set out, as the increase seemed more than 6.4%. During the meeting Mr Blewitt confirmed that the fees for 24/25 were correct but apologised that the figures shown as 23/24 were in fact those from 21/22. He would update the plan.

The Chair added that recent experience with thematic studies hadn’t provided the Authority with the best value as although there was value in a 3-Park approach, each Authority was different. Mr Rigby explained that a thematic study usually meant that the same piece of work was undertaken in each of the 22 local authorities. The Governance piece of work was a separate study specific to National Park Authorities.

Noted.



10. Internal Audit Reports

The Chair welcomed Ceri Kwiecinski from Astari, the Authority's Internal Auditors. The first report that day presented the results of work undertaken in respect of the Coast Path and this had received reasonable assurance with three medium priority recommendations. The Director advised that the actions had been agreed and work was in hand to undertake them.

A Member questioned why the review of the Coast Path Management Strategy was proposed to be externally led, particularly as this was subject to availability of funding. The officer explained that the team had been short staffed and it was considered that an external perspective would be helpful, however the team was now back to full complement and funding was in place. However he noted that the work had not yet been commissioned and it was possible that it may not be completed by the end of the financial year. Although the report noted that the Strategy had not been reviewed, he reassured Members that this had been done informally. Members asked that, due to the importance of coast path to the County, the existing Strategy be circulated to the Committee and that an update on the approach and the timescale for undertaking the work be provided at the next meeting.

Ms Kwiecinski went on to present the Internal Audit Annual Report which concluded that the organisation had adequate and effective governance and risk management arrangements. Eight reviews had been undertaken during the year, two of which were advisory, and these had identified that improvements were required to a range of areas of internal control, providing Reasonable assurance in five areas and Some assurance in relation to Information & Cyber-security, where further work was required to ensure that the Authority had adequate and effective internal controls in place. The Follow Up review had indicated that reasonable progress had been made in implementing recommendations.

The third report was the Internal Audit Draft Strategy update for 24/25 – 26/27 which provided a three year strategy with a more detailed plan for work to be undertaken in 2024/25. This had been updated based on the latest risk register and the knowledge the company had gained in working with the Authority over the previous twelve months, however it remained fully flexible to the needs of the Authority.

A question was asked whether Astari would be looking at the Pay and Grading exercise, however the Chief Executive advised that there would be better ways of reviewing that piece of work, which would be reported to the People Services Committee.

The Chair thanked the whole team at Astari for the work undertaken. She noted that the final report on Information and Cyber Security and Data



Protection would be discussed in private session at the end of the meeting.

Noted.

11. Action Log for External Performance Audit and Internal Audit (Ending 31 March 2024)

Members were reminded that following a request from Members, an Action Log for External Performance Audit and Internal Audit had been created to assist with monitoring of actions agreed from Audit reviews. The report provided an update on each of the actions, and highlighted that a number of high and medium priority actions had now been completed. It was noted at the meeting that the Safeguarding Group had now met and that it was hoped that the Annual Report would be presented to the October meeting of the Authority.

Members asked whether links could be provided for the original Audit reports and also had some comments regarding dates and the status given in the progress column. The officer agreed to look again at the format of the report.

Noted.

12. Assurance Monitoring Report – Compliance, Public and Statutory Duties and Corporate Improvement

The Performance and Compliance Officer noted that the aim of this report was to review the Authority's current performance in respect of its compliance, public and statutory duties and corporate improvement areas. It would act as one element of the risk management approach and support officers and Members in monitoring, assessing and responding to compliance and corporate improvement areas of work. The report also outlined progress against corporate improvement areas identified within the Annual Governance Statement and the Authority's Delivery Plans.

The report provided resilience scores in respect of each area, and where tolerance levels or triggers had been reached resulting in scores considered 'Vulnerable' or 'Of concern' additional information and a management response had been provided.

Members remained concerned about the number of policies that were in need of review, but were reassured that the backlog of updating policies was being progressed. However it was noted that the outstanding items were matters of corporate improvement rather than failures in respect of compliance. It was nevertheless important to focus on priorities. Lack of progress on a zero-based budgeting exercise was also noted.



[Councillor Price tendered her apologies and left the meeting at this juncture.]

13. Well-being Objectives Performance Report for the Period ending 31 March 2024

It was reported that this report set out the Authority's performance against its four Well-being Objectives (Conservation, Climate, Connection and Communities) set out in its Corporate and Resources Plan 2023/24 – 2026/27. It outlined progress against priority indicators, projects, work programmes and internal development activities linked to activities identified in the Authority's Delivery Plans. The report presented the performance to date up to 31 March 2024 for data inputted weekly and monthly, however Quarter 1 statistics would be reported to the next meeting.

There were some questions regarding the trends for EV Charging (Ref D6) which the officer agreed to look into and also the amber rating for RT15, interpretative aims at the Authority's Centres, which the officer explained was due to the ongoing work on the Oriel y Parc Masterplan. An update on the situation would be provided to the Committee.

Noted.

[The meeting was adjourned between 12.15pm and 12.25pm]

14. Health, Safety and Wellbeing Quarterly Report

The report of the Health and Safety Project Manager updated the Committee on accidents and incidents for May to July, including lessons learned, and other work being undertaken. A dashboard of staff sickness statistics was also reported. Members asked some questions regarding the alarm activations at Oriel y Parc and were reassured that the system was regularly monitored and some sensors were being replaced. They also highlighted the importance of monitoring completions of Display Screen Assessments, particularly where staff were working from home.

Also appended was the draft Annual Report which provided assurance that the processes and systems that were in place for managing health and safety within Authority remained effective. The officer updated the Committee that since writing the report, the Risk Assessment Management Plan had been completed, with the documents available on the Authority's intranet. It was noted that the Annual Report would be presented to the National Park Authority in September.

Noted.



15. Information Technology and Digital Transformation Strategy 2024 - 2027

The report introduced this Strategy which set out the vision, priorities and goals in respect of the Authority's IT provision to Members and staff across multiple sites and services. In developing the strategy, officers had considered previous and current IT audits, the recent work on the National Park business continuity plan, ICT Disaster recovery plan and Microsoft 365 transition, as well as identifying areas of concern, improvement and projected challenges and risks.

Members welcomed the clear priorities set out, but suggested that the vision of the Strategy could be broadened to reflect the challenges facing the organisation, particularly in respect of cyber security and to highlight that additional resources may be required in order to achieve it. It was highlighted that the Strategy was for all staff and Members and as such, more use could be made of champions across the Authority, including the Member Champion.

It was **agreed** that the Strategy be adopted.

[Councillor A Tinley tendered her apologies and left the meeting during the following presentation]

16. Finance Budget report for the 2 months ending 31 May 2024

The report detailed the net revenue budget which showed that actual expenditure was better than budget, however the timeline for this report and issues with the finance system had not allowed sufficient time to establish a fair accruals/commitments and full review of the results. With the exception of Development Management, which had seen higher than expected costs, service departments were within expectations. A summary of retail performance was also included which showed a positive outturn to date. However car park income was not showing a significant increase despite higher charges and would be monitored going forward.

It was reported that at the end of the financial year, the forecast revenue position for the 2024/25 year end was an operating surplus of £198k despite a budgeted net deficit of £509k as per the original budget. This was due to additional revenue funding of £660k received from Welsh Government. No deficit was therefore expected for 24-25, but this forecast assumed income targets were achieved and costs remained under control.

The capital programme for the year had increased from the original budget of £972k to a revised budget of £1,558k. The budget had increased principally due to the inclusion of items on order at the year-



end but not delivered, as well as an increased budget for the proposed Green Room build.

Figures for reserves, both general and earmarked, were also provided, with some movements in earmarked reserves highlighted.

Members questioned the reasons for the downturn in car park revenue and officers noted the poor weather which started the season. They also asked about the lifespan of the Authority's minibuses and a budget for their replacement. Officers replied that there was a decarbonisation plan for the fleet and that costs for replacements were currently being assessed.

The report was **noted** and the movement in earmarked reserves to date were approved.

17. Exclusion of the Public

On the proposal of Councillor Clements, seconded by Dr Havard, it was **RESOLVED** that the public be excluded from the meeting as exempt information, as defined in Paragraph 14 of Part 4 of Schedule 12A to the Local Government Act, would be disclosed.

18. Internal Audit Report – ICT and Data Protection

It was noted that the assurance level for this audit had been split by area, with Data Protection receiving a reasonable assurance, while information and Cyber Security had been given some assurance. A number of recommendations had been made and actions agreed in response to these.

Noted.

19. Risk Management Policy – Risk Register and Risk Management Statement

Members were reminded that a new format Risk Register and Risk Appetite Statement had been presented at the previous meeting of the Committee. Some changes had been made to the Risk Register since the last meeting and these were highlighted and other suggestions by Members discussed.

Noted.



20. 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.

