



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Annual Improvement Report: 2017-18 – Pembrokeshire Coast National Park Authority

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This Annual Improvement Report has been prepared on behalf of the Auditor General for Wales by Nick Selwyn, Steve Frank and Euros Lake under the direction of Jane Holownia.

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The Auditor General is independent of government, and is appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the National Assembly.

Together with appointed auditors, the Auditor General audits local government bodies in Wales, including unitary authorities, police, probation, fire and rescue authorities, national parks and community councils. He also conducts local government value for money studies and assesses compliance with the requirements of the Local Government (Wales) Measure 2009.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Assembly Commission and National Health Service bodies in Wales.

The Auditor General and staff of the Wales Audit Office aim to provide public-focused and proportionate reporting on the stewardship of public resources and in the process provide insight and promote improvement.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

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Summary report

2017-18 performance audit work

- 1 In determining the breadth of work undertaken during the year, we considered the extent of accumulated audit and inspection knowledge as well as other available sources of information including Pembrokeshire Coast National Park Authority's (the Authority) own mechanisms for review and evaluation. For 2017-18, we undertook improvement assessment work at all authorities. We also undertook pilot work at each National Park Authority under the theme of governance in relation to the Well-being of Future Generation (Wales) Act.
- 2 The work carried out since the last Annual Improvement Report (AIR), including that of the relevant regulators, is set out in [Exhibit 1](#).

The Authority is meeting its statutory requirements in relation to continuous improvement

- 3 Based on, and limited to, the work carried out by the Wales Audit Office and relevant regulators, the Auditor General believes that the Authority is likely to comply with the requirements of the Local Government Measure (2009) during 2018-19.

Recommendations and proposals for improvement

- 4 Given the wide range of services provided by the Authority and the challenges it is facing, it would be unusual if we did not find things that can be improved. The Auditor General is able to:
 - make proposals for improvement – if proposals are made to the Authority, we would expect it to do something about them and we will follow up what happens;
 - make formal recommendations for improvement – if a formal recommendation is made, the Authority must prepare a response to that recommendation within 30 working days;
 - conduct a special inspection, and publish a report and make recommendations; and
 - recommend to ministers of the Welsh Government that they intervene in some way.

- 5 During the course of the year, the Auditor General did not make any formal recommendations. However, we have made a number of proposals for improvement and these are repeated in this report. We will monitor progress against them and relevant recommendations made in our national reports ([Appendix 3](#)) as part of our improvement assessment work.

Audit, regulatory and inspection work reported during 2017-18

Description of the work carried out since the last AIR, including that of the relevant regulators, where relevant.

Exhibit 1: audit, regulatory and inspection work reported during 2017-18

Issue date	Brief description	Conclusions	Proposals for improvement
Governance			
November 2017	<p>WFG pilot audit</p> <p>Our pilot review considered how well the authority has integrated the sustainable development principle into their well-being objectives and whether it is making sufficient progress to manage their delivery. We focused on the Authority's 'Pathways Project' – a supported volunteering programme which aims to improve access and increase the use of the National Park amongst disadvantaged communities in Pembrokeshire.</p>	<p>We produced a summary report which concluded that:</p> <p>We came to this conclusion because:</p> <ul style="list-style-type: none"> the Authority is improving its understanding of the sustainable development principle (the five ways of working) and has updated decision making arrangements including its responsibilities for setting well-being objectives. the Authority is integrating the sustainable development principle into decision making and day-to-day work programmes, and is starting to develop a better understanding of impact. Work to mainstream Well-being of Future Generation (WFG) principles into strategic planning is evolving. the Authority is working towards the sustainable development principle but inconsistencies in evaluation mean the Authority cannot demonstrate it does this systematically. the Authority is realigning existing approaches, duties and frameworks to its responsibilities under the WFG Act but has not yet fundamentally reviewed strategic objectives in line with the WFG principles. 	<p>Whilst our pilot work did not make any recommendations, our report did set out areas for improvement. These include:</p> <ul style="list-style-type: none"> creating more opportunities to capture all the learning from projects and mainstream this into corporate planning mechanisms; prioritise the 77 actions in its Corporate and Resources Plan by integrating key documents and further rationalising the number of plans and strategies; ensuring evaluation and learning takes place on completion of projects to support longer-term sustainability; and strengthen how the Authority demonstrates its prevention principles and activity.

Issue date	Brief description	Conclusions	Proposals for improvement
Use of resources			
January 2018	<p>Annual audit letter 2016-17</p> <p>Letter summarising the key messages arising from the Auditor General's statutory responsibilities under the Public Audit (Wales) Act 2004 and his reporting responsibilities under the Code of Audit Practice. The Annual Audit Letter is in Appendix 2 of this report.</p>	<ul style="list-style-type: none"> • The Authority complied with its responsibilities relating to financial reporting and use of resources; • I issued an unqualified audit opinion on 26 September 2017; and • I am satisfied that the Authority has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources. 	None
Improvement planning and reporting			
June 2017	<p>Wales Audit Office annual improvement plan audit</p> <p>Review of the Authority's published plans for delivering on improvement objectives.</p>	The Authority has complied with its statutory improvement planning duties.	None
October 2017	<p>Wales Audit Office annual assessment of performance audit</p> <p>Review of the Authority's published performance assessment.</p>	The Authority has complied with its statutory improvement reporting duties.	None
Reviews by inspection and regulation bodies			
No reviews by inspection and regulation bodies have taken place during the time period covered in this report.			

Appendix 1

Status of this report

The Local Government (Wales) Measure 2009 (the Measure) requires the Auditor General to undertake a forward-looking annual improvement assessment, and to publish an annual improvement report, for each improvement authority in Wales. Improvement authorities (defined as local councils, national parks, and fire and rescue authorities) have a general duty to 'make arrangements to secure continuous improvement in the exercise of [their] functions'.

The annual improvement assessment considers the likelihood that an authority will comply with its duty to make arrangements to secure continuous improvement. The assessment is also the main piece of work that enables the Auditor General to fulfil his duties. Staff of the Wales Audit Office, on behalf of the Auditor General, produce the annual improvement report. The report discharges the Auditor General's duties under section 24 of the Measure, by summarising his audit and assessment work in a published annual improvement report for each authority. The report also discharges his duties under section 19 to issue a report certifying that he has carried out an improvement assessment under section 18 and stating whether (as a result of his improvement plan audit under section 17) he believes that the authority has discharged its improvement planning duties under section 15.

The Auditor General may also, in some circumstances, carry out special inspections (under section 21), which will be reported to the authority and Ministers, and which he may publish (under section 22). An important ancillary activity for the Auditor General is the co-ordination of assessment and regulatory work (required by section 23), which takes into consideration the overall programme of work of all relevant regulators at an improvement authority. The Auditor General may also take account of information shared by relevant regulators (under section 33) in his assessments.

Appendix 2

Annual Audit Letter

Tegryn Jones
Pembrokeshire Coast National Park Authority
Llanion Park
Pembroke Dock
Pembrokeshire
SA72 6DY

Reference: 360A2018-19

Date issued: 23 January 2018

Dear Tegryn

Annual Audit Letter Pembrokeshire Coast National Park Authority 2016-17

This letter summarises the key messages arising from my statutory responsibilities under the Public Audit (Wales) Act 2004 and my reporting responsibilities under the Code of Audit Practice.

The Authority complied with its responsibilities relating to financial reporting and use of resources

It is the Authority's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
- maintain proper accounting records;
- prepare a Statement of Accounts in accordance with relevant requirements;
- establish and keep under review appropriate arrangements to secure economy; and
- efficiency and effectiveness in its use of resources.

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the accounting statements;
- review the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

I issued an unqualified audit opinion on 26 September 2017

Local authorities in Wales prepare their accounting statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This code is based on International Financial Reporting Standards. On 26 September 2017 I issued an unqualified audit opinion on the accounting statements confirming that they present a true and fair view of the Authority's financial position and transactions. The key matters arising from the accounts audit were reported to the Authority in my Audit of Financial Statements report on 8 August 2017.

I am satisfied that the Authority has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources

My consideration of the Authority's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed under the Local Government (Wales) Measure 2009. The Auditor General highlights areas where the effectiveness of these arrangements has yet to be demonstrated or where improvements could be made in his Annual Improvement Report. He published the 2017 report on 4 August 2017. Although no formal recommendations for improvement were made, the Auditor General highlighted some proposals for improvement that need to be progressed in the current year.

I issued a certificate confirming that the audit of the accounts has been completed on 26 September 2017

I received no electors' questions or objections in relation to the 2016-17 audit. Having given an audit opinion on the financial statements and concluded on the authority's arrangements to secure economy, efficiency and effectiveness in its use of resources, I was able to certify that the audit was complete when I issued my audit opinion.

The financial audit fee for 2016-17 is currently being finalised. We anticipate being able to make a small refund from the agreed fee set out in the Annual Audit Plan.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'R Harries', is positioned below the text 'Yours sincerely'.

Richard Harries

For and on behalf of the Auditor General for Wales

Appendix 3

National report recommendations 2017-18

Exhibit 2: national report recommendations 2017-18

Summary of proposals for improvement relevant to local government, included in national reports published by the Wales Audit Office, since publication of the last AIR.

Date of report	Title of review	Recommendation
October 2017	<u>Public Procurement in Wales</u>	<p>The report contained seven recommendations. Six of the recommendations were for the Welsh Government, one of the recommendations was for public bodies:</p> <p>R3 It was clear from our sampling that some procurement strategies are out of date and there has also been a mixed response to new policy and legislation, such as the Well-being of Future Generations (Wales) Act 2015. We recommend that public bodies review their procurement strategies and policies during 2017-18 and on an annual basis thereafter to ensure that they reflect wider policy and legislative changes and support continuous improvement.</p>

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