



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

# Annual Improvement Report 2016-17 Pembrokeshire National Park Authority

Issued: August 2017

Document reference: 395A2017



This Annual Improvement Report has been prepared on behalf of the Auditor General for Wales by Huw Rees, Nick Selwyn, Tim Buckle, John Roberts, Steve Frank and Katherine Simmons 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 Board, 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.

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.

This document is also available in Welsh.

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# Summary report

## 2016-17 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 National Park Authority's (the Authority) own mechanisms for review and evaluation. For 2016-17, we undertook improvement assessment work at all authorities under three themes: governance, use of resources, and improvement planning and reporting. At some authorities, we supplemented this work with local risk-based audits, identified in the Audit Plan for 2016-17.
- 2 The work carried out since the last Annual Improvement Report (AIR) 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 Measure during 2017-18.

## 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, a number of proposals for improvement have been made and these are repeated in this report. We will monitor progress against them and relevant recommendations made in our national reports as part of our improvement assessment work.



## Audit, regulatory and inspection work reported during 2016-17

### Exhibit 1: audit, regulatory and inspection work reported during 2016-17

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

Issue date	Brief description	Conclusions	Proposals for improvement
<b>Governance</b>			
May 2017	<p><b>Governance Review – Phase I</b>            First in a series of reviews of the Authority's governance arrangements in the context of the Well-being of Future Generations Act (WFG Act).</p>	<p>We produced a position statement collating perspectives on governance, arising from member and staff surveys, survey analysis and workshops. Our findings from the governance review were:</p> <ul style="list-style-type: none"> <li>• Authority members and staff recognise the importance of good and effective governance arrangements within the Authority and the vast majority agree or strongly agree that they understand the values and behaviours they are expected to display; and</li> <li>• the Authority has well established governance arrangements and there is broad agreement amongst Authority members and staff on the strengths of current practice and areas for improvement;</li> <li>• improving communication internally and externally is recognised as an ongoing priority; and</li> <li>• members and staff recognise there are further opportunities to collaborate with other National Park Authorities and strongly support this.</li> </ul>	<p>P1 To support a culture of openness and transparency we recommend that the Authority communicate the key findings of the surveys and share the survey results with Authority members and staff.</p> <p>P2 To strengthen governance arrangements and improve Authority decision making and service delivery we recommend that the Authority integrate its response to the findings of the surveys and workshops into its future governance work to support delivery of its responsibilities under the Well-being of Future Generations (Wales) Act 2015.</p>

Issue date	Brief description	Conclusions	Proposals for improvement
<b>Use of resources</b>			
November 2016	<p><b>Annual audit letter 2015-16</b> 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 <a href="#">Appendix 2</a> of this report.</p>	<ul style="list-style-type: none"> <li>• The Authority complied with its responsibilities relating to financial reporting and use of resources.</li> <li>• The Auditor General issued an unqualified audit opinion on 28 September 2016.</li> <li>• The Auditor General is satisfied that the Authority has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources.</li> </ul>	None
<b>Improvement planning and reporting</b>			
July 2016	<p><b>Wales Audit Office annual improvement plan audit</b> Review of the Authority's published plans for delivering on improvement objectives.</p>	The Authority has complied with its statutory improvement planning duties.	None
December 2016	<p><b>Wales Audit Office annual assessment of performance audit</b> Review of the Authority's published performance assessment.</p>	The Authority has complied with its statutory improvement reporting duties.	None
<b>Reviews by inspection and regulation bodies</b>			
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 Measure requires the Auditor General to undertake a forward-looking annual improvement assessment, and to publish an AIR, 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 AIR. 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

30 November 2016

Dear Tegryn

### Annual Audit Letter Pembrokeshire Coast National Park Authority 2015-16

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; and
- establish and keep under review appropriate arrangements to secure economy, 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 28 September 2016**

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 28 September 2016 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 members of the Audit and Corporate Services Review Committee in my Audit of Financial Statements report on 27 July 2016.

### **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 2016 report on 19 October 2016. 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 28 September 2016**

I received no electors' questions or objections in relation to the 2015-16 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 2015-16 is currently expected to be broadly in line with the agreed fee set out in the Annual Audit Plan.

Yours sincerely

**Richard Harries**  
**For and on behalf of the Auditor General for Wales**

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