



WALES **AUDIT** OFFICE  
SWYDDFA **ARCHWILIO** CYMRU

# Annual Improvement Report

## 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, Sara Leahy, Matt Brushett 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 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

## 2018-19 performance audit work

- 1 To decide the range and nature of the work we would undertake during the year, we considered how much we already know from all previous audit and inspection work and from other sources of information including Pembrokeshire Coast National Park Authority's (the Authority) own mechanisms for review and evaluation. For 2018-19, we undertook improvement assessment work, an assurance and risk assessment project and work in relation to the Wellbeing of Future Generations Act at all authorities. At some authorities, we supplemented this work with local risk-based audits, identified in the Audit Plan for 2018-19.
- 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 2019-20.

## 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, 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 2018-19

### Exhibit 1: audit, regulatory and inspection work reported during 2018-19

Description 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
March 2019	<p><b>Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations</b></p> <p>Examination of the extent to which the Authority has acted in accordance with the sustainable development principle when taking steps to meet wellbeing objective 5: to encourage communities and partners to become more engaged with the National Park?</p> <p>Steps:</p> <ul style="list-style-type: none"> <li>engage communities in an ongoing conversation about the Park to inform the development of the revised National Park Management Plan.</li> </ul>	<ul style="list-style-type: none"> <li>Pembrokeshire Coast National Park Authority has positive examples of how it has taken account of the Sustainable Development Principle when taking steps to encourage communities and partners to become more engaged with the National Park.</li> <li>The Authority has made progress in considering the need to take an integrated approach in delivering its steps. The Authority utilises a well-considered corporate process to consider all its steps.</li> <li>The Authority takes account of the need to collaborate in delivering its steps and this remains a strong area of activity whilst recognising it could do more to develop a clearer strategic framework to manage partnerships and collaborations.</li> </ul>	<p>Whilst our examination did not make any recommendations, our report did set out opportunities for improvement. These include:</p> <ul style="list-style-type: none"> <li>The Authority does not yet have a set of principles or framework to strategically direct partnership activity. A high number of partnerships are in place, mostly a result of organic, historic development or based on taking opportunities to find new sources of funding. The sustainability of some partnerships, and the return on investment that the Authority secures in progress with its own objectives, needs to be appraised and managed to ensure they are sustainable.</li> </ul>

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March 2019	<p><b>Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations</b></p> <p>Examination of the extent to which the Authority has acted in accordance with the sustainable development principle when taking steps to meet wellbeing objective 5: to encourage communities and partners to become more engaged with the National Park?</p> <p>Steps:</p> <ul style="list-style-type: none"> <li>• through the Authority's engagement action plan develop new ways of engaging with people, including use of online engagement and pop-up events.</li> <li>• work internally and with others, including the Public Services Board to develop innovative solutions to the challenges of rurality.</li> <li>• promote community resilience through engaging communities with projects, volunteering and social action opportunities in the Park. Take a place-based approach and engage new communities in our work.</li> <li>• use the Park's assets to host opportunities for communities to come together and provide opportunities for communities to tell their own stories about the National Park.</li> <li>• deliver an effective planning enforcement service with the support of the community.</li> </ul> <p>As part of this review we also completed a partnership survey and assessed the effectiveness of the Authority's partnership work. The findings of these reviews were reported within our WFG Act examination.</p>	<ul style="list-style-type: none"> <li>• The Authority is progressing well in delivering Steps 1, 2, 4 and 5 but needs to gather richer and more appropriate outcomes data to understand and measure progress in meeting Step 4 regarding improving community resilience.</li> <li>• The Authority understands why and who needs to be involved in developing its work but needs to improve how it involves the full range of community groups.</li> <li>• Systematic long-term planning of availability of resources remains challenging.</li> </ul>	<p>Whilst our examination did not make any recommendations, our report did set out opportunities for improvement. These include:</p> <ul style="list-style-type: none"> <li>• all Members have received refresher training on Well-being of Future Generations Act and the sustainable development principle. However, training is not tailored to individual need/knowledge or address skill gaps eg understanding data.</li> <li>• the Authority has significant scope to integrate policies and plans such as the Countryside Service Action Plan with the Nature Recovery Action Plan.</li> <li>• it is unclear how or whether people in the Park are more resilient and engaged as a result of competing Step 4.</li> </ul>

Issue date	Brief description	Conclusions	Proposals for improvement
November 2018	<p><b>Annual Audit Letter 2017-18</b></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 <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>• On 14 August 2018, an unqualified audit opinion was issued on the accounting statements confirming that they present a true and fair view of the Authority's financial position and transactions.</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>			
June 2018	<p><b>Wales Audit Office annual improvement plan audit</b></p> <p>Review of the Authority's published plans for delivering on improvement objectives.</p>	<ul style="list-style-type: none"> <li>• The Authority has complied with its statutory improvement planning duties.</li> </ul>	None
November 2018	<p><b>Wales Audit Office annual assessment of performance audit</b></p> <p>Review of the Authority's published performance assessment.</p>	<ul style="list-style-type: none"> <li>• The Authority has complied with its statutory improvement reporting duties.</li> </ul>	None

# 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

Mr Tegryn Jones – Chief Executive  
Pembrokeshire Coast National Park Authority  
Llanion Park  
Pembroke Dock  
Pembrokeshire  
SA72 6DY

**Reference:** 964A2018-19

**Date issued:** 30 November

Dear Tegryn

## Annual Audit Letter Pembrokeshire Coast National Park Authority 2017-18

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 14 August 2018**

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 14 August 2018, 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 13 August 2018.

From 2018-19, the statutory deadline for publication of audited accounts will be brought forward to 31 July. We have worked with the Authority's finance team over the past few years to bring forward the completion of our audit work and anticipate meeting the earlier deadline for 2018-19. We will discuss the target completion and approval timetable with the finance team as part of our planning for the 2018-19 audit.

### **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:

- audit work undertaken on the annual accounts;
- audit work completed by the Auditor General under the Local Government (Wales) Measure 2009 (the Measure);
- audit work undertaken in response to questions or objections to the accounts raised by electors under the Public Audit (Wales) Act 2004; and
- a review of the Authority's overall financial position.

### **Work undertaken under the Local Government (Wales) Measure 2009**

The Auditor General reports on his responsibilities under the Measure in his Annual Improvement Report. He published the 2018 report on 7 March 2018. This report highlights areas where the effectiveness of these arrangements and where improvements could be made. 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.

### **Electors' questions and objections**

I received no formal questions or objections to the 2017-18 accounts.

### **Overall financial position**

The Authority's retained reserves have increased significantly, over the past two years, as a consequence of unexpected additional Welsh Government grants received at the year-end. The challenge for the Authority, in the medium term, is application of these

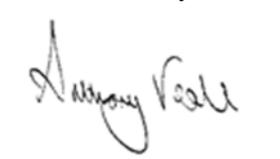
grants within the context of reduced core funding. Careful consideration of reserves balances and how they might be used to support financial plans is particularly important as it is not sustainable to rely on reserves to support ongoing costs. Once reserves have been deleted, other sources of funds or efficiencies must be identified. Further detail of my analysis is included in the appendix to this letter.

**I issued a certificate confirming that the audit of the accounts has been completed on 14 August 2018**

I received no electors' questions or objections in relation to the 2017-18 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 2017-18 is currently expected to be in line with the agreed fee set out in the Annual Audit Plan.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Anthony Veale', is enclosed in a thin black rectangular border.

**Anthony Veale**  
**For and on behalf of the Auditor General for Wales**

cc Richard Griffiths, Finance Manager

# Appendix 3

## National report recommendations 2018-19

### Exhibit 3: national report recommendations 2018-19

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
November 2018	<u>Local Government Services to Rural Communities</u>	R1 Socio-economic change, poor infrastructure and shifts in provision of key services and facilities have resulted in the residualisation of communities in rural Wales. <b>We recommend that the Welsh Government support public bodies to deliver a more integrated approach to service delivery in rural areas by:</b> <ul style="list-style-type: none"><li>• refreshing rural grant programmes to create sustainable financial structures, with multi-year allocations; and</li><li>• helping people and businesses make the most of digital connectivity through targeted and more effective business and adult education support programmes.</li></ul>

Date of report	Title of review	Recommendation
November 2018	<u><a href="#">Local Government Services to Rural Communities</a></u>	<p>R2 The role of Public Service Boards (PSBs) is evolving but there are opportunities to articulate a clearer and more ambitious shared vision for rural Wales (see paragraphs 2.2 to 2.9 and 2.28 to 2.31). <b>We recommend that PSB public service partners respond more effectively to the challenges faced by rural communities by:</b></p> <ul style="list-style-type: none"> <li>• assessing the strengths and weaknesses of their different rural communities using the Welsh Government’s Rural Proofing Tool and identify and agree the local and strategic actions needed to support community sustainability; and</li> <li>• ensuring the Local Well-Being Plan sets out a more optimistic and ambitious vision for ‘place’ with joint priorities co-produced by partners and with citizens to address agreed challenges.</li> </ul> <p>R3 To help sustain rural communities, public services need to think differently in the future (see paragraphs 3.1 to 3.12). <b>We recommend councils provide a more effective response to the challenges faced by rural communities by:</b></p> <ul style="list-style-type: none"> <li>• ensuring service commissioners have cost data and qualitative information on the full range of service options available; and</li> <li>• using citizens’ views on the availability, affordability, accessibility, adequacy and acceptability of council services to shape the delivery and integration of services.</li> </ul>

Date of report	Title of review	Recommendation
November 2018	<u><a href="#">Local Government Services to Rural Communities</a></u>	<p>R4 To help sustain rural communities, public services need to act differently in the future (see paragraphs 3.1 to 3.12). <b>We recommend councils do more to develop community resilience and self-help by:</b></p> <ul style="list-style-type: none"> <li>• working with relevant bodies such as the Wales Co-operative Centre to support social enterprise and more collaborative business models;</li> <li>• providing tailored community outreach for those who face multiple barriers to accessing public services and work;</li> <li>• enhancing and recognising the role of town and community councils by capitalising on their local knowledge and supporting them to do more;</li> <li>• encouraging a more integrated approach to service delivery in rural areas by establishing pan-public service community hubs, networks of expertise, and clusters of advice and prevention services;</li> <li>• enabling local action by supporting community asset transfer identifying which assets are suitable to transfer, and having the right systems in place to make things happen; and</li> <li>• improving community-based leadership by developing networks of interest, training and coaching, and encouraging volunteering.</li> </ul>

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