

Pembrokeshire County Council Annual Audit Summary 2023

This is our audit summary for Pembrokeshire County Council. It shows the work completed since the last Annual Audit Summary, which was issued in July 2023. Our audit summary forms part of the Auditor General for Wales' duties.



More information about these duties can be found on our [website](#).

About the Council

Some of the services the Council provides



Key facts

The Council is made up of 60 councillors who represent the following political parties:

- Not affiliated to any group 17
- Independent group 19
- Welsh Conservative 10
- Labour 10
- Welsh Liberal Democrat 2
- Plaid Cymru 2

The Council spent £290.5 million on providing services¹ during 2022-23².

¹ We define spending on services as the cost of services charged to the general fund from the Expenditure Funding Analysis, less any Housing Revenue Account cost of services, plus precepts, levies and debt interest.

² Source: 2022-23 Statement of Accounts

Key facts

As at 31 March 2023, the Council had £82.6 million of useable financial reserves³. This is equivalent to 28.4% of the Council's annual spending on services⁴.

The Council has 6% of its 71 areas considered to be within the most deprived 10% of areas in Wales, this is the 10th lowest of the 22 unitary councils in Wales⁵.

The population of Pembrokeshire is projected to increase by 3% between 2023 and 2043 from 126,600 to 130,200, including a 9% decrease in the number of children, a 5% decrease in the number of the working-age population and a 27% increase in the number of people aged 65 and over⁶.

The Auditor General's duties

We completed work during 2022-23 to meet the following duties

- **Audit of Accounts**

Each year the Auditor General audits the Council's financial statements to make sure that public money is being properly accounted for.

- **Value for money**

The Auditor General examines whether the Council has put in place arrangements to get value for money for the resources it uses, and he has to be satisfied that it has done this.

- **Sustainable development principle**

Public bodies need to comply with the sustainable development principle when setting and taking steps to meet their well-being objectives. The Auditor General must assess the extent to which they are doing this.

³ We define useable financial reserves as reserves usable for revenue costs, where the purpose is not protected by law. This is the total of the general fund, earmarked reserves and schools' balances. It excludes Housing Revenue Account reserves, capital receipts and capital grants unapplied.

⁴ Source: 2022-23 Statement of Accounts

⁵ An area in this context is defined as a 'Lower Super Output Area'. Source: Stats Wales

⁶ Source: [Stats Wales, Population Projections](#)

What we found

Audit of Pembrokeshire County Council's 2022-23 Accounts



To meet the Auditor General's duties we complete specific projects, but we also rely on other audit work, and the work of regulators such as Care Inspectorate Wales and Estyn (the education inspectorate). We take the findings of our audit work into account when assessing whether the Council has put in place arrangements to secure value for money. Our findings and conclusions are summarised below.

Each year we audit the Council's financial statements.

For 2022-23:

- the draft statements were presented for audit on 20 December 2023. This was after the deadline of 31 July 2023 set by Welsh Government.
- the quality of the draft statements presented for audit on was generally adequate.
- the Auditor General gave an unqualified true and fair opinion on the Authority's financial statements on 14 May 2024, after the deadline agreed with Welsh Government of 30 November 2023. The audit was delivered in a similar timeframe to the previous year's despite the impact of new auditing standard requirements. These were covered in our audit plan considered by the Audit Committee on 28 September 2023. The late publication of the draft statements was mainly due to capacity issues in Property Services and Financial Services and competing priorities. The protracted audit process was mainly due to some poor working papers supporting the accounting entries and delays in responding to audit queries.
- the Authority's Annual Governance Statement and Narrative Report were prepared in line with the CIPFA Code and relevant guidance. They were also consistent with the financial statements prepared by the Authority and with our knowledge of the Authority.
- a significant number of changes were made to the Authority's financial statements arising from our audit work, which were reported to the Governance and Audit Committee in our Audit of Financial Statements Report in April 2024 and to Council on 9 May 2024.
- In addition to the Auditor General's responsibilities for auditing the Authority's financial statements, he also has responsibility for the certification of a number of grant claims and returns. Our work to date has not identified any significant issues.
- the Auditor General issued the certificate confirming that the audit of accounts for 2022-23 has been completed on 14 May 2024.

Assurance and risk assessment review

We reviewed the arrangements the Council has put in place to secure value for money in the use of its resources. We produced the following reports from our assurance and risk assessment work:

- Setting of well-being objectives – we looked at the Council’s approach to setting its well-being objectives. We found that the Council has applied the sustainable development principle in the setting of its new well-being objectives but needs to strengthen its arrangements for citizen involvement and monitoring its progress.
- Use of performance information: service user perspective and outcomes – we looked at the service user perspective and outcome data provided to members and senior officers, and how this information is used. We found that performance information provided to senior leaders does not generally enable them to understand the perspective of service users and the outcomes of the Council’s activities. This restricts their ability to understand the impact of the Council’s activities.

Digital Strategy

During 2022-23, we reported on the Council’s strategic approach to digital, and specifically the extent to which this has been developed in accordance with the sustainable development principle; and that it will help to secure value for money in the use of the Council’s resources. We found that the Council is developing its strategic approach to digital but has not yet clarified the resources required to deliver it or its monitoring arrangements, and there are weaknesses in its approach to partnership working.

Follow-up on the Recommendations Issued in the Auditor General for Wales’ Report in the Public Interest (Stage 1)

In this follow up review we reported that the Council is making progress in addressing the recommendations in our Report in the Public Interest but needs to assure itself and demonstrate that the actions it is taking are sustainable and will achieve the intended impacts.

Other inspectorates

We also took into account the reports of Care Inspectorate Wales (CIW) and Estyn as well as any subsequent actions taken by the Council in response.

Ongoing work

We also looked at the key challenges and opportunities facing the Council. These could have an effect on the Council's ability to meet its legal obligations in relation to the sustainable development principle and the use of its resources.

Our ongoing work includes:

- Thematic review – financial sustainability (2023-24)
- Thematic review – commissioning arrangements (2023-24)
- Follow up on the recommendations issued in the Auditor General for Wales' report in the Public Interest (Stage 2) (2023-24)
- Unscheduled care review (2022-23)

The Auditor General is independent of government and was 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 Senedd.

The Auditor General audits local government bodies in Wales, including unitary authorities, police, fire and rescue authorities, national parks, and community councils. He also conducts local government value for money studies, assesses compliance with the remaining requirements of the Local Government (Wales) Measure 2009 and may undertake special inspections under the Local Government and Elections (Wales) Act 2021.

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

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities with their own legal functions, as described above. Audit Wales is not a legal entity.

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.