

## **BRECON BEACONS NATIONAL PARK AUTHORITY**

**Minutes of the AUDIT AND SCRUTINY COMMITTEE held on Friday 9<sup>th</sup> March 2012  
at Plas Y Ffynnon, Cambrian Way, Brecon**

### **Present**

Cllr K Pathak  
Cllr G Ratcliffe  
Cllr L Elias  
Cllr A James  
Cllr H Barrett  
Cllr Mrs J Ward  
Professor A Lovell (Chairman)  
Mrs M Underwood  
Mrs M Doel

**In Attendance:** Mrs J James (Chairman of the National Park Authority), Mr J Cook (Chief Executive), Mr C Morgan (Director of Planning), Mr P Funnel (IT and Systems Manager), Mrs J Gruffydd (Democratic Services Manager), Ms E Standen (Finance Manager), Ms T Nettleton (Head of Strategy, Policy & Heritage), Dr Sunita Welch (Education Manager), Mr M Andrews (Monitoring Officer), and Mr E Watkin (Section 151 Officer), Mr T Lewis (Wales Audit Office), Mr R Harris (WAO) and Mr J Roberts (WAO).

### **20/12 CORRESPONDENCE**

Apologies were received from Mrs R Edwards (Solicitor) and Mr Julian Atkins (Director of Countryside and Land Management).

The IT and Systems Manager advised Members that the Authority had received a grant of £20,000 from the Welsh Government to run a pilot webcasting project. He also confirmed the approval of £25,000 from the Authority's capital budget for the replacement of the PA system in the conference room. Members welcomed both these initiatives.

### **21/12 DECLARATIONS OF INTEREST**

The following declarations of personal, non prejudicial interest (membership of another relevant authority) were made in respect of agenda item 14.0 Internal Audit Services:

- Cllr K Pathak
- Cllr G Ratcliffe
- Cllr L Elias

## 22/12 MINUTES

**RESOLVED:** *That the minutes of the meeting held on 20 January 2012 be agreed and the Chairman authorised to sign them as a true record.*

## 23/12 PUBLIC SPEAKING

No requests to speak had been received.

## 24/12 DECISIONS AND ACTION POINTS FROM PREVIOUS MEETING

The Chairman queried a number of actions from the Planning, Access and Rights of Way Committee which appeared to be taking some time to complete, although he recognised that some required actions, such as Section 106 agreements, were complex and took time to resolve. The Director of Planning concurred that some of these involved considerable amounts of correspondence to complete, but suggested that updates be brought to the Planning, Access and Rights of Way Committee.

## 25/12 WALES AUDIT OFFICE REPORT

The Chairman welcomed Mr John Roberts (WAO) to the meeting to present the Annual Improvement Report. Mr Roberts advised that this was the second report completed in line with the Local Government Measure requirements and referred to the positive overall message based on three elements: planning and corporate arrangements, performance in 2010/11 and how the Authority monitored performance. He highlighted the better evidence of public satisfaction which showed that the Park's actions were making a difference, and remarked that if there were any suggestions for measuring planning applications in terms of quality rather than speed this would be useful. He thanked members and officers for their help and co-operation and commented that he was in discussion with the Chief Executive about ensuring that all evidence was available to include in the report in future years, as some improvements had had to be added after the first draft of the report.

Members very much welcomed the positive report, which they felt recognised the work of members and officers in making improvements to governance and service delivery, and showed strong leadership. However, they shared officers' concerns that the report, which assessed performance in 2010/11, was not issued until January 2012. This meant that the public were reading the report as if it were on current performance, whereas in fact it was out of date as progress had subsequently been made in the ensuing year. Mr Roberts agreed that he would also like to see an earlier publication date, but given the deadline of the end of October for the Authority to submit its evidence, the earliest that the Wales Audit Office could check and question evidence, and carry out quality control, was the end

of November or December, particularly given that there were three National Park Authorities. Members suggested that they might send a letter to the Wales Audit Office and the Minister highlighting these concerns.

A member pointed out that the comments about the Authority's work on the Welsh Language (paragraph 28) should be read in the context of several meetings cancelled by the Welsh Language Board which had led to significant delays in work being progressed. The Chief Executive advised that while discussions were needed with the Welsh Language Board, progress was now being made in translating the website.

**RESOLVED:**

**a) To note the report;**

**b) That a letter be sent to the Wales Audit Office and the Minister to highlight the issues of timing of the Annual Improvement Reports.**

## **26/12 FINANCIAL AUDIT**

The Chairman welcomed Mr Harris and Mr Lewis (WAO) to the meeting.

### **26.1 Annual Financial Audit Outline**

Mr Lewis presented the Annual Financial Audit Outline and commented on the Authority's Annual Governance Statement which had been prepared last year without the expected guidance from the Welsh Government. The Authority was now required to produce this each year and he would be working with the three Park Authorities to ensure that they were including all the necessary statements. Members commented that without a template or guidance this was a challenge.

There was some discussion about the fee structure and members felt strongly that there should be a breakdown in the audit fee to clarify component charges and also to support openness and transparency. Mr Harris agreed and confirmed that they would always contact the Authority to agree additional pieces of work. He also agreed that future reports would include a list of any queries from the public about the Authority on which the WAO had been asked to respond.

**RESOLVED: To note the report**

### **26.2 Financial audit – matters arising**

Mr Harris presented a report of matters arising from the financial statements audit for 2010-11 and congratulated officers on their compliance with the new International Financial Reporting Standards. The Chairman commented that he welcomed the WAO's acceptance of officer comments on the action plan.

**RESOLVED: To note the report**

## **27/12 PERFORMANCE REPORT : EXCEPTIONS**

Member received a short report on performance exceptions.

**RESOLVED: To note the report.**

## **28/12 PERFORMANCE REPORT: ENFORCEMENT**

The Chairman explained that two papers had been circulated to Members and placed on the website in the last few days – a report from the Enforcement Working Group and a report from the Solicitor in her temporary role as line manager of the Enforcement Team.

The Director of Planning advised that following discussions with the working group about the enforcement process, the Solicitor had offered her services in view of her background in processes. Given the additional workload on the planning section in respect of the Local Development Plan Public Inquiry this had been deemed a good temporary solution, and the planning section was intending to fund a locum solicitor to carry out some of the Solicitor's other duties. A member of the working group stated that this was the best solution given the reputational issues surrounding enforcement. The Chief Executive confirmed that this option was comparable in cost terms to any other senior officer taking over responsibility.

A number of Members welcomed this move but asked that regular reports be brought back to the committee. They noted the fact that two out of the team of four enforcement officers were on sick leave and that while the remaining officers could manage the current caseload, this might impact on clearing the backlog of cases. This was an issue that the Corporate Management Team would need to address and bring a report to Audit and Scrutiny Committee.

The Chairman commented that the working group were impressed with the impact the Solicitor had already had on the team, and that she had provided him with a file summarising all cases if members wished to see this.

**RESOLVED: To note the reports**

## **29/12 IMPROVEMENT OBJECTIVE PERFORMANCE REPORT: EDUCATION**

The Chairman reminded Members that they had agreed to receive reports on performance against improvement objectives, and that this report on education was to test the format as well as advising the committee about service performance. He commented that education underpinned all the improvement objectives.

The Education Manager gave a presentation on the education service performance and the challenges being faced through cuts to school budgets which restricted school visits to the Park. She advised that given the increasing emphasis in the National Curriculum on literacy and numeracy, the education team would be reviewing their service to take this into account.

Members welcomed the presentation and the detailed report, which were backed up by facts and figures, and they recognised the importance of environmental education delivered in the field rather than in the classroom. The Education Manager advised that research suggested that such experiences had more likelihood of having long term impact and influence. However, the alternative, with the education team going out to schools, would take three to four years to visit every school in the Park. Two members congratulated the officer on the work done in their respective authorities with visits from schools in Communities First areas.

Regarding the issue of transport members suggested that the Park might consider providing this, and noted that the use of Headteacher cluster groups to get messages across could be very effective, as that visits to the Park were more likely to be given priority if the Headteacher recognised the benefits.

The Chairman referred to the format of the report to committee and the presentation, as he wished to give guidance to officers giving subsequent reports. He tabled a diagram which summarised the process. A member suggested that it would be useful to include a reference to future changes in legislation or good practice, and that compliance with the equality duty would also be helpful.

**RESOLVED:**

- a) That the format of the report be approved with the addition of future changes and compliance with equality duty;***
- b) That the current reporting of Education Service Data be approved;***
- c) That the Chairman of the Audit and Scrutiny Committee discuss with the Education Officer (seeking the views of other National Parks) the possibility of writing a letter to the Welsh Government regarding the importance of educational visits to the National Park and recommending additional funding for schools to use on transport.***

**30/12 PRUDENTIAL CODE, TREASURY MANAGEMENT, BORROWING APPROVAL**

Members considered a recommendation to continue present arrangements in relation to borrowing limits. A member welcomed the prudent financial management of the National Park Authority in not having borrowed money, unlike most local authorities. There was some discussion about whether the Authority could obtain better interest rates in alternative institutions and/or by investing for a longer period. Officers advised that there is a limited amount that can be invested on a long term basis as it is essential to ensure adequate funds are available as working capital, and that any additional increase through moving funds had to be set against the financial advantage of free banking with the Authority's bankers.

**RESOLVED:**

- a) *To recommend to the Authority that it continues the present arrangements in relation to operational and authorised borrowing limits and Treasury Management for 2012/13. and*
- b) *To request the Finance Manager to report back to the Committee on options for investment of surplus cash flows.*

### **31/12 SHARED SERVICES: REPLACEMENT FOR CURRENT FINANCE SYSTEM**

Members considered a proposal to recommend to the Authority the suspension of contract standing orders to allow joint working with Carmarthenshire County Council on shared access to a finance system.

**RESOLVED:** *To recommend to the Authority to suspend Contract Standing Orders as permitted by Contract Standing Order 2, to allow a service level agreement to be drawn up with Carmarthenshire County Council for shared access to the County Council's Agresso finance system.*

### **32/12 ACCESS TO INFORMATION**

**RESOLVED:** *To exclude the press and public from the meeting during consideration of the following item of business in accordance with section 100A of the Local Government Act 1972, as amended, on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 14 of part 4 of Schedule 12A to the Act.*

### **34/12 INTERNAL AUDIT SERVICES**

Cllrs G Ratcliffe, K Pathak and L Elias declared a personal, non-prejudicial interest in this item.

Members considered a recommendation for the National Park Authority to appoint internal auditors from 1<sup>st</sup> April 2012 to 31<sup>st</sup> March 2015 following a tendering process.

**RESOLVED:** *To recommend that the Authority appoint Deloitte LLP as the Authority's internal auditors for the period 1 April 2012 to 31 March 2015 and providers of EU Interreg Level 1 Control audit from 1 April 2012 to 30 September 2015, subject to the terms of the contract to be signed by representatives of the Authority and Deloitte LLP*

### **35/12 INTERNAL AUDIT REPORTS**

Members considered a report from the Internal Auditors on the Creditor and Welsh Purchasing Card System and noted that this had given a 'Limited Assurance'. The Section

151 Officer advised that actions had been agreed although he felt that the auditors had been quite strict in their conclusions.

It was suggested that given the status of this report a review of the actions should be brought back to the Audit and Scrutiny Committee in six months time.

***RESOLVED: That Members note the Internal Audit report and the agreed actions, and that a report on progress against these be brought back to the Audit and Scrutiny Committee in six months time.***

### **36/12 BUDGET MONITORING**

Members reviewed the revenue and capital budget to the end of January 2012 and noted that overall the Authority was on target at this point in the budget cycle. They particularly welcomed the fact that the capital budget would be fully allocated by the end of the financial year.

A member asked about the impact of funding not received from partner organisations under the Collabor8 project and the Finance Manager advised that this would be reflected in the final spend and the amount of work completed. The member suggested that some of this work might potentially be carried out by volunteers.

Members noted that the training budget was underspent this year and the Chief Executive advised that this would be carried forward to continue project management training for managers. While the budget would be reduced next year, the Authority was still in the top quartile in relation to spend per head on training compared to other National Park Authorities.

The Director of Planning advised that consultants had just been interviewed to carry out the landscape character assessment, which would be useful in the planning service, but also in the development of Supplementary Planning Guidance. A presentation would be made to the National Park Authority in June.

***RESOLVED: That Members note the budget monitoring report for April 2011 to January 2012.***

### **37/12 RISK REGISTER**

Members considered recommendations for changes to the Risk Register. The Biodiversity Champion asked for the following amendment to item 17.08 – to "Degradation of biodiversity through inadequate inter-departmental consultation and local management planning and constraints on financial resource".

***RESOLVED: That the following recommendations from the Corporate Management Team regarding changes to the Risk Register be approved:***

**Conservation**

**BRISK 17. 08 – biodiversity: Wording change to “Degradation of biodiversity through inadequate inter-departmental consultation and local management planning and constraints on financial resource”**

**1.2.2 14 – Beacons Bus: Change probability to ‘likely’;**

**Corporate Governance Risks**

**1.3.1 10 - Pension Fund Contribution: change in probability to "unlikely"**

**1.3.2 16 - Officers breach of code of conduct: change in probability to "unlikely"**

**1.3.3 18 - Constraint on Authority’s ability to deliver services due to restricted financial settlement and income: Change in probability to "likely"**

**Health and Safety Risks**

**1.4.1 11 - Failure of drainage system at the National Park Visitor Centre: Change in probability to "unlikely" and impact to "moderate"**

**Information and IT Risks**

**1.5.1 03.3 IG: Compliance – “Information governance: Lack of compliance monitoring across all business/service areas”- Move to Corporate Governance and change in probability to "likely" and impact to "severe"**

**Reduced Risks**

**17.1 03.1iii Spatial data RM – “Poor decision making due to lack of ownership and upkeep of spatial data” - Change in probability to "possible" and reinstatement to Information and IT risks**

**RESOLVED: To approve the above recommendations from CMT in respect of Risk Register amendments.**

**38/12 COMPLAINTS, COMPLIMENTS AND FREEDOM OF INFORMATION REPORTS**

Members received reports on complaints, compliments and Freedom of Information requests and noted that only 18 complaints had been received in the last year, with all but one being acknowledged in five days and all but two in 21 days which showed a significant improvement. The Monitoring Officer advised that a report on the outstanding Stage 2 complaint had now been completed and he would be referring it to the Chief Executive and the Complaints and Customer Feedback Panel.

Members welcomed the increase in compliments received.

A member asked about the potential costs to the Authority of providing information under Freedom of Information requests. The Chief Executive advised that the Authority was required to provide factual information, but if the costs were significant a charge could be levied, although the customer was always contacted to seek agreement to proceed on this basis.

**RESOLVED: To note the report.**

## **39/12 SCRUTINY**

### **39.1 Scrutiny Update**

The Democratic Services Manager updated the committee on progress following the approval of the scrutiny process by the Authority. This included the drafting of the final project report, a managers scrutiny training session to be held on 12<sup>th</sup> March and the agreement of the Welsh Government's Head of Scrutiny and the Chief Executive of Pembrokeshire Coast NPA to the carry forward of the remaining grant money to 2012-13 to continue the post of Scrutiny Officer for a number of months, pending a more permanent solution. Members welcomed this update.

### **39.2 Topic selection for the second scrutiny review 2012-13**

The Chairman reminded members that the Authority had asked the committee to make a recommendation on the topic selection from the improvement objectives for the second scrutiny review in 2012-13.

Members debated this, and while inclined to choose one in relation to planning, recognised the intense scrutiny the service had already undergone during the last couple of years. In terms of outcomes for the community it was agreed that 'Communities are inspired by and recognise the benefits of where they live' would be a useful topic and would hopefully help to collate evidence for the Wales Audit Office to assess performance next year.

**RESOLVED: That the Audit and Scrutiny Committee recommend to the Authority that the following improvement objectives should be the subject of the second scrutiny review for 2012-13: 'Communities and inspired by and recognise the benefits of where they live'.**

### **39.3 Proposed Changes to the Terms of Reference for the Authority and the Audit and Scrutiny Committee**

Member considered proposed changes to the terms of reference of the Authority and the Audit and Scrutiny Committee to take account of the approved scrutiny process.

**RESOLVED:** *That the proposed changes to the terms of reference of the Authority and the Audit and Scrutiny Committee be approved for recommendation to the National Park Authority on 30 March 2012.*

### 39.4 Draft report on the Scrutiny Pilot: Rights of Way

Mrs Underwood, lead member for the scrutiny review, presented the final report and recommendations on process as well as the rights of way service. She paid tribute to the help and enthusiasm of officers in both the Brecon Beacons and Pembrokeshire Coast National Park Authorities, and the work of the members who comprised the panel. The subject had encouraged more evidence to be sought from the public, both from users and other organisations, and this had been extremely valuable. She highlighted the key recommendation (No. 10) in relation to funding from constituent local authorities and felt that the report would provide a good evidence base for negotiating additional funding in that it demonstrated the value for money that the Parks were currently providing.

There was agreement from all members that this was an outstanding piece of work and that Mrs Underwood and her team were to be congratulated on tackling a large area of work. The research had highlighted a number of discrepancies and anomalies between the two Parks' service and this would enable more confident data and comparisons to be made in future. It showed the value of carrying out such in depth studies.

A member highlighted the potential problems with rights of way in the Clydach Gorge as a result of the next stage of the A465 dualling programme. Given the investment from the Park Authority in the Hafod Arch and paths in the area the Authority should be seeking discussion with the Welsh Government and with the construction company. Suggestions about a joint approach with other organisations such as the Ramblers had also been made at the recent Eastern Area Advisory Forum. The Rights of Way Officer advised that the Authority had fairly close ties with partner organisations on these issues but he was not aware of any proposals to mitigate the effects of the road scheme on rights of way. A member suggested that her own authority had claimed money from the dualling scheme and that it was worth pursuing discussions.

Mrs Underwood concluded that the next stage would be for officers to draw up a prioritized action plan arising out of the scrutiny review which took account of capacity and work programme to implement improvements. It was suggested that this be reviewed every six months by the Audit and Scrutiny Committee.

#### **RESOLVED:**

- a) *That the Audit and Scrutiny Committee approve the recommendations on the right of way network within the Scrutiny Report to the National Park Authority;*
- b) *That members note the learning points for the development of the scrutiny process;*

- c) *That officers be asked to draw up a prioritised action plan based on these recommendations to present to the National Park Authority, to be subsequently monitored by the Audit and Scrutiny Committee on a six monthly basis.*

#### **40/12 OTHER BUSINESS**

There was no further business.

CHAIRMAN