

**MINUTES OF BRECON BEACONS NATIONAL PARK AUTHORITY AUDIT AND
SCRUTINY COMMITTEE HELD AT CONFERENCE ROOM, PLAS Y FFYNNON,
CAMBRIAN WAY, BRECON LD3 7HP ON FRIDAY, 26TH JULY, 2019**

PRESENT:

Powys

Cllr McIntosh and Cllr K Laurie-Parry

Monmouthshire

Cllr A Webb (Chair)

Carmarthenshire

Cllr K Madge

Rhondda Cynon Taff

Cllr G Thomas

Members appointed by the Welsh Government

Mr Ian Rowat (Deputy Chair), Mr James Marsden and Mrs Sue Holden

In Attendance

Sean O'Connor, Monitoring Officer

Mr Julian Atkins, Chief Executive

Elaine Standen, Finance Manager

Mr Paul Funnell, IT and Systems Manager

Mrs Julia Gruffydd, Democratic Services Manager

Apologies

Cllr A James

Stephen Gray (Delivery Director)

32/19 Correspondence

The Chair welcomed members and officers to the meeting. She also welcomed Cllr Laurie-Parry who was back on the committee and paid tribute to Cllr John Hill who had left the committee. She welcomed Clive Fitzgerald from Internal Audit and Ian Raynes,

Acting Chair of the Authority's Standards Committee who was observing the meeting as part of his own learning.

Apologies were noted.

33/19 Declarations of Interest

There were no declarations of interest.

34/19 Minutes

One typographical error was highlighted which would be corrected before the minutes were published.

RESOLVED: That the minutes of the meeting held on 3 May 2019 be approved and the Chair authorised to sign them as a correct record.

35/19 AGM Minutes

Officers advised that the attendance for this meeting would be corrected before the minutes were published.

RESOLVED: That the minutes of the meeting held on 28 June 2019 be approved and the Chair authorised to sign them as a correction record.

36/19 Public Speaking Scheme

There were no requests to speak.

37/19 Action Tracking

Members sought clarification from officers on progress with some of the actions.

38/19 2018/19 Financial Outturn and Reserves

Members received the outturn report and reserves position for the financial year 2018/19.

RESOLVED: To note the report.

39/19 2019/20 Budget Performance to 30 June 2019

The Finance Manager presented the budget performance report for the first quarter of 2019/20 and advised that this was as expected at this time of year. A member congratulated staff on this.

Delays in grant funding were noted and the Chief Executive advised that the Delivery Director was addressing this, particularly where there might be impact on future grant applications.

RESOLVED: To note the report.

40/19 Statement of Accounts 2018/19

The Finance Manager advised that this was an opportunity for members to review the Statement of Accounts before they were presented for approval at the EGM on 30 July. She outlined some changes in accounting process since last year.

A member suggested that in future the Authority's achievements in using public money effectively be highlighted in an introduction. She also felt that underspend was in fact a success story, and that an explanation was needed about the potential use of reserves, for example, to provide match funding in grant applications. A different view was expressed about underspend, and a member sought assurance from the Chief Executive that a list of projects was available which could be implemented should underspend occur. The Chief Executive confirmed that he had submitted a list of unfunded pressures to the Welsh Government, although these would be subject to a prioritisation exercise as with other projects. Members regretted the continuing annual budget projection rather than three years.

A member highlighted the uncertainty over the pension fund, which was common to all local authorities but stressed that the Authority should spend rather than hoard its reserves. The CEO advised that a pension valuation was due this year, and that the Authority needed to be able to fund a potential pay award as well as the change programme. The Finance Manager advised that the Authority should receive an indication of the situation in December, but would be driven by Powys County Council on this.

The difficulty of managing budgets when working with partners was also noted. A suggestion was made that it would be helpful to have some ratios, such as the constituent local authority contribution per resident which might demonstrate value for money.

The Finance Manager concluded that the auditors had asked the Authority to ensure it had a process to enable learning from successes and failures in projects, and use this to make improvements in future. The same applied to the need to learn from performance in budget management and a process of review of outturns against estimate by budget managers.

RESOLVED: That members note the contents of the report and the draft Statement of Accounts as published.

41/19 Internal Audit Update

The Finance Manager and Internal Audit updated members on the progress of the Block I audits which had just been carried out.

RESOLVED: That the contents of the report and outstanding management actions be noted.

42/19 Role of Scrutiny

The Democratic Services Manager advised that the Chair had asked for this to be on the agenda as an opportunity to highlight the role of scrutiny in the new structures and whether an additional process was needed. She referred to the new Key Work Area Groups and Policy Forum as opportunities for scrutiny.

Members made the point that some informal scrutiny was already being carried out by individual members with senior officers or as part of the champion role. The lack of officer capacity for a formal process was also recognised as well as the fact that the Authority was in a different place from when the formal process was developed. There was consensus that the new structures allowed for scrutiny when coupled with internal and external audit, but a member felt there was a danger in becoming too focused internally and another felt that the Authority must be mindful of public opinion.

A member suggested that the Authority should consider a 360 degree review at some stage in a structured way to include stakeholders; he cited the planning service where the service was better than its reputation. The Chief Executive confirmed that these conversations were taking place with stakeholders and that they would be looking at stakeholders again as part of the change programme. He suggested that the review of governance structures in the autumn should include how the Authority captured learning points and tracking actions from conversations as a member highlighted. The Chair advised that constituent local authorities should be included in any stakeholder review.

Members highlighted the number of reports on this agenda 'for noting' and said that this was the wrong approach: words such as 'accept', 'approve' or 'adopt' should be used, as reports merely for noting should not be on the agenda. Officers would amend the guidance recently developed for staff writing reports.

43/19 Compliments/Complaints/Freedom of Information

Members reviewed compliments, complaints and Freedom of Information requests and welcomed the high level of compliments to staff.

44/19 Integrated assurance framework

The IT and Systems Manager presented the new Integrated Assurance Framework which had been developed based on comments from members. He had included additional reports on performance and risk but welcomed views as to whether this was required. Members made the following comments:

- Too much detail was not necessarily helpful
- Concept good but difficult to see what was behind the assertions
- Staff did not appear to understand what to put in the controls and weaknesses columns
- This format more applicable to local authorities with much bigger budgets
- Performance and risk reports helpful
- The work done to date was good but needed to be reworked in light of a new set of baselines (State of the Park Report)
- The Authority needed to be able to see measurable progress against key priorities such as climate change, and even long term change needed milestones
- Conscious of the officer time needed to develop these processes

The officer thanked members for their helpful comments which mirrored some concerns from the Senior Leadership Group. He would welcome further discussion with members on how to link this to the change programme. The Chair asked him to bring a further version of the framework to the next meeting.

A member cited examples of suggestions made that had not been acted on, such as funding for obtaining British Trust for Ornithology data, and for the Natural Resources Wales peat study, where some injection of resource would give valuable returns. The Authority should seize opportunities such as this. The Chief Executive advised that they would look at budget allocation and that such examples would be subject to the same prioritisation process as project proposals and other work.

The officer summarised that he would reformat the assurance framework for the next meeting such that lead officers would report the three most significant actions, three highest risks and three most important controls for each objective. Members indicated that this would be an improvement.

Amendments to the recommendations were discussed in terms of order and the request to amend the framework for the next meeting.

a) That members discuss and query the content of the report;

- b) That members accept receipt of the report;
- b) that officers review the comments made on the framework and bring a revised version to the next meeting.

45/19 Other Business

There was no further business and the Chair thanked members and officers.

Signed as a correct record
Chairman of the Audit and Scrutiny Committee