

RHYBUDD O GYFARFOD / NOTICE OF MEETING



Awdurdod Parc Cenedlaethol Eryri

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Snowdonia National Park Authority

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Cyfarfod Arbennig: *Awdurdod Parc Cenedlaethol Eryri*

Dyddiad: *Dydd Mercher 24 Tachwedd 2021*

Gofynnir i'r Aelodau ymuno â'r cyfarfod 15 munud cyn yr amser cychwyn dynodedig

Amser: *09.15 y.b.*

Anfonir cyfarwyddiadau ymuno at yr Aelodau ar wahân

Special Meeting: *Snowdonia National Park Authority*

Date: *Wednesday 24 November 2021*

Members are asked to join the meeting 15 minutes before the designated start time

Time: *09.15 a.m.*

Joining instructions will be sent to Members separately

Aelodau wedi'u penodi gan Gyngor Gwynedd

Members appointed by Gwynedd Council

Y Cynghorydd / Councillor :

*Elwyn Edwards, Alwyn Gruffydd, Annwen Hughes,
Judith Mary Humphreys, Edgar Wyn Owen, Elfed Powell Roberts,
John Pughe Roberts, Mike Stevens, Gethin Glyn Williams;*

Aelodau wedi'u penodi gan Gyngor Bwrdeistref Sirol Conwy

Members appointed by Conwy County Borough Council

Y Cynghorydd / Councillor :

Philip Capper, Wyn Ellis-Jones, Ifor Glyn Lloyd;

Aelodau wedi'u penodi gan Llywodraeth Cymru

Members appointed by The Welsh Government

*Mr. Brian Angell, Ms. Tracey Evans, Mrs. Sarah Hattle,
Mr. Tim Jones, Mr. Owain Wyn.*

**This Agenda is also available in Welsh*

A G E N D A

1. **Apologies for absence and Chairman's Announcements**
To receive any apologies for absence and Chairman's announcements.

2. **Corporate Update**
To receive an oral update from the Chief Executive.

3. **Declaration of Interest**
To receive any disclosure of interest by members or officers in respect of any item of business.

4. **Final Accounts 2020/21**
To submit the statutory financial statements for 2020/21.
 - a) To submit the 2020/21 Financial Statements (Chief Finance Officer).
(Copies herewith)

 - b) To submit the ISA 260 Report – Audit of Financial Statements (Welsh Audit Office). (Copy herewith)

 - c) To authorise the Chairman and the Chief Finance Officer to sign the “letter of representation” on behalf of the Authority in connection with the approval of the Authority's statutory financial statements (Appendix 1 of the Wales Audit Office's ISA 260 Report).

ITEM NO. 4

| | |
|------------------|---|
| MEETING | Snowdonia National Park Authority |
| DATE | 24 November 2021 |
| TITLE | STATEMENT OF ACCOUNTS 2020/21 |
| REPORT BY | Chief Finance Officer |
| PURPOSE | <p>To receive and note the “ISA260” report presented by Audit Wales.</p> <p>To approve the post-audit Statement of Accounts.</p> <p>To authorise the Chairman of the meeting, together with the Chief Finance Officer, to certify the Letter of Representation.</p> |

1. BACKGROUND

- 1.1 Further to and based upon the Outturn Report for 2020/21 approved by the Authority on 30 June, the draft Statement of Accounts was completed within this unusual year’s extended timeline by the Authority’s Head of Finance and his staff and certified (subject to audit) by the Authority’s Chief Finance Officer on 27 July.
- 1.2 The Statement of Accounts has since been audited by Audit Wales and the final version (post-audit) of the Statement of Accounts for 2020/21 is presented herewith to the Authority for approval in accordance with the The Accounts and Audit (Wales) (Amendment) Regulations 2018. Audit Wales will require a Letter of Representation from the Authority before the Appointed Auditor (the Auditor General for Wales, Adrian Crompton) can finally issue the certificate on our accounts.
- 1.3 For completeness, the Statement of Accounts presented here includes the Annual Governance Statement which has already been approved by the Authority on 9 June 2021.

2. ADJUSTMENTS ARISING FROM THE AUDIT

The main adjustments since the pre-audit version have been outlined in the “ISA260” report presented here by Audit Wales. These changes have no significant impact upon the Authority’s ongoing financial management.

3. APPROVAL OF STATEMENT OF ACCOUNTS

The Accounts and Audit (Wales) (Amendment) Regulations 2018 require that the Statement of Accounts is approved by resolution of the Authority, and signed and dated by the 'person presiding' (Chairman) at the meeting in which they were approved. A copy of the audited accounts for 2020/21 is presented here in Appendix 1 of this report.

4. LETTER OF REPRESENTATION

The draft Letter of Representation is presented here in Appendix 1 of Audit Wales' ISA260 report. If members of the Authority approve the post-audit Statement of Accounts, they may also authorise the Chairman of the meeting, together with the Chief Finance Officer, to certify the Letter of Representation on their behalf.

This year, due to the challenges posed by the Covid-19 pandemic, electronic certification of the Statement of Accounts and the Letter of Representation will again be acceptable.

5. RECOMMENDATIONS

To receive and note the "ISA260" report presented by Audit Wales.

To approve the Authority's post-audit Statement of Accounts for 2020/21.

To authorise the Chairman of the meeting, together with the Chief Finance Officer, to certify the Letter of Representation.

6. BACKGROUND PAPERS

The Outturn Report for 2020/21 approved by the Authority on 30 June.

Audit Wales' ISA260 report submitted to this meeting.

SNOWDONIA NATIONAL PARK AUTHORITY

STATEMENT OF ACCOUNTS



FOR THE YEAR ENDED 31ST MARCH 2021

SNOWDONIA NATIONAL PARK AUTHORITY**STATEMENT OF ACCOUNTS 2020/21****INDEX**

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NARRATIVE REPORT

1. INTRODUCTION

The narrative report provides a brief explanation of the more significant matters reported in the accounts and aims to add to and assist the interpretation of the accounting statements which are set out on pages 22 to 26 and consist of :-

- The **Comprehensive Income and Expenditure Statement** consolidates all the gains and losses experienced by the Authority during the financial year. These gains and losses should reconcile to the overall movement in net worth.
- The **Balance Sheet** setting out the financial position of the Authority as at 31st March 2021.
- The **Movement in Reserves Statement** is a summary of the changes that have taken place in the bottom half of the balance sheet over the financial year.
- The **Cash Flow Statement** which summarises the inflows and outflows of cash arising from transactions for revenue and capital purposes.

The accounts are supported by the Statement of Accounting Policies and explanatory notes.

2. SNOWDONIA NATIONAL PARK'S VISION AND PRIORITIES

The National Park Authority's vision was adopted in the Snowdonia National Park Management Plan in the meeting on 23rd September 2020 as follows :

A culturally rich National Park with a thriving green economy, world class visitor experience and a major contributor to the well-being of our nation.

By 2045 Snowdonia will continue to be a protected and evolving landscape, safeguarded and enhanced to provide a rich, varied and resilient natural and historic environment; providing wellbeing benefits nationally and internationally.

National Park purposes will be delivered through a diverse and prospering economy adapted to the challenges of climate change and founded on natural resources – its landscape qualities, opportunities for learning and enjoyment, cultural and natural heritage. With thriving bilingual and inclusive communities, partnership working will have demonstrated that more can be achieved through working together.

Communities will have adopted innovative solutions in a changing world – a low carbon economy will have strengthened residents' link with the environment, providing a better standard of living and ensuring Snowdonia's reputation as an internationally renowned National Park and one of the nation's breathing spaces.

In accordance with the Future Generations Well-Being Act (Wales 2015) the Authority has adopted a Well-Being Statement 2021-2026 in March 2021.

https://www.snowdonia.gov.wales/_data/assets/pdf_file/0031/387364/SNPA-WELL-BEING-STATEMENT-2021-26.pdf

This document provides the context for the corporate programme providing detail on specific corporate well-being and improvement objectives, and presented annually in the April Authority meeting. The agenda is available through the following link:

https://www.snowdonia.gov.wales/_data/assets/pdf_file/0029/385292/Authority-28.04.21.pdf

3 FINANCIAL CONTEXT

FINANCIAL PERFORMANCE AND YEAR END POSITION

The revised 2020/21 budget as reported to the Authority on 30th June 2021 was as below.

| | Budgeted | Actual | Variance |
|------------------------------|------------------|------------------|------------------|
| | £ | £ | £ |
| Planning & Land Management | 2,345,627 | 1,505,001 | 840,626 |
| Corporate | 3,372,080 | 3,107,988 | 264,092 |
| Interest | -23,000 | -12,307 | -10,693 |
| Capital funding from revenue | 1,868,205 | -146,141 | 2,014,346 |
| Capital charge adjustment | -567,800 | -567,800 | 0 |
| Net | 6,995,112 | 3,886,741 | 3,108,371 |
| NPG & Levy | -4,993,683 | -4,993,683 | 0 |
| Tfr to/from reserves | -2,001,429 | 1,106,942 | -3,108,371 |
| TOTAL | 0 | 0 | 0 |

The net variance of £3,108,371 was adjusted for end of year transfers to & from reserves (further information in par. 4.2 of said report) leaving a balance of £10,237 to be allocated. This figure was amalgamated into the revised balances in the Authority reserves. The report is item 3 on the following link -

https://www.snowdonia.gov.wales/_data/assets/pdf_file/0020/394130/SpecialAuthority30.06.21.pdf

During the process of compiling the Statement of Accounts the following adjustments were made to the outturn resulting in reducing the balance to be allocated to £3,702. The adjusted net expenditure figures appear in the Expenditure and Funding Analysis (note 1 to the main statements).

| | Outturn | Adjustments | EFA (note 1) |
|----------------------------|------------------|--------------------|---------------------|
| | £ | £ | £ |
| Planning & Land Management | 1,505,001 | 921 | 1,505,922 |
| Corporate | 3,107,988 | 10,002 | 3,117,990 |
| | 4,612,989 | 10,923 | 4,623,912 |
| Other movements | | -4,388 | |
| Balance | 10,237 | 6,535 | 3,702 |

The movements in individual reserves is provided in note 8 to the financial statements.

4. SUMMARY OF MAIN POINTS :

Balance Sheet :

The **pension fund liability** increase of **£2,728k** is the main reason why the Authority's net worth has decreased by **£1,846k**. Other movements are as follows :

- **Long Term Assets** value has decreased by **£119k** due mainly to the difference between annual depreciation plus valuation losses against the additional expenditure on fixed assets.
- **Current Assets** value has increased by **£2,412k**. The main effect due to increase in :

Debtors (£1,346k) including grant schemes such as Celtic Rainforests (£402k), SMS (£1,287k) and NRW (£352k).

Cash and investments (£1,084k) arising from grant monies including :
£243k relating to the Celtic Rainforests scheme,
£812.5k from Welsh Government,
£191k Sustainable Landscapes Sustainable Places grants (S.L.S.P.),
and £99k of SLSP grant administrative fee, unspent in 2020/21.

- **Current Liabilities** have increased by **£1,098k** mainly due to
£221k grants received in advance,
£109k employee benefit accrual,
£294k contribution owed to to partner in the Celtic Rainforests scheme,
£169k relating to redundancies,
And sums relating to grant projects etc.,

Comprehensive Income and Expenditure Account :

The net cost of services has increased by £832k, with the movements per directorate as follows :

| | |
|---|--------|
| ▪ Planning and Land Management | +£755k |
| ▪ Corporate (including Communication) | +£70k |
| ▪ £43k “non-distributable cost” (£36k in 2019/20) | +£7k |

Main movements are as follows :

More income / less expenditure

- (£103k) £272k Refcus net spend in 2020/21 compared to £375k in 2019/20
- (£356k) less IAS19 pension adjustment to the services in 2020/21

Less income / more expenditure

- (£609k) £243k grants in advance credited to services in 2020/21 compared to £852k in 2019/20.
- (£50k) £256k valuation loss in 2020/21 compared to £206k in 2019/20.
- (£86k) increase in annual depreciation cost.
- (£284k) more costs related to redundancies.
- (£109k) increased adjustment for the employee benefit accrual in 2020/21. together with additional costs / reduced income due to the effect of the pandemic over and above what was compensated e.g. losses in car park income and rents.

In addition to receiving grant funding the Authority also generates its own income. Note 1c to the main statements shows £1,433k (£2,513k) in 2019/20) generated from fees, charges and other service based income; of this the main components are as follows :

| | |
|----------------------------|--------------------------|
| ▪ Car Park fee income | £472k (£884k in 2019/20) |
| ▪ Planning Fees | £248k (£159k in 2019/20) |
| ▪ Information Centre Sales | £63k (£185k in 2019/20) |
| ▪ Rent | £32k (£141k in 2019/20) |

Income reduced in general due to the pandemic apart from Planning fees.

5. PENSION LIABILITY

Snowdonia National Park Authority is an employer in the Gwynedd Pension Fund. The accounts fully incorporate the requirements of International Accounting Standard 19 (IAS 19).

The policy reflects the commitment in the long-term to increase contributions to make up any shortfall in attributable net assets in the pension fund.

The net pension liability in the balance sheet reduces the net worth of the Authority by £7,317k as at 31st of March 2021. The hypothetical figure has increased by £2,728k since 31st of March 2020. The main reason for this is the effect of the change in Actuarial assumptions in lieu of national developments. (detail in note 36)

6. UNUSUAL CHARGE OR CREDIT IN THE ACCOUNTS

The main items are :

- capital grants worth £1,878,344 received from Welsh Government
- grants and refunds worth £809,569 received in lieu of the pandemic

7. CAPITAL EXPENDITURE

Capital expenditure is expenditure on the acquisition of a fixed asset or expenditure which adds to and not merely maintains the value of the existing fixed asset.

Capital expenditure in 2020/21 amounted to £1,755,295 (before including the effect of writing back two historic creditors worth £92,622). Details of expenditure within each service area are shown in note 30. The expenditure was financed by grants and contributions from other bodies (£1,583,114) and direct revenue financing (£172,181).

All planned capital expenditure will be funded from revenue, external grants and reserves held for one off spends.

The main schemes in which the Authority was involved as at 31st March 2021 were :

- The Town Heritage Scheme at Dolgellau currently estimated at a cost of £2m. Scheme programmed to finish in December 2022.
- The Carneddau Partnership Scheme is now in its operational stage and estimated to be worth £4.17m. Scheme programmed to finish by March 2026.
- The Celtic Rainforests project is a 7 year project worth £7.6m. Scheme programmed to finish in 2025/26.

8. CAPITAL FUNDING

All capital expenditure of the Authority, since being established on 23rd November 1995, has been funded by capital grants and contributions from the Government, European Community and other sources of grants, from capital receipts applied and from the Authority's revenue resources.

As at 31st March 2021 the Authority had no outstanding debts to finance capital expenditure, and for treasury management purposes will remain a debt-free authority.

9. USABLE RESERVES

The General Revenue Reserve balance was reviewed during the year as part of a review of Authority reserves, and currently stands at £663k.

The Authority has specific Usable Reserves totalling £9,137k and these are detailed in note 8 to the financial statements. It should be noted that most of the reserves are earmarked for specific purposes.

10. GOVERNANCE

The Authority has 18 members, who serve on the Authority Board, Performance and Resources Committee and Planning and Access Committee. Plas Tan y Bwlch and Ysgwrn have separate Management Boards each consisting of 3 members.

Further information on governance and related issues relating to 2020/21 is provided in the Annual Governance Statement part of this document.

11. RISKS AND OPPORTUNITIES

Risks

The Authority's main risks are documented in the Corporate Risk Register which is reviewed by the Performance and Resources Committee and annually in the February Authority.

The Authority's 4 main risks and the measures for mitigation are noted at the end of part 6 of the Annual Governance Statement

Opportunities

The Authority has been provided with "one-off" funding by Welsh Government to undertake work on capital projects including Access and improvements to the Authority's properties.

The Authority continues to attract grant funding from various sources which enables an operating capacity much higher than that possible through the base grant only. The annual contraction in Authority staff numbers, however, does mean that there is an element of risk re capacity in undertaking future projects.

12. AUTHORITY STRATEGIES

The Authority's four main strategies are :

- Snowdonia National Park Management Plan,
- Eryri Local Development Plan,
- Corporate Plan, and
- Corporate Work Programme.

Further information about the 4 strategies as well as other Authority strategies and a review of their effectiveness is in part 5 of the Annual Governance Statement.

13. IMPACT OF THE CURRENT ECONOMIC CLIMATE

The Authority has balanced its budget for 2021/22 based on the National Park Grant figure as advised by Welsh Government officers in December 2020. Welsh Government has not provided indicative settlement figures for 2022/23 and beyond.

The COVID-19 effect

The Authority has received financial support via Non-Domestic tax saving and also business support grants from Gwynedd and Conwy councils, grant support specific to Yr Ysgwrn and the job furlough scheme. At present, Plas Tan Y Bwlch is only offering a bed and breakfast service and facilities for day meetings.

Access to Yr Ysgwrn and Information Centres follows Welsh Government guidelines, and the Authority's services generally follow Covid related work guidelines.

While there is limited staff presence at the Headquarters in Penrhyndeudraeth, the majority of staff continue to work from home. Access to the main offices for the public is limited to by appointment only. Some Plas Tan Y Bwlch staff remain on the furlough scheme.

The Authority has considered the position of tenants and consented to a reduction in rent where necessary. Where Capital and Grant projects have been delayed, the Authority have discussed with the relevant fund providers and partners and been granted an extension where appropriate e.g. Dolgellau Townscape Heritage and Carneddau Landscape Partnership schemes.

At the time of writing, the Authority's cash flow is adequate, but should there be a "third wave" of the virus the situation would need to be re-evaluated.

The Authority has checked the Park Management Plan against the lessons learned as a result of Covid. A review of the Local Development Plan will commence within the next 2 years (with the exact date of review to be determined primarily by the LDP Annual Monitoring Report) and this will also consider the challenges for the area resulting from Covid. The Well-being Plan was developed over the Autumn / winter including consideration of Covid issues. The Authority is continually reviewing the financial impact until there is better stability.

FURTHER INFORMATION

Further information about this Statement of Account is available from:

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THE STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

THE AUTHORITY'S RESPONSIBILITIES

The Authority is required to:-

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. For Snowdonia National Park Authority, that officer is the Chief Finance Officer;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- Approve the statement of accounts.

These accounts were approved by the Authority on 24 November 2021

Signature :

CLLR WYN ELLIS-JONES - CHAIRMAN

THE CHIEF FINANCE OFFICER'S RESPONSIBILITIES

The Chief Finance Officer is responsible for the preparation of the Authority's statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the CODE).

In preparing this Statement of Accounts, the Chief Finance Officer has:-

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the local authority CODE.

The Chief Financial Officer has also:-

- Kept proper accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

CHIEF FINANCE OFFICER'S CERTIFICATE

I certify that the Statement of Accounts has been prepared in accordance with the Local Government Accounts and Audit Regulations and gives a true and fair view of the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31 March 2021.

Signature

..........

12th November 2021

DAFYDD L. EDWARDS - CHIEF FINANCE OFFICER

STATEMENT OF ACCOUNTING POLICIES

1. General Principles

The accounts have been prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the CODE).

The Code of Practice requires accounting policies to be applied consistently. The overriding requirement is that the Statement of Accounts “present a true and fair view” of the financial performance and position of the Authority.

2. Accounting Concepts

The accounts have been prepared in accordance with the following fundamental (and pervasive) accounting principles and concepts:

- Going concern
- Relevance
- Faithful representation
- Comparability
- Understandable
- Materiality
- Accruals
- Primacy of legislative requirement

These principles and concepts have been used in the selection and application of accounting policies and estimation techniques and in the exercise of professional judgement.

3. Accruals of Expenditure and Income

The revenue and capital accounts of the Authority are maintained on an accruals basis. All sums due to the Authority are set up in the accounts at the time they are due.

- Revenue from the sale of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

4. Cash and Cash Equivalents

These consist of the Authority's imprest and float accounts and cash held on "call" or short term deposit with banks where the monies are repayable without penalty on notice of not more than 24 hours.

5. Exceptional Items

Where such items are applicable to the 2020/21 accounts, they have been highlighted in the relevant notes e.g. revaluation losses.

6. Prior period adjustments, changes in accounting policies and estimates and errors

There are no material adjustments arising in 2020/21.

7. Charges to revenue for non-current assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:

- Depreciation attributable to the assets used by the relevant service.
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- Amortisation of intangible fixed assets attributable to the service.
These sums are not chargeable against the Authority's General Fund and as such are therefore reversed out through an adjusting transaction with the Capital Adjustment Account as shown in the Movement in Reserves Statement.

8. Employee Benefits**8.1 Benefits Payable During Employment :**

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority.

8.2 Termination Benefits :

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement when the Authority is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

8.3 Post Employment Benefits :

Employees of the Authority are members of the Local Government Pensions Scheme, administered by Gwynedd Council. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Authority.

8.4 The Local Government Pension Scheme

All staff, subject to certain qualifying criteria, are entitled to become members of the Local Government Pension Scheme. The pension costs charged to the Authority's accounts in respect of this group of employees are determined by the fund administrators and represent a fixed proportion of employees' contributions to this funded pension scheme.

The Local Government Scheme is accounted for as a defined benefit scheme.

The liabilities of the Gwynedd Pension Fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method - i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions such as mortality rates, employee turnover rates, etc., and projected earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate of 2.3% calculated as a weighted average of 'spot yields' on AA rated corporate bonds.

The assets of the Gwynedd Pension Fund attributable to the Authority are included in the Balance Sheet at their fair value as determined by the Fund's Actuary.

The change in the net pensions liability is analysed into the following components:

Service cost comprising:

- Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
- Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Corporate costs.
- Net interest on the net defined benefit liability/(asset), i.e. the net interest expense for the Authority – the change during the period in the net defined benefit liability/(asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability/(asset) at the beginning of the period – taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments.

Re-measurements comprising:

- The return on plan assets – excluding amounts included in net interest on the net defined benefit liability/(asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the Gwynedd Pension Fund – cash paid as employer's contributions to the Pension Fund in settlement of liabilities not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the Authority Fund balance to be charged with the amount payable by the Authority to the Pension Fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the Authority Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

International Accounting Standard (IAS) 19 governs how the long-term liabilities which exist in relation to pension costs should be reported. Local Authorities in England and Wales are required to produce their financial statements in accordance with IAS19.

8.5 Discretionary Benefits

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

9. Events After the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a

category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect. Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

10. **Financial Instruments**

Financial Liabilities

The Authority is a debt-free Authority in that it has no borrowings.

Financial Assets

Financial assets are classified into two types:

- Loans and Receivables – Assets that have fixed or determinable payments but are not quoted in an active market.

Such instruments relevant to the Authority are car loans made to employees (however the sums are deemed not to be material enough for inclusion).

- Available-for-sale assets – Assets that have a quoted market price and/or do not have fixed or determinable payments. The Authority has no such asset.

11. **Foreign Currency**

Income and expenditure arising from any transactions denominated in a foreign currency is translated to £ sterling.

12. **Government Grants and other Contributions**

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- the Authority will comply with the conditions attached to the payments, and;
- the grants or contributions will be received.

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement.

Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are

transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

13. Heritage Assets

Heritage assets are those assets preserved in trust for future generations because of their cultural, environmental or historic associations i.e. they have historical, artistic, scientific, geophysical or environmental qualities. They are maintained by the Authority principally for their contribution to knowledge and culture, but are not utilised by the Authority in its normal course of business. Depreciation of heritage assets, where appropriate, is in line with the Authority's general policy on depreciation.

14. Intangible Assets

Purchased intangible assets in the form of software licences are accounted for as part of the Information Technology replacement programme, and are written off to revenue in line with depreciation charges.

15. Interests in Companies and Other Entities

The Authority has an interest in a Limited Liability Partnership together with 13 other UK National Park Authorities for the purpose of generating income mainly from sponsorship.

16. Inventories and Long Term Contracts

Stocks are brought into account at cost price for bar stocks, goods for resale and general provisions at Plas Tan y Bwlch, Study Centre, and for goods for resale at the Authority's Information Centres. This is consistent with the policy adopted in previous years. Recommended practice requires stocks to be shown at the lower of actual cost or net realisable value but the difference in this case is not considered to be material.

17. Leases (Finance)

As at 31/3/2021 the Authority has no finance lease arrangements.

18. Leases (Operational)

The Authority manages operating leases for:

- Vehicles,
- Photocopiers and snacks & drinks machines.
- Land and buildings

Lease payments are charged in full according to date payable on a straight line basis, ensuring an equal annual charge to service revenue accounts throughout the life of the lease.

The Authority rents a number of properties in support of its services, and also receives rental income from a number of owned properties. The owned properties are held as fixed assets in the balance sheet. The lease income is accounted for on a straight line basis.

19. Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and

that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition: Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement: Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management (the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.)

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction – depreciated historical cost where known
- Non-operational assets (surplus assets) - measured at fair (market) value.
- All other assets – service potential at existing use value (EUV), determined as the amount that would be paid for the asset in its existing use.

Where there is no market-based evidence of fair value or existing use value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of the value.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value. Other than for information systems equipment, a de minimis level of £10k has been used for the recognition of non-current assets.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. [Exceptionally, gains might be credited to the Comprehensive Income and

Expenditure Statement where they arise from the reversal of a loss previously charged to a service.]

Where decreases in value are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1st April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Componentisation :The Authority has applied the componentisation principle to those assets valued at £150k or over and where the difference in depreciation cost is identified as being material. This principle is applied in order that those elements of a property that have different operational lives and thereby differing rates of depreciation are recognised and accounted for.

Impairment: Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation: Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction). Neither investment assets nor assets held for sale are depreciated.

Depreciation is calculated on the following bases:

- Buildings – straight-line allocation over the useful life of the property as estimated by the valuer
- Vehicles, plant, furniture and equipment – a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer

Depreciation is applied on the basis of a full year in the year when the asset is first recognised in the Authority's accounts. Where an item of Property, Plant and

Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously losses recognised in the Surplus or Deficit on Provision of Services.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10k are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment [or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement)]. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against the General Fund. These amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

20. Provisions, contingent liabilities and contingent assets

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

21. Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover risks. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against the General Fund for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority – these reserves are explained in the relevant policies.

22. Revenue Expenditure Funded From Capital Under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the General Fund Balance.

23. Value Added Tax

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs (H.M.R.C.). VAT receivable is excluded from income. It is the Authority's practice to include any input tax which cannot be recovered from H.M. Revenue and Customs within the costs of relevant services. As a result of the change in Plas Tan y Bwlch's current business model, the Authority has not sustained any irrecoverable VAT cost there in 2020/21.

THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

| 2019/20 Gross Expenditure £'000 | 2019/20 Gross Income £'000 | 2019/20 Net Expenditure £'000 | | 2020/21 Gross Expenditure £'000 | 2020/21 Gross Income £'000 | 2020/21 Net Expenditure £'000 |
|--|----------------------------------|--|---|--|----------------------------------|--|
| 5,549 | -4,475 | 1,074 | Planning and Land Management | 6,891 | -5,062 | 1,829 |
| 5,563 | -1,926 | 3,637 | Corporate | 5,304 | -1,597 | 3,707 |
| 36 | 0 | 36 | Non-distributable Costs | 43 | 0 | 43 |
| 11,148 | -6,401 | 4,747 | Net Cost of Service | 12,238 | -6,659 | 5,579 |
| | | -58 | Other Operating Expenditure (note 9) | | | 5 |
| | | 146 | Financing and Investment Income and Expenditure (note 10) | | | 99 |
| | | 4,835 | Net Operating Expenditure | | | 5,683 |
| | | -6,219 | Non-specific grant income (note 11) | | | -6,246 |
| | | -1,384 | Surplus (-) / Deficit on Provision of Services for the year | | | -563 |
| | | 180 | Net surplus on revaluation of fixed assets and impairment losses charged to the revaluation reserve (note 21) | | | 296 |
| | | -4,212 | Actuarial gains / losses on pension assets/liabilities (note 36) | | | 2,113 |
| | | -4,032 | | | | 2,409 |
| | | - 5,416 | Total Comprehensive Income and Expenditure | | | 1,846 |

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve) where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line "Adjustments between accounting basis and funding basis under regulations".

| 2019/20 | Notes | 2020/21 | |
|----------------|------------------------------|---------|----------------|
| £'000 | | £'000 | |
| 17,624 | Property, Plant & Equipment | 12 | 17,529 |
| 810 | Heritage Assets | 13 | 798 |
| 37 | Long Term Debtors | 17 | 25 |
| 18,471 | Long Term Assets | | 18,352 |
| 5,468 | Short term investments | 15 | 5,334 |
| 131 | Inventories | 16 | 117 |
| 1,804 | Short Term Debtors | 17 | 3,146 |
| 2,641 | Cash and Cash Equivalents | 18 | 3,859 |
| 10,044 | Current Assets | | 12,456 |
| -1,761 | Short Term Creditors | 19 | -2,862 |
| -3 | Provisions | | 0 |
| -1,764 | Current Liabilities | | -2,862 |
| -4,589 | Pension Fund Liability | 36 | -7,317 |
| -430 | Long Term Creditors | 19 | -743 |
| -5,019 | Long Term Liabilities | | -8,060 |
| 21,732 | Net Assets | | 19,886 |
| -8,039 | Usable Reserves | 8 | -9,137 |
| -13,693 | Unusable Reserves | 21 | -10,749 |
| -21,732 | Total Reserves | | -19,886 |

THE MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Authority, analysed into "Usable reserves" (i.e. those that can be applied to fund expenditure) and other reserves. The Surplus (+) or Deficit (-) on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance. The Net Increase/Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Authority.

MOVEMENT IN RESERVES STATEMENT 2020/21

| | General Fund & Earmarked Reserves | Capital Receipts Reserve | Capital Grants Unapplied Reserve | Total Usuable Reserves | Unusable Reserves | Total Authority Reserves |
|--|---|--------------------------------|--|---------------------------|----------------------|--------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | |
| Balance as at 31 March 2020 brought forward | -5,618 | -163 | -2,257 | -8,039 | -13,693 | -21,732 |
| Total Comprehensive Income and Expenditure | -563 | 0 | 0 | -563 | 2,409 | 1,846 |
| Adjustments between accounting basis & funding basis under regulations (note 7) | -379 | 0 | -156 | -535 | 535 | 0 |
| Increase / Decrease in 2020/21 | -942 | 0 | -156 | -1,098 | 2,944 | 1,846 |
| Balance as at 31 March 2021 carried forward | -6,560 | -163 | -2,413 | -9,137 | -10,749 | -19,886 |
| General Fund | -663 | | | | | |
| Earmarked Reserves | -5,897 | (see note 8) | | | | |
| | -6,560 | | | | | |

MOVEMENT IN RESERVES STATEMENT 2019/20

| | General Fund & Earmarked Reserves | Capital Receipts Reserve | Capital Grants Unapplied Reserve | Total Usuable Reserves | Unusable Reserves | Total Authority Reserves |
|--|---|--------------------------------|--|---------------------------|----------------------|--------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Balance as at 31 March 2019 brought forward | -4,282 | -152 | -1,190 | -5,625 | -10,691 | -16,316 |
| Total Comprehensive Income and Expenditure | -1,384 | 0 | 0 | -1,384 | -4,032 | -5,416 |
| Adjustments between accounting basis & funding basis under regulations (note 7) | 48 | -11 | -1,067 | -1,030 | 1,030 | 0 |
| Increase / Decrease in 2019/20 | -1,336 | -11 | -1,067 | -2,414 | -3,002 | -5,416 |
| Balance as at 31 March 2020 carried forward | -5,618 | -163 | -2,257 | -8,039 | -13,693 | -21,732 |
| General Fund | -659 | | | | | |
| Earmarked Reserves | -4,959 (see note 8) | | | | | |
| | -5,618 | | | | | |

CASH FLOW STATEMENT

The **Cash Flow Statement** shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of grant and levy income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

| 2019/20 | | 2020/21 |
|--------------|---|---------------|
| £'000 | | £'000 |
| -1,384 | Net (surplus) or deficit on the provision of services | -563 |
| -24 | Adjustments to net surplus or deficit on the provision of services for non-cash movements (note 22) | -1,454 |
| 1,466 | Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities | 1,525 |
| 58 | Net cash flows from Operating Activities | -492 |
| 1,154 | Investing Activities (note 23) | -711 |
| -5 | Financing Activities (note 24) | -15 |
| 1,207 | Net increase (-) or decrease (+) in cash and cash equivalents | -1,218 |
| 3,848 | Cash and cash equivalents at the beginning of the reporting period | 2,641 |
| 2,641 | Cash and cash equivalents at the end of the reporting period (note 18) | 3,859 |

NOTES TO THE FINANCIAL STATEMENTS

1. EXPENDITURE AND FUNDING ANALYSIS

The objective of the Expenditure and Funding Analysis is to demonstrate how the funding available to the Authority (i.e. government grants, rents, fees & charges etc.) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

| 2020/21 | | | | | | |
|---|---|--|--|---|--------------|---------|
| | Net Expenditure Chargeable to the General Fund | Adjustments between the Funding and Accounting Basis | Net Expenditure in the Comprehensive Income and Expenditure Statement | Adjustment between Outturn and Comprehensive Income and Expenditure Statement | Outturn | |
| | (£'000) | (£'000) | (£'000) | (£'000) | (£'000) | (£'000) |
| Planning and Land Management | 1,875 | 46 | 1,829 | 323 | 1,506 | |
| Corporate and Communication | 3,325 | -382 | 3,707 | 589 | 3,118 | |
| Costs that cannot be allocated | 0 | -43 | 43 | 43 | 0 | |
| Net Cost of Services | 5,200 | -379 | 5,579 | 955 | 4,624 | |
| Other Income and Expenditure | -6,142 | 0 | -6,142 | -6,142 | 0 | |
| Surplus / Deficit | -942 | -379 | -563 | -5,187 | 4,624 | |
| Opening Balance | -5,618 | | | | | |
| Surplus for the year | -942 | | | | | |
| Closing Balance | -6,560 | | | | | |
| | | -663 | General Fund | | | |
| | | -5,897 | Earmarked reserves (note 8) | | | |
| | | -6,560 | | | | |

| 2019/20 | | | | | | |
|-------------------------------------|--|--|---|---|--------------|---------|
| | Net Expenditure Chargeable to the General Fund | Adjustments between the Funding and Accounting Basis | Net Expenditure in the Comprehensive Income and Expenditure Statement | Adjustment between Outturn and Comprehensive Income and Expenditure Statement | Outturn | |
| | (£'000) | (£'000) | (£'000) | (£'000) | (£'000) | (£'000) |
| Planning and Land Management | 1,244 | 170 | 1,074 | 79 | 995 | |
| Corporate and Communication | 3,551 | -86 | 3,637 | 499 | 3,138 | |
| Costs that cannot be allocated | 0 | -36 | 36 | 36 | 0 | |
| Net Cost of Services | 4,795 | 48 | 4,747 | 614 | 4,133 | |
| Other Income and Expenditure | -6,131 | | -6,131 | -6,131 | 0 | |
| Surplus / Deficit | -1,336 | 48 | -1,384 | -5,517 | 4,133 | |
| Opening Balance | -4,282 | | | | | |
| Surplus for the year | -1,336 | | | | | |
| Closing Balance | -5,618 | | | | | |
| | -659 | General Fund | | | | |
| | -4,959 | Earmarked reserves (note 8) | | | | |
| | -5,618 | | | | | |

1a NOTE ON ADJUSTMENTS BETWEEN THE FUNDING AND ACCOUNTING BASIS

| Adjustments between Funding and Accounting Basis 2020/21 | | | | |
|--|---|---|----------------------------------|----------------------------------|
| Adjustments from the General Fund to arrive at the CI&E Statement amounts | Adjustments for Capital Purposes (£'000) | Net Change for the Pensions & Employee Benefit adjustments (£'000) | Other Differences (£'000) | Total adjustments (£'000) |
| Planning and Land Management | 317 | -271 | 0 | 46 |
| Corporate (Incl. Communication) | 28 | -410 | 0 | -382 |
| Costs that cannot be allocated | 0 | -43 | 0 | -43 |
| Net Cost of Services | 345 | -724 | 0 | -379 |
| Other income and expenditure from the Exp and Inc Analysis | 0 | 0 | 0 | 0 |
| Difference between the General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services | 345 | -724 | 0 | -379 |

| Adjustments between Funding and Accounting Basis 2019/20 | | | | |
|--|---|---|----------------------------------|----------------------------------|
| Adjustments from the General Fund to arrive at the CI&E Statement amounts | Adjustments for Capital Purposes (£'000) | Net Change for the Pensions & Employee Benefit adjustments (£'000) | Other Differences (£'000) | Total adjustments (£'000) |
| Planning and Land Management | 654 | -484 | 0 | 170 |
| Corporate (incl. Communication) | 465 | -551 | 0 | -86 |
| Costs that cannot be allocated | 0 | -36 | 0 | -36 |
| Net Cost of Services | 1,119 | -1,071 | 0 | 48 |
| Other income and expenditure from the Exp and Inc Analysis | 0 | 0 | 0 | 0 |
| Difference between the General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services | 1,119 | -1,071 | 0 | 48 |

1b NOTE ON INCOME AND EXPENDITURE ON A SEGMENTAL BASIS

| Income Analysed by Segment | | |
|---|----------------|----------------|
| | 2019/20 | 2020/21 |
| Fees, charges and other service income | (£'000) | (£'000) |
| Planning, Cultural Heritage and Land Management | -503 | -542 |
| Corporate (incl. Communication) | -1,910 | -891 |
| | -2,413 | -1,433 |

| | Planning, Cultural Heritage and Land Management | | Corporate (including Communication) | | Totals | |
|---|---|-------------|--|-------------|-------------|-------------|
| | 2019/20 | 2020/21 | 2019/20 | 2020/21 | 2019/20 | 2020/21 |
| | Depreciation | 126 | 142 | 465 | 535 | 591 |
| Revaluation Loss | 102 | 60 | 104 | 197 | 206 | 257 |
| Revenue expenditure funded from capital under statute | 504 | 617 | 10 | 0 | 514 | 617 |
| IAS 19 pension adjustment | 383 | 176 | 434 | 285 | 817 | 461 |
| Employee accrual adjustment | 10 | 52 | 13 | 57 | 23 | 109 |
| Total | 1125 | 1047 | 1026 | 1074 | 2151 | 2121 |

1c NOTE ON EXPENDITURE AND INCOME ANALYSED BY NATURE

| Expenditure and Income Analysed by Nature | | |
|---|----------------------------|----------------------------|
| The Authority's expenditure and income is analysed as follows : | | |
| Expenditure/Income | 2019/20 (£'000) | 2020/21 (£'000) |
| Expenditure | | |
| Employee benefits expenses | 5,011 | 5,265 |
| Other services expenses | 5,303 | 5,996 |
| Non distributable costs | 36 | 43 |
| Depreciation, amortisation, impairment, revaluation losses | 797 | 934 |
| Total Expenditure | 11,147 | 12,238 |
| Income | | |
| Fees, charges and other service income | -2,413 | -1,433 |
| Net interest on net defined benefit liability (IAS19 pension adjustment) | 196 | 111 |
| Interest and investment income | -49 | -12 |
| Government grants and contributions | -3,988 | -5,226 |
| Non specific grant income | -6,219 | -6,246 |
| Gain on disposal of assets | -58 | 5 |
| Total income | -12,531 | -12,801 |
| Deficit on the Provision of Services | -1,384 | -563 |

2. Accounting Standards that have been issued but have not yet been adopted

There are no standards that have an effect on the 2020/21 Statement of Accounts.

3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out on pages 11-21, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

There is a high degree of uncertainty about future levels of funding for local government. The Authority, however, has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired as a result of a need to close facilities and reduce levels of service provision.

4. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

Those assumptions made by the Actuary relating to the pension fund are disclosed in note 36.

| Item | Uncertainties | Effect if Actual Results Differ from Assumptions |
|------------------------------|---|---|
| Pensions Liability (note 36) | <p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and, for the Local Government Pension Scheme, the expected return on pension fund assets.</p> <p>An assessment of the liabilities is provided by Hymans Robertson. Further information is provided within note 36.</p> | <p>Relatively small changes in the assumptions made can have a significant impact on the pension net liability. The pension net liability shown in the balance sheet will only become payable over the retirement period of current and retired employees, so adjustments to the liability can be spread over a number of years through changes in employee and employer contributions. Increases in employer contributions have a direct impact on the budget.</p> <p>The effect of the change in actuarial assumptions is</p> |

| | | |
|-------------------------------|--|---|
| | | referred to in note 5 of the Narrative Report. |
| Property valuations (note 12) | <p>The Authority revalues its assets every 5 years. The last full valuation was undertaken in 2016-17. It is possible that property values could fluctuate considerably within this 5 years time frame. In this respect an annual review is undertaken by the Head of Finance and Head of Property to identify any interim valuations required.</p> <p>It bases its valuations on assumptions about asset conditions, useful lives, residual values and market conditions.</p> <p>These judgements are underpinned by the best available information and made by qualified valuers but are still based on estimates.</p> | A fluctuation in property values would impact on the values held in the Balance Sheet and on the corresponding depreciation charge. |

5. MATERIAL ITEMS OF INCOME AND EXPENSE

The Authority received specific grants from Welsh Government worth £2,131,344 in 2020/21. £850,819 of this sum has been transferred to the Authority reserves whilst £253,000 is held as a grant received in advance under long term liabilities in the balance sheet.

£809,569 support grants were received in lieu of the effect of the pandemic.

6. EVENTS AFTER THE BALANCE SHEET DATE

The Statement of Accounts have been approved for publication by the Chief Finance Officer as at 27 July 2021. Events after this date are not reflected in neither the financial statements nor the notes. Where events before this date provide information about the situation before 31st March 2021, the figures in the financial statement and notes have been adjusted in all material respects to show the effect of this information.

7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made in the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper

accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

| 2020/21 | Usable Reserves | | | | Movement in Unusable Reserves |
|---|----------------------|--------------------|---------------------------|----------------------------------|-------------------------------|
| | General Fund Balance | Earmarked Reserves | Capital Receipts Reserves | Capital Grants Unapplied Reserve | |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| ADJUSTMENTS PRIMARILY INVOLVING THE CAPITAL ADJUSTMENT ACCOUNT | | | | | |
| Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement | | | | | |
| Charges for depreciation, impairment and revaluation losses on non-current assets | -677 | 0 | 0 | 0 | 677 |
| Losses on revaluation | -257 | 0 | 0 | 0 | 257 |
| Net book value of asset disposed | -16 | 0 | 0 | 0 | 16 |
| Capital grants and contributions applied | 905 | 0 | 0 | 0 | -905 |
| Revenue Expenditure funded from capital under statute | -272 | 0 | 0 | 0 | 272 |
| Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement | | | | | |
| Capital grant received in previous years and transferred to revenue in 2020/21 | -5 | 0 | 0 | 5 | 0 |
| Capital grant received in previous years and used in 2020/21 | 0 | 0 | 0 | 334 | -334 |
| Capital expenditure charges against the General Fund | 172 | 0 | 0 | 0 | -172 |
| ADJUSTMENT PRIMARILY INVOLVING THE CAPITAL GRANTS UNAPPLIED ACCOUNT | | | | | |
| Correction on grant classification in 2019/20 | 0 | -10 | 0 | 10 | 0 |
| Capital Grants and Contributions Unapplied credited to the Comprehensive Income and Expenditure Statement | 505 | 0 | 0 | -505 | 0 |
| ADJUSTMENTS PRIMARILY INVOLVING THE PENSION RESERVE | | | | | |
| Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement | -1,289 | 0 | 0 | 0 | 1,289 |
| Employers Pension contributions and direct payments to pensioners payable in the year. | 674 | 0 | 0 | 0 | -674 |
| ADJUSTMENT PRIMARILY INVOLVING THE ACCUMULATED ABSENCES ACCOUNT | | | | | |
| Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements | -109 | 0 | 0 | 0 | 109 |
| TOTAL ADJUSTMENTS | -369 | -10 | 0 | -156 | 535 |

| 2019/20 | Usable Reserves | | | | Movement in Unusable Reserves |
|---|----------------------|--------------------|---------------------------|----------------------------------|-------------------------------|
| | General Fund Balance | Earmarked Reserves | Capital Receipts Reserves | Capital Grants Unapplied Reserve | |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| ADJUSTMENTS PRIMARILY INVOLVING THE CAPITAL ADJUSTMENT ACCOUNT | | | | | |
| Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement | | | | | |
| Charges for depreciation, impairment and revaluation losses on non-current assets | -591 | 0 | 0 | 0 | 591 |
| Losses on revaluation | -206 | 0 | 0 | 0 | 206 |
| Net book value of assets disposed of | -36 | 0 | 0 | 0 | 36 |
| Capital grants and contributions applied | 525 | 0 | 0 | 0 | -525 |
| Revenue Expenditure funded from capital under statute | -375 | 0 | 0 | 0 | 375 |
| Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement | | | | | |
| Capital grants received in previous financial years and used in 2019/20 | 0 | 0 | 0 | 464 | -464 |
| Capital expenditure charges against the General Fund | 237 | 0 | 0 | 0 | -237 |
| 2018/19 surplus adjustment | 13 | -13 | 0 | 0 | 0 |
| ADJUSTMENT PRIMARILY INVOLVING THE CAPITAL GRANTS UNAPPLIED ACCOUNT | | | | | |
| Capital grant received in 2018/19 and transferred to revenue in 2019/20 | -22 | 0 | 0 | 22 | 0 |
| Capital Grants and Contributions Unapplied credited to the Comprehensive Income and Expenditure Statement | 1,553 | 0 | 0 | -1,553 | 0 |
| ADJUSTMENT PRIMARILY INVOLVING THE CAPITAL RECEIPTS RESERVE | | | | | |
| Capital receipts used in 2019/20 | -1 | 0 | 24 | 0 | -23 |
| Capital receipts in 2019/20 not utilised | 35 | 0 | -35 | 0 | 0 |
| ADJUSTMENTS PRIMARILY INVOLVING THE PENSION RESERVE | | | | | |
| Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement | | | | | |
| Employers Pension contributions and direct payments to pensioners payable in the year. | -1,680 | 0 | 0 | 0 | 1,680 |
| | 631 | 0 | 0 | 0 | -631 |
| ADJUSTMENT PRIMARILY INVOLVING THE ACCUMULATED ABSENCES ACCOUNT | | | | | |
| Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements | -22 | 0 | 0 | 0 | 22 |
| TOTAL ADJUSTMENTS | 61 | -13 | -11 | -1,067 | 1,030 |

8. TRANSFERS TO/FROM EARMARKED RESERVES

| | Balance at 31 March 2019 £'000 | Transfers out 2019/20 £'000 | Transfers in 2019/20 £'000 | Balance at 31 March 2020 £'000 | Transfers out 2020/21 £'000 | Transfers in 2020/21 £'000 | Balance at 31 March 2021 £'000 |
|--|---|-----------------------------------|----------------------------------|---|-----------------------------------|----------------------------------|---|
| Earmarked Revenue & Capital reserves (approved as earmarked revenue and capital expenditure) | -508 | 499 | -363 | -372 | 50 | -234 | -556 |
| Specific Risks Reserve (to meet probable budget pressures) | -324 | 0 | -100 | -424 | 0 | 0 | -424 |
| Capital projects reserve (to fund one - off capital commitments) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Planning Reserve (To meet costs of Public Inquiry) | -225 | 0 | 0 | -225 | 0 | 0 | -225 |
| Match Funding Revenue Reserve (For Convergence Fund Purposes) | -794 | 160 | -429 | -1,063 | 297 | -298 | -1,064 |
| Match Funding Reserve - NRW (For Convergence Fund purposes) | -9 | 9 | 0 | 0 | 0 | 0 | 0 |
| Revenue Grants reserve | -845 | 256 | -1,131 | -1,720 | 313 | -702 | -2,109 |
| Bequest reserve | -93 | 93 | 0 | 0 | 0 | 0 | 0 |
| Pen y Pass Income reserve (for facilities related to Snowdon) | -56 | 0 | 0 | -56 | 0 | 0 | -56 |
| Section 106 reserve (for purposes related to affordable housing) | -230 | 0 | -10 | -240 | 50 | -105 | -295 |
| Projects reserve | -393 | 297 | -309 | -405 | 190 | -289 | -504 |
| Asset Management reserve | -305 | 71 | 0 | -234 | 29 | -239 | -444 |
| Staff Resilience reserve | -100 | 0 | -20 | -120 | 0 | 0 | -120 |
| Commercial Risk reserve | -120 | 20 | 0 | -100 | 0 | 0 | -100 |
| Liability relating to the Pension Reserve | 67 | 0 | -67 | 0 | 0 | 0 | 0 |
| | -3,935 | 1,405 | -2,429 | -4,959 | 929 | -1,867 | -5,897 |
| Other Reserves | | | | 0 | | | |
| General Fund | -347 | 0 | -312 | -659 | 0 | -4 | -663 |
| Capital : | | | | | | | |
| Capital Grants Unapplied | -1,190 | 824 | -1891 | -2,257 | 1321 | -1477 | -2,413 |
| Usable Capital Receipts reserve (to only finance capital expenditure) | -153 | 124 | -135 | -164 | 20 | -20 | -164 |
| | -5,625 | 2,353 | -4,767 | -8,039 | 2,270 | -3,368 | -9,137 |

9. OTHER OPERATING EXPENDITURE

| 2019/20 | | 2020/21 |
|----------------|--|----------------|
| £'000 | | £'000 |
| -58 | Gains/losses on disposal of non-current assets | 5 |

10. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

| 2019/20 | | 2020/21 |
|----------------|---|----------------|
| £'000 | | £'000 |
| 196 | Net interest on the net defined benefit liability (asset) | 111 |
| -50 | Interest receivable and similar income | -12 |
| 146 | Total | 99 |

11. NON-SPECIFIC GRANT INCOME

| 2019/20 | | 2020/21 |
|----------------|-----------------------------------|----------------|
| £'000 | | £'000 |
| -3,745 | National Park Grant | -3,745 |
| -1,248 | Levies on Constituent Authorities | -1,249 |
| -1,226 | Capital Grants and Contributions | -1,252 |
| -6,219 | Total | -6,246 |

12. PROPERTY PLANT AND EQUIPMENT

Movement on Balances

| 2020/21 | Land and Buildings £'000 | Vehicles, Plant & Equipment £'000 | Community £'000 | Surplus Assets £'000 | Assets under Construction £'000 | Total £'000 |
|---|--------------------------------|--|--------------------|----------------------------|---------------------------------------|----------------|
| Cost or valuation | | | | | | |
| At 1 April 2020 | 18,702 | 1,951 | 108 | 0 | 147 | 20,908 |
| Additions | 615 | 332 | 0 | 0 | 185 | 1132 |
| De-recognition | | | | | | 0 |
| Disposals | 0 | -106 | 0 | 0 | 0 | -106 |
| Re-classification : Assets under construction to operational assets | 122 | 0 | 0 | 0 | -122 | 0 |
| Revaluation loss to the CIES | -250 | 0 | 0 | 0 | 0 | -250 |
| Revaluation loss to the Revaluation Reserve | -296 | 0 | 0 | 0 | 0 | -296 |
| At 31 March 2021 | 18,893 | 2,177 | 108 | 0 | 210 | 21,388 |
| Accumulated Depreciation and Impairments | | | | | | |
| At 1 April 2020 | -1791 | -1,493 | 0 | 0 | 0 | -3,284 |
| Depreciation | -485 | -180 | 0 | 0 | 0 | -665 |
| Disposals | 0 | 90 | 0 | 0 | 0 | 90 |
| At 31 March 2021 | -2,276 | -1,583 | 0 | 0 | 0 | -3,859 |
| Net Book Value at 31 March 2021 | 16,617 | 594 | 108 | 0 | 210 | 17,529 |
| Net Book Value at 31 March 2020 | 16,911 | 458 | 108 | 0 | 147 | 17,624 |

| 2019/20 | Land and Buildings £'000 | Vehicles, Plant & Equipment £'000 | Community £'000 | Surplus Assets £'000 | Assets under Construction £'000 | Total £'000 |
|---|--------------------------------|--|--------------------|----------------------------|---------------------------------------|----------------|
| Cost or valuation | | | | | | |
| At 1 April 2019 | 18,701 | 1,742 | 108 | 0 | 0 | 20,551 |
| Additions | 384 | 341 | 0 | 0 | 147 | 872 |
| Disposals | 0 | -132 | 0 | 0 | 0 | -132 |
| Revaluation loss to the CIES | -204 | 0 | 0 | 0 | 0 | -204 |
| Revaluation loss to the Revaluation Reserve | -179 | 0 | 0 | 0 | 0 | -179 |
| At 31 March 2020 | 18,702 | 1,951 | 108 | 0 | 147 | 20,908 |
| Accumulated Depreciation and Impairments | | | | | | |
| At 1 April 2019 | -1336 | -1,497 | 0 | 0 | 0 | -2,833 |
| Depreciation | -455 | -124 | 0 | 0 | 0 | -579 |
| Disposals | 0 | 128 | 0 | 0 | 0 | 128 |
| At 31 March 2020 | -1,791 | -1,493 | 0 | 0 | 0 | -3,284 |
| Net Book Value at 31 March 2020 | 16,911 | 458 | 108 | 0 | 147 | 17,624 |
| Net Book Value at 31 March 2019 | 17,365 | 245 | 108 | 0 | 0 | 17,718 |

Depreciation

Depreciation of fixed assets is charged on a straight line basis to write off their cost less any projected residual value in equal instalments over the expected useful life of the asset using the following bases:-

| | |
|-------------------------------|------------------------------|
| Operational Land & Property | : between 10 – 60 years |
| Community Assets | : nil |
| Information Systems Equipment | : 3 years |
| Vehicles | : over 7 years to nil value. |
| Furniture & Other Equipment | : estimated operational life |

Revaluations

There were two revaluations during 2020/21 following work on Dôl Idris and Nant Peris TAIS Schemes. Otherwise, there were assessments on those capital expenditures which did not increase the book value of a property.

Capital Commitments

The only capital commitments on tendered contracts the Authority have as at 31/3/2021 are :

- Dolgellau Heritage Townscape Scheme – £57k (31/3/2020 - £201k).
- Morfa Dyffryn SLSP Grant Scheme - £23k
- Cultural Heritage Schemes - £28k
- New Authority Website - £92k

13. HERITAGE ASSETS

The Authority's classification of tangible heritage assets relates to :

- **Ynys y Pandy Slate Mill** - a listed building with no operational use, and removed from the land and buildings valuation in 2011/12 due to being below the de-minimis level.
- **Craig Yr Aderyn** - a Site of Special Scientific Interest and retained for its environmental qualities. Valuation at "existing use value"
- **Yr Ysgwrn** - home of the poet Hedd Wyn having been purchased to protect its cultural heritage. Main house valued at "depreciated replacement cost" and bungalow at "existing use value" (using the "investment method")

| 2020/21 | Ynys y Pandy Slate Mill | Craig yr Aderyn | Ysgwrn | Total |
|--|----------------------------|--------------------|------------|------------|
| | £'000 | £'000 | £'000 | £'000 |
| Cost or valuation | | | | |
| 1 April 2020 | 0 | 28 | 818 | 846 |
| Additions | 0 | 0 | 7 | 7 |
| Revaluation loss to the CI&ES | 0 | 0 | -7 | -7 |
| 31 March 2021 | 0 | 28 | 818 | 846 |
| Depreciation and Impairment | | | | |
| 1 April 2020 | 0 | 0 | -36 | -36 |
| Depreciation | 0 | 0 | -12 | -12 |
| 31 March 2021 | 0 | 0 | -48 | -48 |
| Net Book Value at 31 March 2021 | 0 | 28 | 770 | 798 |
| Net Book Value at 31 March 2020 | 0 | 28 | 782 | 810 |

| 2019/20 | Ynys y Pandy Slate Mill | Craig yr Aderyn | Ysgwrn | Total |
|---|-------------------------------|--------------------|------------|------------|
| | £'000 | £'000 | £'000 | £'000 |
| Cost or valuation | | | | |
| 1 April 2019 | 0 | 28 | 818 | 846 |
| Additions | 0 | 0 | 2 | 2 |
| Revaluation loss to the CI&ES | 0 | 0 | -2 | -2 |
| Revaluation loss to the Revaluation Reserve | 0 | 0 | 0 | 0 |
| 31 March 2020 | 0 | 28 | 818 | 846 |
| Depreciation and Impairment | | | | |
| 1 April 2019 | 0 | 0 | -24 | -24 |
| Depreciation | 0 | 0 | -12 | -12 |
| 31 March 2020 | 0 | 0 | -36 | -36 |
| Net Book Value at 31 March 2020 | 0 | 28 | 782 | 810 |
| Net Book Value at 31 March 2019 | 0 | 28 | 794 | 822 |

14. ASSETS HELD FOR SALE

As at 31st March 2021 there were no assets held for sale. (As at 31/03/2020 no assets were designated as Assets for Sale).

15. SHORT TERM INVESTMENTS

As at 31st March 2021 the Authority held term deposits worth £5,334k. (£5,468k as at 31st March 2020).

16. INVENTORIES

Stocks are brought into account at cost price. Stocks held on 31st March 2021 consisted of :-

| | | Balance as at 31/3/2020 £'000 | Balance as at 31/3/2021 £'000 |
|---|-----------------------|--|--|
| Information Centres | Goods for resale | 79 | 82 |
| Access | Snowdon maps | 4 | 4 |
| | Stones and Bags | 16 | 5 |
| | Bar | 2 | 1 |
| Plas Tan y Bwlch | Goods for resale | 7 | 6 |
| | Catering and cleaning | 3 | 0 |
| Administration and Customer Care | Protective Clothing | 4 | 3 |
| Agriculture | Trees | 10 | 10 |
| Ysgwrn | Café and shop goods | 3 | 3 |
| Pen y Pass | Goods for resale | 2 | 2 |
| Llyn Tegid | Goods for resale | 1 | 1 |
| Total | | 131 | 117 |

17. DEBTORS

| 2019/20 £'000 | | 2020/21 £'000 |
|--------------------------|--|--------------------------|
| | Amounts falling due within one year : | |
| 332 | Trade | 96 |
| 137 | Prepayments | 119 |
| 1,335 | Other | 2,931 |
| 1,804 | | 3,146 |
| | Long Term Debtors (amounts falling due after on year) | |
| 37 | Car loans to employees | 25 |
| 37 | | 25 |

18. CASH AND CASH EQUIVALENTS

The balance of Cash and Cash Equivalents is made up of the following elements :

| 31 March 2020 | | 31 March 2021 |
|--------------------------|--|--------------------------|
| £'000 | | £'000 |
| 3 | Cash held by the Authority | 2 |
| 1,051 | Bank current accounts | 921 |
| 1,587 | Short-term deposits with banks | 2,936 |
| 2,641 | Total Cash and Cash Equivalents | 3,859 |

19. CREDITORS

| 2019/20 | | 2020/21 |
|---|----------------------------|----------------|
| £'000 | | £'000 |
| -742 | Trade | -1,484 |
| -1,019 | Other | -1,378 |
| -1,761 | | -2,862 |
| Long Term Creditors (amounts payable after one year) | | |
| -430 | Grants received in advance | -743 |
| -430 | | -743 |

The £743k under Long Term Creditors represents :

- £346k contribution relevant to the LIFE – Celtic Rainforests scheme.
- £253k Welsh Government grant for works on Hafod Eryri
- £95k ERAMMP grant.
- £48k contributions relating to the Dark Skies project.
- £1k relating to the Nant Peris TAIS scheme

20. USABLE RESERVES

Movements in the Authority's usable reserves are as noted in the Movement in Reserves Statement (and note 8).

21. UNUSABLE RESERVES

| 2019/20 | | 2020/21 |
|----------------|------------------------------|----------------|
| £'000 | | £'000 |
| -8,424 | Revaluation Reserve | -7,967 |
| -10,035 | Capital Adjustments Account | -10,385 |
| 4,589 | Pensions Reserve | 7,317 |
| 177 | Accumulated Absences Account | 286 |
| -13,693 | | -10,749 |

THE REVALUATION RESERVE

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment (and Intangible Assets).

The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost,
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised

The reserve contains only revaluation gains accumulated since 1st April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

| 2019/20 £'000 | | 2020/21 £'000 |
|------------------|---|------------------|
| -8,809 | Balance at 1st April | -8,424 |
| 0 | Upward revaluation of assets | |
| 214 | Downward revaluation of assets and impairment losses not charged to the Surplus / Deficit on the Provision of Services | 296 |
| 214 | Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services | 296 |
| 171 | Depreciation on revaluation gains written off to the Capital Adjustment Account | 161 |
| -8,424 | Balance at 31st March | -7,967 |

CAPITAL ADJUSTMENT ACCOUNT

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Authority.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1st April 2007, the date that the Revaluation reserve was created to hold such gains.

Note 8 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation reserve.

| 2019/20 £'000 | | 2020/21 £'000 |
|------------------|---|------------------|
| -9,788 | Balance at 1st April | -10,035 |
| | Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement : | |
| 591 | Charges for depreciation and impairment of non-current assets | 677 |
| 206 | Revaluation losses on Property, Plant and Equipment | 257 |
| 3 | Book value of equipment disposals | 16 |
| 375 | Revenue Expenditure Funded from capital under statute | 272 |
| -2 | Estimated cost of sale of an "asset held for sale" | 0 |
| -8,615 | | -8,813 |
| | Adjusting amounts written out of the Revaluation Reserve | |
| -171 | Depreciation adjustment | -161 |
| -8,786 | Net written out amount of the cost of non-current assets consumed in the year | -8,974 |
| | Capital financing applied in the year : | |
| -23 | Use of capital receipts to finance new capital expenditure | 0 |
| -525 | Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing | -905 |
| -464 | Application of grants to capital financing from the Capital Grants Unapplied Reserve | -334 |
| -237 | Capital expenditure charged against the General Fund balances | -172 |
| -10,035 | Balance at 31st March | -10,385 |

PENSIONS RESERVE

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any

resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

| 2019/20 £'000 | | 2020/21 £'000 |
|------------------|--|------------------|
| 7,752 | Balance at 1 April | 4,589 |
| -4,212 | Actuarial gains / losses on pensions assets and liabilities Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement | 2,113 |
| 1,680 | Employer's pension contributions and direct payments to pensioners payable in the year. | 1,289 |
| -631 | | -674 |
| 4,589 | Balance at 31 March | 7,317 |

ACCUMULATED ABSENCES ACCOUNT

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31st March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

| 2019/20 £'000 | | 2020/21 £'000 |
|------------------|--|------------------|
| 154 | Balance at 1 April | 177 |
| -154 | Settlement or cancellation of accrual made at the end of the preceding year. | -177 |
| 177 | Amounts accrued at the end of the current year | 286 |
| 23 | Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements | 109 |
| 177 | Balance at 31 March | 286 |

22. CASH FLOW STATEMENT – OPERATING ACTIVITIES

The “adjustments to net surplus or deficit on the provision of services for non-cash movements” comprises of :

| 2019/20 £'000 | | 2020/21 £'000 |
|------------------|--|------------------|
| -591 | Depreciation and impairment | -677 |
| -207 | Revaluation losses on Property Plant & Equipment | -257 |
| -36 | Revaluation gains against past losses | -16 |
| 1,168 | Movement in creditors | -1,298 |
| 688 | Movement in debtors | 1,423 |
| 3 | Movement in stock | -14 |
| -1,049 | Provision of Services costs for post employment benefits | -615 |
| -24 | | -1,454 |

The cash flows from operating activities includes bank interest received of £11k (£48k in 2019/20).

23. CASH FLOW STATEMENT – INVESTING ACTIVITIES

| 2019/20 £'000 | | 2020/21 £'000 |
|------------------|--|------------------|
| 874 | Purchase of property, plant and Equipment, investment property and intangible assets | 1,139 |
| -95 | Proceeds from the sale of property, plant and equipment, investment property and intangible assets | -10 |
| 1,571 | Proceeds from short term and long term investments | -133 |
| -1,196 | Other receipts from investing activities | -1,707 |
| 1,154 | Net cash flows from investing activities | -711 |

24. CASH FLOW STATEMENT – FINANCING ACTIVITIES

| 2019/20 £'000 | | 2020/21 £'000 |
|------------------|---|------------------|
| -23 | Car loan repayments and related interest together with finance lease interest | -24 |
| 18 | New car loans advanced | 10 |
| -5 | Net cash flows from investing activities | -14 |

25. MEMBERS ALLOWANCES

The Authority paid the following amounts to members of the Authority during the year.

The allowances paid to members were:-

| 2019/20 | | 2020/21 |
|----------------|----------------------|----------------|
| £'000 | | £'000 |
| 80 | Members Allowances | 91 |
| 11 | Travel & Subsistence | 0 |
| 91 | | 91 |

Further information is available on the Authority's website. See the following link :
[HTTPS://WWW.SNOWDONIA.GOV.WALES/AUTHORITY/PUBLICATIONS/MEMBER-ALLOWANCES](https://www.snowdonia.gov.wales/authority/publications/member-allowances)

26. STAFF REMUNERATION

Regulation 7A of The Accounts and Audit (Wales) Regulations 2010 requires disclosures of employees' remuneration.

The Accounts and Audit (Wales) Regulations 2014 require the Authority to disclose a remuneration ratio between the median remuneration of all the authority's employees during the year and that of the authority's chief executive.

| 2019/20 | | 2020/21 |
|----------------|-------------------------|----------------|
| (£'000) | | (£'000) |
| 88.1 | Chief Executive Officer | 90.5 |
| 21.2 | SNPA Median Salary | 23.5 |
| 4.16 | Ratio | 3.85 |

The remuneration paid to the Authority's senior employees is as follows:

| 2019/20 | | | | 2020/21 | | |
|----------------|--------------------------------------|--------------|---|----------------|--------------------------------------|--------------|
| Salary | Employer Pension Contribution | Total | | Salary | Employer Pension Contribution | Total |
| £'000 | £'000 | £'000 | | £'000 | £'000 | £'000 |
| 88 | 17 | 105 | Chief Executive Officer | 91 | 18 | 109 |
| 6 | 2 | 8 | Chief Finance Officer (Section 151)* | 7 | 1 | 8 |
| 62 | 12 | 74 | Director of Corporate Services | 63 | 13 | 76 |
| 62 | 12 | 74 | Director of Planning and Land Management Services | 63 | 13 | 76 |

* The Chief Finance Officer is also Gwynedd Council's Head of Finance, this relationship has been disclosed under note 29 – Related Parties.

Two officers received a sum of over £60k (excluding Pension and Employer National Insurance Contributions) including a redundancy payment in 2020-21. (No other Officers received over £60k in 2019/20).

| Number of Officers that received over £60k including salary and redundancy benefits. | | | | | | | |
|--|-----------|-------|-----------------|------------------------------|-----------|-------|--|
| 2019-20 | | | | 2020-21 | | | |
| Planning and Land Management | Corporate | Total | Range | Planning and Land Management | Corporate | Total | |
| 0 | 0 | 0 | 60,000 - 64,999 | 0 | 1 | 1 | |
| 0 | 0 | 0 | 65,000 - 69,999 | 0 | 1 | 1 | |

Termination Benefits

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

| exit package cost band | number of compulsory redundancies | | number of other departures agreed | | Total number of exit packages by cost band | | Total cost of exit packages in each band | |
|------------------------|-----------------------------------|----------|-----------------------------------|----------|--|----------|--|------------|
| | 2019/20 | 2020/21 | 2019/20 | 2020/21 | 2019/20 | 2020/21 | 2019/20 | 2020/21 |
| £'000 | | | | | | | £'000 | £'000 |
| 0-40 | 0 | 5 | 0 | 0 | 0 | 5 | 0 | 42 |
| 40- 60 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 60 - 80 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 80 - 100 | 0 | 1 | 0 | 0 | 0 | 1 | 0 | 84 |
| 100 - 150 | 0 | 1 | 0 | 0 | 0 | 1 | 0 | 130 |
| Total | 0 | 7 | 0 | 0 | 0 | 7 | 0 | 256 |

27. EXTERNAL AUDIT COSTS

The Wales Audit Office audit plan stipulates the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Authority's external auditors :-

| 2019/20 £'000 | Regulatory area | 2020/21 £'000 |
|------------------|--|------------------|
| 34 | Fees payable to the Wales Audit Office with regard to external audit services carried out by the appointed auditor | 28 |
| 17 | Fees payable to the Auditor General for Wales in respect of statutory inspections and the LG Measure 2009 | 17 |
| 52 | Total | 45 |

Figures as noted in the Annual Audit Plan 2020-21 (including an adjustment to the financial audit cost due to extra work required and therefore also to the total cost figure for 2019/20).

28. GRANT INCOME

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2020/21.

| 2019/20 £'000 | | 2020/21 £'000 |
|------------------|--|------------------|
| | REVENUE GRANTS Credited to Services | |
| | Planning and Land Management | |
| 68 | Natural Resources Wales | 409 |
| 12 | National Trust | 14 |
| 11 | RSPB | 10 |
| 364 | LIFE | 653 |
| 2,234 | Welsh Government | 2,485 |
| 93 | Local Authorities | 85 |
| 199 | Heritage Lottery Fund | 212 |
| 13 | Welsh Water | 0 |
| 10 | Woodland Trust | 10 |
| 232 | National Grid | 59 |
| 21 | WCVA | 121 |
| 0 | HMRC (furlough scheme) | 29 |
| 5 | Other | 1 |
| 3,262 | | 4,088 |
| | Corporate | |
| 0 | Natural Resources Wales | 5 |
| 0 | Welsh Government | 572 |
| 0 | Local Authorities | 72 |
| 0 | HMRC (furlough scheme) | 225 |
| 20 | Other | 2 |
| 20 | | 876 |
| 3,282 | Total Revenue Grants | 4,964 |

| 2019/20 £'000 | | 2020/21 £'000 |
|------------------|---|------------------|
| | CAPITAL GRANTS | |
| | Credited to non-specific grant income | |
| | Planning and Land Management | |
| 18 | Heritage Lottery Scheme | 40 |
| 366 | Welsh Government | 245 |
| 0 | Other | 48 |
| 384 | | 333 |
| | Corporate (including Communication) | |
| 842 | Welsh Government | 913 |
| 0 | Other | 6 |
| 842 | | 919 |
| 1,226 | Sub-total | 1,252 |
| | Credited to Services | |
| | Planning and Land Management | |
| 802 | Welsh Government | 416 |
| 20 | CADW | 0 |
| 25 | Natural Resources Wales | 0 |
| 45 | British Mountaineering Council | 0 |
| 91 | Heritage Lottery Fund | 187 |
| 0 | Other | -1 |
| 983 | Sub-total | 602 |
| | Corporate | |
| 8 | Welsh Government (TAIS) | 0 |
| 8 | | 0 |
| 991 | Sub-total | 602 |
| | Capital Grants received in advance - used in 2020/21 | |
| 464 | Welsh Government | 293 |
| 0 | Heritage Lottery Fund | 34 |
| 0 | British Mountaineering Council | 7 |
| 464 | Sub-total | 334 |
| 2,681 | Total Capital Grants | 2,188 |

29. RELATED PARTIES

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

The Authority has adopted a materiality level of £5k for disclosure of Related Party Transactions relevant to Members and Staff.

Welsh Government

The Welsh Government exerts significant influence through legislation and grant funding. The relevant sums are disclosed in notes 11 ("non-specific grant income") and 28 ("grant income").

Members

Members of the Authority have direct control over the Authority's financial and operating policies. Details of members' interests are recorded in the Register of Members' interests, open to public inspection at the Authority's offices during working hours. The total of members' allowances paid in 2020/21 is shown in note 25.

Other Public Bodies

The Constituent Local Authorities within whose boundaries the Authority's own boundary runs, contribute to the finances of the Authority by means of a statutory levy, determined by the Welsh Assembly Government. Each of these authorities provides a number of councillors to serve as members of the National Park Authority, broadly in proportion to the size of the levy they contribute and their area within the National Park. The representation of the 18 members of Snowdonia National Park Authority is as follows - Gwynedd Council (9), Conwy Council (3) and Welsh Government (6). Further detail is available from the Authority agenda for the Annual General Meeting held in June each year.

Grants for specific purposes are also received from or via local authorities and the total of these is shown in note 28.

Officers

The Authority's Chief Finance Officer has declared an interest as he is Gwynedd Council's Head of Finance. The Authority received circa £1.1m (including the levy) from Gwynedd Council in 2020/21 (£1.1m in 2019/20)

Entities controlled or significantly influenced by the Authority

The Authority gives grants for specific purposes to organisations under the Eryri Partnerships Fund but it is not considered that the Authority has control, joint control or significant influence over the entities assisted.

The Authority had contracts with Gwynedd Council to provide the following services during 2020/21:

- Pension Fund administration & Payroll Support Service (£4,930)
- Internal audit Service (£7,616)

The Authority has an interest in a Limited Liability Partnership (National Parks Partnership) together with 13 other UK National Park Authorities for the purpose of generating income mainly from sponsorship. A charitable body has been established which is ancillary to the National Parks Partnership for the purpose of raising monies for the national parks.

30. CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it.

| 2019/20 £'000 | 2020/21 £'000 |
|--|------------------|
| 0 | 0 |
| Opening Capital Financing Requirement | |
| Capital Investment | |
| Property, Plant & Equipment | |
| Planning and Land Management | |
| 23 | 61 |
| 1 | 0 |
| 1 | 53 |
| 103 | 79 |
| 14 | 0 |
| 61 | 30 |
| 106 | 0 |
| 0 | 42 |
| 16 | 0 |
| 325 | 265 |
| Corporate (Including Communication) | |
| 1 | 0 |
| 77 | 31 |
| 78 | 7 |
| 45 | 30 |
| 15 | 0 |
| 0 | 70 |
| 31 | 113 |
| 18 | 23 |
| 5 | 54 |
| 3 | 0 |
| 65 | 351 |
| 83 | 27 |
| 10 | 0 |
| 8 | 30 |
| 82 | 5 |
| 8 | 29 |
| 0 | 104 |
| 549 | 874 |
| 874 | 1,139 |
| Revenue expenditure funded from capital under Statute | |
| Planning and Land Management | |
| 0 | 94 |
| 148 | 253 |
| 64 | 0 |
| 0 | 7 |
| 0 | 33 |
| 0 | 25 |
| 0 | 43 |
| 0 | 2 |
| 0 | 9 |
| 0 | 18 |
| 0 | 28 |
| 257 | 1 |
| 11 | 0 |
| 37 | 104 |
| 515 | 617 |
| Historic Creditors Cancelled | |
| 0 | -47 |
| 0 | -46 |
| 0 | -93 |
| 1,389 | 1,663 |
| Sources of Finance | |
| -2,218 | -1,854 |
| -464 | -334 |
| 0 | 99 |
| 1,553 | 505 |
| -23 | 0 |
| 0 | 93 |
| -237 | -172 |
| -1,389 | -1,663 |
| Closing capital financing requirement | |
| 0 | 0 |
| Increase/decrease in Capital Financing Requirement | |

From the total spend of £1,663k (£1,389k in 2019/20), £617k (£515k in 2019/20) relates to expenditure on fixed assets not owned by the Authority. The relevant grants and contributions finance amounts to £345k (£140k in 2019/20). The net revenue expenditure funded from capital under statute is therefore £272k (£375k in 2019/20).

31. LEASES

AUTHORITY AS LESSEE

Finance Leases The Authority as lessee has no finance leases.

Operating Leases The Authority has operating leases relating to vehicles, photocopiers and franking machines.

The future minimum lease payments under non-cancellable leases in future years are:

| 31 March 2020 | | 31 March 2021 |
|----------------------|--|----------------------|
| £'000 | | £'000 |
| 111 | Not later than 1 year | 91 |
| 246 | Later than 1 year and not later than 5 years | 210 |
| 11,058 | Later than 5 years | 10,105 |
| 11,415 | Total | 10,406 |

Lease costs of £28,355 (£34,613 in 2019/20) on **equipment** were charged to the Corporate Directorate within the Comprehensive Income and Expenditure Statement during the year.

Lease costs of £7,159 (£7,293 in 2019/20) on **Authority vehicles** were charged to the Corporate Directorate in the Comprehensive Income and Expenditure Statement during the year.

Lease costs of £83,266 (£90,476 in 2019/20) on **properties** were charged to Corporate (£57,157) and Planning and Land Management (£26,109) in the Comprehensive Income and Expenditure Statement during the year.

The main reason for the reduction in the forecast is the use of the 2019/20 figure for Cae Llan car park. The terms of the lease agreement for Cae Llan will change, however, the effect is not quantifiable as the terms will be determined at that time. For the purposes of this Statement it is assumed that there is no significant change in annual cost.

AUTHORITY AS LESSOR

Finance Leases

As at 31st March 2021 the Authority has no finance lease as lessor.

Operating Leases

The Authority leases out property under operating leases for the following purposes: commercial, ground rents on chalets at Plas Tan y Bwlch, office accommodation, grazing and recreational/access.

The income receivable for 2020/21 was £32,581 (£141,122 in 2019/20). The reduction due to the effects of the pandemic.

The estimated minimum lease payments receivable under non-cancellable leases in future years are :

| 31 March 2020 | | 31 March 2021 |
|----------------------|--|----------------------|
| £'000 | | £'000 |
| 52 | Not later than 1 year | 62 |
| 471 | Later than 1 year and not later than 5 years | 427 |
| 75,887 | Later than 5 years | 75,785 |
| 76,410 | Total | 76,274 |

The figure for 31 March 2020 includes the reduction given due to the effect of COVID -19. Figures are subject to the effect of rent reviews, and income generated and also the number of visitors for Hafod Eryri. The Hafod Eryri rental has been projected on the basis of 2019/20 figures, whilst acknowledging no income for 2020/21 nor 2021/22.

The associated depreciation charge on the assets relevant to operating leases is £37,659 (2019/20 £37,569).

32. IMPAIRMENT LOSSES

There were no impairment losses arising on property, plant and equipment during 2020/21

33. CONTINGENT LIABILITIES

At 31st March 2021 the Authority had the following material contingent liability:

Although the Authority was successful in High Court proceedings and an appeal to the Court of Appeal in relation to the ability of the owner of Hillside, Aberdyfi to implement a historical planning permission, the owner is now in the process of seeking permission to appeal the decision to the Supreme Court. If unsuccessful the Authority will face a costs order for the Appellant's costs as well as its own costs. The total costs liability are difficult to ascertain at this stage as they are dependent on whether or not the Authority is successful in defending its position.

34. CONTINGENT ASSETS

At 31st March 2021 the Authority had no material contingent assets.

35. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Authority's activities can expose it to a variety of financial risks:

- **Credit risk** – the possibility that other parties might fail to pay amounts due to the Authority,
- **Liquidity risk** – the possibility that the Authority might not have funds available to meet its commitments to make payments,
- **Market risk** – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates. Changes in the foreign exchange rate can constitute a significant risk within the Celtic Rainforest (LIFE) project.

The above risks were managed through the Authority's debt recovery arrangements and Annual Treasury Management Strategy, with no significant negative impacts in 2020/21. The value of the Authority's financial instruments is the same as their fair value.

36. PENSION FUND

PARTICIPATION IN PENSION SCHEMES

As part of the terms and conditions of employment of its officers, the Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The Authority participates in two post-employment schemes:

- The Local Government Pension Scheme, administered locally by Gwynedd Council – this is a funded defined benefit final salary scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.
- Discretionary post-retirement benefits upon early retirement. This is an unfunded defined benefit arrangement under which liabilities are recognised when awards have been made. No investment assets were built up to meet these pensions liabilities, and cash has to be generated to meet the actual pensions payments as they fall due. The Authority has an annual liability based on past awards made under these arrangements, but has not added to that liability in recent years. Rather, any extra pension liability ensuing from granting early retirement is recognised and paid off in that specific year.

TRANSACTIONS RELATING TO POST-EMPLOYMENT BENEFITS

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against the General Fund is based on cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

CHANGE IN THE FAIR VALUE OF PLAN ASSETS, DEFINED BENEFIT OBLIGATIONS AND NET LIABILITY FOR THE YEAR ENDED 31ST MARCH 2021.

| Period ended 31 March 2021 | Assets | Obligations | Net (liability) / asset |
|--|---------------|--------------------|--------------------------------|
| | £'000 | £'000 | £'000 |
| Fair Value of employer assets | 32,215 | 0 | 32,215 |
| Present value of funded liabilities | 0 | 36,436 | (36,436) |
| Present value of unfunded liabilities | 0 | 368 | (368) |
| Opening position as at 31 March 2020 | 32,215 | 36,804 | (4,589) |
| Service cost | | | |
| - Current service cost * | 0 | 1,135 | (1,135) |
| - Past Service Cost (including curtailments) | 0 | 43 | (43) |
| Total Service Cost | 0 | 1,178 | (1,178) |
| Net interest | | | |
| - Interest income on plan assets | 741 | 0 | 741 |
| - Interest cost on defined benefit obligation | | 852 | (852) |
| Total Net Interest | 741 | 852 | (111) |
| Total defined benefit cost recognised in Profit or (Loss) | 741 | 2,030 | (1,289) |
| Cashflows | | | |
| - Plan participants' contributions | 209 | 209 | 0 |
| - Employer contributions | 646 | 0 | 646 |
| - Contributions in respect of unfunded benefits | (843) | (843) | 0 |
| - Benefits paid | (28) | (28) | 0 |
| - Unfunded benefits paid | 28 | 0 | 28 |
| Expected closing position | 32,968 | 38,172 | (5,204) |

| | | | |
|--|---------------|---------------|----------------|
| Remeasurements | | | |
| - Change in demographic assumptions | 0 | 10,557 | (10,557) |
| - Change in financial assumptions | 0 | 547 | (547) |
| - Other experience | 0 | (324) | 324 |
| - Return on assets excluding amounts included in net interest | 8,667 | 0 | 8,667 |
| Total remeasurements recognised in Other Comprehensive Income (OCI) | 8,667 | 10,780 | (2,113) |
| Fair value of employer assets | 41,635 | 0 | 41,635 |
| Present value of funded liabilities | 0 | 48,550 | (48,550) |
| Present value of unfunded liabilities | 0 | 402 | (402) |
| Closing position as at 31 March 2021 | 41,635 | 48,952 | (7,317) |

The current service cost includes an allowance for administration expenses of 0.5% of payroll

CHANGE IN THE FAIR VALUE OF PLAN ASSETS, DEFINED BENEFIT OBLIGATIONS AND NET LIABILITY FOR THE YEAR ENDED 31ST MARCH 2020.

| Period ended 31 March 2020 | Assets | Obligations | Net (liability) / asset |
|---|---------------|--------------------|--------------------------------|
| | £'000 | £'000 | £'000 |
| Fair Value of employer assets | 35,421 | 0 | 35,421 |
| Present value of funded liabilities | 0 | 42,756 | (42,756) |
| Present value of unfunded liabilities | 0 | 417 | (417) |
| Opening position as at 31 March 2019 | 35,421 | 43,173 | (7,752) |
| Service cost | | | |
| - Current service cost * | 0 | 1,448 | (1,448) |
| - Past Service Cost (including curtailments) | 0 | 36 | (36) |
| Total Service Cost | | 1,484 | (1,484) |
| Net interest | | | |
| - Interest income on plan assets | 852 | 0 | 852 |
| - Interest cost on defined benefit obligation | 0 | 1,048 | (1,048) |

| | | | |
|--|----------------|----------------|----------------|
| Total Net Interest | 852 | 1,048 | (196) |
| Total defined benefit cost recognised in Profit or (Loss) | 852 | 2,532 | (1,680) |
| Cashflows | | | |
| - Plan participants' contributions | 198 | 198 | 0 |
| - Employer contributions | 603 | 0 | 603 |
| - Contributions in respect of unfunded benefits | 28 | 0 | 28 |
| - Benefits paid | (804) | (804) | 0 |
| - Unfunded benefits paid | (28) | (28) | 0 |
| Expected closing position | 36,270 | 45,071 | (8,801) |
| Remeasurements | | | |
| - Change in demographic assumptions | 0 | (1,447) | 1,447 |
| - Change in financial assumptions | 0 | (3,450) | 3,450 |
| - Other experience | 0 | (3,370) | 3,370 |
| - Return on assets excluding amounts included in net interest | (4,055) | 0 | (4,055) |
| Total remeasurements recognised in Other Comprehensive Income (OCI) | (4,055) | (8,267) | 4,212 |
| Fair value of employer assets | 32,215 | 0 | 32,215 |
| Present value of funded liabilities | 0 | 36,436 | (36,436) |
| Present value of unfunded liabilities | 0 | 368 | (368) |
| Closing position as at 31 March 2020 | 32,215 | 36,804 | (4,589) |

The current service cost includes an allowance for administration expenses of 0.5% of payroll

This liability comprises of approximately £402k in respect of LGPS unfunded pensions and £0 in respect of Teachers' unfunded pensions. For unfunded liabilities as at 31st March 2021, it is assumed that all unfunded pensions are payable for the remainder of the member's life. It is further assumed that 90% of pensioners are married (or cohabiting) at death and that their spouse (or cohabitee) will receive a pension of 50% of the member's pension as at the date of the member's death.

INFORMATION ABOUT THE DEFINED BENEFIT OBLIGATION

| | Liability split | | Weighted Average Duration at Previous Valuation |
|-------------------|-----------------|-------------------|--|
| | £'000 | Percentage (%) | |
| Active members | 2,788 | 75 | 52 |
| Deferred members | 262 | 7 | 50 |
| Pensioner members | 645 | 18 | 67 |
| Total | 3,695 | 100 | |

(Figures are for funded obligations only and do not include the unfunded pensioner liabilities. The durations are effective as at the previous formal valuation as at 31st March 2019).

SCHEME HISTORY

| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Present value of liabilities in the Local Government Pension Scheme | (31,775) | (37,044) | (38,018) | (43,173) | (36,804) | (48,952) |
| Fair Value of Assets in the Local Government Pension Scheme | 26,022 | 31,283 | 32,666 | 35,421 | 32,215 | 41,635 |
| Surplus / (deficit) in the scheme : | (5,753) | (5,761) | (5,352) | (7,752) | (4,589) | (7,317) |

The liabilities show the underlying commitments that the Authority has in the long run to pay post-employment (retirement) benefits. The total liability of £48,952k has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet i.e. reducing it by £7,317k. Statutory provisions for funding the deficit mean that the financial position of the Authority remains healthy :

- the deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary,
- finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

The total contributions by the Authority, as estimated by the Actuary, for the year to 31st March 2021 is £674k. The Actuary estimates employers contributions for the period to 31st March 2022 at £644k.

The Discretionary Benefits arrangements have no assets to cover its liabilities. The Local Government Pension Scheme's assets consist of the following categories, by proportion of the total assets held :

| 31 March 2020 | | 31 March 2021 |
|---------------|--------------------------|---------------|
| (%) | | (%) |
| 73 | Equity investments | 70 |
| 17 | Debt investments (bonds) | 21 |
| 10 | Property | 8 |
| 0 | Cash | 1 |
| 100 | | 100 |

THE MAJOR CATEGORIES OF PLAN ASSETS AS A PERCENTAGE OF TOTAL PLAN ASSETS

The actuary has provided a detailed breakdown of Fund assets in accordance with the requirements of IAS19. This analysis distinguishes between the nature and risk of those assets and to further break them down between those with a quoted price in an active market and those that do not. The asset split for Snowdonia National Park Authority is assumed to be in the same proportion to the Fund's asset allocation as at 31st December 2019. The split is shown in the following table. The actuary estimates the bid value of the Fund's assets as at 31st March 2021 to be £41,635k based on information provided by the Administering Authority and allowing for index returns where necessary.

FAIR VALUE OF EMPLOYER ASSETS

The asset values below are at bid value as required under IAS19.

| Asset category | 31 Mar 2021 | | | | 31 Mar 2020 | | | |
|---|---------------------------------|-------------------------------------|----------|----|---------------------------------|-------------------------------------|----------|----|
| | Quoted prices in active markets | Prices not quoted in active markets | Total | % | Quoted prices in active markets | Prices not quoted in active markets | Total | % |
| | (£'000) | (£'000) | (£'000) | | (£'000) | (£'000) | (£'000) | |
| Equity Securities : | | | | | | | | |
| Consumer | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Manufacturing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Energy & Utilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Financial Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Health & Care | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Information Technology | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Debt Securities : | | | | | | | | |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Private Equity : | | | | | | | | |
| All | 0 | 2,588.80 | 2,588.80 | 6 | 0 | 1,872.6 | 1,872.6 | 6 |
| Real Estate : | | | | | | | | |
| UK Property | 0 | 3,302.20 | 3,302.20 | 8 | 0 | 3,175.3 | 3,175.3 | 10 |
| Overseas Property | 0 | 0 | 0 | 0 | 0 | 3.8 | 3.8 | 0 |
| Investment Funds & Unit Trusts : | | | | | | | | |
| Equities | 0 | 26,675.70 | 26,675.7 | 64 | 0 | 21,604.2 | 21,604.2 | 67 |
| Bonds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Infrastructure | 0 | 733.9 | 733.9 | 2 | 0 | 740.8 | 740.8 | 2 |
| Other | 0 | 8,094.10 | 8,094.10 | 19 | 0 | 4,658.7 | 4,658.7 | 14 |

| Cash & Cash Equivalents | | | | | | | | |
|------------------------------------|--------------|---------------|---------------|------------|--------------|---------------|---------------|------------|
| All | 240.3 | 0 | 240.3 | 1 | 159.6 | 0 | 159.6 | 0 |
| Totals | 240.3 | 41,395 | 41,635 | 100 | 159.6 | 32,055 | 32,215 | 100 |

BASIS FOR ESTIMATING ASSETS AND LIABILITIES

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc., Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, estimates for the Authority Fund being based on the latest full valuation of the scheme as at 31st March 2019.

The principal assumptions used by the actuary have been :

| | Local Government Pension Scheme | |
|--|---|---|
| | 2020/21 | 2019/20 |
| Long term expected rate of return on assets in the scheme : | | |
| Equity | 2% | 2.3% |
| Bonds | 2% | 2.3% |
| Property | 2% | 2.3% |
| Cash | 2% | 2.3% |
| Mortality Assumptions : | | |
| Longevity at 65 for current pensioners : | | |
| • Men | 21.5 years | 21.3 years |
| • Women | 23.9 years | 23.4 years |
| Longevity at 65 for future pensioners : | | |
| • Men | 22.7 years | 22.2 years |
| • Women | 25.9 years | 25.1 years |
| Rate of inflation (CPI) | 2.85% | 1.9% |
| Rate of increase in salaries | 3.15% | 2.2% |
| Rate of increase in pensions | 2.85% | 1.9% |
| Rate for discounting scheme liabilities | 2.00% | 2.3% |
| Take up of option to convert annual pension into retirement lump sum | 50% pre 1/4/2008 service and 75% post 1/4/2008 service. | 50% pre 1/4/2008 service and 75% post 1/4/2008 service. |

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. In order to quantify the impact of a change in the financial assumptions used, the actuary has calculated and compared the value of the scheme liabilities as at 31st March 2021 on varying bases. The approach taken is consistent with that adopted to derive the IAS19 figures provided in this note. To quantify the uncertainty around life expectancy, the actuary has calculated the difference in cost to the Authority of a one year increase in life expectancy. For sensitivity purposes this is assumed to be an increase in the cost of benefits of broadly 3-5%. In practice the actual cost of one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages). The figures in the table below have been derived based on membership profile of the Authority as at 31st March

2019, the date of the most recent actuarial valuation. The approach taken in preparing the sensitivity analysis shown is consistent with that adopted in the previous year.

| Impact on the Defined Benefit Obligation in the Scheme | | |
|---|---|--|
| Change in assumption | Approximate increase to Employer 31 March 2021 | Approximate monetary amount 31 March 2021 |
| | (%) | (£'000) |
| 0.5% decrease in real discount rate | 11 | 5,186 |
| 0.5% increase in salary increase rate | 1 | 586 |
| 0.5% increase in the pension increase rate | 9 | 4,486 |

PROJECTED DEFINED BENEFIT COST FOR THE PERIOD TO 31ST MARCH 2022

| | Assets | Obligations | Net (liability) / asset | |
|---|---------------|--------------------|--------------------------------|-----------------|
| | £'000 | £'000 | £'000 | % of pay |
| Projected Current Service Cost* | 0 | 1,750 | (1,750) | (53.8%) |
| Past Service Cost including curtailments | 0 | 0 | 0 | 0 |
| Effect of settlements | 0 | 0 | 0 | 0 |
| Total Service Cost | 0 | 1,750 | (1,750) | (53.8%) |
| Interest income on plan assets | 831 | 0 | 831 | 25.5% |
| Interest cost on defined benefit obligation | 0 | 988 | (988) | (30.4%) |
| Total Net Interest Cost | 831 | 988 | (157) | (3.6%) |
| Total Included in Profit and Loss | 831 | 2,738 | (1,907) | (58.7%) |

* The current service cost includes an allowance for administration expenses of 0.5% of payroll. The monetary value is based on a projected payroll of £3,253k.

The contributions paid by the Employer are set by the Fund Actuary at each triennial actuarial valuation (the most recent being as at 31st March 2019), or at any other time as instructed to do so by the Administering Authority.

The independent auditor's report of the Auditor General for Wales to the members of Snowdonia National Park Authority

Opinion on the financial statements

I have audited the financial statements of Snowdonia National Park Authority for the year ended 31 March 2021 under the Public Audit (Wales) Act 2004.

Snowdonia National Park Authority's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the accounting policies and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2020-21.

In my opinion the financial statements:

- give a true and fair view of the financial position of Snowdonia National Park Authority as at 31 March 2021 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2020-21.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Authority's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Statement of Accounts other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the Statement of Accounts. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent

material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020-21; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

Responsibilities

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 10, the responsible financial officer is responsible for the preparation of the statement of accounts which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- enquiring of management, the Authority's Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Snowdonia National Park Authority's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: posting of unusual journals, reviewing accounting estimates for biases and evaluated the rationale for any significant transactions outside the normal course of business.
- obtaining an understanding of Snowdonia National Park Authority's framework of authority as well as other legal and regulatory frameworks that the Authority operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Snowdonia National Park Authority.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Performance and Resources Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I also communicated relevant identified laws and regulations and potential fraud risks to all the audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Snowdonia National Park Authority's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Authority's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Snowdonia National Park Authority in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton
Auditor General for Wales
November 2021

24 Cathedral Road
Cardiff
CF11 9LJ

Snowdonia National Park Authority Annual Governance Statement 2020-21



This statement meets the requirement to produce a Statement of Internal Control pursuant to Regulation 4 of the Accounts and Audit (Wales) Regulations 2005 (as amended in 2010)

1. Introduction

Snowdonia National Park Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

Snowdonia National Park Authority is subject to the Well-being of Future Generations (Wales) Act 2015. The Act places a duty on the Authority to set Well-being Objectives that directly contribute to achieving the 7 Well-being Goals as set out in the Act, namely:

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities
- A Wales of vibrant culture and thriving Welsh language
- A globally responsible Wales

Furthermore, Snowdonia National Park Authority must meet its duties in accordance with a 'statutory sustainability principle', which means that the Authority must act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

In discharging this overall responsibility, Snowdonia National Park Authority is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk and adequate and effective financial management.

Snowdonia National Park Authority has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/Solace Framework Delivering Good Governance in Local Government. This statement explains how the Authority has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit (Wales) Regulations 2005 in relation to the publication of a statement on internal control.

2. The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Snowdonia

National Park Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

3. The Governance Framework

The Governance Framework comprises the seven principles of good governance:

- **Principle 1:** Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- **Principle 2:** Ensuring openness and comprehensive stakeholder engagement
- **Principle 3:** Defining outcomes in terms of sustainable economic, social and environmental benefits
- **Principle 4:** Determining the interventions necessary to optimise the achievement of the intended outcomes
- **Principle 5:** Developing the entity's capacity, including the capability of its leadership and the individuals within it
- **Principle 6:** Managing risks and performance through robust internal control and strong public financial management
- **Principle 7:** Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Snowdonia National Park Authority develops and implements its strategic corporate planning through the adoption of the:

- Snowdonia National Park Management Plan (Cynllun Eryri);
- Eryri Local Development Plan;
- Corporate Plan; and
- Corporate Work Programme.

These 4 documents represent the cornerstone for the Authority's work in fulfilling its primary purposes as defined in the Environment Act 1995 and in implementing its vision.

Governance Structure

The Authority's governance structure comprises of 4 main committees:

- Snowdonia National Park Authority has 18 appointed Members and during 2020/21 had 8 scheduled meetings.
- The Performance and Resources Committee was held 3 times during 2020/21. As part of its remit it undertakes audit committee functions in accordance with CIPFA requirements.
- The Planning and Access Committee was held 7 times during 2020/21. This committee is responsible for carrying out the Authority's statutory planning functions.

- The Authority's Standards Committee was held once during 2020/21. Membership of the committee, whose remit it is to promote and maintain high standards of conduct by Members, comprises of 3 Authority Members and 3 independent members.

The Authority's Standing Orders (published on the website) gives a detailed account of the arrangements for each committee. For every committee, the agenda, minutes and associated reports and background papers are all published on the Authority's website.

Management Team

The Authority's management structure includes the Chief Executive (who is also the 'National Park Officer' and the Head of Paid Service) and two Directors. The Authority's Management Team meet fortnightly, with the Head of Finance and the Head of Personnel in attendance.

Standards

The Authority has an established Code of Conduct for Members, which includes a section that specifically refers to interests and a Members' Register of Interest. The Code of Conduct for staff is the national standard code of conduct for public authority employees.

The Authority has adopted the following policies and procedures for maintaining high standards of conduct for both staff and Members, and to ensure accountability to the public:

- Complaints Procedure – based on the best practice model complaints procedure produced by the Public Service Ombudsman;
- Whistle Blowing Policy – to enable staff to raise serious concerns with the confidence in knowing that they will be thoroughly and fairly investigated, without fear of reprisals;
- Anti-Fraud and Corruption Strategy – contains measures designed to frustrate any attempted fraudulent or corrupt act, and the steps to be taken if such an act occurs; and a
- Scheme of Delegation – outlines how the full Authority's functions are carried out through delegation to its committees and sub-committees.

Risk Management

A Risk Management Policy and Strategy is in place. The risk identification process is co-ordinated by the Head of Administration and Customer Care, with input from the Management Team and Heads of Service. The Risk Register and mitigation measures is reviewed and updated quarterly.

Internal Audit

The review of the effectiveness of the system of internal control and governance arrangements is informed by the work of the Internal Auditors, undertaken by Gwynedd Council. The Internal Audit service is provided in accordance with CIPFA's Code of Practice for Internal Audit in Local Government in the UK. The Internal Audit Manager

prepares an annual report that summarises the results of internal audit work during the year.

External Audit

Wales Audit Office act as the Authority's external auditor, and accordingly report on the Authority's financial management and performance. In addition, Wales Audit Office gives an opinion on the adequacy of internal audit work.

Monitoring Officer

The Director of Corporate Services has been nominated as the Monitoring Officer. The Monitoring Officer has the specific duty to ensure that the Authority's Officers and appointed Members maintain the highest standard of conduct in all they do. The Monitoring Officer advises on constitutional procedure and the legality of the Authority's actions.

Financial Management

The Authority's financial management arrangements conform to the governance requirement of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010). The Chief Finance Officer (Gwynedd Council's Head of Finance) is the officer responsible for the administration of financial affairs as required under Section 151 of the Local Government Act 1972.

4. Significant Governance Issues and Actions Undertaken During the Year

The Well-being of Future Generations (Wales) Act 2015 sets a core duty on the Authority to set well-being objectives that maximise its contribution to achieving the 7 well-being goals set out in the Act. The Authority's well-being objectives should be objectives for change over the long term.

The Authority was also required under the Local Government (Wales) Measure to publish an improvement plan, which sets out its arrangements to secure continuous improvement in the exercise of its functions through improvement objectives. However, at the end of the 2020/21 financial year, the Measure was dis-applied to National Park Authorities, Unitary Local Authorities and Fire and Rescue Authorities in Wales.

Therefore, the Authority's agreed well-being objectives were also (for the last time), the improvement objectives for 2020/21.

Due to the exact date of the dis-application of the Local Government (Wales) Measure not being known at the time, the Authority's well-being objectives (and corresponding improvement objectives) were extended for 2020/21 by the Authority without change in its meeting on the 11th of December 2019, which were:

1. Our Communities

Working with our communities to develop the economic, cultural and social well-being of Snowdonia.

2. Plans and Policies

Review and implement both the Local Development Plan and the National Park Management Plan (Cynllun Eryri) and ensure that the principles of the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016 are fully integrated into the work of the Authority.

3. Health and Well-being

Snowdonia National Park is recognised as an area which contributes to the nation's physical and mental well-being.

4. People, Places and Partners

Over the next five years we aim to further the opportunities to work with people, volunteers and partners in a collaborative manner. This will enable us to continue to contribute to the appreciation and management of what makes Snowdonia valued and special.

5. Balancing our Resources and Efforts

The Authority targets its resources to deliver its priorities within the reduced resources available.

Any actions that the Authority takes in achieving the well-being objectives will need to be made in a sustainable way. Sustainable development involves five key requirements namely:

1. Long Term – the importance of balancing short term needs with the need to safeguard the ability to meet long term needs, especially where things done to meet short term needs may have detrimental long term effects.
2. Integration – how our well-being objectives may impact upon each of the well-being goals, how the well-being objectives may impact upon each other or upon other public bodies' well-being objectives, in particular where steps taken by us may contribute to meeting one objective but may be detrimental to meeting another.
3. Involvement – the importance of involving other persons with an interest in achieving the well-being goals and of ensuring those persons reflect the diversity of the population of Wales or the geographical area of the Authority.
4. Collaboration – acting in collaboration with any person (or how different parts of the Authority acting together) could assist the Authority to meet its well-being objectives, or assist another body to meet its objectives.
5. Prevention – to take account of how deploying resources to prevent problems occurring, or getting worse may contribute to meeting the Authority's well-being objectives, or another body's objectives.

Due to the Covid-19 pandemic and the resulting national lockdown at the end of March 2020, committee meetings were temporarily suspended whilst an appropriate and effective virtual platform was established. Due to this, the Corporate Plan for 2020/21 was not adopted by the Authority until the 3rd of June 2020.

Although the Authority's core well-being objectives (as outlined above) remained unchanged; changes were made to some service priorities and corresponding activities to reflect new priorities and mitigating actions resulting from the pandemic.

At the same meeting, the Corporate Work Programme for 2020/21 was presented for approval by the Members. The Programme sets out the projects, initiatives and specific actions that will be undertaken in order to fulfil the Authority's improvement and well-being objectives, which again included changes to some work activities to reflect requirements emerging from the pandemic.

Progress against the Programme has been reported to the Performance and Resources Committee on the 18th of November 2020 and on the 24th of March 2021. The full annual report on the Corporate Work Programme is due to be reported to the Performance and Resources Committee in July 2021.

5. Effectiveness of the Governance Framework

Snowdonia National Park Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the senior managers within the Authority, who have responsibility for the development and maintenance of the governance environment, and also by comments made by the external auditors and other review agencies and inspectorates. The review is based on the seven principles from the Code of Corporate Governance.

Principle 1: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

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|--|--|
| <p>Code of Corporate Governance</p> | <p>The Code was last reviewed in February 2018 by the Director of Corporate Services, and presented to the Authority for approval.</p> <p>The Code received minor modification mainly by way of updating terminology, but also included one major change to ensure that the revised Code now fully incorporates the Sustainable Development Principle and the Wellbeing Goals as set out in the Wellbeing of Future Generations Act 2015.</p> <p>The Code of Corporate Governance has not been subject to further review since this time, and no specific issues have arisen with regards to the Code itself during 2020/21.</p> |
| <p>Standards Committee</p> | <p>One meeting of the Standards Committee took place during the year on the 16th of October 2020.</p> <p>During this meeting, it considered a number of matters including a Grant of Dispensation to Members of both Gwynedd Council and Conwy County Borough Council.</p> |

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| | <p>Members also reviewed the Ombudsman's Annual Report for 2019/20, and were advised of the developments applicable to this Authority.</p> <p>The Annual Complaints Monitoring Report was also submitted to the Standards Committee, for information.</p> |
| Whistle Blowing Policy | <p>The last detailed review of the Policy was undertaken by the Standards Committee in September 2016, with subsequent changes approved at the Authority meeting in December 2016.</p> <p>During 2020/21, no reports or concerns were raised in relation to any Member or Officer of the Authority under the Whistle Blowing Policy.</p> |
| Anti-Fraud and Corruption Strategy | <p>During 2020/21, no complaints of alleged fraud or corruption were made regarding any Member or Officer of the Authority, and Internal Auditors did not identify any areas of concern through their auditing work.</p> |
| Model Code of Conduct | <p>During 2020/21, no amendments or revisions were made to the Model Code of Conduct.</p> |
| Complaints – Officers | <p>During 2020/21, the Authority received a total of 7 formal complaints.</p> <p>The Authority was not subject to a formal investigation of alleged maladministration by the Public Service Ombudsman for Wales during 2020/21.</p> |
| Complaints - Members | <p>During 2020/21, the Authority's Monitoring Officer did not receive any formal complaints relating to the Members, and no complaints were submitted directly by the Public Service Ombudsman for Wales.</p> |
| Standing Orders | <p>The Standing Orders were last reviewed and amended by the Authority on the 26th of April 2017, following receipt of the Local Authorities (Standing Orders) (Wales) (Amendment) Regulations 2017.</p> <p>No complaints were received during 2020/21 in relation to the Authority's compliance with its Standing Orders.</p> |

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| Scheme of Delegation | <p>The Scheme of Delegation was last revised and amended by the Authority in its meeting on the 13th of December 2017.</p> <p>During 2020/21 no issues arose relating to the implementation of the Scheme.</p> |
| Members' Register of Interests | <p>The Local Government (Democracy) (Wales) Act 2013 places a requirement on the Authority to publish the current Members' Register of Interests on the Authority's website.</p> <p>It is the responsibility of each Authority Member to keep their record of personal interests up to date and to report on any changes in a timely manner. Nonetheless, the Member Services Officer sends each Member a copy of their current record after each AGM of the Authority, and requests that they be reviewed and updated if required.</p> <p>During 2020/21, no issues or complaints arose regarding the Members' Register of Interests.</p> |

Principle 2: Ensuring openness and comprehensive stakeholder engagement

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| Strategic Equality Plan | <p>The Annual Report on the Strategic Equality Plan was presented to the Performance and Resources Committee on the 18th of November 2020.</p> <p>The Authority's progress on its action plan for reaching its Equality Objectives was reported, along with the Equality Impact Assessments undertaken during the year, equal pay monitoring data and staff equality data.</p> <p>The Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 requires that the Authority publishes a new Strategic Equality Plan every 4 years.</p> <p>The Authority's new Strategic Equality Plan for the period 2020-24 was due to be presented to the 25th of March 2020 Performance and Resources Committee, which had to be cancelled due to the Covid-19 lockdown. The Plan was subsequently adopted on the 15th of July 2020 by the Performance and Resources Committee.</p> |
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| <p>Direct Consultation</p> | <p>During what has been an unprecedented year, the Authority has had to find new and innovative solutions to enable it to continue with some aspects of its work effectively. Developing appropriate and effective online solutions to enable direct communication, consultation and engagement has been one of these areas.</p> <p>During 2020/21 the Authority has sought to continue to engage with local communities and stakeholders through a range of means, from traditional written consultations and online questionnaires to webinars and online meetings and workshops. Whilst Fforwm Eryri, the Annual Agriculture Liaison Group and the Annual Planning Agents meetings to name but a few, have taken place virtually, some have not taken place (the Town and Community Council Open Evenings) or have had a reduced number of meetings during the year (North and South Access Forums).</p> <p>However, outside of the normal direct consultations on the Authority's business that has taken place i.e. new Supplementary Planning Guidance, Draft Well-being Objectives etc., engagement has also taken place with local communities to enable information to be shared and to give people an opportunity to give their views over numerous challenges the National Park Authority and its communities have faced due to Covid-19.</p> <p>As the first lockdown was eased last summer, engagement took place with local communities on the reopening and the inevitable problems that could be foreseen by a mass influx of visitors into the area. The Snowdon Partnership have since stepped up their work on developing a Sustainable Parking and Transport Strategy, building on the experience and lessons learnt from implementing measures in partnership with other agencies over the Summer of 2020. Online community workshops were held at the start of 2021 to develop solutions for the coming season, and further engagement work was then undertaken with some communities who had raised concerns. The engagement work will continue at pace during the present financial year.</p> |
| <p>Engagement Strategy</p> | <p>Communication and engagement is an essential element in everything the Authority does. It is also something that can always be improved upon, and the Authority's Strategy reflects this.</p> |

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| | <p>Fast paced technological advancements and the continuing growth in social media platforms and participation levels, means that the Authority needs to be fully focused on engaging effectively through the correct channels at the correct time with a wide range of audiences. This has been very evident over the past year, when clear unambiguous communication and engagement has been essential.</p> <p>The work on developing the new Strategy has not progressed as to the original timetable due to the pressure of reactive work on the service since the start of the pandemic. However, the Strategy is now in its final draft following a thorough consultation process and subsequent changes, and will be presented to Members for final approval and adoption at the next available opportunity.</p> <p>The development of a new website for the Authority is ongoing. A Content and Brand Manager was appointed in July 2020. Work continued on the development and completion of a comprehensive tender document and specification for the new website, and the tender was announced in November 2020.</p> <p>31 tenders were received with a high percentage being of very high quality that confidently and creatively addressed the Authority's needs. The contract was awarded to the Cardiff based company Creo who will develop the website.</p> <p>Production of the website began in March 2020 starting with an audit phase. A series of workshops were held with Authority staff on issues of importance to the Authority in the context of the website - issues such as visitor management, waymarked routes and digital mapping.</p> <p>The exploration phase is now nearing completion and Creo will move on to the next phase which is the design.</p> |
| <p>Wellbeing Statement</p> | <p>The Well-being of Future Generations (Wales) Act 2015 sets out a duty on the Authority to publish a Well-being Statement setting out how its well-being objectives contribute to the Welsh Government's Well-being Goals and how it will incorporate the sustainable development principle in all that it does.</p> |

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| | <p>The Authority's Corporate Plan for 2020/21 includes the Authority's Well-being Statement and Service Priorities.</p> <p>During the year, work has progressed on developing new Well-being Objectives as part of the work for developing the Authority's Well-being Statement for the period 2021-26.</p> <p>A Task and Finish Group was established to develop three main outcome areas, which were then approved by Members for informal consultation over the summer. Consultation responses were considered at a Members Working Group meeting and draft Well-being Objectives were developed, which were approved by Members at the Performance and Resources Committee meeting on the 11th of November 2020.</p> <p>Following a formal consultation period, the Well-being Statement and Well-being Objectives for 2021-26 were formally approved and adopted by the Members at the Performance and Resources Committee meeting on the 24th of March 2021.</p> |
| <p>Freedom of Information</p> | <p>The Authority has adopted the Information Commissioner's Model Publication Scheme and has published a guide to information, both of which are available on the website.</p> <p>During 2020, 33 requests were received of which 24 received all the information requested (73%).</p> <p>The Information Commissioner issued a Decision Notice on the 30th of September 2020 relating to a request submitted in October 2019 regarding access to pre-planning advice on a proposed housing development.</p> <p>At the time the request had been made, no formal planning application had been submitted by the developer. The request was refused on the grounds that anyone should be able to seek advice from this Authority on a confidential basis for their draft proposals. The developer had paid a significant amount of money for the advice, and at that stage the information was commercially sensitive.</p> <p>The requestor was informed that if the pre-application advice resulted in a formal planning application being submitted, the information would then be made public.</p> |

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| | <p>The Information Commissioner upheld the Authority’s decision to refuse access to the information.</p> <p>The Information Commissioner issued a second Decision on the 28th of October 2020, which again upheld the Authority’s decision to refuse access to information.</p> <p>The complaint related to a request for access to the legal advice received by the Authority on the planning application NP2/62/399 Llanbedr Access Road. The Authority refused access to this advice, as it was classed as legal professional privilege under Regulation 12(5)(b) of The Environmental Information Regulations 2004.</p> <p>The Authority acknowledged that there is a public interest in a disclosure that would promote public debate in respect of proposals affecting the community. Releasing the advice would go some way towards furthering the understanding and insight of the public into the approach the Authority took with this planning application.</p> <p>For the Authority itself, it is vital that it is able to obtain full and frank legal advice in a safe space, to aid Officers in complying with legal obligations. It was the Authority’s opinion that there was not sufficient public interest arguments in favour of releasing this information which would outweigh the strength of argument in maintaining LPP, which remains a fundamental cornerstone of the administration of justice in the UK.</p> <p>The Commissioner agreed and concluded that the public interest in maintaining the exception outweighed the public interest in disclosure of the information.</p> |
| <p>Committee Agendas and Associated Reports</p> | <p>The Authority’s Committee agendas and associated reports are published on the website at least 3 clear working days before each meeting.</p> <p>An archive of past Committee meetings agendas and associated papers is also available on the website.</p> |

Principle 3: Defining outcomes in terms of sustainable economic, social and environmental benefits

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| <p>Cynllun Yr Wyddfa Partnership Plan</p> | <p>The Partneriaeth Yr Wyddfa Partnerships Officer presented an update report on the projects within Cynllun Yr Wyddfa to the Performance and Resources Committee on the 18th of November 2020.</p> <p>The report included an update on the pilot parking pre-booking system at Pen y Pass in August 2020, the launch in July 2020 of the new GPS enabled App covering the 6 main routes up Yr Wyddfa, the Eryri Ambassadors Scheme, the development of a litter campaign with the Snowdonia Society, and the development of a Communication Plan for the Partnership.</p> <p>The easing of lockdown and the restrictions on international travel last summer has meant that visitor numbers to Eryri and in particular Yr Wyddfa (Snowdon) area have been unprecedented. The pandemic has served to intensify the chronic problems that already existed, and has placed additional pressure on Partneriaeth Yr Wyddfa to step up the development of sustainable and innovative solutions to the current problems.</p> <p>Details already outlined under the Direct Consultation heading earlier in this report, summarises the engagement work undertaken over the winter on sustainable parking and transport solutions. Building on the pilot scheme, a new pre booking parking system has also been launched at Pen y Pass for April 2021.</p> |
| <p>Cynllun Eryri (Snowdonia National Park Partnership Plan)</p> | <p>Cynllun Eryri – the new National Park Partnership Plan for 2020 – 25, was formally adopted by the Authority at its Annual General Meeting on the 23rd of September 2020.</p> <p>The Plan was officially launched by Lesley Griffiths, the Minister for Environment, Energy and Rural Affairs at Welsh Government, in an online event on the 26th of November 2020.</p> <p>At the same event, one of the important projects within the Plan was also launched - The Eryri Ambassador Scheme. The scheme celebrates the National Park Special Qualities and informs and educates through a series of modules. Upon completion of the modules,</p> |

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| | <p>participants become ambassadors for the National Park. The scheme has been incredibly successful, with hundreds of people completing the modules in the first few months. Numbers of ambassadors are growing daily.</p> <p>Fforwm Eryri will now be responsible for ensuring that the Plan is implemented and to monitor progress going forward. During 2020-21 the forum met 4 times.</p> |
| Eryri Local Development Plan 2016-2031 | <p>Due to the Covid-19 pandemic the Welsh Government did not require Local Planning Authorities to submit an Annual Monitoring Report during 2020-21, and expect the next AMR to be submitted in October 2021.</p> <p>However, officers felt that it was important to continue with data collection to monitor the Eryri LDP performance and prepared an Interim Annual Monitoring Report. This was presented to Members at the Planning and Access Committee on the 20th of January 2021.</p> |
| Corporate Plan 2020/21 | <p>The Authority will be provided with the final results of the Corporate Plan for 2020/21 through the Annual Report and Improvement Plan 2020/21, which will be presented to Members in September 2021.</p> <p>Members were however given updates on progress made on implementing the actions to fulfil the Well-being Objectives (which are outlined in the Corporate Work Programme for 2020/21) and the corresponding performance indicators.</p> <p>Progress made up until the end of the third quarter of the financial year (31/12/20) was as follows:</p> <p>Of the 56 actions / initiatives / projects outlined in the Corporate Work Programme, 39 were rated green (progressed and within timetable), 9 were rated amber (to be progressed next quarter and / or to be completed by March 2021) and 8 were rated red (not progressed and / or not on target).</p> |

Principle 4: Determining the interventions necessary to optimise the achievement of the intended outcomes

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| <p>Budget Strategy 2020/21</p> | <p>The Authority's revenue budget for 2020/21 was confirmed in the Chief Finance Officer's report to the Authority on the 5th of February 2020. The report also confirmed the levy on constituent authorities.</p> <p>An update on the Budget was presented to the Authority on the 23rd of September 2020. The report outlined the financial assistance received to mitigate some of the effects due to Covid-19, which have included Welsh Government grants, business support grants from Gwynedd and Conwy Councils, rate rebates and rebates from staff salaries through the furlough scheme.</p> |
| <p>Mid Term Financial Plan 2020/21 – 2023/24</p> | <p>In its meeting on the 3rd of February 2021, the Chief Executive presented the revised Medium Term Financial Plan for 2020/21 – 2023/24 to the Authority, which outlines a range of financial situations that could face the Authority over the next four years. The Plan outlines a model of the financial resources required by the Authority for the service levels it hopes to provide in the mid term.</p> <p>The Plan reported that the current projection for 2020/21 showed an overspend against budget due to Plas Tan y Bwlch redundancy costs and the financial implications of the pandemic. The Plans also notes that the National Park Grant settlement figure is expected to show an increase of 10% for 2021/22, although this was not confirmed.</p> <p>A wide range of possibilities were set out in the report – these were set in the context of Westminster Government's 'Comprehensive Spending Review' due to take place before 2022/23; with the expectation that the outcome would most probably be towards the centre path.</p> |
| <p>Performance Management</p> | <p>The Authority's Performance Indicators outturn for 2019/20 along with progress made on the actions within the Corporate Work Programme for the year was reported to the Performance and Resources Committee on the 15th of July 2020.</p> <p>The first half year of results for the Performance Indicators and Corporate Work Programme for 2020/21</p> |

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| | was reported to the Performance and Resources Committee on the 18 th of November 2020. |
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Principle 5: Developing the entity's capacity, including the capability of its leadership and the individuals within it

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| Members' Attendance | <p>Covid-19 made it necessary to conduct all meetings virtually during the year.</p> <p>No official committees took place during April 2020, whilst a viable and secure online platform which could accommodate translation services was established. Official committees were recommenced in May.</p> <p>Members' attendance at meetings during 2020/21 was 90%, compared to 81% in 2019/20 and 83% in 2018/19.</p> |
| Member Training | <p>At the start of 2020/21, The Health Protection (Coronavirus Restrictions) (Wales) Regulations 2020 came into force, which amongst other things allows for remote committee meetings to be conducted by public authorities in Wales.</p> <p>The training needs focus for Members at the start of the year therefore turned to IT use and support, with particular emphasis on using technology to conduct remote meetings.</p> <p>In 2020/21, member attendance at training events was 69% (52.5% in 2019/20). As personal development opportunities for Members had been effected by the pandemic, officers were asked to consider providing other methods/training options such as webinars, in the Performance and Resources Committee held on the 18th of November 2020.</p> |
| Staff Performance Appraisals and Training | <p>Learning and development needs are identified in annual performance appraisal reviews and a training plan is produced by the Head of Personnel, which outlines training priorities for the year ahead.</p> <p>During the year, concern was raised at the Performance and Resources Committee meetings that the percentage</p> |

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| | <p>of staff appraised in 2019/20 continued to be low (75%), and the annual target is constantly missed. The significant drop to only 32% of staff being appraised in 2020/21, which no doubt is due partly to Covid-19, will compound this concern.</p> <p>In a staff survey undertaken in 2020/21, 81.5% of staff agreed that they have opportunities to develop their skills (89.8% in 2019/20).</p> |
| Human Resources Strategy | <p>The Annual Updating Report on implementing the Authority's HR Strategy for 2017-20 was presented to the Performance and Resources Committee on the 18th of November 2020.</p> <p>The report gives data on the gender pay gap, staff gender split by services, age profile, staff turnover rates etc. It was noted that sickness absence was up from 8.9 days FTE in 2018/19 to 11.5 days FTE in 2019/20.</p> <p>The Action Plan covers leadership and management development, performance management, recruitment and retention, absence management and equality and diversity.</p> |

Principle 6: Managing risks and performance through robust internal control and strong public financial management

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| Financial Statements | <p>Due to the Covid-19 pandemic, the draft Statement of Accounts were completed within the extended timeline and certified (subject to audit) by the Authority's Chief Finance Officer on the 21st of August 2020.</p> <p>Prior to this, Members had approved the Outturn Report for 2019/20 at the Authority meeting on the 15th of July 2020.</p> <p>The Statement of Accounts was audited by Audit Wales, and the final version (post-audit) of the Statement of Accounts for 2019/20 along with the Final Letter of Representation was presented to Members at the Authority meeting on the 18th of November 2020 for approval in accordance with The Accounts and Audit (Wales) (Amendment) Regulations 2018.</p> <p>At the same meeting, the Wales Audit Office presented its annual ISA260 report to the Authority. The Auditor confirmed that he would be presenting an unqualified</p> |
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| | opinion on the Authority's financial statements and related notes. |
| Risk Management | <p>The Risk Register is reviewed and updated quarterly by the Heads of Service and Management Team.</p> <p>Identified risks as noted in the Risk Register are allocated as a responsibility to named officers and target dates are set for mitigation. The Risk Register is reviewed by Members at the Performance and Resources Committee as well as the Authority meeting.</p> |
| External Audit | <p>At the Authority meeting on the 20th of May 2020, Audit Wales presented its report setting out its findings following its Review of Involvement. Full details of the findings are set out under Section 6 (Significant Governance Issues) below.</p> <p>Audit Wales presented their Audit Plan for 2020 at the 3rd of June 2020 Authority meeting. The Audit Plan had incorporated the possible effects of Covid-19 on the work of the Authority as well as on Audit Wales' ability to carry out its work.</p> <p>The Audit Plan set out revised arrangements for the Audit of Financial Statements, which would be dependent on when the Authority could complete the accounts. It also set out the intention of carrying out a performance audit on corporate resilience and sustainability. This work would build upon the last review around involvement.</p> <p>At the Authority meeting on the 23rd of September 2020, Audit Wales presented a Certificate to confirm that following its audit of the Improvement Plan for 2020/21, the Authority had discharged its duty under section 15(6) to (9) of the Local Government (Wales) Measure 2009.</p> <p>Further to this, at the Authority meeting on the 3rd of February 2021, Audit Wales issued a Certificate to confirm that following an audit of the Authority's Assessment of its performance for 2019/20, the Authority had discharged its duty under section 15 (2) (8) and (9) of the Local Government (Wales) Measure 2009.</p> <p>At the Authority meeting on the 28th of April 2021, Audit Wales presented an Annual Audit Summary of the work undertaken during 2020-21. The report noted that the Authority was unable to meet the statutory deadlines for</p> |

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| | <p>completion of the financial statements and they presented for audit on the 21st of August 2020. An amended timetable was agreed, and the audit was completed in accordance with this revised timescale and within the Welsh Government’s amended expected timetable.</p> <p>At the same meeting, Audit Wales presented their Audit Plan for 2021-22 and confirmed (subject to Covid-19 restrictions) that the performance audit examination for the coming year would focus on value for money.</p> <p>Also at that meeting, the outcome report on the audit work surrounding Resilient and Sustainable Services was presented. Full details are outlined under Section 6 (Significant Governance Issues) below.</p> |
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| <p>Internal Audit</p> | <p>The Internal Audit Manager reports on the previous financial year’s work to the Performance and Resources Committee in July.</p> <p>There were four internal audits scheduled to be undertaken during 2020/21, namely Yr Ysgwrn, Cyber Security, Returning Equipment and Performance Indicators.</p> <p>Both the Cyber Security and Returning Equipment audits were given a “Restricted” rating - although rules are in place, there is a need to improve compliance with the rules and / or introduce new controls to reduce the risks to which the service is exposed.</p> <p>As a result of the ratings given, specific action points and a timetable for completion were agreed by relevant officers to address the weaknesses identified.</p> <p>The audit on Performance Indicators was given a “Satisfactory” rating – there are controls in place to achieve the objectives but there are aspects where the arrangements can be tightened to further mitigate the risks.</p> <p>Due to Covid-19 restrictions it was not practically possible to plan an audit of Yr Ysgwrn. The remaining days will be transferred to audit a Sustainable Management Scheme (SMS) grant project, which was given a “High” rating - Assurance of propriety can be</p> |

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| | expressed as the internal controls in place can be relied upon to achieve the objectives. |
| Health and Safety | <p>The Health and Safety Group meets quarterly to monitor health and safety issues within the Authority.</p> <p>The Annual Health and Safety Report presented to the Performance and Resources Committee details the training courses undertaken during the year and the incidents / accidents that were recorded.</p> <p>During 2019/20, 13 incidents were recorded, of which one was reported to the Health and Safety Executive under the 'Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR)'.</p> |
| Information Centres | <p>The Authority has 3 Information Centres in Betws y Coed, Beddgelert and Aberdyfi, which are managed by the Centres Commercial Manager, whose main objective is to ensure that the Centres are commercially viable / self-financing.</p> <p>The Visitor Centres Business Plan was presented to the Performance and Resources Committee on the 24th of March 2021.</p> <p>It was reported that the Plan had been revised to take into account the anticipated future changes to the customer base and footfall due to effect of Covid-19 travel restrictions.</p> <p>Savings on expenditure lines during lockdown, the receipt of grants and the furlough scheme have meant that the Centres have come within budget for 2019/20.</p> <p>The report demonstrates that the Authority's Information Centres are well run with robust financial management processes in place.</p> |
| Borrowing and Investment Strategies / Treasury Management | <p>The Annual Report providing the actual Treasury Management (borrowing and investment) of the Authority during 2019/20, was presented to the Authority meeting on the 3rd of June 2020.</p> <p>During 2019/20, the Authority's activity remained within the limits that were originally set. There has been no borrowing.</p> |

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| | <p>In 2019/20, the total interest received from investments was £48,077. Interest received from car loans of £1,419 increases the total to £49,496 against a revised budget of £29,300.</p> <p>The bank and building society interest sum of £48,077 for 2019/20 is higher than the corresponding amount of £35,980 in 2018/19. The main reason being that HSBC MoneyMarket, Nationwide and Santander UK continued to pay a higher interest rate on term deposits throughout 2019/20.</p> <p>An oral Interim Treasury Management report was given to the Authority on the 9th of December 2020. The Chief Finance Officer advised that the continuing low interest rates meant the Authority would not achieve its target of £23K in 2020/21, the sum would be nearer £13K.</p> <p>To date, the Treasury Management Strategy for 2021/22 had not been presented to the Authority for approval.</p> <p>The Chief Finance Officer presented the Capital Strategy for 2021/22 at the Authority meeting on the 3rd of February 2021.</p> <p>The report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of National Park services along with an overview of how associated risk is managed and the implications for future financial sustainability.</p> <p>The report confirms that the Authority commences 2021/22 debt free. Members approved no change in the authorised borrowing limit and the operational boundary, and approved both the Capital Borrowing Strategy and Investment Strategy for 2021/22, and noted the content with regard to the Prudential Code.</p> |
| <p>Plas Tan y Bwlch Study Centre</p> | <p>The Authority's Study Centre has been consistently missing targets set out in its Business Plan and running at a loss for a number of years.</p> <p>Attempts to diversify and look for new income streams and markets have not been successful, and the advent of Covid-19 resulted in the total loss of existing business, necessitating difficult decisions over the future of the Centre.</p> |

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| | <p>Alternative business models were analysed and the case for re-opening the Centre as a bed and breakfast accommodation provider was approved, following consideration of the financial risks, the staff restructuring required and the accuracy of future business projections.</p> <p>At the Special Authority meeting held on the 23rd of October 2020, Members resolved to continue operating Plas Tan y Bwlch as a B&B in the short to medium term; to proceed with staff restructuring; to continue the dialogue with a range of possible future partners; and to report on progress to each meeting of the Performance and Resources Committee.</p> <p>The risks of failing to reach the income generating target and to securing a long term future of the Centre have been mitigated as much as possible, and are currently rated medium. Going forward, it is essential that the Authority employs robust internal control and financial management measures in managing the Centre.</p> |
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Principle 7: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

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| <p>Pay Policy Statement</p> | <p>Section 38 (1) of the Localism Act 2011 places a requirement on Local Authorities to prepare pay policy statements. Whilst National Park Authorities are exempt from this requirement, it has been considered good practice to adopt such a statement, and accordingly this is done annually by the Head of Personnel.</p> <p>The Authority's Pay Policy Report for 2020/21 and Pay Policy Statement for 2021/22 was presented to the Performance and Resources Committee on the 24th of March 2021, ensuring transparency in staff remuneration at the Authority.</p> <p>At the time of reporting the Pay Award for April 2021 has not yet been agreed. Early indications are that there will be no increase apart from salaries below £24,000 per year however this is to be confirmed.</p> |
| <p>Annual Report and Improvement Plan 2019/20</p> | <p>The Annual Report and Improvement Plan for 2019/20 was presented to the Authority meeting on the 23rd of September 2020, before being published on the website</p> |

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| | <p>and distributed to the Authority's main centres, public libraries etc., within the National Park.</p> <p>It contains the Chairman's Annual Report for the year, which sets out what was achieved, not achieved and any problems that were encountered.</p> <p>It also contains details of the Authority's Service Priorities and the Authority's Objectives set on an annual basis that feed into and show how it is intended to take the National Park forward in order to attain the Authority's vision; a summary evaluation of progress made in attaining the Authority's Objectives, the key work activities for 2019/20, and performance management (including performance indicator results for the year).</p> <p>Out of the 5 improvement areas, the Authority had been successful in the progress that had been made on 2 objectives, has been partially successful in 2 objectives, whilst the remaining 1 objective has made limited progress over the year.</p> |
| <p>Broadcasting Committees</p> | <p>Although local authorities do not have to broadcast their meetings, the Welsh Government encourages webcasting.</p> <p>During 2019/20, Members agreed not to proceed with broadcasting committees as the cost was prohibitively high.</p> <p>Due to the Covid-19 pandemic, all meetings were conducted virtually using Zoom software during 2020/21. Due to both the security issues with the software and the fact that only 1 language channel live feed can be broadcast (meaning that the Welsh and English language could not be treated equally); access to the public as observers to these meetings was not possible during 2020/21, and they were not broadcast live on the Authority's website. Recordings of the Planning and Access Committees only were subsequently broadcast on the Authority's YouTube channel.</p> |
| <p>Member Scrutiny</p> | <p>At the Performance and Resources Committee on the 18th of November 2020, the Chief Executive presented a Strategic Scrutiny update, which reported on the progress made by Traffic Management Task and Finish Group and Carbon Account Task and Finish Group.</p> |

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| | Members resolved to agree a further 2 scrutiny areas, namely a Governance Task and Finish Group and a Welsh Place Names Task and Finish Group. |
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6. Significant Governance Issues and Actions Proposed for 2021/22

At the start of the 2021 financial year the nation was only just beginning to experience the profound impact that Covid-19 was going to have on everyday life for the foreseeable future. Once full lockdown was announced in the UK, the Authority moved very quickly to reprioritise its work to deal with the emergency, to enable staff to work from home where possible, and to put systems in place to enable the remainder of the day to day business of the Authority to continue where possible.

After a year of lockdowns and varying degrees of restrictions to try and control the spread of the infection, the Authority has had to combine reactive work pressures whilst at the same time proactively plan and develop solutions to combat the medium to long term negative impacts of visitor numbers, which Covid-19 has exasperated due to restrictions on international travel.

The impact of Covid-19 on the economy along with the financial resources spent by UK and Welsh Government to deal with the emergency, will have huge implications on the funds available for the public sector for some time to come.

The adoption of Cynllun Eryri (Snowdonia National Park Partnership Plan) during 2020/21 will ensure that going forward the Authority and its partners will have a clear focus on its work priorities over the next few years. The key principle of sustainability flows through the Plan, and the three key areas of the Environment, Health and Well-being and Communities and the Economy will now more than ever be vital to prioritise, whilst moving ahead to re-building after the pandemic.

The Authority's adopted Well-being Objectives for 2021-26 as set out in the Corporate Plan, with the resulting Action Plans and projects will work towards realizing Cynllun Eryri's Vision.

Audit Wales: Review of Involvement

Audit Wales are charged with reviewing how public bodies in Wales give consideration to the long-term impact of their decisions on their communities, as required under the Well-being of Future Generations Act 2015.

Building upon the initial examination and audit work on this area carried out in 2019, Audit Wales then took a more detailed look at how the Authority was involving stakeholders when proposing service and policy changes, with particular emphasis on the development of Cynllun Eryri (National Park Management Plan). A report of the conclusions was presented to the Authority on the 20th of May 2020.

Audit Wales concluded that the Authority had "established an effective partnership-led approach in developing Cynllun Eryri and is well placed to build on this going forward, but

needs to address its financial and capacity challenges to ensure its involvement work is sustainable”.

The report highlights areas of good practice and exemplary work carried out by the Authority. Audit Wales did not make any proposals for improvement but rather have produced a self-assessment for staff and Members to use to identify strengths and weaknesses of its current approach to involvement.

Audit Wales: Resilient and Sustainable Services

During 2020-21 a review of corporate resilience was commenced remotely, with examination and audit of relevant documents and by issuing a survey to Members and staff to gather their views.

Reporting on the outcome in April 2021, Audit Wales concluded that “the Authority responded well in the pandemic but the challenges it faced have highlighted a need to improve its resilience and sustainability in the longer term”.

The conclusions drawn from the findings from the five key areas looked at were:

Finance: “the Authority’s sound financial position masks a need to embed the legacy of short-term grant funded projects to maximise their impact”.

Governance: “the Authority has sound governance systems but there are opportunities to learn from the dynamic decision-making adopted during the pandemic”.

Workforce: “the Authority has a skilled and committed workforce, but capacity and resilience have been stretched”.

Assets: “the Authority has a diverse portfolio of assets, but in light of the pandemic it needs to re-evaluate its strategic intent and future role in managing these”.

Business continuity: “the Authority did well to maintain services during the pandemic, but it needs to capture corporate learning to help boost resilience”.

Proposals for Improvement

The table below sets out the proposals for improvement identified by Audit Wales whilst undertaking the review. During 2021-22, the Authority will look at how it can move forward effectively with implementing these improvements.

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| PF11 | To support resilience the Authority should consolidate and appraise its new ways of working in relation to governance, business continuity and remote working. |
| PF12 | To maximise the impact of grant funded projects the Authority should develop a framework to appraise their potential contribution to progressing Cynllun Eryri and to ensure appropriate legacy planning takes place. |
| PF13 | To support greater resilience the Authority should consider how and when to expose officers to new experiences in wider services and teams to build skills, knowledge and capacity. |

The Authority's Risk Profile

The four highest risks to the Authority as updated in March 2021, is as follows:

| Risk | Result | Action Identified / Progress to date |
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| Income Generating Target (Car Parks) | Failure to keep within the Authority's budget. | In the wake of the further lockdown in October and November and the national lockdown which has been in place since December 2020, there is a shortfall of £63k against the annual target after taking into account the support received towards the lost income in Quarter 1. 91% of the target income was realised during the year. Reserves can be used to make up the shortfall for this year, however the risk will still remain high for the next financial year due to Covid-19, therefore a close eye will need to be kept on the situation. |
| Risk (publicity) as a result of the Traffic Scheme / Snowdonia Green Key Policy | Mismanagement leading to lack of credibility in the Authority and its partners. | <p>Development of the Snowdon Plan has established a better relationship between the individual elements relating to management on Snowdon, including the Sherpa service.</p> <p>A sub-group to the Snowdon Plan has been formed to review the Sherpa service and transport / parking issues in the area. A traffic management study for Snowdon and Ogwen has been commissioned and received. The partners are now considering the report's recommendations with Welsh Government, and reflecting on the lessons learned over the busy summer period.</p> <p>A public consultation with the communities is taking place in February / March 2021 on the report. Unprecedented numbers of UK day visitors are expected again this summer as lockdown eases, which will cause problems for local communities. Although a partnership approach is taken, the public perception of responsibility will fall on the Authority.</p> |
| Aspects of financial risk | SNPA and other partners required to | A Mid-Term Progress Report and accompanying payment request was |

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| <p>associated with LIFE Celtic Rainforest project including non-compliance with procurement rules or spending on ineligible costs resulting in the grant not being awarded, or fluctuation in the Euro / pound exchange rate.</p> | <p>self finance aspects of project expenditure to date.</p> | <p>submitted to the European Commission in December 2020 (delayed from January 2020). Feedback is expected from the Commission in February 2021. The last report to Welsh Government will be presented in April 2021 for the period October 2020 to March 2021 – again, the project is expected to reach the £2m expenditure by the end of the financial year, which will enable a claim to be submitted to the Welsh Government for their full contribution.</p> <p>The project is expected to reach the expenditure target of £2m by the end of the 2020/21 financial year in order that the WG contribution can be claimed in full, however if strict restrictions are operational during winter 2020/21 as a result of the Covid-19 pandemic, this will put some pressure on staff to reach the target.</p> |
| <p>The effect of the Coronavirus (COVID-19) on the National Park and on the Authority's work.</p> | <p>The Authority fails to operate in terms of accomplishing its daily and statutory duties. Financial losses, failing to pay suppliers, and a general failure to maintain usual systems. The Authority fails to:</p> <ul style="list-style-type: none"> • Undertake its statutory duties, • To deliver against its corporate work programme, • To pay its staff and suppliers, • To generate income against agreed targets, • Support the socio and economic wellbeing of the area, • Support the wellbeing of its staff. | <p>There is a need to ensure that measures are in place for the Authority's main systems and to enable key staff to accomplish their duties. The Management Team and Heads of Service are discussing specific measures in this respect.</p> <p>Alternative working arrangements have been developed and these will need to be reviewed as the winter period commences.</p> <p>There will be an additional risk for the Authority during 2020/21 in terms of achieving target income.</p> |

7. Opinion

We propose over the coming year to take steps to address the matters referred to in part 6 to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.



EMYR WILLIAMS

WYN ELLIS JONES

**SNOWDONIA NATIONAL PARK
AUTHORITY CHIEF EXECUTIVE**

**SNOWDONIA NATIONAL PARK
AUTHORITY CHAIR**

DATE 9/06/2021

DATE 9/06/2021

GLOSSARY OF TERMS

ACCRUALS

The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

CAPITAL CHARGE

A charge to service revenue accounts to reflect the cost of fixed assets used in the provision of service.

CAPITAL EXPENDITURE

Expenditure on the acquisition of a fixed asset or expenditure which adds to and not merely maintains the value of an existing fixed asset.

CAPITAL RECEIPTS

Proceeds of not less £10k from the sale of fixed assets. They may be used to finance new capital expenditure or repay debt. They cannot be used to finance normal day to day revenue spending.

COMMUNITY ASSETS

Assets that the authority intends to hold in perpetuity, that have no determinable useful life, and that may have restrictions on their disposal.

CONTINGENT LIABILITIES/ASSETS

These arise from a past event which is dependent upon future uncertain events and timing prior to being recognised in the accounts.

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

Expenditure classified as capital for funding purposes but which does not result in the expenditure being carried on the balance sheet as a fixed asset. These items are generally grants and expenditure on property not owned by the Authority.

DEFINED BENEFIT SCHEME

A pension scheme where the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme.

FINANCE LEASE

A lease that transfers all of the risk and rewards of ownership of a fixed asset to the lessee.

OPERATING LEASE

A lease other than a finance lease.

FIXED ASSETS

Tangible assets that yield benefits to the authority and the services it provides for a period of more than one year.

USEFUL LIFE

The period over which the authority will derive benefits from the use of a fixed asset.

ABBREVIATIONS

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| CIPFA | Chartered Institute of Public Finance and Accountancy |
| LASAAC | Local Authority (Scotland) Accounts Advisory Committee |
| IFRS | International Financial Reporting Standard |
| IAS | International Accounting Standard |

Audit of Accounts Report – Snowdonia National Park Authority

Audit year: 2020-21

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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.

We intend to issue an unqualified audit report on your Accounts. There are some issues to report to you prior to their approval.

Audit of Accounts Report

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Introduction

- 1 We summarise the main findings from our audit of your 2020-21 accounts in this report.
- 2 We have already discussed these issues with the Head of Finance and his team.
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
- 4 We set this level at £244,760 for this year's audit.
- 5 There are some areas of the accounts that may be of more importance to the reader and we have set a lower materiality level for these, as follows:
 - Senior Officer Remuneration £1,000
 - Related Party transactions £10,000
- 6 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.

Impact of COVID-19 on this year's audit

- 7 The COVID-19 pandemic has had a significant impact on all aspects of our society and continues to do so. You are required by law to prepare accounts and it is of considerable testament to the commitment of your accounts team that you have succeeded in doing so this year in the face of the challenges posed by this pandemic. We are extremely grateful to the professionalism of the team in supporting us to complete our audit in such difficult circumstances.
- 8 The pandemic has unsurprisingly affected our audit and we summarise in **Exhibit 1** the main impacts. Other than where we specifically make recommendations, the detail in **Exhibit 1** is provided for information purposes only to help you understand the impact of the COVID-19 pandemic on this year's audit process.

Exhibit 1 – impact of COVID-19 on this year’s audit

| | |
|---|---|
| Timetable | Officers provided us with the draft accounts in August 2021 as planned. This complies with regulatory deadlines. We expect your audit report to be signed following the Performance and Resources Committee on 24 November 2021. |
| Electronic signatures | Given current social distancing requirements, it will be difficult for signing and certification of the accounts in hard copy again this year. We will accept electronic signatures from you. |
| Conducting the audit approach and obtaining audit evidence | <p>Due to social distancing measures, Audit Wales and the majority of the Authority’s staff are currently working remotely from home. As a result, we adopted remote ways of working, building on our experience last year, by:</p> <ul style="list-style-type: none">• developing audit deliverables to clarify working paper requirements;• holding weekly Microsoft Teams meetings with officers to discuss progress and emerging issues; and• using a secure remote file transfer portal to safely share information. |

- 9 We will be reviewing what we have learned for our audit process from the COVID-19 pandemic and whether there are innovative practices that we might adopt in the future to enhance that process.

Proposed audit opinion

- 10 We intend to issue an **unqualified audit opinion** on this year’s accounts once you have provided us with a Letter of Representation based on that set out in **Appendix 1**.
- 11 We issue a ‘qualified’ audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.
- 12 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards.
- 13 Our proposed audit report is set out in **Appendix 2**.

Significant issues arising from the audit

Uncorrected misstatements

- 14 There are no misstatements identified in the accounts, which remain uncorrected.

Corrected misstatements

- 15 There were initially misstatements in the accounts that have now been corrected by management. However, we believe that these should be drawn to your attention and are set out with explanations in **Appendix 3**.

Other significant issues arising from the audit

- 16 In the course of the audit, we consider a number of matters relating to the accounts and report any significant issues arising to you in the course of the audit.
- 17 We have previously reported a need for the Authority to improve its working papers and strengthen its quality assurance arrangements. Despite the continuing impact and challenges posed by the COVID-19 pandemic on the Authority, progress has been made in agreeing audit deliverables for clarifying working paper requirements.
- 18 It is pleasing to report that we identified fewer errors and inconsistencies with the financial statements than in previous years. The agreement of Audit Deliverables also helped clarify working paper requirements. There remains scope for further improvement as some discrepancies were identified between the financial statements and supporting working papers such as the need to provide a full reconciliation of employee costs in the general ledger and detailed payroll listing provided by Cyngor Gwynedd as the payroll service provider. We will continue to work with the Head of Finance over the coming months to develop clearer working papers and clarify our requirements going forward.
- 19 We also identified the need for the Authority to retain better records where it upgrades its Exchequer financial ledger. We identified that an upgrade on 27 November 2020 necessitated the establishment of a new server, which led to the migration of financial data from the old server that was used prior to the upgrade to the new server. No evidence was retained to demonstrate that the data was complete and accurately transferred.
- 20 As part of our audit work, we are required to ensure that the financial statements are materially complete and accurate, including the data transferred between the old and new servers. As a consequence, additional work was undertaken by officers and the audit team to obtain the assurances required that the data fully migrated. The Authority should ensure that sufficient evidence is retained to demonstrate the completeness and accuracy of any future data migration involving its financial systems.

Final Letter of Representation

Audited body's letterhead

Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

24 November 2021

Representations regarding the 2020-21 financial statements

This letter is provided in connection with your audit of the financial statements of Snowdonia National Park Authority for the year ended 31 March 2021 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2020-21; in particular the financial statements give a true and fair view in accordance therewith; and
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;

- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects Snowdonia National Park Authority and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements;
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Representations by Snowdonia National Park Authority

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Authority on 24 November 2021.

We confirm that we have taken all the steps that we ought to have taken, in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Dafydd L Edwards
Chief Finance Officer
24 November 2021

Councillor Wyn Ellis-Jones
Chairman
24 November 2021

Proposed independent auditor's report of the Auditor General for Wales to the members of Snowdonia National Park Authority

Opinion on the financial statements

I have audited the financial statements of Snowdonia National Park Authority for the year ended 31 March 2021 under the Public Audit (Wales) Act 2004.

Snowdonia National Park Authority's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the accounting policies and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2020-21.

In my opinion the financial statements:

- give a true and fair view of the financial position of Snowdonia National Park Authority as at 31 March 2021 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2020-21.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Authority's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Statement of Accounts other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the Statement of Accounts. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020-21; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

Responsibilities

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 10, the responsible financial officer is responsible for the preparation of the statement of accounts which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- enquiring of management, the Authority's Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Snowdonia National Park Authority's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: posting of unusual journals, reviewing accounting estimates for biases and evaluated the rationale for any significant transactions outside the normal course of business.
- obtaining an understanding of Snowdonia National Park Authority's framework of authority as well as other legal and regulatory frameworks that the Authority operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Snowdonia National Park Authority.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Performance and Resources Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I also communicated relevant identified laws and regulations and potential fraud risks to all the audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Snowdonia National Park Authority's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Authority's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Snowdonia National Park Authority in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton
Auditor General for Wales
November 2021

24 Cathedral Road
Cardiff
CF11 9LJ

Summary of corrections made

During our audit we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

Exhibit 2: summary of corrections made

| Nature of correction | Reason for correction | Impact |
|---|--|---|
| <p>Note 1b 'Note on Income and Expenditure on a Segmental Basis – Significant “Non-Cash” costs analysed by nature - Revenue expenditure funded from capital under statute’ was amended:</p> <ul style="list-style-type: none"> • ‘Planning, Cultural Heritage and Land Management’ from £588,000 to £617,000; and • ‘Corporate (including Communication) from £29,000 to £nil. | <p>Revenue expenditure funded from capital under statute of £29,000 was incorrectly disclosed under the ‘Corporate’ function but related to ‘Planning, Cultural Heritage and Land Management’.</p> | <p>The amendment had no other impact on the financial statements. Presentation disclosure only.</p> |
| <p>Note 12 'Property, Plant and Equipment – Movement on Balances – Land and Buildings’ was amended:</p> <ul style="list-style-type: none"> • ‘Revaluation loss charged to the CIES’ from £(296,000) to £(250,000); and • ‘Revaluation Reserve’ from £(250,000) to £(296,000). | <p>Note 12 was amended to address a transposition error.</p> | <p>The amendment had no other impact on the financial statements. Presentation disclosure only.</p> |
| <p>Note 12 'Property, Plant and Equipment - Capital Commitments - New Authority Website’ was amended from £69,000 to £92,000.</p> | <p>The Capital Commitments narrative disclosure in Note 12 excluded in error a capital commitment of £22,920 on a tendered contract that was outstanding at 31 March 2021.</p> | <p>‘Assets Under Construction’ in Note 12 ‘Property, Plant and Equipment’ and ‘Trade Creditors’ in Note 19 ‘Creditors’ were amended by corresponding amounts.</p> |

| Nature of correction | Reason for correction | Impact |
|---|--|---|
| <p>Note 26 ‘Staff Remuneration – Number of Officers that received over £60k including salary and redundancy benefits’ was amended from 1 to 2.</p> | <p>An officer in receipt of redundancy and termination benefits was omitted from the disclosure note in error.</p> | <p>The amendment had no other impact on the financial statements. Presentation disclosure only.</p> |
| <p>Note 26 ‘Staff Remuneration – Termination Benefits – Total number of packages by cost band’ was amended:</p> <ul style="list-style-type: none"> • £0-£40,000 from 42 to 5; • £80,000 to £100,000 from 84 to 1; and • £100,000 to £150,000 from 130 to 1. | <p>A number of packages were incorrectly stated as the table included the value of packages instead of the number of exit packages. All exit packages were compulsory redundancies and the table was amended to correctly disclose this.</p> | <p>The amendments had no other impact on the financial statements. Presentation disclosure only.</p> |



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