

# BRIDGEND COUNTY BOROUGH COUNCIL

## REPORT TO AUDIT COMMITTEE

16 JULY 2020

### REPORT OF THE INTERIM CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE

#### PORTHCAWL HARBOUR RETURN 2019-20 (UNAUDITED)

#### 1. Purpose of report

- 1.1 The purpose of this report is to present to Audit Committee the unaudited Porthcawl Harbour Return 2019-20 for approval.

#### 2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objective under the **Well-being of Future Generations (Wales) Act 2015:-**
1. **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.
- 2.2 The Council's financial performance is an important element in determining the extent to which the well-being objectives can be delivered.

#### 3. Background

- 3.1 The preparation of the Harbour Return is a requirement of the Accounts and Audit (Wales) Regulations 2014 (as amended 2018) and its content is defined by the Chartered Institute of Public Finance and Accountancy's '*Code of Practice on Local Authority Accounting in the United Kingdom*' (the Code).
- 3.2 In accordance with these regulations, the Harbour Return 2019-20 requires certification by the responsible finance officer and approval by the Audit Committee, by 15 June 2020, certifying that it presents a true and fair view of the financial position of the Harbour finances. If the return is not able to be signed and published by this date then the Council must publish a Regulation 10 notice setting out the reasons why. If no amendments are identified during the audit, no further approval is needed. However, should any amendments be needed, the audited Harbour return has to be approved by 15 September 2020 by the Audit Committee in accordance with the Committee's Terms of Reference.
- 3.3 As a result of the Coronavirus pandemic, the Council was unable to meet the 15 June 2020 deadline and therefore, in line with the requirements of the Regulations, issued a notice advising of this on the Council's website on 12 June 2020.

#### **4. Current situation/proposal**

- 4.1 The Council's unaudited Porthcawl Harbour Return the financial year ended 31 March 2020 is attached at **Appendix A**.
- 4.2 The return is produced in accordance with Internal Financial Reporting Standards (IFRS) rather than the amount to be funded in cash terms when the budget is set. Therefore these statements include items such as depreciation on property, plant and equipment, the estimated cost of the shortfall on the pension scheme and other technical adjustments.
- 4.4 The Harbour achieved a balanced position as at 31 March 2020. It generated £262,599 in fees, primarily for boat berthing/mooring. The main expenditures are staffing costs (£92,426) and depreciation of the Harbour assets (£113,518). The value of the Harbour and associated assets, including the kiosk and slipway, as at 31 March 2020 was £3,170,299.
- 4.5 The return has been reviewed by Internal Audit and no amendments were identified.

#### **5. Effect upon policy framework and procedure rules**

- 5.1 There is a legal requirement for the Harbour return to be certified by the responsible financial officer and approved by the Audit Committee prior to submission to Audit Wales. In the current year a Regulation 10 notice has been issued which has set out why the return was not certified by 15 June 2020, as a result of the Coronavirus pandemic. However, the return will be submitted to Audit Wales as soon as it is approved.

#### **6. Equality Impact Assessment**

- 6.1 Whilst the production of the Harbour return does not itself raise any equality issues, it does summarise the financial consequences of the running of the Harbour. When compiling the Harbour budget, consideration was given to the potential impact on protected groups within the community.

#### **7. Well-being of Future Generations (Wales) Act 2015 implications**

- 7.1 The well-being goals identified in the Act were considered in the preparation of this report. As the report is for information it is considered that there will be no significant or unacceptable impacts upon the achievement of wellbeing goals/objectives as a result of this report.

#### **8. Financial implications**

- 8.1 These are reflected in the body of the report.

#### **9. Recommendation(s)**

- 9.1 It is recommended that the Committee:
- approve the unaudited Porthcawl Harbour return 2019-20 at **Appendix A**.

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July 2020

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**Background documents:** None