

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE

28 JULY 2022

REPORT OF THE CHIEF OFFICER - FINANCE, PERFORMANCE AND CHANGE

PORTHCAWL HARBOUR RETURN 2021-22 (UNAUDITED)

1. Purpose of report

- 1.1 The purpose of this report is to present to the Governance and Audit Committee the unaudited Porthcawl Harbour Return 2021-22 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**:
- **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 corporate 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 2021-22 requires certification by the responsible finance officer and approval by the Governance and Audit Committee, by 31 May 2022, 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 should be approved by 31 July 2022 by the Governance and Audit Committee in accordance with the Committee's Terms of Reference.
- 3.3 As a result of the Coronavirus pandemic and the impact that has continued to have on the closure of the accounts and preparation of the Harbour Return, the Council was unable to meet the 31 May 2022 deadline. Therefore, in line with the requirements of the Regulations, a Regulation 10 notice was issued advising of this. The draft Return

was passed to Audit Wales on 14 July 2022. The signed Return will be passed to Audit Wales once approved.

- 3.4 Should any amendments be needed as a result of the audit then the Return will be presented to the next Governance and Audit meeting in September for approval. If the audit of the Return is not completed by 31 July 2022 a further Regulation 10 notice will be issued in line with the Accounts and Audit (Wales) Regulations.

4. Current situation/proposal

- 4.1 The Council's unaudited Porthcawl Harbour Return for the financial year ended 31 March 2022 is attached at **Appendix A**.

- 4.2 The Return is produced in accordance with International 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.

- 4.3 The Harbour achieved a balanced position as at 31 March 2022. It generated £327,029 in fees, primarily for boat berthing/mooring. The main items of expenditure are staffing costs (£80,762) 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 2022 was £2,943,262.

- 4.4 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 Statement of Accounts to be signed by the responsible financial officer prior to submission to Audit Wales. In the current year a Regulation 10 notice has been issued which has set out why the Accounts were not certified by 31 May 2022, as a result of the Coronavirus pandemic. However, the Return will be submitted to Audit Wales as soon as it is approved by the Governance and Audit Committee.

6. Equality Act 2010 implications

- 6.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

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. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

8. Financial implications

8.1 These are reflected in the body of the report.

9. Recommendation

9.1 It is recommended that the Committee approves the unaudited Porthcawl Harbour Return 2021-22 at **Appendix A**.

Carys Lord
Chief Officer – Finance, Performance and Change
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Background Documents: None