

Meeting of:	GOVERNANCE AND AUDIT COMMITTEE
Date of Meeting:	26 JULY 2023
Report Title:	PORTHCAWL HARBOUR RETURN 2022-23
Report Owner / Corporate Director:	CHIEF OFFICER – FINANCE, PERFORMANCE & CHANGE
Responsible Officer:	NIGEL SMITH GROUP MANAGER – CHIEF ACCOUNTANT
Policy Framework and Procedure Rules:	The preparation of the Porthcawl Harbour Return is a requirement of the Accounts and Audit (Wales) Regulations 2014 (as amended 2018)
Executive Summary:	<ul style="list-style-type: none"> • The Porthcawl Harbour Return has been completed and reviewed by Internal Audit. • The return is produced in accordance with International Financial Reporting Standards. • The Harbour achieved a balanced position as at 31 March 2023. • The return is required to be signed by the Responsible Financial Officer and the Chair of the Governance and Audit Committee prior to submission to Audit Wales for the annual audit of the Statement.

1. Purpose of Report

- 1.1 The purpose of the report is to present to the Governance and Audit Committee the unaudited Porthcawl Harbour Return for 2022-23 attached at **Appendix A** for approval.

2. Background

- 2.1 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).
- 2.2 In accordance with these regulations, the Porthcawl Harbour Return 2022-23 requires certification by the responsible finance officer and approval by the Governance and Audit Committee, by 31 May 2023, 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 Porthcawl Harbour Return should be approved by 31 July 2023 by the Governance and Audit Committee in accordance with the Committee's Terms of Reference.

- 2.3 As a result of delays in approving the 2021-22 Statement of Accounts, which were certified by the Auditor General for Wales on 27 January 2023, there has been a consequential impact on the preparation of the 2022-23 Statement of Accounts and Annual Returns. As a result the Council was unable to meet the 31 May 2023 deadline and, in line with the requirements of the Regulations, a Regulation 10 notice was issued advising of this. The signed Porthcawl Harbour Return will be passed to Audit Wales once approved.
- 2.4 Should any amendments be needed as a result of the audit then the Porthcawl Harbour Return will be presented to the next Governance and Audit meeting following completion of the audit for approval. The audit of the Return is unlikely to be completed by 31 July 2023 so a further Regulation 10 notice will be issued in line with the Accounts and Audit (Wales) Regulations.

3. Current situation / proposal

- 3.1 The Council's unaudited Porthcawl Harbour Return for the financial year ended 31 March 2023 is attached at **Appendix A**.
- 3.2 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.
- 3.3 The Harbour achieved a balanced position as at 31 March 2023. It generated £258,986 in fees, primarily for boat berthing/mooring. The main items of expenditure are staffing costs (£87,836) 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 2023 was £2,829,744.
- 3.4 The Porthcawl Harbour Return has been reviewed by Internal Audit and no amendments were identified.

4. Equality implications (including Socio-economic Duty and Welsh Language)

- 4.1 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.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

- 5.1 The Act provides the basis for driving a different kind of public service in Wales, with 5 ways of working to guide how public services should work to deliver for people. The well-being objectives are designed to complement each other and are part of an integrated way of working to improve well-being for the people of Bridgend. It is considered that there will be no significant or unacceptable impacts upon the achievement of the well-being goals or objectives as a result of this report.

6. Climate Change Implications

- 6.1 There are no climate change implications as a result of this report.

7. Safeguarding and Corporate Parent Implications

- 7.1 There are no Safeguarding or Corporate Parent implications 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 Governance and Audit Committee approves the unaudited Porthcawl Harbour Return 2022-23 at **Appendix A**.

Background documents

None