

---

# *TAY ROAD BRIDGE JOINT BOARD*

---

Clerk: Roger Mennie  
Head of Democratic and Legal Services  
Dundee City Council  
21 City Square  
Dundee  
DD1 3BY

TO: ALL MEMBERS OF THE TAY  
ROAD BRIDGE JOINT BOARD

Date 9th September, 2019

Dear Member

**TAY ROAD BRIDGE JOINT BOARD**

You are requested to attend a meeting of the **TAY ROAD BRIDGE JOINT BOARD** to be held in Committee Room 3, 14 City Square, Dundee on Monday, 16th September, 2019 at 10.00 am.

The agenda and papers are enclosed.

Please submit any apologies for absence to Arlene Hay, Committee Services Officer on telephone (01382) 434818 or email [arlene.hay@dundeecity.gov.uk](mailto:arlene.hay@dundeecity.gov.uk).

Yours faithfully

ROGER MENNIE

Clerk to the Joint Board

## AGENDA OF BUSINESS

### **1 DECLARATION OF INTEREST**

Members are reminded that, in terms of The Councillors Code, it is their responsibility to make decisions about whether to declare an interest in any item on this agenda and whether to take part in any discussions or voting.

This will include all interests, whether or not entered on your Register of Interests, which would reasonably be regarded as so significant that they are likely to prejudice your discussion or decision-making.

### **2 MINUTE OF PREVIOUS MEETING (Page no 1)**

The minute of meeting of the Tay Road Bridge Joint Board held on 17th June, 2019 is submitted for approval, (copy attached).

### **3 OPERATIONAL RESTRICTIONS AND CLOSURES (Page no 5)**

(Report No TRB19-2019 by the Bridge Manager, copy enclosed).

### **4 INTRODUCTION OF NEW BYELAWS (Page no 9)**

(Report No TRB17-2019 by the Bridge Manager, copy enclosed).

### **5 ANNUAL REVIEW OF STRATEGIC RISK MANAGEMENT (Page no 23)**

(Report No TRB18-2019 by the Bridge Manager, copy enclosed).

### **6 REVENUE MONITORING – FOUR MONTHS TO 31ST JULY 2019 (Page no 39)**

(Report No TRB20-2019 by the Treasurer, copy enclosed).

### **7 CAPITAL MONITORING – FOUR MONTHS TO 31ST JULY 2019 (Page no 43)**

(Report No TRB21-2019 by the Treasurer, copy enclosed).

### **8 AUDITED ACCOUNTS**

#### **(a) EXTERNAL AUDITOR'S ANNUAL REPORT**

##### **(i) Audit Scotland's Covering Letter (Page no 47)**

(Copy enclosed).

##### **(ii) Proposed 2018/2019 Annual Audit Report (Page no 57)**

(Copy enclosed).

#### **(b) RESPONSE TO EXTERNAL AUDITOR'S ANNUAL REPORT ON THE 2018/2019 AUDIT OF TAY ROAD BRIDGE JOINT BOARD (Page no 81)**

(Report No TRB22-2019 by the Treasurer, copy enclosed).

#### **(c) AUDITED ACCOUNTS FOR YEAR ENDED 31ST MARCH 2019 (Page no 85)**

(Copy enclosed).

**9 PROGRAMME OF MEETINGS 2020**

Monday, 2nd March, 2020 at 10.00 am in Dundee  
Monday, 15th June, 2020 at 11.00 am in Fife  
Monday, 14th September, 2020 at 10.00 am in Dundee  
Monday, 7th December, 2020 at 10.00 am in Dundee

**10 AOCB**

**11 DATE OF NEXT MEETING**

The next meeting of the Joint Board will be held on Monday, 2nd December, 2019 at 11.00 am in County Buildings, Cupar.



**ITEM No ...2.....**

At a MEETING of the **TAY ROAD BRIDGE JOINT BOARD** held at Dundee on 17th June, 2019.

Present:-

Dundee City Council

Councillor Stewart HUNTER  
Depute Lord Provost Bill CAMPBELL  
Councillor Lynne SHORT  
Baillie Fraser MACPHERSON  
Councillor George McIRVINE

Fife Council

Councillor Jonny TEPP  
Councillor Bill CONNOR  
Councillor John DOCHERTY  
Councillor Tony MIKLINSKI (for Councillor Andy HEER)  
Councillor Brian THOMSON

Also Present (Officers):-

David ARCHIBALD (Henderson Loggie)  
Gary BRADY (Engineer)  
Alan HUTCHISON (Bridge Manager)  
John MOIR (for Treasurer)  
Kenny MCKAIG (for Clerk)

Councillor Stewart HUNTER, Chairperson in the Chair. (Articles I to III)

Councillor Lynne SHORT, Chairperson in the Chair. (Articles IV to XV)

Apologies for absence were submitted on behalf of Councillor Andy Heer (Fife Council) and Councillor Margaret Richardson (Dundee City Council).

**I DECLARATION OF INTEREST**

There were no declarations of interest.

**II MINUTE OF PREVIOUS MEETING**

The minute of meeting of the Tay Road Bridge Joint Board held on 4th March, 2019 was submitted and approved.

**III APPOINTMENT OF CHAIRPERSON**

Councillor Stewart Hunter intimated his resigned as Chairperson of Tay Road Bridge Joint Board with immediate effect. The Joint Board agreed unanimously to appoint Councillor Lynne Short as Chairperson.

**IV INTERIM APPOINTMENT OF ENGINEER TO THE BOARD**

Reference was made to Article IV of the minute of meeting of the Tay Road Bridge Joint Board of 19th June, 2017, when the Board confirmed the re-appointment of Mr Fergus Wilson, City Engineer, to act as Engineer to the Board. On 31st March, 2019, Mr Fergus Wilson retired from his role as City Engineer and Head of Design and Property at Dundee City Council.

The Joint Board approved the appointment of Mr Gary Brady CEng FICE, Team Leader for Bridges and Structures, Dundee City Council to the role of Interim Engineer to the Board.

## **V OPERATIONAL RESTRICTIONS AND CLOSURES**

There was submitted Report No TRB8-2019 by the Bridge Manager appraising the Joint Board of the number and nature of operational restrictions and closures applied between 1st February, 2019 and 30th April, 2019.

The Joint Board noted the content of the report as at 30th April, 2019.

## **VI MAINSTREAMING THE EQUALITY DUTY 2019/2021**

There was submitted Report No TRB9-2019 by the Bridge Manager seeking approval for the publication on the Tay Road Bridge website of a Mainstreaming Equality Report 2019/2021.

The Joint Board approved the publication of the Mainstreaming Equality Report 2019/2021 as set out in Appendix 1 of the report.

## **VII SAFETY BOAT PROVISION**

There was submitted Report No TRB11-2019 by the Bridge Manager seeking approval to appoint David Anderson Marine of Newport-on-Tay as the preferred bidder to provide safety boat services at the Tay Road Bridge, in relation to the inspection and maintenance of the Joint Board's assets as defined in the Tay Road Bridge Joint Board's Asset Management Plan.

The Joint Board instructed the Clerk to the Board to appoint David Anderson Marine as the submission that represented best overall value for the Joint Board.

## **VIII ENGINEERING WORKS**

There was submitted Report No TRB16-2019 by the Engineer to the Board advising the Joint Board on the current situation regarding engineering works on the bridge.

The Joint Board noted the position on current progress.

## **IX RESPONSE TO INTERNAL AUDITOR'S ANNUAL REPORT TO MEMBERS**

There was submitted Report No TRB10-2019 by the Bridge Manager in response to the Annual Report prepared by the Board's Internal Auditor, Henderson Loggie, on compliance with Legislation, Physical Security and Asset Management and previous Audit Follow-up Reviews.

The Joint Board:-

- (i) endorsed the report as the formal response to the Internal Auditor's report; and
- (ii) instructed the Bridge Manager to implement the Internal Auditor's recommendation as set out in paragraph 5.2 of the report.

## **X LOCAL CODE OF CORPORATE GOVERNANCE**

There was submitted Report No TRB12-2019 by the Treasurer reviewing and updating the Joint Board's Local Code of Corporate Governance.

The Joint Board:-

- (i) approved the compliance review and updated Local Code of Corporate Governance as detailed in Appendix 1 of the report;
- (i) noted the progress against the 2018/2019 improvement action plan in Appendix 1 of the report; and

- (iii) approved the implementation of the improvements for 2019/2020 as listed in Appendix 2 of the report.

**XI ANNUAL GOVERNANCE STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

There was submitted Report No TRB13-2019 by the Treasurer presenting the Annual Governance Statement for approval and inclusion in the unaudited Annual Accounts for the year ended 31st March, 2019 which were also submitted to the Joint Board.

The Joint Board:-

- (i) noted the content of the covering report;
- (ii) approved the Annual Governance Statement which was included as an Appendix to the report; and
- (iii) instructed the Treasurer to include the Annual Governance Statement in the Annual Accounts for the year to 31st March, 2019.

**XII UNAUDITED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2019**

There was submitted Report No TRB14-2019 by the Treasurer providing additional commentary on the unaudited Annual Accounts for the year ended 31st March, 2019 which were submitted with the report.

The Joint Board:-

- (i) noted the outcome of the report;
- (ii) noted the unaudited Annual Accounts which were submitted with the report;
- (iii) instructed the Treasurer to submit the Annual Accounts to the Controller for Audit, Accounts Commission for Scotland; and
- (iv) noted that the key assumptions underpinning the independent actuaries' calculation of the Board's IAS 19 liability had been reviewed and accepted by Dundee City Council as administering authority for the Pension Fund.

**XIII 2019/2020 INSURANCE PROGRAMME**

There was submitted Report No TRB15-2019 by the Treasurer providing an overview of the insurance arrangements for the financial year 2019/2020.

The Joint Board noted the details contained within the report.

**XIV AOCB**

There was no other business.

**XV DATE OF NEXT MEETING**

Monday, 16th September, 2019 at 10.00 am in Committee Room 3, 14 City Square, Dundee.

Lynne SHORT, Chairperson.





ITEM No ...3.....
-------------------

**REPORT TO:** TAY ROAD BRIDGE JOINT BOARD – 16 SEPTEMBER 2019

**REPORT ON:** OPERATIONAL RESTRICTIONS AND CLOSURES

**REPORT BY:** THE BRIDGE MANAGER

**REPORT NO:** TRB19-2019

### 1.0 PURPOSE OF REPORT

1.1 To appraise the Joint Board of the number and nature of operational restrictions and closures applied between 1 May and 31 July 2019.

### 2.0 RECOMMENDATIONS

2.1 The Joint Board are asked to note the contents of this Report as at 31 July 2019.

### 3.0 FINANCIAL IMPLICATIONS

3.1 There are no financial implications as a result of this report.

### 4.0 COMMENTARY ON RESTRICTIONS AND CLOSURES

4.1 Restrictions are applied to the traffic on the bridge for a number of reasons including recovering debris, breakdowns, high winds and other operational requirements, such as carriageway inspections. Miscellaneous incidents include escorting pedestrians from the carriageway.

A summary of the restrictions applied between 1 May and 31 July 2019 is given below:-

#### 4.1.1 Single Carriageway Closure

Reason	Total Duration (Minutes)	No of Occasions	Average Duration (Minutes)
Operational	292	106	2.76
Breakdown	15	3	5
Misc. Incidents	25	10	2.5
Single Lane Closures for maintenance	1969	28	70.33
Road works Contractor Contra-flow	0	0	0
Police Incidents	188	15	12.54

#### 4.1.2 Full Bridge Closure

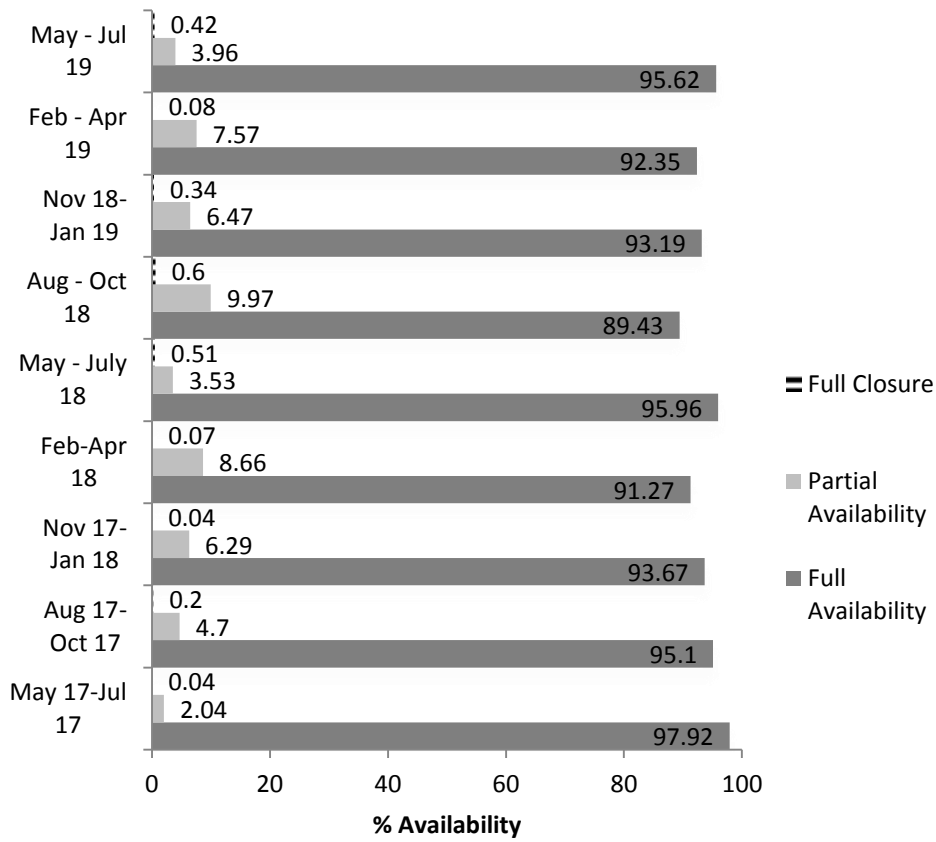
<b>Reason</b>	<b>Total Duration (Minutes)</b>	<b>No of Occasions</b>	<b>Average Duration (Minutes)</b>
Operational (Night Closures)	118	1	118
Police Incidents	434	10	43.4
Wind	0	0	0

#### 4.1.3 High Winds/Weather Restrictions

<b>Traffic Restricted</b>	<b>Total Duration (Minutes)</b>	<b>No of Occasions</b>	<b>Average Duration (Minutes)</b>
Double Deck Buses	2783	4	695.75
High Sided	0	0	0
All Traffic	0	0	0

4.1.4 Availability of Bridge

**AVAILABILITY TO BRIDGE USERS**



	May – July 18	Aug – Oct 18	Nov 18 – Jan 19	Feb – Apr 19	May-Jul 19
Full Availability	95.96	89.43	93.19	92.35	95.62
Partial Availability	3.53	9.97	6.47	7.57	3.96
Full Closure	0.51	0.6	0.34	0.08	0.42

**Figure 1 – Comparison of Availability of Bridge to Users**

Full availability in this quarter is comparable with previous years.

#### 4.1.5 Summary of Bridge availability 1 May to 31 July 2019

Full availability (No restrictions)	95.62
Partial Availability (Some restrictions)	3.96
No Availability (Full Closure)	0.42

## 5.0 TRAFFIC COUNT DATA

### 5.1 Traffic Count Data from Dundee Ramps

#### AADT – (Annual Average Daily Total 2019)

	3 <sup>rd</sup> Quarter 2018 (Aug - Oct)	4 <sup>th</sup> Quarter 2018 (Nov - Jan)	1st Quarter 2019 (Feb - Apr)	2nd Quarter 2019 (May - Jul)
Northbound to West	6371	6027	6833	6459
Northbound to East	7387	6535	6744	7434
Northbound Total	<b>13758</b>	<b>12562</b>	<b>13577</b>	<b>13893</b>
Southbound from West	5711	5461	5720	5779
Southbound From East	8224	7235	7874	8264
Southbound Total	<b>13935</b>	<b>12696</b>	<b>13594</b>	<b>14043</b>
<b>Total Traffic</b>	<b>27,693</b>	<b>25258</b>	<b>27171</b>	<b>27936</b>

## 6.0 POLICY IMPLICATIONS

6.1 This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

## 7.0 CONSULTATIONS

7.1 The Treasurer, Clerk and Engineer to the Board have been consulted in the preparation of this report and are in agreement with the content.

## 8.0 BACKGROUND PAPERS

8.1 None.

**ALAN HUTCHISON**  
**BRIDGE MANAGER**  
**20 AUGUST 2019**

**ITEM No ...4.....**

**REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 16 SEPTEMBER 2019**

**REPORT ON: INTRODUCTION OF NEW BYELAWS**

**REPORT BY: THE BRIDGE MANAGER**

**REPORT NO: TRB17-2019**

**1.0 PURPOSE OF REPORT**

1.1 To ask the Joint Board to approve for publication in the local press and make available for public inspection the 2019 updated Tay Road Bridge Joint Board (TRBJB) Byelaws, included at appendix 1.

**2.0 RECOMMENDATION**

2.1 The Joint Board are asked to approve the 2019 Byelaws for publication in the local press and for inspection by members of the public in Dundee City Council, City Square Offices, for a period of one calendar month and thereafter the submission of the 2019 Byelaws to the Scottish Ministers for confirmation.

**3.0 FINANCIAL IMPLICATIONS**

3.1 There are no financial implications as a result of this report.

**4.0 BACKGROUND**

4.1 MHA Henderson Loggie's Internal Audit Report 2019/02 – Compliance with Legislation, recommends that the TRBJB Byelaws 2000, which detail the powers conferred to the Board under the Tay Road Bridge Order Confirmation Act 1991, be updated to remove reference to tolling, abolished in 2008, and to legislation which has since been superseded.

4.2 The Tay Road Bridge Order Confirmation Act 1991 makes reference to the Local Government (Scotland) Act 1973, which establishes the procedure required to permit acceptance into law all local byelaws, as noted in paragraphs 4.2.2 and 4.2.3.

4.3 TRBJB Byelaws 2019, once accepted by the Board, will be published in the local press and made available to members of the public to inspect and make objections for a period of one calendar month.

4.4 Once the inspection period is completed, and any objections satisfactorily addressed, then the Byelaws will be forwarded to the Scottish Ministers for confirmation.

**5.0 POLICY IMPLICATIONS**

5.1 This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

**6.0 CONSULTATION**

6.1 The Treasurer, Clerk and Engineer to the Board have been consulted in the preparation of this report and are in agreement with the content.

**7.0 BACKGROUND PAPERS**

7.1 None.

**ALAN HUTCHISON  
BRIDGE MANAGER  
26 AUGUST 2019**



Tay Road Bridge

**Tay Road Bridge Joint Board  
Byelaws**



Document Reference: **TRB 10 rev 1**  
Approved for Issue: **Alan Hutchison**  
Date: 3 September 2019 Bridge Manager

---



# Tay Road Bridge Joint Board

## BYELAWS

for the

## MANAGEMENT, REGULATION AND CONTROL OF THE TAY ROAD BRIDGE

THE TAY ROAD BRIDGE, JOINT BOARD, in the exercise of the powers conferred on them by section 57 of the Tay Road Bridge Order Confirmation Act, 1991, hereby make, the following byelaws for the management, regulation and control of the Tay Road Bridge: -

### 1. Interpretation

- 1.1. These Byelaws may be cited as “The Tay Road Bridge Byelaws 2019.”
- 1.2. In these byelaws, unless the context otherwise requires, the following expressions have the meanings hereby respectively assigned to them:-

“**bicycle**” means a bicycle or tricycle not being a motor vehicle;

“**Bridge**” means the Tay Road Bridge (including any carriageways and footways thereon), as is shown coloured **blue** on the plan annexed to these Byelaws;

“ **Bridge Manager**” means the Bridge Officer in charge of the Bridge, and includes any person acting for, or with the authority of, the Bridge Manager;

“**Bridge Officer**” means an officer authorised by or on behalf of the Joint Board to carry out duties on the Bridge;

“**Carriageways**” means the parts of the Bridge reserved for the passage of vehicles;

“**constable**” means any constable (as defined by the Police and Fire Reform (Scotland) Act 2012) serving as a constable of the Police Service of Scotland;

“**Joint Board**” means the Joint Board established by the Tay Road Bridge Order Confirmation Act, 1991, and the Forth and Tay Road Bridge Order Confirmation Acts (Modification) Order 1996.



“**Restriction Controls**” means instructions issued by the Bridge Manger or any Bridge Officer as to what categories of vehicles are permitted to cross the Bridge during periods of high winds.

“**Shared Walkway**” means the parts of the Bridge reserved for the passage of bicycles and pedestrians;

“**trailer**” means a trailer as defined by section 185 of the Road Traffic Act, 1988;

“**Variable Message Signs**” means the electronic variable message boards located on the Bridge and on the approaches thereto”

“**vehicle**” means a motor vehicle as defined by section 185 of the Road Traffic Act, 1988, and includes a trailer.

1.3. Unless the context otherwise requires:

- a) words importing the singular number shall include the plural and vice versa
- b) words importing any particular gender shall include the other gender;
- c) any reference to a person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality) and words importing individuals include corporations and *vice versa*
- d) any reference to a statute or statutory provision includes any subordinate legislation which is in force from time to time under that statute or statutory provision; and
- e) any reference to any statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time taking account of any amendment or re-enactment.

1.4. The Interpretation Act, 1978 shall apply to the interpretation of these byelaws as it applies to the interpretation of an Act of Parliament.

1.5. Nothing in these byelaws shall apply so as to restrict the execution of duties or the carrying out of works or services on the Bridge by Bridge Officers or by any police officer or fire officer.

## 2. Regulation of Traffic on the Bridge

- 2.1. No person shall use the Carriageways except for the purpose of travelling on or in a vehicle from the south to the north side of the River Tay or vice versa.
- 2.2. A person driving a vehicle on the Bridge shall not
  - a) drive the vehicle so as to cause it to turn and proceed in, or face the opposite direction unless on the instructions of a Bridge Officer or a constable in uniform, or
  - b) drive or move the vehicle backwards except where it is necessary to back the vehicle to then enable it to move forwards along the Bridge to be connected to any other vehicle.
- 2.3. The driver of a vehicle on the Bridge shall comply with all traffic signals, Variable Message Signs and instructions given by a Bridge Officer or by a constable in uniform and with all notices, road markings and traffic signals displayed on the Bridge or on the approach to the Bridge.
- 2.4. A person driving a vehicle on the bridge shall not stop the vehicle unless directed by a Bridge Officer or by a constable in uniform, notice or traffic signal, or unless it is necessary for the vehicle to do so:-
  - a) by reason of a breakdown of the vehicle; or
  - b) by reason of an accident with another vehicle on the Bridge; or
  - c) by reason of illness of the driver of the vehicle or other emergency which causes the driver to be unable to continue to drive his vehicle; or
  - d) to permit any person carried in or on the vehicle to give help which is required by any person in any of the circumstances specified in para. (a), (b), or (c) above.
- 2.5. The driver of a vehicle on the Bridge shall maintain a safe and prudent distance between his own vehicle and the one immediately in front of it.
- 2.6. No person shall drive onto the Bridge any vehicle which does not have sufficient fuel and mechanical power to ensure that it is able to traverse the Bridge.
- 2.7. No person shall except with the permission of a Bridge Officer refuel any vehicle or undertake any repairs to a vehicle or change a tyre or wheel of a vehicle on the Bridge.
- 2.8. Pedestrians and cyclists shall not enter upon or leave the main Bridge structure except at such entrances to, and exits from, the Shared Walkway, as are provided for this purpose.
- 2.9. A person in charge of a cycle on a Shared Walkway shall give way to pedestrians.
- 2.10. A pedestrian shall not enter upon or remain on the Carriageways.
- 2.11. The provisions referred to at 2.1 to 2.7 above shall apply to cyclists and bicycles using the Bridge as they do to drivers and vehicles.



### 3. Removal of Vehicles from the Bridge

- 3.1. Any vehicle which has stopped on the Bridge for any of the reasons referred to in paragraph 2.4 of the preceding byelaw may be removed from the Bridge by or under the instructions of a Bridge Officer, who may: -
- a) remove the vehicle off the Bridge;
  - b) refuel such vehicle sufficiently to enable it to be driven off the Bridge;
  - c) carry out, or cause to be carried out, any necessary adjustment or repair on any such vehicle to enable it to be driven or towed off the Bridge; and
  - d) in the case of a vehicle on fire, take all such steps as may be necessary to extinguish the fire.
- 3.2. If the driver of a vehicle on the Bridge refuses to move the vehicle when ordered to do so by a Bridge Officer it shall be lawful for it to be removed by a Bridge Officer from the Bridge.
- 3.3. The expense reasonably incurred by or on behalf of the Joint Board in or in connection with anything done, or caused to be done, to any vehicle under the powers conferred by this byelaw may be recovered by the Joint Board from the owner of such vehicle by civil debt procedures.
- 3.4. The exercise by any Bridge Officer of the powers conferred by this byelaw shall not impose on the Joint Board or such officer, or any other person employed or engaged by the Joint Board, any liability in respect of any damage to such vehicle, or the fittings or contents thereof, in consequence of the exercise of those powers.

---

### 4. Prohibited and Restricted Vehicles on the Bridge

- 4.1. A person shall not cause or permit any animal, other than a dog on a lead, to enter or remain on the Shared Walkway. No person shall allow a dog to foul on the Shared Walkway unless the person in charge of the dog immediately removes the fouling (within the provisions of the Dog Fouling (Scotland) Act 2003).
- 4.2. A person shall not, except with the authority of the Bridge Manager, and at such time, and subject to such conditions as may be prescribed by the Bridge Manager :
- (a) drive, ride or lead a horse or drive or lead a horse-drawn vehicle on the Bridge; or
  - (b) cause or permit any other animal to enter or remain on a Carriageway other than an animal kept under proper control in a vehicle.
- 4.3. Vehicles not fitted with pneumatic tires or vehicles having deflated tires or tires fitted with metal studs or spikes shall not be driven on the Bridge.
- 4.4. Any person intending to cause to be driven on the Bridge any vehicle which does not conform to the Road Vehicles (Construction and Use) Regulations 1986, shall: -
- (a) give to the Bridge Manager six days' notice of such intention in writing (or such shorter notice as the Bridge Manager may accept) containing, or accompanied by a description of the vehicle and an indemnity as required by the Road Vehicles (Authorisation of Special Types) General Order 2003; and
  - (b) cause or permit such vehicle to enter upon the Bridge only if authorised by the Bridge Manager and then only at such time and in such manner as the Bridge Manager may direct.

- 4.5. A vehicle conveying corrosive liquids which is not so constructed as to prevent leakage of the contents shall not be driven on to the Bridge.
- 4.6. No person shall take or cause or permit to be taken onto the Bridge any of the following vehicles:
- (a) vehicles which emit grit, sparks, ashes, cinders or oily substances in a manner which contravenes any regulations for the time being in force under the Road Traffic Act 1988 or any amendment thereof relating to the construction and use of motor vehicles;
  - (b) vehicles which in the opinion of the Bridge Manager or a Bridge Officer are in such a condition or so loaded, built or equipped as to be likely to retard traffic, injure persons or damage property etc.
- 4.7. No person shall take or cause or permit to be taken onto the Bridge, without prior permission of the Bridge Manager or a Bridge Officer and subject to such conditions as he may direct (which may include an escort, for which a reasonable charge may be made) any vehicle whose height, width, length or weight (including load in each case) exceeds the current maximum, size and weight of lorries used on UK roads as set out in full in the Road Vehicles (Construction and Use) Regulations 1986.
- 4.8. Application for permission under this byelaw shall be made in writing to the Bridge Manager at least 6 clear days before the proposed arrival of the vehicle subject to the application.

## 5. Temporary Closure and Restriction or Prohibition of Traffic on the Bridge

- 5.1. The Joint Board and (in case of emergency) the Bridge Manager may close the Bridge or any part of the Bridge temporarily for repairs or for other sufficient reason and, while the Bridge or such part of the Bridge is so closed and such closing is indicated by a notice at each approach to the Bridge (in the case of the closing of a Carriageway) and at each entrance to the Shared Walkway (in the case of the closing of a Shared Walkway) a person shall not use any Shared Walkway so closed and a vehicle or a cycle shall not be driven propelled or moved on any Carriageway or any part of a Carriageway so closed.
- 5.2. The Bridge Manager or any Bridge Officer may at any time cause to be displayed at suitable points on the Bridge notices or signs restricting or prohibiting temporarily the use of the Bridge or any part of the Bridge by vehicles or by vehicles of any particular class or description or by cycles, where due to the likelihood of danger to persons, vehicles or cycles using the Bridge or of injury or damage to the Bridge or of unreasonable delay of road traffic or to ally other sufficient cause it appears to the Bridge Manager or such Bridge Officer that such restrictions or prohibitions are necessary.
- 5.3. Without prejudice to the foregoing generality the restrictions or prohibitions which may be imposed by any notice or sign displayed as aforesaid shall include any provision -
- a) requiring vehicles or cycles to proceed in a specified direction or prohibiting their so proceeding;
  - b) specifying the part of the Carriageway to be used by vehicles or cycles proceeding in a specified direction;
  - c) prohibiting or restricting overtaking;
  - d) regulating the speed of vehicles or cycles.



- 5.4. Where the Bridge Manager or an Bridge Officer is satisfied that the use or unrestricted use of the Bridge by a vehicle at a particular time or in particular circumstances would be likely to cause injury or damage to the Bridge or to endanger other vehicles or persons using the Bridge or to cause road traffic to be unreasonably delayed the Bridge Manager or such Bridge Officer may, at such time or in such circumstances prohibit the use of the Bridge by that vehicle either absolutely or except in accordance with such restrictions as the Bridge Manager or such Bridge Officer may impose.
- 5.5. All persons shall observe the Restriction Controls that is in effect at any given time and no vehicle shall be driven on the Bridge in contravention of the Restriction Advice.
- 5.6. A vehicle or a cycle on the Bridge shall not be driven, propelled or moved in contravention of a restriction or prohibition imposed under this byelaw.

---

## 6. Prevention of Damage or Nuisance

- 6.1. No person on the Bridge shall climb upon, damage or remove any part of the structures of the Bridge, its equipment, fittings or appurtenances. Nor shall any person post on or suspend from the Bridge any flag, banner, bill, placard or notice, or write or stamp, cut, print, draw or make marks in any manner on any part of the Bridge.
- 6.2. No person shall move, alter or deface or otherwise interfere with any notice or sign belonging to the Joint Board and exhibited or placed on the Bridge.
- 6.3. No person shall tie up or moor any vessel to any part of the Bridge.
- 6.4. No person shall operate any machinery, switches or other mechanism forming part of the Bridge or required in connection with the operation of the Bridge other than to use a telephone provided by the Joint Board for use in case of emergency.
- 6.5. No person shall throw down, drop or deposit anything whatsoever on or from any part of the Bridge.
- 6.6. No person shall place or deposit or leave on or around the Bridge any vehicle or any glass, china, earthenware, plastic, tin, paper, debris, oils, waste or other material so as to create an obstruction or litter or fire risk.
- 6.7. No person shall offer for sale or sell any articles or produce of any description on the Bridge.
- 6.8. No person shall loiter on the Bridge or remain in any vehicle thereon having been requested by a Bridge Officer to remove therefrom.
- 6.9. No person who is intoxicated shall enter or attempt to enter any part of the Bridge except as a passenger in a vehicle.
- 6.10. No person shall willfully obstruct or impeded a Bridge Officer person in the execution of his duty on or around the Bridge.
- 6.11. No person on the Bridge whether on his own or against another person shall:
  - a) use threatening, abusive or insulting words or behavior, or
  - b) distribute or display any writing, sign or visible representation which is threatening, abusive or insulting or which in the opinion of a Bridge Officer is likely to cause annoyance or offence.

## 7. Removal of persons from the Bridge

- 7.1. Any person acting in contravention of any of the foregoing byelaws may be removed from the Bridge by a Bridge Officer or by a constable in uniform.
- 

## 8. Saving for Bridge Officers and others

- 8.1. Nothing in the foregoing byelaws shall prevent access to any part of the Bridge at any time by:-
- (a) Bridge Officers;
  - (b) any persons engaged in the maintenance, repair, cleaning or lighting of the Bridge;
  - (c) constables and members of a fire or ambulance service while engaged in the exercise of their duties; and
  - (d) any person giving necessary assistance to any other person on the Bridge.
- 8.2. Nothing in the foregoing byelaws shall prevent access to any part of the Bridge by any person in accordance with any permission given by an Bridge Officer.
- 

## 9. Offences

- 9.1. If any person contravenes any of the foregoing byelaws he shall be guilty of an offence and shall be liable on summary conviction to a fine not exceeding level 2 on the standard scale.
- 

## 10. Revocation

- 10.1. The Tay Road Bridge Joint Board Byelaws 2000 are hereby revoked.

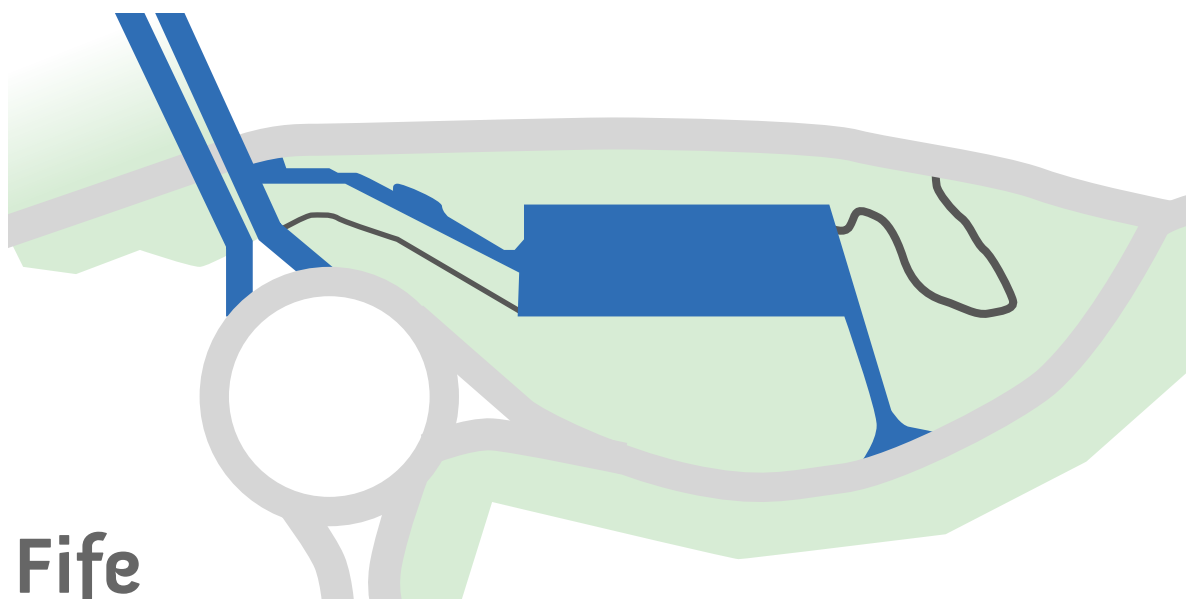
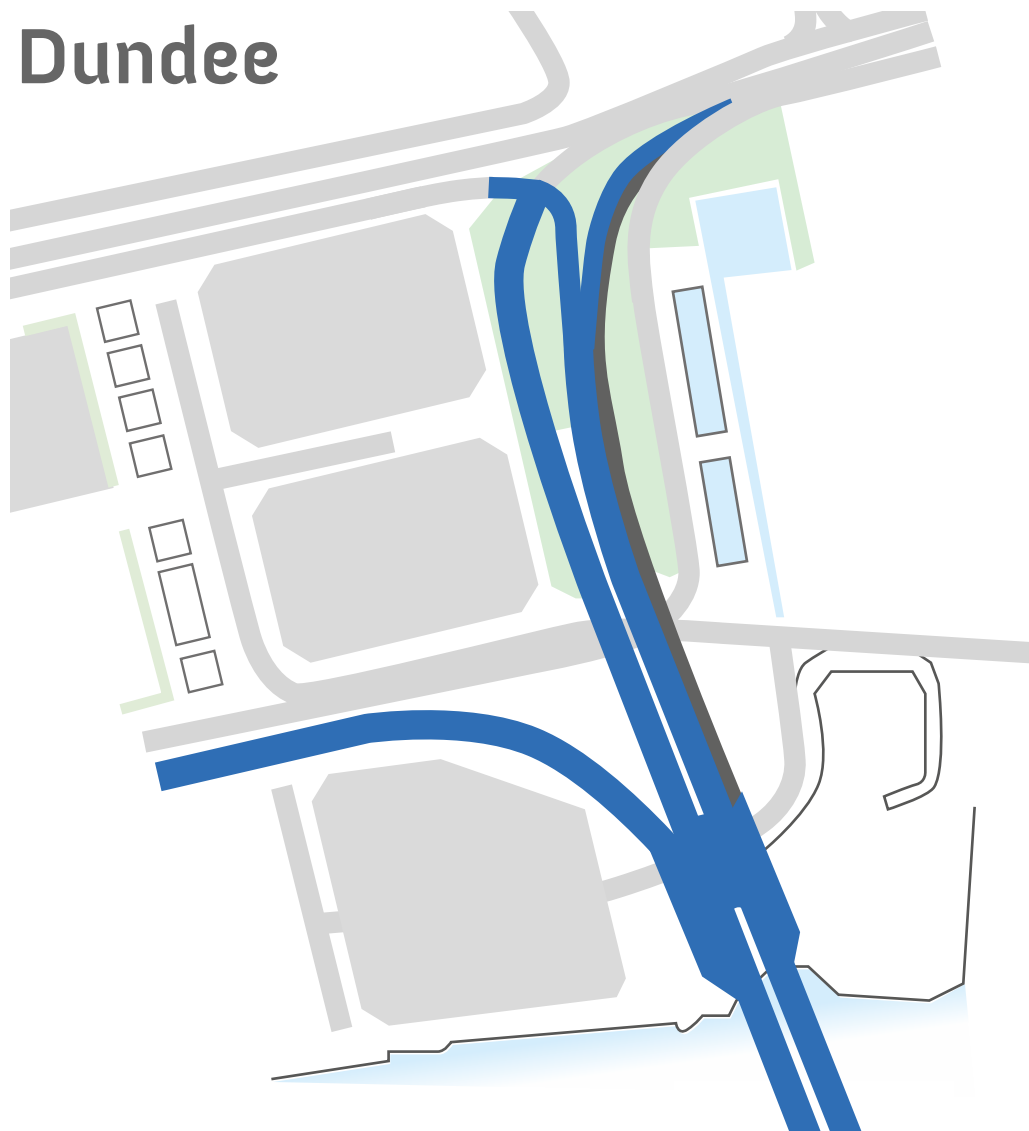
## THE TAY ROAD BRIDGE BYELAWS 2019

### CONFIRMATION

The Scottish Ministers, in exercise of the powers conferred on them by section 58 of the Schedule to the Tay Road Bridge Order Confirmation Act 1991, hereby confirm the foregoing Byelaws, subject to the modifications set out below.

Signed \_\_\_\_\_

# Dundee



# Fife





Tay Road Bridge



**ITEM No ...5.....**

**REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 16 SEPTEMBER 2019**  
**REPORT ON: ANNUAL REVIEW OF STRATEGIC RISK MANAGEMENT**  
**REPORT BY: THE BRIDGE MANAGER**  
**REPORT NO: TRB18-2019**

**1.0 PURPOSE OF REPORT**

1.1 To appraise the Joint Board of the annual review of Strategic Risk Management issues.

**2.0 RECOMMENDATION**

2.1 The Joint Board are asked to note the contents of this Report as at 16 September 2019 and the Strategic Risk Register attached as Appendix A.

**3.0 FINANCIAL IMPLICATIONS**

3.1 There are no financial implications as a result of this report.

**4.0 OUTCOME OF REVIEW**

4.1 As part of the ongoing management of risk it was agreed that the Risk Register would be reviewed annually and updated to take account of new or changed risks faced by the Joint Board.

4.2 This review was carried out on 26 August 2019 in conjunction with the Insurance and Risk Management Team from Dundee City Council and it can be reported that there has been no new major risks identified that require any additional changes to the Strategic Risk Register. This plan will now cover the period 2019-20.

**5.0 POLICY IMPLICATIONS**

5.1 This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

**6.0 CONSULTATION**

6.1 The Treasurer, Clerk and Engineer to the Board have been consulted in the preparation of this report and are in agreement with the content.

**7.0 BACKGROUND PAPERS**

7.1 None.

**ALAN HUTCHISON**  
**BRIDGE MANAGER**  
**26 AUGUST 2019**





Tay Road Bridge

## TAY ROAD BRIDGE JOINT BOARD

### RISK MANAGEMENT STRATEGIC PLAN

### AND STRATEGIC RISK REGISTER

Prepared by:	Alan Hutchison
Reviewed by:	Alan Hutchison/D Urquhart DCC Risk Management

Document Reference:	<b>TRB 09 rev 5</b>
Approved for Issue:	<b>Alan Hutchison</b>
Date: 26 August 2019	Bridge Manager

**Contents**

<b>Section</b>	<b>Page</b>
1. Introduction	3
2. Policy Statement	4
3. Risk Management Strategy	5
4. Roles and Responsibilities	7
5. Risk Management	8
Appendix A – Risk Register (Updated)	10
Appendix B – Risk Management Action Plan	13

## 1. INTRODUCTION

A working definition of Risk Management would be

**"A management discipline through which concerted and co-ordinated action is taken to identify, evaluate and control current and potential causes of loss which could threaten the Board's ability to deliver an efficient and effective service."**

Skilled Risk Management offers the Tay Road Bridge Joint Board the prospect of both tangible and intangible benefits, three examples of each are shown below:

### Tangible

- Reduced financial loss
- Fewer injuries to staff/public
- Preserved assets  
(bridge/buildings/vehicles/  
equipment)

### Intangible

- Better Public Image
- Orderly consideration of risk

Intelligent application of Risk Management concepts should serve to reduce the "fear of the unknown". In this way the discipline should be viewed as a catalyst to service delivery rather than viewed as a reason why certain activities cannot be undertaken.

To achieve this vision requires a disciplined approach to risk which percolates through all levels of the Organisation and its numerous operations. In turn, tiers of management require to absorb and apply Risk Management concepts in their every day thinking and actions and in many ways this "cultural change" is the primary objective of this first Risk Management Strategy Plan.

Whilst this objective could have previously been viewed as desirable, the heightened profile of Corporate Governance in Local Government and the increasing external focus by bodies such as Transport Scotland and Audit Scotland on the issue of Organisational Risk Management increasingly demands attainment of the core objective.

## 2. POLICY STATEMENT

2.1 The Tay Road Bridge Joint Board is committed to the management of risk in order to:-

- Minimise loss, damage or injury to Board employees or members of the public
- Protect Board assets and property
- Preserve and enhance the management and operation of the Tay Road Bridge
- Maintain effective stewardship of public funds
- Promote a favourable corporate image

The efficient management of risk forms part of the Board's overall business objectives. To achieve this, standards and principles will be developed and maintained. This process will involve identification and evaluation of risks to create practical and cost effective means of loss control and avoidance.

Risk management is recognised as a continuous process, demanding awareness and action from employees at every level, to reduce the possibility and impact of injury and loss.



### 3. RISK MANAGEMENT STRATEGY

The strategy aims to provide a framework for building a sustainable structure that recognisably supports Risk Management across all areas of Board activity and allows for monitoring and reporting on the effectiveness of that management.

Whilst acknowledging the majority of risks are relatively low-level in terms of severity there are in addition significant Strategic or Corporate risks that must also be managed.

#### 3.1 **Status**

Risk Management should be as much a part of the duties of all employees as are the control of budgets and the deployment of staff and equipment.

It should also be an element of the consultation process prior to altering existing service delivery and/or implementing new initiatives.

If the Board is to satisfy its external scrutiny obligations it will be required to demonstrate that Risk Management is carried out in this systematic and structured manner and be subject to monitoring.

#### 3.2 **Management Arrangements**

Risk Management needs to be fully integrated with normal management processes. The Bridge Manager is primarily responsible for the management of risk. The Treasurer is required to produce and/or maintain:

- A Risk Register
- A Risk Management Action Plan to address unacceptable risk exposures which have been detailed in the Risk Register
- Monitoring reports as appropriate

#### 3.3 **Risk Management Forums**

It is acknowledged there can be high level areas of risk which would benefit from a Risk Management forum.

It is proposed where such a need is identified, the forum will be chaired by the Bridge Manager.

#### 3.4 **Accountability**

Accountability for performance must be an integral part of the Risk Management process. Progress ought to be monitored and the following routine reporting pattern will operate:

The Bridge Manager will report to the Board summarising Risk Management performance and updating the Risk Register on an annual basis.

#### 3.5 **Monitoring and Review**

Full implementation of this strategy will take time and effort. Similarly, adherence to its requirements on an ongoing basis will require a resource commitment.

In mitigation it should be remembered that significant elements of the strategy are, already being performed.

The implementation and operation of the strategy will be kept under review to ensure both that it is operating effectively and that there are no aspects taking up disproportionate effort.

### 3.6 **Management Information**

Many aspects of the strategy will be driven by the quality of information available over loss profiles. Risk Management Information is provided under a Service Level Agreement with Dundee City Council.

## 4. ROLES AND RESPONSIBILITIES

### 4.1 Board Members

Board Members are responsible for making the strategic decisions affecting the management and operation of the Tay Road Bridge. They are responsible for understanding the strategic risks the Board has to face and be aware of how they are managed.

Board Members main tasks are to:

- Approve the risk management Strategic Plan
- Monitor the reporting of risk management activity
- Approve the annual report on Risk Management performance.

### 4.2 Board Officers

The Bridge Manager is responsible for ensuring risks the Board face are adequately managed. To enable the Bridge Manager to fulfil this responsibility he will liaise with the following Board Officers on the various elements listed below:-

Clerk to the Board	Legal, Contractual and Personnel related Risk
Engineer to the Board	Engineering Risk
Treasurer to the Board	Financial Risk

The Bridge Manager's key tasks will be to:

- Implement the risk management strategic plan.
- Review the Risk Register annually in conjunction with the Clerk, Engineer, Treasurer and Dundee City Council's Risk Manager.

## 5. Risk Management

### 5.1 Risk Identification Process

A number of techniques have been used to construct the Board's Risk Register.

The Risk Register identifies strategic and significant operational risks. In addition, an assessment of risk probability coupled with a risk severity analysis is included within the register.

### 5.2 Risk Prioritisation and Control

Risks identified are prioritised in the following manner:

- a Risk score determined through multiplication of probability and severity scores as follows:-

Score	Probability	Severity
1	Rare	Insignificant
2	Unlikely	Minor
3	Possible	Moderate
4	Likely	Major
5	Certain	Catastrophic

The Matrix produced using the above scores is shown below:-

Probability

5	10	15	20	25
4	8	12	16	20
3	6	9	12	15
2	4	6	8	10
1	2	3	4	5

Severity

b Risks are then prioritised using the "Traffic Light System" as indicated below:

Risk Score	Status	Control	Review Timescale
1 to 8	Green	Risk adequately controlled	No specific action required
9 to 16	Amber	Risk partially controlled	Within 24 months
17 to 25	Red	Further control required	Within 12 months

The potential to control risks will be addressed continuously through the upkeep of the Risk Register. Most risks are capable of being managed - by controlling the probability or severity of the risk or both. Very few risks require to be avoided completely.

It is anticipated that many risks will be realigned through this process. It is unrealistic to conceive that at any given time all risks will be "Green" but it will be possible to critically analyse risks with a view to improving their "score".

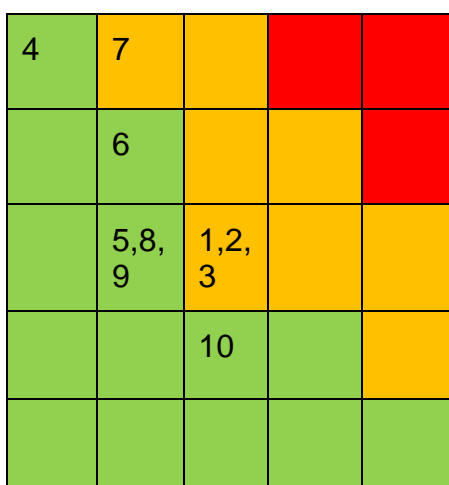
5.3 Monitoring Arrangements

To avoid stagnation of the Risk register process the following monitoring arrangements are in place.

- risk register to be reviewed annually or at the time of any organisational/legislative changes

5.4 Current Risk Status

The following Risk Status graph has been prepared using the information taken from the Strategic Risk Register in Appendix A. The numbers shown identify the risk stated in the Register.





## APPENDIX A

## Strategic Risk Register

No	Risk Description	Probability (P)	Severity (S)	Inherent Risk (P) x (S)	Existing Controls	Residual Risk	Further Action Required	Responsible Officer	Priority
<b>Risk Category: External</b>									
1	Change of Government with revised policies/strategies	3	4	12	N/A	3x4 =12	None	Clerk Treasurer	Amber
2	Legislative changes e.g. Health & Safety , Environmental, Procurement etc "Brexit" following referendum result June 2016	3	4	12	Maintain awareness of changes to legislation and amend policies and procedures timeously – Too early to say what impact Brexit will make.	3x3 = 9	Review and update Policies and Procedures on regular basis- monitor closely Government negotiations with European Union.	Clerk Bridge Manager Engineer	Amber
3	Effects of changes to Economy – budget limitations etc "Brexit" following referendum result June 2016	3	4	12	Financial planning, monitoring and control systems – Too early to say what impact Brexit will make.	3x3 = 9	None	Bridge Manager Treasurer	Amber

No	Risk Description	Probability (P)	Severity (S)	Inherent Risk (P) x (S)	Existing Controls	Residual Risk	Further Action Required	Responsible Officer	Priority
<b>Risk Category: Operational</b>									
4	Loss of structure/ operational capacity through ship impact/terrorism	3	5	15	Dundee Port Authority Controls. Insurance Provision of pier protection system at Navigation Spans Security of asset through CCTV and 24 hour site attendance	1x5 = 5	None	Bridge Manager Engineer	Green
5	Loss of structure/ operational capacity through effects of Dundee City Waterfront Development works	3	5	15	Major infrastructure Works in waterfront now complete- Left on Risk register as development plots still to be developed Asset Protection Agreement with DCC	1x2 = 2	Ongoing review of design and traffic management proposals throughout works	Bridge Manager Engineer	Green
6	Loss of operational capability through loss of bridge/buildings	2	5	10	Frequent inspection/maintenance of assets	2x4 = 8	None	Bridge Manager Engineer	Green
7	Losses through poor governance	3	5	15	Scheme of Delegation / Anti Fraud and Corruption Policy etc in place. Undertake Internal and External Audit	2x5 = 10	Continue to review and apply Governance Policies and Audits	Bridge Manager Treasurer	Green



8	Failure to deliver projects to time and/or cost	3	4	12	Major schemes submitted to Board for approval – None Pending at Present	2x3 = 6	Adopt robust project management procedures including Business Case preparation for schemes in excess of £50,000	Bridge Manager Engineer	Green
9	Lack of financial resources:-	3	3	9	Submission of applications for Grant in Aid to include robust estimates as back up.  Monitor and control expenditure against agreed budgets	2x3 = 6	None	Bridge Manager Treasurer	Green
10	Lack of staff resources:- Pandemic Industrial Action Recruitment problems	3	3	9	Business Continuity plans Liaison/Consultation with Staff and Trade Unions on matters affecting staff  Monitor/manage staff absences  Monitor retiral dates and plan recruitment accordingly	3x2 =6	Review BC plans on regular basis  Develop Staff Planning Strategy	Bridge Manager	Green

**APPENDIX B**  
**Risk Management Action Plan 2019-20**

Subject	Task	Responsibility	Timescale	Update
Strategic	Maintain Risk Management Planning process	Bridge Manager	Annually	Ongoing
Operational	Review Risk Register	Bridge Manager	Annually	Ongoing
Operational	Test Business Continuity Plans	Bridge Manager	Annually	Ongoing

**ITEM No ...6.....**

**REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 16 SEPTEMBER 2019**

**REPORT ON: REVENUE MONITORING – 4 MONTHS TO 31 JULY 2019**

**REPORT BY: THE TREASURER**

**REPORT NO: TRB 20-2019**

## **1.0 PURPOSE OF REPORT**

- 1.1 The purpose of this report is to appraise Board Members of the latest position regarding the Joint Board's 2019/2020 Revenue Budget.

## **2.0 RECOMMENDATIONS**

- 2.1 It is recommended that the Joint Board note the content of this Revenue Monitoring Report as at 31 July 2019.

## **3.0 FINANCIAL IMPLICATIONS**

- 3.1 The 2019/2020 Revenue Budget predicted a deficit of £35,000 (see Report 23-2018). The current outturn position for the financial year 2018/2019 is projecting a deficit of £35,000 against the 2019/2020 Revenue Budget based on the financial information available at 31 July 2019 (as detailed in Appendix A).
- 3.2 Following the removal of tolls the Board's Revenue Expenditure is now financed by an annual Revenue Grant from Scottish Government.
- 3.3 Transport Scotland's Internal Audit recently reviewed their management of grant funding arrangements which included their administration of grant payments to and carry forward requests from the Joint Board. One of the recommendations of this review will be that any unspent grants carried forward from previous years will require to be repaid in this financial year. The amount to be repaid is £1.235m. This results in a projected Revenue Grant carried forward into 2020/2021 of £nil.
- 3.4 The projected deficit position, if it materialised, would result in a General Fund Reserve of £1,125,591 at 31 March 2019. This level of retained reserves is subject to negotiation with the Scottish Government.

## **4.0 RISK ASSESSMENT**

- 4.1 In preparing the Board's Annual Revenue Budget (see Report TRB 23-2018), the Treasurer considered the key strategic, operational and financial risks faced by the Board over this period. In order to alleviate the impact these risks may have should they occur, a number of general risk mitigating factors are utilised by the Board. These include:
- a system of perpetual detailed monthly budget monitoring with latest positions reported to quarterly Board meetings;
  - the level of General Fund Reserve balances available to meet any unforeseen expenditure;
  - the level of other cash backed reserves available to meet any unforeseen expenditure;
  - the possibility of identifying further budget savings and efficiencies during the year if required; and
  - the possibility of identifying new income streams during the year.

**5.0 POLICY IMPLICATIONS**

5.1 This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

**6.0 CONSULTATIONS**

6.1 The Clerk, Bridge Manager and the Engineer to the Board have been consulted in the preparation of this report and are in agreement with the contents.

**7.0 BACKGROUND PAPERS**

7.1 None

**GREGORY COLGAN  
TREASURER**

**4 SEPTEMBER 2019**

**TAY ROAD BRIDGE JOINT BOARD****REVENUE MONITORING AS AT 31 JULY 2019**

	Revenue Budget 2019/20 £	Expenditure to 31 July 2019 £	Final Projection 2019/20 £	Variance from Budget £	Paragraph Reference
<b>EXPENDITURE</b>					
<u>Administration</u>					
Staff Costs	182,288	58,980	182,288	-	
Property Costs	33,150	7,440	33,150	-	
Supplies and Services	137,043	82,172	137,043	-	
Transport Costs	975	-	975	-	
Third Party Payments	93,375	-	93,375	-	
	447,831	148,592	447,831	-	
<u>Operations</u>					
Staff	489,898	161,635	489,898	-	
Supplies & Services	10,700	1,143	10,700	-	
	500,598	162,778	500,598	-	
<u>Plant and Equipment</u>					
Property	28,500	8,327	28,500	-	
Supplies & Services	177,900	47,554	177,900	-	
Transport	34,450	16,847	34,450	-	
Third Party Payments	18,750	1,678	18,750	-	
	259,600	74,406	259,600	-	
<u>Bridge Maintenance</u>					
Staff	305,484	90,250	305,484	-	
Property	32,000	1,454	32,000	-	
Supplies & Services	52,950	2,463	52,950	-	
Transport	300	-	300	-	
Third Party Payments	21,850	-	21,850	-	
	412,584	94,167	412,584	-	
<b>GROSS EXPENDITURE</b>	1,620,613	479,943	1,620,613	-	
<b>INCOME</b>					
Scottish Government Revenue Grant	1,700,000	566,667	1,700,000	-	
Interest on Revenue Balances	25,000	-	25,000	-	
Kiosk Rent	10,213	2,553	10,213	-	
Miscellaneous	400	59	400	-	
<b>GROSS INCOME</b>	1,735,613	569,279	1,735,613	-	
<b>TOTAL NET REVENUE EXPENDITURE / (INCOME)</b>	(115,000)	(89,336)	(115,000)	-	

## CAPITAL FUNDED FROM CURRENT REVENUE (CFCR)

	Revenue Budget 2019/20	Expenditure to 31 July 2019	Final Projection 2019/20	Variance from Budget	Paragraph Reference
	£	£	£	£	
Miscellaneous Projects	100,000	10,165	100,000	-	
Gantry Miscellaneous	25,000	10	25,000	-	
Paintwork to Box Girders	25,000	-	25,000	-	
<b>TOTAL CFCR</b>	150,000	10,175	150,000	-	
<b>TOTAL NET DEFICIT / (SURPLUS) MET FROM GENERAL RESERVE BALANCES</b>	35,000	(79,161)	35,000	-	

**REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 16 SEPTEMBER 2019**

**REPORT ON: CAPITAL MONITORING - 4 MONTHS TO 31 JULY 2019**

**REPORT BY: THE TREASURER**

**REPORT NO: TRB 21-2019**

### **1.0 PURPOSE OF REPORT**

1.1 The purpose of this report is to appraise Board Members of the latest position regarding the Joint Board's 2019/2020 Capital Plan.

### **2.0 RECOMMENDATIONS**

2.1 It is recommended that the Joint Board note the content of this Capital Monitoring Report as at 31 July 2019.

### **3.0 FINANCIAL IMPLICATIONS**

3.1 The Joint Board's 2019/2020 Capital Expenditure Programme of £1,795,000 was approved by the Board on 3 December 2018 (Report TRB 24-2018). From 1 April 2008 the Board's Capital Expenditure projects are being financed through Scottish Government Capital Grant.

3.2 The capital outturn for the financial year 2019/2020 (as detailed in Table 1 on Appendix A) is projected to be £1,177,000 (i.e. a net decrease of £618,000 from the originally approved budget) based on the financial ledger information up to 31 July 2019 and this will be funded from 2019/2020 Capital Grant of £375,000, Capital Grant carried forward from previous years of £645,000, Capital Receipts of £7,000 and Capital Funded from Current Revenue (CFCR) of £150,000.

3.3 Transport Scotland's Internal Audit recently reviewed their management of grant funding arrangements which included their administration of grant payments to and carry forward requests from the Joint Board. One of the recommendations of this review will be that any unspent grants carried forward from previous years will require to be repaid in this financial year. The amount to be repaid is £1.366m. This is calculated based on the projected outturn figure. This results in a projected Capital Grant carried forward into 2020/2021 of £nil (as detailed in Table 2 on Appendix A).

### **4.0 REASONS FOR CAPITAL EXPENDITURE NET DECREASE**

4.1 The main reasons for the net decrease of £618,000 can be summarised as follows:

	<b>£000</b>
<b><u>Slippage from 2018/2019:</u></b>	
CP Monitoring Equipment	130
Lift Replacement	4
New Switch Gear	87
LED Lighting to Bridge and Fife Car Park	50
<b><u>Budget Adjustments:</u></b>	
New Vehicles	20
Bridge Office Refurbishment	(400)
New Switch Gear	(32)
<b><u>Slippage into 2020/2021:</u></b>	
CP Hardware	(250)
Inspection of Columns & Piers	(227)
<b>Total Budget Adjustments</b>	<b>(618)</b>

## **5.0 RISK ASSESSMENT**

- 5.1 There are a number of risks which may have an impact on the Capital expenditure programme. The main areas of risk are set out below, together with the mechanisms in place to help mitigate these risks.
- 5.2 Construction cost inflation levels are volatile, and they can on occasion be relatively high in comparison to general inflation. Therefore delays in scheduling and letting contracts may lead to increases in projected costs. Every effort will be made to ensure delays are avoided wherever possible and any increase in costs minimised.
- 5.3 Slippage in the Capital programme leads to the need to reschedule projects in the current year and possibly future years, therefore creating problems in delivering the programme on time. For this reason the programme is carefully monitored and any potential slippage is identified as soon as possible and any corrective action taken wherever possible.
- 5.4 Capital projects can be subject to unforeseen price increases. The nature of construction projects is such that additional unexpected costs can occur. Contingencies are built into the budget for each capital project and these are closely monitored throughout the project.
- 5.5 There is risk associated with projects that are not yet legally committed as the works are not yet tendered for, and there is potential for costs to be greater than the allowance contained within the Capital Plan. As the majority of spend on these projects is in future years, the risk in the current year is not significant. Future years' Capital programme will be adjusted to reflect updated cost estimates.
- 5.6 The Capital Monitoring report and the Engineer's report provide information on individual projects contained within the Capital Budget and the impact of expenditure movements on the future financial years.
- 5.7 The level of Capital Grant received from the Scottish Government may be impacted by budgetary constraints in future financial statements.

## **6.0 CONCLUSION**

- 6.1 The Board's 2019/2020 capital programme is showing a projected capital spend of £1,177,000 which will be funded from the current year's Scottish Government grant, unspent Capital Grant carried forward from previous years, Capital Receipts and Capital Funded from Current Revenue.
- 6.2 The 2019/2020 capital expenditure programme will continue to be monitored on a regular basis throughout the remainder of the current financial year.

## **7.0 POLICY IMPLICATIONS**

- 7.1 This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

## **8.0 CONSULTATIONS**

- 8.1 The Clerk, Bridge Manager and the Engineer to the Board have been consulted in the preparation of this report and are in agreement with the contents.

## **9.0 BACKGROUND PAPERS**

- 9.1 None.

**GREGORY COLGAN**  
**TREASURER**

**4 SEPTEMBER 2019**



## TAY ROAD BRIDGE JOINT BOARD

## APPENDIX A

TABLE 1: CAPITAL EXPENDITURE MONITORING - 4 MONTHS TO 31 JULY 2019

<u>Expenditure</u>	<u>Capital Budget 2019/20 £000</u>	<u>Slippage from 2018/19 £000</u>	<u>Budget Adjust £000</u>	<u>Slippage into 2020/21 £000</u>	<u>Revised Capital Budget 2019/20 £000</u>	<u>Actual to 31 July 2019 £000</u>	<u>Projected Outturn 2019/20 £000</u>	<u>Variance from Budget £000</u>
								-
New Vehicles	30	-	20	-	50	47	50	-
Carriageway Resurfacing	200	-	-	-	200	-	200	-
CP Hardware	250	-	-	(250)	-	-	-	-
CP Monitoring Equipment	-	130	-	-	130	-	130	-
Inspection of Columns & Piers	300	-	-	(227)	73	73	73	-
Replacement of Expansion Joints	25	-	-	-	25	8	25	-
New Gantries	100	-	-	-	100	-	100	-
Bridge Office Refurbishment	700	-	(400)	-	300	-	300	-
Lift Replacement	-	4	-	-	4	-	4	-
New Switch Gear	-	87	(32)	-	55	16	55	-
LED Lighting to Bridge and Fife Car Park	40	50	-	-	90	59	90	
Miscellaneous Projects (CFCR)	100	-	-	-	100	10	100	-
Gantry – Miscellaneous (CFCR)	25	-	-	-	25	-	25	-
Paintwork to Box Girders (CFCR)	25	-	-	-	25	-	25	-
<b>Total Gross Expenditure</b>	<b><u>1,795</u></b>	<b><u>271</u></b>	<b><u>(412)</u></b>	<b><u>(477)</u></b>	<b><u>1,177</u></b>	<b><u>213</u></b>	<b><u>1,177</u></b>	<b><u>---</u></b>
<b>Funded by:</b>	<b><u>£000</u></b>	<b><u>£000</u></b>	<b><u>£000</u></b>	<b><u>£000</u></b>	<b><u>£000</u></b>	<b><u>£000</u></b>	<b><u>£000</u></b>	<b><u>£000</u></b>
Capital Grant 2019/2020	750	-	(375)	-	375	125	375	-
Unapplied Capital Grant Brought Forward from Previous Years	895	271	(44)	(477)	645	-	645	-
Capital Receipts	-	-	7	-	7	7	7	
Capital Funded from Current Revenue (CFCR)	150	-	-	-	150	10	150	-
<b>Total Funding</b>	<b><u>1,795</u></b>	<b><u>271</u></b>	<b><u>(412)</u></b>	<b><u>(477)</u></b>	<b><u>1,177</u></b>	<b><u>142</u></b>	<b><u>1,177</u></b>	<b><u>---</u></b>

TABLE 2: Unapplied Capital Grant Projected Carry Forward:

	<u>£000</u>
Unapplied Capital Grant Brought Forward	2,011
<u>Add:</u> Capital Grant Received 2019/2020	375
<u>Less:</u> Capital Grant Utilised 2019/2020	(1,020)
<u>Less:</u> Repayment of Unapplied Capital Grant Brought Forward from Previous Years	(1,366)
<b>Unapplied Capital Grant Carried Forward to 2020/2021</b>	<b><u>---</u></b>



**Tay Road Bridge Joint Board**  
**Audit of annual accounts 2018/19**

5 September 2019

**Independent auditor's report**

1. Our work on the 2018/19 annual accounts is now substantially complete. Subject to the receipt of revised annual accounts for final review, we anticipate being able to issue unqualified independent auditor's opinions in the independent auditor's report following approval of the annual accounts by the Joint Board on 16 September 2019. The proposed independent auditor's report is attached at appendix A.

**Annual audit report**

2. We also present for your consideration our proposed Annual Audit Report on the 2018/19 audit. International Standard on Auditing (ISA) 260 (Communication with those charged with governance) requires auditors to report specific matters arising from the audit of the annual accounts to those charged with governance, in sufficient time to enable appropriate action. Within the proposed Annual Audit Report, the section headed "Significant findings" sets out issues on the pension liability and capital contributions which we consider merit your attention.
3. The Annual Audit Report will be issued in its final form after the annual accounts have been approved for issue and the independent auditor's report has been signed.

**Unadjusted misstatements**

4. We are required to report to those charged with governance, all unadjusted misstatements, other than those of a trivial nature, and request that they be corrected. There are no unadjusted misstatements to report.

**Fraud, subsequent events and compliance with laws and regulations**

5. In presenting this report to the Board we seek confirmation from those charged with governance of any instances of any actual, suspected or alleged fraud; any subsequent events that have occurred since the date of the financial statements; or material non-compliance with laws and regulations affecting the entity that should be brought to our attention.

**Representations from management**

6. International Standard on Auditing 580 (Management representations) requires auditors to obtain representations on certain matters from management. Accordingly, as part of the audit completion process, we seek written assurances from the Treasurer, as the "proper officer" appointed by virtue of section 95 of the Local Government (Scotland) Act 1973, on aspects of the annual accounts.

7. A draft letter of representation is attached at **appendix B**; this should be reviewed for accuracy and any proposed amendments discussed with us. Once satisfied, the letter should be signed and returned by the Treasurer along with the with the signed annual accounts.

**Concluding remarks**

8. I take this opportunity to record my thanks for the patient and courteous assistance extended to the audit team. Staff provided good support to the audit team which helped to ensure that the audit process ran smoothly.

Bruce Crosbie  
Senior Audit Manager  
Audit Scotland  
4th Floor  
102 Westport  
Edinburgh  
EH3 9DN

## APPENDIX A: Proposed Independent Auditor's Report

### Independent auditor's report to the members of Tay Road Bridge Joint Board and the Accounts Commission

#### Report on the audit of the financial statements

##### Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Tay Road Bridge Joint Board for the year ended 31 March 2019 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Balance Sheet, Movement in Reserves Statement, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (the 2018/19 Code).

In my opinion the accompanying financial statements:

- give a true and fair view, in accordance with applicable law and the 2018/19 Code, of the state of affairs of Tay Road Bridge Joint Board as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

##### Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. 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 was appointed under arrangements approved by the Accounts Commission on 10 April 2017. The period of total uninterrupted appointment is three years. I am independent of the Tay Road Bridge Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the Tay Road Bridge Joint Board. 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 basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Treasurer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about Tay Road Bridge Joint Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Risks of material misstatement

I have reported in a separate Annual Audit Report, which is available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my conclusions thereon.

## Responsibilities of the Treasurer and Tay Road Bridge Joint Board for the financial statements

As explained more fully in the Statement of Responsibilities for the Annual Accounts, the Treasurer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Treasurer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Treasurer is responsible for assessing the Tay Road Bridge Joint Board'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.

The Tay Road Bridge Joint Board is responsible for overseeing the financial reporting process.

## Auditor's responsibilities for the audit of the financial statements.

My objectives are to achieve 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.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skillfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. I therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

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

## Other information in the annual accounts

The Treasurer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration Report, and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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

### Opinions on matters prescribed by the Accounts Commission

In my opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

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

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; 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 that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

### Matters on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or

I have nothing to report in respect of these matters.

### Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

**Bruce Crosbie FCCA**  
**Senior Audit Manager**  
**Audit Scotland**  
**4th Floor**  
**102 Westport**  
**Edinburgh**  
**EH3 9DN**

**16 September 2019**

## APPENDIX B: Letter of representation

Bruce Crosbie FCCA  
Audit Scotland  
4th Floor  
102 Westport  
Edinburgh  
EH3 9DN

16 September 2019

Dear Bruce

### **Tay Road Bridge Joint Board Annual Accounts 2018/19**

1. This representation letter is provided in connection with your audit of the Annual Accounts of Tay Road Bridge Joint Board for the year ended 31 March 2019 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the remuneration report, management commentary and annual governance statement.
2. I confirm to the best of my knowledge and belief, and having made appropriate enquiries of the Bridge Manager, the following representations given to you in connection with your audit of Tay Road Bridge Joint Board for the year ended 31 March 2019.

### **Financial reporting framework**

3. The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (2018/19 accounting code) the requirements of the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003 and The Local Authority Accounts (Scotland) Regulations 2014.
4. Disclosure has been made in the financial statements of all matters necessary for them to show a true and fair view of the transactions and of the Tay Road Bridge Joint Board for the year ended 31 March 2019.

### **Legality of financial transactions**

5. The financial transactions of Tay Road Bridge Joint Board are in accordance with the relevant legislation and regulations governing its activities. All known or possible non-compliance with laws and regulations whose effects should be considered when preparing annual accounts have been disclosed to you, together with any actual or contingent consequences which may arise.

### **Accounting policies and estimates**

6. All material accounting policies adopted are as shown in the Statement of Accounting Policies included in the financial statements. The appropriateness of these policies has been reviewed, and takes account of the requirements set out in the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.
7. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. There are no changes in estimation techniques which should be disclosed due to their having a material impact on the accounting disclosures.



**Going concern basis of accounting**

8. I have assessed Tay Road Bridge Joint Board's ability to carry on as a going concern and concluded that it is appropriate to prepare the financial statements on a going concern basis.

**Related party transactions**

9. All transactions with related parties have been disclosed in the financial statements. I have made available to you all the relevant information concerning such transactions, and I am not aware of any other matters that require disclosure in order to comply with the requirements of international accounting standard 24.

**Assets**

10. I carried out an assessment at 31 March 2019 as to whether there is any indication that an asset may be impaired and have recognised any impairment losses identified.
11. There are no plans or intentions that are likely to affect the carrying value or classification of the assets recognised within the financial statements.
12. Owned assets are free from any lien, encumbrance or charge except as disclosed in the financial statements..

**Liabilities**

13. All liabilities have been provided for in the balance sheet, including the liabilities for all purchases to which title has passed prior to 31 March 2019.
14. The accrual recognised in the financial statements for holiday untaken by 31 March 2019 has been estimated on a reasonable basis.
15. The pension assumptions made by the actuary in the IAS 19 report for the Tay Road Bridge Joint Board have been considered and I confirm that they are consistent with management's own view.

**Carrying value of assets and liabilities**

16. The assets and liabilities have been recognised, measured, presented and disclosed in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19. There are no plans or intentions that are likely to affect the carrying value or classification of the assets and liabilities in the financial statements.

**Provisions and contingent liabilities**

17. I have considered the need for provisions and/or contingent liabilities in the financial statements and concluded that other than those disclosed at note 26 there are no material liabilities which have resulted or may be expected to result, by legal action or otherwise, from events which had occurred by 31 March 2019 and of which Joint Board could reasonably be expected to be aware.

**Fraud**

18. I have nothing to report regarding:
  - my assessment of the risk that the financial statements may be materially misstated because of fraud
  - any allegations of fraud or suspected fraud affecting the financial statements

- fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

### **Accruals**

19. I have assessed the method of calculating accruals and consider it appropriate and confirm that a firm obligation to make the expenditure exists.

### **Remuneration Report**

20. The remuneration report has been prepared in accordance with the Local Authority Accounts (Scotland) Amendment Regulations 2011 and Scottish Government finance circular 8/2011 and includes all specified remuneration for relevant council officers and all elected members. No exit packages were granted to any staff member during the year to 31 March 2019.

### **Corporate governance**

21. I acknowledge, as the officer with responsibility for the proper administration of the Joint Board's financial affairs, my responsibility for the systems of internal control. I confirm that I have disclosed to the auditor all deficiencies in internal control of which I am aware.
22. The corporate governance arrangements have been reviewed and the disclosures have been made in the annual accounts in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19. There have been no changes in the corporate governance arrangements or issues identified, since 31 March 2019, which require disclosure.

### **General**

23. I acknowledge my responsibility and that of Tay Road Bridge Joint Board for the annual accounts. All of the accounting records requested have been made available to you for the purposes of your audit. All material agreements and transactions undertaken by the Tay Road Bridge Joint Board have been properly reflected in the financial statements. All other records and information have been made available to you, including minutes of all management and other meetings.
24. Disclosure has been made in the financial statements of all matters necessary to give a true and fair view of the financial position of Tay Road Bridge Joint Board as at 31 March 2019 and the income and expenditure for the year then ended.
25. The information given in the narrative reports supporting the financial statements, including the management commentary, annual governance statement and remuneration report, presents a balanced picture of Tay Road Bridge Joint Board and is consistent with the financial statements.
26. I have considered the risk that the financial statements may be materially misstated as a result of fraud. I confirm that there are no allegations of fraud or suspected fraud affecting the financial statements. There have been no irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the financial statements.
27. I am unaware of any uncorrected misstatements.

**Events subsequent to the date of the Balance Sheet**

28. Other than those disclosed at note 16, there have been no material events since the date of the balance sheet which would require the revision of the figures in the financial statements or notes thereto.
29. Since the date of the balance sheet no events or transactions have occurred which, though properly excluded from the accounts, are of such importance that they should be brought to your notice.

Yours sincerely

**Greg Colgan**

**Treasurer to the Tay Road Bridge Joint Board**



# Tay Road Bridge Joint Board

## 2018/19 Proposed Annual Audit Report



 AUDIT SCOTLAND

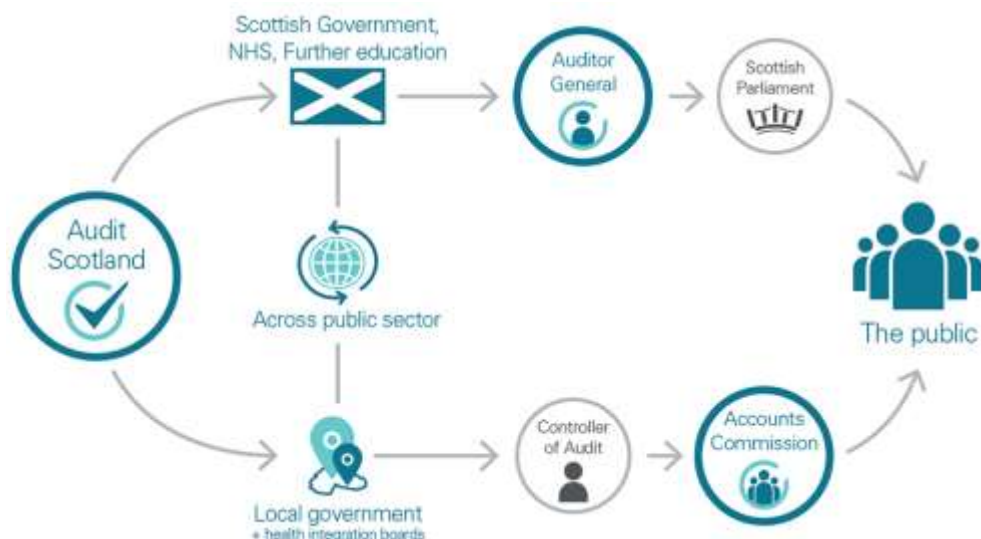
Prepared for the Members of Tay Road Bridge Joint Board and the Controller of Audit

16 September 2019

## Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



## About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

---

# Contents

---

Key messages	4
Introduction	5
Part 1 Audit of 2018/19 annual accounts	8
Part 2 Financial sustainability	13
Part 3 Governance and transparency	17
Appendix 1 Action plan 2018/19	20
Appendix 2 Significant audit risks identified during planning	21
Appendix 3 Summary of national performance reports 2018/19	23

---

# Key messages

---

## 2018/19 annual accounts

- 1 The financial statements give a true and fair view of the state of affairs of the Joint Board as at 31 March 2019 and of its income and expenditure for the year then ended and were properly prepared.
- 2 The audited part of the remuneration report, management commentary and annual governance statement are all consistent with the financial statements and prepared in accordance with relevant regulations and guidance.

## Financial sustainability

- 3 The Joint Board's financial position is sustainable in the foreseeable future. It has a sufficient level of reserves and there is a medium term financial plan in place.

## Governance and transparency

- 4 The Joint Board has appropriate governance arrangements in place that support the scrutiny of decisions made.
- 5 The Joint Board demonstrates a commitment to transparency in the way it conducts its business.
- 6 The Joint Board's continuous improvement agenda recognises the need to update the whistleblowing policy and develop an anti-bribery policy.



---

# Introduction

---

1. This report summarises the findings arising from the 2018/19 audit of Tay Road Bridge Joint Board (the Joint Board).
2. The scope of the audit was set out in our 2018/19 Annual Audit Plan presented to the March 2019 meeting of the Joint Board. This report comprises the findings from:
  - an audit of the annual accounts
  - consideration of the financial sustainability and the governance & transparency arrangements in the Joint Board.
3. Our standard audits are based on four audit dimensions that frame the wider scope of public sector audit requirements as illustrated in [Exhibit 1](#).

---

## Exhibit 1 Audit dimensions



Source: *Code of Audit Practice 2016*

---

4. The [Code of Audit Practice 2016](#) (the Code) includes provisions relating to the audit of small bodies. Where the application of the full wider audit scope is judged by auditors not to be appropriate to an audited body then the annual audit work can focus on the financial sustainability of the body and its services and the appropriateness of the disclosures in the annual governance statement.
5. As highlighted in our 2018/19 Annual Audit Plan, due to the volume and lack of complexity of the financial transactions, we applied the small body provisions of the Code to the 2018/19 audit of the Joint Board.

## Added value through the audit

6. We add value to the Joint Board through the audit by:

- identifying and providing insight on significant risks, and making clear and relevant recommendations for improvements that have been accepted by management
- reporting our findings and conclusions in public
- sharing intelligence and good practice through our national reports ([Appendix 3](#)) and good practice guides
- Providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance arrangements and financial sustainability.

7. In so doing, we aim to help the Joint Board promote improved standards of governance, better management and decision making and more effective use of resources.

## Responsibilities and reporting

8. The Joint Board has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices.

9. The Joint Board is also responsible for compliance with legislation, and putting arrangements in place for governance, propriety and regularity that enable it to successfully deliver its objectives.

10. Our responsibilities as independent auditor appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the [Code of Audit Practice 2016](#) and supplementary guidance, and International Standards on Auditing in the UK.

11. As public sector auditors we give independent opinions on the annual accounts. Additionally, for the Joint Board we conclude on:

- the suitability and effectiveness of corporate governance arrangements, and
- the arrangements for securing financial sustainability.

12. In doing this we aim to support improvement and accountability. Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#).

13. This report raises matters from the audit of the annual accounts and consideration of the audit dimensions. Weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

14. Our annual audit report contains an agreed action plan at [Appendix 1](#) setting out specific recommendations, responsible officers and dates for implementation. It also includes outstanding actions from last year and the steps taken to implement them.

15. We can confirm that we comply with the Financial Reporting Joint Board's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and the 2018/19 audit fee of £12,360 as set out in our Annual

Audit Plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

**16.** This report is addressed to both the Joint Board and the Controller of Audit and will be published on Audit Scotland's website [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk) in due course.

**17.** We would like to thank all management and staff for their cooperation and assistance during the audit.

# Part 1

## Audit of 2018/19 annual accounts



### Main judgements

The financial statements give a true and fair view of the state of affairs of the Joint Board as at 31 March 2019 and of its income and expenditure for the year then ended and were properly prepared.

The audited part of the remuneration report, management commentary and annual governance statement are all consistent with the financial statements and prepared in accordance with relevant regulations and guidance.

The Joint Board's annual accounts are the principal means of accounting for the stewardship of resources and performance in the use of resources.

### Audit opinions on the annual accounts

**18.** The annual accounts for the Joint Board for the year ended 31 March 2019 were approved by the Joint Board on 16 September 2019. We reported, within the independent auditor's report that the;

- financial statements give a true and fair view of the state of affairs of the Joint Board as at 31 March 2019 and of its income and expenditure for the year then ended and were properly prepared
- the audited part of the remuneration report, management commentary and the annual governance statement were all consistent with the financial statements and properly prepared in accordance with the relevant regulations and guidance.

**19.** We have nothing to report in respect of misstatements in information other than the financial statements, the adequacy of accounting records, the information and explanations we received, or the achievement of prescribed financial objectives.

### Submission of the annual report and accounts for audit

**20.** We received the unaudited annual accounts on 19 June 2019 prior to the target date in the audit timetable set out in our 2018/19 Annual Audit Plan.

**21.** The working papers provided with the unaudited accounts were of a good standard and finance staff provided good support to the audit team during the audit. This helped ensure that the audit of the annual accounts process ran smoothly.

### Risk of material misstatement

**22.** [Appendix 2](#) provides a description of those assessed risks of material misstatement in the annual accounts and any wider audit dimension risks that were identified during the audit planning process. It also summarises the work we have done to gain assurance over the outcome of these risks.

**23.** We have no issues to report from our work on the risks of material misstatement highlighted in our 2018/19 Annual Audit Plan.

## Materiality

**24.** Misstatements are material if they could reasonably be expected to influence the economic decisions of users taken based on the financial statements. The assessment of what is material is a matter of professional judgement and involves considering both the amount and nature of the misstatement.

**25.** We carried out our initial assessment of materiality for the annual accounts during the planning phase of the audit . On receipt of the annual accounts we reviewed our planning materiality calculations. The revised materiality levels are summarised in [Exhibit 2](#). With regards to the annual accounts, we assess the materiality of uncorrected misstatements both individually and collectively.

## Exhibit 2 Materiality values

Materiality level	Amount
Overall materiality - this is the calculated figure we use in assessing the overall impact of audit adjustments on the financial statements. It has been set at 2% of gross expenditure for the year ended 31 March 2019.	£0.350 million
Performance materiality - this acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. Using our professional judgement, we have calculated performance materiality at 75% of overall materiality.	£0.260 million
Lower level performance materiality - This is a separate trigger point for errors identified in the comprehensive income and expenditure statement.	£0.053 million
Reporting threshold - We are required to report to those charged with governance on all unadjusted misstatements more than the 'reporting threshold' amount.	£0.018 million

Source: Audit Scotland

## How we evaluate misstatements

**26.** All misstatements identified during the audit, which exceeded our reporting threshold, have been amended in the financial statements.

**27.** We identified several presentational and disclosure issues which were discussed with management. These were adjusted and reflected in the audited annual accounts.

## Significant findings from the audit (ISA 260)

**28.** International Standard on Auditing 260 (UK) requires us to communicate significant findings from the audit to those charged with governance. Three significant findings were identified during our audit and these are summarised in [Exhibit 3](#).

## Exhibit 3

### Significant findings from the audit of the financial statements

Finding	Resolution
<p><b>1. Pension liability</b></p> <p>The impact of two distinct Court judgements affecting the accounts of UK local government bodies, became apparent during 2019. The judgements impact adversely on the Joint Board's pension liability. We have summarised the issues in more detail at paragraphs 29 to 36 below.</p>	<p>The accounts have been amended to include an unquantified contingent liability for one of the Court judgements. For the other, management has chosen not to amend the accounts as they consider the increase in the pension liability to be immaterial. More detail on management's changes to the audited accounts is included at paragraphs 29-36 below.</p>
<p><b>2. Capital contributions repayable</b></p> <p>The Joint Board's unaudited accounts include an amount of £2.011 million for the capital grants unapplied account within its usable reserves balance of £3.172 million. The capital grants unapplied account represents capital funding from Transport Scotland that is carried forward for use in future years. Officers have notified us that Transport Scotland advised the Joint Board in August 2019 that the full amount of the balance is not available for carry forward and agreement had been reached to retain the proportion of the carry forward balance that will be required for the 2019/20 capital programme and repay the balance to Transport Scotland. The amount to be repaid is £1.366 million. The impact on the financial statements is to reduce net assets and usable reserves (capital grants unapplied account) by £1.366million. Further detail is included at paragraphs 41-45.</p>	<p>The audited accounts have been adjusted.</p>
<p><b>3. Cash Flow Statement</b></p> <p>An error was made in the cash flow statement as a result of taking the incorrect figures from the working paper, resulting in a £0.496 million error in both the adjustment to the net deficit on the provision of services for non-cash movements and the adjustment for items included in the net deficit on the provision of services that are investing and financing activities, which should show £(2.040) million and £0.704 million respectively. The two errors offset each other and do not impact on any of the other figures disclosed in the cash flow statement.</p>	<p>The audited accounts have been adjusted.</p>

Source: Tay Road Bridge Joint Board Annual Accounts 2018/19

## Amendments to the unaudited annual accounts arising from legal judgements and revised guidance

### Pension liability

#### Age discrimination on pension scheme transitional protection

**29.** In March 2011 the Independent Public Services Pension Commission published a review of Public Sector Pensions, the Hutton Report. It recommended

wholesale public sector pension reform in order to place public sector pensions on a more sustainable footing. The Government largely accepted the recommendations of that report and enacted pension reforms through the Public Service Pensions Act 2013. The main changes were: pensions are now based on career average rather than final salary; retirement ages are now aligned with state pension eligibility age; rates of the annual accrual of pension benefits are changed.

**30.** The reforms included transitional protection for scheme members approaching retirement age. In December 2018, the Court of Appeal ruled that the transitional protection provided to some members of the judiciary and fire fighters schemes amounted to unlawful age discrimination. On 28 June this year, the judgement was upheld by the Supreme Court. Although this (McCloud) case related to specific schemes the principle applies to other public sector groups who have seen similar changes to their pension schemes.

**31.** The Tay Road Bridge Joint Board is a member of the Tayside Pension Fund. The Fund's actuaries, Barnett Waddingham, estimated that the impact of the McCloud judgement on the pension liabilities of the Joint Board was to increase the liabilities by £0.040 million from £9.376 million to £9.416 million. This increase is offset by an equivalent increase in the pension reserve to £9.416 million.

**32.** Officers have concluded that the adjustment is not material and have not adjusted the audited accounts for this matter. We concur with management's conclusion that the increase in the pension liability is not material.

### Sex discrimination on guaranteed minimum pension (GMP) rights

**33.** Contracting out of the state earnings related pension scheme (SERPS) became possible in April 1978. This provided for reduced employer and employee National Insurance contributions in return for members receiving a guaranteed minimum pension (GMP) from an occupational pension scheme. GMPs are discriminatory in various ways. For example, they are payable at 60 for female members and 65 for male members and they built up at different rates, reflecting the earlier payment age for women.

**34.** In October 2018 the High Court (England) held that pension schemes must eliminate the discriminatory effects of GMPs. The Court's judgement is applicable across all UK public sector defined benefit pension schemes. The issue is a long standing one and the many complexities of dealing with it have meant that there is no agreed solution to calculating the liabilities of persons retiring between April 2016 and April 2021 has been agreed by HM Treasury.

**35.** Barnett Waddingham, advised that no adjustment was required to the pension figures at this time for GMP highlighting:

*"Our valuation assumption for GMP is that the Fund will pay limited increases for members that have reached SPA (State Pension Age) by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, we have assumed that the Fund will be required to pay the entire inflationary increase. Therefore we do not believe we need to make any adjustments to the value placed on the liabilities as a result of the above outcome".*

**36.** As a result the Joint Board disclosed an unquantified contingent liability to reflect the potential liability arising from the GMP decision.

### Follow up of prior year recommendations

**37.** We made two recommendations in our Annual Audit Report of 2017/18. The Joint Board has made some progress in implementing our prior year audit recommendations but further progress is required. Details of actions taken and improvements still required are set out in [Appendix 1](#).

## Objections

**38.** The Local Authority Accounts (Scotland) Regulations 2014 require a local Joint Board to publish a public notice on its website that includes details of the period for inspecting and objecting to the accounts. This must remain on the website throughout the inspection period. The Joint Board complied with the regulations. There were no objections to the accounts.



# Part 2

## Financial sustainability



### Main judgements

The Joint Board's financial position is sustainable in the foreseeable future. It has a sufficient level of reserves and there is a medium term financial plan in place.

Financial sustainability looks forward to the medium and long term to consider whether a body is planning effectively to continue to deliver its services or the way in which they should be delivered.

### Financial performance in 2018/19

39. In December 2017, the Joint Board approved a revenue budget of £1.63 million for 2018/19. This was a small increase of £0.01 million (3.7%) on the approved budget for 2017/18. The 2018/19 budget was to be met out of income of £1.70 million from Scottish Government Resource Grant and £0.025 million of other income, resulting in excess operating income of £0.095 million. A further £0.125 million was budgeted as minor improvement works (as capital funded from revenue) resulting in a requirement to take £0.03 million from Joint Board's reserves.

40. The financial performance of the Joint Board during 2018/19 was such that it achieved break-even and therefore the £0.03 million transfer from reserves was not required. Although the Joint Board broke even overall, there are variations in some areas of service, the more significant of which are summarised in [Exhibit 2](#).

### Exhibit 2

#### Summary of significant variations against budget

Area	Variance Favourable/ (unfavourable)	Main reason(s) for variance
Administration	£0.032 million	Lower than anticipated expenditure on training, medicals and through renegotiation, insurance premiums. Also expenditure on alterations and improvements to assets has been deferred to 2019/20.
Plant & equipment	£0.068 million	Reduced expenditure on Cathodic Protection equipment maintenance and professional fees due to major work in this area being scheduled for future years. Also savings on minor gantry works, hire of safety boat and maintenance of traffic signs. These were partly offset by increased expenditure on a weather monitoring software license

Area	Variance Favourable/ (unfavourable)	Main reason(s) for variance
Bridge maintenance	£0.059 million	Lower than anticipated expenditure on ground maintenance at the Fife Landfall area, de-icing materials (due to the mild winter), the renegotiated weather forecast contract, external bridge inspections, plant hire and materials, partly offset by increased overtime due to cabling work.
Non- Specific Grant Income	£(0.212) million	Reduced grant income to reflect net underspends on budget heads.
CFCR	£0.035 million	Underspend on minor improvement works.

Source: Tay Road Bridge Joint Board Annual Accounts 2018/19

## Capital expenditure

**41.** The original capital expenditure budget for 2018/19, approved in December 2017, was £1.080 million. In-year budget adjustments were made, reducing the budget by £0.234 million, and a further 0.319 million slippage is now anticipated to be spent in 2019/20. The main items of slippage in capital expenditure were £0.125 million for CP monitoring equipment, £0.15 million for the inspection of columns and piers and £0.04 million for LED Bridge lighting.

**42.** The Joint Board incurred capital expenditure of £0.389 million in 2018/19. After the budget adjustment and slippage, an underspend of £0.138 million was achieved. The main elements of the underspend were £0.087 million for switch gear work (due to delays for the contractor awaiting Scottish Power connections) and £0.05 million for LED Bridge lighting work (due to a delay in the procurement process resulting in the contract not starting in 2018/19), offset by an overspend of £0.013 million for lift replacement work (due to additional work and changes in contract specifications).

**43.** The capital expenditure of £0.389 million was funded by capital funded from revenue (CFCR) of £0.091 million, other capital receipts of £0.012 million and capital funding provided by the Scottish Government amounting to £0.750 million, with £0.286 million being applied in year and £0.464 million to be carried forward in the capital grants unapplied account for future use. This resulted in a balance of £2.011 million in the capital grants unapplied account. (2017/18 £1.547 million).

**44.** As noted at paragraph 28, exhibit 3, Transport Scotland advised the Joint Board that it was requesting a proportion of the balance on the account to be repaid in 2019/20. Agreement was reached that the Joint Board could retain what it require of the carried forward capital grants unapplied account balance of £2,011m for the 2019/2020 Capital programme and repay the balance.

**45.** The Joint Board has identified that £0.645 million of capital grant will be required to fund 2019/20 capital expenditure and has therefore reduced the capital grants unapplied account as at 31 March 2019, by £1.366 million to £0.645 million and included a creditor in the 2018/19 financial statements for the repayment of £1.366 million to Transport Scotland.

## Financial planning

**46.** It is important that longer-term financial strategies are in place which link spending to the joint board's strategies. Although members only approve the revenue budget for a single year, this should be supported by indicative future

spending plans (covering three years at least) that forecast the impact of relevant pressures on the joint board.

**47.** The Accounts Commission recommended that when future funding is not known, plans should be made for a range of scenarios so that the organisation is prepared for different levels of funding and income.

**48.** The Joint Board produces a three year revenue budget. In our 2017/18 Annual Audit Report we recommended that the Joint Board should consider the introduction of service planning to demonstrate that strategic objectives are being achieved effectively, efficiently and economically. There should be a clear link between the three year revenue budget and the joint board's strategic objectives and service planning.

**49.** Management advised that a Strategic Plan, including measurable outcomes, would be formulated by March 2019. The Strategic Plan was approved by the Joint Board in December 2018. This provides the Joint Board with the opportunity to clearly demonstrate the link to the Strategic Plan objectives in its financial (and performance) reporting, although this is not yet evident.



### **Recommendation 1**

**Having introduced a Strategic Plan containing the Joint Boards strategic objectives, the Joint Board should now ensure that its financial (and performance) reporting demonstrates clear links to those objectives.**

## **Reserves**

**50.** The Joint Board holds a general fund reserve, the main purpose of which is to provide a contingency fund to meet unexpected expenditure and as a working balance to help cushion the impact of uneven cash flows. The usable general reserve held by the Joint Board at 31 March 2019 remained at the same level as 31 March 2018, at £1.161 million.

**51.** The Joint Board reviews the level of its reserves when setting the budget each year. The Joint Board's approved reserves strategy specifies that uncommitted reserves should be £0.80 million and therefore the level of uncommitted general reserve exceeds the minimum level in the approved reserve strategy.

**52.** In December 2018, the Joint Board agreed its 2019/20 budget and noted its budget for 2020/21 and 2021/22. The budgets anticipate a deficit of £0.128 million over the three-year period. This is expected to be funded from government revenue grant funding rather than reserves.

**53.** We have concluded that the Joint Board's financial position is sustainable in the short - medium term.

## **Capital planning**

**54.** The 2019/20 to 2021/22 capital programme, approved in December 2018, anticipates capital expenditure of £13.969 million over the period. Prior to the repayment of £1.366 million to Transport Scotland, £1.653 of the capital programme was to be funded from the capital grants unapplied account, with the balance of £12.316 million to be funded by capital from current revenue of £0.425 million and further Scottish Government capital grant. The Joint Board has now agreed a capital grant of £0.375 million for 2019/20, leaving an additional funding requirement of £13.169 million for the period 2020-22 yet to be identified under the approved capital programme.

**55.** In our 2017/18 Annual Audit Report we recommended that the Joint Board should formulate plans for fully resourcing future capital expenditure as soon as practicable. Management advised that they anticipated that this funding will be forthcoming from Transport Scotland when it is required, but the Scottish Government's Spending Review only provides a commitment for one year of grant funding. Management also advised that the funding will be included in budget estimates when it is confirmed. We have not replicated this point in the action plan in this Annual Audit Report but the point remains.

**56.** The most significant areas of expenditure identified in the 2020-22 capital plan, where sources of finance have yet to be agreed, are carriageway resurfacing of £7.2 million, replacement of expansion joints of £1.5 million and work on new gantries of £2.175 million.

# Part 3

## Governance and transparency



### Main Judgements

**The Joint Board has appropriate governance arrangements in place that support the scrutiny of decisions made.**

**The Joint Board demonstrates a commitment to transparency in the way it conducts its business.**

**The Joint Board's continuous improvement agenda recognises the need to update the whistleblowing policy and develop an anti-bribery policy.**

Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making and transparent reporting of financial and performance information.

### Annual Governance Statement

**57.** Our review of the annual governance statement assessed the assurances which are provided to the Bridge Manager regarding the adequacy and effectiveness of the Joint Board's system of internal control which operated in the financial year.

**58.** The statement highlights areas for improvement including revision of data protection procedures to ensure compliance with the General Data Protection Regulations, review of the Joint Board's website to improve information quality, revision to the whistleblowing policy and development of an anti-bribery policy and training for employees.

**59.** The statement also includes internal audit's conclusion from their work on the system of internal controls, stating that "in the opinion of the Joint Board's Internal Auditor, Tay Road Bridge Joint Board operates adequate and effective internal control arrangements".

**60.** We concluded that the information in the annual governance statement is consistent with the financial statements and complies with applicable guidance.

### Governance arrangements

**61.** Governance is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision-making and transparent reporting of financial and performance information.

**62.** Members and management of the Joint Board are responsible for establishing arrangements to ensure that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and for monitoring the adequacy and effectiveness of these arrangements.

**63.** Based on our observations and audit work performed during 2018/19, we have concluded that the Joint Board has effective overarching and supporting

governance arrangements which provide an appropriate framework for organisational decision-making.

## Openness and transparency

**64.** Openness and transparency means that the general public have access to understandable, relevant and timely information about how the Joint Board is taking decisions and how it is using resources such as money, people and assets.

**65.** There is an increasing focus on how public money is used and what is achieved. In that regard, openness and transparency supports understanding and scrutiny.

**66.** There is evidence from several sources which generally demonstrate the Joint Board's commitment to transparency. Members of the public can attend meetings of the Joint Board. Minutes of the Joint Board meetings and supporting papers are readily available on the Joint Board's website.

**67.** The Joint Board makes its annual accounts available on its website. These include a management commentary which provides details of performance against budget, information on the use of reserves and risks and uncertainties facing the Joint Board.

**68.** We have concluded that the Joint Board conducts its business in an open and transparent manner.

## Internal audit

**69.** The Joint Board's internal audit function is carried out by Henderson Loggie. Each year we consider whether we can rely on internal audit work to avoid duplication of effort. When we plan to place reliance on internal audit work we carry out an assessment of the internal audit function to ensure that it is sufficient in terms of documentations standards, reporting procedures and quality, and is performed in accordance with Public Sector Internal Audit Standards (PSIAS).

**70.** We reviewed the Joint Board's internal audit arrangements in accordance with International Standard on Auditing (UK) 610 (Using the Work of Internal Auditors) to determine the extent we could rely on the work of internal audit. Overall, we concluded that the internal audit service generally operates in accordance with PSIAS and has sound documentation standards and reporting practices in place.

**71.** In our 2018/19 annual audit plan we highlighted that we planned to place reliance on internal audit's work on compliance with legislation (policies and procedures), physical security and asset management, corporate governance and follow up reviews. We did not plan to place reliance on the work of internal audit for our financial statements responsibilities.

**72.** Henderson Loggie concluded that excellent progress had been made with their outstanding recommendations from previous years, all 4 of which had been completed. Henderson Loggie also assessed the Joint Board's arrangements in each of the other three areas as 'good', which is the highest of their four assessment ratings.

## Standards of conduct for prevention and detection of fraud and error

**73.** The Joint Board has a range of established procedures for preventing and detecting fraud and irregularity including fraud guidelines (including an anti-fraud and corruption policy, an anti-bribery policy and a fraud response policy) and a whistleblowing policy. These documents are dated 2016, The Joint Board also has a codes of conduct for members and officers.

**74.** We assessed these to ensure that they were appropriate, readily available to staff and are regularly reviewed to ensure they remain relevant and current and concluded that the documents were outdated. The Joint Board has recognised this and has included within their continuous improvement agenda actions to revise the whistleblowing policy and to develop an anti-bribery policy by March 2020. We are not aware of any other specific issues we require to bring to your attention.

# Appendix 1

## Action plan 2018/19



No.	Issue/risk	Recommendation	Agreed management action/timing
1	<p><b>Reporting links to strategic objectives</b></p> <p>The Strategic Plan was approved by the Joint Board in December 2018. This provides the Joint Board with the opportunity to clearly demonstrate the link to the Strategic Plan objectives in its financial reporting, although this is not yet evident.</p> <p><b>Risk:</b> The Joint Board may not be able to demonstrate that financial decisions are effective in meeting the Joint Board's strategic objectives.</p>	<p>Having introduced a Strategic Plan containing the Joint Boards strategic objectives, the Joint Board should now ensure that its financial reporting demonstrates clear links to those objectives.</p> <p><a href="#">Paragraph 49</a></p>	<p>Narrative on agreed action: This will be considered and updated in 2019/20.</p> <p>Responsible officer: Bridge Manager and Treasurer</p> <p>Agreed date: March 2020</p>

### Follow up of prior year recommendations

PY1	<p><b>Financial planning</b></p> <p>Due to the limited nature of the operations of the joint board, there are no service plans or key performance measures in place. There is therefore, no clear link between the three year revenue budget and the joint board's strategic objectives.</p> <p><b>Risk</b></p> <p>The board cannot demonstrate that strategic objectives are being achieved effectively, efficiently and economically.</p>	<p>The Joint Board should consider the introduction of service planning to demonstrate that strategic objectives are being achieved effectively, efficiently and economically. There should be a clear link between the three year revenue budget and the Joint Board's strategic objectives and service planning.</p>	<p>Updated response: A Strategic Plan was approved by the Joint Board in December 2018. Further work is required to demonstrate the links between the Joint Board's financial (and performance) planning and the Strategic Plan. This has been carried forward as action plan point 1.</p>
PY2	<p><b>Capital planning</b></p> <p>A significant capital funding gap exists for 2020/21, where £4.50 million of capital funding has yet to be identified.</p> <p><b>Risk</b></p> <p>Insufficient funds may be available to fund key capital projects.</p>	<p>The Joint Board should formulate plans for fully resourcing the 2020/21 capital expenditure as soon as practicable.</p>	<p>Updated response: The issue of unidentified future capital funding remains. This is covered at paragraph 54.</p>



# Appendix 2

## Significant audit risks identified during planning

The table below sets out the audit risks we identified during our planning of the audit and how we addressed each risk in arriving at our conclusion. The risks are categorised between those where there is a risk of material misstatement in the annual accounts and those relating our wider responsibility under the [Code of Audit Practice 2016](#).

Audit risk	Assurance procedure	Results and conclusions
<b>Risks of material misstatement in the financial statements</b>		
<p><b>1 Risk of management override of controls</b></p> <p>ISA 240 The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statement requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk of management override of controls to change the position disclosed in the financial statements.</p>	<ul style="list-style-type: none"> <li>• Detailed testing of journal entries.</li> <li>• Review of accounting estimates.</li> <li>• Focused testing of accruals and prepayments.</li> <li>• Evaluation of significant transactions that are outside the normal course of business.</li> </ul>	<ul style="list-style-type: none"> <li>• No instances of management override of controls were identified.</li> <li>• All journals and significant transactions tested (including accruals) were found to be appropriate.</li> <li>• Sources of accounting estimates were reviewed and found to be without management bias.</li> <li>• We reviewed transactions for the year. No significant transactions were identified that are outside the normal course of the Joint Board's business</li> </ul>
<p><b>2 Risk of fraud over expenditure</b></p> <p>The Code of Audit Practice requires consideration of the risk of fraud over expenditure. The Joint Board incurs significant expenditure which requires audit coverage.</p>	<ul style="list-style-type: none"> <li>• Assessment of adequacy of key financial controls over expenditure.</li> <li>• Detailed testing of transactions focusing on the greater areas of risk.</li> </ul>	<ul style="list-style-type: none"> <li>• Detailed testing of key financial controls over expenditure within Dundee City Council systems used by the Joint Board found no significant weaknesses which would impact on the Joint Board's transactions.</li> <li>• Testing of 2018/19 expenditure transactions identified no errors or instances of fraud.</li> </ul>
<p><b>3 Estimation and judgements</b></p> <p>There is a significant degree of subjectivity in the measurement and valuation of the material account areas of non-current assets and pensions. This subjectivity represents an increased risk of misstatement in the financial statements.</p>	<ul style="list-style-type: none"> <li>• Completion of 'review of the work of an expert' for the actuary and valuer.</li> <li>• Focused testing of non-current assets and pension figures.</li> </ul>	<ul style="list-style-type: none"> <li>• Estimations and judgements applied were tested to confirm they were appropriate and reasonable. No issues were highlighted with the estimates and judgements applied.</li> </ul>

Audit risk	Assurance procedure	Results and conclusions
<b>Risks identified from the auditor's wider responsibility under the Code of Audit Practice</b>		
<p><b>4 Financial sustainability – capital planning</b></p> <p>Our 2017/18 Annual Audit Report highlighted a significant capital funding gap relating mainly to 2020/21 where £4.5 million income had yet to be identified. The 2019/20 to 2021/22 capital plan was considered by the Board in December 2018 which highlighted a funding gap of £11.1 million for the period 2020-22.</p> <p>There is a risk that insufficient funds may be available to fund key capital projects.</p>	<ul style="list-style-type: none"> <li>On-going monitoring of capital budget, plans and monitoring reports and inclusion in annual audit report as appropriate.</li> </ul>	<ul style="list-style-type: none"> <li>Monitored capital budget. Funding gap has increased to £13.169 million as a result of Transport Scotland's instructions to the Joint Board to repay capital grant unused and carried forward to 2019/20. Referred to at paragraph 54.</li> </ul>

# Appendix 3

## Summary of national performance reports 2018/19

		 <b>2018/19 Reports</b>	
Local government in Scotland: Challenges and performance 2018		<b>Apr</b>	
Councils' use of arm's-length organisations		<b>May</b>	 Scottish Fire and Rescue Service: an update
Scotland's colleges 2018		<b>Jun</b>	
		<b>Jul</b>	 The National Fraud Initiative in Scotland 2016/17
Forth Replacement Crossing		<b>Aug</b>	 Major project and procurement lessons
Children and young people's mental health		<b>Sept</b>	 Superfast broadband for Scotland: further progress update
NHS in Scotland 2018		<b>Oct</b>	
Health and social care integration: update on progress		<b>Nov</b>	 Local government in Scotland: Financial overview 2017/18
		Dec	
		Jan	
		Feb	
		<b>Mar</b>	 Local government in Scotland: Challenges and performance 2019

### Reports of relevance to the Joint Board

[Local government in Scotland: Challenges and performance 2018](#) – April 2018

[Local government in Scotland: Financial overview 2017/18](#) – November 2018

[Local government in Scotland: Challenges and performance 2019](#) – March 2019

# Tay Road Bridge Joint Board

## 2018/19 Proposed Annual Audit Report

If you require this publication in an alternative format and/or language, please contact us to discuss your needs: 0131 625 1500 or [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)

For the latest news, reports and updates, follow us on:



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN  
T: 0131 625 1500 E: [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)  
[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)

**ITEM No ...8(b).....**

**REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 16 SEPTEMBER 2019**

**REPORT ON: RESPONSE TO EXTERNAL AUDITOR'S ANNUAL REPORT ON THE 2018/2019 AUDIT OF TAY ROAD BRIDGE JOINT BOARD**

**REPORT BY: TREASURER**

**REPORT NO: TRB 22-2019**

**1 PURPOSE OF REPORT**

This report is a response to the report prepared by the Board's external auditor on the audit of Tay Road Bridge Joint Board for the year ended 31 March 2019. A copy of the external auditor's draft report and the Board's Audited Statement of Accounts are included on the agenda as separate items.

**2 RECOMMENDATIONS**

It is recommended that the Board:

- i notes the contents of the draft external auditor's report including the completed action plan at Appendix 1 and in particular that Audit Scotland have indicated that they will issue an unqualified audit opinion on the 2018/2019 Annual Accounts;
- ii endorse this report as the Board's formal response to the external auditor's report;
- iii instruct the Treasurer to arrange for the Audited Annual Accounts noted above to be signed and then returned to the external auditor; and
- iv instruct the Treasurer thereafter to arrange for the above Annual Accounts, including copies of all audit certificates to be published on the Board's website by no later than 31 October 2019.

**3 FINANCIAL IMPLICATIONS**

The Board's 2018/2019 Movement in Reserves Statement shows that there was a break-even position during the year. This gives a total General Reserve Balance of £1,160,591 as at 31 March 2019.

**4 MAIN TEXT**

Introduction

- 4.1 External audit is one of the key methods by which the activities and performance of local government are independently scrutinised and reported upon. The external audit of Tay Road Bridge Joint Board for the financial year 2018/2019 was carried out by Mr Bruce Crosbie, Senior Audit Manager, Audit Scotland. Local authority external auditors are appointed for a five year period and the financial year 2018/2019 marked the third year of Audit Scotland's current appointment.
- 4.2 The 2018/2019 unaudited Annual Accounts were submitted to the Joint Board on 17 June 2019 (Report No: TRB 14-2019 refers). The accounts were submitted to Audit Scotland, prior to the required statutory deadline of 30 June 2019. The accounts have since been subject to a three week statutory public inspection period and no objections were received.

External Auditors Report

- 4.3 Audit Scotland have now completed their audit work and, in accordance with auditing standards (ISA 260: Communication with those charged with governance), are required to report the outcome of their work in relation to their review of the financial statements, prior to formally issuing their audit opinions. This requirement has been addressed in the External Auditor's report.
- 4.4 The report summarises the findings in relation to the overall audit of the Board for the year ended 31 March 2019. The attached report describes the scope of audit work undertaken during 2018/2019 and the issues arising from that work are divided into the following key areas:
- Key Messages;
  - Introduction;
  - Audit of 2018/2019 Annual Accounts;
  - Financial Sustainability;
  - Governance and Transparency; and
  - Appendices.
- 4.5 In addition to the Members of the Board, the external auditor's report is also addressed to the Controller of Audit at the Accounts Commission for Scotland. Given this wider audience, and the extent of the external auditor's responsibilities and scope of work, the report is by necessity both fulsome and extensive. A copy of his report is included on the agenda as a separate item. Accordingly, it is not the intention in this report to provide a detailed response or commentary on all the external auditor's findings.

#### Audit Adjustments

- 4.6 Through the audit process, two technical adjustments to the figures in the financial statements were identified. These relate to the repayment of unapplied capital grants carried forward from previous years and compensating adjustments to two figures within the cash flow statement. Further details are provided in Exhibit 3 on page 10 of the external auditor's report. Neither adjustment impacted on the Board's General Reserve.

#### External Auditor's Conclusions

- 4.7 The external auditor has undertaken a thorough and wide-ranging review of the financial statements and the processes and procedures around their preparation. It is pleasing to note that the auditor's overall findings and conclusions are satisfactory. In particular the Board can take encouragement from the following findings:
- the accounts were submitted on time;
  - there was no qualification to the auditor's opinion;
  - final accounts working papers were of good quality;
  - assurance can be placed on the financial systems and internal financial controls used by the Board;
  - the Board's financial position is considered to be sustainable in the foreseeable future;
  - the Board has appropriate corporate governance arrangements in place that support the scrutiny of decisions made by the Joint Board; and
  - the Board demonstrates a commitment to transparency in the way it conducts its business.

### External Auditor's Recommendations

- 4.8 The External Auditor has made only one recommendation for improvement arising from the 2018/2019 audit that requires further action by the Board. This recommendation has been considered carefully by Board officers and the completed action plan, incorporating the "agreed management action/timing", is included at Appendix 1 to the external auditor's report.

### The Way Ahead

- 4.9 Following the approval of the accounts for signature, the relevant statements of the Annual Accounts will be signed and dated by the appropriate officers and then returned to the external auditor. In line with statutory requirements, copies of the Annual Accounts together with the audit certificate will then be published on the Board's website by no later than 31 October 2019.

## 5 **POLICY IMPLICATIONS**

This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

## 6 **CONSULTATIONS**

The Clerk, Bridge Manager and Engineer to the Board have been consulted in the preparation of this report and are in agreement with the contents.

## 7 **BACKGROUND PAPERS**

Audit Scotland: Tay Road Bridge Joint Board - Annual Audit Report to Members on the 2018/2019 Audit (September 2019).

**GREGORY COLGAN**  
**TREASURER**

**4 SEPTEMBER 2019**





ITEM No ...8(c).....



Tay Road Bridge



**TAY ROAD BRIDGE JOINT BOARD**

**ANNUAL ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**AUDITED**



**SEPTEMBER 2019**

**TAY ROAD BRIDGE JOINT BOARD  
ANNUAL ACCOUNTS 2018/2019  
CONTENTS**

	<u>PAGE NO</u>
<b>Members and Officials</b>	<b>3</b>
<b>Management Commentary</b>	<b>4</b>
<b>Annual Governance Statement</b>	<b>15</b>
<b>Annual Remuneration Report</b>	<b>19</b>
<b>Statement of Responsibilities for the Statement of Accounts</b>	<b>22</b>
<b>Expenditure and Funding Analysis</b>	<b>23</b>
<b>The Core Financial Statements:</b>	
Comprehensive Income & Expenditure Statement	<b>26</b>
Movement in Reserves Statement	<b>27</b>
Balance Sheet	<b>28</b>
Cash Flow Statement	<b>29</b>
<b>Notes to the Financial Statements</b>	<b>30</b>
<b>Independent Auditor's Report to the Members of the Tay Road Bridge Joint Board and the Accounts Commission for Scotland</b>	<b>56</b>

## TAY ROAD BRIDGE JOINT BOARD MEMBERS AND OFFICIALS

Tay Road Bridge Joint Board ("the Board") comprises 12 elected members who are appointed by the three constituent local authorities to serve on the Board. Dundee City Council nominates 6 members, Angus Council has 1 member and Fife Council nominates the remaining 5 members. Following the Scottish Local Government Elections that were held in May 2017 it was agreed by the Board that Dundee City Council would continue to act as lead authority to the Board, and consequently, the Council are required to appoint officers to serve as officials of the Board. At the end of financial year 2018/2019, the Members and Officials of the Board were:

### Representing Dundee City Council

Councillor Stewart Hunter (Chair until 17 June 2019)  
Councillor Bill Campbell  
Councillor Fraser Macpherson  
Councillor Lynne Short (Chair from 17 June 2019)  
Councillor Margaret Richardson  
Councillor George McIrvine



### Representing Angus Council

Councillor Craig Fotheringham



### Representing Fife Council

Councillor Jonny Tepp (Vice Chair)  
Councillor Brian Thomson  
Councillor Bill Connor  
Councillor Andy Heer  
Councillor John Docherty



### Bridge Manager

Mr Alan Hutchison BEng (Hons), MSc, CEng, FICE, MCIHT.

### Engineer

Mr Fergus Wilson BSc, MBA, CEng, MICE, MCIHT, MAPS, Dundee City Council. Retired 31st March 2019.

Mr Gary Brady, BEng (Hons), PGDip, CEng, FICE, MCIHT, Dundee City Council.

### Clerk

Mr Roger Mennie LLB (Hons), DipLP, Dundee City Council.

### Treasurer

Mr Gregory Colgan, BAcc (Hons), ACMA, CGMA, Dundee City Council.

### Contact Details:

Tay Road Bridge Joint Board website: [www.tayroadbridge.co.uk](http://www.tayroadbridge.co.uk)

#### Bridge Manager

Bridge Office  
Marine Parade  
Dundee  
DD1 3JB  
01382 433044  
[alan.hutchison@dundeecity.gov.uk](mailto:alan.hutchison@dundeecity.gov.uk)

#### Engineer

c/o Dundee City Council  
City Development  
50 North Lindsay Street  
Dundee  
01382 433711  
[gary.brady@dundeecity.gov.uk](mailto:gary.brady@dundeecity.gov.uk)

#### Clerk

c/o Dundee City Council  
Corporate Services  
21 City Square  
Dundee  
01382 434202  
[roger.mennie@dundeecity.gov.uk](mailto:roger.mennie@dundeecity.gov.uk)

#### Treasurer

c/o Dundee City Council  
Corporate Services  
50 North Lindsay Street  
Dundee  
01382 433555  
[gregory.colgan@dundeecity.gov.uk](mailto:gregory.colgan@dundeecity.gov.uk)

## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

### INTRODUCTION

We are pleased to present the Annual Accounts for Tay Road Bridge Joint Board ("the Board") for the year ended 31st March 2019. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018/2019 ("the Code"). This Management Commentary provides a context for the annual accounts and an analysis of the financial performance during the year. The principal risks and uncertainties facing the Board are identified, together with the potential impact and actions being taken.

The Board was established by the Tay Road Bridge Order Confirmation Act 1962 to construct and maintain the Tay Road Bridge. This Order was superseded by the Tay Road Bridge Order Confirmation Act 1991 ("the 1991 Act"). The Board's Business Model has been set up to meet the requirements of the 1991 Act.

### ORGANISATIONAL CHANGES

This year has been one of consolidation for staff at the bridge. The staffing levels have remained static since the retirement of the Operations Manager at the end of March 2017, with an organisational make-up of twenty-two staff members, comprising eleven shift workers (Operations staff), eight Maintenance members of staff and three members of staff dealing with all administrative duties. We welcomed a new Control Room Supervisor in May 2018 following the retirement of a member of staff.

The team have continued to undertake training to make sure that they have confidence and competence in their individual roles, with the following examples of some of the training delivered:

- IOSH Working Safely;
- IOSH Managing Safely;
- Confined Space Awareness;
- Equality and Human Rights;
- GDPR Awareness;
- ASIST (Suicide Intervention Skills);
- Coaching and Courageous Conversations; and
- Emergency First Aid at Work and St. Andrews First Aid.

We have also delivered a wellbeing course for staff, which covered recognising the symptoms of stress and stress management techniques. This was well attended and well received by staff. We will be delivering another wellbeing course in 2019, and this will cover techniques to build resilience.

Some members of staff are also working towards gaining the recently developed and UK wide recognised LANTRA certification for Bridge Inspectors. The Bridge Inspector Certification Scheme (BICS) has the full support of the Scottish Government. This certification will assist the Board in demonstrating its competence in this area.

### MANAGEMENT ARRANGEMENTS WITH SCOTTISH GOVERNMENT

During this period, the main point of contact with the Scottish Government continued to be the Trunk Road and Bus Operations Team of Transport Scotland. Meetings have been held on a regular basis between Board Officers and officers from the Trunk Road and Bus Operations Team to discuss operational matters, financial matters and future projects.

### CONTRACTS

The management of traffic and pedestrian users of the Tay Road Bridge has benefitted from a number of successful projects delivered in 2018/2019, with more projects due for delivery in 2019/2020 that will add resilience to the bridge's infrastructure.

## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

### New Passenger Lift

The Board approved the manufacture and installation of a new passenger lift to serve the bridge walkway at the Dundee landfall in March 2018, with the aim of improving reliability of access to the walkway for our users. The new lift was installed by Caltech of Dundee and opened in December 2018. The new lift has received positive feedback from members of the public.



### New Switchgear at Dundee and Fife

This project was approved at the June 2018 Board meeting for approval and will be complete by the end of October 2019, with works progressing well on site. This project renews and upgrades the main electrical switchgear that serves the Dundee and Fife sides of the bridge. The switchgear that has been replaced was over 30 years old and has been replaced to minimise the risk of future failure, and thus help ensure business continuity, along with an upgrade of capacity to accept future electric vehicle charge points.



### LED Lighting

Installation of new LED lighting to the bridge carriageway and Fife car park was approved in December 2018. The Street Lighting Partnership have procured all materials and are due to carry out installation during 2019/2020. LED lighting is considered to be a better quality of light than the existing metal halide lighting, and will improve visibility for all users, whilst also leading to energy savings.



## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

### Cathode Protection (CP) Monitoring Equipment

This project was approved at the December 2018 Board meeting, and Cathode Protection Company Limited are currently fabricating the specialist equipment to be used. CP is a method used to halt the corrosion of steel reinforcement by applying a small DC current through a surface mounted anode. This effectively forces the reinforcement to act as a cathode thus repressing the rusting action. Cathode Protection Company Limited are currently on site and the works are due to be completed in 2019/2020.

### Administration Office Building

The Board gave approval at the March 2019 Board meeting to move to tender on necessary repairs to the Administration Office building's roof, along with a refurbishment of the control room. The building is showing signs of deterioration and must be repaired to maintain a fit for purpose operational centre. A full tender return report will be brought to the Board for approval in due course.

### Principal Inspection of Columns and Piers

The Board gave approval at the March 2019 Board meeting to appoint Geckotech Solutions limited to carry out a Principal Inspection of the upper 2.4 metres of the concrete river piers and the entire surface area of the columns of the bridge, clean and inspect all surfaces, identify and mark out defective areas of concrete and report on faults. This work was due to be completed in 2019/2020, however the appointed contractor was placed into administration in July 2019. The project will require to be re-tendered therefore the project will be delayed until summer 2020.



### SESTRAN Park & Ride Proposal

This proposal is currently on hold subject to funding availability to SESTRAN.

### TRAFFIC

One or both lanes on the bridge were closed on a number of occasions over the past twelve months. The table below summarises the reasons and number of occurrences:-

Wind speed > 80mph	Wind speed > 60mph	Wind speed > 45mph	Works Full Closures	Breakdowns and Minor Accidents	Operational, Miscellaneous and Police Closures
Closed to all Vehicles	Cars Only	No Double Deck			
2	15	64	2	25	639

#### Comparator figures for 2017/2018:

1	8	39	0	37	537
---	---	----	---	----	-----

Over the past twelve months there was two full closure due to winds exceeding 80mph and the number of wind related restrictions has increased by approximately 100% when compared with those recorded in 2017/2018. This is mainly due to winds exceeding 45mph, when only double-decker buses are restricted from crossing.

## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

The number of short term single carriageway closures to clear breakdowns and minor accidents from the bridge is 32% lower over this period when compared to 2017/2018 with 25 breakdowns compared to 37, but Operational, Miscellaneous and Police closures have increased by 19% when compared to 2017/2018.

There were two full closures for works associated with white lining during 2018/2019 (2017/2018 = nil).

### STRATEGIC PLAN AND PERFORMANCE SUMMARY

The Board's mission is to provide the travelling public with safe, reliable and efficient crossing of the River Tay through the operation, maintenance and improvement of the Tay Road Bridge. In order to support these aims a Strategic Plan was introduced in December 2018, which details five strategic goals to guide the Board.

- 1. Meeting User Expectations:** Ensuring continued reliability of journeys and providing modern interfaces with our users;
- 2. Fiscally Sustainable:** Maintaining financial responsibility through effective and appropriate deployment of capital and revenue resources;
- 3. Transparent Governance and Clear Decision Making Processes:** Fit for purpose governance arrangements with clear lines of responsibility and accountability that are transparent and clear to users and the general public;
- 4. A Modern, Diverse and Well Trained Workforce:** Providing roles that are fit for purpose whilst offering a range of opportunities for as wide a cross-section of the potential workforce as the service provided allows; and
- 5. Quality and Standards:** Improve safety, maintenance and processes to deliver continuous improvement.

Key Performance Indicators (KPIs) are used to measure general performance and success in achieving some of these key priorities, and these will be reported annually to the Board as part of the management commentary contained within the Annual Accounts. KPIs to be measured annually include:

- Quality and Standards: Accidents and incidents (Employees and members of the public);
- Quality and Standards: Lost Time due to accidents and incidents (Employees);
- Fiscally Sustainable: Expenditure (reported in the Annual Accounts);
- Meeting User Expectations: Complaints and questions;
- A Modern, Diverse and Well Trained Workforce: Staff Absences; and
- Fiscally Sustainable: Payment of Invoices.

The remaining KPI is reported quarterly to the Board:

- Meeting User Expectations: Bridge traffic lane availability (reported quarterly as part of a separate report).

**KPIs for the calendar years 2015 to 2019 (to 30 April 2019) are as follows:**

#### Safe Services

Years	Accidents Involving Members of the Public
	(Target = Reduction Year on Year)
<b>2015</b>	6
<b>2016</b>	2
<b>2017</b>	9
<b>2018</b>	9
<b>2019 (to 30 April 2019)</b>	2

Years	Reportable Incidents Involving Employees	Minor Accidents Involving Employees	Time Lost – Employees (Hrs)
	(Target = 0)	(Target = 0)	(Target = 0)
<b>2015</b>	0	2	0
<b>2016</b>	0	2	24
<b>2017</b>	0	2	0
<b>2018</b>	0	2	16
<b>2019 (to 30 April 2019)</b>	0	0	0

## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

The statistics for all accidents, either involving staff, or members of the public, are low. It is noted in the Strategic Plan that many Road Traffic Collisions (RTCs) on the bridge are due to driver error and outwith the control of the TRBJB. Police Scotland are called to all RTC's on the bridge.

### Effective and Efficient Services: Complaints and Enquiries

Years	Complaints Received & Responses			Enquiries Received & Responses		
	Complaints Received	Complaints Responded To	Complaints Responded to within 10 Working Days	Enquiries Received	Enquiries Responded To	Enquiries Responded to within 10 Working Days
	Target = 10% Reduction Year on Year	Target = 100% of Complaints Responded to	Target = 100% of Complaints Responded to	Target = 10% Reduction Year on Year	Target = 100% of Complaints Responded to	Target = 100% of Complaints Responded to
<b>2015</b>	7	7	7	36	36	36
<b>2016</b>	10	10	10	77	77	77
<b>2017</b>	4	4	4	28	28	28
<b>2018</b>	6	6	6	50	50	50
<b>2019 (to 30 April 2019)</b>	1	1	1	11	11	11

Since 2015 we have received on average seven complaints per year from the public regarding our services. These generally relate to concerns regarding bridge availability during closures, or concerns related to our sharing of information during such closures. All complaints are responded to in a timely manner and within ten working days.

Since 2015 there has been on average 48 queries per year from members of the public, either received by the Bridge Manager directly or through Councillor enquires, and all these are responded to within 10 working days.

A public questionnaire asking for comments and suggestions to help us improve the Board's website was issued via social media on 1 May 2019. The results of these, and a reflection on the queries already received, will help us redesign a new website which will help us improve the sharing of information that is relevant to all our user groups. It is anticipated that the new website will help reduce subsequent enquiries after its planned launch later in 2019.

### Effective and Efficient Services: Staff Absence

Years	Staff Sickness (Average Days per Annum)
	<b>Target = &lt;5</b>
<b>2015</b>	17.45
<b>2016</b>	5.76
<b>2017</b>	6.98
<b>2018</b>	7.55
<b>2019 (to 30 April 2019)</b>	3

The Board lost 7.55 average days per employee per year in 2018. This is above the national average of 4.1 days published by the Office for National Statistics (ONS) in 2017.



## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

### Effective and Efficient Services: Payment of Invoices

Years	Payment of Invoices within 30 days of Invoice Date Target = 100%
<b>2015/16</b>	98.06%
<b>2016/17</b>	98.81%
<b>2017/18</b>	98.86%
<b>2018/19</b>	98.85%

The Board continue to pay invoices timeously and within 30 days, with an average of 98.85% of payments made within 30 days of invoice date in 2018/19.

### STAFFING ISSUES

#### Staff Establishment

Staffing levels and the existing establishment stands as follows:-

	<b>2018/2019</b>	<b>2017/2018</b>
Administration	3	3
Operational	11	11
Maintenance	8	8
<b>Total</b>	<b>22</b>	<b>22</b>



## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

### FINANCIAL PERFORMANCE REVIEW

#### ***CIPFA's Telling the Story Review of the Presentation of Local Authority Financial Statements:***

Following publication in 2015 of CIPFA's Telling the Story Review of the Presentation of Local Authority Financial Statements, the 2016/2017 Code changed the segmental reporting arrangements for the Comprehensive Income and Expenditure Statement and introduced the Expenditure and Funding Analysis. The Expenditure and Funding Analysis brings together Local Authority performance reported on the basis of expenditure measured under proper accounting practices with statutorily defined charges to the General Reserve. Both the Comprehensive Income and Expenditure Statement and the Expenditure and Funding Analysis include a segmental analysis which requires local authorities to report performance on the basis of how they are structured and how they operate, monitor and manage financial performance.

#### **Revenue Expenditure**

The Tay Road Bridge Joint Board, at its meeting on 4 December 2017, approved the 2018/2019 Revenue Budget. The final budget showed a projected net deficit of £30,000. This would be funded from previous years' unspent revenue grants carried forward. The projected General Reserve balance as at 31 March 2019 would be £1,160,591.

The Board received quarterly Revenue Monitoring reports during 2018/2019 in order to keep the members fully apprised as to the projected revenue outturn position.

The following table reconciles the Revenue Budget approved by the Board on 4 December 2017 to the revised budget figures that are included in the Comprehensive Income and Expenditure Statement shown on page 26. The actual outturn for 2018/2019 was a net overspend against budget of £1,377,000. This resulted from an adjusting event to the accounts that occurred between 1 April 2019 and 16 September 2019 that required adjustment to the 2018/2019 financial statements. The latter date is the date on which the audited accounts were authorised for issue by the Treasurer. The event that took place before this date provided information about conditions that existed at 31 March 2019 and the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. The Joint Board's Unaudited Accounts included an amount of £2.011m for the Capital Grants Unapplied Reserve within its Usable Reserves balance of £3.172m. The Capital Grants Unapplied Reserve represents capital funding from Transport Scotland that is carried forward for use in future years. Transport Scotland advised the Joint Board in August 2019 that the full amount of the balance is not available for carry forward and agreement has been reached to retain the proportion of the carry forward balance that will be required to fund the 2019/2020 capital programme and repay the balance of £1.366m to Transport Scotland.

Before this adjustment was made there was a net overspend against budget of £11,000 before the application of accounting adjustments. The detailed variance analysis is set out on page 12. After the required accounting adjustments this gives a total General Reserve balance of £1,160,591 as at 31 March 2019 which is unchanged from the corresponding figure at 31 March 2018.

**TAY ROAD BRIDGE JOINT BOARD  
MANAGEMENT COMMENTARY**

	Approved Budget £000	Reallocate CFCR £000	Net Depreciation & Impairment Allocation £000	Reallocate Investment Property Inc & Exp £000	Employee Benefits Adjustment £000	Insurance Receipt £000	Recognised Capital Grant £000	IAS 19 Adjs £000	Revised Budget £000	Actual Expend/ (Income) £000	Over / (Under) Spend £000
Administration	460	-	-	-	1	-	-	5	466	434	(32)
Operations	498	-	-	-	-	-	-	67	565	552	(13)
Plant & Equipment	261	-	-	-	-	-	-	-	261	193	(68)
Bridge Maintenance	411	-	-	(3)	(3)	-	-	39	444	385	(59)
CFCR	125	(125)	-	-	-	-	-	-	-	-	-
Corporate Costs	-	-	1,948	-	-	-	-	-	1,948	1,948	-
<b>Net Cost of Services</b>	<b>1,755</b>	<b>(125)</b>	<b>1,948</b>	<b>(3)</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>111</b>	<b>3,684</b>	<b>3,512</b>	<b>(172)</b>
Other Operating Income & Expenditure	(11)	-	-	10	-	(12)	-	-	(13)	(26)	(13)
Financing & Investment Income & Expenditure	(14)	-	-	(7)	-	-	-	23	2	(14)	(16)
Non-Specific Grant Income	(1,700)	-	-	-	-	-	(750)	-	(2,450)	(872)	1,578
<b>(Surplus) / Deficit on Provision of Service</b>	<b>30</b>	<b>(125)</b>	<b>1,948</b>	<b>-</b>	<b>(2)</b>	<b>(12)</b>	<b>(750)</b>	<b>134</b>	<b>1,223</b>	<b>2,600</b>	<b>1,377</b>
(Surplus) / Deficit on Revaluation of PPE	-	-	-	-	-	-	-	-	-	-	-
Actuarial (Gains) / Losses on Pension Assets / Liabilities	-	-	-	-	-	-	-	(172)	(172)	(172)	-
<b>Total Comprehensive Income &amp; Expenditure</b>	<b>30</b>	<b>(125)</b>	<b>1,948</b>	<b>-</b>	<b>(2)</b>	<b>(12)</b>	<b>(750)</b>	<b>(38)</b>	<b>1,051</b>	<b>2,428</b>	<b>1,377</b>
IAS 19 Adjustments	-	-	-	-	-	-	-	38	38	32	(6)
Other IFRS Code Accounting Adjustments	-	125	(1,948)	-	2	12	750	-	(1,059)	(2,460)	(1,401)
<b>Total (Surplus)/ Deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30</b>	<b>-</b>	<b>(30)</b>
<b>General Reserve Balance b/fwd</b>	<b>(1,161)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,161)</b>	<b>(1,161)</b>	<b>-</b>
<b>General Reserve Balance c/fwd</b>	<b>(1,131)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,131)</b>	<b>(1,161)</b>	<b>(30)</b>

## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

The following two charts show how the total 2018/2019 expenditure of the Board is apportioned. Figure 1 shows the split by the nature of expenditure, for example, staff cost, property costs, etc. and Figure 2 shows the proportion of expenditure by operational segment.

Figure 1: 2018/2019 Net Cost of Services by Nature:

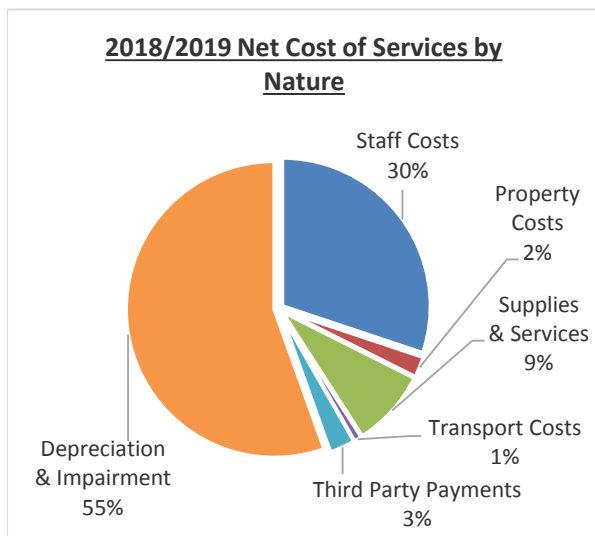
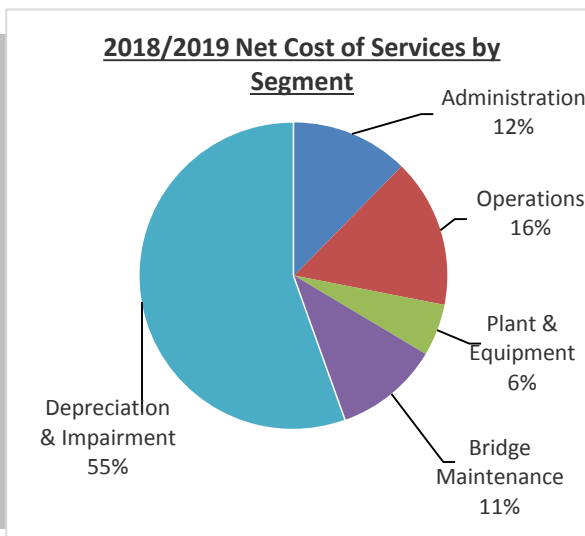


Figure 2: 2018/2019 Net Cost of Services by Segment:



### *Administration (Underspend £32,000)*

This reflects lower than anticipated expenditure in relation to training and medical expenses. Additionally, expenditure on alterations and improvements were lower as major improvements are now planned during the next financial year, and insurance premiums were lower than anticipated due to the re-negotiation process.

### *Operations (Underspend £13,000)*

This reflects lower than anticipated expenditure in relation to training, as well as there being no requirement to purchase office furniture and the volume of vehicle recoveries were less than anticipated.

### *Plant & Equipment (Underspend £68,000)*

This reflects savings resulting from reduced expenditure on Cathodic Protection equipment maintenance and professional fees as there will be a major replacement programme in the next few years and any work required during the year was carried out in-house. Additionally, there were savings in relation to gantry equipment purchases and minor contractor works as there was major works carried out on the gantries during the year under the Capital Programme. There were further underspends in relation to the hire of a safety boat as there was no requirement for this outside the normal six month contract period. Also, there was reduced expenditure in relation to maintenance of the traffic signs as the majority of these were installed recently and maintenance was covered by a new contract supplied with the installation. These were partly offset by increased expenditure on the weather monitoring IT software licence.

### *Bridge Maintenance (Underspend £59,000)*

Reflects lower than anticipated expenditure in relation to ground maintenance work at the Fife Landfall area, de-icing materials due to the mild winter, weather forecasts due to a re-negotiation of the contract, and external consultant structural inspections and miscellaneous inspections and reports as a result of more inspections being undertaken in-house. In addition, expenditure on plant hire and materials was lower than anticipated. These were partly offset by increased expenditure on overtime due to cabling work for the Cathodic Protection monitoring system being undertaken in-house.

### *Other Operating Income and Expenditure (Underspend £13,000)*

Reflects higher than anticipated income due to income for the supply of electricity to a site office for the contractors on the Flood Protection Works on the north side of the river.

## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

### *Financing and Investment Income and Expenditure (Underspend £16,000)*

Reflects higher than anticipated Interest on Revenue Balances as a result of increased average cash balances and interest rates offset by higher than anticipated expenditure on investment property due to replacement of kitchen canopies.

### *Non-Specific Grant Income (Reduced Grant Income £1,578,000)*

Reflects the net underspend on other budget heads, as detailed above. Any unused revenue grant (with conditions attached to its use) requires to be held in creditors so that it can be applied to match expenditure in future years. Additionally, Capital Grant Unapplied of £1.366m will require to be repaid to Transport Scotland.

### *Other Accounting Adjustments (Underspend £1,407,000)*

Mainly reflects the repayment of £1.366m of Capital Grant Unapplied to Transport Scotland and net underspends on Capital Funded from Current Revenue (CFCR) projects.

### **Capital Expenditure and Financing**

The Board, at its meeting on 4 December 2017, approved the 2018/2019 Capital Plan of £1,080,000. This would be funded from Capital Grants, Capital Grants Unapplied and CFCR.

The Board received quarterly Capital Monitoring reports during 2018/2019 in order to keep the members fully apprised as to the projected capital outturn position.

During 2018/2019, the Board incurred capital expenditure of £389,000 on the following projects:-

	<b>£000</b>
<b>Capital Expenditure:</b>	
Lift Replacement	90
New Switch Gear	163
Gantry works	76
Other Projects	60
	<b>389</b>

### **Capital expenditure was funded as follows:**

	<b>£000</b>
Capital Grant from the Scottish Government	287
CFCR	90
Insurance Receipts	12
	<b>389</b>

### **Control of Revenue and Capital Expenditure**

The control of both the revenue and capital expenditure of the Board is an on-going and substantial exercise which requires a positive contribution from staff and elected members to ensure that the Board's financial objectives are achieved and that the financial resources are fully utilised.

### **Pension Liability (IAS 19)**

Under IAS 19 (Employee Benefits) the Board is required to include figures in its Statement of Accounts relating to the assets, liabilities, income and expenditure of the pension schemes for its employees. It has been estimated that the Board had a net pension liability of £809,000 as at 31 March 2019. The estimated net pension liability at 31 March 2018 was £841,000. The small reduction was due to an increase in the value of assets arising from returns on assets and interest, partly offset by an increase in the value of liabilities arising from changes in financial and demographic assumptions.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

As part of the ongoing management of risk, senior officers conduct an annual review of strategic risk management issues which are reported to the Board. The updated Strategic Risk Register details the key risks faced by the Board and the existing controls in place. These are summarised as follows:

## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

- Legislative changes e.g. Health and Safety, environmental, procurement. The Board maintains awareness of changes to legislation and amends policies and procedures timeously.
- Effects of changes to the economy impacting grant funding. The Board maintains financial planning, monitoring and control systems.
- Loss of structure / operational capacity through ship impact, etc. The Board has Insurance cover, has provided a pier protection system at navigation spans and maintains security through CCTV and 24 hour site attendance. In addition, Dundee Port Authority has controls and procedures governing navigation of vessels on the river.
- Loss of operational capacity through loss of bridge / buildings. The Board maintains a regular inspection programme and maintenance of assets.
- Losses through poor governance. The Board continues to review and apply recognised good governance policies.
- Failure to deliver projects to time and / or cost. The Board adopts robust project management procedures.
- Lack of financial resources. The Board's submission of applications for grant income includes robust estimates as back up. There is regular monitoring and control of expenditure against agreed budgets. Reserves are reviewed and maintained at prudent levels.
- Lack of staff resources, e.g. from pandemic, industrial action, recruitment issues. The Board maintains and reviews it's Business Continuity Plans, consults with staff and trade unions on employment matters, manages staff absences, plans recruitment requirements in advance, and maintains a programme of staff training.

### FUTURE DEVELOPMENTS

The Board recognises the impact of continuing financial pressures created by the current economic climate and as a consequence it continues to seek to generate efficiencies and utilise limited resources in an effective manner.

### CONCLUSIONS

Sound financial management and effective risk management have enabled the Board to successfully manage its financial and operational performance during 2018/2019. However, significant risks surrounding future uncertainties continue to affect plans for the Board to effectively manage budgetary pressures.

### Acknowledgements

During the 2018/2019 financial year the Board's financial position has required continuous scrutiny and strict budgetary control. We would like to thank the Bridge Engineer and the Bridge staff for their assistance in controlling the Board's expenditure and income. In addition, we wish to mention our appreciation of the help and co-operation provided during the financial year by the elected members and by Roger Mennie, Clerk to the Board.

We would also like to mention our appreciation for the help and co-operation received over the years from the Bridge Engineer, Fergus Wilson, who retired in March 2019.

Finally, we would conclude our report by thanking all staff who contributed to the preparation of the Board's 2018/2019 Annual Accounts.

---

**Gregory Colgan,**  
**BAcc (Hons), ACMA, CGMA**

**Treasurer**  
**Tay Road Bridge**  
**Joint Board**  
**16 September 2019**

---

**Alan Hutchison,**  
**BEng (Hons), MSc,**  
**CEng, FICE, MCIHT**

**Bridge Manager**  
**Tay Road Bridge**  
**Joint Board**  
**16 September 2019**

---

**Lynne Short**

**Chair**  
**Tay Road Bridge**  
**Joint Board**  
**16 September 2019**

## TAY ROAD BRIDGE JOINT BOARD ANNUAL GOVERNANCE STATEMENT

### Scope of Responsibility

Tay Road Bridge Joint Board is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards. This is to ensure that public funds and assets at its disposal are safeguarded, properly accounted for and used economically, efficiently, effectively, and ethically. The Joint Board also has a duty to make arrangements to secure continuous improvement in the way its functions are carried out.

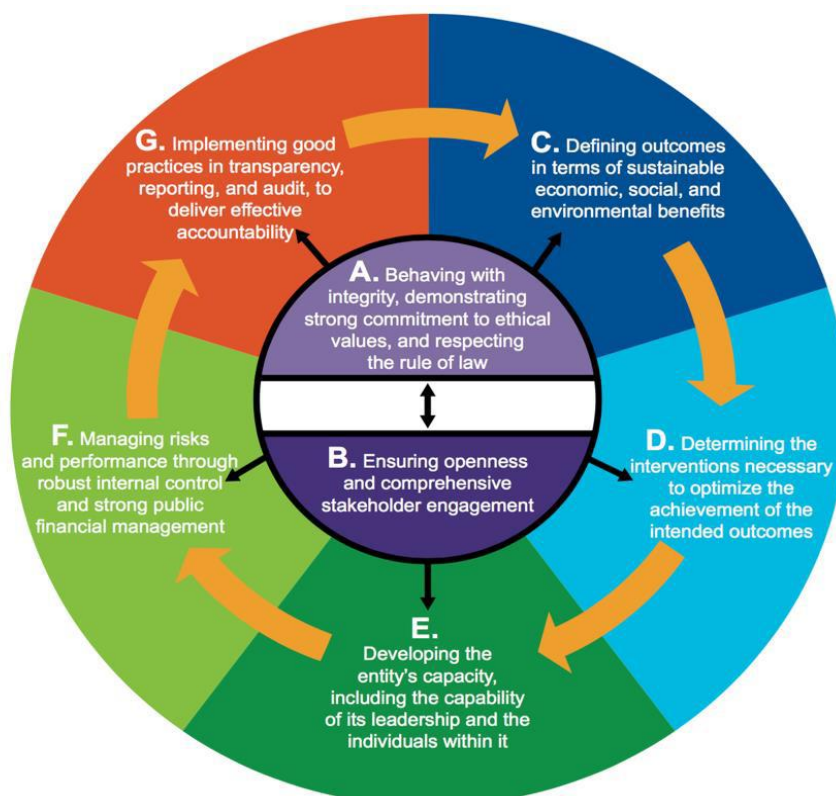
In discharging these responsibilities elected members and senior officers are responsible for implementing effective arrangements for governing the Joint Board's affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

At the June 2019 Board meeting the Joint Board approved and adopted an updated Local Code of Corporate Governance that is consistent with the principles of the CIPFA/SOLACE (Chartered Institute of Public Finance & Accountancy / Society of Local Authority Chief Executives) framework *Delivering Good Governance in Local Government (2016)*. This statement explains how Tay Road Bridge Joint Board delivers good governance and reviews the effectiveness of these arrangements.

### The Joint Board's Governance Framework

The governance framework comprises the systems, processes, cultures and values by which the Joint Board is directed and controlled. It also describes the way it engages with and accounts to stakeholders. It enables the Joint Board to monitor the achievement of its strategic objectives and consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The framework reflects the arrangements in place to meet the seven supporting principles of effective corporate governance. These are as follows:



Within the overall control arrangements the system of internal financial control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded, and material errors or irregularities are either prevented or would be detected within a timely period. It is based on a framework of regular management information, financial regulations, administrative procedures and management supervision.

## TAY ROAD BRIDGE JOINT BOARD ANNUAL GOVERNANCE STATEMENT

The overall control arrangements include:

- reporting financial and operational information regularly to Joint Board meetings;
- clearly defined Standing Orders and Schemes of Administration covering Financial Regulations, Tender Procedures and Delegation of Powers;
- approved Fraud Guidelines which include anti-fraud and corruption strategies, and "whistle-blowing" arrangements under the Public Interest Disclosure Act 1998;
- formal revenue and capital budgetary control systems and procedures; and
- the assurances provided by Internal Audit through their independent review work of the Joint Board's internal control systems.

Additionally, in order to support Chief Financial Officers in the fulfilment of their duties and to ensure that local authority organisations have access to effective financial advice of the highest level, CIPFA's *Role of the Chief Financial Officer (2016)* has introduced a "comply or explain" requirement in the Annual Accounts. The Treasurer complies with the principles set out in CIPFA's *Role of the Chief Financial Officer (2016)*.

### Review of Effectiveness

Members and officers of the Joint Board are committed to the concept of sound governance and the effective delivery of Joint Board services and take into account comments made by internal and external auditors and prepare action plans as appropriate. The effectiveness of the governance framework is reviewed annually by senior officers. Their review of the Local Code of Corporate Governance, includes the completion of a self-assessment of their own arrangements. This involved the completion of a 94-point checklist covering the seven supporting principles defined in CIPFA/SOLACE's *Delivering Good Governance in Local Government (2016)*. This indicated a high level of compliance.

In addition, as part of the Annual Governance Statement process the Bridge Manager completes a self-assessment checklist of the Board's own governance, risk management and internal control arrangements. This involved the completion of a 55-point checklist covering seven key governance areas of Service Planning and Performance Management; Internal Control Environment; Fraud Prevention and Detection; Budgeting, Accounting and Financial Control; Risk Management and Business Continuity; Asset Management; and Partnerships. This again indicated a high level of compliance.

The Joint Board's Internal Audit provider conforms with Public Sector Internal Audit Standards and reports to the Joint Board. Internal Audit undertakes an annual programme of work, which is reported to the Joint Board. The Internal Auditor provides an independent opinion on the adequacy and effectiveness of the system of internal control. In the opinion of the Joint Board's Internal Auditor, Tay Road Bridge Joint Board operates adequate and effective internal control systems and proper arrangements are in place to promote and secure Value for Money.

### Continuous Improvement Agenda

The Joint Board's progress against the Continuous Improvement Agenda items for 2018/2019 is detailed in Table 1. Several items are still in progress and have been carried forward to be actioned in 2019/2020. Additional areas for improvement have also been identified by Joint Board officers and these are included in Table 2 and form the Continuous Improvement Action Plan for 2019/2020. These were identified in the self-assessment checklists that were completed as part of the Joint Board's assurance gathering process and also from Internal Audit reviews.

During 2019/2020 steps will be taken to address the outstanding items identified in the Continuous Improvement Agenda to further enhance the Joint Board's governance arrangements.

The annual review demonstrates sufficient evidence that the code's principles of delivering good governance in local government operated effectively and the Joint Board complies with the Local Code of Corporate Governance in all significant respects.

---

**Lynne Short**  
Chair  
Tay Road Bridge Joint Board  
16 September 2019

---

**Alan Hutchison, BEng (Hons), MSc, CEng,**  
FICE, MCIHT. Bridge Manager  
Tay Road Bridge Joint Board  
16 September 2019



## ANNUAL GOVERNANCE STATEMENT

TABLE 1 - IMPROVEMENT AGENDA FOR 2018/2019

Original Improvement Agenda					Progress Update		
	Improvement	CIPFA / SOLACE Principle	CIPFA / SOLACE Code Reference	Responsible Officer	Target Completion Date	Actual Completion Date	Comments (e.g. Estimated Completion Date, Reasons for delays, etc.)
1	Equalities and Human Rights training for all employees.	A E	2.2 2.4	Bridge Manager	31/03/2018		In progress. 19 out of 22 staff now completed Equality and Human Rights Course through Dundee City Council (DCC). Awaiting new training dates for staff who haven't yet attended course. Carried forward to 2019/2020.*
2	Training for Bridge Management to avoid unconscious bias recruitment.	A	2.1	Bridge Manager	31/12/2018		In progress. Bridge Manager completed training through Institution of Civil Engineers. Suitable course for Operations and Maintenance Manager being sought. Looking at Equate Scotland as possible training provider. Estimated completion March 2020. Carried forward to 2019/2020.*
3	Introduce Personal Harassment Policy.	A	2.3	Bridge Manager	31/03/2019	12/12/2018	Completed.
4	Update Data Protection procedures to ensure compliance with GDPR.	A F	3.4 4.1 & 4.2	Bridge Manager	31/12/2018		In progress. New Data Protection Procedures, Employee Privacy Notice, Data Breach Procedures, & training for CCTV operators have been completed & issued to staff. Still outstanding is the development of a Records Management Plan. Carried forward to 2019/2020.*
5	Review the Board's website in terms of its quality in delivering information to bridge users and implement improvements.	B E	3.3 2.5	Bridge Manager	31/03/2019		In progress. Completed review with DCC IT. Public Questionnaire issued on social media on 1 May 2019 to help improve website. Carried forward to 2019/2020.*
6	Introduce Mental Health awareness initiatives for the workforce.	E	2	Bridge Manager	31/03/2019		In progress. Staff attended a Mindfulness and Stress Management course. This will form part of regular training for staff in the future. Further courses are planned & will cover Recognising Stress & Staff Resilience. Carried forward to 2019/2020.*

\* Carried forward items have been included in Table 2 with new target completion dates.

## ANNUAL GOVERNANCE STATEMENT

TABLE 2 - IMPROVEMENT AGENDA FOR 2019/2020

	Improvement	CIPFA / SOLACE Principle	CIPFA / SOLACE Code Reference	Responsible Officer	Target Completion Date	Details
1	Equalities and Human Rights training for all employees.	A E	2.2 2.4	Bridge Manager	31/12/2019	Carried forward from 2018/2019. In progress.
2	Training for Bridge Management to avoid unconscious bias recruitment.	A	2.1	Bridge Manager	31/03/2020	Carried forward from 2018/2019. In progress.
3	Update Data Protection procedures to ensure compliance with GDPR: Develop Records Management Plan.	A F	3.4 4.1 & 4.2	Bridge Manager	31/12/2019	Carried forward from 2018/2019. In progress.
4	Review the Board's website in terms of its quality in delivering information to bridge users and implement improvements.	B E	3.3 2.5	Bridge Manager	31/03/2020	Carried forward from 2018/2019. In progress.
5	Introduce Mental Health awareness initiatives for the workforce.	E	2	Bridge Manager	31/03/2020	Carried forward from 2018/2019. In progress.
6	Update Bridge Byelaws.	A	1.4	Clerk / Bridge Manager	31/12/2019	Source: Local Code of Corporate Governance checklist & Internal Audit Report (2019/2): Compliance with Legislation.
7	Revise Whistle-Blowing Policy.			Bridge Manager	31/03/2020	Source: Whistle-Blowing Policy (Report 12-2016 at June 2016 Board meeting).
8	Develop Anti-Bribery Policy.			Treasurer	31/03/2020	Source: Annual Governance Statement Self-Assessment Checklist.

## TAY ROAD BRIDGE JOINT BOARD ANNUAL REMUNERATION REPORT

### INTRODUCTION

The Board is required to prepare and publish within its Annual Accounts an annual Remuneration Report under the Local Authority Accounts (Scotland) Amendment Regulations 2014. The report sets out the remuneration of the Chair and Vice-Chair and Senior Employees of the Board and accrued pension benefits of the Senior Employees of the Board. The report also provides information on the number of Board employees (including Senior Employees) whose total actual remuneration was £50,000 or more, this information being disclosed in salary bandings of £5,000 above £50,000. The following report has been prepared in accordance with the aforementioned Regulations and also in accordance with other relevant guidance.

The Board's External Auditor is required to audit certain parts of the Remuneration Report and give a separate opinion in his report on the Annual Accounts as to whether the Remuneration Report has been properly prepared in accordance with the Regulations. All of the tables in this report are subject to audit, and the remainder of the report is subject to review.

### REMUNERATION ARRANGEMENTS

#### Senior Board Members

The remuneration of Councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (SSI No. 2007/183). The Regulations set out the remuneration payable to Councillors with the responsibility of a Chair or Vice-Chair of a Joint Board. The Regulations require the remuneration to be paid by the Council of which the Chair or Vice-Chair is a member. The Board has an arrangement with each Council which remunerates the Chair and Vice-Chair, to reimburse the Council for the additional costs of that councillor arising from them being a Chair or Vice-Chair of the Board. The disclosures made in this report are limited to the amounts paid to the Council by the Board for remuneration and do not reflect the full value of the remuneration that may be paid to the councillor.

The remuneration details for the Chair and Vice-Chair of Tay Road Bridge Joint Board are set out in Table 1.

The remuneration of the Chair is lower in 2018/2019 than 2017/2018 due to the fact that the Chair became a Senior Councillor in Dundee City Council in August 2018 resulting in the Board no longer being liable for the additional remuneration of the Chair's position.

#### Senior Employees

The salary of Senior Employees is set by reference to national agreements. The salaries of senior employees of the Board take into account the duties and responsibilities of their posts. The Board is responsible for agreeing the salaries of senior employees. All Board employees are entitled to participate in Dundee City Council's Contract Car Hire Scheme, subject to meeting certain criteria. The Council's Policy & Resources Committee is responsible for agreeing the terms of the Contract Car Hire Scheme.

For the purposes of the Remuneration Report, the Regulations set out the following criteria for designation as a Senior Employee of the Board:

- (i) has responsibility for management of the Board to the extent that the person has power to direct or control the major activities of the Board (including activities involving the expenditure of money), during the year to which the Report relates, whether solely or collectively with other persons;
- (ii) holds a post that is politically restricted by reason of section 2(1)(a), (b) or (c) of the Local Government and Housing Act 1989; or
- (iii) annual remuneration, including any remuneration from a local authority subsidiary body, is £150,000 or more.

The Board has determined that one employee met the criteria for designation as a Senior Employee in 2018/2019, with the employee falling into category (i) above. The remuneration details for the Senior Employees of the Board are set out in Table 2.

The Regulations also require information to be published on the total number of Board employees (including Senior Employees) whose total actual remuneration was £50,000 or more. This information is to be disclosed in salary bandings of £5,000 above £50,000 and is shown in the following table.

Remuneration Bands	No of	No of
	Employees	Employees
	2018/2019	2017/2018
£50,000 - £54,999	0	1
£55,000 - £59,999	1	0
<b>Total</b>	<b>1</b>	<b>1</b>

## TAY ROAD BRIDGE JOINT BOARD ANNUAL REMUNERATION REPORT

### EXIT PACKAGES

There were no exit packages agreed during 2018/2019 (2017/2018: None).

### ACCRUED PENSION BENEFITS

Pension benefits for Local Government Employees are provided through the Local Government Pension Scheme (LGPS). A new Local Government Pension Scheme (Scotland) came into effect on 1 April 2015 based on career average related earnings (CARE Scheme).

From 1 April 2009 a five tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009, contribution rates were set at 6% for all non-manual employees. The members' contribution rates for 2018/2019 remain at the 2009/2010 rates although the pay bandings have been adjusted. The tiers and contribution rates are as follows:

Whole Time Pay	Contribution Rate 2018/2019	Whole Time Pay	Contribution Rate 2017/2018
On earnings up to and including £21,300	5.50%	up to and including £20,700	5.50%
On earnings above £21,300 and up to £26,100	7.25%	above £20,700 and up to £25,300	7.25%
On earnings above £26,100 and up to £35,700	8.50%	above £25,300 and up to £34,700	8.50%
On earnings above £35,700 and up to £47,600	9.50%	above £34,700 and up to £46,300	9.50%
On earnings above £47,600	12%	above £46,300	12%

If a person works part-time their contribution rate is worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on 1/49th of average pensionable salary and years of pensionable service. Prior to 2015 the accrual rate guaranteed a pension based on 1/60<sup>th</sup> of final pensionable salary and years of pensionable service. Prior to 2009 the accrual rate guaranteed a pension based on 1/80<sup>th</sup> and a lump sum based on 3/80<sup>th</sup> of final pensionable salary and years of pensionable service.

### Senior Employees

The accrued pension benefits for Senior Employees are set out in Table 3, together with the pension contributions made by the Board.

### Assumptions and Contextual Information

The value of the accrued pension benefits has been calculated on the basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation. The pension figures shown relate to the benefits that the person has accrued as a consequence of their total Local Government service and not just their current appointment.

In considering the accrued pension benefits figures the following contextual information should be taken into account:

- (i) the figures for pension and lump sum are illustrative only in light of the assumptions set out above and do not necessarily reflect the actual benefits that any individual may receive upon retirement.
- (ii) the accrued benefits figures are reflective of the pension contributions that both the employer and the scheme member have made over a period of time. In 2018/2019, the scheme member contribution rate for Senior Employees of the Board was 7.8% of pensionable pay (2017/2018: 7.9%). In 2018/2019, the employer contribution rate was 17% of pensionable pay for Senior Employees (2017/2018: 17%).

---

**Lynne Short**  
Chair  
Tay Road Bridge Joint Board  
16 September 2019

---

**Alan Hutchison, BEng (Hons), MSc, CEng,**  
FICE, MCIHT. Bridge Manager  
Tay Road Bridge Joint Board  
16 September 2019

TABLE 1 – REMUNERATION OF COUNCILLORS WHO ARE CHAIR AND VICE-CHAIR OF TAY ROAD BRIDGE JOINT BOARD

Councillor Name	Responsibility	Salary, Fees & Allowances	Taxable Expenses	Total Remuneration 2018/2019	Total Remuneration 2017/2018
		£	£	£	£
Stewart Hunter*	Chair, Tay Road Bridge Joint Board (from 18 June 2017)	1,646	-	1,646	3,316
Jonny Tepp	Vice-Chair, Tay Road Bridge Joint Board (from 18 June 2017)	3,180	31	3,211	3,000
Margaret Taylor	Chair, Tay Road Bridge Joint Board (to 4 May 2017)	-	-	-	630
Jimmy Black	Vice-Chair, Tay Road Bridge Joint Board (to 4 May 2017)	-	-	-	290
<b>Total</b>		<b>4,826</b>	<b>31</b>	<b>4,857</b>	<b>7,236</b>

\* Councillor Stewart Hunter resigned as Chair on 17 June 2019.

TABLE 2 – REMUNERATION OF SENIOR EMPLOYEES

Employee Name	Post Title	Salary, Fees & Allowances	Total Remuneration 2018/2019	Total Remuneration 2017/2018
		£	£	£
Alan Hutchison	Bridge Manager	55,937	55,937	54,045
<b>Total</b>		<b>55,937</b>	<b>55,937</b>	<b>54,045</b>

TABLE 3 – SENIOR EMPLOYEES ACCRUED PENSION BENEFITS

Employee Name	Post Title	Pension as at 31 March 2019	Pension Difference from 31 March 2018	Lump Sum as at 31 March 2019	Lump Sum Difference from 31 March 2018	Pension Contribution 2018/2019	Pension Contribution 2017/2018
		£000	£000	£000	£000	£000	£000
Alan Hutchison	Bridge Manager	13	1	9	-	10	9
<b>Total</b>		<b>13</b>	<b>1</b>	<b>9</b>	<b>-</b>	<b>10</b>	<b>9</b>

**TAY ROAD BRIDGE JOINT BOARD**  
**STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS**

**The Board's responsibilities**

The Board 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 (section 95 of the Local Government (Scotland) Act 1973). In this Board, that officer is the Treasurer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003); and
- approve the Audited Annual Accounts.

I confirm that these Annual Accounts were approved for signature by the Joint Board at its meeting on 16 September 2019.

Signed on behalf of Tay Road Bridge Joint Board

---

**Lynne Short**

**Chair**

**Tay Road Bridge Joint Board**

**16 September 2019**

**The Treasurer's responsibilities**

The Treasurer is responsible for the preparation of the Board's Annual Accounts in accordance with proper practices as required by legislation and set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code of Practice').

In preparing the Annual Accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation; and
- complied with the Code of Practice (in so far as it is compatible with legislation).

The Treasurer has also:

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

I certify that the Annual Accounts give a true and fair view of the financial position of the Board at the reporting date and the transactions of the Board for the year ended 31 March 2019.

---

**Gregory Colgan, BAcc (Hons), ACMA, CGMA**

**Treasurer**

**Tay Road Bridge Joint Board**

**16 September 2019**

## TAY ROAD BRIDGE JOINT BOARD EXPENDITURE AND FUNDING ANALYSIS

The objective of the Expenditure and Funding Analysis is to demonstrate how the funding available to the Board (i.e. government grants) for the year has been used in providing services in comparison with those resources consumed or earned by the Board 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 Board's operational divisions. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2017/2018			2018/2019		
Net Expenditure Chargeable to General Fund £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the CIES £000	Net Expenditure Chargeable to General Fund £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the CIES £000
<b>Expenditure</b>					
652	8	660	428	6	434
488	70	558	483	69	552
224	-	224	193	-	193
360	48	408	343	42	385
-	1,977	1,977	-	1,948	1,948
<b>1,724</b>	<b>2,103</b>	<b>3,827</b>	<b>1,447</b>	<b>2,065</b>	<b>3,512</b>
			<b>Net Cost Of Services</b>		
(1,724)	(773)	(2,497)	(1,447)	535	(912)
			Other Operating Income & Expenditure		
<b>-</b>	<b>1,330</b>	<b>1,330</b>	<b>-</b>	<b>2,600</b>	<b>2,600</b>
			<b>(Surplus) or Deficit</b>		
1,161			1,161		
			Opening General Reserve Balance		
<b>-</b>			<b>-</b>		
			<b>Less / Add Surplus or (Deficit) on General Reserve Balance in year</b>		
<b>1,161</b>			<b>1,161</b>		
			<b>Closing General Reserve Balance at 31 March</b>		

**TAY ROAD BRIDGE JOINT BOARD  
EXPENDITURE AND FUNDING ANALYSIS**

**108**

**ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS**

This note provides a reconciliation of the main adjustments to Net Expenditure Chargeable to the General Reserve to arrive at the amounts in the Comprehensive Income and Expenditure Statement (CIES). The relevant transfers between reserves are explained in the Movement in Reserves Statement.

**2018/2019**

<b>Adjustments from General Reserve to arrive at Comprehensive Income &amp; Expenditure Statement Amounts</b>	<b>Adjustments between Funding &amp; Accounting Basis</b>				
	<b>Adjustments for Capital Purposes</b>	<b>Net Change for the</b>			<b>Total Adjustments</b>
		<b>Pensions Adjustment</b>	<b>Other Differences</b>	<b>Total Adjustments</b>	
		<b>(1)</b>	<b>(2)</b>		
<i>Explanatory Notes:</i>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	
Administration	-	6	-	6	
Operations	-	69	-	69	
Plant & Equipment	-	-	-	-	
Bridge Maintenance	-	42	-	42	
Corporate Costs	1,948	-	-	1,948	
<b>Net Cost of Services</b>	<b>1,948</b>	<b>117</b>	<b>-</b>	<b>2,065</b>	
<b>Other Operating Income &amp; Expenditure from the Expenditure &amp; Funding Analysis</b>	514	23	(2)	535	
<b>Difference between General Reserve Surplus or Deficit and CIES Surplus or Deficit on the Provision of Services</b>	<b>2,462</b>	<b>140</b>	<b>(2)</b>	<b>2,600</b>	

**2017/2018**

<b>Adjustments from General Reserve to arrive at Comprehensive Income &amp; Expenditure Statement Amounts</b>	<b>Adjustments between Funding &amp; Accounting Basis</b>				
	<b>Adjustments for Capital Purposes</b>	<b>Net Change for the</b>			<b>Total Adjustments</b>
		<b>Pensions Adjustment</b>	<b>Other Differences</b>	<b>Total Adjustments</b>	
		<b>(1)</b>	<b>(2)</b>		
<i>Explanatory Notes:</i>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	
Administration	-	8	-	8	
Operations	-	70	-	70	
Plant & Equipment	-	-	-	-	
Bridge Maintenance	-	48	-	48	
Corporate Costs	1,943	34	-	1,977	
<b>Net Cost of Services</b>	<b>1,943</b>	<b>160</b>	<b>-</b>	<b>2,103</b>	
<b>Other Operating Income &amp; Expenditure from the Expenditure &amp; Funding Analysis</b>	(844)	68	3	(773)	
<b>Difference between General Reserve Surplus or Deficit and CIES Surplus or Deficit on the Provision of Services</b>	<b>1,099</b>	<b>228</b>	<b>3</b>	<b>1,330</b>	



**TAY ROAD BRIDGE JOINT BOARD  
EXPENDITURE AND FUNDING ANALYSIS**

**109**

*Explanatory Notes:*

- 1) Adjustments for capital purposes - this column adds in depreciation and impairment and revaluation gains and losses in the services line and for:
  - a) Other operating expenditure - adjustments for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
  - b) Financing and investment income and expenditure - the statutory charges for capital financing i.e. loan repayments and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
  - c) Taxation and non-specific grant income and expenditure - capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.
- 2) Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:
  - a) For services this represents the removal of the employer pension contributions made by the Board as allowed by statute and the replacement with current service costs and past service costs.
  - b) For Financing and investment income and expenditure - the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.
- 3) Other differences between amounts debited / credited to the Comprehensive Income and Expenditure Statement and amounts payable /receivable to be recognised under statute:
  - a) For Financing and investment income and expenditure - the other differences column recognises adjustments to the General Reserve for the re-measurement of the revenue costs / income associated with financial instruments.
  - b) For Financing and investment income and expenditure - the other differences column recognises interest payable / receivable being reclassified as a corporate cost.

**EXPENDITURE AND INCOME ANALYSED BY NATURE**

The Board's expenditure and income is analysed as follows:

	<b>2017/2018</b>	<b>2018/2019</b>
	<b>Net</b>	<b>Net</b>
<b>Expenditure:</b>	<b>Expenditure /</b>	<b>Expenditure /</b>
	<b>(Income)</b>	<b>(Income)</b>
	<b>£000</b>	<b>£000</b>
Staff Costs	1,062	1,058
Property Costs	79	80
Supplies & Services	565	298
Transport Costs	25	30
Third Party Payments	119	98
Corporate Costs	1,977	1,948
<b>Total Expenditure</b>	<b>3,827</b>	<b>3,512</b>
<b>Income:</b>		
Fees, Charges & Other Service Income	(8)	(26)
Interest & Investment Income	43	(14)
Government Grants & Contributions	(2,532)	(872)
<b>Total Income</b>	<b>(2,497)</b>	<b>(912)</b>
<b>(Surplus) or Deficit on Provision of Services</b>	<b>1,330</b>	<b>2,600</b>

**TAY ROAD BRIDGE JOINT BOARD**  
**COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT**

The Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

<b>Restated 2017/2018</b>			<b>2018/2019</b>				
<b>Gross Expenditure</b>	<b>Gross Income</b>	<b>Net Expenditure/ (Income)</b>	<b>Budgeted Net Expenditure (unaudited)</b>	<b>Gross Expenditure</b>	<b>Gross Income</b>	<b>Net Expenditure/ (Income)</b>	
<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	
							<b>Expenditure</b>
660	-	660	466	434	-	434	Administration
558	-	558	565	552	-	552	Operations
224	-	224	261	193	-	193	Plant & Equipment
408	-	408	444	385	-	385	Bridge Maintenance
1,977	-	1,977	1,948	1,948	-	1,948	Corporate Costs
<b>3,827</b>	<b>-</b>	<b>3,827</b>	<b>3,684</b>	<b>3,512</b>	<b>-</b>	<b>3,512</b>	<b>Net Cost Of Services</b>
-	(8)	(8)	(13)	-	(26)	(26)	Other Operating Income & Expenditure (note 6)
68	(25)	43	2	23	(37)	(14)	Financing and Investment Income and Expenditure (note 7)
-	(2,532)	(2,532)	(2,450)	-	(872)	(872)	Non-Specific Grant Income (note 8)
<b>3,895</b>	<b>(2,565)</b>	<b>1,330</b>	<b>1,223</b>	<b>3,535</b>	<b>(935)</b>	<b>2,600</b>	<b>Net Deficit on Provision of Services</b>
-	-	-	-	-	-	-	Net deficit on revaluation of PPE
46	(1,978)	(1,932)	(172)	-	(172)	(172)	Actuarial (Gains) / Losses on Pension Assets / Liabilities
<b>46</b>	<b>(1,978)</b>	<b>(1,932)</b>	<b>(172)</b>	<b>-</b>	<b>(172)</b>	<b>(172)</b>	<b>Other Comprehensive Income and Expenditure</b>
<b>3,941</b>	<b>(4,543)</b>	<b>(602)</b>	<b>1,051</b>	<b>3,535</b>	<b>(1,107)</b>	<b>2,428</b>	<b>Total Comprehensive Income and Expenditure</b>

## TAY ROAD BRIDGE JOINT BOARD MOVEMENT IN RESERVES STATEMENT

The Movement on Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the Board, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and 'unusable reserves.' The Statement shows how the movements in year of the Board's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices. The Net Increase / (Decrease) line shows the statutory General Reserve Balance movements in the year following those adjustments.

	<b>Revenue Reserves</b>	<b>Capital Reserves</b>			
	General Fund Balance £000	Capital Grants Unapplied Account £000	<b>Total Usable Reserves £000</b>	Unusable Reserves £000	<b>Total Board's Reserves £000</b>
<b>Balance at 31 March 2017</b>	<b>(1,161)</b>	<b>(1,299)</b>	<b>(2,460)</b>	<b>(67,957)</b>	<b>(70,417)</b>
<b><u>Movement in Reserves during 2017/2018 (Restated)</u></b>					
<b>Total Comprehensive Expenditure and Income</b>	<b>1,330</b>	<b>-</b>	<b>1,330</b>	<b>(1,932)</b>	<b>(602)</b>
Adjustments between accounting basis & funding basis under regulations (note 5)	(1,330)	(248)	(1,578)	1,578	-
<b>Net (Increase) / Decrease before Transfers to Earmarked Reserves</b>	<b>-</b>	<b>(248)</b>	<b>(248)</b>	<b>(354)</b>	<b>(602)</b>
Transfers to / (from) Earmarked Reserves	-	-	-	-	-
<b>(Increase) / Decrease in 2017/2018</b>	<b>-</b>	<b>(248)</b>	<b>(248)</b>	<b>(354)</b>	<b>(602)</b>
<b>Balance at 31 March 2018 carried forward</b>	<b>(1,161)</b>	<b>(1,547)</b>	<b>(2,708)</b>	<b>(68,312)</b>	<b>(71,020)</b>
<b>Total Comprehensive Expenditure and Income</b>	<b>2,600</b>	<b>-</b>	<b>2,600</b>	<b>(172)</b>	<b>2,428</b>
Adjustments between accounting basis & funding basis under regulations (note 5)	(2,600)	902	(1,698)	1,698	-
<b>Net (Increase) / Decrease before Transfers to Earmarked Reserves</b>	<b>-</b>	<b>902</b>	<b>902</b>	<b>1,526</b>	<b>2,428</b>
Transfers to / (from) Earmarked Reserves	-	-	-	-	-
<b>(Increase) / Decrease in Year</b>	<b>-</b>	<b>902</b>	<b>902</b>	<b>1,526</b>	<b>2,428</b>
<b>Balance at 31 March 2019 carried forward</b>	<b>(1,161)</b>	<b>(645)</b>	<b>(1,806)</b>	<b>(66,786)</b>	<b>(68,592)</b>

**TAY ROAD BRIDGE JOINT BOARD  
BALANCE SHEET**

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Board. The net assets of the Board (assets less liabilities) are matched by the reserves held by the Board. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Board 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). The second category of reserves is those that the Board 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'.

<b>Restated</b>			<b>31 March 2019</b>
<b>31 March 2018</b>		<b>Note</b>	<b>£000</b>
<b>£000</b>			<b>£000</b>
69,156	Property, Plant & Equipment	20	67,597
71	Investment Property	19	71
<b>69,227</b>	<b>Total Long Term Assets</b>		<b>67,668</b>
55	Inventories	22	56
29	Short Term Debtors	23	38
3,882	Cash and Cash Equivalents	13	4,406
<b>3,966</b>	<b>Total Current Assets</b>		<b>4,500</b>
(1,333)	Short Term Creditors	24	(2,767)
<b>(1,333)</b>	<b>Total Current Liabilities</b>		<b>(2,767)</b>
(841)	Net Pension Liabilities	15	(809)
<b>(841)</b>	<b>Total Long Term Liabilities</b>		<b>(809)</b>
<b>71,019</b>	<b>Net Assets</b>		<b>68,592</b>
2,708	Usable reserves	9	1,806
68,311	Unusable Reserves	10	66,786
<b>71,019</b>	<b>Total Reserves</b>		<b>68,592</b>

**Gregory Colgan, BAcc (Hons), ACMA, CGMA**  
Treasurer  
Tay Road Bridge Joint Board

The unaudited accounts were issued on 17 June 2019 and the audited accounts were authorised for issue on 16 September 2019.

**TAY ROAD BRIDGE JOINT BOARD  
CASH FLOW STATEMENT**

The Cash Flow Statement shows the changes in cash and cash equivalents of the Board during the reporting period. The statement shows how the Board 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 Board are funded by way of grant income or from the recipients of services provided by the Board. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Board'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 Board.

<b>2017/2018</b>		<b>2018/2019</b>
<b>£000</b>		<b>£000</b>
1,330	Net deficit on the provision of services	1,234
(1,902)	Adjust net surplus or deficit on the provision of services for non cash movements	(2,040)
423	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	704
<b>(149)</b>	<b>Net cash flows from Operating Activities</b>	<b>(102)</b>
(207)	Investing Activities (note 11)	(405)
(14)	Financing Activities (note 12)	(17)
<b>(370)</b>	<b>Net (Increase) in cash and cash equivalents</b>	<b>(524)</b>
3,512	Cash and cash equivalents at the beginning of the reporting period	3,882
<b>3,882</b>	<b>Cash and cash equivalents at the end of the reporting period (note 13)</b>	<b>4,406</b>

## **1 ACCOUNTING POLICIES**

### **A General Principles**

The Annual Accounts summarise the Board's transactions for the 2018/2019 financial year and its position at the year-end of 31 March 2019. The Board is required to prepare Annual Accounts by the Local Authority Accounts (Scotland) Regulations 2014. Section 12 of the Local Government in Scotland Act 2003 requires that they be prepared in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2018/2019 and the Service Reporting Code of Practice 2018/2019, and International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the 2003 Act. The accounting convention adopted in the Annual Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets.

### **B Accruals of Income and Expenditure**

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- 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 those rendered by the Board's 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.

### **C Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents comprise short term lending that is repayable on demand or within 3 months of the Balance Sheet date and that is readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Board's cash management.

### **D Changes in Accounting Policies and Estimates and Prior Period Errors**

Changes in accounting policies are only made when required by proper accounting practices or when the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Board's financial position or financial performance. Where a change is made and it is material to the financial statements, it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

### **E Charges to Revenue for Non-Current Assets**

The Comprehensive Income and Expenditure Statement is debited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the Board; and
- revaluation and impairment losses on assets used by the Board where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.

The Board is not required to apply revenue grant receipts to fund depreciation, revaluation and impairment losses. Depreciation, revaluation and impairment losses are therefore reversed by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement.

## **F Employee Benefits**

### Benefits Payable During Employment

Short-term employee benefits (those that fall due wholly within 12 months of the year-end), such as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees, are recognised as an expense in the year in which employees render service to the Board. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the remuneration rates applicable in the following financial year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

### Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Board to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to the Corporate Costs line in the Comprehensive Income and Expenditure Statement at the earlier of when the Board can no longer withdraw the offer of those benefits or when the Board recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Reserve balance to be charged with the amount payable by the Board to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination 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.

### Post Employment Benefits

Employees of the Board are members of a separate pension scheme being the Local Government Pension Scheme (Tayside Pension Fund), a defined benefits scheme which is administered by Dundee City Council. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Board.

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Tayside Pension Fund attributable to the Board 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 about mortality rates, employee turnover rates, etc, and projections of earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bond, iBoxx AA rated over 15 year corporate bond index.
- The assets of the Tayside Pension Fund attributable to the Board are included in the Balance Sheet at their fair value:
  - quoted securities – current bid price
  - unquoted securities – professional estimate
  - unitised securities – current bid price
  - property – market value.

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 relevant operating areas;

- past service cost – the increase in liabilities arising as a result of a scheme amendment or curtailment the effect of which 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; and
- net interest on the defined benefit liability / (asset), i.e. net interest expense for the Board – 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 in 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 contribution and benefit payments.
- Re-measurements comprising:
  - the return on plan assets – excluding amounts included in the net interest on the net defined benefit liability / (asset) – charged to the Pension Reserve as Other Comprehensive Income and Expenditure; and
  - actuarial gains and losses – changes in the net pensions liability that arise because events have not co-incided 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 Tayside 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 General Reserve balance to be charged with the amount payable by the Board 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 transfers 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 on the General Reserve of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

#### *Discretionary Benefits*

The Board 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.

#### **G Events After the Reporting Period**

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 Annual Accounts are 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 Annual Accounts are adjusted to reflect such events; and
- those that are indicative of conditions that arose after the reporting period – the Annual Accounts are 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 Annual Accounts.



## **H Government Grants and Contributions**

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

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

Amounts recognised as due to the Board are not credited to the Comprehensive Income and Expenditure Account until conditions attaching 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 in the form of 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 line (Non-Specific Grant Income) 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 Reserve 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 Account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

## **I Heritage Assets**

The Board's Heritage Assets are held in support of the primary objective of increasing knowledge, understanding and appreciation of the history of the Tay Road Bridge and the surrounding area. Heritage assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Board's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below. The accounting policies in relation to heritage assets are also presented below.

The Board's heritage assets are accounted for as follows:

### Heritage Assets Not Recognised in the Balance Sheet

The Board holds heritage assets which, in light of the relaxation of measurement rules, are not recognised in the balance sheet. The Board considers that, due to the unique nature of the assets held and the lack of comparable values, the cost of obtaining valuations would be disproportionate in relation to the benefits to the users of the Board's financial statements. As a result, fair value information is unavailable and cost information is also unknown. These assets are therefore not recognised in the balance sheet, however, detailed information regarding them is held on relevant databases.

## **J Inventories and Long Term Contracts**

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the First-in-First-out (FIFO) costing formula. Long-term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

## **K Investment Properties**

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale. Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are re-valued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal. Rentals received in relation to investment properties are credited to the Financing and Investment Income and Expenditure line and result in a gain for the General Reserve Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the Balance. The gains and losses are therefore reversed out of the General Reserve Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

## **L Leases**

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification. Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Board currently has no assets acquired under finance leases or leased to third parties on finance lease. The Board currently has no assets acquired under operating leases. Accounting policies for operating leases where the Board is a lessor are set out below.

### The Board as Lessor

Where the Board grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet as a non-current asset and continues to be subject to depreciation, revaluation and impairment review, in accordance with the relevant accounting policies. Rental income is credited to the appropriate service line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a premium paid at the commencement of the lease). Any initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

## **M 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 Board 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; and

- 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 Board does not capitalise borrowing costs incurred whilst assets are under construction.

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

- infrastructure and vehicles, plant & equipment – depreciated historical cost;
- all other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of current value. Assets included in the Balance Sheet at current value are re-valued sufficiently regularly to ensure that their carrying amount is not materially different from their current 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 would be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a revaluation or impairment loss previously charged to a service. Where decreases in value are identified, the revaluation loss is 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 insufficient balance, the carrying amount of the asset is written down against the relevant line(s) in the Comprehensive Income and Expenditure Statement.

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

#### 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 insufficient balance, the carrying amount of the asset is written down against the relevant line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to 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.

#### Assets Held for Sale / Disposals

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 re-valued 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 recognised losses. Depreciation is not charged on Assets Held for Sale. 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 disposals are categorised as capital receipts. Receipts are 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 Board's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Reserve in the Movement in Reserves Statement. Amounts are appropriated to the Capital Adjustment Account from the General Reserve in the Movement in Reserves Statement.

#### 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 assets that are not yet available for use (i.e. assets under construction).

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 and equipment – straight line allocation over between 3 and 30 years.
- infrastructure – straight-line allocation up to 120 years.

Depreciable assets are not depreciated in the year of purchase, but are depreciated in the year of disposal.

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.

#### **N Reserves**

Reserves are created by transferring amounts out of the General Reserve in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate expenditure line in that year to count against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Reserve Balance in the Movement in Reserves Statement so that there is no net charge against grant receipts for the expenditure. Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and these reserves do not represent usable resources for the Board. Further information on the Board's reserves is contained in notes 9 and 10.

#### **O VAT**

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

#### **P FAIR VALUE MEASUREMENT**

The Board measures some of its non-financial assets as investment properties at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability; or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The Board measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. When measuring the fair value of a non-financial asset, the Board takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling to another market participant that would use the asset in its highest and best use.

The Board uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Board's financial statements are categorised within the fair value hierarchy as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the Board can access at the measurement date;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; or
- Level 3 - unobservable inputs for the asset or liability.

The Board's investment properties are measured using the income approach, by means of a discounted cash flow method, where the expected cash flows from the properties are discounted (using a market derived discount rate) to establish the present value of the net income stream. The approach has been developed using the Board's own data requiring it to factor in assumptions such as the duration and timing of cash inflows and outflows, rent growth, occupancy levels, bad debt levels, maintenance costs, etc.

The Board's investment properties are therefore categorised as Level 3 in the fair value hierarchy as the measurement technique uses significant unobservable inputs to determine the fair value measurements (and there is no reasonably available information that indicates that market participants would use different assumptions).

## **2 ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED**

There were no relevant accounting standards that have been issued but are not yet adopted in the 2018/2019 Code of Practice on Local Authority Accounting in the United Kingdom.

## **3 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

In applying the accounting policies set out in Note 1, the Board has had to make certain judgements about future events. The key judgement made in the Annual Accounts relates to the high degree of uncertainty about future levels of funding for public bodies. The Board has determined that this uncertainty is not sufficient to provide an indication that the assets of the Board might be impaired as a result of a need to reduce levels of service provision or affect the underlying assumption of the Board's Going Concern basis.

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

The Statement of Accounts contains estimated figures that are based on assumptions made by the Board 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.

The items in the Board's Balance Sheet at 31 March 2019 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

<b>Item</b>	<b>Uncertainties</b>	<b>Effect if Actual Results Differ from Assumptions</b>
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Board will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for property, plant and equipment would increase by £92,000 for every year that useful lives had to be reduced.
Pension Liability	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 expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Board with expert advice about the assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £166,000. However, the assumptions interact in complex ways. During 2018/2019, the Board's actuaries advised that the net pensions assets had increased by £193,000 as a result of estimates being corrected as a result of experience and net pension liabilities had reduced by £21,000 attributable to updating of the assumptions.

This list does not include any assets and liabilities that are carried at fair value based on a recently observed market price.

**5 MOVEMENT IN RESERVES STATEMENT - ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS**

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Board in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Board to meet future capital and revenue expenditure.

	<u>Revenue</u> <u>Reserve</u>	<u>Capital</u> <u>Reserve</u>	<u>Capital</u> <u>Reserve</u> <u>Capital</u> <u>Grants</u>	Movement in Unusable Reserves	Total 2018/2019
<b>2018/2019</b>	<b>General Fund Balance £000</b>	<b>Capital Receipts Reserve £000</b>	<b>Unapplied Account £000</b>	<b>£000</b>	<b>£000</b>
<b>Adjustments involving the Capital Adjustment Account:</b>					
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>					
Charges for depreciation and impairment of non current assets	(1,948)	-	-	1,948	-
Movements in the fair value of Investment Properties	-	-	-	-	-
Capital grants and contributions that have been applied to capital financing	(616)	-	-	616	-
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>					
Capital expenditure charged against the General Reserve	90	-	-	(90)	-
<b>Adjustments involving the Capital Receipts Reserve:</b>					
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	12	(12)	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	12	-	(12)	-
<b>Adjustments involving the Capital Grants Unapplied Account:</b>					
Reversal of unapplied capital grant and contributions credited to the Comprehensive Income and Expenditure Statement	-	-	902	(902)	-
<b>Adjustments involving the Pensions Reserve:</b>					
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 15)	(270)	-	-	270	-
Employer's pensions contributions and direct payments to pensioners payable in the year	130	-	-	(130)	-
<b>Adjustment involving the Accumulating Compensated Absences Adjustment Account:</b>					
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	2	-	-	(2)	-
<b>Total Adjustments</b>	<b>(2,600)</b>	<b>-</b>	<b>902</b>	<b>1,698</b>	<b>-</b>

	<u>Revenue Reserve</u>	<u>Capital Reserve</u>	<u>Capital Reserve</u>	<u>Capital Grants Unapplied Account</u>	<u>Movement in Unusable Reserves</u>	<u>Total 2017/2018</u>
<b>2017/2018</b>	<b>General Fund Balance</b>	<b>Capital Receipts Reserve</b>	<b>Capital Grants Unapplied Account</b>	<b>Capital Grants Unapplied Account</b>	<b>Unusable Reserves</b>	<b>Total 2017/2018</b>
	£000	£000	£000	£000	£000	£000
<b>Adjustments involving the Capital Adjustment Account:</b>						
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>						
Charges for depreciation and impairment of non current assets	(1,943)	-	-	-	1,943	-
Movements in the fair value of Investment Properties	-	-	-	-	-	-
Capital grants and contributions that have been applied to capital financing	750	-	-	-	(750)	-
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>						
Capital expenditure charged against the General Reserve	87	-	-	-	(87)	-
<b>Adjustments involving the Capital Receipts Reserve:</b>						
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	7	(7)	-	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	7	-	-	(7)	-
<b>Adjustments involving the Capital Grants Unapplied Account:</b>						
Reversal of unapplied capital grant and contributions credited to the Comprehensive Income and Expenditure Statement	-	-	(248)	-	248	-
<b>Adjustments involving the Pensions Reserve:</b>						
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 15)	(355)	-	-	-	355	-
Employer's pensions contributions and direct payments to pensioners payable in the year	127	-	-	-	(127)	-
<b>Adjustment involving the Accumulating Compensated Absences Adjustment Account</b>						
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	(3)	-	-	-	3	-
<b>Total Adjustments</b>	<b>(1,330)</b>	<b>-</b>	<b>(248)</b>	<b>-</b>	<b>1,578</b>	<b>-</b>



**TAY ROAD BRIDGE JOINT BOARD  
NOTES TO THE FINANCIAL STATEMENTS**

**6 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - OTHER OPERATING INCOME AND EXPENDITURE**

<u>2017/2018</u>		<u>2018/2019</u>
<u>£000</u>		<u>£000</u>
(1)	Miscellaneous Income	(14)
(7)	(Gains) / Losses on the disposal of non current assets	(12)
<u>(8)</u>	<b>Total</b>	<u>(26)</u>

**7 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - FINANCING AND INVESTMENT INCOME AND EXPENDITURE**

<u>2017/2018</u>		<u>2018/2019</u>
<u>£000</u>		<u>£000</u>
68	Net interest on the defined benefit liability (asset)	23
(16)	Interest receivable and similar income	(32)
(9)	Net Income & Expenditure on investment properties	(5)
<u>43</u>	<b>Total</b>	<u>(14)</u>

**8 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - NON SPECIFIC GRANT INCOME**

<u>2017/2018</u>		<u>2018/2019</u>
<u>£000</u>		<u>£000</u>
(1,782)	Non-ring fenced government grants	(1,488)
(750)	Capital grants and contributions	(750)
-	Repayment of Capital grants and contributions	1,366
<u>(2,532)</u>	<b>Total</b>	<u>(872)</u>

**9 BALANCE SHEET - USABLE RESERVES**

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement and note 5.

**10 BALANCE SHEET - UNUSABLE RESERVES**

<u>31 March 2018</u>		<u>31 March 2019</u>
<u>£000</u>		<u>£000</u>
762	Revaluation Reserve	762
68,392	Capital Adjustment Account	66,833
(841)	Pensions Reserve	(809)
(2)	Accumulating Compensated Absences Adjustment Account	-
<u>68,311</u>	<b>Total Unusable Reserves</b>	<u>66,786</u>

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Board arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- re-valued 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 1 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.

**TAY ROAD BRIDGE JOINT BOARD  
NOTES TO THE FINANCIAL STATEMENTS**

<b>2017/2018</b>		<b>2018/2019</b>
<u>£000</u>		<u>£000</u>
<b>762</b>	<b>Balance at 1 April</b>	<b>762</b>
-	Upward Revaluation of assets	-
-	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	-
-	Accumulated gains on assets sold or scrapped	-
-	Amount written off to the Capital Adjustment Account	-
<u><b>762</b></u>	<b>Balance at 31 March</b>	<u><b>762</b></u>

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 and impairment losses are charged to the Comprehensive Income and Expenditure Statement. The Account is credited with the amounts set aside by the Board as finance for the costs of acquisition, construction and enhancement. The Account contains accumulated gains and losses on Investment Properties that have yet to be consumed by the Board. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 5 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

<b>2017/2018</b>		<b>2018/2019</b>
<u>£000</u>		<u>£000</u>
<b>69,739</b>	<b>Balance at 1 April</b>	<b>68,392</b>
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(1,943)	• Charges for depreciation and impairment of non current assets	(1,948)
-	• Revaluation losses on Property, Plant & Equipment	-
<u><b>(1,943)</b></u>	<b>Net written out amount of the cost of non current assets consumed in the year</b>	<u><b>(1,948)</b></u>
	Capital financing applied in the year:	
7	• Use of the Capital Receipts Reserve to finance new capital expenditure	12
502	• Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	287
87	• Capital expenditure charged against the General Reserve	90
<u><b>596</b></u>	<b>Total Capital Financing Applied during the year</b>	<u><b>389</b></u>
<u><b>68,392</b></u>	<b>Balance at 31 March</b>	<u><b>66,833</b></u>

**TAY ROAD BRIDGE JOINT BOARD  
NOTES TO THE FINANCIAL STATEMENTS**

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 Board accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are 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 Board makes employer's contributions to pensions 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 Board 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.

<u>2017/2018</u>		<u>2018/2019</u>
<u>£000</u>		<u>£000</u>
<b>(2,545)</b>	<b>Balance at 1 April</b>	<b>(841)</b>
1,932	Re-measurements of the net defined benefit liability / (asset)	172
(355)	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	(270)
127	Employer's pensions contributions and direct payments to pensioners payable in the year	130
<b>(841)</b>	<b>Balance at 31 March</b>	<b>(809)</b>

Accumulating Compensated Absences Adjustment Account

The Accumulating Compensated Absences Adjustment Account absorbs the differences that would otherwise arise on the General Reserve Balance from accruing for compensated absences earned but not taken in the year. Statutory arrangements require that the impact on the General Reserve Balance is neutralised by transfers to or from the Account.

<u>2017/2018</u>		<u>2018/2019</u>
<u>£000</u>		<u>£000</u>
<b>1</b>	<b>Balance at 1 April</b>	<b>(2)</b>
(1)	Settlement or cancellation of accrual made at the end of the preceding year	2
(2)	Amounts accrued at the end of the current year	-
(3)	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	2
<b>(2)</b>	<b>Balance at 31 March</b>	<b>-</b>

**11 CASH FLOW STATEMENT - INVESTING ACTIVITIES**

<u>2017/2018</u>		<u>2018/2019</u>
<u>£000</u>		<u>£000</u>
550	Purchase of property, plant and equipment, investment property and intangible assets	357
(7)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(12)
(750)	Other receipts from investing activities	(750)
<b>(207)</b>	<b>Net cash flows from investing activities</b>	<b>(405)</b>

**TAY ROAD BRIDGE JOINT BOARD  
NOTES TO THE FINANCIAL STATEMENTS**

**12 CASH FLOW STATEMENT - FINANCING ACTIVITIES**

<b>2017/2018</b>		<b>2018/2019</b>
<u>£000</u>		<u>£000</u>
(14)	Other receipts from financing activities	(17)
<u>(14)</u>	<b>Net cash flows from financing activities</b>	<u>(17)</u>

**13 CASH FLOW STATEMENT - CASH AND CASH EQUIVALENTS**

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

<b>31 March 2018</b>		<b>31 March 2019</b>
<u>£000</u>		<u>£000</u>
3,882	Bank current account	4,406
<u>3,882</u>	<b>Total cash and cash equivalents</b>	<u>4,406</u>

**14 EXTERNAL AUDIT COSTS**

The Board has incurred the following costs in relation to the audit of the Annual Accounts provided by the Board's external auditors:

	<b>2017/2018</b>	<b>2018/2019</b>
	<u>£000</u>	<u>£000</u>
Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor for the year	12	12
<b>Total</b>	<u>12</u>	<u>12</u>

## TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

### 15 DEFINED BENEFIT PENSION SCHEMES

#### Participation in pension schemes

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

The Board participates in two post employment schemes:

- The Local Government Pension Scheme (Tayside Pension Fund), which is administered locally by Dundee City Council and is a funded defined benefit final salary scheme, meaning that the Board and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. The Scheme currently provides benefits based on career average revalued salary and length of service on retirement.
- The Board also has liabilities for any discretionary pension payments outside the main scheme. These benefits are an unfunded defined benefit final arrangement, under which liabilities are recognised when awards are made. There are no investment assets built up to meet the pension liabilities for discretionary awards, and cash has to be generated to meet actual pensions payments as they eventually fall due.

The Tayside Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme (Scotland) regulations 2008 and the governance of the scheme is the responsibility of the Pensions Investment Sub-Committee of the Policy and Resources Committee of Dundee City Council. Policy is determined in accordance with the Pension Fund Regulations. The investment managers of the fund are appointed by the Sub-Committee.

The principal risks to the Board of the scheme are the life expectancy assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals of members from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge the Cost of Services the amounts required by statute as described in the accounting policies note (please refer to Note 1 item F for further details).

**TAY ROAD BRIDGE JOINT BOARD  
NOTES TO THE FINANCIAL STATEMENTS**

**Transactions relating to post employment benefits**

The Board recognises 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 the Board is required to make against reserves is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Reserve via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Reserve Balance via the Movement in Reserves Statement during the year:

	<b>Local Government Pension Scheme</b>	
	<b>Restated</b>	
	<b>2017/2018</b>	<b>2018/2019</b>
	<b>£000</b>	<b>£000</b>
<b>Comprehensive Income and Expenditure Statement:</b>		
<i>Cost of Services:</i>		
• current service cost	253	247
• past service cost	-	-
• curtailment	34	-
<i>Financing and Investment Income and Expenditure</i>		
• net interest on the defined liability (asset)	65	19
• administration expenses	3	4
<b>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</b>	<b>355</b>	<b>270</b>
<i>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>		
Re-measurement of the net defined benefit liability comprising:		
• Return on plan assets (excluding amount included in the net interest expense)	(261)	(193)
• Other actuarial gains / (losses) on assets	46	-
• Actuarial gains and losses arising on changes in demographic assumptions	(680)	(362)
• Actuarial gains and losses arising on changes in financial assumptions	(315)	383
• Other (if applicable)	(722)	-
<b>Total Re-measurements</b>	<b>(1,932)</b>	<b>(172)</b>
<b>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</b>	<b>(1,577)</b>	<b>98</b>
<b>Movement in Reserves Statement:</b>		
• reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(355)	(270)
<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>		
• employers' contributions payable to scheme	127	130

**TAY ROAD BRIDGE JOINT BOARD  
NOTES TO THE FINANCIAL STATEMENTS**

**Pension assets and liabilities recognised in the Balance Sheet**

	<b>Local Government Pension Scheme</b>		
	<b>Restated</b>		
	<b>2016/2017</b>	<b>2017/2018</b>	<b>2018/2019</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Net pension liabilities as at March:			
Present value of funded obligation	11,354	9,688	9,836
Fair value of scheme assets	(9,177)	(9,208)	(9,381)
<b>Net liability</b>	<b>2,177</b>	<b>480</b>	<b>455</b>
Present value of unfunded obligation	368	361	354
<b>Net liability arising from defined benefit obligation</b>	<b>2,545</b>	<b>841</b>	<b>809</b>

**Assets and liabilities in relation to post employment benefits**

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

	<b>Funded liabilities: Local Government Pension Scheme</b>	
	<b>2017/2018</b>	<b>2018/2019</b>
	<b>£000</b>	<b>£000</b>
Opening balance at 1 April	11,722	10,049
Current service cost	253	247
Interest cost	298	251
Contributions by scheme participants	40	42
<i>Re-measurement (gains) and losses:</i>		
○ change in financial assumptions	(315)	383
○ change in demographic assumptions	(680)	(362)
Experience gain on defined benefit obligation	(722)	-
Benefits paid	(581)	(420)
Past service costs, including curtailments	34	-
<b>Closing balance at 31 March</b>	<b>10,049</b>	<b>10,190</b>

**Reconciliation of fair value of the scheme assets:**

	<b>Local Government Pension Scheme</b>	
	<b>Restated</b>	
	<b>2017/2018</b>	<b>2018/2019</b>
	<b>£000</b>	<b>£000</b>
Opening balance at 1 April	9,177	9,208
Interest income on assets	233	232
Re-measurement gain: return on assets less interest	261	193
Other re-measurement gain	(46)	-
Administration expenses	(3)	(4)
Employer contributions	127	130
Contributions by scheme participants	40	42
Benefits paid	(581)	(420)
<b>Closing balance at 31 March</b>	<b>9,208</b>	<b>9,381</b>

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was £425,000 ( 2017/2018 (restated): £494,000).

## TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

The liabilities show the underlying commitments that the Board has in the long run to pay post employment (retirement) benefits. The total liability of £0.809m is reflected in the Board's Balance Sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Board 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.

### Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The Tayside Pension Fund has been assessed by Barnett Waddingham, an independent firm of actuaries, being based on the latest full valuation of the scheme as at 31 March 2017.

The principal assumptions used by the actuary have been:

	<b>Local Government Pension Scheme</b>	
	<b>2017/2018</b>	<b>2018/2019</b>
Long-term expected rate of return on assets in the scheme:		
Mortality assumptions:		
Longevity at 65 for current pensioners (years):		
Men	20.3	19.6
Women	22.2	21.6
Longevity at 65 for future pensioners (years):		
Men	22.1	21.3
Women	24.1	23.4
Rate of inflation (RPI)	3.35%	3.45%
Rate of inflation (CPI)	2.35%	2.45%
Rate of increase in salaries	3.35%	3.45%
Rate of increase in pensions	2.35%	2.45%
Rate of discounting scheme liabilities	2.55%	2.40%

The estimate of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that the life expectancy increase or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analyses have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Impact on the defined benefit obligation in the Scheme:

	<b>Local Government Pension Scheme</b>		
	<b>£000</b>	<b>£000</b>	<b>£000</b>
	<b>+0.1%</b>	<b>0%</b>	<b>-0.1%</b>
Adjustment to discount rate:			
o Present value of total obligation	10,024	10,190	10,359
o Projected service cost	248	254	260
Adjustment to long term salary increase:			
o Present value of total obligation	10,202	10,190	10,178
o Projected service cost	254	254	254
Adjustment to pension increases and deferred re-valuation:			
o Present value of total obligation	10,347	10,190	10,036
o Projected service cost	260	254	248
Adjustment to mortality age rating assumption:	<b>+ 1 year</b>	<b>None</b>	<b>- 1 year</b>
o Present value of total obligation	10,566	10,190	9,828
o Projected service cost	263	254	246



## TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

The Board's share of Tayside Pension Fund's assets consist of the following categories, by amount and proportion of the total assets held:

	Restated 31 March 2018 £000	Restated 31 March 2018 %	31 March 2019 £000	31 March 2019 %
Equity investments	6,365	69	6,480	70
Gilts	488	5	134	1
Other Bonds	1,066	12	1,408	15
Property	1,085	12	1,171	12
Cash	204	2	188	2
<b>Total</b>	<b>9,208</b>	<b>100</b>	<b>9,381</b>	<b>100</b>

### Impact on the Board's cash flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Tayside Pension Fund has agreed a strategy with the scheme's actuary to achieve a funding level of 100%. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed as at 31 March 2020.

The Board anticipated to pay £115,000 expected contributions to the scheme in 2019/2020. The weighted average duration of the defined benefit obligation for scheme members is 17 years (2017/2018: 17 years).

### 16 EVENTS AFTER THE BALANCE SHEET DATE

There was an event that occurred between 1 April 2019 and 16 September 2019 that required adjustment to the 2018/2019 financial statements. The latter date is the date on which the audited accounts were authorised for issue by the Treasurer. The event that took place before this date provided information about conditions that existed at 31 March 2019 and the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. The Board's Unaudited Accounts included an amount of £2.011m for the Capital Grants Unapplied Reserve within its Usable Reserves balance of £3.172m. The Capital Grants Unapplied Reserve represents capital funding from Transport Scotland that is carried forward for use in future years. Transport Scotland advised the Board in August 2019 that the full amount of the balance is not available for carry forward and agreement has been reached to retain the proportion of the carry forward balance that will be required to fund the 2019/2020 capital programme and repay the balance of £1.366m to Transport Scotland.

### 17 RELATED PARTIES

The Board is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Board or to be controlled or influenced by the Board. Disclosure of these transactions allows readers to assess the extent to which the Board 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 Board.

#### Central Government

Central government has effective control over the general operations of the Board. It is responsible for providing the statutory framework within which the Board operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Board has with other parties. There are no grant receipts outstanding at 31 March 2019 (see note 25).

#### Other Local Authorities

Angus, Dundee City and Fife Councils are considered to be related parties of the Board. During 2018/2019, the Board entered into a number of transactions with Dundee City Council and Fife Council, as detailed below:

**TAY ROAD BRIDGE JOINT BOARD  
NOTES TO THE FINANCIAL STATEMENTS**

2017/2018			2018/2019	
Income £000	Expenditure £000		Income £000	Expenditure £000
(17)	-	<b>Dundee City Council:</b>	(32)	-
-	77	Interest Receivable	-	79
-	12	Central Support Services	-	10
-	31	Grounds Maintenance	-	64
-	91	Professional Fees	-	58
(17)	211	<b>Total Dundee City Council</b>	(32)	211
		<b>Fife Council:</b>		
-	-	Grounds Maintenance	-	-
-	4	Miscellaneous	-	4
-	4	<b>Total Fife Council</b>	-	4

The following balances existed between the Board and Dundee City Council and Fife Council as at 31 March 2019:

2017/2018			2018/2019	
Asset £000	Liability £000		Asset £000	Liability £000
-	3	<b>Dundee City Council:</b>	-	23
(17)	-	Central Support Services	(32)	-
-	-	Interest Receivable	-	51
-	48	Professional Fees	-	9
(17)	51	Miscellaneous	(32)	83
		<b>Total Dundee City Council</b>		
		<b>Fife Council:</b>		
-	5	Miscellaneous	-	4
-	5	<b>Total Fife Council</b>	-	4

## 18 LEASES

### The Board as Lessee

The Board held no assets on finance or operating lease during 2018/2019 and, accordingly, there were no lease rentals paid to lessors during the year (2017/2018: None) or commitments due to lessors in 2018/2019 (2017/2018: None).

### The Board as Lessor

The Board had entered a three year agreement for the lease of land and property to a third party which ended in 2011. This arrangement has continued on a monthly basis as permitted in the lease agreement. This agreement is accounted for as an operating lease. In 2018/2019 the Board received rent of £10,213 from this agreement (2017/2018: £10,213). Assuming that the lease continues for one year, the present value of minimum lease payments receivable as at the Balance Sheet date are as follows:

- a) Not later than 1 year = £10,213
- b) later than 1 year and not later than 5 years = £Nil
- c) later than 5 years = £Nil.

## 19 INVESTMENT PROPERTY

The following items of income and expense have been accounted for in the Comprehensive Income and Expenditure Statement:

	2017/2018 £000	2018/2019 £000
Rental income from investment property	10	10
Direct operating expenses arising from investment property	(1)	(5)
<b>Net gain/(loss)</b>	<b>9</b>	<b>5</b>

**TAY ROAD BRIDGE JOINT BOARD  
NOTES TO THE FINANCIAL STATEMENTS**

There are no restrictions on the Board's ability to realise the value inherent in its investment property or on the Board's right to the remittance of income and the proceeds of disposal.

There has been no movement in the fair value of investment properties over the year. The balance at 31 March 2019 remains £71,000.

The Board's Investment Properties are valued using the Level 3 (unobservable inputs for the asset) valuation technique / fair value hierarchy. There has been no change in the valuation technique used during the year.

**20 PROPERTY, PLANT AND EQUIPMENT**

*Movements on Balances*

Movements in 2018/2019:

	Other Land and Buildings £000	Vehicles, Plant & Equipment £000	Infrastructure Assets £000	Total Property, Plant & Equipment £000
<b>Cost or Valuation</b>				
At 1 April 2018	1,398	1,275	85,913	<b>88,586</b>
Additions	-	340	49	<b>389</b>
Derecognition – Disposals	-	-	-	-
Expenditure Not Adding Value	-	(11)	-	<b>(11)</b>
<b>At 31 March 2019</b>	<b>1,398</b>	<b>1,604</b>	<b>85,962</b>	<b>88,964</b>

**Accumulated Depreciation  
and Impairment**

At 1 April 2018	58	461	18,911	<b>19,430</b>
Depreciation charge	19	108	1,810	<b>1,937</b>
Derecognition – Disposals	-	-	-	-
<b>At 31 March 2019</b>	<b>77</b>	<b>569</b>	<b>20,721</b>	<b>21,367</b>

**Net Book Value:**

<b>At 31 March 2019</b>	<b>1,321</b>	<b>1,035</b>	<b>65,241</b>	<b>67,597</b>
<b>At 31 March 2018</b>	<b>1,340</b>	<b>814</b>	<b>67,002</b>	<b>69,156</b>

Comparative Movements in 2017/2018:

	Other Land and Buildings £000	Vehicles, Plant & Equipment £000	Infrastructure Assets £000	Total Property, Plant & Equipment £000
<b>Cost or Valuation</b>				
At 1 April 2017	1,398	826	85,853	<b>88,077</b>
Additions	-	536	60	<b>596</b>
Derecognition – Disposals	-	(59)	-	<b>(59)</b>
Expenditure Not Adding Value	-	(28)	-	<b>(28)</b>
<b>At 31 March 2018</b>	<b>1,398</b>	<b>1,275</b>	<b>85,913</b>	<b>88,586</b>

**Accumulated Depreciation**

At 1 April 2017	39	456	17,079	<b>17,574</b>
Depreciation charge	19	64	1,832	<b>1,915</b>
Derecognition – Disposals	-	(59)	-	<b>(59)</b>
<b>At 31 March 2018</b>	<b>58</b>	<b>461</b>	<b>18,911</b>	<b>19,430</b>

**Net Book Value:**

<b>At 31 March 2018</b>	<b>1,340</b>	<b>814</b>	<b>67,002</b>	<b>69,156</b>
<b>At 31 March 2017</b>	<b>1,359</b>	<b>370</b>	<b>68,774</b>	<b>70,503</b>

**TAY ROAD BRIDGE JOINT BOARD  
NOTES TO THE FINANCIAL STATEMENTS**

*Capital Commitments*

At 31 March 2019, the Board has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2019/2020 and future years, budgeted to cost £519,000 (Similar commitments at 31 March 2018 were £101,000).

The major commitments are for:

- Cathodic Protection Monitoring Equipment = £150,000;
- Inspection of Columns and Piers = £204,000;
- Bridge Office Refurbishment = £39,000;
- LED Lighting to Bridge and Fife Car Park = £86,000; and
- New Vehicles = £36,000.

*Revaluations*

The Authority carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is re-valued at least every five years. All valuations were carried out by Mr Alastair Kay BSc MRICS, Registered Valuer for Dundee City Council's City Development service. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

**21 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.

	2017/2018 £000	2018/2019 £000
<i>Capital investment:</i>		
Property, Plant and Equipment	596	389
<b>Total Capital Investment</b>	<b>596</b>	<b>389</b>
<i>Sources of finance:</i>		
Capital receipts	7	12
Government grants and other contributions	502	287
Capital Funded from Current Revenue	87	90
<b>Total Sources of Finance</b>	<b>596</b>	<b>389</b>

**22 INVENTORIES**

	Maintenance Materials		Total	
	2017/2018 £000	2018/2019 £000	2017/2018 £000	2018/2019 £000
<b>Balance outstanding at start of year</b>	57	55	57	55
Recognised as an expense in the year	(2)	1	(2)	1
<b>Balance outstanding at year-end</b>	<b>55</b>	<b>56</b>	<b>55</b>	<b>56</b>

**23 SHORT-TERM DEBTORS**

	31 March 2018 £000	31 March 2019 £000
Local authorities	17	32
Other entities and individuals	12	6
<b>Total</b>	<b>29</b>	<b>38</b>

**24 SHORT-TERM CREDITORS**

	31 March 2018 £000	31 March 2019 £000
Central government bodies	1,043	2,625
Local authorities	26	99
Other entities and individuals	264	43
<b>Total</b>	<b>1,333</b>	<b>2,767</b>

**TAY ROAD BRIDGE JOINT BOARD  
NOTES TO THE FINANCIAL STATEMENTS**

**25 GRANT INCOME**

The Board credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Account in 2018/2019:

	<b>2017/2018</b>	<b>2018/2019</b>
	<b>£000</b>	<b>£000</b>
<b>Credited to Taxation and Non Specific Grant Income</b>		
Scottish Government Revenue Grant	1,782	1,488
Scottish Government Capital Grant	750	750
Repayment of Scottish Government Capital Grant	-	(1,366)
<b>Total</b>	<b>2,532</b>	<b>872</b>

The Board has £1,235,000 of revenue grants, contributions and donations that have yet to be recognised as income due to them having conditions attached to them that requires the monies or property to be returned to the grant provider (2017/2018: £1,023,000). This is included in Note 24, Short-Term Creditors under central government bodies.

**26 CONTINGENT LIABILITIES**

As a result of the High Court's recent Lloyds ruling on the equalisation of GMPs between genders, a number of pension schemes have made adjustments to accounting disclosures to reflect the effect this ruling has on the value of pension liabilities. It is the understanding of Tayside Pension Fund's actuaries that HM Treasury have confirmed that the judgement "does not impact on the current method used to achieve equalisation and indexation in public service pension schemes.

On 22 January 2018, the Government published the outcome to its Indexation and Equalisation of GMP in Public Service Pension Schemes Consultation, concluding that the requirement for public service pension schemes to fully price protect the GMP element of individuals' public service pension would be extended to those individuals reaching State Pension Age (SPA) before 6 April 2021. HM Treasury published a Ministerial Direction on 4 December 2018 to implement this outcome, with effect from 6 April 2016.

Tayside Pension Fund's actuaries valuation assumption for GMP is that the Fund will pay limited increases for members that have reached SPA by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, the actuaries have assumed that the Fund will be required to pay the entire inflationary increase. The Board will have a liability that will crystallise in the future but this cannot be quantified at this stage.

There were no Contingent liabilities in the year to 31 March 2018.

**TAY ROAD BRIDGE JOINT BOARD  
NOTES TO THE FINANCIAL STATEMENTS**

**27 PRIOR PERIOD ADJUSTMENT (IAS 19)**

There was a misstatement in the 2017/2018 Actuaries' estimate of asset returns compared to the actual returns. The timing of actuarial reports means that actuaries produce their IAS 19 reports using estimated data for the final part of the year. Actual experience resulted in the asset returns for the Tay Road Bridge being significantly greater than actual returns. The actuarial estimates were not updated which resulted in an overstatement of asset values and consequently an understatement in pension liabilities. The misstatement in the pension liability amounts to £0.103 million. Management chose not to adjust the 2017/2018 accounts for this item based on materiality. The Board's auditor agreed that the amount involved was not material.

**Effect on line items in the Comprehensive Income & Expenditure Statement 2017/2018:**

In order to correct this error, the Board has restated the prior year information for 2017/2018 for the £0.103m in each of the following lines in the Comprehensive Income and Expenditure Statement. The following are the relevant extracted lines from the Comprehensive Income and Expenditure Statement. The Comprehensive Income and Expenditure Statement, with appropriate restatement for 2017/2018, can be found on page 26 of these financial statements.

	As Originally Stated 2017/2018 Gross Expenditure £000	As Restated 2017/2018 Gross Expenditure £000	Amount of Restatement 2017/2018 Gross Expenditure £000
Actuarial (Gains) / Losses on Pension Assets / Liabilities	242	46	(196)
<b>Other Comprehensive Income &amp; Expenditure</b>	<b>242</b>	<b>46</b>	<b>(196)</b>
<b>Total Comprehensive Income &amp; Expenditure</b>	<b>4,137</b>	<b>3,941</b>	<b>(196)</b>

	As Originally Stated 2017/2018 Gross Income £000	As Restated 2017/2018 Gross Income £000	Amount of Restatement 2017/2018 Gross Income £000
Actuarial (Gains) / Losses on Pension Assets / Liabilities	(2,277)	(1,978)	299
<b>Other Comprehensive Income &amp; Expenditure</b>	<b>(2,277)</b>	<b>(1,978)</b>	<b>299</b>
<b>Total Comprehensive Income &amp; Expenditure</b>	<b>(4,842)</b>	<b>(4,543)</b>	<b>299</b>

	As Originally Stated 2017/2018 Net Expenditure / (Income) £000	As Restated 2017/2018 Net Expenditure / (Income) £000	Amount of Restatement 2017/2018 Net Expenditure / (Income) £000
Actuarial (Gains) / Losses on Pension Assets / Liabilities	(2,035)	(1,932)	103
<b>Other Comprehensive Income &amp; Expenditure</b>	<b>(2,035)</b>	<b>(1,932)</b>	<b>103</b>
<b>Total Comprehensive Income &amp; Expenditure</b>	<b>(705)</b>	<b>(602)</b>	<b>103</b>

**TAY ROAD BRIDGE JOINT BOARD  
NOTES TO THE FINANCIAL STATEMENTS**

**Effect on line items in the Balance Sheet at 31 March 2018:**

The CIPFA Code of Practice on Local Authority Accounting in the United Kingdom requires that an authority present a Balance Sheet at the beginning of the preceding period when an authority makes a retrospective restatement. However, in this case the prior period error did not impact on the opening Balance Sheet for 2017/2018. The error took place at year-end (2017/2018) and therefore impacted on the reported Pensions Liability, which has increased by £0.103m. The Pensions Reserve balance was also understated by the same amount. The following table demonstrates the effects on the relevant line items in the Balance Sheet for the financial year 2017/2018. The restated (for the relevant line items) prior period Balance Sheet is provided with the current year information on page 28 of the financial statements.

	<b>2017/2018 As Originally Stated £000</b>	<b>2017/2018 As Restated £000</b>	<b>2017/2018 Amount of Restatement £000</b>
Net Pension Liabilities	(738)	(841)	(103)
<b>Total Long-Term Liabilities</b>	<b>(738)</b>	<b>(841)</b>	<b>(103)</b>
<b>Net Assets</b>	<b>71,122</b>	<b>71,019</b>	<b>(103)</b>
Unusable Reserves	68,414	68,311	(103)
<b>Total Reserves</b>	<b>71,122</b>	<b>71,019</b>	<b>(103)</b>

**Effect on line items in the Movement in Reserves Statement at 31 March 2018:**

The following restatement was also required for the Movement in Reserves Statement for Unusable Reserves. The restated (for the relevant line items) prior period Movement in Reserves Statement is provided with the current year information on page 27 of the financial statements.

	<b>2017/2018 As Originally Stated £000</b>	<b>2017/2018 As Restated £000</b>	<b>2017/2018 Amount of Restatement £000</b>
<b>Unusable Reserves:</b>			
Other Comprehensive Income & Expenditure	(2,035)	(1,932)	103
<b>Total Comprehensive Income &amp; Expenditure</b>	<b>(2,035)</b>	<b>(1,932)</b>	<b>103</b>
<b>Net (Increase) / Decrease before Transfers to Other Statutory Reserves</b>	<b>(457)</b>	<b>(354)</b>	<b>103</b>
<b>(Increase) / Decrease in 2017/2018</b>	<b>(457)</b>	<b>(354)</b>	<b>103</b>
<b>Balance at 31 March 2018</b>	<b>(68,414)</b>	<b>(68,311)</b>	<b>103</b>

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAY ROAD BRIDGE JOINT BOARD AND THE ACCOUNTS COMMISSION FOR SCOTLAND

140

## Report on the audit of the financial statements

### Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Tay Road Bridge Joint Board for the year ended 31 March 2019 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Balance Sheet, Movement in Reserves Statement, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (the 2018/19 Code).

In my opinion the accompanying financial statements:

- give a true and fair view, in accordance with applicable law and the 2018/19 Code, of the state of affairs of Tay Road Bridge Joint Board as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

### Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. 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 was appointed under arrangements approved by the Accounts Commission on 10 April 2017. The period of total uninterrupted appointment is three years. I am independent of the Tay Road Bridge Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the Tay Road Bridge Joint Board. 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 basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Treasurer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about Tay Road Bridge Joint Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Risks of material misstatement

I have reported in a separate Annual; Audit Report, which is available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my conclusions thereon.



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAY ROAD BRIDGE JOINT BOARD AND THE ACCOUNTS COMMISSION FOR SCOTLAND

141

## **Responsibilities of the Treasurer and Tay Road Bridge Joint Board for the financial statements**

As explained more fully in the Statement of Responsibilities for the Annual Accounts, the Treasurer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Treasurer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Treasurer is responsible for assessing the Tay Road Bridge Joint Board'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.

The Tay Road Bridge Joint Board is responsible for overseeing the financial reporting process.

## **Auditor's responsibilities for the audit of the financial statements.**

My objectives are to achieve 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.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. I therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's <https://www.frc.org.uk/auditors/audit-assurance/auditors-responsibilities>. This description forms part of my auditor's report.

## **Other information in the annual accounts**

The Treasurer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration Report, and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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

### Opinions on matters prescribed by the Accounts Commission

In my opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

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

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; 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 that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

### Matters on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

### Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

**Bruce Crosbie FCCA**

**Senior Audit Manager  
Audit Scotland  
4th Floor,  
102 Westport  
Edinburgh  
EH3 9DN.**

**16 September 2019**