

## **TAY ROAD BRIDGE JOINT BOARD (Essential Joint Board Business)**

Meetings of the Tay Road Bridge Joint Board are not being held until further notice. In the meantime the undernoted items of business which are also attached have been dealt with in terms of Standing Orders (Matters of Urgency):-

1. Local Code of Corporate Governance
2. Annual Governance Statement for the year to 31 March 2020
3. Unaudited Annual Accounts for the year ended 31 March 2020
4. Operational Restrictions and Closures
5. Response to Internal Auditors Annual Report to Members

**REPORT TO: TAY ROAD BRIDGE JOINT BOARD**

**REPORT ON: LOCAL CODE OF CORPORATE GOVERNANCE**

**REPORT BY: TREASURER**

**REPORT NO: TRB 6-2020**

## **1 PURPOSE OF REPORT**

To review and update the Joint Board's Local Code of Corporate Governance.

## **2 RECOMMENDATIONS**

It is recommended that the Joint Board:-

- i) Approves the compliance review and updated Local Code of Corporate Governance as detailed in Appendix A.
- ii) Notes the progress against the 2019/2020 improvement action plan in Appendix 1.
- iii) Approves the implementation of the improvements listed in Appendix 2 for 2020/2021.

## **3 FINANCIAL IMPLICATIONS**

None.

## **4 BACKGROUND**

- 4.1 In 2016, CIPFA extensively revised the Code in its publication "Delivering Good Governance in Local Government: Framework and the accompanying Guidance notes for Scottish Authorities, 2016 edition. The contents of the attached arise as a result of consideration of the Code including the requirement to improve accountability to the public and stakeholders by explaining how the Board has resolved any governance issues raised in the previous year's statement. An Annual Governance Statement is included in the Board's Annual Accounts and is also reported separately to the Joint Board.
- 4.2 The annual review seeks to maintain a high standard of corporate governance and to ensure continuous improvement. Previous compliance reviews suggested a high level of compliance with the guidelines although areas of improvement were identified and acted upon. These included revision of the Joint Board's Standing Orders. All Internal Audit and External Audit reviews are also reported to the Joint Board.

## **5 CURRENT COMPLIANCE REVIEW**

- 5.1 The current compliance review was carried out by senior officers who reviewed the existing guidance to consider Corporate Governance issues and their implications for the Joint Board.
- 5.2 Consistent use of the same scoring mechanism supports year on year monitoring of improvement and allows the Board to assess the extent of its compliance with the guidelines as presented in the Appendix 3. The scoring mechanism suggests that the Joint Board has a high level of compliance with the guidelines, which given their wide scope is considered very good.
- 5.3 The scoring mechanism was used to assist and prepare the Improvement Agenda in Appendix 2 whereby senior officers identified areas where compliance with the code could be improved during the year. This will also help inform the overall Improvement Agenda in the Joint Board's Annual Governance Statement.
- 5.4 In addition, as part of the Annual Governance Statement 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.

5.5 The UK Government announced a lockdown on 23 March 2020 in response to the Covid 19 pandemic. This has had a major impact on the management and operations of the bridge. Management took immediate action to safeguard employees and bridge users. These actions were taken to maintain resilience and ensured bridge availability and the continued safety of employees and bridge users during this challenging and unprecedented time. Business Continuity Planning / Incident Response meetings were held between key personnel and guidance issued to all staff on a regular basis.

5.6 The Local Code of Corporate Governance assesses governance in place during 2019/2020 so the majority of the year will be unaffected by coronavirus. The conclusion on whether or not governance is fit for purpose should reflect the normal operations. However, coronavirus has impacted on governance since March 2020 and this report has to reflect the circumstances at the time of publication and the impact on governance.

The impact on governance has affected the Board, for example changes to decision making arrangements whereby the following procedures have been implemented for Board business with immediate effect and until further notice:

- All non-essential Board business has been deferred to ensure that all Board Members and all Officers can concentrate the maximum possible time and effort on supporting the Board through the Coronavirus period;
- Referring to the Board's existing [Scheme of Delegation](#) of Powers to Officers in order to ensure that Officers act in accordance with the powers which the Board has already delegated; and
- All essential Board business which is not covered by the Scheme of Delegation of Powers to Officers will be dealt with as urgent matters arising between meetings (i.e. by the Clerk, in consultation with the Chair and Vice-Chair of the Tay Road Bridge Joint Board).

## **6 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.

## **7 CONSULTATIONS**

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

## **8 BACKGROUND PAPERS**

CIPFA's Delivering Good Governance in Local Government: Framework (2016); and  
CIPFA's Delivering Good Governance in Local Government: Guidance Notes for Scottish Authorities (2016).

**GREGORY COLGAN**  
**TREASURER**

**11 JUNE 2020**

In view of the timescales involved this report was approved by the Clerk to Tay Road Bridge Joint Board in consultation with the Chair of the Tay Road Bridge Joint Board and Vice-Chair of the Tay Road Bridge Joint Board.

*Roger Mennie*

Roger Mennie  
Clerk to the Tay Road Bridge Joint Board

11th June, 2020

Date

*Lynne Short*

Cllr Lynne Short  
Chair of Tay Road Bridge Joint Board

1st July, 2020

Date

*Jonny Tepp*

Cllr Jonny Tepp  
Vice-Chair of Tay Road Bridge Joint Board

29th June 2020

Date



Tay Road Bridge

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## LOCAL CODE OF CORPORATE GOVERNANCE

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**JUNE 2020**

## **TAY ROAD BRIDGE JOINT BOARD**

### **LOCAL CODE OF CORPORATE GOVERNANCE (2019/2020)**

#### **FOREWORD**

Tay Road Bridge Joint Board strives to meet the highest standards of corporate governance to help ensure that it meets its objectives. The Joint Board is determined to ensure that it delivers the best possible service to bridge users. It has developed a modern and effective service that responds quickly and flexibly, delivering high quality services.

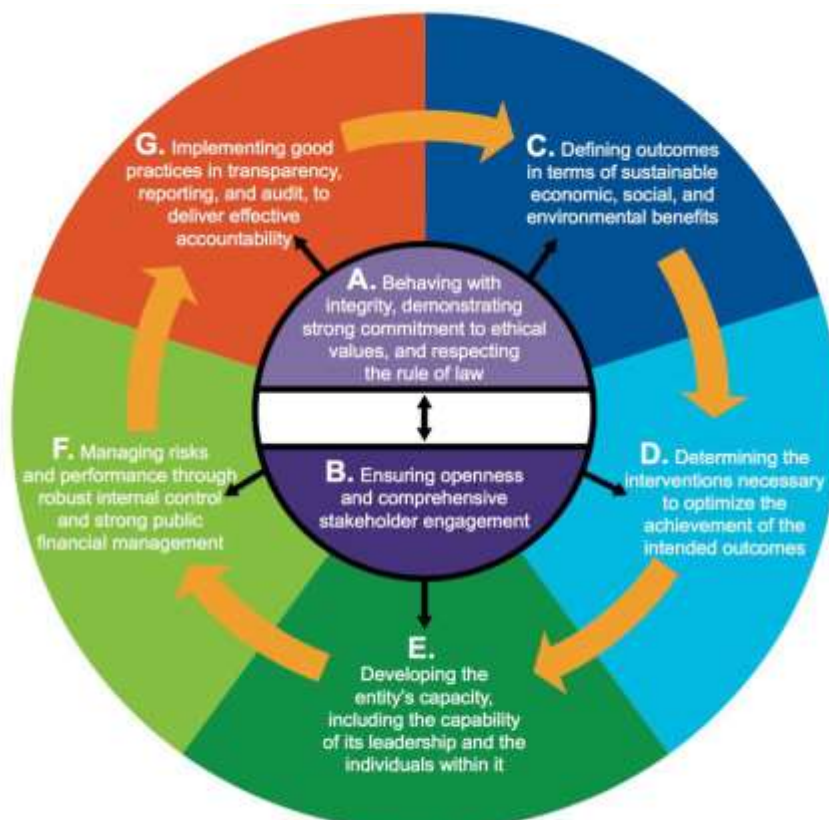
The Joint Board is committed to effective decision-making that is transparent and open to genuine scrutiny. It therefore provides on its website ([www.tayroadbridge.co.uk](http://www.tayroadbridge.co.uk)) details of its plans, procedures and performance.

#### **DEFINITION**

Corporate governance is the system by which Tay Road Bridge Joint Board directs and controls its functions and relates to its users. An Annual Governance Statement is included in the Joint Board's Annual Report and Accounts each year.

#### **THE CODE**

The Local Code of Corporate Governance for the Joint Board consists of seven main principles of good governance derived from CIPFA's Delivering Good Governance in Local Government: Framework (2016):-



#### **A. BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES AND RESPECTING THE RULE OF LAW**

The Joint Board has a range of systems and procedures in place to ensure that members and employees of the authority are not influenced by prejudice or conflicts of interest in dealing with its stakeholders. Registers of Members' Interests are held by their constituent councils and are continuously updated and are available for inspection by members of the public.

The Joint Board has a [Members' Code of Conduct](#) and an Officers Code of Conduct in addition to the [Standing Orders of the Board](#), [Financial Regulations](#), [Tender Procedures](#), and [Delegation of Powers](#) as well as [Fraud Guidelines](#) and Disciplinary Procedures. The Joint Board has a Whistle-blowing policy in place to provide for the direct reporting of problems to senior managers without fear of recrimination and a [Complaints Procedure](#) to allow bridge users to bring issues to the attention of senior management.

The National Code of Conduct, the Disciplinary Procedures and the Local Code on Corporate Governance are also applicable in general terms to any external organisations to which elected members and/or officers are appointed.

The Joint Board is committed to equal opportunities including both the elimination of discrimination and the use of positive action measures to ensure that employment opportunities, service provision and access to civic life are bias free and made equally and easily available to people from target groups.

## **B. ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT**

The Joint Board has implemented a [Strategic Plan 2019 - 2024](#) that shows a clear link between the Board's strategic objectives, performance measures, and financial resources.

The Joint Board ensures that Board Minutes, Board Documents, Annual Accounts, etc. are published and freely available on its website ([www.tayroadbridge.co.uk](http://www.tayroadbridge.co.uk)). Information relating to Operational Restrictions and Closures as well as results of Tenders for Contracts on the bridge are reported to the Joint Board and published on the website. The Joint Board also has a [Freedom of Information Policy](#). The Joint Board's Standing Orders include Tender Procedures to ensure that the decisions of Senior Officers are guided by the requirements of the latest Public Contracts (Scotland) Regulations.

The Joint Board has a Communications Strategy in place to ensure that it effectively engages with stakeholders.

As with Local Authority Meetings, all meetings of the Joint Board are open to the public and full minutes of the meetings are recorded.

## **C. DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL AND ENVIRONMENTAL BENEFITS**

The Joint Board's structure, functions and powers are prescribed in the [Tay Road Bridge Order Confirmation Act 1991](#).

The Joint Board's Communications Strategy includes details regarding press releases to ensure that changes impacting service users are communicated effectively.

The Joint Board's [Strategic Plan 2019 - 2024](#) shows a clear link between the Board's strategic objectives and its performance measures. Regular reporting to the Joint Board also ensures that the defined outcomes are delivered on a sustainable basis within the resources available. Medium-term Budgets are updated and reported annually and there is a Business Continuity Plan and a Risk Management Strategic Plan and Strategic Risk Register in place.

## **D. DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES**

The Joint Board's Budget compared to actual expenditure is closely scrutinised and overspends and underspends are reported to the Joint Board on a regular basis in order that members are kept fully and timeously aware of any significant departures from the budgeted position.

In the course of the year, any departures from the budgeted position can be mitigated by the movement of resources from one budget heading to another in order to smooth out overall annual spend. Variances between budget spend and actual spend are subject to discussion between senior officers on a regular basis for further analysis.

The Joint Board has a Service Level Agreement in place for various services from Dundee City Council to ensure that the Joint Board is protected against changes to legislation with regard to general Legal requirements, and also covering issues in Procurement, Human Resources, Financial, Insurance and Risk Management, Engineering, IT, Communications, etc.

Regular Risk Management / Contract Meetings are held during Work Contracts on the bridge to ensure that contracts are progressing as scheduled and that arrangements are flexible so that the intended outcomes are achievable and can be adapted to changing circumstances.

The Annual Governance Statement process ensures that the capacity exists to generate the information required to review service quality and governance issues on a regular basis.

#### **E. DEVELOP THE ENTITY'S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT**

Regular meetings are held between the Bridge Manager and the Engineer to the Joint Board to monitor and manage resources to ensure compliance with the Joint Board's [Asset Management Plan](#) and national and published structural inspection requirements.

New employees are required to complete an induction programme designed to provide background information on Tay Road Bridge Joint Board's activities and operational requirements as well as keeping the individual up-to-date with current issues of interest with which the Joint Board is involved.

The Joint Board provides induction training for new members designed to provide background information on the Joint Board's core activities as well as their scrutiny and governance responsibilities.

Job descriptions and person specifications are available for all posts advertised. The employee appraisal process links to employee objectives and to job competence and health and safety requirements to ensure that training needs are planned and met.

The Annual Governance Statement Continuous Improvement Agenda ensures that the Joint Board's capacity for personal, organisational and system wide development exists and allows for shared learning from external agencies such as Internal and External Audit with regards governance weaknesses.

#### **F. MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT**

The Joint Board has a developed Risk Management Strategic Plan and Strategic Risk Register. This states that "Tay Road Bridge Joint Board is committed to the management of risk in order to:-

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



The main priorities within this policy are the identification, evaluation and control of risks which threaten the Joint Board's ability to deliver services. The Joint Board has a high level Business Continuity Plan which sets out the arrangements by which the Joint Board aims to continue to deliver its critical services in the event of an emergency event. Critical services are identified through a process of identification and analysis contained within risk registers. Both the Risk Management Framework and the Business Continuity Strategy continue to be developed. The actions detailed in the Business Continuity Plan have been implemented during the current Covid19 crisis and it will continue to be updated to reflect changing circumstances.

Professional consultants are appointed to advise the Joint Board on projects / maintenance requirements in order to gain independent specialist advice.

Resources aimed at improving internal control within the Joint Board are allocated according to priorities determined by the Internal Audit Annual Audit Plan, reflecting the changing risks and priorities of the Joint Board. The Joint Board also responds to findings and reviews of Audit Scotland, other statutory inspectors and its own Internal Audit Section.

The Joint Board's accounts include an annual corporate governance statement.

## **IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY, REPORTING AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY**

The Joint Board is committed to the transparency and scrutiny of its services and processes including decision-making. To that end Joint Board meeting minutes and Board documents are published on the Joint Board's website.

The roles and responsibilities of Members and Officers are clearly defined in the Standing Orders of the Joint Board, the Scheme of Delegation of Powers to Officers, the Scheme of Tender Procedures and the Scheme of Financial Regulations.

The Joint Board has a Recruitment and Selection policy with the aim of ensuring that all officers involved are appropriately trained for their roles.

The Joint Board's Annual Governance Statement ensures that robust arrangements for assessing the extent to which the principles contained in CIPFA's Delivering Good Governance: Framework (2016) have been applied and the results are published, including an action plan for improvement.

The Bridge Manager, Treasurer, Clerk, and Engineer to the Joint Board are responsible for ensuring that agreed procedures are followed and that all applicable statutes, regulations and statements of good practice are complied with.

The Treasurer is responsible for ensuring appropriate advice is given to the Joint Board on all financial matters, keeping proper financial records and accounts and maintaining an effective system of internal financial control under the terms of the Financial Regulations.

**TAY ROAD BRIDGE JOINT BOARD**

**IMPROVEMENT AGENDA FOR 2019/2020 WITH PROGRESS UPDATES**

| ORIGINAL IMPROVEMENT AGENDA  |                          |                               |                     |                        |   | PROGRESS UPDATE        |  |
|--|--------------------------|-------------------------------|---------------------|------------------------|---|------------------------|--|
| Improvement  | CIPFA / SOLACE Principle | CIPFA / SOLACE Code Reference | Responsible Officer | Target Completion Date | Details from last year's Local Code of Corporate Governance report (TRB 12-2019). | Actual Completion Date | Comments (e.g. Estimated Completion Date, Reasons for delays, etc.)  |
| 1 Equalities and Human Rights training for all employees.  | A<br>E                   | 2.2<br>2.4                    | Bridge Manager      | 30/12/2019             | Carried forward from 2018/2019. In progress.                                      | 3/12/2019.             | All staff have now completed this training.  |
| 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.                                      |                        | In progress. Equate Scotland have been contracted to provide training during 2020. Original training date of 29 June 2020 has been postponed due to Covid19 crisis. Carried forward to 2020/2021.*   |
| 3 Update Data Protection procedures to ensure compliance with GDPR: Develop Records Management Plan. | A<br>F                   | 3.4<br>4.1 & 4.2              | Bridge Manager      | 31/12/2019             | Carried forward from 2018/2019. In progress.                                      |                        | In progress. Privacy Statements posted on line for: <ul style="list-style-type: none"> <li>• Employee;</li> <li>• New Employee;</li> <li>• CCTV;</li> <li>• Website;</li> <li>• Subject Access Request and Data Breach Documentation complete and staff made aware; &amp;</li> <li>• Review meeting to be held with DCC data protection compliance officer by June 2020.</li> </ul> Carried forward to 2020/2021.* |

|   |  |             |                              |                        |            |   |            |  |
|---|--|-------------|------------------------------|------------------------|------------|---|------------|--|
| 4 | Review the Board's website in terms of its quality in delivering information to bridge users and implement improvements. | B<br>D<br>E | 2.1, 3.1 & 3.3<br>1.2<br>2.5 | Bridge Manager         | 31/03/2020 | Carried forward from 2018/2019. In progress.  |            | In progress. New website has been developed to accommodate many comments from members of the public about how we can improve accessibility of information. This will be reviewed by TRBJB before being rolled out by September 2020. Carried forward to 2020/2021.*                              |
| 5 | Introduce Mental Health awareness initiatives for the workforce.   | E           | 2.8                          | Bridge Manager         | 31/03/2020 | Carried forward from 2018/2019. In progress.  | 25/6/2019. | The management team attended a one day course in June 2019, by a Nunavik counsellor "Mental Health awareness" to enable them to adequately recognise and support members of staff going through difficult times.   |
| 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. |            | In progress. Revised Byelaws were approved at September 2019 Board meeting. Requires to be published in local press and made available for public inspection for period of one calendar month and then require submission to Scottish Ministers for confirmation. Carried forward to 2020/2021.* |
| 7 | Revise Whistle-Blowing Policy.   |             |                              | Bridge Manager         | 31/03/2020 | Source: Whistle-Blowing Policy (Report 12-2016 at June 2016 Board meeting).   | -          | Outstanding action. Aim for completion by September 2020 Board. Carried forward to 2020/2021.*   |
| 8 | Develop Anti-Bribery Policy.   |             |                              | Treasurer              | 31/03/2020 | Source: Annual Governance Statement Self-Assessment Checklist.  | 2/12/2019. | Approved at December 2019 Board meeting.   |

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

**TAY ROAD BRIDGE JOINT BOARD****IMPROVEMENT AGENDA FOR 2020/2021**

| <b>Improvement</b>   | <b>CIPFA /<br/>SOLACE<br/>Principle</b> | <b>CIPFA /<br/>SOLACE<br/>Code<br/>Reference</b> | <b>Responsible<br/>Officer</b> | <b>Target<br/>Completion<br/>Date</b> | <b>Details</b>   |
|--|---|--|--------------------------------|---------------------------------------|--|
| 1 Training for Bridge Management to avoid unconscious bias recruitment.  | A                                       | 2.1  | Bridge Manager                 | 31/12/2020                            | Carried forward from 2019/2020. In progress.   |
| 2 Update Data Protection procedures to ensure compliance with GDPR: Develop Records Management Plan.                                     | A<br>F                                  | 3.4<br>4.1 & 4.2                                 | Bridge Manager                 | 31/12/2020                            | Carried forward from 2019/2020. In progress.   |
| 3 Review the Board's website in terms of its quality in delivering information to bridge users and implement improvements.               | B<br>D<br>E                             | 2.1, 3.1 & 3.3<br>1.2<br>2.5                     | Bridge Manager                 | 31/12/2020                            | Carried forward from 2019/2020. In progress.   |
| 4 Update Bridge Byelaws.   | A                                       | 1.4  | Clerk /<br>Bridge Manager      | 31/12/2020                            | Carried forward from 2019/2020. In progress. Source: Local Code of Corporate Governance checklist & Internal Audit Report (2019/2): Compliance with Legislation. |
| 5 Revise Whistle-Blowing Policy.   |   |  | Bridge Manager                 | 30/9/2020                             | Carried forward from 2019/2020. Source: Whistle-Blowing Policy (Report 12-2016 at June 2016 Board meeting).  |
| 6 Hold monthly Management Meetings instead of quarterly to improve control given number of capital and inspection surveys due from 2020. | D                                       | 3.3  | Bridge Manager                 | 30/9/2020                             | Source: Local Code of Corporate Governance checklist.  |
| 7 Review structure and shift patterns of Operations team to improve staff welfare and service to users.                                  | E                                       | 1.1  | Bridge Manager                 | 31/3/2021                             | Source: Local Code of Corporate Governance checklist.  |
| 8 Bridge manager development and performance review to be re-established.  | E                                       | 2.6  | Engineer                       | 31/3/2020                             | Source: Local Code of Corporate Governance checklist.  |
| 9 Introduce procedure that allows DCC procurement to approve / challenge bridge officer decisions to waiver tender                       | F                                       | 5.1  | Treasurer                      | 31/12/2020                            | Source: Local Code of Corporate Governance checklist.  |

|  |  |  |                        |           |  |
|--|--|--|------------------------|-----------|--|
| procedures in order to provide a third party check and balance.  |  |  |                        |           |  |
| 10 Develop checklist to assist in collation and recording of all evidence required to demonstrate compliance with Construction Design Management (CDM) 2015 Regulations.       |  |  | Bridge Manager         | 30/9/2020 | Source: Internal Audit report 2020/03 Management of Health & Safety. |
| 11 Ensure that a formal programme of reporting of data protection issues to the Joint Board.   |  |  | Clerk / Bridge Manager | 30/9/2020 | Source: Internal Audit report 2020/05 Data Protection.               |
| 12 Transport and Works Manager and Administration Officer to attend training course on Recruitment and Interviewing to enable TRBJB to recruit more effectively at all levels. |  |  | Bridge Manager         | 31/3/2021 | Source: Annual Governance Self-Assessment Checklist.                 |
| 13 Review TRBJB's response to the Covid 19 crisis.   |  |  | Bridge Manager         | 31/3/2021 |  |



## Local Code of Corporate Governance 2019/2020 - Self Assessment Checklist

As part of the assurance gathering process surrounding the preparation of the Annual Governance Statement (AGS), this self-assessment checklist has been designed to obtain assurances directly from the Bridge Manager regarding how effective the internal control, and wider corporate governance, environment is within the Board.

The scoring system to be used when completing this checklist is detailed in the table below:

| EVALUATION | DEFINITION   |
|------------|--|
| 4          | Fully Compliant  |
| 3          | Mostly Compliant (Minor areas for improvement)               |
| 2          | Partially Compliant (More significant areas for improvement) |
| 1          | Not Compliant (Material areas for improvement)               |
| N/A        | Not applicable   |

Whilst the approach to completion of the checklist ultimately rests with the Bridge Manager it is important that the Joint Board's submission provides a comprehensive assessment of the current position and is supported by appropriate evidence. This exercise may result in the identification of areas for improvement. These should be detailed, where appropriate, in the checklist and taken forward within the continuous improvement framework.

The self-assessment should be certified by the Bridge Manager.

|  |                                    |             |                  |   |
|--|------------------------------------|-------------|------------------|---|
| <b>Organisation</b>  | <b>Tay Road Bridge Joint Board</b> | <b>Date</b> | ...02/04/20..... |   |
| <b>Name and Designation</b>  | Alan Hutchison Bridge Manager      |             |                  |   |
| <b><i>As a result of completion of this exercise I confirm that I am satisfied with the overall governance arrangements within Tay Road Bridge Joint Board and that there is a satisfactory evidence base to support this opinion. In addition, I confirm that I will take appropriate steps during the 2020/2021 financial year to further enhance the Board's governance arrangements in the areas identified for improvement.</i></b> |                                    |             | <b>Yes</b>       | x |
|  |                                    |             | <b>No</b>        |   |
| <b><i>If no, please provide details</i></b>  |                                    |             |                  |   |

# Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

Acting in the public interest requires a commitment to and effective arrangements for:

| PRINCIPLE A   |                         | Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law   |  |   |                          |                             |
|---------------|-------------------------|--|--|---|--------------------------|-----------------------------|
|               |                         | Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law. |  |   |                          |                             |
| Sub-Principle |                         | Behaviours and actions that demonstrate good governance in practice.   |  | Examples of systems, processes, documentation and other evidence demonstrating compliance   | Evaluation Level (1 - 4) | Areas Requiring Improvement |
| 1             | Behaving with integrity | 1.1  | Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation. | <p>Examples from CIPFA's Delivering Good Governance in LG Guidance Notes 2016 (in Grey):</p> <ul style="list-style-type: none"> <li>• <i>Codes of conduct</i></li> <li>• <i>Individual sign off with regard to compliance with code</i></li> <li>• <i>Induction for new members and staff on standard of behaviour expected</i></li> <li>• <i>Performance appraisals</i></li> <li>• Members Code of Conduct <a href="#">Councillors Code of Conduct</a></li> <li>• <a href="#">Fraud Guidelines</a></li> <li>• <a href="#">Anti-Bribery Policy</a></li> <li>• Annual Governance Statement.</li> <li>• <a href="#">Local Code of Corporate Governance</a></li> <li>• Employee Appraisals.</li> <li>• <a href="#">Standing Orders Scheme of Delegation</a></li> <li>• <a href="#">Tender Procedures Financial Regulations</a></li> <li>• Induction training for new members.</li> </ul> | 4                        |                             |
|               |                         | 1.2  | Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should             | <ul style="list-style-type: none"> <li>• <i>Communicating shared values with members, staff, the community and partners</i></li> <li>• Members Code of Conduct <a href="#">Councillors Code of Conduct</a></li> <li>• <a href="#">Fraud Guidelines</a></li> </ul>   | 4                        |                             |



|  |  |     |  |   |   |  |
|--|--|-----|--|---|---|--|
|  |  |     | build on the Seven Principles of Public Life (the Nolan Principles).   | <ul style="list-style-type: none"> <li>• <a href="#">Anti-Bribery Policy</a></li> <li>• Annual Governance Statement</li> <li>• <a href="#">Local Code of Corporate Governance</a></li> <li>• <a href="#">Strategic Plan 2019-2024</a></li> </ul>  |   |  |
|  |  | 1.3 | Leading by example and using these standard operating principles or values as a framework for decision making and other actions. | <ul style="list-style-type: none"> <li>• <i>Decision making practices</i></li> <li>• <i>Declarations of interests made at meetings</i></li> <li>• <i>Conduct at meetings</i></li> <li>• <i>Shared values guide decision making</i></li> <li>• <i>Develop and maintain an effective standards committee</i></li> <li>• Members Code of Conduct <a href="#">Councillors Code of Conduct</a></li> <li>• <a href="#">Fraud Guidelines</a></li> <li>• <a href="#">Anti-Bribery Policy</a></li> <li>• Annual Governance Statement</li> <li>• <a href="#">Local Code of Corporate Governance</a></li> <li>• <a href="#">Standing Orders Scheme of Delegation</a></li> <li>• <a href="#">Tender Procedures Financial Regulations</a></li> <li>• <a href="#">Strategic Plan 2019-2024</a></li> </ul> | 4 |  |

Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

| PRINCIPLE A<br>(continued) |  | Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law |  |  |                          |                                       |
|----------------------------|--|--|--|--|--------------------------|---------------------------------------|
| Sub-Principle              |  | Behaviours and actions that demonstrate good governance in practice.                                       |  | Examples of systems, processes, documentation and other evidence demonstrating compliance  | Evaluation Level (1 - 4) | Areas Requiring Improvement           |
|                            |  | 1.4  | Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively. | <ul style="list-style-type: none"> <li>• <i>Anti-fraud and corruption policies are working effectively</i></li> <li>• <i>Up-to-date register of interests (members and staff)</i></li> <li>• <i>Up-to-date register of gifts and hospitality</i></li> <li>• <i>Whistleblowing policies are in place and protect individuals raising concerns</i></li> <li>• <i>Whistleblowing policy has been made available to members of the public, employees, partners and contractors</i></li> <li>• <i>Complaints policy and examples of responding to complaints about behaviour</i></li> <li>• <i>Changes/improvements as a result of complaints received and acted upon</i></li> <li>• <i>Members' and officers' code of conduct refers to a requirement to declare interests</i></li> <li>• <i>Minutes show declarations of interest were sought and appropriate declarations made</i></li> <li>• Members Code of Conduct <a href="#">Councillors Code of Conduct</a></li> <li>• <a href="#">Fraud Guidelines</a></li> <li>• <a href="#">Anti-Bribery Policy</a></li> <li>• Annual Governance Statement</li> <li>• <a href="#">Local Code of Corporate Governance</a></li> <li>• Whistle Blowing Policy.</li> <li>• <a href="#">Complaints Procedure</a></li> <li>• Bridge <a href="#">Bye Laws</a></li> <li>• Register of Interests for Members held by their Constituent Councils.</li> <li>• Register of Interests for Members specific to the Bridge Board.</li> <li>• Register of Interests for Senior Staff who have input into and responsibility for decision</li> </ul> | 3                        | Bridge Byelaws require to be updated. |

|   |  |     |   |   |   |   |
|---|--|-----|---|---|---|---|
|   |  |     |   | <ul style="list-style-type: none"> <li>making and awarding contracts.</li> <li><a href="#">Standing Orders Scheme of Delegation Tender Procedures Financial Regulations</a></li> <li>Declaration of Interest is a standing item on Board meeting agenda.</li> </ul>   |   |   |
| 2 | <b>Demonstrating strong commitment to ethical values</b> | 2.1 | Seeking to establish, monitor and maintain the organisation's ethical standards and performance.  | <ul style="list-style-type: none"> <li><i>Scrutiny of ethical decision making</i></li> <li><i>Championing ethical compliance at governing body level</i></li> <li><a href="#">Mainstreaming Equality Report 2019-2021</a></li> <li>Scottish Living Wage Accreditation.</li> <li>Integrated Impact Assessments.</li> </ul>   | 3 | Training for the Bridge Management team to avoid unconscious bias recruitment agreed. Dates to be confirmed with Equate Scotland (delayed due to Covid 19 crisis) |
|   |  | 2.2 | Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation. | <ul style="list-style-type: none"> <li><i>Provision of ethical awareness training</i></li> <li>Employee Appraisal process.</li> <li>Employee Code of Conduct.</li> <li><a href="#">Standing Orders Scheme of Delegation Tender Procedures Financial Regulations</a></li> <li>Previous training undertaken by all staff in 2014 included e-learning course on Equality and Diversity.</li> <li>Equality and Human Rights Training delivered by DCC undertaken by all staff in 2019.</li> <li>Issue of <a href="#">Anti-Bribery Policy</a> to all staff in March 2020.</li> </ul> | 4 | Training to all new members of staff will be provided, and refresher training organised as appropriate.   |

Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

| PRINCIPLE A<br>(continued) |                            | Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law |   |  |                          |                             |
|----------------------------|----------------------------|--|---|--|--------------------------|-----------------------------|
| Sub-Principle              |                            | Behaviours and actions that demonstrate good governance in practice.                                       |   | Examples of systems, processes, documentation and other evidence demonstrating compliance  | Evaluation Level (1 - 4) | Areas Requiring Improvement |
|                            |                            | 2.3  | Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values.  | <ul style="list-style-type: none"> <li>• <i>Appraisal processes take account of values and ethical behaviour</i></li> <li>• <i>Staff appointments policy</i></li> <li>• <i>Procurement policy</i></li> <li>• Employee Appraisal process.</li> <li>• Recruitment &amp; Selection Policy.</li> <li>• Scottish Living Wage Accreditation.</li> <li>• Employee Handbook / Code of Conduct.</li> <li>• Computer and Internet Guidelines / Social Media Guidelines.</li> <li>• <a href="#">Standing Orders Scheme of Delegation</a></li> <li>• <a href="#">Tender Procedures Financial Regulations</a></li> <li>• Equal Opportunities Employer.</li> <li>• Personal Harassment Policy.</li> <li>• <a href="#">Anti-Bribery Policy</a></li> </ul>   | 4                        |                             |
|                            |                            | 2.4  | Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation. | <ul style="list-style-type: none"> <li>• <i>Agreed values in partnership working:</i> <ul style="list-style-type: none"> <li>◦ <i>Statement of business ethics communicates commitment to ethical values to external suppliers</i></li> <li>◦ <i>Ethical values feature in contracts with external service providers</i></li> </ul> </li> <li>• <i>Protocols for partnership working</i></li> <li>• <a href="#">Standing Orders Scheme of Delegation</a></li> <li>• <a href="#">Tender Procedures Financial Regulations</a></li> <li>• Scottish Living Wage Accreditation.</li> <li>• Ethical values feature in OJEU Tenders issued by TRBJB. TRBJB use Dundee City Council Procurement Services as part of the Corporate Services Service Level Agreement to advise and assist with procurement and tenders.</li> </ul> | 4                        |                             |
| 3                          | Respecting the Rule of Law | 3.1  | Ensuring members and staff  | <ul style="list-style-type: none"> <li>• <i>Statutory provisions</i></li> </ul>  | 4                        |                             |

|  |  |     |   |  |   |  |
|--|--|-----|---|--|---|--|
|  |  |     | demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.  | <ul style="list-style-type: none"> <li>• <i>Statutory guidance is followed</i></li> <li>• <i>Constitution</i></li> <li>• The Board's structure, functions and powers are prescribed in the Tay Road Bridge <a href="#">TRB Order Confirmation Act 1991</a></li> <li>• Checking of staff driving licenses to make sure they are legal to drive work vans.</li> </ul>  |   |  |
|  |  | 3.2 | Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements. | <ul style="list-style-type: none"> <li>• <i>Job description/specifications</i> <ul style="list-style-type: none"> <li>• <i>Compliance with CIPFA's Statement on the <a href="#">The Role of the Chief Financial Officer in Local Government</a> (CIPFA, 2016)</i></li> </ul> </li> <li>• <i>Terms of reference</i></li> <li>• <i>Committee support</i></li> <li>• The Board's structure, functions and powers are prescribed in the Tay Road Bridge <a href="#">TRB Order Confirmation Act 1991</a></li> <li>• Job descriptions.</li> <li>• Compliance with CIPFA's statement on the Role of the Chief Financial Officer.</li> </ul> | 4 |  |
|  |  | 3.3 | Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders.  | <ul style="list-style-type: none"> <li>• <i>Record of legal advice provided by officers</i></li> <li>• SLA with Dundee City Council for Legal Services.</li> </ul>   | 4 |  |

Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

| PRINCIPLE A<br>(continued) |  | Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law |   |   |                          |  |
|----------------------------|--|--|---|---|--------------------------|--|
| Sub-Principle              |  | Behaviours and actions that demonstrate good governance in practice.                                       |   | Examples of systems, processes, documentation and other evidence demonstrating compliance   | Evaluation Level (1 - 4) | Areas Requiring Improvement                                      |
|                            |  | 3.4  | Dealing with breaches of legal and regulatory provisions effectively. | <ul style="list-style-type: none"> <li>• <i>Monitoring officer provisions</i></li> <li>• <i>Record of legal advice provided by officers</i></li> <li>• <i>Statutory provisions</i></li> <li>• SLA with Dundee City Council for Legal Services.</li> <li>• SAR Procedures, Data Breach Flow Chart, &amp; Data Breach Procedures have been developed and are available on TRBJB website.</li> <li>• A CCTV Privacy Statement and Policy, and a Privacy Statement for the TRBJB website has also been introduced, along with a Cookie Policy.</li> </ul> | 3                        | Further review required with DCC Information Governance Manager. |
|                            |  | 3.5  | Ensuring corruption and misuse of power are dealt with effectively.   | <ul style="list-style-type: none"> <li>• <i>Effective anti-fraud and corruption policies and procedures</i></li> <li>• <i>Local test of assurance (where appropriate)</i></li> <li>• Members Code of Conduct <a href="#">Councillors Code of Conduct</a></li> <li>• <a href="#">Fraud Guidelines</a></li> <li>• <a href="#">Anti-Bribery Policy</a></li> <li>• Whistle Blowing Policy.</li> <li>• <a href="#">Complaints Procedure</a></li> </ul>   | 4                        |  |

| Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law | n/a | 1 | 2 | 3 | 4 | TOTAL |
|--|-----|---|---|---|---|-------|
| Summary of Number of Evaluations   |     |   |   | 4 | 9 | 13    |

|  |   |
|--|---|
| Have there been any significant / critical events relating to Principle 1 during the financial year? If yes, please provide details. |   |
| Are there any examples of best practice (or exceeding best practice) in the Board? If yes, please provide details.                   | <ul style="list-style-type: none"> <li>• Scottish Living Wage Accreditation.</li> </ul> |

**Links to relevant Tay Road Bridge Policies, Procedures and Guidelines:**

**Further Guidance:**

[The Role of the Chief Financial Officer in Local Government](#) (CIPFA, 2016)  
[Commissioner for Ethical Standards in Public Life in Scotland](#)  
[The Standards Commission for Scotland](#)  
[Councillors' Code of Conduct](#)  
[Code of Ethics for Public Service Managers - Consultation](#) (Solace, 2015)  
[Code of Practice on Managing the Risk of Fraud and Corruption](#) (CIPFA, 2014)  
[Equality and Human Rights Commission's Public Sector Advice and Guidance](#)  
 Equality Act 2010 – Fact Sheet: [Equality Act 2010 - Factsheet](#)  
 Equality Act 2010 – Easy Read Version: [Equality Act 2010 - Easy Read Version](#)  
 Equality Act 2010 – Explanatory Notes: [Equality Act 2010 - Explanatory Notes](#)  
 Equality Legislation – Summary: [Equality Legislation - Summary](#)  
[The Role of the Chief Financial Officer in Local Government](#) (CIPFA, 2016)

## Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

| PRINCIPLE B   |          | Ensuring openness and comprehensive stakeholder engagement   |   |  |                          |                             |
|---------------|----------|--|---|--|--------------------------|-----------------------------|
|               |          | Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders. |   |  |                          |                             |
| Sub-Principle |          | Behaviours and actions that demonstrate good governance in practice.   |   | Examples of systems, processes, documentation and other evidence demonstrating compliance  | Evaluation Level (1 - 4) | Areas Requiring Improvement |
| 1             | Openness | 1.1  | Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness.  | <ul style="list-style-type: none"> <li>• <i>Annual report</i></li> <li>• <i>Freedom of Information Act publication scheme</i></li> <li>• <i>Online council tax information</i></li> <li>• <i>Authority's goals and values</i></li> <li>• <i>Authority website</i></li> <li>• Annual Accounts <a href="#">2018/2019 Audited Accounts</a></li> <li>• <a href="#">Board Minutes</a> and relevant documents <a href="#">Board Documents</a> are published on the Board's website: <a href="http://www.tayroadbridge.co.uk">www.tayroadbridge.co.uk</a></li> <li>• <a href="#">Freedom of Information Policy</a></li> </ul> | 4                        |                             |
|               |          | 1.2  | Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided. | <ul style="list-style-type: none"> <li>• <i>Record of decision making and supporting materials</i></li> <li>• Board Minutes <a href="#">Board Minutes</a> and relevant documents <a href="#">Board Documents</a> are published on the Board's website: <a href="http://www.tayroadbridge.co.uk">www.tayroadbridge.co.uk</a></li> <li>• <a href="#">Freedom of Information Policy</a></li> <li>• <a href="#">Tender Procedures</a></li> </ul>   | 4                        |                             |
|               |          | 1.3  | Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due   | <ul style="list-style-type: none"> <li>• <i>Decision-making protocols</i></li> <li>• <i>Report pro-formas</i></li> <li>• <i>Record of professional advice in reaching decisions</i></li> <li>• <i>Meeting reports show details of advice given</i></li> <li>• <i>Discussion between members and officers</i></li> </ul>  | 4                        |                             |



|  |  |  |   |  |  |  |
|--|--|--|---|--|--|--|
|  |  |  | course, ensuring that the impact and consequences of those decisions are clear. | <p><i>on the information needs of members to support decision making</i></p> <ul style="list-style-type: none"> <li>• <i>Agreement on the information that will be provided and timescales</i></li> <li>• <i>Calendar of dates for submitting, publishing and distributing timely reports is adhered to</i></li> <li>• <a href="#">Board Minutes</a> and relevant documents <a href="#">Board Documents</a> are published on the Board's website: <a href="http://www.tayroadbridge.co.uk">www.tayroadbridge.co.uk</a></li> <li>• Pre-Agenda meetings held to discuss reports and issues that will be reported to Board meeting.</li> <li>• <a href="#">Tender Procedures</a></li> <li>• Calendar of reporting deadlines provided by Committee Services at the beginning of each calendar year.</li> </ul> |  |  |
|--|--|--|---|--|--|--|

#### Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

| PRINCIPLE B<br>(Continued) |  | Ensuring openness and comprehensive stakeholder engagement           |   |  |                          |                             |
|----------------------------|--|--|---|--|--------------------------|-----------------------------|
| Sub-Principle              |  | Behaviours and actions that demonstrate good governance in practice. |   | Examples of systems, processes, documentation and other evidence demonstrating compliance  | Evaluation Level (1 - 4) | Areas Requiring Improvement |
|                            |  | 1.4  | Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action. | <ul style="list-style-type: none"> <li>• <i>Community strategy</i></li> <li>• <i>Use of consultation feedback</i></li> <li>• <i>Citizen survey</i></li> <li>• Bridge closures/ cycle statistics reported in Annual Accounts.</li> <li>• Operational Restrictions and Closures reported to the Board on a quarterly basis and published on the website <a href="#">Board Minutes</a></li> <li>• Website <a href="http://www.tayroadbridge.co.uk">www.tayroadbridge.co.uk</a></li> <li>• Social Media communications <a href="#">TRB Twitter</a></li> <li>• TRBJB Bridge Manager is part of a Tolls Tunnels and Bridges best practice information sharing working group alongside all the major bridges across the UK. This group meets once a quarter.</li> </ul> | 4                        |                             |

|   |   |     |   |   |   |  |
|---|---|-----|---|---|---|--|
|   |   |     |   | <ul style="list-style-type: none"> <li>• TRBJB Bridge Manager is part of a suicide prevention working group to share best practice.</li> <li>• TRBJB Bridge manager attends or sends representatives to Road Authority and Utility Company meetings locally that is also a forum to share best practice and covers accidents/near misses within other organisations. Relevant matters are shared by TRBJB Bridge Manager with staff.</li> </ul>   |   |  |
| 2 | <b>Engaging comprehensively with institutional stakeholders</b> | 2.1 | Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably. | <ul style="list-style-type: none"> <li>• <i>Communication strategy</i></li> <li>• SLA with Dundee City Council for a Communications Strategy.</li> <li>• <a href="#">Strategic Plan 2019-2024</a></li> </ul>  | 3 | Deliver new website that effectively shares information for all user groups.   |
|   |   | 2.2 | Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively.  | <ul style="list-style-type: none"> <li>• <i>Database of stakeholders with whom the authority should engage and for what purpose and a record of an assessment of the effectiveness of any changes</i></li> <li>• TRBJB Bridge Manager is part of a Tolls Tunnels and Bridges best practice information sharing working group alongside all the major bridges across the UK. This group meets once a quarter.</li> <li>• Bridge Manager attends quarterly SCOTS Bridges Group meetings.</li> </ul> | 3 | Liaise more closely with Dundee City Council roads Team to improve communication between DCC and TRBJB given juxtaposition of bridge to city. Consider SLA / agreement to share information. |
|   |   | 2.3 | Ensuring that partnerships are based on: <ul style="list-style-type: none"> <li>○ trust</li> <li>○ a shared commitment to change</li> <li>○ a culture that promotes and accepts challenge among partners</li> </ul>       | <ul style="list-style-type: none"> <li>• <i>Partnership framework</i></li> <li>• <i>Partnership protocols</i></li> <li>• Service Level Agreements with Dundee City Council for services provision, and annual review meeting to assess success needs for both parties.</li> </ul>   | 4 |  |

|  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|
|  |  |  | and that the added value of partnership working is explicit. |  |  |  |
|--|--|--|--|--|--|--|

# Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

| PRINCIPLE B<br>(continued) |  | Ensuring openness and comprehensive stakeholder engagement           |   |   |                          |  |
|----------------------------|--|--|---|---|--------------------------|--|
| Sub-Principle              |  | Behaviours and actions that demonstrate good governance in practice. |   | Examples of systems, processes, documentation and other evidence demonstrating compliance   | Evaluation Level (1 - 4) | Areas Requiring Improvement  |
| 3                          | Engaging stakeholders effectively, including individual citizens and service users | 3.1  | Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes. | <ul style="list-style-type: none"><li>• <i>Record of public consultations</i></li><li>• <i>Partnership framework</i></li><li>• Communications Policy.</li></ul>   | 3                        | Deliver new website that effectively shares information for all user groups  |
|                            |  | 3.2  | Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement.  | <ul style="list-style-type: none"><li>• <i>Communications strategy</i></li><li>• Communications Policy.</li><li>• Website <a href="http://www.tayroadbridge.co.uk">www.tayroadbridge.co.uk</a></li><li>• Social Media communications <a href="#">TRB Twitter</a></li></ul>  | 4                        |  |
|                            |  | 3.3  | Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs.  | <ul style="list-style-type: none"><li>• <i>Communications strategy</i></li><li>• <i>Joint strategic needs assessment</i></li><li>• Communications Policy.</li><li>• Website <a href="http://www.tayroadbridge.co.uk">www.tayroadbridge.co.uk</a></li><li>• Social Media communications <a href="#">TRB Twitter</a></li><li>• Feedback forms are provided to members of the public who break down on the bridge as a means to monitor performance and aid continuous improvement.</li><li>• Record of enquiries from the public and responses are kept and a five day turnaround in responding is achieved.</li><li>• <a href="#">Strategic Plan 2019-2024</a></li></ul> | 3                        | A public questionnaire was issued on social media with the aim of gathering information to help improve the website. This has been completed but website must be reviewed by Board members before it is made public. |

|  |  |     |  |  |   |  |
|--|--|-----|--|--|---|--|
|  |  | 3.4 | Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account. | <ul style="list-style-type: none"> <li><i>Communications strategy</i></li> <li>Communications Policy.</li> <li>Feedback information to TRBJB Board at quarterly meeting of elected community councillors.</li> </ul>   | 4 |  |
|  |  | 3.5 | Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.      | <ul style="list-style-type: none"> <li><i>Processes for dealing with competing demands within the community, for example a consultation</i></li> <li>Feedback information to TRBJB Board at quarterly meeting of elected community councillors.</li> </ul>   | 4 |  |
|  |  | 3.6 | Taking account of the interests of future generations of tax payers and service users.                           | <ul style="list-style-type: none"> <li><i>Reports</i></li> <li><i>Joint strategic needs assessment</i></li> <li>Engineer and Bridge Manager Reports to the Board every quarter detailing structural condition and inspection process as appropriate / Quarterly Closure statistics reported to the TRBJB.</li> </ul> | 4 |  |

| Ensuring openness and comprehensive stakeholder engagement | n/a | 1 | 2 | 3 | 4 | TOTAL |
|--|-----|---|---|---|---|-------|
| Summary of Number of Evaluations                           |     |   |   | 4 | 9 | 13    |

|  |  |
|--|--|
| Have there been any significant / critical events relating to Principle 2 during the financial year? If yes, please provide details. |  |
|--|--|

|  |  |
|--|--|
| Are there any examples of best practice (or exceeding best practice) in the Board? If yes, please provide details. |  |
|--|--|

**Further Guidance:**

[Model Publication Scheme Monitoring Report 2018](#) (Scottish Information Commissioner, 2018)

[Good Governance Principles for Partnership Working](#) (Audit Scotland, 2011)

[Community Planning Toolkit](#) (Community Places, 2014)

## Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

In addition to the overarching requirements for acting in the public interest in principles A and B, achieving good governance in local government also requires effective arrangements for:

| PRINCIPLE C   |                   | Defining outcomes in terms of sustainable economic, social, and environmental benefits  |  |  |                          |                             |
|---------------|-------------------|---|--|--|--------------------------|-----------------------------|
|               |                   | The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the authority's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available. |  |  |                          |                             |
| Sub-Principle |                   | Behaviours and actions that demonstrate good governance in practice.  |  | Examples of systems, processes, documentation and other evidence demonstrating compliance  | Evaluation Level (1 - 4) | Areas Requiring Improvement |
| 1             | Defining Outcomes | 1.1   | Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions. | <ul style="list-style-type: none"> <li>• <i>Vision used as a basis for corporate and service planning</i></li> <li>• The Board's structure, functions and powers are prescribed in the Tay Road Bridge <a href="#">TRB Order Confirmation Act 1991</a></li> <li>• Management Arrangements of Scottish Government.</li> <li>• <a href="#">Strategic Plan 2019-2024</a></li> </ul>   | 4                        |                             |
|               |                   | 1.2   | Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer.  | <ul style="list-style-type: none"> <li>• <i>Community engagement and involvement</i></li> <li>• <i>Corporate and service plans</i></li> <li>• <i>Community strategy</i></li> <li>• Sharing 20 year capital plan with Scottish Government through liaison with Transport Scotland Officials.</li> <li>• Communications strategy will include press releases for changes impacting service users.</li> <li>• <a href="#">Strategic Plan 2019-2024</a></li> <li>• Integrated Impact Assessments.</li> </ul> | 4                        |                             |
|               |                   | 1.3   | Delivering defined outcomes on a sustainable basis within the resources that will be available.  | <ul style="list-style-type: none"> <li>• <i>Regular reports on progress</i></li> <li>• Reports to the quarterly TRBJB meetings.</li> </ul>   | 4                        |                             |

|  |  |     |  |  |   |  |
|--|--|-----|--|--|---|--|
|  |  | 1.4 | Identifying and managing risks to the achievement of outcomes. | <ul style="list-style-type: none"> <li>• <i>Performance trends are established and reported upon</i></li> <li>• <i>Risk management protocols</i></li> <li>• Business Continuity Plan.</li> <li>• <a href="#">Risk Management Strategic Plan &amp; Strategic Risk Register</a></li> </ul> | 4 |  |
|--|--|-----|--|--|---|--|

### Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

| PRINCIPLE C<br>(continued) |  | Defining outcomes in terms of sustainable economic, social, and environmental benefits |  |   |                             |                             |
|----------------------------|--|--|--|---|-----------------------------|-----------------------------|
| Sub-Principle              |  | Behaviours and actions that demonstrate good governance in practice.                   |  | Examples of systems, processes, documentation and other evidence demonstrating compliance   | Evaluation Level<br>(1 - 4) | Areas Requiring Improvement |
|                            |  | 1.5  | Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available.                       | <ul style="list-style-type: none"> <li>• <i>An agreed set of quality standard measures for each service element are included in service plans</i></li> <li>• <i>Processes for dealing with competing demands within the community</i></li> <li>• Through Board member engagement with their constituents.</li> </ul>  | 4                           |                             |
| 2                          | <b>Sustainable economic, social and environmental benefits</b> | 2.1  | Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision. | <ul style="list-style-type: none"> <li>• <i>Capital investment is structured to achieve appropriate life spans and adaptability for future use so that resources are spent on optimising social, economic and environmental wellbeing:</i></li> <li>• <i>Capital programme</i></li> <li>• <i>Capital investment strategy</i></li> <li>• Sharing 20 year capital plan with Scottish Government through liaison with Transport Scotland Officials.</li> </ul> | 4                           |                             |
|                            |  | 2.2  | Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential                              | <ul style="list-style-type: none"> <li>• <i>Discussion between members and officers on the information needs of members to support decision making</i></li> <li>• <i>Record of decision making and supporting materials</i></li> </ul>  | 4                           |                             |

|  |  |     |  |  |   |  |
|--|--|-----|--|--|---|--|
|  |  |     | conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints.  | <ul style="list-style-type: none"> <li>Three yearly Revenue and Capital Budgets are updated and reported to Board annually.</li> <li>Twenty Year Capital Plan is produced and discussed with Transport Scotland.</li> <li>Business Continuity Plan.</li> <li><a href="#">Risk Management Strategic Plan &amp; Strategic Risk Register</a></li> <li><a href="#">Strategic Plan 2019-2024</a></li> </ul> |   |  |
|  |  | 2.3 | Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs. | <ul style="list-style-type: none"> <li><i>Record of decision making and supporting materials</i></li> <li><i>Protocols for consultation</i></li> <li>Liaison meetings with Scottish Government through Transport Scotland to agree spend profiles.</li> </ul>  | 4 |  |
|  |  | 2.4 | Ensuring fair access to services.  | <ul style="list-style-type: none"> <li><i>Protocols ensure fair access and statutory guidance is followed</i></li> <li>Lift and ramp allow access to bridge's central walkway.</li> </ul>  | 4 |  |

| Defining outcomes in terms of sustainable economic, social, and environmental benefits | n/a | 1 | 2 | 3 | 4 | TOTAL |
|--|-----|---|---|---|---|-------|
| Summary of Number of Evaluations   |     |   |   |   | 9 | 9     |

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| Have there been any significant / critical events relating to Principle 3 during the financial year? If yes, please provide details. |  |
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| Are there any examples of best practice (or exceeding best practice) in the Board? If yes, please provide details. |  |
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**Further Guidance:**

[Building Partnerships: Insights from the Devolution Summit](#) (CIPFA/Grant Thornton, 2015)

Continuing Professional Development website: [CPD - Key Elements of a Project Risk Register Template](#)



# Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

| PRINCIPLE D   |                           | Determining the interventions necessary to optimise the achievement of the intended outcomes  |   |   |                          |  |
|---------------|---------------------------|---|---|---|--------------------------|--|
|               |                           | Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised. |   |   |                          |  |
| Sub-Principle |                           | Behaviours and actions that demonstrate good governance in practice.  |   | Examples of systems, processes, documentation and other evidence demonstrating compliance   | Evaluation Level (1 - 4) | Areas Requiring Improvement  |
| 1             | Determining interventions | 1.1   | Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided. | <ul style="list-style-type: none"> <li>• <i>Discussion between members and officers on the information needs of members to support decision making</i></li> <li>• <i>Decision making protocols</i></li> <li>• <i>Option appraisals</i></li> <li>• <i>Agreement of information that will be provided and timescales</i></li> <li>• Pre-Agenda meetings held to discuss reports and issues that will be reported to Board meeting.</li> <li>• <a href="#">Tender Procedures</a> outline the requirements of when to report to Board.</li> <li>• Calendar of reporting deadlines provided by Committee Services at the beginning of each calendar year.</li> <li>• Service Level Agreement with Dundee City Council Procurement Team for procuring services and protect the board against changes to procurement legislation.</li> </ul> | 4                        |  |
|               |                           | 1.2   | Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available  | <ul style="list-style-type: none"> <li>• <i>Financial strategy</i></li> <li>• Service users were asked via public questionnaire improvements that could be made to improve user experience.</li> <li>• Working with Fife Council and SEstrans to deliver Park and Choose facility to improve sustainability and comply with Road Scotland</li> </ul>  | 3                        | Deliver new website that effectively shares information for all user groups.<br><br>Help deliver |

|  |  |  |   |           |  |                                 |
|--|--|--|---|-----------|--|---------------------------------|
|  |  |  | including people, skills, land and assets and bearing in mind future impacts. | Act 2019. |  | Park and Choose scheme in Fife. |
|--|--|--|---|-----------|--|---------------------------------|

**Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE**

| PRINCIPLE D<br>(continued) |                        | Determining the interventions necessary to optimise the achievement of the intended outcomes |   |  |                          |                             |
|----------------------------|------------------------|--|---|--|--------------------------|-----------------------------|
| Sub-Principle              |                        | Behaviours and actions that demonstrate good governance in practice.                         |   | Examples of systems, processes, documentation and other evidence demonstrating compliance  | Evaluation Level (1 - 4) | Areas Requiring Improvement |
| 2                          | Planning interventions | 2.1  | Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets.      | <ul style="list-style-type: none"> <li><i>Calendar of dates for developing and submitting plans and reports that are adhered to</i></li> <li>Calendar of reporting deadlines provided by Committee Services at the beginning of each calendar year.</li> </ul> | 4                        |                             |
|                            |                        | 2.2  | Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered. | <ul style="list-style-type: none"> <li><i>Communication strategy</i></li> <li>Communications Strategy.</li> </ul>  | 4                        |                             |
|                            |                        | 2.3  | Considering and monitoring risks facing each partner when working collaboratively including shared risks.                                 | <ul style="list-style-type: none"> <li><i>Partnership framework</i></li> <li><i>Risk management protocol</i></li> <li>Regular risk management / contract meetings are held during works contracts on the bridge.</li> </ul>                                    | 4                        |                             |
|                            |                        | 2.4  | Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances.      | <ul style="list-style-type: none"> <li><i>Planning protocols</i></li> <li>Regular risk management / contract meetings are held during works contracts on the bridge.</li> </ul>  | 4                        |                             |
|                            |                        | 2.5  | Establishing appropriate key performance indicators (KPIs)  | <ul style="list-style-type: none"> <li><i>KPIs have been established and approved for each service element and included in the</i></li> </ul>  | 4                        |                             |

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|  |  |     | as part of the planning process in order to identify how the performance of services and projects is to be measured. | <ul style="list-style-type: none"> <li><i>service plan and are reported upon regularly</i></li> <li>Record of enquiries from the public and responses are kept and a five day turnaround in responding is achieved.</li> <li><a href="#">Strategic Plan 2019-2024</a> defines how KPI's are collected.</li> </ul>   |   |  |
|  |  | 2.6 | Ensuring capacity exists to generate the information required to review service quality regularly.                   | <ul style="list-style-type: none"> <li><i>Reports include detailed performance results and highlight areas where corrective action is necessary</i></li> <li>Annual Governance Statement.</li> <li><a href="#">Local Code of Corporate Governance</a></li> <li>Management Meetings with Bridge Management Staff are formally recorded.</li> <li><a href="#">Strategic Plan 2019-2024</a></li> </ul> | 4 |  |

#### Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

| PRINCIPLE D<br>(continued) |  | Determining the interventions necessary to optimise the achievement of the intended outcomes |   |   |                             |                             |
|----------------------------|--|--|---|---|-----------------------------|-----------------------------|
| Sub-Principle              |  | Behaviours and actions that demonstrate good governance in practice.                         |   | Examples of systems, processes, documentation and other evidence demonstrating compliance   | Evaluation Level<br>(1 - 4) | Areas Requiring Improvement |
|                            |  | 2.7  | Preparing budgets in accordance with organisational objectives, strategies and the medium-term financial plan.  | <ul style="list-style-type: none"> <li><i>Evidence that budgets, plans and objectives are aligned</i></li> <li>Three yearly Revenue and Capital Budgets are updated and reported to Board annually.</li> <li>Twenty Year Capital Plan is produced and discussed with Scottish Government through Transport Scotland.</li> <li><a href="#">Strategic Plan 2019-2024</a></li> </ul> | 4                           |                             |
|                            |  | 2.8  | Informing medium and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable | <ul style="list-style-type: none"> <li><i>Budget guidance and protocols</i></li> <li><i>Medium-term financial plan</i></li> <li><i>Corporate plans</i></li> <li>Three yearly Revenue and Capital Budgets are updated and reported to Board annually.</li> </ul>   | 4                           |                             |

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|   |   |     | funding strategy.   | <ul style="list-style-type: none"> <li>Twenty Year Capital Plan is produced and discussed with Transport Scotland.</li> <li><a href="#">Strategic Plan 2019-2024</a></li> </ul>  |   |  |
| 3 | Optimising achievement of intended outcomes | 3.1 | Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints. | <ul style="list-style-type: none"> <li><i>Feedback surveys and exit/decommissioning strategies</i></li> <li><i>Changes as a result</i></li> <li>Three yearly Revenue and Capital Budgets are updated and reported to Board annually.</li> </ul>                              | 4 |  |
|   |   | 3.2 | Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term.     | <ul style="list-style-type: none"> <li><i>Budgeting guidance and protocols</i></li> <li>Three yearly Revenue and Capital Budgets are updated and reported to Board annually.</li> <li>Twenty Year Capital Plan is produced and discussed with Transport Scotland.</li> </ul> | 4 |  |

#### Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

| PRINCIPLE D<br>(continued) |  | Determining the interventions necessary to optimise the achievement of the intended outcomes |  |  |                          |  |
|----------------------------|--|--|--|--|--------------------------|--|
| Sub-Principle              |  | Behaviours and actions that demonstrate good governance in practice.                         |  | Examples of systems, processes, documentation and other evidence demonstrating compliance  | Evaluation Level (1 - 4) | Areas Requiring Improvement  |
|                            |  | 3.3  | Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage. | <ul style="list-style-type: none"> <li><i>Financial strategy</i></li> <li>Three yearly Revenue and Capital Budgets are updated and reported to Board annually.</li> <li>Twenty Year Capital Plan is produced and discussed with Transport Scotland.</li> <li>Senior management receive regular financial reports to enable financial management.</li> <li>Regular meetings are held to support the Revenue and Capital Monitoring and reporting process.</li> <li>Regular Revenue and Capital Monitoring Reports are reported to the Board and published on the website <a href="#">Board Minutes</a></li> <li>Bridge manager discusses finances at quarterly management meetings with his key staff.</li> </ul> | 3                        | Hold monthly Management meetings instead of quarterly to improve control given number of capital and inspection surveys due from 2020. |

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|  |  | 3.4 | Ensuring the achievement of 'social value' through service planning and commissioning. | <ul style="list-style-type: none"> <li>• <i>Service plans demonstrate consideration of 'social value'</i></li> <li>• <i>Achievement of 'social value' is monitored and reported upon</i></li> <li>• Engineer and Bridge Manager Reports to the Board every quarter detailing structural condition and inspection process as appropriate / Quarterly Closure statistics reported to the TRBJB.</li> <li>• <a href="#">Strategic Plan 2019-2024</a></li> </ul> | 4 |  |
|--|--|-----|--|--|---|--|

| Determining the interventions necessary to optimise the achievement of the intended outcomes | n/a | 1 | 2 | 3 | 4  | TOTAL |
|--|-----|---|---|---|----|-------|
| Summary of Number of Evaluations   |     |   |   | 1 | 13 | 14    |

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| Have there been any significant / critical events relating to Principle 4 during the financial year? If yes, please provide details. |  |
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| Are there any examples of best practice (or exceeding best practice) in the Board? If yes, please provide details. |  |
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**Links to relevant Tay Road Bridge Policies, Procedures and Guidelines:**

**Further Guidance:**

Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

| PRINCIPLE E   |                                  | Developing the entity's capacity, including the capability of its leadership and the individuals within it  |  |   |                          |   |
|---------------|----------------------------------|---|--|---|--------------------------|---|
|               |                                  | Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities. |  |   |                          |   |
| Sub-Principle |                                  | Behaviours and actions that demonstrate good governance in practice.  |  | Examples of systems, processes, documentation and other evidence demonstrating compliance   | Evaluation Level (1 - 4) | Areas Requiring Improvement   |
| 1             | Developing the entity's capacity | 1.1   | Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness.   | <ul style="list-style-type: none"> <li><i>Regular reviews of activities, outputs and planned outcomes</i></li> <li>Quarterly review meetings between Bridge Manager and Engineer to the Board to monitor and manage resources to ensure compliance with TRBJB Asset Management Plan and national and published structural inspection requirements.</li> </ul>   | 3                        | Operations could be improved by reviewing staffing structure and shift patterns for welfare of staff and subsequently users |
|               |                                  | 1.2   | Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently. | <ul style="list-style-type: none"> <li><i>Utilisation of research and benchmarking exercises</i></li> <li>The Board's Financial Regulations require that all contracts entered into shall, where practicable, comply with the organisation's Tendering Procedures. These state 'the underlying spirit of the procedures is to provide openness, accountability and Best Value in the Board's procurement of goods, services and works.</li> </ul> | 4                        |   |
|               |                                  | 1.3   | Recognising the benefits of partnerships and collaborative working where added value can be achieved.  | <ul style="list-style-type: none"> <li><i>Effective operation of partnerships which deliver agreed outcomes</i></li> <li>Service Level Agreements with Dundee City</li> </ul>   | 4                        |   |

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|  |  |     |  | Council for services provision, and annual review meeting to assess success needs for both parties.   |   |  |
|  |  | 1.4 | Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources. | <ul style="list-style-type: none"> <li>• <i>Workforce plan</i></li> <li>• <i>Organisational development plan</i></li> <li>• A structural bridge inspection plan is in-place and monitored by the Bridge's Maintenance Manager.</li> <li>• <a href="#">Strategic Plan 2019-2024</a></li> </ul> | 4 |  |

### Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

| PRINCIPLE E<br>(Continued) |  | Developing the entity's capacity, including the capability of its leadership and the individuals within it |  |   |                          |                             |
|----------------------------|--|--|--|---|--------------------------|-----------------------------|
| Sub-Principle              |  | Behaviours and actions that demonstrate good governance in practice.                                       |  | Examples of systems, processes, documentation and other evidence demonstrating compliance   | Evaluation Level (1 - 4) | Areas Requiring Improvement |
| 2                          | Developing the capability of the entity's leadership and other individuals | 2.1  | Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained. | <ul style="list-style-type: none"> <li>• <i>Job descriptions</i></li> <li>• <i>Chief executive and leader pairings have considered how best to establish and maintain effective communication</i></li> <li>• <a href="#">Standing Orders Scheme of Delegation</a></li> </ul>  | 4                        |                             |
|                            |  | 2.2  | Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body.   | <ul style="list-style-type: none"> <li>• <i>Scheme of delegation reviewed at least annually in the light of legal and organisational changes</i></li> <li>• <i>Standing orders and financial regulations which are reviewed on a regular basis</i></li> <li>• <a href="#">Standing Orders Scheme of Delegation</a><br/><a href="#">Tender Procedures Financial Regulations</a></li> </ul> | 4                        |                             |
|                            |  | 2.3  | Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a   | <ul style="list-style-type: none"> <li>• <i>Clear statement of respective roles and responsibilities and how they will be put into practice</i></li> </ul>  | N/A                      |                             |

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|  |  |  | structure, whereby the chief executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority. | <ul style="list-style-type: none"> <li>TRBJB does not have these distinct roles within its structure due to the size and function of the organisation.</li> </ul> |  |  |
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#### Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

| PRINCIPLE E<br>(Continued) |  | Developing the entity's capacity, including the capability of its leadership and the individuals within it |  |   |                             |                             |
|----------------------------|--|--|--|---|-----------------------------|-----------------------------|
| Sub-Principle              |  | Behaviours and actions that demonstrate good governance in practice.                                       |  | Examples of systems, processes, documentation and other evidence demonstrating compliance   | Evaluation Level<br>(1 - 4) | Areas Requiring Improvement |
|                            |  | 2.4  | Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: | <ul style="list-style-type: none"> <li><i>Access to courses/information briefings on new legislation</i></li> <li>Continuous Professional Development for Bridge Manager and his staff.</li> <li>Induction training for new members.</li> <li>Equalities and Human Rights Training delivered to all staff 2019.</li> <li>Maintaining SLA's with DCC Legal.</li> </ul>   | 4                           |                             |
|                            |  | 2.4 a)   | ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged.  | <ul style="list-style-type: none"> <li><i>Induction programme</i></li> <li><i>Personal development plans for members and officers</i></li> <li>Staff Training Plan.</li> <li>Employee Appraisal process.</li> <li>Training Matrix that links to job competence and H&amp;S requirements for all roles is monitored by Bridge Management and monies set aside in revenue budget every year to ensure this is an ongoing process. Review of staff training undertaken at management meetings.</li> <li>Induction training for new members.</li> </ul> | 4                           |                             |



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|  |  |        |   | <ul style="list-style-type: none"> <li>Equalities and Human Rights Training delivered to all staff 2019.</li> </ul>   |   |  |
|  |  | 2.4 b) | ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis. | <ul style="list-style-type: none"> <li><i>For example, for members this may include the ability to:</i> <ul style="list-style-type: none"> <li><i>scrutinise and challenge</i></li> <li><i>recognise when outside expert advice is required</i></li> <li><i>promote trust</i></li> <li><i>work in partnership</i></li> <li><i>lead the organisation</i></li> <li><i>act as a community leader</i></li> </ul> </li> <li><i>Efficient systems and technology used for effective support</i></li> <li>Staff Training Plan.</li> <li>Employee Appraisal process.</li> <li>Induction training for new members.</li> <li>Equalities and Human Rights Training delivered to all staff 2019.</li> </ul> | 4 |  |

#### Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

| PRINCIPLE E<br>(Continued) |  | Developing the entity's capacity, including the capability of its leadership and the individuals within it |  |   |                          |   |
|----------------------------|--|--|--|---|--------------------------|---|
| Sub-Principle              |  | Behaviours and actions that demonstrate good governance in practice.                                       |  | Examples of systems, processes, documentation and other evidence demonstrating compliance   | Evaluation Level (1 - 4) | Areas Requiring Improvement                                       |
|                            |  | 2.4 c)   | ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from both internal and external governance weaknesses. | <ul style="list-style-type: none"> <li><i>Arrangements for succession planning</i></li> <li>Annual Governance Statement's Continuous Improvement Agenda.</li> <li><a href="#">Local Code of Corporate Governance</a></li> <li>Recommendations from Internal and External Audit reviews are acted upon.</li> </ul> | 4                        |   |
|                            |  | 2.5  | Ensuring that there are structures in place to encourage public participation.   | <ul style="list-style-type: none"> <li><i>Residents' panels</i></li> <li><i>Stakeholder forum terms of reference</i></li> <li><i>Strategic partnership frameworks</i></li> <li>Members of the public can contact the</li> </ul>   | 3                        | A public questionnaire was issued on social media with the aim of |

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|  |  |     |  | bridge with any queries through <a href="http://www.tayroadbridge.co.uk">www.tayroadbridge.co.uk</a> or through elected members, whether represented on the board or otherwise.  |   | gathering information to help improve the website.   |
|  |  | 2.6 | Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections.                     | <ul style="list-style-type: none"> <li>• <i>Reviewing individual member performance on a regular basis taking account of their attendance and considering any training or development needs</i></li> <li>• <i>Peer reviews</i></li> </ul>  | 3 | Bridge manager development reviews need to be re-established following change of Engineer to the Board |
|  |  | 2.7 | Holding staff to account through regular performance reviews which take account of training or development needs.  | <ul style="list-style-type: none"> <li>• <i>Training and development plan</i></li> <li>• <i>Staff development plans linked to appraisals</i></li> <li>• <i>Implementing appropriate human resource policies and ensuring that they are working effectively</i></li> <li>• Employee Appraisal process.</li> <li>• Staff Training Plan.</li> </ul> | 3 | Staff appraisal delivery responsibilities needs to be reviewed following staff retirements             |
|  |  | 2.8 | Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing. | <ul style="list-style-type: none"> <li>• <i>Human resource policies</i></li> <li>• SLA with People Asset Management (PAM) Occupational Health Provider.</li> <li>• Mindfulness &amp; Stress Management Courses were introduced in 2018/2019 and will form part of the regular staff training programme.</li> </ul>                               | 3 | Further courses are planned for 2020 to cover Recognising Stress and Staff Resilience.                 |

| Developing the entity's capacity, including the capability of its leadership and the individuals within it | n/a | 1 | 2 | 3 | 4 | TOTAL |
|--|-----|---|---|---|---|-------|
| Summary of Number of Evaluations   | 1   |   |   | 5 | 9 | 15    |

Have there been any significant / critical events relating to Principle 5 during the financial year? If yes, please provide details.

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| Are there any examples of best practice (or exceeding best practice) in the Board? If yes, please provide details. |  |
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**Links to relevant Tay Road Bridge Policies, Procedures and Guidelines:**

**Further Guidance:**

[The Standards Commission for Scotland](#)

[Councillors' Code of Conduct](#)

[Code of Ethics for Public Service Managers - Consultation](#) (Solace, 2015)

Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

| PRINCIPLE F   |                      | Managing risks and performance through robust internal control and strong public financial management  |  |   |                          |                             |
|---------------|----------------------|--|--|---|--------------------------|-----------------------------|
|               |                      | <p>Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities.</p> <p>A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability.</p> <p>It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.</p> |  |   |                          |                             |
| Sub-Principle |                      | Behaviours and actions that demonstrate good governance in practice.   |  | Examples of systems, processes, documentation and other evidence demonstrating compliance   | Evaluation Level (1 - 4) | Areas Requiring Improvement |
| 1             | Managing Risk        | 1.1  | Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making. | <ul style="list-style-type: none"> <li><i>Risk management protocol</i></li> <li><a href="#">Risk Management Strategic Plan &amp; Strategic Risk Register</a></li> </ul>   | 4                        |                             |
|               |                      | 1.2  | Implementing robust and integrated risk management arrangements and ensuring that they are working effectively.                  | <ul style="list-style-type: none"> <li><i>Risk management strategy/ policy formally approved, adopted, reviewed and updated on a regular basis</i></li> <li><a href="#">Risk Management Strategic Plan &amp; Strategic Risk Register</a></li> </ul>   | 4                        |                             |
|               |                      | 1.3  | Ensuring that responsibilities for managing individual risks are clearly allocated.  | <ul style="list-style-type: none"> <li><i>Risk management protocol</i></li> <li><a href="#">Risk Management Strategic Plan &amp; Strategic Risk Register</a></li> </ul>   | 4                        |                             |
| 2             | Managing Performance | 2.1  | Monitoring service delivery effectively including planning, specification, execution and independent post-implementation review. | <ul style="list-style-type: none"> <li><i>Performance map showing all key activities have performance measures</i></li> <li><i>Benchmarking information</i></li> <li><i>Cost performance (using inputs and outputs)</i></li> <li><i>Calendar of dates for submitting, publishing and distributing timely reports that are adhered to</i></li> </ul> | 4                        |                             |

|  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|
|  |  |  |  | <ul style="list-style-type: none"> <li>Contract spreadsheet has a column for the responsible officer to make comment on performance. On larger contracts meetings are held annually with service providers to discuss needs for both parties.</li> <li><a href="#">Strategic Plan 2019-2024</a></li> </ul> |  |  |
|--|--|--|--|--|--|--|

### Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

| PRINCIPLE F<br>(Continued) |  | Managing risks and performance through robust internal control and strong public financial management |  |  |                          |                             |
|----------------------------|--|---|--|--|--------------------------|-----------------------------|
| Sub-Principle              |  | Behaviours and actions that demonstrate good governance in practice.                                  |  | Examples of systems, processes, documentation and other evidence demonstrating compliance  | Evaluation Level (1 - 4) | Areas Requiring Improvement |
|                            |  | 2.2   | Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook.   | <ul style="list-style-type: none"> <li><i>Discussion between members and officers on the information needs of members to support decision making</i></li> <li><i>Publication of agendas and minutes of meetings</i></li> <li><i>Agreement on the information that will be needed and timescales</i></li> <li><a href="#">Board Minutes</a> and relevant documents <a href="#">Board Documents</a> are published on the Board's website: <a href="http://www.tayroadbridge.co.uk">www.tayroadbridge.co.uk</a></li> <li>Calendar of reporting deadlines provided by Committee Services at the beginning of each calendar year.</li> <li>Appointing professional Consultants to advise on projects/ maintenance requirements to gain independent advice.</li> </ul> | 4                        |                             |
|                            |  | 2.3   | Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation | <ul style="list-style-type: none"> <li><i>The role and responsibility for scrutiny has been established and is clear</i></li> <li><i>Agenda and minutes of scrutiny meetings</i></li> <li><i>Evidence of improvements as a result of scrutiny</i></li> <li><i>Terms of reference</i></li> <li><i>Training for members</i></li> <li><i>Membership</i></li> </ul>  | 4                        |                             |

|  |  |     |   |   |   |  |
|--|--|-----|---|---|---|--|
|  |  |     | <p>for which it is responsible.</p> <p>(OR, for a committee system)<br/>Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making.</p> | <ul style="list-style-type: none"> <li>• External Audit reports are reported to the Board and recommendations are acted upon.</li> <li>• Internal Auditors comply with Public Sector Internal Audit Standards.</li> <li>• Internal Audit reviews are reported to the Board and recommendations are acted upon.</li> <li>• Internal Audit Follow Up reports on progress against recommendations are reported to the Board.</li> </ul>  |   |  |
|  |  | 2.4 | <p>Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement.</p>  | <ul style="list-style-type: none"> <li>• <i>Calendar of dates for submitting, publishing and distributing timely reports that are adhered to</i></li> <li>• Calendar of reporting deadlines provided by Committee Services at the beginning of each calendar year.</li> <li>• Regular reports <a href="#">Board Minutes</a> submitted to the Board include Revenue &amp; Capital Monitoring, Engineer's report, Operational Restrictions &amp; Closures.</li> <li>• <a href="#">Strategic Plan 2019-2024</a></li> </ul> | 4 |  |

Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

| PRINCIPLE F<br>(Continued) |                         | Managing risks and performance through robust internal control and strong public financial management |   |   |                          |                             |
|----------------------------|-------------------------|---|---|---|--------------------------|-----------------------------|
| Sub-Principle              |                         | Behaviours and actions that demonstrate good governance in practice.                                  |   | Examples of systems, processes, documentation and other evidence demonstrating compliance   | Evaluation Level (1 - 4) | Areas Requiring Improvement |
|                            |                         | 2.5   | Ensuring there is consistency between specification stages (such as budgets) and post-implementation reporting (e.g. financial statements). | <ul style="list-style-type: none"> <li>Financial standards, guidance</li> <li>Financial regulations and standing orders</li> <li><a href="#">Standing Orders Scheme of Delegation</a></li> <li><a href="#">Tender Procedures</a></li> <li><a href="#">Financial Regulations</a></li> <li>Revenue and Capital Budgets, Revenue and Capital Monitoring, and Annual Accounts have consistency in how they are presented.</li> <li>Major Capital projects are reported against budget within Engineer's reports.</li> </ul>   | 4                        |                             |
| 3                          | Robust Internal Control | 3.1   | Aligning the risk management strategy and policies on internal control with achieving objectives.   | <ul style="list-style-type: none"> <li>Risk management strategy</li> <li>Audit plan</li> <li>Audit reports</li> <li><a href="#">Risk Management Strategic Plan &amp; Strategic Risk Register</a></li> <li>External Auditor's Annual Audit Plan reported to Board and any recommendations are acted upon.</li> <li>Internal Audit produce an Audit Needs Assessment &amp; Strategic Plan at the start of their three yearly contract and update their Audit Plan annually.</li> <li>Internal Audit reviews are reported to the Board and recommendations are acted upon.</li> <li>Internal Audit Follow Up reports on progress against recommendations are reported to the Board.</li> </ul> | 4                        |                             |
|                            |                         | 3.2   | Evaluating and monitoring risk management and internal control on a regular basis.  | <ul style="list-style-type: none"> <li>Risk management strategy/ policy has been formally approved and adopted and is reviewed and updated on a regular basis</li> <li><a href="#">Risk Management Strategic Plan &amp; Strategic</a></li> </ul>  | 4                        |                             |

|  |  |     |  |  |   |  |
|--|--|-----|--|--|---|--|
|  |  |     |  | <a href="#">Risk Register</a> <ul style="list-style-type: none"> <li>Bridge Manager meets annually with Risk Manager for Dundee City Council to review Risk Management Register.</li> </ul>  |   |  |
|  |  | 3.3 | Ensuring effective counter fraud and anti-corruption arrangements are in place.  | <ul style="list-style-type: none"> <li><i>Compliance with the <a href="#">Code of Practice on Managing the Risk of Fraud and Corruption</a> (CIPFA, 2014)</i></li> <li><a href="#">Fraud Guidelines</a></li> <li><a href="#">Anti-Bribery Policy</a></li> </ul>  | 4 |  |
|  |  | 3.4 | Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor. | <ul style="list-style-type: none"> <li><i>Annual governance statement</i></li> <li><i>Effective internal audit service is resourced and maintained</i></li> <li>Annual Governance Statement.</li> <li><a href="#">Local Code of Corporate Governance</a></li> <li>Internal Audit provision is outsourced, via a tender process, to a private sector audit firm.</li> </ul> | 4 |  |

#### Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

| PRINCIPLE F<br>(Continued) |  | Managing risks and performance through robust internal control and strong public financial management |  |  |                          |                             |
|----------------------------|--|---|--|--|--------------------------|-----------------------------|
| Sub-Principle              |  | Behaviours and actions that demonstrate good governance in practice.                                  |  | Examples of systems, processes, documentation and other evidence demonstrating compliance  | Evaluation Level (1 - 4) | Areas Requiring Improvement |
|                            |  | 3.5   | Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body: <ul style="list-style-type: none"> <li>provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment.</li> <li>that its recommendations</li> </ul> | <ul style="list-style-type: none"> <li><i>Audit committee complies with best practice – see <a href="#">Audit Committees: Practical Guidance for Local Authorities and Police</a> (CIPFA, 2013) (Cost £175)</i></li> <li><i>Terms of reference</i></li> <li><i>Membership</i></li> <li><i>Training</i></li> <li>TRBJB does not have a separate audit committee or equivalent group due to size and function of the organisation. The Board fulfils this role.</li> </ul> | N/A                      |                             |



|   |                      |     |   |   |   |  |
|---|----------------------|-----|---|---|---|--|
|   |                      |     | are listened to and acted upon.   |   |   |  |
| 4 | <b>Managing Data</b> | 4.1 | Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data. | <ul style="list-style-type: none"> <li>• <i>Data management framework and procedures</i></li> <li>• <i>Designated data protection officer</i></li> <li>• <i>Data protection policies and procedures</i></li> <li>• <a href="#">Data Protection Policy</a></li> <li>• <a href="#">Freedom of Information Policy</a></li> <li>• <a href="#">Data Protection &amp; CCTV Procedures</a></li> <li>• SLA with Dundee City Council IT Services to include all up to date safeguards with respect to data security. Individual work drives secured requiring login and all personal data is locked for senior management access only.</li> <li>• <a href="#">Guidance for Information, Records Management &amp; Preservation of Archival Records</a></li> <li>• SAR Procedures, Data Breach Flow Chart, &amp; Data Breach Procedures have been developed and are available on TRBJB website.</li> <li>• A CCTV Privacy Statement and Policy, and a Privacy Statement for the TRBJB website has also been introduced, along with a Cookie Policy.</li> </ul> | 3 | Further review required with DCC Information Governance Manager. |
|   |                      | 4.2 | Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies.   | <ul style="list-style-type: none"> <li>• <i>Data sharing agreement</i></li> <li>• <i>Data sharing register</i></li> <li>• <i>Data processing agreements</i></li> <li>• <a href="#">Data Protection Policy</a></li> <li>• <a href="#">Freedom of Information Policy</a></li> <li>• <a href="#">Data Protection &amp; CCTV Procedures</a></li> </ul>  | 3 | Further review required with DCC Information Governance Manager. |

| PRINCIPLE F<br>(Continued) |   | Managing risks and performance through robust internal control and strong public financial management |   |   |                          |  |
|----------------------------|---|---|---|---|--------------------------|--|
| Sub-Principle              |   | Behaviours and actions that demonstrate good governance in practice.                                  |   | Examples of systems, processes, documentation and other evidence demonstrating compliance   | Evaluation Level (1 - 4) | Areas Requiring Improvement  |
|                            |   | 4.3   | Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.                                   | <ul style="list-style-type: none"> <li>• <i>Data quality procedures and reports</i></li> <li>• <i>Data validation procedures</i></li> <li>• Annual Accounts process subject to External Audit.</li> <li>• A programme of Internal Audit reviews covering a wide range of systems and processes.</li> </ul>  | 4                        |  |
| 5                          | <b>Strong Public Financial Management</b> | 5.1   | Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance.                     | <ul style="list-style-type: none"> <li>• <i>Financial management supports the delivery of services and transformational change as well as securing good stewardship</i></li> <li>• Senior management receive regular financial reports to enable financial management.</li> <li>• Regular meetings are held to support the Revenue and Capital Monitoring and reporting process.</li> </ul> | 3                        | TRBJB Bridge manager to introduce a form that allows DCC procurement to approve/ challenge to decisions to waiver tender procedures to provide a third party check and balance on TRBJB. |
|                            |   | 5.2   | Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls. | <ul style="list-style-type: none"> <li>• <i>Budget monitoring reports</i></li> <li>• Regular Revenue and Capital Monitoring Reports are reported to the Board and published on the website <a href="#">Board Minutes</a></li> </ul>   | 4                        |  |

| Managing risks and performance through robust internal control and strong public financial management | n/a | 1 | 2 | 3 | 4  | TOTAL |
|---|-----|---|---|---|----|-------|
| Summary of Number of Evaluations  | 1   |   |   | 3 | 14 | 18    |

Have there been any significant / critical events relating to Principle 6 during the financial year? If yes, please provide details.

Are there any examples of best practice (or exceeding best practice) in the Board? If yes, please provide details.

**Links to relevant Tay Road Bridge Policies, Procedures and Guidelines:**

**Further Guidance:**

National Fraud Initiative: [National Fraud Initiative](#)

[From Bolt-on to Built-in: Managing Risk as an Integral Part of Managing an Organization](#) (IFAC, 2015)

[Code of Practice on Managing the Risk of Fraud and Corruption](#) (CIPFA, 2014)

[Whole System Approach to Public Financial Management](#) (CIPFA, 2012)

[The Role of the Head of Internal Audit in Public Service Organisations](#) (CIPFA, 2019)

[Following the Public Pound](#) (Audit Scotland, 2004)

[Safeguarding Public Money: Are you getting it right?](#) (Audit Scotland, 2019)

Information Commissioner's Office (ICO): <https://ico.org.uk/>

ICO Guide to Data Protection: <https://ico.org.uk/for-organisations/guide-to-data-protection/>

Scottish Information Commissioner: <http://www.itspublicknowledge.info/home/ScottishInformationCommissioner.aspx>

Records Retention Schedules from Scottish Council on Archives: <https://www.scottisharchives.org.uk/resources/scars/>

Freedom of Information Act: <http://www.dundee.gov.uk/foisa>

Data Protection Act: <https://www.dundee.gov.uk/supportservs/dataprotection/>

General Data Protection Regulation: <https://onedundee.dundee.gov.uk/news/gdpr-employee-handbook>

[Spotting the Signs of Serious Organised Crime](#) (Police Scotland, 2019)

# Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

| PRINCIPLE G   |  | Implementing good practices in transparency, reporting, and audit to deliver effective accountability   |  |   |                          |                             |
|---------------|--|---|--|---|--------------------------|-----------------------------|
|               |  | Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability. |  |   |                          |                             |
| Sub-Principle |  | Behaviours and actions that demonstrate good governance in practice.  |  | Examples of systems, processes, documentation and other evidence demonstrating compliance   | Evaluation Level (1 - 4) | Areas Requiring Improvement |
| 1             | Implementing Good Practice in Transparency | 1.1   | Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.   | <ul style="list-style-type: none"> <li>Website</li> <li><a href="#">Board Minutes</a> and relevant documents <a href="#">Board Documents</a> are published on the Board's website: <a href="http://www.tayroadbridge.co.uk/">http://www.tayroadbridge.co.uk/</a></li> <li>Annual Accounts <a href="#">2018/2019 Audited Accounts</a> includes the Bridge Manager's report which provides an outline of the Board's activities.</li> </ul>   | 4                        |                             |
|               |  | 1.2   | Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand. | <ul style="list-style-type: none"> <li>Annual Report</li> <li>Annual Accounts <a href="#">2018/2019 Audited Accounts</a></li> </ul>   | 4                        |                             |
| 2             | Implementing Good Practices in Reporting   | 2.1   | Reporting at least annually on performance, value for money and the stewardship of its resources.  | <ul style="list-style-type: none"> <li>Formal annual report which includes key points raised by external scrutineers and service users' feedback on service delivery</li> <li>Annual financial statements</li> <li>Annual Accounts <a href="#">2018/2019 Audited Accounts</a></li> <li>Annual Report by Internal Audit.</li> <li>Regular reports <a href="#">Board Minutes</a> submitted to the Board include Revenue &amp; Capital Monitoring, Engineer's report, Operational</li> </ul> | 4                        |                             |

|  |  |     |   |  |   |
|--|--|-----|---|--|---|
|  |  |     | Restrictions & Closures.                                |  |   |
|  |  | 2.2 | Ensuring members and senior management own the results. | <ul style="list-style-type: none"> <li>• <i>Appropriate approvals</i></li> <li>• Reports to the Board are submitted for approval from Board Members <a href="#">Board Minutes</a></li> </ul> | 4 |

**Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE**

| PRINCIPLE G<br>(Continued) |  | Implementing good practices in transparency, reporting, and audit to deliver effective accountability |  |  |                          |                             |
|----------------------------|--|---|--|--|--------------------------|-----------------------------|
| Sub-Principle              |  | Behaviours and actions that demonstrate good governance in practice.                                  |  | Examples of systems, processes, documentation and other evidence demonstrating compliance  | Evaluation Level (1 - 4) | Areas Requiring Improvement |
|                            |  | 2.3   | Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement). | <ul style="list-style-type: none"><li>• <i>Annual governance statement</i></li><li>• Annual Governance Statement reported to Board and published on website <a href="#">Board Minutes</a></li><li>• <a href="#">Local Code of Corporate Governance</a></li></ul> | 4                        |                             |
|                            |  | 2.4   | Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate.  | <ul style="list-style-type: none"><li>• <i>Annual governance statement</i></li><li>• N/A.</li></ul>  | N/A                      |                             |
|                            |  | 2.5   | Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations.  | <ul style="list-style-type: none"><li>• <i>Format follows best practice</i></li><li>• Annual Accounts are published in accordance with statutory regulations.</li></ul>  | 4                        |                             |

Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

| PRINCIPLE G<br>(Continued) |  | Implementing good practices in transparency, reporting, and audit to deliver effective accountability |  |  |                          |                             |
|----------------------------|--|---|--|--|--------------------------|-----------------------------|
| Sub-Principle              |  | Behaviours and actions that demonstrate good governance in practice.                                  |  | Examples of systems, processes, documentation and other evidence demonstrating compliance  | Evaluation Level (1 - 4) | Areas Requiring Improvement |
| 3                          | Assurance and Effective Accountability | 3.1   | Ensuring that recommendations for corrective action made by external audit are acted upon.   | <ul style="list-style-type: none"> <li>• <i>Recommendations have informed positive improvement</i></li> <li>• External Audit reports are reported to the Board and recommendations are acted upon.</li> </ul>  | 4                        |                             |
|                            |  | 3.2   | Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon. | <ul style="list-style-type: none"> <li>• <i>Compliance with CIPFA's <a href="#">Statement on the Role of the Head of Internal Audit</a> (2019)</i></li> <li>• <i>Compliance with Public Sector Internal Audit Standards</i></li> <li>• Internal Auditors comply with Public Sector Internal Audit Standards.</li> <li>• Internal Audit reviews are reported to the Board and recommendations are acted upon.</li> <li>• Internal Audit Follow Up reports on progress against recommendations are reported to the Board.</li> </ul> | 4                        |                             |
|                            |  | 3.3   | Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.   | <ul style="list-style-type: none"> <li>• <i>Recommendations have informed positive improvement</i></li> <li>• External Auditors are appointed.</li> </ul>  | 4                        |                             |
|                            |  | 3.4   | Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement.  | <ul style="list-style-type: none"> <li>• <i>Annual governance statement</i></li> <li>• N/A.</li> </ul>   | N/A                      |                             |
|                            |  | 3.5   | Ensuring that when working in partnership, arrangements for  | <ul style="list-style-type: none"> <li>• <i>Community strategy</i></li> </ul>  | N/A                      |                             |

|  |  |  |   |  |  |  |
|--|--|--|---|--|--|--|
|  |  |  | accountability are clear and that the need for wider public accountability has been recognised and met. | <ul style="list-style-type: none"> <li>N/A.</li> </ul> |  |  |
|--|--|--|---|--|--|--|

| Implementing good practices in transparency, reporting, and audit to deliver effective accountability | n/a | 1 | 2 | 3 | 4 | TOTAL |
|---|-----|---|---|---|---|-------|
| Summary of Number of Evaluations  | 3   |   |   |   | 9 | 12    |

|  |  |
|--|--|
| Have there been any significant / critical events relating to Principle 7 during the financial year? If yes, please provide details. |  |
|--|--|

|  |  |
|--|--|
| Are there any examples of best practice (or exceeding best practice) in the Board? If yes, please provide details. |  |
|--|--|

**Links to relevant Tay Road Bridge Policies, Procedures and Guidelines:**

**Further Guidance:**

[The Role of the Head of Internal Audit in Public Service Organisations](#) (CIPFA, 2019)  
[Following the Public Pound](#) (Audit Scotland, 2004)  
[Building Partnerships: Insights from the Devolution Summit](#) (CIPFA/Grant Thornton, 2015)  
[Whole System Approach to Public Financial Management](#) (CIPFA, 2012)  
[Good Governance Principles for Partnership Working](#) (Audit Scotland, 2011)  
[Arm's-length External Organisations \(ALEOs\): Are you getting it right?](#) (Audit Scotland, 2011)  
[Safeguarding Public Money: Are you getting it right?](#) (Audit Scotland, 2019)

**REPORT TO: TAY ROAD BRIDGE JOINT BOARD**

**REPORT ON: ANNUAL GOVERNANCE STATEMENT FOR THE YEAR TO 31 MARCH 2020**

**REPORT BY: TREASURER**

**REPORT NO: TRB 7-2020**

**1 PURPOSE OF REPORT**

To present to the Joint Board the Annual Governance Statement for approval and inclusion in the unaudited Annual Accounts for the year ended 31 March 2020 which is also being submitted to the Joint Board.

**2 RECOMMENDATIONS**

It is recommended that the Joint Board:

- i notes the contents of this covering report;
- ii approves the Annual Governance Statement which is included as an Appendix to this report; and
- iii instructs the Treasurer to include the Annual Governance Statement in the Annual Accounts for the year to 31 March 2020.

**3 FINANCIAL IMPLICATIONS**

None.

**4 BACKGROUND**

4.1 The relevant statutory provisions regarding the preparation of the Joint Board's Accounts are contained in the Local Authority Accounts (Scotland) Amendment Regulations 2014. Section 5 of these regulations require that "...the local authority must conduct a review at least once in each financial year of the effectiveness of its system of internal control. The findings of the review... must be considered at a meeting of the local authority... (and) following consideration of the findings of the review... that authority must approve an annual governance statement." There is no requirement to have separate meetings for the consideration of the findings and then the approval of the annual governance statement. Both may be undertaken at the same meeting.

4.2 As in previous years the Annual Accounts (including the Annual Governance Statement) have been prepared in accordance with the Code of Practice on Local Authority Accounting (the Code) which stipulates that the following information should be included in the Annual Governance Statement:

- i. An acknowledgement of responsibility for ensuring there is a sound system of governance;
- ii. An indication of the level of assurance that the systems and processes that comprise the Joint Board's governance arrangements can provide;
- iii. A brief description of the key elements of the governance framework;
- iv. A brief description of the process that has been applied in maintaining and reviewing the effectiveness of the governance arrangements, including some



comment on the role of the Joint Board, internal audit and other explicit reviews/assurance mechanisms;

- v. An outline of the actions taken, or proposed, to deal with significant governance issues, including an agreed action plan; and
- vi. A specific statement on whether the Joint Board's financial management arrangements conform with the governance requirements of the CIPFA (Chartered Institute of Public Finance & Accountancy) *Statement on the Role of the Chief Financial Officer in Local Government* (2016) as set out in the CIPFA's *Delivering Good Governance in Local Government: Framework* (2016); and where they do not, an explanation of how they deliver the same impact.

4.3 The Annual Governance Statement for the year ended 31 March 2020 is included on Appendix A.

## 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 Joint Board have been consulted in the preparation of this report and are in agreement with the contents.

## 7 **BACKGROUND PAPERS**

CIPFA: Code of Practice on Local Authority Accounting in the UK 2019/2020;  
The Local Authority Accounts (Scotland) Regulations 2014;  
CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016); and  
CIPFA's Delivering Good Governance in Local Government: Framework (2016).

**GREGORY COLGAN**  
**TREASURER**

**11 JUNE 2020**

In view of the timescales involved this report was approved by the Clerk to Tay Road Bridge Joint Board in consultation with the Chair of the Tay Road Bridge Joint Board and Vice-Chair of the Tay Road Bridge Joint Board.

*Roger Mennie*

Roger Mennie  
Clerk to the Tay Road Bridge Joint Board

11th June, 2020

Date

*Lynne Short*

Cllr Lynne Short  
Chair of Tay Road Bridge Joint Board

30th June, 2020

Date

*Jonny Tepp*

Cllr Jonny Tepp  
Vice-Chair of Tay Road Bridge Joint Board

29th June 2020

Date

## APPENDIX A

### 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.

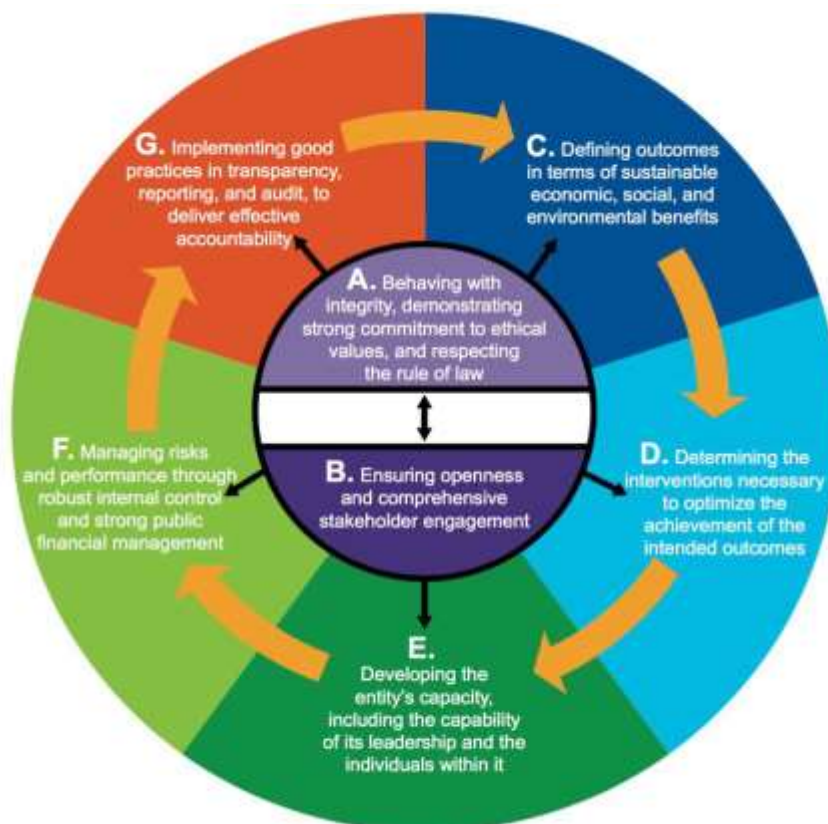
In discharging these responsibilities elected members and senior officers are responsible for implementing effective arrangements for governing the Joint Board's affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

To this end the Joint Board will be asked to approve and adopt 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.

The overall control arrangements include:

- Reporting performance 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;
- Approved Anti-Bribery Policy;
- Setting targets to measure financial and service performance;
- 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.

### **Impact of Coronavirus Pandemic on Corporate Governance**

The UK Government announced a lockdown on 23 March 2020 in response to the Covid 19 pandemic. This has had a major impact on the management and operations of the bridge. Management took immediate action to safeguard employees and bridge users. These actions were taken to maintain resilience and ensured bridge availability and the continued safety of employees and bridge users during this challenging and unprecedented time. Business Continuity Planning / Incident Response meetings were held between key personnel and guidance issued to all staff on a regular basis.

The Annual Governance Statement assesses governance in place during 2019/2020 so the majority of the year will be unaffected by coronavirus. The conclusion on whether or not governance is fit for purpose should reflect the normal operations. However, coronavirus has impacted on governance since March 2020 and the Annual Governance Statement has to reflect the circumstances at the time of publication and the impact on governance.

The impact on governance has affected the Board, for example changes to decision making arrangements whereby the following procedures have been implemented for Board business with immediate effect and until further notice:

- All non-essential Board business has been deferred to ensure that all Board Members and all Officers can concentrate the maximum possible time and effort on supporting the Board through the Coronavirus period;

- Referring to the Board's existing [Scheme of Delegation](#) of Powers to Officers in order to ensure that Officers act in accordance with the powers which the Board has already delegated; and
- All essential Board business which is not covered by the Scheme of Delegation of Powers to Officers will be dealt with as urgent matters arising between meetings (i.e. by the Clerk, in consultation with the Chair and Vice-Chair of the Tay Road Bridge Joint Board).

### **Continuous Improvement Agenda**

The Joint Board's progress against the Continuous Improvement Agenda items for 2019/2020 are detailed in Appendix 1. Several items are still in progress and have been carried forward to be actioned in 2020/2021. Additional areas for improvement have also been identified by Joint Board officers and these are included on Appendix 2 and form the Continuous Improvement Action Plan for 2020/2021. 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.

It is proposed that during 2020/2021 steps are 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**  
**14 September 2020**

**Alan Hutchison**  
**Bridge Manager**  
**Tay Road Bridge Joint Board**  
**14 September 2020**

**TAY ROAD BRIDGE JOINT BOARD**

**IMPROVEMENT AGENDA FOR 2019/2020**

| ORIGINAL IMPROVEMENT AGENDA  |                          |                               |                     |                        |   | PROGRESS UPDATE        |  |
|--|--------------------------|-------------------------------|---------------------|------------------------|---|------------------------|--|
| Improvement  | CIPFA / SOLACE Principle | CIPFA / SOLACE Code Reference | Responsible Officer | Target Completion Date | Details from last year's Local Code of Corporate Governance report (TRB 12-2019). | Actual Completion Date | Comments (e.g. Estimated Completion Date, Reasons for delays, etc.)  |
| 1 Equalities and Human Rights training for all employees.  | A<br>E                   | 2.2<br>2.4                    | Bridge Manager      | 30/12/2019             | Carried forward from 2018/2019. In progress.                                      | 3/12/2019.             | All staff have now completed this training.  |
| 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.                                      |                        | In progress. Equate Scotland have been contracted to provide training during 2020. Original training date of 29 June 2020 has been postponed due to Covid19 crisis. Carried forward to 2020/2021.*   |
| 3 Update Data Protection procedures to ensure compliance with GDPR: Develop Records Management Plan. | A<br>F                   | 3.4<br>4.1 & 4.2              | Bridge Manager      | 31/12/2019             | Carried forward from 2018/2019. In progress.                                      |                        | In progress. Privacy Statements posted on line for: <ul style="list-style-type: none"> <li>• Employee;</li> <li>• New Employee;</li> <li>• CCTV;</li> <li>• Website;</li> <li>• Subject Access Request and Data Breach Documentation complete and staff made aware; &amp;</li> <li>• Review meeting to be held with DCC data protection compliance officer by June 2020.</li> </ul> Carried forward to 2020/2021.* |

|   |  |             |                              |                        |            |   |  |
|---|--|-------------|------------------------------|------------------------|------------|---|--|
| 4 | Review the Board's website in terms of its quality in delivering information to bridge users and implement improvements. | B<br>D<br>E | 2.1, 3.1 & 3.3<br>1.2<br>2.5 | Bridge Manager         | 31/03/2020 | Carried forward from 2018/2019. In progress.  | In progress. New website has been developed to accommodate many comments from members of the public about how we can improve accessibility of information. This will be reviewed by TRBJB before being rolled out by September 2020. Carried forward to 2020/2021.*                              |
| 5 | Introduce Mental Health awareness initiatives for the workforce.   | E           | 2.8                          | Bridge Manager         | 31/03/2020 | Carried forward from 2018/2019. In progress.  | 25/6/2019.<br>The management team attended a one day course in June 2019, by a Nunavik counsellor "Mental Health awareness" to enable them to adequately recognise and support members of staff going through difficult times.   |
| 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. | In progress. Revised Byelaws were approved at September 2019 Board meeting. Requires to be published in local press and made available for public inspection for period of one calendar month and then require submission to Scottish Ministers for confirmation. Carried forward to 2020/2021.* |
| 7 | Revise Whistle-Blowing Policy.   |             |                              | Bridge Manager         | 31/03/2020 | Source: Whistle-Blowing Policy (Report 12-2016 at June 2016 Board meeting).   | -<br>Outstanding action. Aim for completion by September 2020 Board. Carried forward to 2020/2021.*  |
| 8 | Develop Anti-Bribery Policy.   |             |                              | Treasurer              | 31/03/2020 | Source: Annual Governance Statement Self-Assessment Checklist.  | 2/12/2019.<br>Approved at December 2019 Board meeting.   |

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

**TAY ROAD BRIDGE JOINT BOARD**

**IMPROVEMENT AGENDA FOR 2020/2021**

| <b>Improvement</b>   | <b>CIPFA / SOLACE Principle</b> | <b>CIPFA / SOLACE Code Reference</b> | <b>Responsible Officer</b> | <b>Target Completion Date</b> | <b>Details</b>   |
|--|---------------------------------|--------------------------------------|----------------------------|-------------------------------|--|
| 1 Training for Bridge Management to avoid unconscious bias recruitment.  | A                               | 2.1                                  | Bridge Manager             | 31/12/2020                    | Carried forward from 2019/2020. In progress.   |
| 2 Update Data Protection procedures to ensure compliance with GDPR: Develop Records Management Plan.                                     | A<br>F                          | 3.4<br>4.1 & 4.2                     | Bridge Manager             | 31/12/2020                    | Carried forward from 2019/2020. In progress.   |
| 3 Review the Board's website in terms of its quality in delivering information to bridge users and implement improvements.               | B<br>D<br>E                     | 2.1, 3.1 & 3.3<br>1.2<br>2.5         | Bridge Manager             | 31/12/2020                    | Carried forward from 2019/2020. In progress.   |
| 4 Update Bridge Byelaws.   | A                               | 1.4                                  | Clerk / Bridge Manager     | 31/12/2020                    | Carried forward from 2019/2020. In progress. Source: Local Code of Corporate Governance checklist & Internal Audit Report (2019/2): Compliance with Legislation. |
| 5 Revise Whistle-Blowing Policy.   |                                 |                                      | Bridge Manager             | 30/9/2020                     | Carried forward from 2019/2020. Source: Whistle-Blowing Policy (Report 12-2016 at June 2016 Board meeting).  |
| 6 Hold monthly Management Meetings instead of quarterly to improve control given number of capital and inspection surveys due from 2020. | D                               | 3.3                                  | Bridge Manager             | 30/9/2020                     | Source: Local Code of Corporate Governance checklist.  |
| 7 Review structure and shift patterns of Operations team to improve staff welfare and service to users.                                  | E                               | 1.1                                  | Bridge Manager             | 31/3/2021                     | Source: Local Code of Corporate Governance checklist.  |
| 8 Bridge manager development and performance review to be re-established.  | E                               | 2.6                                  | Engineer                   | 31/3/2021                     | Source: Local Code of Corporate Governance checklist.  |

|    |  |   |     |                        |            |  |
|----|--|---|-----|------------------------|------------|--|
| 9  | Introduce procedure that allows DCC procurement to approve / challenge bridge officer decisions to waiver tender procedures in order to provide a third party check and balance. | F | 5.1 | Treasurer              | 31/12/2020 | Source: Local Code of Corporate Governance checklist.                |
| 10 | Develop checklist to assist in collation and recording of all evidence required to demonstrate compliance with Construction Design Management (CDM) 2015 Regulations.            |   |     | Bridge Manager         | 30/9/2020  | Source: Internal Audit report 2020/03 Management of Health & Safety. |
| 11 | Ensure that a formal programme of reporting of data protection issues to the Joint Board.  |   |     | Clerk / Bridge Manager | 30/9/2020  | Source: Internal Audit report 2020/05 Data Protection.               |
| 12 | Transport and Works Manager and Administration Officer to attend training course on Recruitment and Interviewing to enable TRBJB to recruit more effectively at all levels.      |   |     | Bridge Manager         | 31/3/2021  | Source: Annual Governance Self-Assessment Checklist.                 |
| 13 | Review TRBJB's response to the Covid 19 crisis.  |   |     | Bridge Manager         | 31/3/2021  |  |



**REPORT TO: TAY ROAD BRIDGE JOINT BOARD**

**REPORT ON: UNAUDITED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

**REPORT BY: TREASURER**

**REPORT NO: TRB 8-2020**

## **1 PURPOSE OF REPORT**

To provide some additional commentary on the unaudited Annual Accounts for the year ended 31 March 2020 which is being submitted to the Tay Road Bridge Joint Board along with this report.

## **2 RECOMMENDATIONS**

It is recommended that the Joint Board:

- I notes the contents of this covering report;
- li notes the unaudited Annual Accounts which have been submitted along with report;
- lii instructs the Treasurer to submit the Annual Accounts to the Controller of Audit, Accounts Commission for Scotland; and
- IV notes that the key assumptions underpinning the independent actuaries' calculation of the Board's IAS 19 liability have been reviewed and accepted by Dundee City Council as administering authority for the Pension Fund.

## **3 FINANCIAL IMPLICATIONS**

The Joint Board's 2019/2020 Movement in Reserves Statement shows that there was a £35,000 underspend during the year after the required accounting adjustments. This gives a total General Reserve Balance of £1,160,591 as at 31 March 2020.

## **4 BACKGROUND**

- 4.1 The relevant statutory provisions regarding the preparation of the Joint Board's Accounts are contained in the Local Authority Accounts (Scotland) Amendment Regulations 2014. Section 8 of these regulations requires that "... all the accounts of the local authority are made up and balanced as soon as practicable after the year end of each financial year and that sufficient copies of an abstract of the said accounts for each financial year are prepared ... and submitted to the authority and submitted to the appointed Auditor not later than 30 June in the next financial year...".
- 4.2 As in previous years the Annual Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting (the Code). There are no significant changes included within the 2019/2020 Code, that impact upon the Joint Board's Accounts.
- 4.3 The Annual Accounts already include a detailed commentary on the figures contained therein and it is not intended to repeat this in this covering report. It is however, worth reiterating a few of the more salient points.

- 4.4 During the financial year the Joint Board received quarterly revenue monitoring reports to keep the members fully apprised as to actual spend-to-date and the projected revenue outturn position. The Joint Board's 2019/2020 Movement in Reserves Statement shows that there was £35,000 underspend against budget during the year. The main variances were as follows:

|  | <b>£000</b>        |
|--|--------------------|
| Administration underspend                                  | (9)                |
| Operations underspend                                      | (9)                |
| Plant and Equipment underspend                             | (60)               |
| Bridge Maintenance underspend                              | (47)               |
| Financing and Investment Income and Expenditure underspend | (3)                |
| Non-Specific Grant Income unapplied                        | 375                |
| Other accounting adjustments underspend                    | <u>(282)</u>       |
| <b>TOTAL</b>   | <b><u>(35)</u></b> |

Further details of the other areas of under and overspend together with reasons for these variances are included on page 13 of the Annual Accounts. The overall effect of the above resulted in a closing General Reserve Balance of £1,160,591 as at 31 March 2020.

- 4.5 On 3 December 2018, the Joint Board approved a 2019/2020 Capital Expenditure Programme (Report TRB 24-2018) for various works on the bridge and other miscellaneous capital purchases totalling £1,795,000 which would be funded by capital grant from the Scottish Government and Capital Funded from Current Revenue (CFCR). The Joint Board received quarterly capital monitoring reports to keep members fully apprised as to the actual spend-to-date and the projected capital expenditure outturn position. The last projected outturn on the capital programme of £1,015,000 was reported to the Joint Board on 2 March 2020, (report TRB 2-2020 refers).

During the financial year 2019/2020, the Joint Board incurred capital expenditure of £712,000, i.e. an underspend of £1,083,000 against the approved capital budget. The variance against the original budget relates to net budget savings during the year of £263,000 and slippage to 2020/2021 of £820,000.

- 4.6 Copies of the enclosed Accounts will now be sent to the Controller of Audit at the Accounts Commission for Scotland. He will then instruct the Joint Board's appointed external auditor (Mr Bruce Crosbie, Senior Audit Manager, Audit Scotland) to commence his audit of the Accounts. The outcome of the audit will be reported back to the Joint Board in due course.

## 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 Joint Board have been consulted in the preparation of this report and are in agreement with the contents.

## 7 BACKGROUND PAPERS

None.

**GREGORY COLGAN**  
**TREASURER**

**11 JUNE 2020**

In view of the timescales involved this report was approved by the Clerk to Tay Road Bridge Joint Board in consultation with the Chair of the Tay Road Bridge Joint Board and Vice-Chair of the Tay Road Bridge Joint Board.

*Roger Mennie*

Roger Mennie  
Clerk to the Tay Road Bridge Joint Board

11th June, 2020

Date

*Lynne Short*

Cllr Lynne Short  
Chair of Tay Road Bridge Joint Board

30th June, 2020

Date

*Jonny Tepp*

Cllr Jonny Tepp  
Vice-Chair of Tay Road Bridge Joint Board

29th June 2020

Date

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Tay Road Bridge



**TAY ROAD BRIDGE JOINT BOARD**

**ANNUAL ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**UNAUDITED**



**JUNE 2020**

**TAY ROAD BRIDGE JOINT BOARD  
ANNUAL ACCOUNTS 2019/2020  
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## 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 2019/2020, 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 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

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#### Engineer

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#### Clerk

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#### Treasurer

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# **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 2020. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019/2020 ("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**

Tay Road Bridge Joint Board has 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 saw the retirement of a member of the maintenance team in early 2020 and this post will be filled in due course.

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:

- Mental Health Awareness;
- Crisis De-escalation;
- Conflict Management;
- Applied Suicide Intervention Skills Training (ASIST);
- Equality and Human Rights;
- Emergency First Aid at Work and St Andrews First Aid;
- Fire Awareness;
- Fire Steward training;
- Security Industry Authority (SIA) Licence for CCTV;
- Coaching Conversations; and
- Courageous Conversations.

Bridge Inspector training was delivered over a two day course in 2019 by Sheffield Hallam University, and we were pleased to extend an invite to this course to colleagues from Dundee City Council and Fife Council. Four members of Fife Council's Bridges and Structures team joined in with the Board's staff members at this course and gave excellent feedback regarding the course content and teaching style. This was a great example of partnership working and an efficient use of public sector resources through shared learning.

The Engineer to the Board, Fergus Wilson, retired on 30 March 2019 and we were pleased to welcome Gary Brady, from Dundee City Council's Bridges and Structures team, as an interim replacement following Board approval.

## **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 financial matters and future projects.



# **TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY**

## **CONTRACTS**

The management of traffic and pedestrian users of the Tay Road Bridge has benefitted from a number of successful projects delivered in 2019/2020, with more projects due for delivery in 2020/2021 that will add resilience to the bridge's infrastructure.

### **New Switchgear at Dundee and Fife**

This project was approved at the June 2018 Board meeting and achieved practical completion on 17 January 2020. This project renewed and upgraded the main electrical switchgear that serves the Dundee and Fife sides of the bridge. The switchgear that has been replaced was over thirty years old and has been renewed 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.



### **Administration Office Building**

In December 2019 the Board approved the appointment of Wilmott Dixon for the project works with the performance obligations of the contract to be undertaken by Robertson Construction. These are to undertake necessary repairs to the Administration Office roof, along with a refurbishment of the control room and staff mess room. Works on site commenced in January 2020. Approximately 40% of the roof works, 95% of the temporary control room and 95% of the new mess room had been completed before works were stopped on 24 March 2020 due to the Coronavirus (Covid 19) pandemic. Works were stopped to comply with the Scottish Government advice to stop all construction works not directly related to the “fight” against Covid 19. Works will recommence when the UK / Scottish Government provide advice that it is safe to do so and in agreement with the Tay Road Bridge Joint Board Officers.



# TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

## LED Lighting

Installation of new LED lighting to the bridge carriageway and Fife car park was approved in December 2018. The Street Lighting Partnership completed this project, including new lighting columns and LED lamps to the steps serving Newport-on-Tay, by September 2019. 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 and reducing the Board's carbon footprint.



## Cathode Protection (CP) Monitoring Equipment

This project was approved at the December 2018 Board meeting. 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 were appointed in January 2019 and have since successfully manufactured and completed the installation of the new CP monitoring equipment. Works were completed by the end of September 2019. This has corrected many errors on this part of the system, and also added resilience to allow the system to be adaptable to future technological advances. Further investigation on the remainder of this system will continue when access is available during the Pier and Column inspection works in 2020, following resolution of the Coronavirus (Covid 19) pandemic and when restrictions on public movement are lifted.

## New Vehicles

Two new bridge patrol vehicles were purchased during 2019/2020 to replace two ageing vehicles which were at the end of their lifespan. These patrol vehicles ensure that the operational requirements of the bridge crossing will be achieved more efficiently and effectively.



## Consulting Engineering Services

WSP were appointed to provide a multi-disciplinary engineering consultancy service following Board approval in December 2019. The provision of professional consulting engineering services for a five year term is to allow knowledge and expertise to be developed through partnership working and make sure that a robust strategy for all replacement schemes can be evidenced.

## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

WSP have commenced a desk top study and survey work to help the TRBJB determine the condition of the existing carriageway with the aim of providing advice regarding the optimum time to carry out replacement of the 1966 asphalt surfacing. The site survey works have been halted due to the Coronavirus (Covid 19) pandemic, but will resume when the UK / Scottish Government provide advice that it is safe to do so and in agreement with the Tay Road Bridge Joint Board Officers.

In order to maintain momentum of service delivery, WSP have been instructed to commence a desk top study into a future project to design new inspection gantries to replace the existing gantries that are over thirty years old. This work does not require site attendance.

### SESTRAN Park and Choose Proposal

Fife Council was awarded £235,000 by Transport Scotland at the end of November 2019 to take forward the Tay Bridgehead Park and Choose project. This grant from Transport Scotland is to progress and update the Tay Bridgehead Park and Choose work that was undertaken in 2010. The 2010 proposal included a Park and Choose site with an approximate 450 space car park, landscaping, access junction, drainage, lighting, CCTV, bus turning facilities, bus stances and shelters, and EV charging.

Fife Council Officers have formed a working group, consisting of the Bridge Manager, Dundee City Council Officers, and Tactran (supported by SEStran) to support them in carrying out all the necessary work to obtain planning permission and push towards a final development plan for implementation in 2021/2022. Future works would be funded by Scottish Government grants obtained through an application to Transport Scotland.

### 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<br>> 80mph                    | Wind speed<br>> 60mph | Wind<br>speed ><br>45mph | Works Full Closures | Breakdowns and<br>Minor Accidents | Operational,<br>Miscellaneous<br>and Police |
|--|-----------------------|--------------------------|---------------------|-----------------------------------|---|
| Closed to all<br>Vehicles                | Cars Only             | No Double<br>Deck buses  |                     |                                   |   |
| 2  | 9                     | 53                       | 1                   | 8                                 | 540   |
| <b>Comparator figures for 2018/2019:</b> |                       |                          |                     |                                   |   |
| 2  | 15                    | 64                       | 2                   | 25                                | 639   |

Over the past twelve months there were two full closures due to winds exceeding 80mph, and this is identical to that recorded in 2018/2019, but overall the number of wind related restrictions has decreased by approximately 20% when compared with those recorded in 2018/2019.

Breakdowns are substantially down in comparison to 2018/2019, which was down by ten from the thirty-seven breakdowns recorded in 2017/2018. This is due to the developing efficiency of Board staff using the Impact Protection Vehicle (IPV) to protect stranded vehicles without the need to close the bridge.

Operational and Police closures are also down by 15% from 2018/2019. This is comparable with the number of closures recorded in 2017/2018.

# TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

## 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 full calendar years 2015 to 2019 are as follows:**

### Safe Services

| Years | Accidents Involving Members of the Public |
|-------|---|
|       | (Target = Reduction Year on Year)         |
| 2015  | 6   |
| 2016  | 2   |
| 2017  | 9   |
| 2018  | 9   |
| 2019  | 2   |

| Years | Reportable Incidents Involving Employees | Minor Accidents Involving Employees | Time Lost – Employees (Hrs) |
|-------|--|-------------------------------------|-----------------------------|
|       | (Target = 0)                             | (Target = 0)                        | (Target = 0)                |
| 2015  | 0  | 2                                   | 0                           |
| 2016  | 0  | 2                                   | 24                          |
| 2017  | 0  | 2                                   | 0                           |
| 2018  | 0  | 3                                   | 16                          |
| 2019  | 2  | 1                                   | 376                         |

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.

During 2019 the time lost by employees due to accidents was 376 hours, with one employee accounting for the majority of this absence. The cause of all accidents are investigated and mitigation measure are put in place to avoid a repeat occurrences. All employees have recovered and are back at work. A separate Health and Safety report is presented to the Board annually.

## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

### 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</b>                    | 1                                   | 1  | 1  | 28                                  | 28                                       | 28  |
| <b>2020 (to 31 March 2020)</b> | 1                                   | 1  | 1  | 21                                  | 21                                       | 20  |

Since 2015 we have received on average six 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 2016 there has been a substantial drop in enquiries from members of the public, either received by the Bridge Manager directly or through Councillor enquires, down from seventy-seven enquiries in 2016 to twenty-eight enquiries in 2019. All but one of these enquiries was responded to within ten working days. This reduction in enquiries is most likely to be attributable to our social media feed and Frequently Asked Questions published on our website, providing up-to-date bridge user information and answers to common questions.

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, have helped us to redesign a new website through our IT partners at Dundee City Council, and it is anticipated that the new website layout will help us improve the sharing of information that is relevant to all our user groups. The new website has been developed and is awaiting Board member comment before it is launched in 2020.

### Effective and Efficient Services: Staff Absence

| Years                          | Staff Sickness (Average Days per Annum) |
|--------------------------------|---|
|                                | Target = <5                             |
| <b>2015</b>                    | 17.45                                   |
| <b>2016</b>                    | 5.76                                    |
| <b>2017</b>                    | 6.98                                    |
| <b>2018</b>                    | 7.55                                    |
| <b>2019</b>                    | 29.5                                    |
| <b>2020 (to 31 March 2020)</b> | 8.57                                    |

The Board lost 29.5 average days per employee per year in 2019. This is above the national average of 4.1 days published by the Office for National Statistics (ONS) in 2017. The 2019 figure was affected by two members of staff being off on long-term absence, with one being the result of an accident.



## 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%                                      |
| 2015/16 | 98.06%   |
| 2016/17 | 98.81%   |
| 2017/18 | 98.86%   |
| 2018/19 | 98.85%   |
| 2019/20 | 99.68%   |

The Board continue to pay invoices timeously and aim to do this within thirty days. The percentage of payments made within thirty days of invoice date during 2019/2020 was 99.68%.

### IMPACT OF CORONAVIRUS PANDEMIC ON OPERATIONS

The UK Government announced a lockdown on 23 March 2020 in response to the Covid 19 pandemic. This has had a major impact on the management and operations of the bridge. Management took immediate action to safeguard employees and bridge users. These actions were taken to maintain resilience and ensured bridge availability and the continued safety of employees and bridge users during this challenging and unprecedented time. Business Continuity Planning / Incident Response meetings were held between key personnel and guidance issued to all staff on a regular basis. The actions detailed in the Business Continuity Plan have been implemented during the current Covid19 crisis and it will continue to be updated to reflect changing circumstances.

### STAFFING ISSUES

#### Staff Establishment

Staffing levels and the existing establishment stands as follows:-

|                | 2019/2020 | 2019/2020     | 2018/2019 | 2018/2019     |
|----------------|-----------|---------------|-----------|---------------|
|                | Current   | Establishment | Current   | Establishment |
| Administration | 3         | 3             | 3         | 3             |
| Operational    | 11        | 11            | 11        | 11            |
| Maintenance    | 7         | 8             | 8         | 8             |
|                |           |               |           |               |
| <b>Total</b>   | <b>21</b> | <b>22</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 3 December 2018, approved the 2019/2020 Revenue Budget. The final budget showed a projected net deficit of £35,000. This would be funded from General Reserves. The projected General Reserve balance as at 31 March 2020 would be £1,125,591.

The Board received quarterly Revenue Monitoring reports during 2019/2020 in order to keep the members fully apprised as to the projected revenue outturn position.

In last year's Audited Accounts there was 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 were adjusted in all material respects to reflect the impact of this information. The Joint Board's 2018/2019 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 was reached to retain the proportion of the carry forward balance that was projected to be required to fund the 2019/2020 capital programme and repay the balance of £1.366m to Transport Scotland. This amount was repaid during 2019/2020 and is reflected in the significant movement in the 'Cash and cash equivalents' figure in the Cash Flow Statement.

The following table reconciles the Revenue Budget approved by the Board on 3 December 2018 to the revised budget figures that are included in the Comprehensive Income and Expenditure Statement shown on page 30. The actual outturn for 2019/2020 was a net overspend against budget of £247,000. This mainly relates to having to repay any Capital Grants Unapplied due to Transport Scotland's requirement not to allow any further carry forward of unapplied capital grant after 31 March 2020.

Before this adjustment was made there was a net overspend against budget of £63,000 before the application of accounting adjustments. The detailed variance analysis is set out on page 13. After the required accounting adjustments this gives a total General Reserve balance of £1,160,591 as at 31 March 2020 which is unchanged from the corresponding figure at 31 March 2019.

## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

|   | Approved<br>Budget<br>£000 | Reallocate<br>CFCR<br>£000 | Net<br>Depreciation &<br>Impairment<br>Allocation<br>£000 | Reallocate<br>Investment<br>Property Inc &<br>Exp<br>£000 | Employee<br>Benefits<br>Adjustment<br>£000 | Net (Gain) or<br>Loss on<br>Disposal of<br>Assets<br>£000 | Recognised<br>Capital Grant<br>£000 | IAS 19<br>Adjs<br>£000 | Revised<br>Budget<br>£000 | Actual<br>Expend/<br>(Income)<br>£000 | Over /<br>(Under)<br>Spend<br>£000 |
|---|----------------------------|----------------------------|---|---|--|---|-------------------------------------|------------------------|---------------------------|---------------------------------------|------------------------------------|
| Administration  | 448                        | -                          | -   | -   | 2  | -   | -                                   | 10                     | 460                       | 451                                   | (9)                                |
| Operations  | 501                        | -                          | -   | -   | -  | -   | -                                   | 73                     | 574                       | 565                                   | (9)                                |
| Plant & Equipment   | 260                        | -                          | -   | -   | -  | -   | -                                   | -                      | 260                       | 200                                   | (60)                               |
| Bridge Maintenance  | 412                        | -                          | -   | (3)   | 3  | -   | -                                   | 44                     | 456                       | 409                                   | (47)                               |
| CFCR  | 150                        | (150)                      | -   | -   | -  | -   | -                                   | -                      | -                         | -                                     | -                                  |
| Corporate Costs   | -                          | -                          | 2,215   | -   | -  | -   | -                                   | 39                     | 2,254                     | 2,254                                 | -                                  |
| <b>Net Cost of Services</b>                                   | <b>1,771</b>               | <b>(150)</b>               | <b>2,215</b>  | <b>(3)</b>  | <b>5</b>                                   | <b>-</b>  | <b>-</b>                            | <b>166</b>             | <b>4,004</b>              | <b>3,879</b>                          | <b>(125)</b>                       |
| Other Operating Income &<br>Expenditure                       | (11)                       | -                          | -   | 10  | -  | (6)   | -                                   | -                      | (7)                       | (7)                                   | -                                  |
| Financing & Investment<br>Income & Expenditure                | (25)                       | -                          | -   | (7)   | -  | -   | -                                   | 20                     | (12)                      | (15)                                  | (3)                                |
| Non-Specific Grant Income                                     | (1,700)                    | -                          | -   | -   | -  | -   | (188)                               | -                      | (1,888)                   | (1,513)                               | 375                                |
| <b>(Surplus) / Deficit on<br/>Provision of Service</b>        | <b>35</b>                  | <b>(150)</b>               | <b>2,215</b>  | <b>-</b>  | <b>5</b>                                   | <b>(6)</b>  | <b>(188)</b>                        | <b>186</b>             | <b>2,097</b>              | <b>2,344</b>                          | <b>247</b>                         |
| (Surplus) / Deficit on<br>Revaluation of PPE                  | -                          | -                          | -   | -   | -  | -   | -                                   | -                      | -                         | -                                     | -                                  |
| Actuarial (Gains) / Losses on<br>Pension Assets / Liabilities | -                          | -                          | -   | -   | -  | -   | -                                   | (36)                   | (36)                      | (36)                                  | -                                  |
| <b>Total Comprehensive<br/>Income &amp; Expenditure</b>       | <b>35</b>                  | <b>(150)</b>               | <b>2,215</b>  | <b>-</b>  | <b>5</b>                                   | <b>(6)</b>  | <b>(188)</b>                        | <b>150</b>             | <b>2,061</b>              | <b>2,308</b>                          | <b>247</b>                         |
| IAS 19 Adjustments  | -                          | -                          | -   | -   | -  | -   | -                                   | (150)                  | (150)                     | (155)                                 | (5)                                |
| Other IFRS Code Accounting<br>Adjustments                     | -                          | 150                        | (2,215)   | -   | (5)  | 6   | 188                                 | -                      | (1,876)                   | (2,153)                               | (277)                              |
| <b>Total (Surplus)/ Deficit</b>                               | <b>35</b>                  | <b>-</b>                   | <b>-</b>  | <b>-</b>  | <b>-</b>                                   | <b>-</b>  | <b>-</b>                            | <b>-</b>               | <b>35</b>                 | <b>-</b>                              | <b>(35)</b>                        |
| <b>General Reserve Balance<br/>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<br/>c/fwd</b>                      | <b>(1,126)</b>             | <b>-</b>                   | <b>-</b>  | <b>-</b>  | <b>-</b>                                   | <b>-</b>  | <b>-</b>                            | <b>-</b>               | <b>(1,126)</b>            | <b>(1,161)</b>                        | <b>(35)</b>                        |

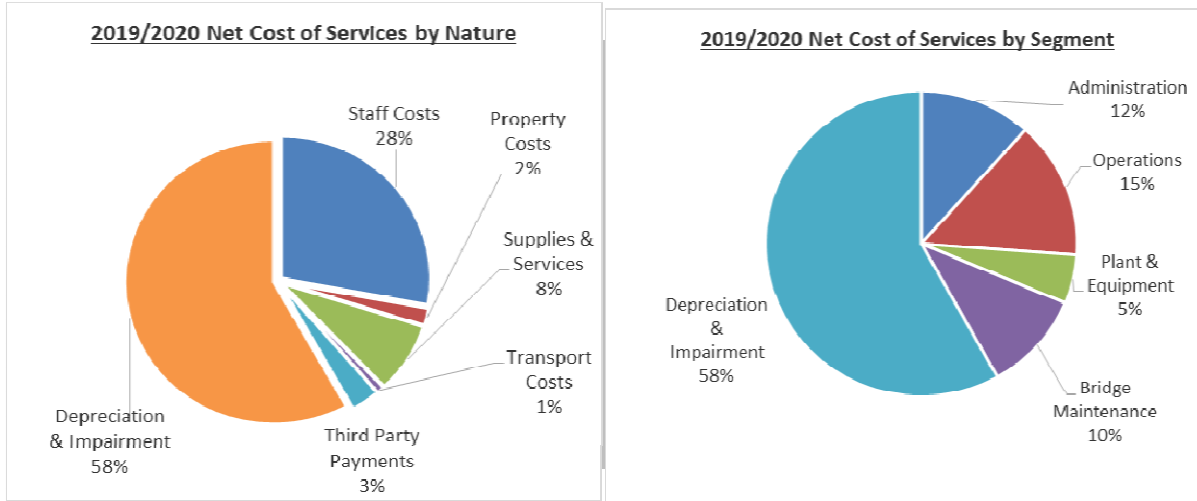


## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

The following two charts show how the total 2019/2020 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: 2019/2020 Net Cost of Services by Nature:

Figure 2: 2019/2020 Net Cost of Services by Segment:



### Administration (Underspend £9,000)

This reflects lower than anticipated expenditure in relation to training and medical expenditure. Additionally, expenditure on repairs and maintenance was lower as major improvements are now underway on the administration building, and insurance premiums were lower than anticipated due to the re-negotiation process. These were offset by an increase in charges for police services.

### Operations (Underspend £9,000)

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

### Plant & Equipment (Underspend £60,000)

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. 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. Additionally, 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. Also there were savings in relation to Electricity costs for lighting on the bridge due to more efficient LED lighting.

These were partly offset by increased expenditure on the weather monitoring IT software licence.

### Bridge Maintenance (Underspend £47,000)

Reflects lower than anticipated expenditure in relation to staff overtime not required, training costs, ground maintenance work at the Dundee and Fife Landfall areas, lower electricity costs for lighting at Fife Car Park due to more efficient LED lighting, de-icing materials and roadway materials due to the mild winter, and external consultant 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 Structural Inspections.

### Financing and Investment Income and Expenditure (Underspend £3,000)

Reflects higher than anticipated Interest on Revenue Balances as a result of larger than anticipated average cash balances and interest rate.

## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

Non-Specific Grant Income (Reduced Grant Income £375,000)

Reflects the net underspend on other budget heads, as detailed above. Also, Capital Grant Unapplied of £0.184m will require to be repaid to Transport Scotland.

Other Accounting Adjustments (Underspend £282,000)

Mainly reflects the repayment of Capital Grants Unapplied to Transport Scotland of £0.184m and net underspends of £0.93m on Capital Funded from Current Revenue (CFCR) projects.

### Capital Expenditure and Financing

The Board, at its meeting on 3 December 2018, approved the 2019/2020 Capital Plan of £1,795,000. This would be funded from Capital Grants, Capital Grants Unapplied and CFCR.

The Board received quarterly Capital Monitoring reports during 2019/2020 in order to keep the members fully apprised as to the projected capital outturn position.

During 2019/2020, the Board incurred capital expenditure of £712,000 on the following projects:-

|  | £000       |
|--|------------|
| <b>Capital Expenditure:</b>              |            |
| New Vehicles                             | 48         |
| Carriageway Resurfacing                  | 10         |
| Inspection of Piers and Columns          | 78         |
| Cathodic Protection Monitoring Equipment | 124        |
| Replacement of Expansion Joints          | 28         |
| Bridge Office Refurbishment              | 263        |
| New Switch Gear                          | 34         |
| LED Lighting to Bridge and Fife Car Park | 70         |
| Other Projects                           | 57         |
|  | <b>712</b> |

### Capital expenditure was funded as follows:

|  | £000       |
|--|------------|
| Capital Grant from the Scottish Government | 649        |
| CFCR                                       | 57         |
| Insurance Receipts                         | 6          |
|  | <b>712</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 £964,000 as at 31 March 2020. The estimated net pension liability at 31 March 2019 was £809,000. The increase was due to an decrease in the value of assets as a result of estimates being corrected as a result of experience, partly offset by an decrease 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:

- Legislative changes e.g. Health and Safety, environmental, procurement. The Board maintains awareness of changes to legislation and amends policies and procedures timeously.

## **TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY**

- 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 its 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 2019/2020. However, significant risks surrounding future uncertainties continue to affect plans for the Board to effectively manage budgetary pressures.

### **Acknowledgements**

During the 2019/2020 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.

Finally, we would conclude our report by thanking all staff who contributed to the preparation of the Board's 2019/2020 Annual Accounts.

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

**Treasurer**  
**Tay Road Bridge**  
**Joint Board**  
**14 September 2020**

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

**Bridge Manager**  
**Tay Road Bridge**  
**Joint Board**  
**14 September 2020**

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**Lynne Short**

**Chair**  
**Tay Road Bridge**  
**Joint Board**  
**14 September 2020**

# 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.

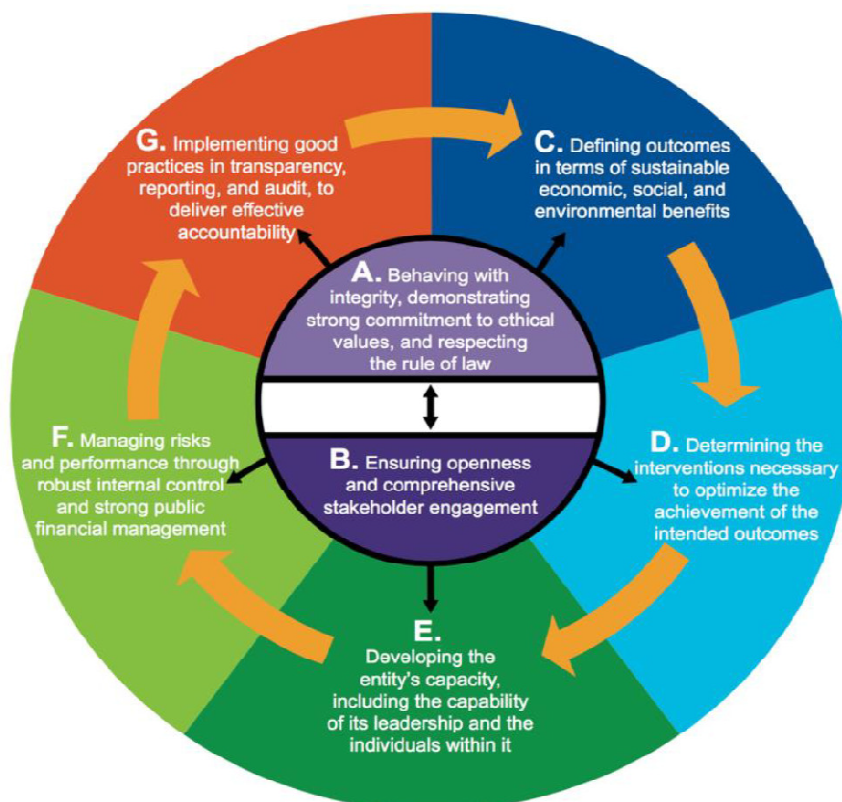
In discharging these responsibilities elected members and senior officers are responsible for implementing effective arrangements for governing the Joint Board's affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

During June 2020, 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;
- approved Anti-Bribery Policy;
- 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.

### **Impact of Coronavirus Pandemic on Corporate Governance**

The UK Government announced a lockdown on 23 March 2020 in response to the Covid 19 pandemic. This has had a major impact on the management and operations of the bridge. Management took immediate action to safeguard employees and bridge users. These actions were taken to maintain resilience and ensured bridge availability and the continued safety of employees and bridge users during this challenging and unprecedented time. Business Continuity Planning / Incident Response meetings were held between key personnel and guidance issued to all staff on a regular basis.

The Annual Governance Statement assesses governance in place during 2019/2020 so the majority of the year will be unaffected by coronavirus. The conclusion on whether or not governance is fit for purpose should reflect the normal operations. However, coronavirus has impacted on governance since March 2020 and the Annual Governance Statement has to reflect the circumstances at the time of publication and the impact on governance.

The impact on governance has affected the Board, for example changes to decision making arrangements whereby the following procedures have been implemented for Board business with immediate effect and until further notice:

- All non-essential Board business has been deferred to ensure that all Board Members and all Officers can concentrate the maximum possible time and effort on supporting the Board through the Coronavirus period;

## **TAY ROAD BRIDGE JOINT BOARD ANNUAL GOVERNANCE STATEMENT**

- Referring to the Board's existing Scheme of Delegation of Powers to Officers in order to ensure that Officers act in accordance with the powers which the Board has already delegated; and
- All essential Board business which is not covered by the Scheme of Delegation of Powers to Officers will be dealt with as urgent matters arising between meetings (i.e. by the Clerk, in consultation with the Chair and Vice-Chair of the Tay Road Bridge Joint Board).

### **Continuous Improvement Agenda**

The Joint Board's progress against the Continuous Improvement Agenda items for 2019/2020 is detailed in Table 1. Several items are still in progress and have been carried forward to be actioned in 2020/2021. 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 2020/2021. 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 2020/2021 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.

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**Lynne Short**  
**Chair**  
**Tay Road Bridge Joint Board**  
**14 September 2020**

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**Alan Hutchison, BEng (Hons), MSc, CEng,**  
**FICE, MCIHT. Bridge Manager**  
**Tay Road Bridge Joint Board**  
**14 September 2020**

# ANNUAL GOVERNANCE STATEMENT

**TABLE 1 - IMPROVEMENT AGENDA FOR 2019/2020**

| 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<br>E                   | 2.2<br>2.4                    | Bridge Manager      | 12/12/2019             | 03/12/2019             | All staff have now completed this training.   |
| 2                           | Training for Bridge Management to avoid unconscious bias recruitment.  | A                        | 2.1                           | Bridge Manager      | 31/03/2019             |                        | In progress. Equate Scotland have been contacted to provide training during 2020. Original training date of 29 June 2020 has been postponed due to Covid 19 crisis. Carried forward to 2020/2021.*  |
| 3                           | Update Data Protection procedures to ensure compliance with GDPR: Develop Records Management Plan.                       | A<br>F                   | 3.4<br>4.1 & 4.2              | Bridge Manager      | 31/12/2019             |                        | In progress. Privacy Statements posted on line for:<br><ul style="list-style-type: none"> <li>• Employee;</li> <li>• New Employee;</li> <li>• CCTV;</li> <li>• Website;</li> <li>• Subject Access Request and Data Breach Documentation complete and staff made aware, and</li> <li>• Review meeting to be held with DCC data protection compliance officer by June 2020.</li> </ul> Carried forward to 2020/2021.* |
| 4                           | Review the Board's website in terms of its quality in delivering information to bridge users and implement improvements. | B<br>D<br>E              | 2.1, 3.1 & 3.3<br>1.2<br>2.5  | Bridge Manager      | 31/03/2020             |                        | In progress. New website has been developed to accommodate many comments from members of the public about how we can improve accessibility of information. This will be reviewed by TRBJB before being rolled out by September 2020. Carried forward to 2020/2021.*   |
| 5                           | Introduce Mental Health awareness initiatives for the workforce.   | E                        | 2                             | Bridge Manager      | 31/03/2020             | 25/06/2019             | The management team attended a one day course in June 2019, by a Nunavik counsellor "Mental Health awareness" to enable them to adequately recognise and support members of staff going through difficult times.  |

|   |                                |   |     |                        |            |            |  |
|---|--------------------------------|---|-----|------------------------|------------|------------|--|
| 6 | Update Bridge Byelaws.         | A | 1.4 | Clerk / Bridge Manager | 31/12/2019 |            | In progress. Revised Byelaws were approved at September 2019 Board meeting. Requires to be published in local press and made available for public inspection for period of one calendar month and then require submission to Scottish Ministers for confirmation. Carried forward to 2020/2021.* |
| 7 | Revise Whistle-Blowing Policy. |   |     | Bridge Manager         | 31/03/2020 |            | Outstanding action. Aim for completion by September 2020 Board. Carried forward to 2020/2021.*   |
| 8 | Develop Anti-Bribery Policy.   |   |     | Treasurer              | 31/03/2020 | 02/12/2019 | Approved at December 2019 Board meeting.   |

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



## ANNUAL GOVERNANCE STATEMENT

**TABLE 2 - IMPROVEMENT AGENDA FOR 2020/2021**

|   | Improvement  | CIPFA /<br>SOLACE<br>Principle | CIPFA /<br>SOLACE<br>Code<br>Reference | Responsible<br>Officer | Target<br>Completion<br>Date | Details   |
|---|--|--------------------------------|--|------------------------|------------------------------|---|
| 1 | Training for Bridge Management to avoid unconscious bias recruitment.  | A                              | 2.1                                    | Bridge Manager         | 31/12/2020                   | Carried forward from 2019/2020. In progress.  |
| 2 | Update Data Protection procedures to ensure compliance with GDPR: Develop Records Management Plan.                                     | A<br>F                         | 3.4<br>4.1 & 4.2                       | Bridge Manager         | 31/12/2020                   | Carried forward from 2019/2020. In progress.  |
| 3 | Review the Board's website in terms of its quality in delivering information to bridge users and implement improvements.               | B<br>E                         | 3.3<br>2.5                             | Bridge Manager         | 31/12/2020                   | Carried forward from 2019/2020. In progress.  |
| 4 | Update Bridge Byelaws.   | A                              | 1.4                                    | Clerk / Bridge Manager | 31/12/2020                   | Carried forward from 2019/2020. In progress.<br>Source: Local Code of Corporate Governance checklist & Internal Audit Report (2019/2): Compliance with Legislation. |
| 5 | Revise Whistle-Blowing Policy.   |                                |  | Bridge Manager         | 30/09/2020                   | Carried forward from 2019/2020. In progress.<br>Source: Whistle-Blowing Policy (Report 12-2016 at June 2016 Board meeting).   |
| 6 | Hold monthly Management Meetings instead of quarterly to improve control given number of capital and inspection surveys due from 2020. | D                              | 3.3                                    | Bridge Manager         | 30/09/2020                   | Source: Local Code of Corporate Governance checklist.   |
| 7 | Review structure and shift patterns of Operations team to improve staff welfare and service to users.                                  | E                              | 1.1                                    | Bridge Manager         | 31/03/2021                   | Source: Local Code of Corporate Governance checklist.   |
| 8 | Bridge manager development and performance review to be re-established.  | E                              | 2.6                                    | Engineer               | 31/03/2021                   | Source: Local Code of Corporate Governance checklist.   |

|    |  |   |     |                        |            |  |
|----|--|---|-----|------------------------|------------|--|
| 9  | Introduce procedure that allows DCC procurement to approve / challenge bridge officer decisions to waiver tender procedures in order to provide a third party check and balance. | F | 5.1 | Treasurer              | 31/12/2020 | Source: Local Code of Corporate Governance checklist.                |
| 10 | Develop checklist to assist in collation and recording of all evidence required to demonstrate compliance with CDM 2015 Regulations.   |   |     | Bridge Manager         | 30/09/2020 | Source: Internal Audit report 2020/03 Management of Health & Safety. |
| 11 | Ensure that a formal programme of reporting of data protection issues to the Joint Board.  |   |     | Clerk / Bridge Manager | 30/09/2020 | Source: Internal Audit report 2020/05 Data Protection.               |
| 12 | Transport and Works Manager and Administration Officer to attend training course on Recruitment and Interviewing to enable TRBJB to recruit more effectively at all levels.      |   |     | Bridge Manager         | 31/03/2021 | Source: Annual Governance Self-Assessment Checklist.                 |
| 13 | Review TRBJB's response to the Covid 19 crisis.  |   |     | Bridge Manager         | 31/03/2021 |  |

# 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.

### 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 2019/2020, 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 Employees | No of Employees |
|--------------------|-----------------|-----------------|
|                    | 2019/2020       | 2018/2019       |
| £50,000 - £54,999  | 0               | 0               |
| £55,000 - £59,999  | 1               | 1               |
| <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 2019/2020 (2018/2019: 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 2019/2020 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<br>2019/2020 | Whole Time Pay                  | Contribution Rate<br>2018/2019 |
|---|--------------------------------|---------------------------------|--------------------------------|
| On earnings up to and including £21,800     | 5.50%                          | up to and including £21,300     | 5.50%                          |
| On earnings above £21,800 and up to £26,700 | 7.25%                          | above £21,300 and up to £26,100 | 7.25%                          |
| On earnings above £26,700 and up to £36,600 | 8.50%                          | above £26,100 and up to £35,700 | 8.50%                          |
| On earnings above £36,600 and up to £48,800 | 9.50%                          | above £35,700 and up to £47,600 | 9.50%                          |
| On earnings above £48,800                   | 12%                            | above £47,600                   | 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 2019/2020, the scheme member contribution rate for Senior Employees of the Board was 7.9% of pensionable pay (2018/2019: 7.8%). In 2019/2020, the employer contribution rate was 17% of pensionable pay for Senior Employees (2018/2019: 17%).

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**Lynne Short**  
Chair  
Tay Road Bridge Joint Board  
14 September 2020

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**Alan Hutchison, BEng (Hons), MSc, CEng,**  
FICE, MCIHT. Bridge Manager  
Tay Road Bridge Joint Board  
14 September 2020

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

| <b>Councillor Name</b> | <b>Responsibility</b>                                  | <b>Salary, Fees &amp; Allowances</b> | <b>Taxable Expenses</b> | <b>Total Remuneration 2019/2020</b> | <b>Total Remuneration 2018/2019</b> |
|------------------------|--|--------------------------------------|-------------------------|-------------------------------------|-------------------------------------|
|                        |  | £                                    | £                       | £                                   | £                                   |
| Lynne Short            | Chair, Tay Road Bridge Joint Board (from 17 June 2019) | 1,640                                | -                       | 1,640                               | -                                   |
| Jonny Tepp             | Vice-Chair, Tay Road Bridge Joint Board                | 3,270                                | 17                      | 3,287                               | 3,211                               |
| Stewart Hunter         | Chair, Tay Road Bridge Joint Board (to 17 June 2019)   | -                                    | -                       | -                                   | 1,646                               |
|                        |  | -                                    | -                       | -                                   | 0                                   |
| <b>Total</b>           |  | <b>4,910</b>                         | <b>17</b>               | <b>4,927</b>                        | <b>4,857</b>                        |

**TABLE 2 – REMUNERATION OF SENIOR EMPLOYEES**

| <b>Employee Name</b> | <b>Post Title</b> | <b>Salary, Fees &amp; Allowances</b> | <b>Total Remuneration 2019/2020</b> | <b>Total Remuneration 2018/2019</b> |
|----------------------|-------------------|--------------------------------------|-------------------------------------|-------------------------------------|
|                      |                   | £                                    | £                                   | £                                   |
| Alan Hutchison       | Bridge Manager    | 57,615                               | 57,615                              | 55,937                              |
| <b>Total</b>         |                   | <b>57,615</b>                        | <b>57,615</b>                       | <b>55,937</b>                       |

**TABLE 3 – SENIOR EMPLOYEES ACCRUED PENSION BENEFITS**

| <b>Employee Name</b> | <b>Post Title</b> | <b>Pension as at 31 March 2020</b> | <b>Pension Difference from 31 March 2019</b> | <b>Lump Sum as at 31 March 2020</b> | <b>Lump Sum Difference from 31 March 2019</b> | <b>Pension Contribution 2019/2020</b> | <b>Pension Contribution 2018/2019</b> |
|----------------------|-------------------|------------------------------------|--|-------------------------------------|---|---------------------------------------|---------------------------------------|
|                      |                   | £000                               | £000   | £000                                | £000  | £000                                  | £000                                  |
| Alan Hutchison       | Bridge Manager    | 15                                 | 2  | 9                                   | -   | 10                                    | 10                                    |
| <b>Total</b>         |                   | <b>15</b>                          | <b>2</b>                                     | <b>9</b>                            | <b>-</b>                                      | <b>10</b>                             | <b>10</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 14 September 2020.

Signed on behalf of Tay Road Bridge Joint Board

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**Lynne Short**  
**Chair**  
**Tay Road Bridge Joint Board**  
**14 September 2020**

### **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 2020.



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**Gregory Colgan, BAcc (Hons), ACMA, CGMA**  
**Treasurer**  
**Tay Road Bridge Joint Board**  
**11 June 2020**

## 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.

| 2018/2019   |  |   |   | 2019/2020   |  |   |
|---|--|---|---|---|--|---|
| Net<br>Expenditure<br>Chargeable to<br>General Fund<br>£000 | Adjustments<br>between the<br>Funding and<br>Accounting<br>Basis<br>£000 | Net<br>Expenditure<br>in the CIES<br>£000 |   | Net<br>Expenditure<br>Chargeable to<br>General Fund<br>£000 | Adjustments<br>between the<br>Funding and<br>Accounting<br>Basis<br>£000 | Net<br>Expenditure<br>in the CIES<br>£000 |
|   |  |   | <b>Expenditure</b>  |   |  |   |
| 428   | 6  | 434                                       | Administration  | 441   | 10   | 451                                       |
| 483   | 69   | 552                                       | Operations  | 492   | 73   | 565                                       |
| 193   | -  | 193                                       | Plant and Equipment   | 200   | -  | 200                                       |
| 343   | 42   | 385                                       | Bridge Maintenance  | 365   | 44   | 409                                       |
| -   | 1,948  | 1,948                                     | Corporate Costs   | -   | 2,254  | 2,254                                     |
| <b>1,447</b>  | <b>2,065</b>   | <b>3,512</b>                              | <b>Net Cost Of Services</b>   | <b>1,498</b>  | <b>2,381</b>   | <b>3,879</b>                              |
| (1,447)   | 535  | (912)                                     | Other Operating Income & Expenditure                                      | (1,498)   | (37)   | (1,535)                                   |
| <b>-</b>  | <b>2,600</b>   | <b>2,600</b>                              | <b>(Surplus) or Deficit</b>   | <b>-</b>  | <b>2,344</b>   | <b>2,344</b>                              |
| 1,161   |  |   | Opening General Reserve Balance   | 1,161   |  |   |
| <b>-</b>  |  |   | <b>Less / Add Surplus or (Deficit) on General Reserve Balance in year</b> | <b>-</b>  |  |   |
| <b>1,161</b>  |  |   | <b>Closing General Reserve Balance at 31 March</b>                        | <b>1,161</b>  |  |   |

# TAY ROAD BRIDGE JOINT BOARD

## EXPENDITURE AND FUNDING ANALYSIS

### 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.

**2019/2020**

| Adjustments from General Reserve to arrive at Comprehensive Income & Expenditure Statement Amounts                    | Adjustments between Funding & Accounting Basis |  |          |                   |
|---|--|--|----------|-------------------|
|   | Adjustments for Capital Purposes               | Net Change for the Pensions Adjustment |          | Total Adjustments |
|   |  | Other Differences                      |          |                   |
|   |  |  |          |                   |
| Explanatory Notes:  | (1)  | (2)                                    | (3)      |                   |
|   | £000   | £000                                   | £000     | £000              |
| Administration  | -  | 15                                     | -        | 15                |
| Operations  | -  | 73                                     | -        | 73                |
| Plant & Equipment   | -  | -                                      | -        | -                 |
| Bridge Maintenance  | -  | 44                                     | -        | 44                |
| Corporate Costs   | 2,215  | 39                                     | -        | 2,254             |
| <b>Net Cost of Services</b>   | <b>2,215</b>                                   | <b>171</b>                             | <b>-</b> | <b>2,386</b>      |
| <b>Other Operating Income &amp; Expenditure from the Expenditure &amp; Funding Analysis</b>                           | <b>(67)</b>                                    | <b>20</b>                              | <b>5</b> | <b>(42)</b>       |
| <b>Difference between General Reserve Surplus or Deficit and CIES Surplus or Deficit on the Provision of Services</b> | <b>2,148</b>                                   | <b>191</b>                             | <b>5</b> | <b>2,344</b>      |

**2018/2019**

|  | Adjustments between Funding & Accounting Basis |  |      |                   |
|--|--|--|------|-------------------|
| Adjustments from General Reserve to arrive at Comprehensive Income & Expenditure Statement Amounts             | Adjustments for Capital Purposes               | Net Change for the Pensions Adjustment |      | Total Adjustments |
|  |  | Other Differences                      |      |                   |
|  |  |  |      |                   |
|  | Explanatory Notes:                             | (1)                                    | (2)  | (3)               |
|  | £000   | £000                                   | £000 | £000              |
| Administration   | -  | 6                                      | -    | 6                 |
| Operations   | -  | 69                                     | -    | 69                |
| Plant & Equipment  | -  | -                                      | -    | -                 |
| Bridge Maintenance   | -  | 42                                     | -    | 42                |
| Corporate Costs  | 1,948  | -                                      | -    | 1,948             |
| Net Cost of Services   | 1,948  | 117                                    | -    | 2,065             |
| Other Operating Income & Expenditure from the Expenditure & Funding Analysis                                   | 514  | 23                                     | (2)  | 535               |
| Difference between General Reserve Surplus or Deficit and CIES Surplus or Deficit on the Provision of Services | 2,462  | 140                                    | (2)  | 2,600             |



## TAY ROAD BRIDGE JOINT BOARD EXPENDITURE AND FUNDING ANALYSIS

### 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 services this represents the inclusion of a charge for short-term accumulating compensating absences, mainly relating to accrued annual leave entitlement. Allocations of insurance costs and impairment allowances on trade debtors have been included.

### EXPENDITURE AND INCOME ANALYSED BY NATURE

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

|  | 2018/2019<br>Net<br>Expenditure /<br>(Income)<br>£000 | 2019/2020<br>Net<br>Expenditure /<br>(Income)<br>£000 |
|--|---|---|
| <b>Expenditure:</b>                                  |   |   |
| Staff Costs  | 1,058   | 1,085   |
| Property Costs                                       | 80  | 76  |
| Supplies & Services                                  | 298   | 310   |
| Transport Costs                                      | 30  | 32  |
| Third Party Payments                                 | 98  | 122   |
| Corporate Costs                                      | 1,948   | 2,254   |
| <b>Total Expenditure</b>                             | <b>3,512</b>  | <b>3,879</b>  |
| <b>Income:</b>                                       |   |   |
| Fees, Charges & Other Service Income                 | (26)  | (7)   |
| Interest & Investment Income                         | (14)  | (15)  |
| Government Grants & Contributions                    | (872)   | (1,513)   |
| <b>Total Income</b>                                  | <b>(912)</b>  | <b>(1,535)</b>  |
| <b>(Surplus) or Deficit on Provision of Services</b> | <b>2,600</b>  | <b>2,344</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.

| 2018/2019         |              |                           |  | 2019/2020                            |                   |              |                           |
|-------------------|--------------|---------------------------|--|--------------------------------------|-------------------|--------------|---------------------------|
| Gross Expenditure | Gross Income | Net Expenditure/ (Income) |  | Budgeted Net Expenditure (unaudited) | Gross Expenditure | Gross Income | Net Expenditure/ (Income) |
| £000              | £000         | £000                      |  | £000                                 | £000              | £000         | £000                      |
| Expenditure       |              |                           |  |                                      |                   |              |                           |
| 434               | -            | 434                       | Administration   | 460                                  | 451               | -            | 451                       |
| 552               | -            | 552                       | Operations   | 574                                  | 565               | -            | 565                       |
| 193               | -            | 193                       | Plant & Equipment  | 260                                  | 200               | -            | 200                       |
| 385               | -            | 385                       | Bridge Maintenance   | 456                                  | 409               | -            | 409                       |
| 1,948             | -            | 1,948                     | Corporate Costs  | 2,254                                | 2,254             | -            | 2,254                     |
| 3,512             | -            | 3,512                     | Net Cost Of Services                                       | 4,004                                | 3,879             | -            | 3,879                     |
| -                 | (26)         | (26)                      | Other Operating Income & Expenditure (note 6)              | (7)                                  | -                 | (7)          | (7)                       |
| 23                | (37)         | (14)                      | Financing and Investment Income and Expenditure (note 7)   | (12)                                 | 20                | (35)         | (15)                      |
| -                 | (872)        | (872)                     | Non-Specific Grant Income (note 8)                         | (1,888)                              | -                 | (1,513)      | (1,513)                   |
| 3,535             | (935)        | 2,600                     | Net Deficit on Provision of Services                       | 2,097                                | 3,899             | (1,555)      | 2,344                     |
| -                 | -            | -                         | Net deficit on revaluation of PPE                          | -                                    | -                 | -            | -                         |
| -                 | (172)        | (172)                     | Actuarial (Gains) / Losses on Pension Assets / Liabilities | (36)                                 | -                 | (36)         | (36)                      |
| -                 | (172)        | (172)                     | Other Comprehensive Income and Expenditure                 | (36)                                 | -                 | (36)         | (36)                      |
| 3,535             | (1,107)      | 2,428                     | Total Comprehensive Income and Expenditure                 | 2,061                                | 3,899             | (1,591)      | 2,308                     |

## 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<br/>Reserves</b> | <b>Capital<br/>Reserves</b>               |                                      |                      |                                     |
|---|-----------------------------|---|--------------------------------------|----------------------|-------------------------------------|
|   | General<br>Fund<br>Balance  | Capital<br>Grants<br>Unapplied<br>Account | <b>Total<br/>Usable<br/>Reserves</b> | Unusable<br>Reserves | <b>Total<br/>Board<br/>Reserves</b> |
|   | £000                        | £000                                      | £000                                 | £000                 | £000                                |
| <b>Balance at 31 March 2018</b>   | <b>(1,161)</b>              | <b>(1,547)</b>                            | <b>(2,708)</b>                       | <b>(68,312)</b>      | <b>(71,020)</b>                     |
| <b><u>Movement in Reserves during 2018/2019</u></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 2018/2019</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>                     |
| <b>Total Comprehensive Expenditure and Income</b>                               | <b>2,344</b>                | <b>-</b>                                  | <b>2,344</b>                         | <b>(36)</b>          | <b>2,308</b>                        |
| Adjustments between accounting basis & funding basis under regulations (note 5) | (2,344)                     | 645                                       | (1,699)                              | 1,699                | -                                   |
| <b>Net (Increase) / Decrease before Transfers to Earmarked Reserves</b>         | <b>-</b>                    | <b>645</b>                                | <b>645</b>                           | <b>1,663</b>         | <b>2,308</b>                        |
| Transfers to / (from) Earmarked Reserves  | -                           | -   | -                                    | -                    | -                                   |
| <b>(Increase) / Decrease in Year</b>  | <b>-</b>                    | <b>645</b>                                | <b>645</b>                           | <b>1,663</b>         | <b>2,308</b>                        |
| <b>Balance at 31 March 2020 carried forward</b>                                 | <b>(1,161)</b>              | <b>-</b>                                  | <b>(1,161)</b>                       | <b>(65,123)</b>      | <b>(66,284)</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'.

| 31 March 2019  |                                    | Note | 31 March 2020 |
|----------------|------------------------------------|------|---------------|
| £000           |                                    |      | £000          |
| 67,597         | Property, Plant & Equipment        | 20   | 66,089        |
| 71             | Investment Property                | 19   | 71            |
| <b>67,668</b>  | <b>Total Long Term Assets</b>      |      | <b>66,160</b> |
| 56             | Inventories                        | 22   | 56            |
| 38             | Short Term Debtors                 | 23   | 171           |
| 4,406          | Cash and Cash Equivalents          | 13   | 1,333         |
| <b>4,500</b>   | <b>Total Current Assets</b>        |      | <b>1,560</b>  |
| (2,767)        | Short Term Creditors               | 24   | (472)         |
| <b>(2,767)</b> | <b>Total Current Liabilities</b>   |      | <b>(472)</b>  |
| (809)          | Net Pension Liabilities            | 15   | (964)         |
| <b>(809)</b>   | <b>Total Long Term Liabilities</b> |      | <b>(964)</b>  |
| <b>68,592</b>  | <b>Net Assets</b>                  |      | <b>66,284</b> |
| 1,806          | Usable reserves                    | 9    | 1,161         |
| 66,786         | Unusable Reserves                  | 10   | 65,123        |
| <b>68,592</b>  | <b>Total Reserves</b>              |      | <b>66,284</b> |



**Gregory Colgan, BAcc (Hons), ACMA, CGMA**  
Treasurer  
Tay Road Bridge Joint Board  
11 June 2020

## 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>2018/2019</b> |  | <b>2019/2020</b> |
|------------------|--|------------------|
| <b>£000</b>      |  | <b>£000</b>      |
| 1,234            | Net deficit on the provision of services   | 2,344            |
| (2,040)          | Adjust net surplus or deficit on the provision of services for non cash movements  | 259              |
| 704              | Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities | 175              |
| <b>(102)</b>     | <b>Net cash flows from Operating Activities</b>  | <b>2,778</b>     |
| (405)            | Investing Activities (note 11)   | 327              |
| (17)             | Financing Activities (note 12)   | (32)             |
| <b>(524)</b>     | <b>Net (Increase) in cash and cash equivalents</b>   | <b>3,073</b>     |
| 3,882            | Cash and cash equivalents at the beginning of the reporting period   | 4,406            |
| <b>4,406</b>     | <b>Cash and cash equivalents at the end of the reporting period (note 13)</b>  | <b>1,333</b>     |

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

## **1 ACCOUNTING POLICIES**

### **A General Principles**

The Annual Accounts summarise the Board's transactions for the 2019/2020 financial year and its position at the year-end of 31 March 2020. 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 2019/2020 and the Service Reporting Code of Practice 2019/2020, 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.

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

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;

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

- 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.



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

## **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.

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

**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

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

- 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.

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

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.

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

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 2019/2020 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, especially in light of the financial impact of the Covid 19 pandemic. 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.

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

**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 2020 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

| Item                          | Uncertainties   | Effect if Actual Results Differ from Assumptions   |
|-------------------------------|---|--|
| 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 £3,240 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 £157,000. However, the assumptions interact in complex ways. During 2019/2020, the Board's actuaries advised that the net pensions assets had decreased by £920,000 as a result of a reduction of the return on assets less interest and net pension liabilities had reduced by £763,000 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.

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

**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<br/>Reserve</u>          | <u>Capital<br/>Reserve</u>              | <u>Capital<br/>Reserve</u>                          | <u>Capital<br/>Reserve</u> | <u>Movement<br/>in<br/>Unusable<br/>Reserves</u> | <u>Total<br/>2019/2020</u> |
|---|-------------------------------------|---|---|----------------------------|--|----------------------------|
| <u>2019/2020</u>  | <u>General<br/>Fund<br/>Balance</u> | <u>Capital<br/>Receipts<br/>Reserve</u> | <u>Capital<br/>Grants<br/>Unapplied<br/>Account</u> | <u>£000</u>                | <u>£000</u>                                      | <u>£000</u>                |
| <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   | (2,215)                             | -                                       | -   | 2,215                      |  | -                          |
| Movements in the fair value of Investment Properties  | -                                   | -                                       | -   | -                          |  | -                          |
| Capital grants and contributions that have been applied to capital financing  | 4                                   | -                                       | -   | (4)                        |  | -                          |
| <u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>  |                                     |   |   |                            |  |                            |
| Capital expenditure charged against the General Reserve   | 57                                  | -                                       | -   | (57)                       |  | -                          |
| <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   | 6                                   | (6)                                     | -   | -                          |  | -                          |
| Use of the Capital Receipts Reserve to finance new capital expenditure  | -                                   | 6                                       | -   | (6)                        |  | -                          |
| <b>Adjustments involving the Capital Grants Unapplied Account:</b>  |                                     |   |   |                            |  |                            |
| Reversal of unapplied capital grant and contributions credited to the Comprehensive Income and Expenditure Statement  | -                                   | -                                       | 645   | (645)                      |  | -                          |
| <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)                   | (325)                               | -                                       | -   | 325                        |  | -                          |
| Employer's pensions contributions and direct payments to pensioners payable in the year   | 134                                 | -                                       | -   | (134)                      |  | -                          |
| <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 | (5)                                 | -                                       | -   | 5                          |  | -                          |
| <b>Total Adjustments</b>  | <b>(2,344)</b>                      | <b>-</b>                                | <b>645</b>  | <b>1,699</b>               |  | <b>-</b>                   |

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

|   | <u>Revenue Reserve</u> | <u>Capital Reserve</u>   | <u>Capital Reserve</u>           |                               |                 |
|---|------------------------|--------------------------|----------------------------------|-------------------------------|-----------------|
|   | General Fund Balance   | Capital Receipts Reserve | Capital Grants Unapplied Account | Movement in Unusable Reserves | Total 2018/2019 |
| <b>2018/2019</b>  | £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   | (1,948)                | -                        | -                                | 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>        |



# TAY ROAD BRIDGE JOINT BOARD

## NOTES TO THE FINANCIAL STATEMENTS

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

| 2018/2019   |  | 2019/2020  |
|-------------|--|------------|
| £000        |  | £000       |
| (14)        | Miscellaneous Income                                   | (1)        |
| (12)        | (Gains) / Losses on the disposal of non current assets | (6)        |
| <b>(26)</b> | <b>Total</b>   | <b>(7)</b> |

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

| 2018/2019   |   | 2019/2020   |
|-------------|---|-------------|
| £000        |   | £000        |
| 23          | Net interest on the defined benefit liability (asset) | 20          |
| (32)        | Interest receivable and similar income                | (27)        |
| (5)         | Net Income & Expenditure on investment properties     | (8)         |
| <b>(14)</b> | <b>Total</b>  | <b>(15)</b> |

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

| 2018/2019    |   | 2019/2020      |
|--------------|---|----------------|
| £000         |   | £000           |
| (1,488)      | Non-ring fenced government grants             | (1,509)        |
| (750)        | Capital grants and contributions              | (188)          |
| 1,366        | Repayment of Capital grants and contributions | 184            |
| <b>(872)</b> | <b>Total</b>                                  | <b>(1,513)</b> |

### 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

| 31 March 2019 |  | 31 March 2020 |
|---------------|--|---------------|
| £000          |  | £000          |
| 762           | Revaluation Reserve                                  | 762           |
| 66,833        | Capital Adjustment Account                           | 65,330        |
| (809)         | Pensions Reserve                                     | (964)         |
| -             | Accumulating Compensated Absences Adjustment Account | (5)           |
| <b>66,786</b> | <b>Total Unusable Reserves</b>                       | <b>65,123</b> |

#### 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

| 2018/2019  |  | 2019/2020  |
|------------|--|------------|
| £000       |  | £000       |
| <u>762</u> | <b>Balance at 1 April</b>  | <u>762</u> |
| -          | 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>762</u> | <b>Balance at 31 March</b>   | <u>762</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.

| 2018/2019      |   | 2019/2020      |
|----------------|---|----------------|
| £000           |   | £000           |
| <u>68,392</u>  | <b>Balance at 1 April</b>   | <u>66,833</u>  |
|                | Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:                  |                |
| (1,948)        | • Charges for depreciation and impairment of non current assets   | (2,215)        |
| -              | • Revaluation losses on Property, Plant & Equipment   | -              |
| <u>(1,948)</u> | <b>Net written out amount of the cost of non current assets consumed in the year</b>  | <u>(2,215)</u> |
|                | Capital financing applied in the year:  |                |
| 12             | • Use of the Capital Receipts Reserve to finance new capital expenditure  | 6              |
| 287            | • Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing | 649            |
| 90             | • Capital expenditure charged against the General Reserve   | 57             |
| <u>389</u>     | <b>Total Capital Financing Applied during the year</b>  | <u>712</u>     |
| <u>66,833</u>  | <b>Balance at 31 March</b>  | <u>65,330</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.

| 2018/2019<br>£000 |  | 2019/2020<br>£000 |
|-------------------|--|-------------------|
| (841)             | <b>Balance at 1 April</b>  | (809)             |
| 172               | Re-measurements of the net defined benefit liability / (asset)   | 36                |
| (270)             | 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 | (325)             |
| 130               | Employer's pensions contributions and direct payments to pensioners payable in the year  | 134               |
| (809)             | <b>Balance at 31 March</b>   | (964)             |

### 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.

| 2018/2019<br>£000 |  | 2019/2020<br>£000 |
|-------------------|--|-------------------|
| (2)               | <b>Balance at 1 April</b>  | -                 |
| 2                 | Settlement or cancellation of accrual made at the end of the preceding year  | -                 |
| -                 | Amounts accrued at the end of the current year 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 | (5)               |
| 2                 |  | (5)               |
| -                 | <b>Balance at 31 March</b>   | (5)               |

## 11 CASH FLOW STATEMENT - INVESTING ACTIVITIES

| 2018/2019<br>£000 |  | 2019/2020<br>£000 |
|-------------------|--|-------------------|
| 357               | Purchase of property, plant and equipment, investment property and intangible assets               | 527               |
| (12)              | Proceeds from the sale of property, plant and equipment, investment property and intangible assets | (12)              |
| (750)             | Other receipts from investing activities   | (188)             |
| (405)             | <b>Net cash flows from investing activities</b>  | 327               |

# TAY ROAD BRIDGE JOINT BOARD

## NOTES TO THE FINANCIAL STATEMENTS

### 12 CASH FLOW STATEMENT - FINANCING ACTIVITIES

| 2018/2019 |   | 2019/2020 |
|-----------|---|-----------|
| £000      |   | £000      |
| (17)      | Other receipts from financing activities        | (32)      |
| (17)      | <b>Net cash flows from financing activities</b> | (32)      |

### 13 CASH FLOW STATEMENT - CASH AND CASH EQUIVALENTS

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

| 31 March 2019 |  | 31 March 2020 |
|---------------|--|---------------|
| £000          |  | £000          |
| 4,406         | Bank current account                   | 1,333         |
| 4,406         | <b>Total cash and cash equivalents</b> | 1,333         |

### 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:

|   | 2018/2019 | 2019/2020 |
|---|-----------|-----------|
|   | £000      | £000      |
| Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor for the year | 12        | 13        |
| <b>Total</b>  | <b>12</b> | <b>13</b> |

## **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>2018/2019</b>                       | <b>2019/2020</b> |
|   | <b>£000</b>                            | <b>£000</b>      |
| <b>Comprehensive Income and Expenditure Statement:</b>  |  |                  |
| Cost of Services:   |  |                  |
| • current service cost  | 247                                    | 266              |
| • past service cost   | -                                      | 39               |
| • curtailment   | -                                      | -                |
| Financing and Investment Income and Expenditure   |  |                  |
| • net interest on the defined liability (asset)   | 19                                     | 17               |
| • administration expenses   | 4                                      | 3                |
| <b>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</b>   | <b>270</b>                             | <b>325</b>       |
| Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement   |  |                  |
| Re-measurement of the net defined benefit liability comprising:   |  |                  |
| • Return on plan assets (excluding amount included in the net interest expense)   | (193)                                  | 727              |
| • Other actuarial gains / (losses) on assets  | -                                      | -                |
| • Actuarial gains and losses arising on changes in demographic assumptions  | (362)                                  | -                |
| • Actuarial gains and losses arising on changes in financial assumptions  | 383                                    | (763)            |
| • Other (if applicable)   | -                                      | -                |
| <b>Total Re-measurements</b>  | <b>(172)</b>                           | <b>(36)</b>      |
| <b>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</b>  | <b>98</b>                              | <b>289</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 | (270)                                  | (325)            |
| Actual amount charged against the General Fund Balance for pensions in the year:  |  |                  |
| • employers' contributions payable to scheme  | 130                                    | 134              |

# 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>2017/2018</b> | <b>2018/2019</b> | <b>2019/2020</b> |
|  | <b>£000</b>      | <b>£000</b>      | <b>£000</b>      |
| Net pension liabilities as at March:                         |                  |                  |                  |
| Present value of funded obligation                           | 9,688            | 9,836            | 9,314            |
| Fair value of scheme assets                                  | (9,208)          | (9,381)          | (8,673)          |
| <b>Net liability</b>   | <b>480</b>       | <b>455</b>       | <b>641</b>       |
| Present value of unfunded obligation                         | 361              | 354              | 323              |
| <b>Net liability arising from defined benefit obligation</b> | <b>841</b>       | <b>809</b>       | <b>964</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>2018/2019</b> | <b>2019/2020</b> |
|  | <b>£000</b>      | <b>£000</b>      |
| Opening balance at 1 April                                 | 10,049           | 10,190           |
| Current service cost                                       | 247              | 266              |
| Interest cost  | 251              | 240              |
| Contributions by scheme participants                       | 42               | 44               |
| Re-measurement (gains) and losses:                         |                  |                  |
| ○ change in financial assumptions                          | 383              | (763)            |
| ○ change in demographic assumptions                        | (362)            | -                |
| Experience gain on defined benefit obligation              | 0                | -                |
| Benefits paid  | (420)            | (379)            |
| Past service costs, including curtailments                 | -                | 39               |
| <b>Closing balance at 31 March</b>                         | <b>10,190</b>    | <b>9,637</b>     |

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

| <b>Local Government Pension Scheme</b>              |                  |                  |
|---|------------------|------------------|
|   | <b>2018/2019</b> | <b>2019/2020</b> |
|   | <b>£000</b>      | <b>£000</b>      |
| Opening balance at 1 April                          | 9,208            | 9,381            |
| Interest income on assets                           | 232              | 223              |
| Re-measurement gain: return on assets less interest | 193              | (727)            |
| Other re-measurement gain                           | -                | -                |
| Administration expenses                             | (4)              | (3)              |
| Employer contributions                              | 130              | 134              |
| Contributions by scheme participants                | 42               | 44               |
| Benefits paid                                       | (420)            | (379)            |
| <b>Closing balance at 31 March</b>                  | <b>9,381</b>     | <b>8,673</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 / (loss) on scheme assets in the year was £(504,000) ( 2018/2019: Return of £425,000).

## 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 £0.964m 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>2018/2019</b>                       | <b>2019/2020</b> |
| Long-term expected rate of return on assets in the scheme: |  |                  |
| Mortality assumptions:                                     |  |                  |
| Longevity at 65 for current pensioners (years):            |  |                  |
| Men  | 19.6                                   | 19.7             |
| Women  | 21.6                                   | 21.7             |
| Longevity at 65 for future pensioners (years):             |  |                  |
| Men  | 21.3                                   | 21.4             |
| Women  | 23.4                                   | 23.5             |
| Rate of inflation (RPI)                                    | 3.45%                                  | 2.80%            |
| Rate of inflation (CPI)                                    | 2.45%                                  | 1.90%            |
| Rate of increase in salaries                               | 3.45%                                  | 2.90%            |
| Rate of increase in pensions                               | 2.45%                                  | 1.90%            |
| Rate of discounting scheme liabilities                     | 2.40%                                  | 2.35%            |

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                        | 9,480                                  | 9,637       | 9,797           |
| o Projected service cost                                   | 235                                    | 240         | 246             |
| Adjustment to long term salary increase:                   |  |             |                 |
| o Present value of total obligation                        | 9,647                                  | 9,637       | 9,628           |
| o Projected service cost                                   | 240                                    | 240         | 240             |
| Adjustment to pension increases and deferred re-valuation: |  |             |                 |
| o Present value of total obligation                        | 9,788                                  | 9,637       | 9,489           |
| o Projected service cost                                   | 245                                    | 240         | 235             |
| Adjustment to mortality age rating assumption:             | <b>+ 1 year</b>                        | <b>None</b> | <b>- 1 year</b> |
| o Present value of total obligation                        | 10,156                                 | 9,637       | 9,146           |
| o Projected service cost                                   | 248                                    | 240         | 232             |



## 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:

|                       | 31 March 2019<br>£000 | 31 March 2019<br>% | 31 March 2020<br>£000 | 31 March 2020<br>% |
|-----------------------|-----------------------|--------------------|-----------------------|--------------------|
| Equity investments    | 6,480                 | 70                 | 5,735                 | 66                 |
| Gilts                 | 134                   | 1                  | 120                   | 1                  |
| Other Bonds           | 1,408                 | 15                 | 1,532                 | 18                 |
| Property              | 1,171                 | 12                 | 1,067                 | 12                 |
| Cash and alternatives | 188                   | 2                  | 219                   | 3                  |
| <b>Total</b>          | <b>9,381</b>          | <b>100</b>         | <b>8,673</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 £121,000 expected contributions to the scheme in 2020/2021. The weighted average duration of the defined benefit obligation for scheme members is 17 years (2018/2019: 17 years).

## 16 EVENTS AFTER THE BALANCE SHEET DATE

There were no events that occurred between 1 April 2020 and 11 June 2020 that required adjustment to the 2019/2020 financial statements. The latter date is the date on which the unaudited accounts were authorised for issue by the Treasurer.

## 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 2020 (see note 25).

### Other Local Authorities

Angus, Dundee City and Fife Councils are considered to be related parties of the Board. During 2019/2020, the Board entered into a number of transactions with Dundee City Council and Fife Council, as detailed below:

| 2018/2019      |                     |                                  | 2019/2020      |                     |
|----------------|---------------------|----------------------------------|----------------|---------------------|
| Income<br>£000 | Expenditure<br>£000 |                                  | Income<br>£000 | Expenditure<br>£000 |
| (32)           | -                   | <b>Dundee City Council:</b>      | (27)           | -                   |
| -              | 79                  | Interest Receivable              | -              | 83                  |
| -              | 10                  | Central Support Services         | -              | 8                   |
| -              | 64                  | Grounds Maintenance              | -              | 71                  |
| -              | -                   | Professional Fees                | -              | 103                 |
| -              | -                   | Capital Works                    | -              | 46                  |
| -              | 58                  | Miscellaneous                    | -              |                     |
| <b>(32)</b>    | <b>211</b>          | <b>Total Dundee City Council</b> | <b>(27)</b>    | <b>311</b>          |
|                |                     | <b>Fife Council:</b>             |                |                     |
| -              | -                   | Grounds Maintenance              | -              | -                   |
| -              | 4                   | Miscellaneous                    | -              | 5                   |
| <b>-</b>       | <b>4</b>            | <b>Total Fife Council</b>        | <b>-</b>       | <b>5</b>            |

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

The following balances existed between the Board and Dundee City Council and Fife Council as at 31 March 2020:

| 2018/2019     |                   |                                  |  | 2019/2020     |                   |
|---------------|-------------------|----------------------------------|--|---------------|-------------------|
| Asset<br>£000 | Liability<br>£000 |                                  |  | Asset<br>£000 | Liability<br>£000 |
| -             | 23                | <b>Dundee City Council:</b>      |  | (3)           | -                 |
| (32)          | -                 | Central Support Services         |  | (27)          | -                 |
| -             | 51                | Interest Receivable              |  | -             | 39                |
| -             | 9                 | Professional Fees                |  | -             | 4                 |
| (32)          | 83                | Miscellaneous                    |  | (27)          | 43                |
|               |                   | <b>Total Dundee City Council</b> |  |               |                   |
|               |                   | <b>Fife Council:</b>             |  |               |                   |
| -             | 4                 | Miscellaneous                    |  | -             | -                 |
| -             | 4                 | <b>Total Fife Council</b>        |  | -             | -                 |

### 18 LEASES

#### The Board as Lessee

The Board held no assets on finance or operating lease during 2019/2020 and, accordingly, there were no lease rentals paid to lessors during the year (2018/2019: None) or commitments due to lessors in 2019/2020 (2018/2019: 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 2019/2020 the Board received rent of £10,213 from this agreement (2018/2019: £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:

|  | 2018/2019<br>£000 | 2019/2020<br>£000 |
|--|-------------------|-------------------|
| Rental income from investment property                     | 10                | 10                |
| Direct operating expenses arising from investment property | (5)               | (2)               |
| <b>Net gain/(loss)</b>                                     | <b>5</b>          | <b>8</b>          |

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 2020 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.

# TAY ROAD BRIDGE JOINT BOARD

## NOTES TO THE FINANCIAL STATEMENTS

### 20 PROPERTY, PLANT AND EQUIPMENT

Movements on Balances

Movements in 2019/2020:

|  | Other Land<br>and Buildings<br>£000 | Vehicles, Plant<br>& Equipment<br>£000 | Infrastructure<br>Assets<br>£000 | Total<br>Property, Plant<br>& Equipment<br>£000 |
|--|-------------------------------------|--|----------------------------------|---|
| <b>Cost or Valuation</b>                           |                                     |  |                                  |   |
| At 1 April 2019                                    | 1,398                               | 1,604                                  | 85,962                           | <b>88,964</b>                                   |
| Additions  | -                                   | 292                                    | 420                              | <b>712</b>                                      |
| Derecognition – Disposals                          | -                                   | (35)                                   | -                                | <b>(35)</b>                                     |
| Expenditure Not Adding Value                       | -                                   | (10)                                   | (222)                            | <b>(232)</b>                                    |
| Other Movements in Cost or Valuation               | -                                   | (5)                                    | -                                | <b>(5)</b>                                      |
| <b>At 31 March 2020</b>                            | <b>1,398</b>                        | <b>1,846</b>                           | <b>86,160</b>                    | <b>89,404</b>                                   |
| <b>Accumulated Depreciation<br/>and Impairment</b> |                                     |  |                                  |   |
| At 1 April 2019                                    | 77                                  | 569                                    | 20,721                           | <b>21,367</b>                                   |
| Depreciation charge                                | 18                                  | 156                                    | 1,809                            | <b>1,983</b>                                    |
| Derecognition – Disposals                          | -                                   | (35)                                   | -                                | <b>(35)</b>                                     |
| <b>At 31 March 2020</b>                            | <b>95</b>                           | <b>690</b>                             | <b>22,530</b>                    | <b>23,315</b>                                   |
| <b>Net Book Value:</b>                             |                                     |  |                                  |   |
| <b>At 31 March 2020</b>                            | <b>1,303</b>                        | <b>1,156</b>                           | <b>63,630</b>                    | <b>66,089</b>                                   |
| <b>At 31 March 2019</b>                            | <b>1,321</b>                        | <b>1,035</b>                           | <b>65,241</b>                    | <b>67,597</b>                                   |

Comparative Movements in 2018/2019:

|                                 | Other Land<br>and Buildings<br>£000 | Vehicles, Plant<br>& Equipment<br>£000 | Infrastructure<br>Assets<br>£000 | Total Property,<br>Plant &<br>Equipment<br>£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>                                      |
| 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>                                   |
| <b>Accumulated Depreciation</b> |                                     |  |                                  |   |
| At 1 April 2018                 | 58                                  | 461                                    | 18,911                           | <b>19,430</b>                                   |
| Depreciation charge             | 19                                  | 108                                    | 1,810                            | <b>1,937</b>                                    |
| <b>At 31 March 2019</b>         | <b>77</b>                           | <b>569</b>                             | <b>20,721</b>                    | <b>21,367</b>                                   |
| <b>Net Book Value:</b>          |                                     |  |                                  |   |
| <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>                                   |

Capital Commitments

At 31 March 2020, the Board has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2020/2021 and future years, budgeted to cost £577,000 (Similar commitments at 31 March 2019 were £519,000).

The major commitments are for:

- Inspection of Piers and Columns = £188,000;
- Bridge Office Refurbishment = £180,000; and
- Term Consulting Engineers = £200,000.

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

### 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 (RICS).

### Material Valuation Uncertainty

With regard to the annual asset valuations carried out for Tay Road Bridge Joint Board, Dundee City Council's internal RICS Regulated Members have concluded that there is material uncertainty covering the period over which the valuations have been carried out and have therefore applied the following notification (as recommended by RICS).

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we (the RICS regulated members) consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuations are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuations reported herein, under frequent review.

## 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.

|   | 2018/2019<br>£000 | 2019/2020<br>£000 |
|---|-------------------|-------------------|
| Capital investment:                       |                   |                   |
| Property, Plant and Equipment             | 389               | 712               |
| <b>Total Capital Investment</b>           | <b>389</b>        | <b>712</b>        |
| Sources of finance:                       |                   |                   |
| Capital receipts                          | 12                | 6                 |
| Government grants and other contributions | 287               | 649               |
| Capital Funded from Current Revenue       | 90                | 57                |
| <b>Total Sources of Finance</b>           | <b>389</b>        | <b>712</b>        |

## 22 INVENTORIES

|   | Maintenance Materials |                   | Total             |                   |
|---|-----------------------|-------------------|-------------------|-------------------|
|   | 2018/2019<br>£000     | 2019/2020<br>£000 | 2018/2019<br>£000 | 2019/2020<br>£000 |
| <b>Balance outstanding at start of year</b> | 55                    | 55                | 55                | 55                |
| Recognised as an expense in the year        | 1                     | 1                 | 1                 | 1                 |
| <b>Balance outstanding at year-end</b>      | <b>56</b>             | <b>56</b>         | <b>56</b>         | <b>56</b>         |

The year-end stocktake at 31st March 2020 could not be undertaken due to the Covid 19 pandemic. This will require to be done as soon as it is safe to do so. Reliance was therefore placed on the underlying stock records.

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

### 23 SHORT-TERM DEBTORS

|                                | 31 March 2019<br>£000 | 31 March 2020<br>£000 |
|--------------------------------|-----------------------|-----------------------|
| Central government bodies      | -                     | 133                   |
| Local authorities              | 32                    | 30                    |
| Other entities and individuals | 6                     | 8                     |
| <b>Total</b>                   | <b>38</b>             | <b>171</b>            |

### 24 SHORT-TERM CREDITORS

|                                | 31 March 2019<br>£000 | 31 March 2020<br>£000 |
|--------------------------------|-----------------------|-----------------------|
| Central government bodies      | 2,625                 | 211                   |
| Local authorities              | 99                    | 30                    |
| Other entities and individuals | 43                    | 231                   |
| <b>Total</b>                   | <b>2,767</b>          | <b>472</b>            |

### 25 GRANT INCOME

The Board credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Account in 2019/2020:

|   | 2018/2019<br>£000 | 2019/2020<br>£000 |
|---|-------------------|-------------------|
| <b>Credited to Taxation and Non Specific Grant Income</b> |                   |                   |
| Scottish Government Revenue Grant                         | 1,488             | 1,509             |
| Scottish Government Capital Grant                         | 750               | 188               |
| Repayment of Scottish Government Capital Grant            | (1,366)           | (184)             |
| <b>Total</b>  | <b>872</b>        | <b>1,513</b>      |

The Board has £nil 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 (2018/2019: £1,235,000). 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 2019 (2018/2019: none).

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

The Annual Accounts set out on pages 16 to 57 are subject to audit in accordance with the requirements of Part VII of the Local Government (Scotland) Act 1973.

The Auditor appointed for this purpose by the Accounts Commission for Scotland is:

**Bruce Crosbie FCCA**  
**for and on behalf of Audit Scotland**  
Senior Audit Manager  
Audit Scotland  
4th Floor,  
102 Westport  
Edinburgh  
EH3 9DN.

**REPORT TO: TAY ROAD BRIDGE JOINT BOARD**

**REPORT ON: OPERATIONAL RESTRICTIONS AND CLOSURES**

**REPORT BY: THE BRIDGE MANAGER**

**REPORT NO: TRB 09-2020**

## **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 February 2020 and 30 April 2020.

## **2.0 RECOMMENDATIONS**

- 2.1 The Joint Board are asked to note the contents of this Report as at 30 April 2020.

## **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 February 2020 and 30 April 2020 is given below:-

### **4.1.1 Single Carriageway Closure**

| <b>Reason</b>                        | <b>Total Duration (Minutes)</b> | <b>Number of Occasions</b> | <b>Average Duration (Minutes)</b> | <b>Maximum Time Closed (Minutes)</b> | <b>Minimum Time Closed (Minutes)</b> |
|--------------------------------------|---------------------------------|----------------------------|-----------------------------------|--------------------------------------|--------------------------------------|
| Operational                          | 193                             | 76                         | 2.54                              | 6                                    | 1                                    |
| Breakdown                            | 20                              | 4                          | 5                                 | 7                                    | 4                                    |
| Miscellaneous Incidents              | 31                              | 6                          | 5.16                              | 8                                    | 2                                    |
| Single Lane Closures for Maintenance | 114                             | 11                         | 10.36                             | 15                                   | 4                                    |
| Police Incidents                     | 166                             | 10                         | 16.6                              | 70                                   | 4                                    |

#### 4.1.2 Full Bridge Closure

| <b>Reason</b>                | <b>Total Duration (Minutes)</b> | <b>Number of Occasions</b> | <b>Average Duration (Minutes)</b> | <b>Maximum Time Closed (Minutes)</b> | <b>Minimum Time Closed (Minutes)</b> |
|------------------------------|---------------------------------|----------------------------|-----------------------------------|--------------------------------------|--------------------------------------|
| Operational (Night Closures) | 0                               | 0                          | 0                                 | 0                                    | 0                                    |
| Police Incidents             | 249                             | 8                          | 31.13                             | 59                                   | 7                                    |
| Wind                         | 289                             | 2                          | 144.5                             | 187                                  | 102                                  |

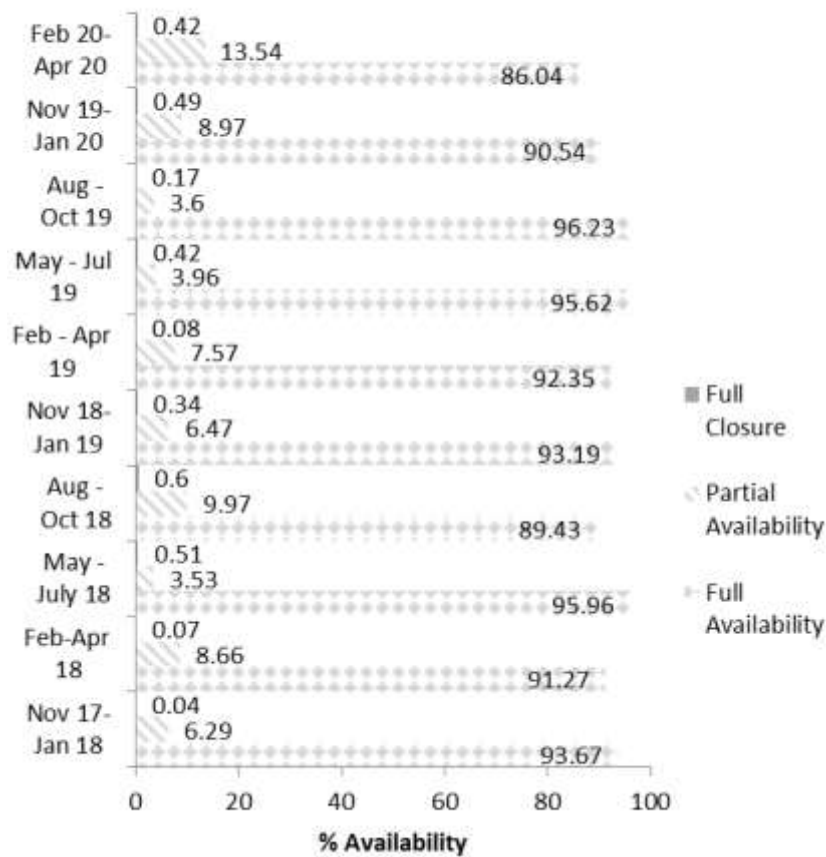
#### 4.1.3 High Winds Restrictions

| <b>Traffic Restricted</b> | <b>Total Duration (Minutes)</b> | <b>Number of Occasions</b> | <b>Average Duration (Minutes)</b> | <b>Maximum Time Restricted (Minutes)</b> | <b>Minimum Time Restricted (Minutes)</b> |
|---------------------------|---------------------------------|----------------------------|-----------------------------------|--|--|
| Double Deck Buses         | 14336                           | 26                         | 551.38                            | 1365                                     | 49                                       |
| High Sided Vehicles       | 2690                            | 7                          | 384.29                            | 735                                      | 248                                      |
| All Traffic               | 289                             | 2                          | 144.5                             | 187                                      | 102                                      |



#### 4.1.4 Availability of Bridge

### AVAILABILITY TO BRIDGE USERS



|                      | Feb – Apr 19 | May-Jul 19 | Aug-Oct 19 | Nov 19 – Jan 20 | Feb-Apr 20 |
|----------------------|--------------|------------|------------|-----------------|------------|
| Full Availability    | 92.35        | 95.62      | 96.23      | 90.54           | 86.04      |
| Partial Availability | 7.57         | 3.96       | 3.6        | 8.97            | 13.54      |
| Full Closure         | 0.08         | 0.42       | 0.17       | 0.49            | 0.42       |

#### 4.1.5 Summary of Bridge availability 1 February 2020 to 30 April 2020

|  |        |
|--|--------|
| Full availability (No restrictions)      | 86.04% |
| Partial Availability (Some restrictions) | 13.54% |
| No Availability (Full Closure)           | 0.42%  |

## 5.0 TRAFFIC COUNT DATA

### 5.1 Traffic Count Data from Dundee Ramps

#### AADT – (Annual Average Daily Total 2019/2020)

|                                     | 1st<br>Quarter<br>2019 | 2nd<br>Quarter<br>2019 | 3 <sup>rd</sup><br>Quarter<br>2019 | 4 <sup>th</sup><br>Quarter<br>2019 | 1 <sup>st</sup><br>Quarter<br>2020 |
|-------------------------------------|------------------------|------------------------|------------------------------------|------------------------------------|------------------------------------|
|                                     | (Feb -<br>Apr)         | (May -<br>Jul)         | (Aug –<br>Oct)                     | (Nov –<br>Jan)                     | (Feb-<br>Apr)                      |
| Northbound to West                  | 6833                   | 6459                   | 6659                               | 5931                               | 2376                               |
| Northbound to East                  | 6744                   | 7434                   | 7534                               | 6567                               | 4728                               |
| Northbound Total                    | <b>13577</b>           | <b>13893</b>           | <b>14193</b>                       | <b>12498</b>                       | <b>7104</b>                        |
|                                     |                        |                        |                                    |                                    |                                    |
| Southbound from West                | 5720                   | 5779                   | 6067                               | 5386                               | 3864                               |
| Southbound From East                | 7874                   | 8264                   | 8489                               | 7255                               | 5244                               |
| Southbound Total                    | <b>13594</b>           | <b>14043</b>           | <b>14556</b>                       | <b>12641</b>                       | <b>9108</b>                        |
|                                     |                        |                        |                                    |                                    |                                    |
| <b>AADT Traffic per<br/>Quarter</b> | <b>27171</b>           | <b>27936</b>           | <b>28749</b>                       | <b>25139</b>                       | <b>16212</b>                       |

A comparison of recorded traffic levels between the first quarter of 2019 and the first quarter of 2020 shows a 40% reduction in traffic levels. This is likely to be attributable to the restriction on people's movement, commonly known as "lockdown", which was ordered by the Scottish Government on 23 March 2020 in response to the Coronavirus (Covid-19) pandemic.

### 5.2 Cyclist and Pedestrian Count on the Walkway

#### AADT – (Annual Average Daily Total 2019/2020) Northbound and Southbound

|  | 4 <sup>th</sup> Quarter 2019 |  | 1 <sup>st</sup> Quarter 2020 |
|--|------------------------------|--|------------------------------|
|  | (Nov - Jan)                  |  | (Feb - Apr)                  |
| Cyclists – November                                  | 159                          | Cyclists – February                                  | 139                          |
| Cyclists – December                                  | 132                          | Cyclists – March                                     | 129                          |
| Cyclists – January                                   | 157                          | Cyclists – April                                     | 214                          |
| <b>AADT Cyclists 4<sup>th</sup><br/>Quarter 2019</b> | <b>150</b>                   | <b>AADT Cyclists 1<sup>st</sup><br/>Quarter 2020</b> | <b>161</b>                   |

A Pedestrian and Cycling Counter was installed on the bridge walkway in October 2019. Unfortunately pedestrian numbers are not yet available. The fault has been reported to Cycling Scotland and a solution is being considered by their contractors.

There is a noticeable increase in cyclists using the bridge walkway in April 2020.

## 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 MAY 2020**

In view of the timescales involved this report was approved by the Clerk to Tay Road Bridge Joint Board in consultation with the Chair of the Tay Road Bridge Joint Board and Vice-Chair of the Tay Road Bridge Joint Board.

*Roger Mennie*

Roger Mennie  
Clerk to the Tay Road Bridge Joint Board

11th June, 2020

Date

*Lynne Short*

Cllr Lynne Short  
Chair of Tay Road Bridge Joint Board

30th June, 2020

Date

*Jonny Tepp*

Cllr Jonny Tepp  
Vice-Chair of Tay Road Bridge Joint Board

29th June 2020

Date

**REPORT TO:** TAY ROAD BRIDGE JOINT BOARD

**REPORT ON:** RESPONSE TO INTERNAL AUDITOR'S ANNUAL REPORT TO MEMBERS

**REPORT BY:** THE BRIDGE MANAGER

**REPORT NO:** TRB10-2020

## **1.0 PURPOSE OF REPORT**

- 1.1 This report is in response to the Annual Report, ref 2020/07, prepared by the Board's Internal Auditor, Henderson Loggie, on Management of Health and Safety, Budgetary Control, Data Protection and previous Audit follow-up reviews. A copy of the Internal Auditor's annual report is included.

## **2.0 RECOMMENDATIONS**

- 2.1 It is recommended that the Board:-

- i) Endorse this report as the formal response to the Internal Auditor's report.
- ii) Instruct the Bridge Manager to implement the Internal Auditor's recommendation as set out in paragraph 5.2.

## **3.0 FINANCIAL IMPLICATIONS**

- 3.1 There are no financial implications associated with this report.

## **4.0 BACKGROUND**

### Introduction

- 4.1 The Board's Internal Audit Needs Assessment and Strategic Plan 2019 – 2022 (Henderson Loggie Report 2020/01 reported to December 2019 Board) is reviewed at least annually by Senior Management in conjunction with Henderson Loggie and external auditors, to take account of any changes in the Board's risk profile. The review in August 2019 resulted in an internal audit programme for 2019/20, detailed in Henderson Loggie annual audit report 2019/02. This programme confirmed that on Management of Health and Safety, Budgetary Control, Data Protection and previous Audit follow up reviews were areas of risk that were reviewed in 2019/20.

## **5.0 REPORT**

### 5.1 Internal Auditor's Annual Report

- i) The Internal Auditor's Annual Report, Ref 2020/07 (included at appendix 1), describes the scope of the audit work undertaken, the specific objectives of the audit and the principal conclusions drawn from the review.
- ii) The report is based on the findings of the following individual reports:-
  - 2019/03 Management of Health and Safety (included at appendix 2)
  - 2019/04 Budgetary Control (included at appendix 3)

|         |  |
|---------|--|
| 2019/05 | Data Protection (included at appendix 4)   |
| 2018/06 | Follow-up Reviews (included at appendix 5) |

Overall no significant issues identifying major internal control weaknesses were identified.

During 2019/20 Henderson Loggie reported that the outstanding internal audit follow-up recommendations had been fully implemented.

In 2019/20 two minor recommendations were raised and agreed.

Action points identified are categorised as follows:-

Priority 1 – Critical issues which require consideration by the Board  
Number of Actions – Nil

Priority 2 – Significant matters which the Bridge Manager can resolve  
Number of Actions – Nil

Priority 3 – Routine, less significant actions not requiring urgent action  
Number of Actions – 2

## 5.2 Priority 3 Action Points

- i) The following action was agreed as a result of the recommendations of the 2020/03 Management of Health and Safety report:-
  - A checklist should be developed, which allows the Board to ensure that all documents required under the Construction Design Management (CDM) 2015 regulations have been received and to record where these documents are stored.
- ii) The following action was agreed as a result of the recommendations of the 2020/05 Data Protection report:-
  - Ensure that a formal programme of reporting of data protection issues is established which will allow the Joint Board to obtain reasonable assurance that an appropriate data protection compliance framework is in place and is operating.

## 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 **CONSULTATION**

- 7.1 The Clerk, Treasurer and the Engineer 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**  
**29 JUNE 2020**

In view of the timescales involved this report was approved by the Clerk to Tay Road Bridge Joint Board in consultation with the Chair of the Tay Road Bridge Joint Board and Vice-Chair of the Tay Road Bridge Joint Board.

*Roger Mennie*

Roger Mennie  
Clerk to the Tay Road Bridge Joint Board

11th June, 2020

Date

*Lynne Short*

Cllr Lynne Short  
Chair of Tay Road Bridge Joint Board

30th June, 2020

Date

*Jonny Tepp*

Cllr Jonny Tepp  
Vice-Chair of Tay Road Bridge Joint Board

29th June 2020

Date

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# **Tay Road Bridge Joint Board**

**Annual Report to the Joint Board and the Bridge  
Manager on the Provision of Internal Audit  
Services for 2019/20**

**Internal Audit Report No: 2020/07**

**Draft issued: 05 May 2020**

**Final issued: 07 May 2020**





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# 1. Annual Report and Opinion

## Introduction

- 1.1 We were formally re-appointed in April 2019 as internal auditors of Tay Road Bridge Joint Board ('the Board') for the period 1 April 2019 to 31 March 2022. This report summarises the internal audit work performed during 2019/20.
- 1.2 An Audit Needs Assessment (ANA), based on the areas of risk that the Board is exposed to, was prepared as part of our internal audit programme for 2019/20 (internal audit report 2020/01, issued November 2019). The ANA was prepared following discussion with the Bridge Manager and senior Board officers and with reference to the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom. The ANA was prepared on the basis of the normal three-year internal audit cycle, covering the period 2019/20 to 2021/22. Work in the previous three-year cycle was used to update the key control environment. Following on from the ANA, a Strategic Plan was formulated covering the three-year cycle.
- 1.3 The Internal Audit Annual Plan 2019/20 reflected the allocation of days shown in Year 1 of the Audit Needs Assessment and Strategic Plan 2019 to 2022, with no changes made.
- 1.4 The work delivered in 2019/20 followed that set out in the Annual Plan for 2019/20. The reports submitted are listed in Section 2 of this report and a summary of results and conclusions from each finalised assignment is given at Section 3.
- 1.5 An analysis of time spent against budget is at Section 4.

## Public Sector Internal Audit Standards (PSIAS) Reporting Requirements

- 1.6 The Board has responsibility for maintaining an effective internal audit activity. You have engaged us to provide an independent risk-based assurance and consultancy internal audit service. To help you assess that you are maintaining an effective internal audit activity we:
  - Confirm our independence;
  - Provide information about the year's activity and the work planned next year in this report; and
  - Provide quality assurance through self-assessment and independent external review of our methodology and operating practices.

## Internal Audit Annual Report 2019/20

- 1.7 Self-assessment is undertaken through:
- Our continuous improvement approach to our service. We will discuss any new developments with management throughout the year;
  - Ensuring compliance with best professional practice, in particular the PSIAS;
  - Annual confirmation from all staff that they comply with required ethical standards and remain independent of clients;
  - Internal review of each assignment to confirm application of our methodology which is summarised in our internal audit manual; and
  - Annual completion of a checklist to confirm PSIAS compliance. This is undertaken annually in April.
- 1.8 The results of our self-assessment are that we are able to confirm that our service is independent of the Board and complies with the PSIAS.
- 1.9 External assessment is built into our firm-wide quality assurance procedures. Henderson Loggie is a member of MHA, a national association of independent accountancy firms. Continued membership of MHA is dependent on maintaining a good level of quality and adhering to accounting and auditing standards in the provision of our services. Annual quality reviews are conducted to confirm our continuing achievement of this quality. The latest independent review in March 2019 included our internal audit service. Overall, the review under his policies and procedures relating to internal audit is compliant with the PSIAS and our self-evaluation, conducted in April 2020, confirmed that this is still the case..

## Significant Issues

- 1.10 There were no significant issues or major internal control weaknesses noted from the internal audit work conducted during 2019/20. All internal audit reports issued during 2019/20 concluded that systems met control objectives and provided good assurance. A small number of actions have been agreed to further strengthen controls.
- 1.11 Our Follow-Up Reviews (Report 2020/06) confirmed that the one recommendation subject to review was fully implemented.
- 1.12 There were no instances of fraud identified during the course of the audit work carried out during the year.

## Opinion

- 1.13 As required by standard 2450 of PSIAS, the chief internal audit executive, is required to provide an annual report on the audit work carried out during the year and an opinion on the operation of controls within the Board. This opinion is used to inform the Board's annual governance statement. Within the Board this role currently resides with MHA Henderson Loggie based on the work that MHA Henderson Loggie have undertaken.
- 1.14 In our opinion, overall, the Board operates adequate internal control systems as defined in the Audit Needs Assessment. The audit and assurance work has not identified any significant gaps in the Board's control environment that would increase the risk to financial loss. This opinion has been arrived at taking into consideration the internal audit, risk management and other assurance work that has been undertaken during 2019/20 and in previous years since our original appointment in 2010.

## 2. Reports Submitted

| Number  | Title                               | Overall Grade | Recommendations                         | Priority 1 | Priority 2 | Priority 3 |
|---------|-------------------------------------|---------------|---|------------|------------|------------|
| 2020/01 | ANA and Strategic Plan 2019 to 2022 | N/A           | -                                       | N/A        | N/A        | N/A        |
| 2020/02 | Annual Plan                         | N/A           | -                                       | N/A        | N/A        | N/A        |
| 2020/03 | Management of Health & Safety       | Good          | 1                                       | -          | -          | 1          |
| 2020/04 | Budgetary Control                   | Good          | -                                       | -          | -          | -          |
| 2020/05 | Data Protection                     | Good          | 1                                       | -          | -          | 1          |
| 2020/06 | Follow-Up Reviews                   | N/A           | 1 of 1 recommendation fully implemented | -          | -          | -          |
| 2020/07 | Annual Report                       | N/A           | N/A                                     | N/A        | N/A        | N/A        |

Overall gradings are defined as follows:

|                             |   |
|-----------------------------|---|
| <b>Good</b>                 | System meets control objectives.  |
| <b>Satisfactory</b>         | System meets control objectives with some weaknesses present.             |
| <b>Requires improvement</b> | System has weaknesses that could prevent it achieving control objectives. |
| <b>Unacceptable</b>         | System cannot meet control objectives.                                    |

### Action Grades

|                   |   |
|-------------------|---|
| <b>Priority 1</b> | Issue subjecting the organisation to material risk and which requires to be brought to the attention of the Joint Board |
| <b>Priority 2</b> | Issue subjecting the organisation to significant risk and which should be addressed by the Bridge Manager.              |
| <b>Priority 3</b> | Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.    |

### 3. Summary of Results and Conclusions

#### **2020/01 – ANA and Strategic Plan 2019 to 2022**

##### **Final Issued – November 2019**

A comprehensive ANA based on the areas of risk that the Board is exposed to was undertaken in November 2019. A Strategic Plan to cover the three-year internal audit cycle from 2019 to 2022 was then formulated (refer to paragraph 1.2 above).

#### **2020/02 – Internal Audit Annual Plan 2019/20**

##### **Final Issued – November 2019**

The purpose of this document was to present, for consideration by the Joint Board, the annual operating plan for the year ended 31 March 2020. The plan was based on the proposed allocation of audit days for 2019/20 set out in the ANA and Strategic Plan 2019 to 2022.

The detailed scope, objectives and audit approach for each audit assignment to be undertaken, arrived at following discussion with the Bridge Manager, were set out in the report.

### 2020/03 – Management of Health & Safety

#### Final Issued – May 2020

This audit included a review of the arrangements in place within the Board to deal with Health and Safety (H&S) issues. The main objective of the audit was to review the Board's overall arrangements dealing with H&S issues and to consider whether these are adequate.

Overall, we found that:

- The Board has a documented H&S policy, and related procedures, which have been communicated to all staff;
- Formal risk identification and assessment processes are in place;
- The Board has a formal H&S training programme, which includes induction training, refresher training and, where appropriate, targeted training for new equipment and new legislation;
- There is regular monitoring of H&S systems to ensure that they are functioning effectively;
- The Board has an incident and accident recording system with follow-up and implementation of new controls, where required; and
- There is regular reporting of H&S issues to both management and the Board.
- Our review of project documentation, for a sample of two projects, confirmed that overall, the Board was able to evidence that it complied with its obligations under the Constructive Design and Management Regulations (CDM) 2015, which are issued by the HDSE. However, the following areas for improvement were noted:
  - For both projects we noted that the pre-construction information provided by the principal designer outlining the project hazards, referred to risk assessment method statements (RAMS) which provided details of how these would be addressed. However, for one project we found that one of the RAMS could not be located at the time of audit: and
  - In general, whilst we confirmed that the documents that evidenced compliance with the CDM 2015 were in place, with the exception noted above, these were found to be contained within unfiled emails and in various locations on the Board's internal computer network.

To ensure that there are no gaps in the required documentation there would be benefit in developing a checklist to assist in the collation and recording of all of the evidence required to demonstrate that the Board is compliant with the CDM 2015 regulations.

## Internal Audit Annual Report 2019/20

### 2020/03 – Management of Health & Safety (continued)

Final Issued – May 2020

The table below notes each separate objective for this review and records the results:

| Objective   |      | Findings                        |   |   |
|---|------|---------------------------------|---|---|
| The objectives of our audit were to obtain reasonable assurance that the Board has:   |      | 1                               | 2 | 3 |
| 1. A H&S policy and documented procedures which are communicated to all staff.  | Good | 0                               | 0 | 0 |
| 2. A formal risk identification and assessment process.   | Good | 0                               | 0 | 0 |
| 3. A H&S training programme which includes induction training, refresher training and training for new equipment or legislation.  | Good | 0                               | 0 | 0 |
| 4. Regular monitoring of H&S systems to ensure that they are functioning effectively including H&S audits, carried out either internally or by external agencies such as the Health and Safety Executive (HSE). | Good | 0                               | 0 | 0 |
| 5. An incident and accident recording system with follow-up and implementation of new controls where required.  | Good | 0                               | 0 | 0 |
| 6. Regular reporting of H&S to management and to the Board.   | Good | 0                               | 0 | 0 |
| 7. To ensure H&S issues are appropriately considered during the development of maintenance and construction projects in accordance with the Construction (Design and Management) Regulations 2015.              | Good | 0                               | 0 | 1 |
| Overall Level of Assurance  | Good | 0                               | 0 | 1 |
|   |      | System meets control objectives |   |   |



## Internal Audit Annual Report 2019/20

### 2020/04 – Budgetary Control

#### Final Issued – May 2020

This audit reviewed the processes and controls in place for budget setting and budgetary control within the Tay Road Bridge Joint Board. The overall objective of our audit was to obtain reasonable assurance that adequate systems are in place covering budget setting and budgetary control.

No significant weaknesses were noted during our review.

The table below notes each separate objective for this review and records the results:

| Objective  |      | Findings                         |   |   |
|--|------|----------------------------------|---|---|
| The objective of this audit was to obtain reasonable assurance that:   |      | 1                                | 2 | 3 |
|  |      | No. of Agreed Actions            |   |   |
| 1. Budgets are approved, controlled and monitored in accordance with the Financial Regulations and Procedures. | Good | 0                                | 0 | 0 |
| 2. The short, medium- and longer-term financial projections are based on sound information and assumptions.    | Good | 0                                | 0 | 0 |
| 3. Information is available to management which is up-to-date and in a format that can be easily understood.   | Good | 0                                | 0 | 0 |
| 4. Budget holders have the necessary skills for managing budgets.  | Good | 0                                | 0 | 0 |
| 5. Budget variations are reported and acted upon.  | Good | 0                                | 0 | 0 |
| 6. Management and the Joint Board regularly review the organisation's overall financial position.              | Good | 0                                | 0 | 0 |
| Overall Level of Assurance   | Good | 0                                | 0 | 0 |
|  |      | System meets control objectives. |   |   |

## Internal Audit Annual Report 2019/20

### 2020/05 – Data Protection

#### Final Issued – May 2020

This audit included a high-level review of the Board's compliance with the Data Protection Act 2018, including the GDPR, and to ensure that processes and procedures are in place to allow compliance with this.

Overall, we identified that the Board has reasonable data protection procedures in place.

No significant weaknesses were noted during our review. Although there was regular review of data protection issues by the management team, a formal programme of reporting of data protection issues to the Joint Board had yet to be established, which will allow the Joint Board to gain assurance that it has an appropriate data protection compliance framework in place.

The table below notes each separate objective for this review and records the results:

| Objective  |      | Findings                         |   |   |
|--|------|----------------------------------|---|---|
| The objective of this audit was to obtain reasonable assurance that:   |      | 1                                | 2 | 3 |
|  |      | No. of Agreed Actions            |   |   |
| 1. Appropriate action has been taken by the Board to comply with the DPA (and the GDPR).   | Good | 0                                | 0 | 0 |
| 2. Additional requirements of the DPA, not included in the GDPR, have been identified and an action plan has been prepared to address these. | Good | 0                                | 0 | 0 |
| 3. Adequate procedures are in place for the ongoing monitoring of compliance with data protection legislation.                               | Good | 0                                | 0 | 1 |
| Overall Level of Assurance   | Good | 0                                | 0 | 1 |
|  |      | System meets control objectives. |   |   |

## Internal Audit Annual Report 2019/20

### 2020/06 – Follow-Up Report

#### Final Issued – May 2020

We carried out a follow up review of recommendations made in the following internal audit reports issued during 2018/19:

- 2019/02 – Compliance with Legislation

Reports 2019/01, 2019/03, 2019/04 and 2019/06 did not contain an action plan and therefore no follow-up was required as part of this review.

Report 2019/05, Follow-Up Review 2018/19, included one outstanding action from 2018/19 that required to be followed up again this year.

The Board has made good progress in fully implementing the single recommendation followed up as part of this review. Internal Audit Report 2019/02, Compliance with Legislation, issued in November 2018, included a recommendation to undertake review of the Tay Road Bridge Joint Board Byelaws and to update these to reflect current legislation. Following consultation with the Board's legal advisers Dundee City Council (and also communication with Transport Scotland) the Byelaws have been updated and will be issued for public consultation later in 2020 once the Covid-19 pandemic lockdown restrictions have been lifted.

| From Original Reports       |              |               | From Follow-Up Work Performed |                       |                            |
|-----------------------------|--------------|---------------|-------------------------------|-----------------------|----------------------------|
| Area                        | Rec'n Grades | Number Agreed | Fully Implemented             | Partially Implemented | Little or No Progress Made |
| Compliance with Legislation | 1            | -             | -                             | -                     | -                          |
|                             | 2            | -             | -                             | -                     | -                          |
|                             | 3            | 1             | 1                             | -                     | -                          |
| <b>Total</b>                |              | <b>1</b>      | <b>1</b>                      | <b>-</b>              | <b>-</b>                   |

## 4. Time Spent – Actual v Budget

|                                      | Report number | Planned days | Actual days fee'd | Days to fee at May 2020 | Days to spend / WIP | Variance |
|--------------------------------------|---------------|--------------|-------------------|-------------------------|---------------------|----------|
| <b>Reputation</b>                    |               |              |                   |                         |                     |          |
| Management of Health & Safety        | 2020/03       | 4            | 4                 | -                       | -                   | -        |
|                                      |               |              |                   |                         |                     |          |
| <b>Financial Issues</b>              |               |              |                   |                         |                     |          |
| Budgetary Control                    | 2020/04       | 3            | 3                 | -                       | -                   | -        |
|                                      |               |              |                   |                         |                     |          |
| <b>Information and IT</b>            |               |              |                   |                         |                     |          |
| Data Protection                      | 2020/05       | 3            | 3                 | -                       | -                   | -        |
|                                      |               |              |                   |                         |                     |          |
| <b>Other Audit Activities</b>        |               |              |                   |                         |                     |          |
| Management and Planning )            | 2020/02       | 2            | 2                 | -                       | -                   | -        |
| External audit )                     |               |              |                   |                         |                     |          |
| Attendance at Joint Board meetings ) |               |              |                   |                         |                     |          |
| Follow-up reviews                    | 2020/06       | 1            | 1                 | -                       | -                   | -        |
| ANA                                  | 2020/01       | 2            | 2                 | -                       | -                   | -        |
|                                      |               | _____        | _____             | _____                   | _____               | _____    |
| <b>Total</b>                         |               | 15           | 15                | -                       | -                   | -        |
|                                      |               | =====        | =====             | =====                   | =====               | =====    |

## 5. Operational Plan for 2020/21

- 5.1 Following our appointment as internal auditors for the period from 1 April 2019 to 31 March 2022 we prepared an Audit Needs Assessment and Strategic Plan for 2019 to 2022 (internal audit report 2020/01, issued in November 2019).
- 5.2 The following is an extract from the Strategic Plan, in relation to 2020/21. This will be discussed with management and updated if appropriate before being finalised for next year.

### Proposed Allocation of Audit Days 2020/21

| Audit Area   | Risk Register Ref. | Previous IA Coverage | Proposed 2020/21 Days |
|--|--------------------|----------------------|-----------------------|
| <b>Staffing Issues</b>   |                    |                      |                       |
| Recruitment and Retention / HR Policies  | 10                 | 2011/12              | 4                     |
| <b>Estates and Facilities</b>  |                    |                      |                       |
| Capital Projects   | 8                  | 2012/13              | 3                     |
| <b>Financial Issues</b>  |                    |                      |                       |
| Procurement and Creditors / Purchasing   | 2, 7, 9            | 2017/18<br>Good      | 4                     |
| <b>Other Audit Activities</b>  |                    |                      |                       |
| Management & planning, attendance at Joint Board meetings & liaising with external audit |                    |                      | 2                     |
| Follow-up  |                    |                      | 2                     |
| <b>Total</b>   |                    |                      | <b>15</b>             |

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# Tay Road Bridge Joint Board

## Management of Health & Safety

**Internal Audit Report No: 2020/03**

**Draft issued: 16 January 2020**

**2<sup>nd</sup> Draft issued: 1 May 2020**

**Final issued: 5 May 2020**

**LEVEL OF ASSURANCE**

**Good**

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## Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

|                             |   |
|-----------------------------|---|
| <b>Good</b>                 | System meets control objectives.  |
| <b>Satisfactory</b>         | System meets control objectives with some weaknesses present.             |
| <b>Requires improvement</b> | System has weaknesses that could prevent it achieving control objectives. |
| <b>Unacceptable</b>         | System cannot meet control objectives.                                    |

## Action Grades

|                   |  |
|-------------------|--|
| <b>Priority 1</b> | Issue subjecting the organisation to material risk and which requires to be brought to the attention of the Joint Board. |
| <b>Priority 2</b> | Issue subjecting the organisation to significant risk and which should be addressed by the Bridge Manager.               |
| <b>Priority 3</b> | Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.     |



# Management Summary

## Overall Level of Assurance

|      |                                  |
|------|----------------------------------|
| Good | System meets control objectives. |
|------|----------------------------------|

## Risk Assessment

This review focused on the controls in place to mitigate the following risks on the Joint Board's Risk Register:

2 - Legislative changes, e.g. Health & Safety, Environmental, Procurement, etc. (risk rating: medium)

## Background

As part of the Internal Audit programme at Tay Road Bridge Joint Board ('the Board') 2019/20 we carried out a review of the Board's Health and Safety (H&S) arrangements. Our Audit Needs Assessment identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Joint Board and the Bridge Manager that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

It is important that H&S is considered by all staff, management, and Joint Board members in order to reduce the risks related to accidents and occupational health. Furthermore, all staff should understand that H&S is their responsibility, and not solely the responsibility of management and the Joint Board.

A H&S Policy Statement has been prepared which sets out the Board's H&S objectives and the H&S responsibilities of management and of staff. The day to day responsibility for ensuring that the Board's H&S Policy Statement is applied consistently lies with the Maintenance Manager and the Works Manager, with overall and final executive responsibility resting with the Bridge Manager.

Formal risk assessments of activities and work sites are performed, and are periodically reviewed, as an integral part of managing the organisation's risks. Any incidents or accidents that occur are required to be reported to the Maintenance Manager and the severity and type of these reported incidents or accidents are analysed and reported on regularly to the management team (and where applicable the Health and Safety Executive (HSE)).

### Scope, Objectives and Overall Findings

This scope of this audit was to review the arrangements in place within the Board to deal with Health and Safety (H&S) issues.

The main objective of this audit was to review the Board's overall arrangements dealing with H&S issues and to consider whether these are adequate.

The table below notes the specific objectives for this review and records the results:

| Objective   |      | Findings                        |   |   |
|---|------|---------------------------------|---|---|
| The objectives of our audit were to obtain reasonable assurance that the Board has:   |      | 1                               | 2 | 3 |
| 1. A H&S policy and documented procedures which are communicated to all staff.  | Good | 0                               | 0 | 0 |
| 2. A formal risk identification and assessment process.   | Good | 0                               | 0 | 0 |
| 3. A H&S training programme which includes induction training, refresher training and training for new equipment or legislation.  | Good | 0                               | 0 | 0 |
| 4. Regular monitoring of H&S systems to ensure that they are functioning effectively including H&S audits, carried out either internally or by external agencies such as the Health and Safety Executive (HSE). | Good | 0                               | 0 | 0 |
| 5. An incident and accident recording system with follow-up and implementation of new controls where required.  | Good | 0                               | 0 | 0 |
| 6. Regular reporting of H&S to management and to the Board.   | Good | 0                               | 0 | 0 |
| 7. To ensure H&S issues are appropriately considered during the development of maintenance and construction projects in accordance with the Construction (Design and Management) Regulations 2015.              | Good | 0                               | 0 | 1 |
| Overall Level of Assurance  | Good | 0                               | 0 | 1 |
|   |      | System meets control objectives |   |   |

### Audit Approach

Through discussion with the Bridge Manager and Maintenance Manager, and review of procedural documentation, we identified the internal controls in place and compared these with expected controls. A walkthrough of key systems was then undertaken to confirm our understanding, and this was followed up with compliance testing where considered necessary. We have reported on any areas where expected controls were found to be absent or where controls could be further strengthened.

### Summary of Main Findings

#### Strengths

- The Board has a documented H&S policy, and related procedures, which have been communicated to all staff;
- Formal risk identification and assessment processes are in place;
- The Board has a formal H&S training programme, which includes induction training, refresher training and, where appropriate, targeted training for new equipment and new legislation;
- There is regular monitoring of H&S systems to ensure that they are functioning effectively;
- The Board has an incident and accident recording system with follow-up and implementation of new controls, where required; and
- There is regular reporting of H&S issues to both management and the Board.

#### Weaknesses

- Our review of project documentation, for a sample of two projects, confirmed that overall, the Board was able to evidence that it complied with its obligations under the Constructive Design and Management Regulations (CDM) 2015, which are issued by the HDSE. However, the following areas for improvement were noted:
  - For both projects we noted that the pre-construction information provided by the principal designer outlining the project hazards, referred to risk assessment method statements (RAMS) which provided details of how these would be addressed. However, for one project we found that one of the RAMS could not be located at the time of audit: and
  - In general, whilst we confirmed that the documents that evidenced compliance with the CDM 2015 were in place, with the exception noted above, these were found to be contained within unfiled emails and in various locations on the Board's internal computer network.

To ensure that there are no gaps in the required documentation there would be benefit in developing a checklist to assist in the collation and recording of all of the evidence required to demonstrate that the Board is compliant with the CDM 2015 regulations.

### Acknowledgements

We would like to take this opportunity to thank the staff at the Board who helped us during our audit visit.

# Main Findings and Action Plan

### **Objective 1: A H&S policy and documented procedures which are communicated to all staff.**

A H&S Policy Statement has been prepared by the Bridge Manager and is accessible within the H&S database on the Board's internal computer network; paper copies of the Statement are also available to staff.

The Health and Safety Executive (HSE) publication 'Leading health & safety at work' provides guidance for Board Members of organisations in both the private and public sectors. The guidance recommends that an organisation's H&S Policy should set out the role of the Board and that of individual Board Members in leading the H&S of the organisation. The guidance also states that the H&S Policy should require the Board to 'identify and understand the key issues involved, and to determine how best to communicate, promote and champion H&S across the organisation.'

Whilst the Board's H&S Policy Statement does not set out the role of individual Joint Board members it does highlight that overall and final responsibility for H&S is that of the Bridge Manager. The Board's H&S Policy Statement, is signed by the Bridge Manager and Chair of the Board, and documents a list of principles which the Board should apply in order to demonstrate its commitment to H&S. Such principles include integration of good H&S management procedures and identifying and managing H&S risks. We have concluded that the Board's H&S Policy Statement is adequate.

Supporting the H&S Policy Statement are numerous safe working procedures and method statements, which are accessible within the H&S database. Paper copies of the safe working procedures and method statements relating to frequently performed activities are also available to relevant staff. These documents refer to legislative requirements, staff responsibilities and hazard identification procedures. A review of the H&S database confirmed that safe working procedures were up to date.

## Management of Health & Safety

### **Objective 2: A formal risk identification and assessment process.**

The Maintenance Supervisor is responsible for ensuring that risk assessments are in place for all work activities undertaken in order to deal with the significant risks that the Board has identified surrounding its ongoing operations.

An overall risk assessment is in place for the Board, which is supported by further risk assessments for each specific activity undertaken. The risk assessments relating to specific activities are accessible through the H&S database. To ensure that the Board has identified its main operational risks a sample of 10 risk assessments was reviewed. High risk activities being the Board's main work activities. In each instance we found that the risk assessment was up to date, followed a standard template and that the information recorded was comprehensive. Each assessment documented the hazards identified; the existing controls; and rated risk according to likelihood and severity and recorded further actions to be taken in order to mitigate each risk identified.

Employer responsibilities within the COSHH (Control of Substances Hazardous to Health) Regulations of 2002 include:

- Implementing control measures to protect workers from hazardous substances.
- Preventing or adequately controlling exposure to hazardous substances.
- Providing employees with suitable and enough information, instruction and training, and appropriate protective equipment where necessary.
- Drawing up plans and procedures to deal with accidents and emergencies involving hazardous substances.
- Carrying out a COSHH risk assessment.

Our review found that COSHH assessments were in place for substances used by the Board. We reviewed a sample of five COSHH assessments and in each instance, we confirmed that the COSHH assessment was complete and up to date.

## Management of Health & Safety

### Objective 3: A H&S training programme which includes induction training, refresher training and training for new equipment or legislation

All new start employees meet with the Maintenance Supervisor or the Administrative Officer to undergo induction training. An induction checklist is completed by each new start and this is signed off by the employee and either the Maintenance Supervisor or Administrative Officer. The checklist requires the new start employee to confirm that the fire evacuation and muster point procedures have been explained to them; that a H&S staff handbook has been issued and discussed; that H&S induction risk assessments, method statements and COSHH assessments have been explained to them; and that protective clothing has been issued. Once completed the induction checklist is filed within the employee's personnel file. All staff are required to sign a document stating that they have read the Board's personal annual; agreed the H&S database in place; and have read view the risk assessments and method statements relevant to their specific duties.

All contractors must complete an induction checklist which covers a range of H&S matters: such as the main safety aspects of working on the bridge in relation to the contract; fire evacuation procedures; H&S standards and the reporting of incidents; H&S induction risk assessments, method statements, COSHH assessments and the requirement for protective clothing.

Training is a standing agenda item at management team meetings. Any additional training requirements are identified through the annual staff review and development process and are discussed at management team meetings.

The Board has a subscription with Kroner H&S advisors and as part of this arrangement receive regular H&S bulletins highlighting legislative changes. Such changes are discussed at management team meetings and the implications for the organization are disseminated to staff, where relevant. The Maintenance Manager also attends National Bridge, Tolls and Tunnels Group H&S meetings every six months and any issues raised at these meetings are fed back to the management team.

When new equipment is purchased at the Board the manufacturer will install the equipment and provide a demonstration to staff on how to use the item in line with manufacturers guidelines. Safe working procedures (SWP) have been developed for all high-risk activities. We reviewed a sample of six SWP and in each instance, we confirmed that these were complete and up to date.

## Management of Health & Safety

**Objective 4: Regular monitoring of H&S systems to ensure that they are functioning effectively including H&S audits, carried out either internally or by external agencies such as the Health and Safety Executive (HSE).**

The effectiveness of any H&S policy is monitored through accident / incident investigations and inspection audits. The Maintenance Manager is responsible for undertaking investigations of all H&S issues and inspections of all work sites.

In accordance with the Board's H&S Policy Statement, management perform quarterly random checks on works to ensure that safe working practices are being followed. The Maintenance Manager, in conjunction with the Union H&S representatives, also performs an annual inspection of all work sites and an action plan is prepared to address any areas of concern identified.

At the time of our audit no H&S reviews had been undertaken by external agencies such as the HSE during year financial year 2019/20.

**Objective 5: An incident and accident recording system with follow-up and implementation of new controls where required; and**

**Objective 6: Regular reporting of H&S to management and to the Board.**

The Board's H&S procedures require that all accidents and dangerous occurrences, whether liable for compensation or not, shall be thoroughly investigated by management and the appropriate documentation completed.

Adverse event and investigations forms are available within each department, which are used to record all incidents and near misses. All accident sheets and adverse events and investigations forms are submitted to the Maintenance Manager for review. Each accident / incident is investigated to determine the exact cause and circumstances surrounding the event.

At the time our audit was performed four staff accidents and two public incidents/accidents had been reported during 2019/20. Our review found that all accidents and incidents incurred during 2019/20 had been investigated and reported to the HSE, where applicable.

H&S is a standing agenda item at the management team meetings. A review of a sample of management team meeting minutes confirmed that all accidents / incidents and the outcomes of H&S inspections were reported through management team meetings.

There is a H&S Committee at the Board that meets every six months to discuss accidents / incidents, training and procedures. The Maintenance Manager, and Administrative Officer are the management representatives on this Committee.

The Bridge Manager prepares and submits an Annual H&S Monitoring Report to the Board. A review of the 2019 H&S Monitoring Report, submitted to the Joint Board in March 2019, found that the content of the Report was in line with the HSE guidance: 'Reviewing Health and Safety: Health and Safety in Annual Reports'.

## Management of Health & Safety

**Objective 7: To ensure H&S issues are appropriately considered during the development of maintenance and construction projects in accordance with the Construction Design and Management (CDM) Regulations 2015.**

The CDM regulations 2015 came into force on 6 April 2015, replacing CDM 2007, which cover the management of health, safety and welfare when carrying out construction projects, from concept to completion, and what each dutyholder must or should do to comply with the law to ensure projects are carried out in a way that secures health and safety. Under CDM 2015, clients are organisations for whom a construction project is carried out. For the purposes of CDM 2015 the Board is a Client where construction work is contracted out to a third party. The CDM 2015 outlines the responsibilities of the Client for construction projects. Although the Client is not expected to actively manage or supervise the work, they do have a big influence over the way the work is carried out. Whatever the size of the project, the Client decides which designer and contractor will carry out the work and how much money, time and resource is available. Under CDM 2015 the Client has several obligations, including:

- **Appoint the right people at the right time:** including a principal designer to plan, manage and coordinate the planning and design work; as well as a principal contractor. These are usually appointed as part of a competitive tender exercise which allows the Client to assess whether designers and contractors have the skills, knowledge and experience to identify, reduce and manage health and safety risks.
- **Ensure there are arrangements in place for managing and organising the project:** the principal designer should understand these types of risks and try to avoid them when designing the project. The principal contractor should manage the risks on site. The Client should discuss risks with the designer and contractor before work starts and throughout the project how risks are being managed.
- **Provide information to the designer and contractor:** this is captured within the specifications and requirements of a competitive tender exercise.
- **Ensure a construction phase plan is in place:** the principal contractor must draw up a plan explaining how health and safety risks will be managed. This should be proportionate to the scale of the work and associated risks and the Client should not allow work to start on site until there is a plan.
- **Keep the health and safety file:** at the end of the build the principal designer should provide a health and safety file. If the principal designer leaves before the end of the project, the principal contractor should do this. It is a record of useful information which will help manage health and safety risks during any future maintenance, repair, construction work or demolition.
- Larger, more complex construction projects must be notified to the HSE.



## Management of Health & Safety

**Objective 7: To ensure H&S issues are appropriately considered during the development of maintenance and construction projects in accordance with the Construction (Design and Management) Regulations 2015.**

We reviewed the documentation held by the Board for two significant construction projects undertaken in the last 12 months, from the tender phase through to project completion.

| Observation   | Risk  | Recommendation  | Management Response  |
|---|---|---|--|
| <p>Our review of project documentation confirmed that overall, the Board was able to evidence that it complied with its obligations under the CDM 2015, however the following weaknesses were noted:</p> <ul style="list-style-type: none"> <li>For both projects we noted that the pre-construction information provided by the principal designer outlining the project hazards, referred to risk assessment method statements (RAMS) which provided details of how these would be addressed. However, for one project we found that one of the RAMS could not be located at the time of our audit fieldwork.</li> <li>In general, whilst we confirmed that the documents that evidenced compliance with the CDM 2015 were in place, with the exception noted above, these were found to be contained within unfiled emails and various locations on the Board's internal computer network. To ensure that there are no gaps in the required documentation there would be benefit in developing a checklist to assist in the collation and recording of all of the evidence required to demonstrate that the Board is compliant with the CDM 2015 regulations.</li> </ul> | <p>Failure to comply with the CDM 2015 would indicate a failure to influence the management of health and safety on construction projects, which could potentially mean putting workers and others at risk of harm, and that the finished work may not achieve good standards and be value for money.</p> | <p><b>R1</b> A checklist should be developed, which allows the Board to ensure that all documents required under the CDM 2015 regulations have been received and to record where these documents are stored. This should include:</p> <ul style="list-style-type: none"> <li>Confirmation that a principal designer and principal contractors have been appointed;</li> <li>That a Pre-construction Information form has been completed which identifies that project specific hazards have been identified and correctly referenced to Risk Assessment Method Statements (RAMS);</li> <li>Where applicable, confirmation that projects have been notified to the HSE;</li> <li>Construction phase plans have been received;</li> <li>Confirmation that all RAMS have been provided;</li> <li>Where applicable, confirmation that the principal designer has notified the HSE; and</li> <li>On completion of the contract that the contractor has provided a H&amp;S file.</li> </ul> | <p>Agreed. A project file will be created for each new project at the following location in the secure management T drive:</p> <p>T:\TRB-Management\H&amp;S - Controlled Documentation\CDM</p> <p>Check list to be created by September 2020.</p> <p><b>To be actioned by:</b> Bridge Manager</p> <p><b>No later than:</b> 30 September 2020</p> |
|   |   |   | <p><b>Grade</b></p> <p><b>3</b></p>  |

## Management of Health & Safety

**Objective 7: To ensure H&S issues are appropriately considered during the development of maintenance and construction projects in accordance with the Construction (Design and Management) Regulations 2015 (continued).**

A review of the tender specifications for the two projects reviewed noted that the Invitation to Tender (ITT) did not include a requirement for contractors to provide an acknowledgement that they understand their obligations under the CDM 2015. Tender processes are conducted by Dundee City Council (DCC) on behalf of the Board under a Service Level Agreement. We were advised by representatives from DCC that this requirement is not included in ITTs as the successful contractor may then sub-contract some, or all, of the related works.

Under the CDM 2015 it is the legal responsibility of a contractor to ensure that any sub-contractor has the skills, knowledge, experience and capability to fulfil their roles, including being able to comply with the CDM 2015. As the Board is ultimately accountable for ensuring that health and safety requirements are being fulfilled and that, in as far as possible, all parties comply with the CDM 2015 it could be considered good practice for the Board to obtain a statement of assurance from the principal designer and contractor that sub-contractors understand their obligations under the CDM 2015. One mechanism for obtaining this assurance would be to make it a requirement of the Health & Safety questionnaire which forms part of the tender documentation. However, we recognise that this may not always be possible or practicable as the appointment of sub-contractors may not be made until after the appointment of the principal designer and contractors.

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# Tay Road Bridge Joint Board

## Data Protection

**Internal Audit Report No: 2020/05**

**Draft issued: 1 May 2020**

**Final issued: 5 May 2020**

**LEVEL OF ASSURANCE**

**Good**

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## Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

|                             |   |
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| <b>Good</b>                 | System meets control objectives.  |
| <b>Satisfactory</b>         | System meets control objectives with some weaknesses present.             |
| <b>Requires improvement</b> | System has weaknesses that could prevent it achieving control objectives. |
| <b>Unacceptable</b>         | System cannot meet control objectives.                                    |

## Action Grades

|                   |  |
|-------------------|--|
| <b>Priority 1</b> | Issue subjecting the organisation to material risk and which requires to be brought to the attention of the Joint Board. |
| <b>Priority 2</b> | Issue subjecting the organisation to significant risk and which should be addressed by the Bridge Manager.               |
| <b>Priority 3</b> | Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.     |

# Management Summary

## Overall Level of Assurance

|      |                                  |
|------|----------------------------------|
| Good | System meets control objectives. |
|------|----------------------------------|

## Risk Assessment

This review focused on the controls in place to mitigate the following risks on the Joint Board's Risk Register:

9 – Lack of Financial Resources (risk rating: medium)

## Background

As part of the Internal Audit programme at Tay Road Bridge Joint Board ('the Board') 2019/20 we carried out a review of the Board's data protection arrangements. Our Audit Needs Assessment identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Joint Board and the Bridge Manager that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

The EU General Data Protection Regulation (GDPR) was approved by the European Parliament in April 2016 and came into force across all EU member states, including the UK, on 25 May 2018. The GDPR has since been enshrined in UK law as part of the Data Protection Act 2018 (DPA 2018) and includes an expanded definition of what personal data is; includes a greater number of specific responsibilities; and has implemented significant fines for non-compliance. One of the key aspects of the new legislative duties is the accountability principle, in that an organisation must show how it complies with the data protection principles, with a focus on comprehensive but proportionate (risk-based) governance measures that should minimise the risk of breaches and uphold the protection of personal data.

## Data Protection

### Scope, Objectives and Overall Findings

It was agreed with management that this audit would include a high-level review of the Board's implementation of the Data Protection Act 2018, including the GDPR, and to ensure that processes and procedures are in place to allow compliance with this.

The table below notes the specific objectives for this review and records the results:

| Objective  | Findings     |                                 |   |   |
|--|--------------|---------------------------------|---|---|
| The objectives of our audit were to obtain reasonable assurance that:  |              | 1                               | 2 | 3 |
| 1. Appropriate action has been taken by the Board to comply with the DPA (and the GDPR).   | Good         | 0                               | 0 | 0 |
| 2. Additional requirements of the DPA, not included in the GDPR, have been identified and an action plan has been prepared to address these. | Good         | 0                               | 0 | 0 |
| 3. Adequate procedures are in place for the ongoing monitoring of compliance with data protection legislation.                               | Satisfactory | 0                               | 0 | 1 |
| Overall Level of Assurance   | Good         | 0                               | 0 | 1 |
|  |              | System meets control objectives |   |   |

### Audit Approach

Through discussion with the Bridge Manager we established the action taken to date by the Board, and any further action planned, to implement the DPA, including the requirements of the GDPR. The Information Commissioner's Office guidance was used as the basis for this discussion, and any additional action required highlighted.

### Summary of Main Findings

#### Strengths

- A data protection compliance framework has been established which includes a suite of policies, procedures, guidance, privacy notices, information registers, data breach and Subject Access Request reporting and monitoring arrangements.
- Independent advice and guidance on data protection legislation and the Board's data protection arrangements is provided by Dundee City Council's Information Governance Manager.
- Overall, we identified that the Board has reasonable data protection procedures in place.

### **Summary of Main Findings (continued)**

#### **Weaknesses**

- Although there was regular review of data protection issues by the management team, a formal programme of reporting of data protection issues had yet to be established, which will allow the Joint Board to gain assurance that it has an appropriate data protection compliance framework in place.

#### **Acknowledgements**

We would like to take this opportunity to thank the staff at the Board who helped us during our audit visit.



# Main Findings and Action Plan

### Objective 1: Appropriate action has been taken by the Board to comply with the GDPR.

Our audit included a review of the specific data protection arrangements in place within the Board, in order to obtain reasonable assurance that robust procedures have been established, and are operating, to ensure ongoing compliance with data protection legislation. We reviewed the findings documented in the Board's records of personal data processing activities and key policies and procedures to obtain an understanding of the Board's compliance environment.

Ahead of the GDPR implementation date 25 May 2018 Dundee City Council's (DCC) Information Governance Manager carried out a review of the Board's compliance with data protection legislation and readiness for the implementation for the GDPR. The review also included the provision of guidance and awareness training to the Board's management team. Following the review, the Board was provided with an action plan to address any compliance gaps. Our review confirmed that all the initial actions have now been implemented. The Board has continued to receive advice and guidance from the DCC Information Governance Manager as part of the Board's ongoing compliance with data protection legislation. The Board's 2019/20 Improvement Agenda includes an action to continue to update data protection procedures to ensure ongoing compliance with GDPR, and to develop a records management plan. To support achievement of this action a data protection action list has been developed which is monitored by the Board's management team and the DCC Information Governance Manager. At the time of our review we noted that four actions had still to be completed (three of which were in progress and a further one which had yet to commence). These actions covered:

- completion of SIA licences for CCTV operators.
- providing additional CCTV training for management and wider staff.
- reviewing the record of personal data processing activities to ensure that it remains accurate and up to date; and
- developing a records management plan.

Progress with all actions had been delayed due to the impact of the Covid-19 pandemic but were expected to be completed by the end of August 2020. Under the current circumstances we have concluded that this is a reasonable and achievable timeframe.

## Data Protection

### Objective 1: Appropriate action has been taken by the Board to comply with the GDPR (continued).

We noted that the Board's recorded personal data processing activities includes the data processing activities, data sources and categories of personal data, the lawful basis for processing for each type of activity and the data retention period. The findings documented of these activities were used to inform the development of the Board's data protection related policies, procedures, privacy notices and data protection training which has been made available to all staff.

Based on our review we are, overall, satisfied that the Board has good data protection policies and procedures in place.

### Objective 2: Additional requirements of the DPA, not included in the GDPR, have been identified and an action plan has been prepared to address these.

The GDPR, as a European regulation, is directly effective in EU Member States, meaning that all UK organisations must comply with it until the end of the Brexit transition period which is scheduled to end on 31 December 2020. The GDPR does provide Member States with limited scope to shape how certain aspects of the legislation may apply in their country. The DPA 2018 has enacted the GDPR in UK law and in doing so has included various 'de-gain's' as permitted by the GDPR, resulting in some key differences. Those which may potentially be applicable to the Board include:

- Criminal data: the GDPR requires those processing criminal data to have official authority, the DPA 2018 does not.
- Data subject rights: the GDPR ensures that all data subjects have rights in relation to the processing of their personal data; whilst the DPA 2018 allows these rights to be ignored in compliance with these rights should seriously impact an organisation's ability to carry out their functions when processing data for scientific, historical, statistical and archiving purposes.

Any additional requirements of the DPA 2018, which may impact the Board, were considered during the development of the Data Protection Policy and privacy notices. Any further requirements for the Board will be kept under review by the DCC Information Governance Manager and applied through future updates to procedures and guidance.

## Data Protection

### Objective 3: Adequate procedures are in place for the ongoing monitoring of compliance with data protection legislation.

Overall, the Board continues to implement the requirements of the GDPR / DPA 2018, and progress in implementing the data protection action list is monitored by Board management and the DCC Information Governance Manager. Review of data protection issues is a standing agenda item on Board management team meetings.

The Board continues to utilise the services of the DCC Information Governance Manager as part of its procedures for ongoing monitoring of data protection compliance.

| Observation   | Risk   | Recommendation  | Management Response   |
|---|--|---|---|
| We noted that summarised data protection information is not included within the suite of performance data reported to the Joint Board, and that data protection is not included as a regular item on the agenda of Joint Board meetings. In line with best practice, the Bridge Manager should report annually on data protection issues summarising data protection activity in the year and providing an analysis of the key compliance data including data breaches and associated outcomes, SARs, and training. | The Joint Board does not have appropriate oversight of data protection issues and therefore is unable to gain assurance that the Board has an appropriate data protection compliance framework in place. | <b>R1</b> Ensure that a formal programme of reporting of data protection issues is established which will allow the Joint Board to obtain reasonable assurance that an appropriate data protection compliance framework is in place and is operating. | <p>Agreed. This can be added to the TRBJB Board agenda. The Bridge Manager to agree with Board Officers when and format for how this will be reported prior to September 2020 Board.</p> <p><b>To be actioned by:</b> DCC Committee Services Officer / Bridge Manager</p> <p><b>No later than:</b> September 2020 Board meeting</p> |
|   |  |   | <div>Grade</div> <div>3</div>   |

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# Tay Road Bridge Joint Board

## Budgetary Control

**Internal Audit Report No: 2020/04**

**Draft issued: 1 May 2020**

**Final issued: 5 May 2020**

**LEVEL OF ASSURANCE**

**Good**

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## Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

|                             |   |
|-----------------------------|---|
| <b>Good</b>                 | System meets control objectives.  |
| <b>Satisfactory</b>         | System meets control objectives with some weaknesses present.             |
| <b>Requires improvement</b> | System has weaknesses that could prevent it achieving control objectives. |
| <b>Unacceptable</b>         | System cannot meet control objectives.                                    |

## Action Grades

|                   |  |
|-------------------|--|
| <b>Priority 1</b> | Issue subjecting the organisation to material risk and which requires to be brought to the attention of the Joint Board. |
| <b>Priority 2</b> | Issue subjecting the organisation to significant risk and which should be addressed by the Bridge Manager.               |
| <b>Priority 3</b> | Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.     |

# Management Summary

## Overall Level of Assurance

|      |                                  |
|------|----------------------------------|
| Good | System meets control objectives. |
|------|----------------------------------|

## Risk Assessment

This review focused on the controls in place to mitigate the following risks on the Joint Board's Risk Register:

9 – Lack of Financial Resources (risk rating: medium)

## Background

As part of the Internal Audit programme at Tay Road Bridge Joint Board ('the Board') 2019/20 we carried out a review of the Board's budgetary control arrangements. Our Audit Needs Assessment identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Joint Board and the Bridge Manager that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

The Board's budgeted revenue income 2019/20 is £1.735 million, comprising: £1.7 million Scottish Government Resource Grant; £0.025 million interest on revenue balances; and £0.01 million kiosk rent. Budgeted expenditure for 2019/20 amounts to £1.621 million comprising: £0.448 million administration costs; £0.501 million operations costs; £0.260 million plant and equipment costs; and £0.412 million bridge maintenance costs. The revenue monitoring report issued to the Board at its meeting in March 2020 projected an underspend of £0.054 million against a budgeted underspend of £0.115 million.

The Board's revised capital plan for 2019/20 budgeted £1.015 million for capital expenditure during 2019/20. Budgeted capital income for the year was financed through the £0.309 million Scottish Government Capital Grant allocation for 2019/20; £0.645 million Capital Grant carried forward from previous years; £0.054 million financed from 2019/20 revenue funding; and £0.006 million in capital receipts. The capital monitoring report issued to the Board at its meeting in March 2020 projected a final outturn of £1.015 million.

The Board has a service level agreement with Dundee City Council (DCC) for several financial services, including budgetary control. The agreed service agreement includes assistance with the preparation of annual revenue / capital budgets; the regular monitoring of revenue expenditure and preparation of budgetary control statements; and the monthly monitoring of capital expenditure and preparation of capital monitoring statements.

## Budgetary Control

### Scope, Objectives and Overall Findings

This review covered the processes and controls in place for budget setting and budgetary control within the Tay Road Bridge Joint Board.

The overall objective of our audit was to obtain reasonable assurance that adequate systems are in place covering budget setting and budgetary control.

The table below notes the specific objectives for this review and records the results:

| Objective  |      | Findings                        |   |   |
|--|------|---------------------------------|---|---|
| The objectives of our audit were to obtain reasonable assurance that the Board has:                            |      | 1                               | 2 | 3 |
| 1. Budgets are approved, controlled and monitored in accordance with the Financial Regulations and Procedures. | Good | 0                               | 0 | 0 |
| 2. The short, medium- and longer-term financial projections are based on sound information and assumptions.    | Good | 0                               | 0 | 0 |
| 3. Information is available to management which is up-to-date and in a format that can be easily understood.   | Good | 0                               | 0 | 0 |
| 4. Budget holders have the necessary skills for managing budgets.  | Good | 0                               | 0 | 0 |
| 5. Budget variations are reported and acted upon.  | Good | 0                               | 0 | 0 |
| 6. Management and the Joint Board regularly review the organisation's overall financial position.              | Good | 0                               | 0 | 0 |
| Overall Level of Assurance   | Good | 0                               | 0 | 0 |
|  |      | System meets control objectives |   |   |

### Audit Approach

We assessed whether the above objectives had been met by documenting the systems and controls through interviews with the Bridge Manager and Finance staff at Dundee City Council and by review of regulations, procedures and guidance issued to budget setters and holders. We reviewed the information provided to budget holders and the budget reports used internally and submitted to the Joint Board.



## Budgetary Control

### Summary of Main Findings

#### Strengths

- The Board's financial regulations set out clear responsibility for budget setting, approving and monitoring and these regulations are followed in practice.
- Assumptions used in developing budgets and financial projections are reasonable and clearly communicated to the Board.
- Easy to understand and adequate budget information is provided by Dundee City Council to the Bridge Manager each month on a timely basis.
- The Bridge Manager has the necessary skills and experience required to be able to manage budgets.
- There are clear responsibilities and processes for identifying and acting upon budget variations.
- Appropriate budget information is provided to the Board and is reviewed on a quarterly basis.

#### Weaknesses

No significant weaknesses were noted during our review.

#### Acknowledgements

We would like to take this opportunity to thank the staff at the Board who helped us during our audit visit.

# Main Findings and Action Plan

### Objective 1: Budgets are approved, controlled and monitored in accordance with the Financial Regulations and Procedures.

In accordance with the Board's Financial Regulations 'The Bridge Manager shall prepare a three yearly Revenue Budget of income and expenditure and shall provide the Treasurer with all necessary information regarding requirements on a timeous basis' and 'Decisions relating to the Revenue Budget shall be taken by the Board. The Treasurer shall submit the draft Revenue Budget to the Board for detailed consideration in light of any relevant decisions of the Board.'

The detailed form of the Capital Budget shall be determined by the Treasurer in accordance with the general directions of the Board. The Bridge Manager and the Engineer shall jointly prepare long-term Capital Plans and a medium-term three yearly Capital Budget of expenditure and shall provide the Treasurer with all necessary information regarding requirements on a timeous basis. The Treasurer shall submit the draft medium-term Capital Budget to the Board which will detail the Bridge Board's proposed capital programme and how it is to be financed.

The Financial Regulations also sets out that 'The primary responsibility for detailed monitoring and control of the Board's revenue and capital expenditure lies with the Bridge Manager' and also that 'The Treasurer shall report periodically to the Board on its actual and projected revenue and capital expenditure for each financial year'.

From discussions with staff and evidence obtained we concluded that these Regulations are being followed in practice.

### Objective 2: The short, medium- and longer-term financial projections are based on sound information and assumptions.

Information on key financial assumptions, and other factors impacting on budgets, is provided by the Bridge Manager to DCC and to the Treasurer as part of the development of revenue and capital budgets and this provides ample opportunity for scrutiny of assumptions. We noted that key assumptions and other significant factors are reported by the Treasurer to the Board as part of the budget approval process. Any amendments to assumptions or variances in budgets during the year are reported to the Board.

## Budgetary Control

### **Objective 3: Information is available to management which is up-to-date and in a format that can be easily understood.**

Good practice in relation to budget monitoring includes regular reporting of financial information to budget holders using a monthly or 4-weekly reporting periods showing:

- Committed expenditure and income to date;
- Variance against projected spend / income to date using, where appropriate, budget profiling; and
- Projected outturn (expected and, where relevant, income).

Budget monitoring reports should be in a format that is 'user friendly' and issued as soon after the relevant reporting period as is practicable to provide adequate opportunity for scrutiny and for any effective corrective action to be taken, where necessary. To facilitate this, reports should automatically highlight major variances (both under and over-spends) to direct the budget holder's attention to the expenditure or income headings where action may be required.

A Service Level Agreement is in place between the Board and Dundee City Council (DCC) which provides monthly budget information on both revenue and capital budgets to the Board's key budget holders, the Bridge Manager and Bridge Engineer.

Monthly management reports, issued by DCC to the Bridge Manager, highlight for each revenue budget heading the monthly and cumulative actual spend, full year budget and remaining balance. Projected outturn against budget is included in quarterly reports to Joint Board meetings.

From review of budget information produced and discussions with staff we concluded this information is easy to understand.

### **Objective 4: Budget holders have the necessary skills for managing budgets.**

The Bridge Manager has been in post for several years and has significant experience in managing contracts in both his current role (and in previous roles), including budget responsibility. The Bridge Manager is supported in managing the Board budget and interpreting revenue and capital monitoring reports by the DCC finance team and the Treasurer, if required.

Based on our review of the Board's financial performance over the last five years (including the audited financial statements) we have concluded that the Bridge Manager has the necessary skills, experience and support structure to allow budgets to be managed effectively.

## Budgetary Control

**Objective 5: Budget variations are reported and acted upon; and**

**Objective 6: Management and the Joint Board regularly review the organisation's overall financial position.**

In accordance with the Board's Financial Regulations, revenue and capital expenditure shall be restricted to that included in the appropriate Budget unless proposals for additional expenditure have been approved by the Board.

The Board's Financial Regulations allow virements to be used to fund expenditure if underspends are identified elsewhere. Virements under £10,000 must be discussed with the Treasurer and virements over £10,000 require formal approval from the Board.

Both revenue and capital budgets are reviewed quarterly by the Board. We reviewed the information provided to the Board and noted that it provides an appropriate summary of the organisation's financial position and explains all variances against budget to the Board. The impact of any overall overspend or underspend against budget on reserves is also noted.

From the evidence available we have concluded that budget variances are reported and acted upon and that the overall financial position is regularly monitored by senior management and the Board.

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# **Tay Road Bridge Joint Board**

## **Follow-Up Review**

**2019/20**

**Internal Audit Report No: 2020/06**

**Draft issued: 1 May 2020**

**Final issued: 5 May 2020**



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# 1. Management Summary

## Introduction and Background

We have been appointed as Internal Auditors to the Tay Road Bridge Joint Board ('the Board') for the period 1 April 2019 to 31 March 2022. The Internal Audit Plan for 2019/20 includes time for follow-up work on the recommendations made in our Internal Audit reports issued during 2018/19. These were:

- 2019/02 – Compliance with Legislation

Reports 2019/01, 2019/03, 2019/04 and 2019/06 did not contain an action plan and therefore no follow-up was required as part of this review.

Report 2019/05, Follow-Up Review 2018/19, did not include any outstanding actions that required to be followed up again this year.

## Audit Scope and Objectives

The objective of our follow-up review is to assess whether recommendations made in internal audit reports from 2018/19, and previous years, have been appropriately implemented and to ensure that, where little or no progress has been made towards implementation, that plans are in place to progress them.

## Audit Approach

The audit approach taken was as follows:

- to request from responsible officers for each report listed above an update on the status of implementation of the recommendations made;
- to ascertain by review of supporting documentation, for any significant recommendations within the reports listed above, whether action undertaken has been adequate; and
- preparation of a summary of the current status of the recommendations for the Board.



### Overall Conclusion

The Board has made good progress in fully implementing the single recommendation followed up as part of this review.

| <i>From Original Reports</i> |              |               | <i>From Follow-Up Work Performed</i> |                       |                            |
|------------------------------|--------------|---------------|--------------------------------------|-----------------------|----------------------------|
| Area                         | Rec'n Grades | Number Agreed | Fully Implemented                    | Partially Implemented | Little or No Progress Made |
| Compliance with Legislation  | 1            | -             | -                                    | -                     | -                          |
|                              | 2            | -             | -                                    | -                     | -                          |
|                              | 3            | 1             | 1                                    | -                     | -                          |
| <b>Total</b>                 |              | <b>1</b>      | <b>1</b>                             | <b>-</b>              | <b>-</b>                   |

The grades, as detailed below, denote the level of importance as they relate to each individual recommendation:

|                   |   |
|-------------------|---|
| <b>Priority 1</b> | Issues which require the consideration of the Joint Board.  |
| <b>Priority 2</b> | Significant matters which the Bridge Manager can resolve.   |
| <b>Priority 3</b> | Less significant matters, which do not require urgent attention, but which should be followed up within a reasonable timescale. |

### Acknowledgments

We would like to take this opportunity to thank the staff at the Board who assisted us during our review.

## Appendix I - Updated Action Plan: Internal Audit Report 2019/02 - Compliance with Legislation

| Recommendation   | Grade    | Comments   | Agreed Y/N | Responsible Officer For Action | Agreed Completion Date | Progress at April 2020  |
|--|----------|--|------------|--------------------------------|------------------------|---|
| <b>R1</b> Ensure that a review is conducted to inform the legal process required to make sure that the Tay Road Bridge Joint Board Byelaws are updated to reflect current legislation. | <b>3</b> | The Bridge Manager has agreed with Legal that a review will be undertaken during 2019. | Yes        | Clerk/Bridge Manager           | 30 June 2019           | Following consultation with the Board's legal advisors, Dundee City Council (and also communication with Transport Scotland) the Byelaws have been updated and are now ready to go out for public consultation. The consultation process will commence once the Covid-19 pandemic lockdown restrictions have been lifted.<br><br><b>Fully Implemented</b> |

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