

---

# *TAY ROAD BRIDGE JOINT BOARD*

---

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

TO: ALL MEMBERS OF THE TAY  
ROAD BRIDGE JOINT BOARD

Date 11th June, 2018

Dear Member

**TAY ROAD BRIDGE JOINT BOARD**

You are requested to attend a meeting of the **TAY ROAD BRIDGE JOINT BOARD** to be held in Committee Room 3, 14 City Square, Dundee on Monday, 18th June, 2018 at 10.00 am.

The agenda and papers are enclosed.

Please submit any apologies for absence to Willie Waddell, Committee Services Officer on telephone (01382) 434228 or email [willie.waddell@dundeecity.gov.uk](mailto:willie.waddell@dundeecity.gov.uk).

Yours faithfully

ROGER MENNIE

Clerk to the Joint Board



## **AGENDA OF BUSINESS**

### **1 DECLARATION OF INTEREST**

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

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

### **2 MINUTE OF PREVIOUS MEETING**

The minute of meeting of the Tay Road Bridge Joint Board held on 5th March, 2018 is submitted for approval, (copy attached).

### **3 OPERATIONAL RESTRICTIONS AND CLOSURES**

(Report No TRB3-2018 by the Bridge Manager, copy enclosed).

### **4 TENDER REPORT – NEW SWITCH GEAR DUNDEE AND FIFE**

(Report No TRB4-2018 by the Bridge Manager, copy enclosed).

### **5 RESPONSE TO INTERNAL AUDITORS ANNUAL REPORT TO MEMBERS**

(Report No TRB5-2018 by the Bridge Manager, copy enclosed).

### **6 LOCAL CODE OF CORPORATE GOVERNANCE**

(Report No TRB9-2018 by the Treasurer, copy enclosed).

### **7 ANNUAL GOVERNANCE STATEMENT FOR THE YEAR TO 31ST MARCH, 2018**

(Report No TRB10-2018 by the Treasurer, copy enclosed).

### **8 UNAUDITED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018**

(Report No TRB11-2018 by the Treasurer, copy enclosed).

### **9 2018/2019 INSURANCE PROGRAMME**

(Report No TRB8-2018 by the Treasurer, copy enclosed).

### **10 DATE OF NEXT MEETING**

The next meeting of the Joint Board will be held on Monday, 10th September, 2018 at 10.00 am in Committee Room 3, 14 City Square, Dundee.

**The Joint Board may resolve under Section 50(A)(4) of the Local Government (Scotland) Act 1973 that the press and public be excluded from the meeting for the undernoted item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 6, 9 and 12 of Part I of Schedule 7A of the Act.**

### **11 RUNWAY BEAMS**



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

At a MEETING of the **TAY ROAD BRIDGE JOINT BOARD** held at Dundee on 5th March, 2018.

Present:-

Depute Lord Provost Bill CAMPBELL, Bailie Fraser MACPHERSON and Councillors John DOCHERTY, Jonny TEPP, Bill CONNOR, Andy HEER, Stewart HUNTER, Lynne SHORT, Margaret RICHARDSON, George McIRVINE and Craig FOTHERINGHAM.

Also Present (Officers):-

Alan Hutchison, John Moir, Kenny McKaig, Bruce Crosbie (Audit Scotland) and David Archibald (Henderson Loggie).

Apologies for Absence:-

Apologies for absence were submitted on behalf of Councillor Brian Thomson and Fergus Wilson, Head of Design and Property (Dundee City Council).

Councillor Stewart HUNTER, Chairperson in the Chair.

## **I DECLARATION OF INTEREST**

There were no declarations of interest.

## **II MINUTE OF MEETING OF TAY ROAD BRIDGE JOINT BOARD OF 4TH DECEMBER, 2017**

The minute of the above meeting was submitted and approved.

## **III MATTERS ARISING**

(i) WINDSHIELDS

Reference was made to Article IV(ii) of the minute of meeting of this Joint Board of 4th December, 2017 whereby the Bridge Manager would report back to the Joint Board relative to the above.

The Joint Board having heard from the Bridge Manager agreed to take no further action.

## **IV OPERATIONAL RESTRICTIONS AND CLOSURES**

There was submitted Report No TRB4-2018 by the Bridge Manager appraising the Joint Board of the number and nature of operational restrictions and closures applied between 1st November, 2017 and 31st January, 2018.

The Joint Board agreed to note the contents of the report.

## **V TENDER REPORT – NEW PASSENGER LIFT**

There was submitted Report No TRB5-2018 by the Bridge Manager requesting authorisation to appoint Caltech Lifts Limited to carry out manufacture and installation of a new public passenger lift to service the bridge walkway in Dundee.

The Joint Board:-

- (i) instructed the Clerk to accept the tender offer of £72,124 from Caltech Lifts Ltd and;
- (ii) authorised expenditure of £91,000 which included an allowance of £18,876 for professional fees and contingencies.

## **VI RESPONSE TO INTERNAL AUDITOR'S REPORT ON HEALTH AND SAFETY – INCIDENT IDENTIFICATION AND RESPONSE**

There was submitted Report No TRB6-2018 by the Bridge Manager in response to Internal Audit Report No 2018/02 prepared by the Board's Internal Auditor, Henderson Loggie, relative to the above.

The Joint Board agreed to endorse the report as a formal response to the Internal Auditor's Report No 2018/02.

## **VII REVENUE MONITORING – TEN MONTHS TO 31ST JANUARY, 2018**

There was submitted Report No TRB1-2018 by the Treasurer appraising the Joint Board of the current monitoring position of its 2017/2018 Revenue Budget.

The Joint Board noted the content of the Revenue Monitoring Report as at 31st January, 2018.

## **VIII CAPITAL MONITORING – TEN MONTHS TO 31ST JANUARY, 2018**

There was submitted Report No TRB2-2018 by the Treasurer appraising the Joint Board of the current monitoring position of its 2017/2018 Capital Budget.

The Joint board noted the content of the Capital Monitoring Report as at 31st January, 2018.

## **IX EXTERNAL AUDIT ANNUAL PLAN 2017/2018**

There was submitted Report No TRB3-2018 by the Treasurer presenting to the Joint Board the External Audit Annual Plan for 2017/2018.

The Joint Board noted the content of the External Audit Annual Plan for 2017/2018.

## **X REVIEW OF STANDING ORDERS**

There was submitted Report No TRB7-2018 by the Clerk seeking the Joint Board's approval to the proposed amendments of the Joint Board's Standing Orders as detailed in the Appendix to the report.

The Joint Board agreed to:-

- (i) approve the amendments to the Standing Orders;
- (ii) remit the Clerk to the Joint Board to amend the Standing Orders accordingly and place them on the website for the Tay Road Bridge Joint Board; and
- (iii) that the amended Standing Orders be effective from the next meeting of the Joint Board.

## **XI AOCB**

There was no other competent business.

## **XII DATE OF NEXT MEETING**

The Joint Board agreed to note that the next meeting of the Joint Board would be held on Monday, 18th June, 2018 at 10.00 am in Committee Room 3, 14 City Square, Dundee.

Stewart HUNTER, Chairperson.

**ITEM No ...3.....**

**REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 18 JUNE 2018**  
**REPORT ON: REPORT ON OPERATIONAL RESTRICTIONS AND CLOSURES**  
**REPORT BY: THE BRIDGE MANAGER**  
**REPORT NO: TRB 03 - 2018**

**1 PURPOSE OF REPORT**

- 1.1 To appraise the Board of the number and nature of operational restrictions and closures applied between 1 February and 31 April 2018.

**2 RECOMMENDATIONS**

The Board are asked to note the contents of this Report as at 31 April 2018.

**3 FINANCIAL IMPLICATIONS**

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

**4 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 and 31 April 2018 is given over:-

4.1.1 **Single Carriageway Closure**

<b>Reason</b>	<b>Total Duration (Minutes)</b>	<b>No of Occasions</b>	<b>Average Duration (Minutes)</b>
Operational	295	95	3.11
Breakdown	43	6	7.17
Misc. Incidents	15	7	2.14
Single Lane Closures for maintenance	2034	19	107.05
Road works Contractor Contra-flow	0	0	0
Police Incidents	56	4	14

4.1.2 **Full Bridge Closure**

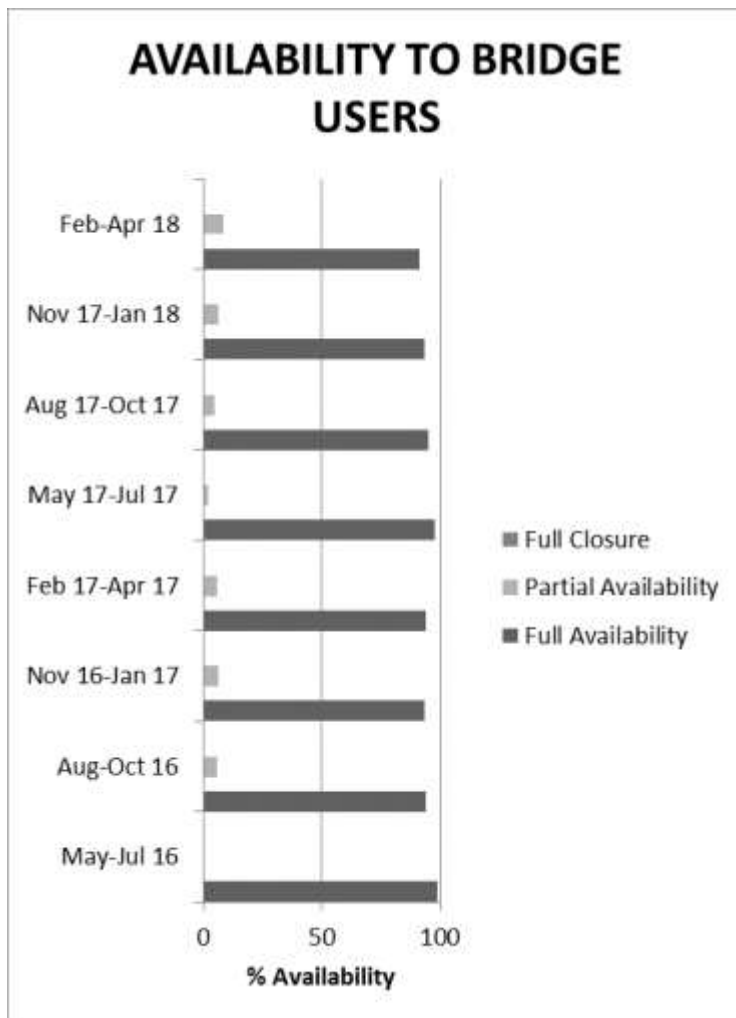
<b>Reason</b>	<b>Total Duration (Minutes)</b>	<b>No of Occasions</b>	<b>Average Duration (Minutes)</b>
Operational (Night Closures)	0	0	0
Police Incidents	90	2	45
Wind	0	0	0



4.1.3 High Winds/Weather Restrictions

Traffic Restricted	Total Duration (Minutes)	No of Occasions	Average Duration (Minutes)
Double Deck Buses	8200	12	683.33
High Sided	457	1	457
All traffic	0	0	0

4.1.4 Availability of Bridge



	Feb-Apr 17	May – July 17	Aug – Oct 17	Nov 17 – Jan 18	Feb – Apr 18
Full Availability	94.3	97.92	95.1	93.67	91.27
Partial Availability	5.6	2.04	4.7	6.29	8.66
Full Closure	0.1	0.04	0.2	0.04	0.07

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

Full availability in this quarter is down by 2.37% compared with the period between November 2017 and January 2018. This is due to wind speeds above 45mph restricting the passage of double decker buses. Full closure remains low at 0.07%.

#### **4.1.5 Summary of Bridge availability 1 February to 31 April 2018**

Full availability (No restrictions)	91.27
Partial Availability (Some restrictions)	8.66
No Availability (Full Closure)	0.07

## **5 TRAFFIC COUNT DATA**

### **5.1 Traffic Count Data from Dundee Ramps**

#### **ADDT – (Annual Average Daily Total)**

	2 <sup>nd</sup> Quarter 2017 (April – June 2017)	3 <sup>rd</sup> Quarter 2017 (July –Sept 2017)	4 <sup>th</sup> Quarter 2017 (October – Dec 2017)	1 <sup>st</sup> Quarter 2018 February – April 2018)
Northbound to West	6350	6321	6111	5800
Northbound to East	7327	7471	6684	5028
<b>Northbound Total</b>	<b>13677</b>	<b>13792</b>	<b>12795</b>	<b>10828</b>
Southbound from West	5890	5966	5588	5223
Southbound from East	8016	8062	7366	7033
<b>Southbound Total</b>	<b>13906</b>	<b>14028</b>	<b>12954</b>	<b>12256</b>
<b>Total</b>	<b>27583</b>	<b>27820</b>	<b>25749</b>	<b>23084</b>

The average total number of vehicles crossing the bridge daily in the first quarter of 2018 is 2665 vehicles less than in the fourth quarter of 2017.

## **6 POLICY IMPLICATIONS**

6.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no implications.

## **7 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 BACKGROUND PAPERS**

8.1 None

**ALAN HUTCHISON  
BRIDGE MANAGER  
22 MAY 2018**



<b>ITEM No ...4.....</b>
--------------------------

**REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 18 JUNE 2018**

**REPORT ON: TENDER REPORT – NEW SWITCH GEAR DUNDEE AND FIFE**

**REPORT BY: BRIDGE MANAGER**

**REPORT NO: TRB 04 - 2018**

**1 PURPOSE OF REPORT**

1.1 To authorise the appointment of IS McKenna Electrical Contractors Limited to supply and install new Switch Gear in the Fife and Dundee abutments.

**2 RECOMMENDATIONS**

2.1 It is recommended that:

- The Clerk to the Board be instructed to accept the tender offer of £146,718.61 from IS McKenna Electrical Contractors Ltd.
- The overall expenditure of £231,251.15 be authorised which includes an overall allowance of £84,532.46, comprising; professional fees and contingencies, and £38,609.52 for associated enhancements to sub-station utilities in Dundee and Fife.

**3 FINANCIAL IMPLICATIONS**

3.1 The Treasurer advises that the above expenditure can be met from within the Capital Budget for 2018/19.

**4 IMPLICATIONS TO BRIDGE USERS**

4.1 There will be no implications to Bridge Users. All essential services, including lights, CCTV, Variable Message Signs, traffic lights and Administration Office services will be maintained by the use of a generator as required.

**5 BACKGROUND**

5.1 The existing switch gear and panel boards were installed in 1987 and are now over 31 years old. Although they have been carefully maintained, various adaptations have been made over time to suit changing demands. This equipment currently supplies and distributes electricity to all of the bridges essential safety equipment and serves all electrical requirements in the Administration Office. Examples of safety critical equipment supplied by the Switch Gear includes all walkway and carriageway lighting; all Variable Message Signs; CCTV cameras; Navigation Lights; lighting of Fife car park; operation of all third party Kiosk services; under bridge lighting in Dundee, Cathode Protection to all columns, and the safety barriers, wig-wags and traffic lights.

5.2 It is considered that the existing panel boards are now of such an age that they represent an unacceptable risk to business continuity should they fail. Through assessing the condition and age of the equipment, and with due consideration of present and foreseeable future loading requirements, such as the addition of capacity

to service Electric Vehicle Charging Points, replacement of all Switch Gear and upgrade of supply is considered to be logical and appropriate.

5.3 Replacement of the switch gear will also allow a number of other issues to be addressed:

- uprated supply capacity in each location, Dundee and Fife
- better security of essential and non-essential supplies, whilst incorporating spare ways for each of these load categories
- future proof accessibility of spares and ease of servicing and maintenance,
- ease of access to the panelboards, in each location, i.e. restricted access issues in each location have been addressed
- the inclusion of metering facilities, which shall allow present and historic load information access for the total demand of each panelboard and including individual circuits
- security of continued operation in the event of loss of utility supply, through the inclusion of a temporary standby generator connection facility within each panelboard
- security of remote circuits through the inclusion of remote alarm/s, within each panelboard, which shall be accessible via a data connection, i.e. these can be accessed from the control tower

5.4 A Single Stage (Open) tender was invited through the Public Contract Scotland portal. Four compliant tender offers were returned:

- Colby Electrical Limited (Dundee) - £213,540
- Richard Irvin & Sons Limited (Dundee) - £184,861.59
- EW Edwardson (Electrical Contractors) Ltd (Glenrothes) - £168,551.17
- IS McKenna Electrical Contractors Limited (Kirriemuir) - £146,718.61

5.5 Evaluation of the Tenders was carried out on the basis of a price/quality split between the price criterion (60%) and quality criteria (40%), where submissions were assessed for compliance with specification, appraised on customer care processes and initiatives, along with how the contract will be managed and how fair work practises are evidenced. It is recommended that the offer from IS McKenna Electrical Contractors be accepted.

5.6 Allowances for professional fees, utility enhancements and contingencies require to be made giving a total expenditure of £231,251.15

5.7 It is noted that works will take approximately 13 weeks to complete with an anticipated start in Autumn 2018. Temporary generators will be used to ensure continuity of service at all times.

## **6 POLICY IMPLICATIONS**

6.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

3

---

**7      CONSULTATIONS**

7.1    The Clerk, Treasurer and Engineer have been consulted in the preparation of this report.

**8      BACKGROUND PAPERS**

8.1    None

**ALAN HUTCHISON  
BRIDGE MANAGER  
6 JUNE 2018**





ITEM No ...5.....
-------------------

**REPORT TO:** TAY ROAD BRIDGE JOINT BOARD – 18 JUNE 2018

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

**REPORT BY:** THE BRIDGE MANAGER

**REPORT NO:** TRB 05 - 2018

## 1 PURPOSE OF REPORT

1.1 This report is in response to the Annual Report, ref 2018/06, prepared by the Board's Internal Auditor, Henderson Loggie, on Management of Health and Safety – Incident Identification and Response, Data Protection, Procurement and Creditors/Purchasing and previous Audit follow up reviews. A copy of the Internal Auditor's report is included.

## 2 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 recommendations as set out in paragraphs 5.2 to 5.5 inclusive.

## 3 FINANCIAL IMPLICATIONS

3.1 There are no financial implications associated with this report.

## 4 BACKGROUND

### Introduction

4.1 The Board's Internal Audit Needs Assessment and Strategic Plan 2016 – 2019 (Henderson Loggie Report 2017/01 issued August 12 2016) 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. A review in August 2017 resulted in an internal audit programme for 2017/18 which was issued as part of Henderson Loggie report 2018/01. This programme confirmed that Health and Safety – Incident Identification and Response, Data Protection, Procurement and Creditors/Purchasing and Follow up reviews were areas of risk that were reviewed in 2017/18.

## 5. REPORT

### 5.1 Internal Auditor's Annual Report

- i) The Internal Auditor's Annual Report, Ref 2018/01, 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 individual reports below:-

2018/01	Internal Audit Annual Plan 2017/18
2018/02	Health and Safety - Incident Identification and Response
2018/03	Data Protection
2018/04	Procurement and Creditors/Purchasing
2018/05	Follow-up Reviews
2018/06	Annual Report to the Joint Board

Overall no significant issues identifying major internal control weaknesses were identified. All internal audit reports issued during 2017/18 concluded that the systems met control objectives.

During 2017/18 Henderson Loggie were pleased to report that work had been undertaken to clear a number of outstanding recommendations from periods since 2012/13. Only two "live" internal audit recommendations were classified as outstanding, one of which has been partially implemented and one where there has been no event to trigger the action.

In 2017/18 only one medium recommendation was raised and this related to the Board's website platform, which was to be transferred from an http to a more secure https platform. This action was fully implemented in April 2018.

Two minor recommendations were raised in the same report relating to procedures that should be developed as part of GDPR compliance preparations.

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 – 2

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

## 5.2 Priority 2 Action Point noted in 2018/05 Follow Up Report

- i) The following action was agreed as a result of the recommendations of the report but Henderson Loggie noted that there had been no action to trigger this recommendation:-
- Where appropriate Freedom of Information (FOI) and Data Protection responsibilities should be clearly documented within the employment contracts and job descriptions of Board Staff members.

## 5.3 Priority 2 Action Point Noted in 2018/03 Data Protection Report

- i) The following action was agreed as a result of the recommendations of the report:-
- The Tay Road Bridge web site is hosted using an http platform, and it is recommended that this be changed to a more secure https platform.

#### 5.4 Priority 3 Action Point Noted in 2018/03 Data Protection Report

- i) The following actions were agreed as a result of the recommendations of the report:-
- Data subject access requests may be submitted by former, as well as current, employees. Therefore, the Board should develop procedures for identifying and responding to such requests in an efficient and controlled manner to ensure that identification checks are performed.
  - Develop data breach response procedures which will ensure that the organisation can meet its reporting obligations within the required timescales.

#### 5.5 Priority 3 Action Point - Report 2018/05 – Follow Up Report

- i) The following actions were agreed as a result of the recommendations of the report:-
- Provide additional assurance that staff are conducting pre-start checks and completing the vehicle inspection log books by introducing random spot checks of vehicle log books throughout the year.

## 6 **POLICY IMPLICATIONS**

- 6.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no implications.

## 7 **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 **BACKGROUND PAPERS**

### 8.1 Internal Audit Reports

2018/01	Internal Audit Annual Plan 2017/18
2018/02	Health and Safety - Incident Identification and Response
2018/03	Data Protection
2018/04	Procurement and Creditors/Purchasing
2018/05	Follow-up Reviews
2018/06	Annual Report to the Joint Board

**ALAN HUTCHISON**  
**BRIDGE MANAGER**  
**22 MAY 2018**



**Tay Road Bridge Joint Board**

**Data Protection**

**Internal Audit Report No: 2018/03**

**Draft Issued: 21 May 2018**

**Final Issued: 29 May 2018**

**LEVEL OF ASSURANCE**

**Satisfactory**



## Contents

		Page No.
Section 1	Overall Level of Assurance	1
Section 2	Risk Assessment	1
Section 3	Background	1
Section 4	Scope, Objectives and Overall Findings	1 - 2
Section 5	Audit Approach	3
Section 6	Summary of Main Findings	3
Section 7	Acknowledgements	4
Section 8	Findings and Action Plan	5 - 9

### 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 Board Officers.
<b>Priority 3</b>	Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.

## 1. Overall Level of Assurance

**Satisfactory**

System meets control objectives with some weaknesses present.

## 2. 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 (risk rating: medium)

## 3. Background

As part of the Internal Audit programme at the Tay Road Bridge Joint Board ('the Board') for 2017/18 we carried out a review of the Board's arrangements for ensuring compliance with data protection legislation. Our Audit Needs Assessment, completed in July 2016, 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.

## 4. Scope, Objectives and Overall Findings

The scope of this review was to assess the adequacy and effectiveness of the processes and procedures in place to ensure compliance with the Data Protection Act 1998 and assess the preparations being made by the Board ahead of the implementation of the EU General Data Protection Regulation (GDPR).

On 15 December 2015, negotiation over the text of the new GDPR were concluded. The European Parliament and Council of Ministers formally adopted the GDPR in April 2016 and the Regulation came into force in May 2016. It will apply from 25 May 2018. The GDPR represents the most significant overhaul of Data Protection legislation in over 25 years. If an organisation cannot confirm full compliance with the Data Protection Act 1998 it will struggle to comply with the higher standards required under the GDPR.



## 4. Scope, Objectives and Overall Findings (continued)

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

Objective	Findings			
<b>The specific objectives of the audit were to ensure that:</b>		<b>1</b>	<b>2</b>	<b>3</b>
		<b>No. of Agreed Actions</b>		
1. Members of staff have been formally appointed with overall responsibility for implementation of the Data Protection Act 1998 and responsibilities for these members of staff have been clearly documented and communicated to all staff.	<b>Good</b>	0	0	0
2. Data Protection policies and procedures exist, that they comply with legislation, are revisited and revised regularly and are effectively communicated to all staff.	<b>Good</b>	0	0	0
3. There are appropriate information security arrangements in place, including guidance on identification checks prior to releasing information and a Data Protection breach plan or procedure.	<b>Satisfactory</b>	0	0	2
4. Where relevant, adequate Data Protection statements are included on Board forms.	<b>Good</b>	0	0	0
5. The Board has developed an awareness and training programme for all staff, including sufficient awareness training during the induction process, and that all staff have received this training.	<b>Good</b>	0	0	0
6. That arrangements are in place within the Board to ensure compliance with the EU General Data Protection Regulation (GDPR), which becomes effective in May 2018.	<b>Good</b>	0	0	0
<b>Overall Level of Assurance</b>	<b>Satisfactory</b>	<b>0</b>	<b>0</b>	<b>2</b>
		System meets control objectives with some weaknesses present		

## 5. Audit Approach

Relevant staff were interviewed to determine current working practices and the systems in place within the Board in relation to Data Protection were documented.

Guidance produced by the Information Commissioner's Office was used as a basis to review the Board's data protection policies and procedures for compliance with legislation. We also established through discussions with staff whether there is an adequate system in place to ensure policies and procedures are revisited and revised regularly and effectively communicated to staff.

## 6. Summary of Main Findings

### Strengths

- In accordance with the Board's Scheme of Delegation the Clerk to the Board has authority to deal with all matters relevant to the Data Protection Act. Data Protection responsibilities of the Joint Board and employees are documented within the Data Protection Policy.
- A 'Code of Practice for Operation of CCTV Equipment' is in place.
- The Board's data protection related policies and procedures are currently being reviewed to ensure that they meet the requirements of the GDPR.
- The Clerk to the Board, as Head of Legal Services at Dundee City Council, has undertaken Data Protection training, and data protection is included as part of staff induction training.
- In January 2018, Dundee City Council's Information Governance Manager carried out a review of the Board's current compliance with data protection legislation and readiness for the implementation for the GDPR ahead of 25 May 2018. The review also included the provision of guidance and awareness training to the Board's management team. An action plan is in place to address the 13 compliance gaps identified as part of the review conducted by the Council's Information Governance Manager. Our review, which was conducted during April 2018, assessed progress made in completing the actions and confirmed that 10 of the 13 actions were complete, or were work in progress at the time of our fieldwork, with the remaining 3 actions expected to be implemented by 25 May 2018.

### Weaknesses

- The Board's Data Protection Policy includes guidance on responding to data subject access requests, however detailed procedures for staff to follow, including performing identification checks prior to releasing information are not available.
- GDPR requires that organisations have appropriate procedures in place to evaluate and respond to data breaches and, in certain circumstances notify the ICO and the data subject within 72 hours of becoming aware of the breach. Response procedures have not been developed.
- The Board's website was found to contain a security vulnerability inherent in its design. The site was previously hosted in the 'http' and not the secure 'https' format meaning that any personal information captured and transmitted on the site was unencrypted. However, this vulnerability was flagged to the Bridge Manager who took immediate action to contact the Board's website support who quickly updated the website to the secure https format.

## 7. Acknowledgements

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

## 8. Findings and Action Plan

**Objective 1: Members of staff have been formally appointed with overall responsibility for implementation of the Data Protection Act 1998 and responsibilities for these members of staff have been clearly documented and communicated to all staff.**

In accordance with the Board's Scheme of Delegation the Clerk to the Board has authority to deal with all matters relevant to the Data Protection Act.

Data Protection responsibilities of the Board and employees are documented within the Data Protection Policy. Procedures are in place to ensure that a copy of the policy is provided to all staff, including new starts at induction, who are required to sign a declaration that they have read and understood the policy.

The Clerk to the Board is not an employee of the Board, however the post-holder's job description includes responsibility for advising on the formulation and implementation of legal policy at the Board.

**Objective 2: Data Protection policies and procedures exist, that they comply with legislation, are revisited and revised regularly and are effectively communicated to all staff.**

CCTV footage and staff members' details are the only personal information held by the Board. A 'Code of Practice for Operation of CCTV Equipment' is in place which states: "it is a requirement of the Data Protection Act that anyone registered to operate a CCTV system must do so strictly in accordance with the legislation and guidelines set out in the Data Protection Act 1998 and the CCTV Code of Practice 2008". Included within the Code of Practice are procedures for the retention and disposal of CCTV footage.

As noted under objective 1 above, a Data Protection Policy is in place which has been approved by the Joint Board which summarises the main principles of the Data Protection Act; incorporates the 'Code of Practice for Operation of CCTV equipment' and the subject access request procedures; and outlines the Board's policies for the retention, archiving and destruction of employees' personal details. Procedures are in place to ensure that a copy of the policy is provided to all staff. The policy is currently being reviewed to ensure that it meets the requirements of the GDPR.

**Objective 3: There are appropriate information security arrangements in place, including guidance on identification checks prior to releasing information and a Data Protection breach plan or procedure.**

A number of physical controls are in place which protect access to hard copy files containing personal or sensitive data, including data being located within areas restricted to senior staff and held within locked rooms and cabinets.

The data protection compliance review performed by Dundee City Council in January 2018 (refer to objective 6 below) identified additional actions to improve existing cyber security controls in relation to personal data held on the Board’s computer systems. These included: creating a separate folder to hold personal data which can only be accessed by the management team; and improving the records management processes to include regular review and deletion of personal data in line with recognised guideline on document retention. A review of progress made in April 2018 noted that these actions have now been fully implemented by the Board.

Observation	Risks	Recommendation	Management Response		
<p>The Board’s Data Protection Policy includes guidance on responding to data subject access requests, however detailed procedures for staff to follow, including performing identification checks prior to the release of information, are not yet available. GDPR requires that organisations have appropriate procedures in place to respond to data subject access requests within a reasonable timescale, where the reasonable timescale is deemed to be one month. Where the information cannot be readily gathered organisations may seek an extension to this provided that the data subject is given reasonable notice.</p>	<p>The Board does not respond to a data subject access request within one month.</p> <p>The Board does not verify the identify of an individual submitting a data subject access request resulting in wrongful disclosure of personal data.</p>	<p><b>R1</b> Data subject access requests may be submitted by former, as well as current, employees. Therefore, the Board should develop procedures for identifying and responding to such requests in an efficient and controlled manner to ensure that identification checks are performed and that a response is provided within the one month time limit.</p>	<p>Draft Subject Access request (SAR) procedures have been developed and will be reviewed by Dundee City Council’s Information Governance Manager prior to inclusion of the SAR form being added to the Board’s website.</p> <p><b>To be actioned by:</b> Bridge Manager</p> <p><b>No later than:</b> July 2018</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%; text-align: center;"><b>Grade</b></td> <td style="width: 40%; background-color: #76B82A; color: white; text-align: center; font-weight: bold; font-size: 1.2em;">3</td> </tr> </table>	<b>Grade</b>	3
<b>Grade</b>	3				

**Objective 3: There are appropriate information security arrangements in place, including guidance on identification checks prior to releasing information and a Data Protection breach plan or procedure (continued).**

Observation	Risks	Recommendation	Management Response	
<p>GDPR legislation requires that organisations have appropriate procedures in place to evaluate and respond to data breaches and, in certain circumstances, notify the ICO and the data subject within 72 hours of becoming aware of the breach.</p>	<p>The Board does not respond to and report a data breach within 72 hours of becoming aware of a breach.</p>	<p><b>R2</b> Develop data breach response procedures which will ensure that the organisation can meet its reporting obligations within the required timescales.</p>	<p>Draft Data Response procedures have been developed and will be reviewed by Dundee City Council’s Information Governance Manager and once approved issued to all staff.</p> <p><b>To be actioned by:</b> Bridge Manager</p> <p><b>No later than:</b> July 2018</p>	
			<b>Grade</b>	<b>3</b>

**Objective 3: There are appropriate information security arrangements in place, including guidance on identification checks prior to releasing information and a Data Protection breach plan or procedure (continued).**

During our review we identified that the Board's website contained a security vulnerability inherent in its design. The site was hosted in the 'http' and not the secure 'https' format meaning that any personal information captured and transmitted on the site was unencrypted. Given that the 'Contact us' page was used to capture individual's names and email contact details, the website would be within the scope of the GDPR. In order to reduce the risk of data breach occurring this vulnerability was flagged to the Bridge Manager who took immediate action to contact the Board's website support who quickly updated the website to the secure https format.

**Objective 4: Where relevant, adequate Data Protection statements are included on Board forms.**

The data protection compliance review performed by Dundee City Council in January 2018 (refer to objective 6 below) identified that privacy statements or fair processing notices were not included in all forms used to collect personal data, including data obtained from employees and from the public using the contact form on the Board's website. Actions to address the identified compliance gaps were raised with the Board in January with a target timescale for completion set as 31 March 2018. Our review of progress made in April 2018 found that these actions had yet to be implemented although discussions with the Bridge Manager noted that revised notices had been drafted and would be issued before the GDPR implementation date of 25 May 2018.

**Objective 5: The Board has developed an awareness and training programme for all staff, including sufficient awareness training during the induction process, and that all staff have received this training.**

The Clerk to the Board, as Head of Legal Services at Dundee City Council, has undertaken Data Protection training, and data protection is included as part of staff induction training.

The Bridge Manager receives regular Data Protection updates from the Scottish Information Commissioner, which informs him of any changes in legislation and good practice. During our review the Bridge Manager confirmed that, where relevant, staff have been informed of the importance of identifying and forwarding information requests on to the Bridge Manager. All staff have been provided with a copy of the Board's Data Protection Policy.

**Objective 6: That arrangements are in place within the Board to ensure compliance with the EU General Data Protection Regulation (GDPR), which becomes effective in May 2018.**

In January 2018 Dundee City Council's Information Governance Manager carried out a review of the Board's current compliance with data protection legislation and readiness for the implementation for the GDPR ahead of 25 May 2018. The review also included providing guidance and awareness training to the Board's management team.

Following the review, the Board was provided with an action plan to address 13 compliance gaps identified by the Information Governance Officer, including:

- updating privacy notices published on the Board's website;
- updating the new employee induction pack and forms used to gather employee data to ensure that the Board clearly explains why data is being collected, the lawful basis for doing so, an indication of how long the data will be retained and, where applicable, who the data is shared with;
- undertaking a data mapping exercise to confirm what data is processed by the Board and maintain a record of this;
- provide further training on the use of CCTV to all relevant staff and the management team; and
- improving cyber security controls in relation to the storing and access of electronic employee records.

In April 2018 we reviewed progress made by the Board and noted that four of the 13 actions have now been completed, with work having commenced on a further six actions with a target deadline of 30 April 2018. Work had yet to commence on the remaining three actions ahead of 25 May 2018, which include:

- amending CCTV image release forms to ensure that any requests are validated by peers;
- confirming staff have read and understood forms that are in use such as the CCTV information request form; and
- provide additional training to CCTV operatives and management, although it was noted that training on the appropriate use of CCTV was provided to management in January 2018.



**Tay Road Bridge Joint Board**

**Procurement and Creditors / Purchasing**

**Internal Audit Report No: 2018/04**

**Draft Issued: 21 May 2018**

**Final Issued: 29 May 2018**

**LEVEL OF ASSURANCE**

**Good**

## Content

### Page No.

<b>Section 1</b>	<b>Overall Level of Assurance</b>	<b>1</b>
<b>Section 2</b>	<b>Risk Assessment</b>	<b>1</b>
<b>Section 3</b>	<b>Background</b>	<b>1</b>
<b>Section 4</b>	<b>Scope, Objectives and Overall Findings</b>	<b>1 - 2</b>
<b>Section 5</b>	<b>Audit Approach</b>	<b>3</b>
<b>Section 6</b>	<b>Summary of Main Findings</b>	<b>3</b>
<b>Section 7</b>	<b>Acknowledgements</b>	<b>4</b>
<b>Section 8</b>	<b>Action Plan</b>	<b>5 - 8</b>

### 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 Board Officers.
<b>Priority 3</b>	Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.

## 1. Overall Level of Assurance

<b>Good</b>	System meets control objectives.
-------------	----------------------------------

## 2. Risk Assessment

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

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

## 3. Background

As part of the Internal Audit programme at the Board for 2017/18 we carried out a review of the Board's procurement processes and systems. The Audit Needs Assessment, completed in July 2016, 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 Bridge Manager is responsible for ensuring that procurement exercises undertaken achieve best value for money using quotes, tenders and other procurement procedures.

Expenditure should have a Purchase Order (PO) raised and authorised prior to placing orders with suppliers. All POs must be authorised in line with the authority limits detailed in the Board's Financial Regulations and Tender Procedures. POs are matched to invoices prior to being processed through the finance system and passed for payment.

## 4. Scope, Objectives and Overall Findings

This audit focused on the systems of internal control in place for the ordering of goods and services.

We also considered whether the procedures in place support best value purchasing in relation to non-pay spend (other operating expenses plus equipment fixed asset additions).

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

## 4. Scope, Objectives and Overall Findings (Continued)

Objective	Findings			
	No. of Agreed Actions			
The objective of this audit was to obtain reasonable assurance that:		1	2	3
1. The Board's Procurement Policy, Strategy and procurement guidance are comprehensive, kept up-to-date and in line with the Procurement Reform (Scotland) Act 2014 ('the Act') and The Procurement (Scotland) Regulations 2016 ('the Regulations').	Good	0	0	0
2. Procurement procedures ensure that: <ul style="list-style-type: none"> <li>◆ areas of high spend are monitored appropriately;</li> <li>◆ opportunities for pooling of expenditure are identified to achieve best value; and</li> <li>◆ collaborative procurements and frameworks available to the Board are utilised where appropriate.</li> </ul>	Good	0	0	0
3. Purchase orders are completed for relevant purchases and are approved by members of staff with sufficient delegated authority prior to issue to suppliers, with the risk of unauthorised and excessive expenditure being minimised.	Good	0	0	0
4. The Board's procurement guidance on quotes and tenders, together with the Act and Regulations, are being complied with.	Satisfactory	0	0	0
<b>Overall Level of Assurance</b>	Good	0	0	0
		System meets control objectives.		

## 5. Audit Approach

From discussions with the Bridge Manager and other relevant staff, we established what procurement strategies, procedures and monitoring arrangements are in place. These were then evaluated to establish if they follow recognised good practice.

Specifically, we established whether the procurement procedures ensure that areas of high spend are monitored appropriately, identifying opportunities for pooling of expenditure to achieve best value, and ensuring that joint purchasing arrangements are utilised where appropriate.

A sample of items of expenditure were selected from the financial ledger and tested to ensure compliance with the Board's Financial Regulations and Procedures. This included a review of the tender process and selection of successful contractors for capital works awarded in the year.

## 6. Summary of Main Findings

### **Strengths**

- The Board has procurement procedures which provide sufficient detail for staff to follow when carrying out procurement exercises.
- For our sample of 15 items of expenditure the value recorded on the finance system agreed to the original invoice. In all cases we found that the invoice had been appropriately authorised by the Board's Officers.
- For the sample of 15 items of expenditure tested we found that in 14 cases the Board's procurement procedures had been followed including, where applicable, obtaining the required number of quotes; conducting a tender exercise where appropriate threshold had been reached; publishing contract opportunities on the Public Contracts Scotland procurement portal; and undertaking mini-competitions or selecting suppliers from national framework agreements.

### **Weaknesses**

- Our testing identified one purchase with an annual value of between £10,000 and £25,000, which related to specialist bridge wind monitoring equipment as part of a three-year contract where the total value of the contract over the term was approximately £35,000. The Board's procedures stipulate that a contract of this value would ordinarily require a tender exercise to be conducted. Discussions with the Bridge Manager noted that due to the specialist nature of the purchase there were a limited number of suppliers available and that the purchase was required at short notice. Although a tender was not conducted in accordance with the Board's procedures our review found that the Bridge Manager acknowledges that the contracts should have been taken to the Board for approval and has provided assurances that this will happen in the future. We noted that the Bridge Manager had notified the Clerk to the Board of the contract award. Regular contract reviews are now undertaken by the Bridge Manager to ensure that contract renewals/awards for all services are considered well in advance of expiration.

## 7. Acknowledgements

We would like to thank staff at the Board for the co-operation and assistance we received during our review.

## 8. Action Plan

**Objective 1: The Board's Procurement Policy, Strategy and procurement guidance are comprehensive, kept up-to-date and in line with the Procurement Reform (Scotland) Act 2014 ('the Act') and The Procurement (Scotland) Regulations 2016 ('the Regulations').**

The Board does not have a standalone procurement policy. Instead procurement guidance and procedures are included in the Board's Tender Procedures which include details of procurement thresholds, authorisations and minimum number of quotes and tenders required. Additional guidance is also contained within the Financial Regulations. Both documents were updated and approved by the Joint Board in March 2018. We consider that these arrangements are appropriate given the context set out below.

The Procurement Reform (Scotland) Act 2014 ('the Act') was enacted on 18 April 2016 and created new public procurement rules aimed at improving public sector purchasing of goods, works and services in Scotland. All procurement for services and supplies above £50,000 in value and all works above £2 million have now become 'regulated contracts'. The Act also requires larger spending contracting authorities with significant procurement spend (where the total value of regulated contracts in a year exceed £5 million) to produce a Procurement Strategy before the start of any given financial year, setting out how it intends to carry out its regulated procurements (or to review its Procurement Strategy for the current financial year and make such revisions to it as the authority considers appropriate). Under current legislation, public bodies that are required to prepare a Procurement Strategy are also required to publish an annual Procurement Report and a two year forward plan outlining upcoming procurement activity. Since the legislation was enacted the Board's annual spend on regulated contracts has been below £5 million and so the Board has not been required to produce a Procurement Strategy, an annual Procurement Report or forward plan.

The Board's Tender Procedures outlines the Board's procurement principles, which all staff are expected to follow. The Procedures include guidance for staff on the selection of approved suppliers, and detailed procedures for varying procurement levels based on the anticipated value of goods or services. All staff are expected to adhere to the Policy and procedures to achieve best value.

**Objective 2: Procurement procedures ensure that:**

- ◆ **areas of high spend are monitored appropriately;**
- ◆ **opportunities for pooling of expenditure are identified to achieve best value; and**
- ◆ **collaborative procurements and frameworks available to the Board are utilised where appropriate.**

The Board does not have a formal Procurement Strategy in place; however tender and office procedures have been developed to ensure best value is achieved when purchasing goods and/or services. The Board maintains an approved suppliers list and each supplier on this list is also a Dundee City Council (the Council) approved supplier, unless the supplier relates to specialist bridge maintenance. By using the Council's approved suppliers, the Board can obtain the same level of discounts for goods / services as the Council does.

A framework agreement is a purchasing agreement that sets out the price, quality and quantity under which supply contracts can be made over a defined period. The main advantage of such agreements is that the Board would not be required to go through a full tendering process where goods or services can be procured under an existing framework agreement, which can result in significant resource savings.

There are several existing frameworks available to the Board, including Scotland Excel (the Centre of Procurement Expertise for the local government sector in Scotland) and the UK Government's Crown Commercial Services which are accessed through Dundee City Council's procurement team. Where relevant opportunities exist the Board also makes use of Tayside Procurement Consortium contracts, which can give the Board access to goods / services at a lower procurement cost by removing the need to conduct a separate tender exercise.

The Board has previously made limited use of national framework agreements. However, from discussion with the Bridge Manager we understand that the Board is aware of existing frameworks and these are reviewed prior to incurring significant spend to identify any suitable frameworks which would provide opportunities for reducing costs and obtaining best value. Many of the areas of high spend in relation to maintenance expenditure are specialist in nature due to the uniqueness of the Tay Road Bridge and therefore there are limited opportunities for utilising standard frameworks due to the limited number of suppliers that are available.



**Objective 3: Purchase orders are completed for relevant purchases and are approved by members of staff with sufficient delegated authority prior to issue to suppliers, with the risk of unauthorised and excessive expenditure being minimised.**

Purchase Orders (POs) are a key control to ensure that purchases are authorised before they are ordered. POs are authorised by the appropriate budget holder and, where required by the Board's procedures, a second signatory, prior to the order being placed with suppliers. Invoices received are matched to the corresponding POs and, where applicable, Goods Received Notes (GRNs) before being processed in the finance system and authorised for payment.

A sample of 15 items of expenditure were selected from the financial ledger and tested to ensure compliance with the Board's Financial Regulations and Procedures. In all 15 cases we confirmed that the value recorded on the finance system agreed to the original invoice. From the 15 purchases selected for testing we found that a PO had been raised and appropriately authorised on 14 occasions. The remaining purchase related to the safety boat service that had previously been subject to a competitive tender and therefore no PO had been raised.

Nine purchases within our sample were valued between £1,000 and £10,000 and in each instance, we found a purchase order had been raised and appropriately authorised. In seven of these nine instances we found that only one quote had been obtained as the specialist nature of the goods / service meant that only one supplier was available, or the item was procured from a framework agreement.

In all cases tested we found that invoices had been appropriately authorised in line with the Board's procedures and that the details agreed to POs and, where applicable, Goods Received Notes.

Budget monitoring is a key control to ensure that expenditure is not excessive. The Bridge Manager reviews budget reports produced by the Council's Finance team to ensure that sufficient budget is available in the relevant cost centre before placing orders.

All invoices are stamped before being uploaded into the Council's finance portal. The Council then posts invoices into the finance system and the system flags up any duplicate invoices or invoices with the same value that have been posted to the same supplier. Such controls help to prevent invoices being paid twice in error.

**Objective 4: The Board’s procurement guidance on quotes and tenders, together with the Act and Regulations, are being complied with.**

For the sample of 15 items of expenditure tested we found that in 14 cases the Board’s procurement procedures had been followed, including, where applicable, obtaining the required number of quotes, conducting a tender exercise where appropriate thresholds had been reached, publishing contract opportunities on the Public Contracts Scotland procurement portal and undertaking mini-competitions or selecting suppliers from national framework agreements. We identified one exception which has been reported below.

Included within our sample were three purchases relating to capital works each with a contract value of more than £50,000. We found that in one instance a tender had been undertaken in accordance with the Board’s procedures, and two further instances where the Board had utilised a national procurement framework. Each instance was reported to the Joint Board for approval in accordance with the Board’s tender procedures. Our sample also included one purchase valued between £25,000 and £50,000 which related to carriageway resurfacing works where the supplier had been appointed through the Dundee Roads Maintenance Framework and so a tender was not required.

Our testing identified one purchase with an annual value of between £10,000 and £25,000, which related to specialist bridge wind monitoring equipment. This purchase formed part of a five-year contract where the total value of the contract over the term was approximately £50,000. The Board’s procedures stipulate that a contract of this value would ordinarily require a tender exercise to be conducted and Board approval sought. Discussions with the Bridge Manager noted that due to the specialist nature of the purchase and that it was required at short notice, he considered it to fall within specialist circumstances outlined in paragraph 3.2 of the Tenders Procedures.

Although the contract was considered by the Bridge Manager to be special circumstances in line with paragraph 3.2 of the Tender Procedures, and therefore the contract award robust, the Bridge Manager acknowledges that the contracts should have been taken to the Board for approval and has provided assurances that this will happen in the future. We noted that the Bridge Manager had notified the Clerk to the Board of the contract award. Regular contract reviews are now undertaken by the Bridge Manager to ensure that contract renewals/awards for all services are considered well in advance of expiration.

**Tay Road Bridge Joint Board  
Follow-Up Reviews**

**2017/18**

**Internal Audit Report No: 2018/05**

**Draft Issued: 21 May 2018**

**Final Issued: 29 May 2018**



## CONTENT

<b>1. Management Summary</b>	<b>1 - 3</b>
• Introduction and Background	1
• Scope and Objectives of the Audit	1
• Audit Approach	1
• Overall Conclusion	1 - 3
• Acknowledgements	3
<b>2. Updated Action Plan - 2016/17</b>	<b>4</b>
<b>3. Updated Action Plan – 2014/15</b>	<b>7</b>
<b>4. Updated Action Plan – 2012/13</b>	<b>9</b>

## I. 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 2016 to 31 March 2019. The Internal Audit Plan for 2017/18 includes time for follow-up work on the recommendations made in our Internal Audit reports issued during 2016/2017. These were:

2017/03 – Management of Health & Safety - Vehicles;  
2017/05 – Payroll; and  
2017/06 – Follow-Up Reviews.

Reports 2017/01, 2017/03 and 2017/04 did not contain an action plan and therefore no follow-up was required as part of this review.

Report 2017/06 included two outstanding actions from 2014/15 and one from 2012/13 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 2016/17 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 Joint Board.

### Overall Conclusion

The Board has made good progress in fully implementing four of the six recommendations contained within the internal audit reports issued in 2016/17 (which included follow-up of three outstanding recommendations from previous internal audit reports issued in financial years 2012/13 and 2014/15).

Of the remaining two recommendations:

- One has been assessed as having no event occurring to action the recommendation. We previously recommended that Data Protection and Freedom of Information responsibilities should be clearly documented within the employment contracts and job descriptions of Board staff members. However, no new relevant appointments have been made since the recommendation was originally raised.
- One recommendation from 2017/05 – Payroll, issued in 2016/17, has been assessed as partially implemented. Although we obtained assurances from the Board's Officers that testing was being undertaken in line with the original recommendation, the results had not been formerly recorded to provide confirmation of this testing.

## Overall Conclusion (continued)

### 2016/17

From Original Reports			From Follow-Up Work Performed			
Area	Rec'n Grades	Number Agreed	Fully Implemented	Partially Implemented	Little or No Progress Made	No Event to Trigger Action
Management of Health & Safety Vehicles	1	-	-	-	-	-
	2	-	-	-	-	-
	3	1	-	1	-	-
<b>Total</b>		<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>
Payroll	1	-	-	-	-	-
	2	-	-	-	-	-
	3	2	2	-	-	-
<b>Total</b>		<b>2</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2016/17 Total</b>		<b>3</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>-</b>

### 2014/15

From Original Reports			From Follow-Up Work Performed			
Area	Rec'n Grades	Number Agreed	Fully Implemented	Partially Implemented	Little or No Progress Made	No Event to Trigger Action
Contract Management	A	-	-	-	-	-
	B	-	-	-	-	-
	C	1	1	-	-	-
<b>Total</b>		<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>
Compliance with Legislation	A	-	-	-	-	-
	B	1	1	-	-	-
	C	-	-	-	-	-
<b>Total</b>		<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2014/15 Total</b>		<b>2</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 2012/13

From Original Reports			From Follow-Up Work Performed			
Area	Rec'n Grades	Number Agreed	Fully Implemented	Partially Implemented	Little or No Progress Made	No Event to Trigger Action
Data Protection / Freedom of Information	A	-	-	-	-	-
	B	1	-	-	-	1
	C	-	-	-	-	-
<b>2012/13 Total</b>		<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>

<b>Grand Total</b>		<b>6</b>	<b>4</b>	<b>1</b>	<b>-</b>	<b>1</b>
--------------------	--	----------	----------	----------	----------	----------

## Overall Conclusion (continued)

The grades, as detailed below, denote the level of importance that should have been given to each recommendation:

Reports issued since 2015/16:

<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.

Reports issued prior to 2015/16:

The grades, as detailed below, denote the level of importance that should have been given to each recommendation:

- A Issues which require the consideration of the Joint Board.
- B Significant matters which can be resolved by the Bridge Manager.
- C Less significant matters, which do not require urgent attention, but which should be followed up within a reasonable timescale.

## Acknowledgements

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



## 2. Updated Action Plan 2016/17

### Internal Audit Report 2017/03 – Management of Health & Safety - Vehicles

Observation	Risk	Recommendation	Management Response	Progress at May 2018
<p>As part of our testing of vehicle inspection log books we identified two recorded faults. For each instance, we traced the fault to the Fault Register to confirm that these had been brought to the attention of management and that appropriate remedial action had been taken. Our findings included:</p> <ul style="list-style-type: none"> <li>Fault 1: Driver door offset and torn windscreen wiper. Fault was not recorded on the Faults Register but discussion with the Bridge Manager noted that this fault had been highlighted to management and repairs instructed to be carried out following identification of the issue.</li> <li>Fault 2: No rear-view mirror in vehicle. On further inspection, it was concluded by management that as the vehicle did not have any rear window visibility there was no need for a rear-view mirror to be fitted. Not deemed to be a fault and so no further action was taken.</li> </ul> <p>Following discussion with management at the time of our audit fieldwork a further reminder was issued to staff to ensure that faults are recorded in Faults Register and therefore we have not raised a recommendation at this time.</p>	<p>Should the Board be subject to an unannounced DVSA examination, there may be a risk of sanction where available records suggest that vehicle and driver log books are not being completed.</p>	<p><b>R1</b> To provide additional assurance that staff are conducting pre-start checks and completing the vehicle inspection log books in accordance with internal procedures management should consider introducing random spot checks of vehicle log books throughout the year.</p>	<p>Agreed. Please note that as of 15 February 2017 the TRBJB have an in-house and fully qualified and certified Transport Manager who has taken on the responsibility of ensuring vehicle road worthiness.</p> <p><b>To be actioned by:</b> Transport Manager</p> <p><b>No later than:</b> Start immediately</p>	<p>Per discussions with the Bridge Manager, vehicle log books are completed in line with the Board's procedures and random spot checks have been conducted to confirm practice. At the time of our follow-up review we noted that the results of random spot checks were not being recorded. Results will now be formally recorded, and this will be confirmed during the next follow-up review.</p> <p><b>Partially Implemented</b></p> <p><b>Revised implementation date:</b> Immediately</p>
			<p><b>Grade</b></p>	<p><b>3</b></p>

## Internal Audit Report 2017/05 – Payroll

## Objective 2: Starters and Leavers are properly treated and enter and leave the payroll system at the correct dates.

Observation	Risk	Recommendation	Management Response	Progress at May 2018
<p>There were no new starts in the year. Four staff left under the VER scheme during the year. In each case, we found that: an appropriate notification of cessation of employment was in place; a leaver's checklist was on file and completed with all relevant information captured; the termination date was correctly entered into Resourcelink; the Board's personnel records had been updated; and Inland Revenue and superannuation fund administrators appropriately advised.</p> <p>On cessation of employment a Recoverable Items checklist is required to be completed to ensure that all equipment and keys are returned by the employee. During our review, we found that there were no completed Recoverable Items checklists on file for three out of the four leavers in the year. Discussion with the Administration Assistant determined that the individuals left on 31<sup>st</sup> December 2016 at a time when Administration staff were on holiday. However, staff interviewed were confident that all items were recovered although accepted that the form should have been completed. In similar cases going forward, the Board should ensure that Recoverable Items checklists are completed on return from holiday so that there is no risk of any items not being returned. To ensure that payment ceased on the last day of service for all leavers we agreed the date of cessation of employment per the Board's records to the termination date recorded in the Resourcelink payroll system. No differences were noted.</p>	<p>The Board's assets and equipment including security keys are not returned.</p>	<p><b>R1</b> Ensure that Recoverable Items forms are completed for all leavers.</p>	<p>Agreed.</p> <p><b>To be actioned by:</b> Administration Officer</p> <p><b>No later than:</b> As required when staff members leave employment.</p>	<p>There was one leaver in 2017/18. The Recoverable Items form was reviewed and confirmed that items had been returned and that the form had been fully completed.</p> <p><b>Fully Implemented</b></p>
			<p><b>Grade</b></p>	<p><b>3</b></p>

Tay Road Bridge Joint Board  
Follow-Up Reviews**Objective 3: Overtime payments and other variations to pay are properly authorised, processed and recorded.**

Observation	Risk	Recommendation	Management Response	Progress at May 2018
<p>The Operations Manager and Administrative Assistant are the only members of Board staff with access to Resourcelink. They are responsible for the input of all monthly payroll amendments, such as overtime, mileage, sickness and maternity details, and any changes to employee standing data. Amendments relating to Operations staff and all starter and leaver details are recorded in a book maintained by the Operations Manager. The Operations Manager signs the book, each month, to evidence that the amendments and starter / leaver details have been entered onto the payroll system. The Administrative Assistant then checks that the details have been entered correctly and signs the book to evidence this.</p> <p>Similarly, all monthly payroll amendments relating to Maintenance staff are recorded on a 'payroll input' spreadsheet maintained by the Administrative Assistant. The spreadsheet is signed by the Administrative Assistant once she has entered the details onto the payroll system and then signed by the Operations Manager to evidence that the details per the spreadsheet have been agreed to the entries in the system. Following the retirement of the Operations Manager in March 2017, the Administration Assistant will be undertaking overtime processing for both Maintenance and Operations staff and therefore plans to amalgamate the two systems of processing and recording. The retiral of the Operations Manager impacts on the existing controls surrounding variations to pay and data input.</p>	<p>There will be no secondary checking of payroll amendments therefore incorrect or unauthorised changes could be made to payroll data.</p>	<p><b>R2</b> Consider how secondary checking of amendments to Resourcelink could be implemented following the re-structuring of Administration staff post March 2017.</p>	<p>On 1 April 2017 the staffing structure at the Tay Road Bridge was amended and the post of Maintenance Manager was regraded to reflect additional responsibilities including some duties previously undertaken by the Operations Manager. The Maintenance and Operations Manager (MOM) will now undertake secondary checking of payroll. The MOM is a chartered engineer.</p> <p><b>To be actioned by:</b> Maintenance and Operations Manager</p> <p><b>No later than:</b> 1 May 2017</p>	<p>The process now place includes input of data by the Administration Officer which is then checked by the Maintenance and Operations Manager and final authorisation by the Bridge Manager.</p> <p>A review of sample of payroll amendments confirmed that this process was operating as documented.</p> <p><b>Fully Implemented</b></p>
			<p><b>Grade</b></p>	<p><b>3</b></p>

## 4. Updated Action Plan 2014/15

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Previous Progress	Progress at May 2018
<p><b>2015/02 – Contract Management</b></p> <p><b>R4</b> Consider creating a contract management framework by including contract management requirements within the Board's Financial Regulations and preparing detailed contract management procedures which incorporate the items suggested in this report.</p>	C	Bridge Manager will discuss this with Clerk	Y	Bridge Manager	December 2015	<p><b>Progress at April 2016</b> Financial Regulations still to be updated. Revised completion date: December 2016</p> <p><b>Little or No Progress Made</b></p> <p><b>Progress at April 2017</b> Contract management requirements have been included in the Financial Regulations but these have not yet been approved by the Board. Formal approval will be obtained following the Council elections in May 2017. Revised completion date: June 2017</p> <p><b>Partially Implemented</b></p>	<p><b>Progress at May 2018</b> Contract Management procedures were approved by the Joint Board in 2017.</p> <p><b>Fully Implemented</b></p>

Tay Road Bridge Joint Board  
Follow-Up Reviews

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Previous Progress	Progress at May 2018
<p><b>2015/03 - Compliance with Legislation (Continued)</b></p> <p><b>R3</b> To ensure bribery prevention policies and procedures are embedded and understood throughout the organisation the related key policies and documents as referred to in the Fraud Guidelines should be updated at the time of their next review to also include a reference to the requirement to comply with the UK Bribery Act 2010 and cross referred to the Fraud Guidelines.</p>	B		Y	Bridge Manager	April 2016	<p><b>Progress at April 2016</b> Fraud Guidelines presented to and approved by the Joint Board in March 2016. Other key documents, such as Financial Regulations, to be updated at time of next review.</p> <p>Revised completion date: December 2016</p> <p><b>Partially Implemented</b></p> <p><b>Progress at April 2017</b> Reference to UK Bribery Act 2010 has been included in the Financial Regulations but have not yet been approved by the Board. Formal approval will be obtained following the Council elections in May 2017.</p> <p>Revised completion date: June 2017</p> <p><b>Partially Implemented</b></p>	<p><b>Progress at May 2018</b> References are now included within the Fraud Guidelines and Financial Regulations.</p> <p><b>Fully Implemented</b></p>

## 4. Updated Action Plan 2012/13

Original Recommendation	Grade	Comments	Agreed	Responsible Officer	Agreed Completion Date	Previous Progress	Progress at April 2018
<p><b>2013/02 – Data Protection / Fol</b></p> <p><b>R2</b> Where appropriate, Data Protection and Fol responsibilities should be clearly documented within the employment contracts and job descriptions of Board staff members.</p>	B	Agreed	Y	Clerk/Bridge Manager	<p><b>Original</b> 30 June 2013</p> <p><b>Revised</b> 31 December 2014</p>	<p><b>At April 2014:</b> Job descriptions will be reviewed and updated as and when posts become available. No new appointments have been made since recommendation was originally raised. <b>No Event to Trigger Action</b></p> <p><b>At May 2015:</b> No new appointments have been made since recommendation was originally raised. <b>No Event to Trigger Action.</b></p> <p><b>At April 2016:</b> No new relevant appointments have been made since recommendation was originally raised. <b>No Event to Trigger Action</b></p> <p><b>At April 2017:</b> No new relevant appointments have been made since the recommendation was originally raised. <b>No Event to Trigger Action</b></p>	<p>No new relevant appointments have been made since the recommendation was originally raised.</p> <p><b>No Event to Trigger Action</b></p>

**Tay Road Bridge Joint Board**

**Annual Report to the Joint Board and the Bridge  
Manager on the Provision of Internal Audit Services  
for 2017/18**

**Internal Audit Report No: 2018/06**

**Draft Issued: 21 May 2018**

**Final Issued: 29 May 2018**





## Contents

	<b>Page No.</b>
<b>1. Annual Report and Opinion</b>	<b>1 - 2</b>
<b>2. Reports Submitted</b>	<b>3</b>
<b>3. Summary of Results and Conclusions</b>	<b>4 - 11</b>
<b>4. Time Spent - Budget v Actual</b>	<b>12</b>
<b>5. Operational Plan for 2018/19</b>	<b>13</b>

## 1. Annual Report and Opinion

- 1.1 We were formally re-appointed in April 2016 as internal auditors of Tay Road Bridge Joint Board ('the Board') for the period 1 April 2016 to 31 March 2019. This report summarises the internal audit work performed during 2017/18.
- 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 2017/18 (internal audit report 2018/01, issued in August 2017). The ANA was prepared following discussion with the Bridge Manager and the external auditors, and with reference to the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom and from a review of previous internal and external audit reports and covers the three-year internal audit cycle from 2016/17 to 2018/19. The ANA was based on the previous internal audit risk assessment updated to reflect changes in the internal and external environment in the intervening period, and our own assessment of the risks faced by the Board. Following on from the ANA, a Strategic Plan was formulated covering the three-year cycle.
- 1.3 The Internal Audit Annual Plan 2017/18 reflected the allocation of days shown in Year 2 of the Audit Needs Assessment and Strategic Plan 2016 to 2019, with no changes made.
- 1.4 The work delivered during 2017/18 followed that set out in the Annual Plan for 2017/18. 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 shown 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 for next year in this report; and
  - Provide quality assurance through self-assessment and independent external review of our methodology and operating practices.
- 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 in May each year to confirm PSIAS compliance.
- 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.

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

- 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 MHA review in April 2014 included our internal audit service. Overall the review found the firm's policies and procedures relating to internal audit to be compliant with the PSIAS in all material respects.

### Significant Issues

- 1.10 There were no significant issues or major internal control weaknesses noted from our internal audit work during 2017/18. All internal audit reports issued during 2017/18 concluded that systems met control objectives.
- 1.11 During 2017/18 we are pleased to report that work has been undertaken to implement a number of outstanding internal audit recommendations which had been outstanding from periods as far back as 2012/13. As a result, our Follow-Up Reviews (Report 2018/05) confirmed that there were only two 'live' internal audit recommendations which were classified as partially implemented or where there had been no event to trigger to implement the original recommendation made.
- 1.12 As part of our fieldwork for report 2018/03 – Data Protection, we identified one issue relating to the security of the Board's website. Upon reporting the issue to management immediate action was taken to address the vulnerability identified. Two minor recommendations were raised in the same report relating to additional procedures that should be developed as part of the Board's GDPR compliance preparations. Action plans have been agreed to address both of the issues identified.
- 1.13 There were no instances of fraud identified during the course of the audit work carried out during the year.

### Opinion

- 1.14 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 Henderson Loggie based on the work that Henderson Loggie have undertaken.
- 1.15 In our opinion the Board operates adequate and effective internal control systems as defined in the Audit Needs Assessment. Proper arrangements are in place to promote and secure Value for Money. This opinion has been arrived at taking into consideration the work we have undertaken during the financial year to 31 March 2018 and as the internal auditor for the Board for the previous seven years.

## 2. Reports Submitted

				Priority 1	Priority 2	Priority 3
2018/01	Annual Plan 2017/18	N/A	N/A	-	-	-
2018/02	Health & Safety – Incident Identification and Response	N/A	N/A	-	-	-
2018/03	Data Protection	Good	3	-	1	2
2018/04	Procurement and Creditors / Purchasing	Good	-	-	-	-
2018/05	Follow-Up Reviews	N/A	Four points fully implemented, one had no event to trigger, leaving one which requires further action	-	1	1
2018/06	Annual Report	N/A	N/A	-	-	-

To aid the use of the action plan, our recommendations have been graded to denote the level of importance that should be given to each one. The gradings are as follows:

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

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.

## 3. Summary of Results and Conclusions

### 2018/01 – Annual Plan for 2017/18

**Final Issued: August 2017**

The purpose of this document was to present to the members of the Board the annual internal audit operational plan for the financial year ended 31 March 2018. The plan was based on the proposed allocation of audit days for 2017/18 set out in the Audit Needs Assessment and Strategic Plan 2016 to 2019. The detailed scope, objectives and audit approach for each audit assignment were arrived at following discussion with the Bridge Manager and were incorporated into this report.

### 2018/02 – Health & Safety – Incident Identification and Response Overall Grade - Good

**Final Issued: December 2017**

This audit reviewed the arrangements and procedures in place within the organisation to deal with Health & Safety issues, specifically relating to critical incidents within the locus of the Bridge which result in severe injury or fatality.

We discussed the major incident identification and response processes with the Bridge Manager and the Board's procedures in relation to providing early intervention, incident response and coordination with emergency services were evaluated.

No significant weaknesses were noted during our review and we identified a number of strengths in the Board's arrangements as follows:

- The Board has a risk management framework, including a risk register which is reported to the Joint Board. Annually, data on health & safety issues and bridge closures, including those resulting from critical incidents are reported to the Joint Board. Our review noted that although details of individual critical incident cases are not routinely brought to the Joint Board meetings, the Joint Board is presented with details of trends, themes for learning and operational improvement recommendations to address health & safety issues.
- The Board has developed a set of procedures which provide guidance and instruction to staff on the effective management of a critical incident and, where required, how staff are to be supported following involvement in such incidents.
- The Board has recently implemented, or is in the process of implementing, a number of measures which are designed to improve the organisation's ability to prevent, identify and respond to critical incidents. For example, an improved CCTV system with 26 units with enhanced imaging, have been positioned to ensure that visibility of the bridge and its approaches has been maximised.
- Earlier in the year, the Board participated in a study undertaken by the University of Dundee into the causes of critical incidents at the Tay Road Bridge since it was built. The study identified a number of factors and further analysis is planned by the University to examine ways in which the volume of critical incidents in the locus of the Bridge can be minimised going forward.

**2018/02 – Health & Safety – Incident Identification and Response (continued)**

- All staff have received suicide prevention training from the Samaritans and key operational staff have also received training from Applied Suicide Intervention Skills Training (ASIST).
- Incident reporting procedures are in place to ensure that details of incidents are used to inform incident debriefs and to determine if further training is needed for staff as part of risk mitigation of future events, or to improve the Board’s response to similar critical incidents.

The table below notes each separate objective for this review (which collectively underpin the overall objective) and records the results:

Objective	Findings			
<b>The specific objectives of the audit were to obtain reasonable assurance that:</b>				
	<b>1</b>	<b>2</b>	<b>3</b>	
	<b>No. of Agreed Actions</b>			
1. Existing governance arrangements over the Board’s approach to incident identification, response and management are adequate.	<b>Good</b>	0	0	0
2. A framework is in place to support staff in implementing effective responses to incidents and potential crisis situations.	<b>Good</b>	0	0	0
3. There is effective communication and coordination between Board staff and the emergency services.	<b>Good</b>	0	0	0
4. Adequate training has been provided to improve the capability of staff to implement appropriate and timely responses to incidents and crises.	<b>Good</b>	0	0	0
5. Procedures are in place to ensure that staff are offered adequate support and counselling following a stressful or traumatic event.	<b>Good</b>	0	0	0
<b>Overall Level of Assurance</b>	<b>Good</b>	<b>0</b>	<b>0</b>	<b>0</b>
		System meets control objectives		

**2018/03 – Data Protection**  
**Overall Grade - Satisfactory**

**Final Issued: May 2018**

The scope of this review was to assess the adequacy and effectiveness of the processes and procedures in place to ensure compliance with the Data Protection Act 1998 and assess the preparations being made by the Board ahead of the implementation of the EU General Data Protection Regulation (GDPR).

Relevant staff were interviewed to determine current working practices and the systems in place within the Board in relation to Data Protection were documented.

Guidance produced by the Information Commissioner’s Office was used as a basis to review the Board’s data protection policies and procedures for compliance with legislation. We also established through discussions with staff whether there is an adequate system in place to ensure policies and procedures are revisited and revised regularly and effectively communicated to staff.

Overall, we found that:

- In accordance with the Board’s Scheme of Delegation the Clerk to the Board has authority to deal with all matters relevant to the Data Protection Act. Data Protection responsibilities of the Joint Board and employees are documented within the Data Protection Policy.
- A ‘Code of Practice for Operation of CCTV Equipment’ is in place.
- The Board’s data protection related policies and procedures are currently being reviewed to ensure that they meet the requirements of the GDPR.
- The Clerk to the Board, as Head of Legal Services at Dundee City Council, has undertaken Data Protection training, and data protection is included as part of staff induction training.
- In January 2018, Dundee City Council’s Information Governance Manager carried out a review of the Board’s current compliance with data protection legislation and readiness for the implementation for the GDPR ahead of 25 May 2018. The review also included the provision of guidance and awareness training to the Board’s management team. An action plan is in place to address the 13 compliance gaps identified as part of the review conducted in January 2018. Our review, conducted in April 2018, assessed the progress made in completing the actions identified by the Council’s Information Governance Manager and we confirmed that 10 of the 13 actions were complete, or were work in progress at the time of our fieldwork, with the remaining 3 actions expected to be implemented by 25 May 2018.

One significant weakness was identified during our review regarding the Board’s website security where the site was using the ‘http’ and not the secure ‘https’ format. This meant that any personal information captured and transmitted on the site was unencrypted. Upon reporting this issue immediate action was taken by management to address the vulnerability identified.

The table below notes each separate objective for this review (which collectively underpin the overall objective) and records the results:

2018/03 – Data Protection (continued)

Objective	Findings			
	1	2	3	
<b>The specific objectives of the audit were to ensure that:</b>	<b>No. of Agreed Actions</b>			
1. Members of staff have been formally appointed with overall responsibility for implementation of the Data Protection Act 1998 and responsibilities for these members of staff have been clearly documented and communicated to all staff.	Good	0	0	0
2. Data Protection policies and procedures exist, that they comply with legislation, are revisited and revised regularly and are effectively communicated to all staff.	Good	0	0	0
3. There are appropriate information security arrangements in place, including guidance on identification checks prior to releasing information and a Data Protection breach plan or procedure.	Satisfactory	0	0	2
4. Where relevant, adequate Data Protection statements are included on Board forms.	Good	0	0	0
5. The Board has developed an awareness and training programme for all staff, including sufficient awareness training during the induction process, and that all staff have received this training.	Good	0	0	0
6. That arrangements are in place within the Board to ensure compliance with the EU General Data Protection Regulation (GDPR), which becomes effective in May 2018.	Good	0	0	0
<b>Overall Level of Assurance</b>	<b>Satisfactory</b>	<b>0</b>	<b>0</b>	<b>2</b>
		System meets control objectives with some weaknesses present		



**2018/04 – Procurement and Creditors / Purchasing  
 Overall Grade - Good**

**Final Issued: May 2018**

This audit focused on the systems of internal control in place for the ordering of goods and services. We also considered whether the procedures in place support best value purchasing in relation to non-pay spend (other operating expenses plus equipment fixed asset additions).

From discussions with the Bridge Manager and other relevant staff, we established the procurement strategies, procedures and monitoring arrangements in place. These were then evaluated to establish whether they follow recognised good practice. Specifically, we established whether the procurement procedures ensure that areas of high spend are monitored appropriately, identifying opportunities for pooling of expenditure to achieve best value, and ensuring that joint purchasing arrangements are utilised where appropriate.

A sample of items of expenditure were selected from the financial ledger and tested to ensure compliance with the Board's Financial Regulations and Procedures. This included a review of the tender process and selection of successful contractors for capital works awarded in the year.

Although there were no significant weaknesses noted during our review, our audit testing did identify one purchase which related to specialist bridge wind monitoring equipment as part of a five-year contract where the total value of the contract over the term was approximately £50,000. The Board's procedures stipulate that a contract of this value would ordinarily require a tender exercise to be conducted. Discussions with the Bridge Manager noted that due to the specialist nature of the purchase there were a limited number of suppliers available and that the purchase was required at short notice. Although a tender was not conducted in accordance with the Board's procedures our review found that the Bridge Manager acknowledges that the contracts should have been taken to the Board for approval and has provided assurances that this will happen in the future. We noted that the Bridge Manager had notified the Clerk to the Board of the contract award. Regular contract reviews are now undertaken by the Bridge Manager to ensure that contract renewals/awards for all services are considered well in advance of expiration.

The table below notes each separate objective for this review (which collectively underpin the overall objective) and records the results:

2018/04 – Procurement and Creditors / Purchasing (continued)

Objective	Findings			
	No. of Agreed Actions			
The objective of this audit was to obtain reasonable assurance that:	1	2	3	
1. The Board's Procurement Policy, Strategy and procurement guidance are comprehensive, kept up-to-date and in line with the Procurement Reform (Scotland) Act 2014 ('the Act') and The Procurement (Scotland) Regulations 2016 ('the Regulations').	Good	0	0	0
2. Procurement procedures ensure that: <ul style="list-style-type: none"> <li>◆ areas of high spend are monitored appropriately;</li> <li>◆ opportunities for pooling of expenditure are identified to achieve best value; and</li> <li>◆ collaborative procurements and frameworks available to the Board are utilised where appropriate.</li> </ul>	Good	0	0	0
3. Purchase orders are completed for relevant purchases and are approved by members of staff with sufficient delegated authority prior to issue to suppliers, with the risk of unauthorised and excessive expenditure being minimised.	Good	0	0	0
4. The Board's procurement guidance on quotes and tenders, together with the Act and Regulations, are being complied with.	Satisfactory	0	0	0
<b>Overall Level of Assurance</b>	<b>Good</b>	<b>0</b>	<b>0</b>	<b>0</b>
		System meets control objectives.		

## 2018/05 – Follow-Up Reviews

### Final Issued: May 2018

We carried out a follow up review of recommendations made in the following internal audit reports issued during 2016/17:

2017/03 – Management of Health & Safety - Vehicles;  
2017/05 – Payroll; and  
2017/06 – Follow-Up Reviews.

Reports 2017/01, 2017/03 and 2017/04 did not contain an action plan and therefore no follow-up was required as part of this review.

Report 2017/06 included two outstanding actions from 2014/15 and one from 2012/13 that required to be followed up again this year.

The Board has made good progress in fully implementing four of the six recommendations contained within the internal audit reports issued in 2016/17 (which included follow-up of three outstanding recommendations from previous internal audit reports issued in financial years 2012/13 and 2014/15).

Of the remaining two recommendations:

- One has been assessed as having no event occurring to action the recommendation. We previously recommended that Data Protection and Freedom of Information responsibilities should be clearly documented within the employment contracts and job descriptions of Board staff members. However, no new relevant appointments have been made since the recommendation was originally raised; and
- One recommendation from 2017/03 – Management of Health & Safety - Vehicles, issued in 2016/17, has been assessed as partially implemented. Although we obtained assurances from the Board's Officers that testing was being undertaken in line with the original recommendation, the results had not been formerly recorded to provide confirmation of this testing.

Tay Road Bridge Joint Board  
Annual Report 2017/18

2018/05 – Follow-Up Reviews (continued)

2016/17

From Original Reports			From Follow-Up Work Performed			
Area	Rec'n Grades	Number Agreed	Fully Implemented	Partially Implemented	Little or No Progress Made	No Event to Trigger Action
Management of Health & Safety - Vehicles	A	-	-	-	-	-
	B	-	-	-	-	-
	C	1	-	1	-	-
<b>Total</b>		<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>
Payroll	A	-	-	-	-	-
	B	-	-	-	-	-
	C	2	2	-	-	-
<b>Total</b>		<b>2</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2014/15 Total</b>		<b>3</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>-</b>

2014/15

From Original Reports			From Follow-Up Work Performed			
Area	Rec'n Grades	Number Agreed	Fully Implemented	Partially Implemented	Little or No Progress Made	No Event to Trigger Action
Contract Management	A	-	-	-	-	-
	B	-	-	-	-	-
	C	1	1	-	-	-
<b>Total</b>		<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>
Compliance with Legislation	A	-	-	-	-	-
	B	1	1	-	-	-
	C	-	-	-	-	-
<b>Total</b>		<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2014/15 Total</b>		<b>2</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>

2012/13

From Original Reports			From Follow-Up Work Performed			
Area	Rec'n Grades	Number Agreed	Fully Implemented	Partially Implemented	Little or No Progress Made	No Event to Trigger Action
Data Protection / Freedom of Information	A	-	-	-	-	-
	B	1	-	-	-	1
	C	-	-	-	-	-
<b>2012/13 Total</b>		<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>

<b>Grand Total</b>		<b>6</b>	<b>4</b>	<b>1</b>	<b>-</b>	<b>1</b>
--------------------	--	----------	----------	----------	----------	----------

## 4. Time Spent - Budget v Actual

	Report Number	Planned Days	Actual days fee'd	Days to fee at May 2018	Days to spend / WIP	Variance
<b>Reputation</b>						
<i>Health &amp; Safety – Incident Identification and Response</i>	2018/02	3	3	-	-	-
<b>Financial Issues</b>						
<i>Procurement and Creditors / Purchasing</i>	2018/04	5	5	-	-	-
<b>Information and IT</b>						
<i>Data Protection</i>	2018/03	3	3	-	-	-
<b>Other Audit Activities</b>						
Management and Planning )	2018/01	2	2	-	-	-
External audit )						
Attendance at committees )						
Follow-up reviews	2018/05	2	2	-	-	-
<b>Total</b>		15	15	-	-	-

## 5. Operational Plan for 2018/19

- 5.1 Following our appointment as internal auditors for the period from 1 April 2016 to 31 March 2019 we prepared an Audit Needs Assessment and Strategic Plan for 2016 to 2019 (internal audit report 2017/01, issued in August 2016).
- 5.2 The following is an extract from the Strategic Plan, in relation to 2018/19. This will be discussed with management and updated if appropriate before being finalised for next year.

### Proposed Allocation of Audit Days 2018/19

	Priority	Planned 18/19 Days
<b>Reputation</b>		
Management of Health and Safety	M	
Compliance with legislation	L	3
<b>Staffing Issues</b>		
Workforce Management	L	
Payroll	L	
<b>Estates and Facilities</b>		
Bridge Asset Management )	M	3
Asset management )		
Capital Projects	M	2
<b>Financial Issues</b>		
Procurement and creditors / purchasing	M	
Debtors / income	M	
<b>Organisational Issues</b>		
Risk management / Business Continuity Planning	M	
Corporate governance	L	3
<b>Information and IT</b>		
Compliance with Data Protection Act	M	
<b>Other Audit Activities</b>		
Management and Planning )		2
External audit )		
Attendance at committees )		
Follow-up reviews	Various	2
ANA		
<b>Total</b>		<u>15</u> =====

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

**REPORT TO: TAY ROAD BRIDGE JOINT BOARD - 18 JUNE 2018**

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

**REPORT BY: TREASURER**

**REPORT NO: TRB 9-2018**

## **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 Review and updated Local Code of Corporate Governance as detailed in Appendix 1.
- ii) Notes the progress against the 2017/2018 improvement action plan in Appendix 2.
- iii) Approves the implementation of the improvements listed in Appendix 3 for 2018/2019.

## **3 FINANCIAL IMPLICATIONS**

None.

## **4 BACKGROUND**

4.1 The Code of Corporate Governance was developed by CIPFA / SOLACE (Chartered Institute of Public Finance & Accountancy / Society of Local Authority Chief Executives) in 2008. The Board strives to meet the highest standards of corporate governance so that it achieves its objectives and minimises risks. The annual review seeks to maintain a high standard and continue to improve. An annual governance statement is included in the Joint Board's Annual Report and Accounts.

4.2 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 this document.

4.3 Previous 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 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 The scoring mechanism assesses the detailed extent of the Joint Board's compliance with the guidelines as presented in the Appendix. 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 3 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.

**6 POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major implications.

**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**

**6 JUNE 2018**





Tay Road Bridge

---

# LOCAL CODE OF CORPORATE GOVERNANCE

---

**JUNE 2018**

## TAY ROAD BRIDGE JOINT BOARD

### LOCAL CODE OF CORPORATE GOVERNANCE (2017)

#### 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.

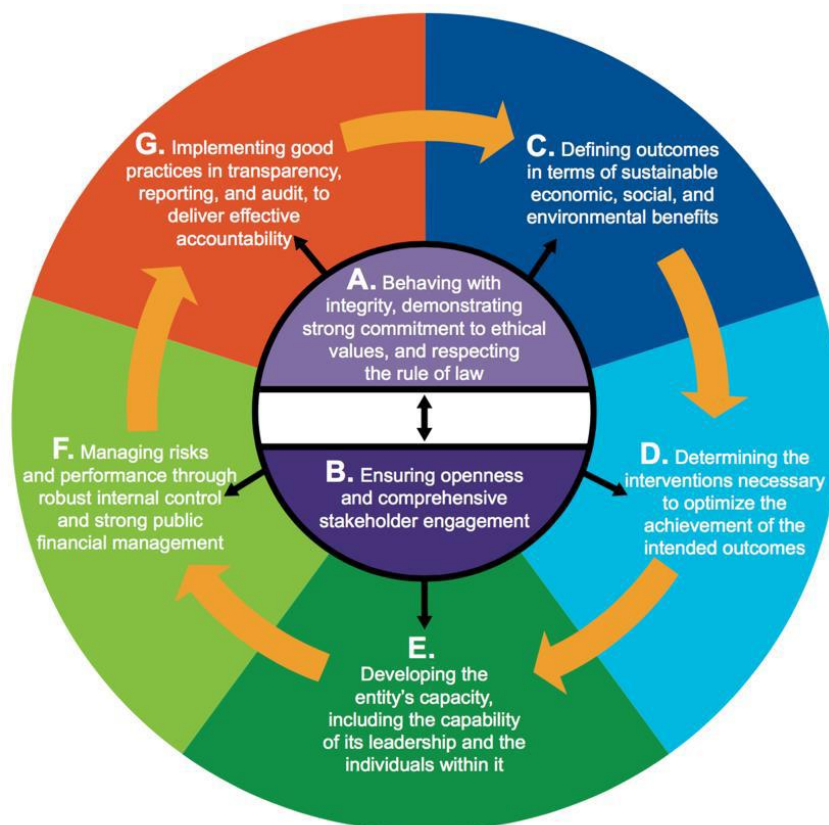
The Joint Board is committed to effective decision-making that is transparent and open to genuine scrutiny. It therefore provides on its website ([www.tayroadbridge.co.uk](http://www.tayroadbridge.co.uk)) details of its plans, procedures and performance.

#### 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):-



#### 1) 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.

## **2) ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT**

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.

## **3) 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.

Regular reporting to the Joint Board 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.

## **4) 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.

#### **5) 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.

#### **6) 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.

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.

#### **7) 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 2017/2018**

Improvement	Principle	Code Reference	Responsible Officer	Target Completion Date	Actual Completion Date	Progress Update
1 Induction Training for new Members.	1 5	1.1; 2.4 – 2.4b	Senior Officers	31/3/18	29/8/17 & 31/8/17	Conducted by Bridge Manager and Board Accountant.
2 Update the Standing Orders, including the Scheme of Delegation, Tender Procedures, & Financial Regulations.	1 5 6	1.1, 1.3, 1.4, 2.2 – 2.4; 2.2; 2.5	Clerk	30/9/17	5/3/18	Reported to Board meeting on 5 March 2018 and included on Board Documents page on TRB website.
3 Update the Local Code of Corporate Governance to reflect updated CIPFA Guidance.	1 5 7	1.2 – 1.4; 2.4c, 3.4; 2.3	Bridge Manager & Treasurer	30/9/17	8/6/17	Reported to Board meeting on 19 June 2017 and included on Board Documents page on TRB website.
4 Declaration of Interest to be added as a Standing Item on the Board's meeting agenda.	1	1.4	Clerk	30/9/17	19/6/17	Added to Standing Agenda Items for every Board meeting.
5 Produce an up-to-date Register of Interests for employees.	1	1.4	Bridge Manager	31/3/18	7/3/18	For Bridge Management only.
6 Produce a Register of Members Interests specific to the Board.	1	1.4	Clerk	31/3/18	16/2/18	Produced using information on Constituent Council's websites.
7 Equalities and Human Rights training for all employees.	1	2.2	Bridge Manager	31/3/18		Ongoing. Estimated completion in summer 2018. Carried forward to 2018/2019. *

\* Carried forward items have been included in Appendix 3 with new target completion dates.

**TAY ROAD BRIDGE JOINT BOARD****IMPROVEMENT AGENDA FOR 2018/2019**

<b>Improvement</b>	<b>Principle</b>	<b>Code Reference</b>	<b>Responsible Officer</b>	<b>Target Completion Date</b>	<b>Details</b>
1 Equalities and Human Rights training for all employees.	1 5	2.2 2.4	Bridge Manager	30/9/18	Carried forward from 2017/2018. In progress.
2 Training for Bridge Management to avoid unconscious bias recruitment.	1	2.1	Bridge Manager	31/12/18	Source: Annual Governance Statement Self-Assessment Checklist.
3 Introduce Personal Harassment Policy.	1	2.3	Bridge Manager	31/3/19	Source: Annual Governance Statement Self-Assessment Checklist.
4 Update Data Protection procedures to ensure compliance with GDPR.	1 6	3.4 4.1 & 4.2	Bridge Manager	31/7/18	Source: Meeting with Information Governance Officer and Internal Audit review of Data Protection.
5 Review the Board's website in terms of its quality in delivering information to bridge users and implement improvements.	2 5	3.3 2.5	Bridge Manager	31/3/19	Source: Annual Governance Statement Self-Assessment Checklist.
6 Introduce Mental Health awareness initiatives for the workforce.	5	2.8	Bridge Manager	31/3/19	Source: Annual Governance Statement Self-Assessment Checklist.





## Annual Governance Statement 2017/2018 - 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 Council.

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>	.....31 March 2018.....				
<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 2018/2019 financial year to further enhance the Board's governance arrangements in the areas identified for improvement.</i></b>			<table border="1"> <tr> <td>Yes</td> <td><input checked="" type="checkbox"/></td> </tr> <tr> <td>No</td> <td><input type="checkbox"/></td> </tr> </table>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Yes	<input checked="" type="checkbox"/>						
No	<input type="checkbox"/>						
<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:**

<b>PRINCIPLE 1</b>		<b>Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</b>					
		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.					
<b>Sub-Principle</b>		<b>Behaviours and actions that demonstrate good governance in practice.</b>		<b>Examples of systems, processes, documentation and other evidence demonstrating compliance</b>		<b>Evaluation Level (1 - 4)</b>	<b>Areas Requiring Improvement</b>
1	<b>Behaving with integrity</b>	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.	<ul style="list-style-type: none"> <li>Members Code of Conduct <a href="#">Councillors Code of Conduct</a></li> <li><a href="#">Fraud Guidelines</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</a> <a href="#">Scheme of Delegation</a></li> <li><a href="#">Tender Procedures</a> <a href="#">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 build on the Seven Principles of Public Life (the Nolan Principles).	<ul style="list-style-type: none"> <li>Members Code of Conduct <a href="#">Councillors Code of Conduct</a></li> <li><a href="#">Fraud Guidelines</a></li> <li><a href="#">Local Code of Corporate Governance</a></li> </ul>		4	
		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>Members Code of Conduct <a href="#">Councillors Code of Conduct</a></li> <li><a href="#">Fraud Guidelines</a></li> <li><a href="#">Local Code of Corporate Governance</a></li> <li><a href="#">Standing Orders</a> <a href="#">Scheme of Delegation</a></li> <li><a href="#">Tender Procedures</a> <a href="#">Financial Regulations</a></li> </ul>		4	

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

PRINCIPLE 1 (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>Members Code of Conduct <a href="#">Councillors Code of Conduct</a></li> <li><a href="#">Fraud Guidelines</a></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 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>	4	
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><a href="#">Mainstreaming Equality Report 2017-2019</a></li> <li>Scottish Living Wage Accreditation.</li> </ul>	3	<ul style="list-style-type: none"> <li>Training for the Bridge Management team to avoid unconscious bias recruitment.</li> </ul>
		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>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>Equalities and Human Right's training from Dundee City Council for all staff to be rolled out in 2018. Previous training undertaken by all staff in 2014 included e-learning course on Equality and Diversity.</li> </ul>	3	<ul style="list-style-type: none"> <li>Equalities &amp; Human Rights training is planned for all employees and will be delivered by Dundee City Council.</li> </ul>

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

PRINCIPLE 1 (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>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</a> <a href="#">Scheme of Delegation</a> <a href="#">Tender Procedures</a> <a href="#">Financial Regulations</a></li> <li>Equal Opportunities Employer.</li> </ul>	3	<ul style="list-style-type: none"> <li>Introduce Personal Harassment Policy to Bridge Board.</li> </ul>
		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><a href="#">Standing Orders</a> <a href="#">Scheme of Delegation</a> <a href="#">Tender Procedures</a> <a href="#">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	<b>Respecting the Rule of Law</b>	3.1	Ensuring members and staff 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>The Board's structure, functions and powers are prescribed in the Tay Road Bridge <a href="#">TRB Order Confirmation Act 1991</a></li> </ul>	4	
		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>The Board's structure, functions and powers are prescribed in the Tay Road <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>• SLA with Dundee City Council for Legal Services.</li> </ul>	4	
		3.4	Dealing with breaches of legal and regulatory provisions effectively.	<ul style="list-style-type: none"> <li>• SLA with Dundee City Council for Legal Services.</li> </ul>	3	<ul style="list-style-type: none"> <li>• Data Protection Procedures have been reviewed and action plan created to ensure compliance with GDPR, due for completion before end of 2018.</li> </ul>
		3.5	Ensuring corruption and misuse of power are dealt with effectively.	<ul style="list-style-type: none"> <li>• Members Code of Conduct <a href="#">Councillors Code of Conduct</a></li> <li>• <a href="#">Fraud Guidelines</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)

Code of Practice on the Duty to Promote Race Equality in Scotland (2002): [CoP Promote Race Equality in Scotland](#)

Disability Rights Commission's The Employment of Disabled People in the Public Sector (2004): [Employing Disabled People in Public Sector](#)

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 2		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>• Annual Accounts <a href="#">2016/2017 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>• <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 course, ensuring that the impact and consequences of those decisions are clear.	<ul style="list-style-type: none"> <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>		4	

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

PRINCIPLE 2 (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>• Bridge closures 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> <li>• TRBJB Bridge Manager is part of a suicide prevention working group to share best practice.</li> </ul>	4	
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>• SLA with Dundee City Council for a Communications Strategy.</li> </ul>	4	
		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>• 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>	4	
		2.3	Ensuring that partnerships are based on:	<ul style="list-style-type: none"> <li>• Service Level Agreements with Dundee City Council for services provision, and annual</li> </ul>	4	



		<ul style="list-style-type: none"> <li>o trust</li> <li>o a shared commitment to change</li> <li>o a culture that promotes and accepts challenge among partners</li> </ul> <p>and that the added value of partnership working is explicit.</p>	<p>review meeting to assess success needs for both parties.</p>		
--	--	--	---	--	--

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

<b>PRINCIPLE 2 (continued)</b>		<b>Ensuring openness and comprehensive stakeholder engagement</b>				
<b>Sub-Principle</b>		<b>Behaviours and actions that demonstrate good governance in practice.</b>		<b>Examples of systems, processes, documentation and other evidence demonstrating compliance</b>	<b>Evaluation Level (1 - 4)</b>	<b>Areas Requiring Improvement</b>
3	<b>Engaging stakeholders effectively, including individual citizens and service users</b>	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>• Communications Policy.</li> </ul>	4	
		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>• 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>• 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> </ul>	3	<ul style="list-style-type: none"> <li>• Consider designing a public questionnaire regarding website in order to gather information to check service delivery is effective to all groups and</li> </ul>

						improve as required.
		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>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>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>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				1	12	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.

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

**Further Guidance:**

[Model Publication Scheme Monitoring Report 2016](#) (Scottish Information Commissioner, 2016)

[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 3		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>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> </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>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> </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>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>Business Continuity Plan.</li> <li><a href="#">Risk Management Strategic Plan</a></li> </ul>	4	

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

PRINCIPLE 3 (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 (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>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>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 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</a></li> </ul>	4	
		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>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>N/A</li> </ul>	N/A	

Defining outcomes in terms of sustainable economic, social, and environmental benefits	n/a	1	2	3	4	TOTAL
Summary of Number of Evaluations	1				8	9

<b>Have there been any significant / critical events relating to Principle 3 during the financial year? If yes, please provide details.</b>	
---	--

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

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

**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

<b>PRINCIPLE 4</b>		<b>Determining the interventions necessary to optimise the achievement of the intended outcomes</b>				
		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	<b>Determining interventions</b>	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>• 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 including people, skills, land and assets and bearing in mind future impacts.	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	N/A	

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

PRINCIPLE 4 (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>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>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>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>Regular risk management / contract meetings are held during works contracts on the bridge.</li> </ul>	4	
		2.5	Establishing appropriate key performance indicators (KPIs) 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>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> </ul>	4	
		2.6	Ensuring capacity exists to generate the information required to review service quality regularly.	<ul style="list-style-type: none"> <li>Annual Governance Statement.</li> <li>Management Meetings with Bridge Management Staff are formally recorded.</li> </ul>	4	

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

PRINCIPLE 4 (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
		2.7	Preparing budgets in accordance with organisational objectives, strategies and the medium-term financial plan.	<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 Scottish Government through Transport Scotland.</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 funding strategy.	<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> </ul>	4	
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>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>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 4 (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>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> </ul>	4	
		3.4	Ensuring the achievement of 'social value' through service planning and commissioning.	<ul style="list-style-type: none"> <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	

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

Have there been any significant / critical events relating to Principle 4 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.

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

PRINCIPLE 5		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>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>		4	
		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>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>Service Level Agreements with Dundee City Council for services provision, and annual review meeting to assess success needs for both parties.</li> </ul>		4	
		1.4	Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.	<ul style="list-style-type: none"> <li>A structural bridge inspection plan is in-place and monitored by the Bridge's Maintenance Manager.</li> </ul>		4	

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

PRINCIPLE 5 (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><a href="#">Standing Orders</a> <a href="#">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><a href="#">Standing Orders</a> <a href="#">Scheme of Delegation</a> <a href="#">Tender Procedures</a> <a href="#">Financial Regulations</a></li> </ul>	4	
		2.3	Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a 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>N/A</li> </ul>	N/A	

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

PRINCIPLE 5 (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	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>Continuous Professional Development for Bridge Manager and his staff.</li> <li>Induction training for new members.</li> </ul>	3	<ul style="list-style-type: none"> <li>Equalities &amp; Human Rights training is planned for all employees and will be delivered by Dundee City Council.</li> </ul>
		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>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>	3	<ul style="list-style-type: none"> <li>Equalities &amp; Human Rights training is planned for all employees and will be delivered by Dundee City Council.</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>Staff Training Plan.</li> <li>Employee Appraisal process.</li> <li>Induction training for new members.</li> </ul>	3	<ul style="list-style-type: none"> <li>Equalities &amp; Human Rights training is planned for all employees and will be delivered by Dundee City Council.</li> </ul>

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

PRINCIPLE 5 (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>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>Members of the public can contact the 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.</li> </ul>	3	<ul style="list-style-type: none"> <li>Consider designing a public questionnaire regarding website in order to gather information to check service delivery is effective to all groups and improve as required.</li> </ul>
		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>The Engineer to the Board undertakes a development and performance review with the bridge manager biannually.</li> </ul>	4	
		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>Employee Appraisal process.</li> <li>Staff Training Plan.</li> </ul>	4	

		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>SLA with People Asset Management (PAM) Occupational Health Provider.</li> </ul>	3	<ul style="list-style-type: none"> <li>Consider rolling out Mental Health Awareness initiatives: <ul style="list-style-type: none"> <li>Develop a mindfulness programme for employees;</li> <li>Support delivery of relaxation programmes;</li> <li>Develop Manager's awareness training on mental health.</li> </ul> </li> </ul>
--	--	-----	--	--	---	---

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

Have there been any significant / critical events relating to Principle 5 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:**

[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)

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

PRINCIPLE 6		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><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><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><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>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> </ul>	4	

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

PRINCIPLE 6 (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>• <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 for which it is responsible.  (OR, for a committee system) Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making.	<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>	4	
		2.4	Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement.	<ul style="list-style-type: none"> <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> </ul>	4	



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

PRINCIPLE 6 (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>• <a href="#">Standing Orders</a> <a href="#">Scheme of Delegation</a> <a href="#">Tender Procedures</a> <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	<b>Robust Internal Control</b>	3.1	Aligning the risk management strategy and policies on internal control with achieving objectives.	<ul style="list-style-type: none"> <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>• <a href="#">Risk Management Strategic Plan &amp; Strategic Risk Register</a></li> <li>• Bridge Manager meets annually with Risk Manager for Dundee City Council to review Risk Management Register.</li> </ul>	4	
		3.3	Ensuring effective counter fraud and anti-corruption arrangements are in place.	<ul style="list-style-type: none"> <li>• <a href="#">Fraud Guidelines</a></li> </ul>	4	
		3.4	Ensuring additional assurance on the overall adequacy and effectiveness of the	<ul style="list-style-type: none"> <li>• Annual Governance Statement.</li> <li>• <a href="#">Local Code of Corporate Governance</a></li> </ul>	4	

		framework of governance, risk management and control is provided by the internal auditor.	<ul style="list-style-type: none"> <li>Internal Audit provision is outsourced, via a tender process, to a private sector audit firm.</li> </ul>		
--	--	---	---	--	--

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

PRINCIPLE 6 (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	<p>Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body:</p> <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 are listened to and acted upon.</li> </ul>	<ul style="list-style-type: none"> <li>N/A due to size or organisation.</li> </ul>	N/A	
4	Managing Data	4.1	<p>Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data.</p>	<ul style="list-style-type: none"> <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> </ul>	3	<ul style="list-style-type: none"> <li>Data Protection Policy to be updated to reflect new GDPR regulations.</li> </ul>
		4.2	<p>Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies.</p>	<ul style="list-style-type: none"> <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	<ul style="list-style-type: none"> <li>Data Protection Policy to be updated to reflect new GDPR regulations.</li> </ul>

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

PRINCIPLE 6 (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>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>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>		4	
		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>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
<b>Summary of Number of Evaluations</b>	1			2	15	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, 2010)

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

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.itpublicknowledge.info/home/ScottishInformationCommissioner.aspx>

Records Retention Schedules from Scottish Council on Archives: <http://www.scottisharchives.org.uk/scarrs/schedules>

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>

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

PRINCIPLE 7		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>• <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="#">2016/2017 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 Accounts <a href="#">2016/2017 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>• Annual Accounts <a href="#">2016/2017 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 Restrictions &amp; Closures.</li> </ul>	4	
		2.2	Ensuring members and senior management own the results.	<ul style="list-style-type: none"> <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 7 (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>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>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>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 7 (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>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>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>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>N/A.</li> </ul>	N/A	
		3.5	Ensuring that when working in partnership, arrangements for 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>	N/A	

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, 2010)

[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)



**ITEM No ...7.....**

**REPORT TO:** TAY ROAD BRIDGE JOINT BOARD - 18 JUNE 2018

**REPORT ON:** ANNUAL GOVERNANCE STATEMENT FOR THE YEAR TO 31 MARCH 2018

**REPORT BY:** TREASURER

**REPORT NO:** TRB 10-2018

**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 2018 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 2018.

**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 2018 is included on Appendix A.

## **5 POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of Sustainability, Strategic Environment Assessment, Anti-Poverty and Equality Impact Assessment and Risk Management. There are no major implications.

## **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 2017/2018;  
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**

**6 JUNE 2018**

**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.

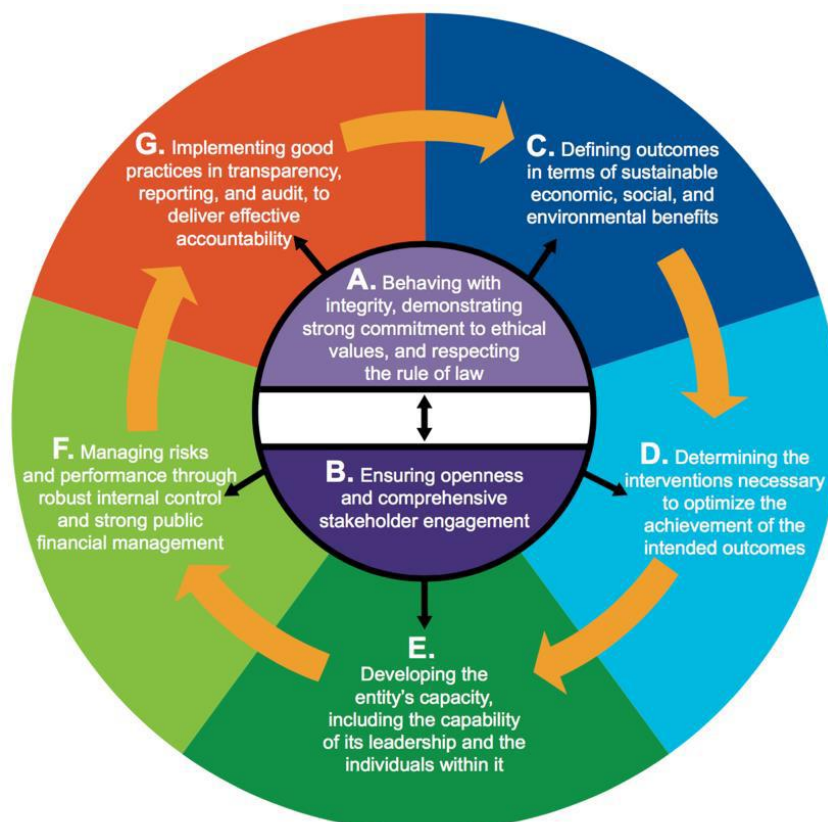
In discharging these responsibilities elected members and senior officers are responsible for implementing effective arrangements for governing the Joint Board's affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

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;
- 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.

### **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. In addition the Joint Board have made a self-assessment of their own arrangements. This involved the completion, by the Bridge Manager, 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. The Joint Board's Internal Audit Service 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.

The Treasurer complies with the principles set out in CIPFA's *Role of the Chief Financial Officer (2016)*.

### **Continuous Improvement Agenda**

The Joint Board's progress against the Continuous Improvement Agenda items for 2017/2018 are detailed in Appendix 1. One item is still in progress and has been carried forward to be actioned in 2018/2019. 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 2018/2019. 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 2018/2019 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.

**Stewart Hunter**  
**Chair**  
**Tay Road Bridge Joint Board**  
**10 September 2018**

**Alan Hutchison**  
**Bridge Manager**  
**Tay Road Bridge Joint Board**  
**10 September 2018**

**TAY ROAD BRIDGE JOINT BOARD****IMPROVEMENT AGENDA FOR 2017/2018**

Improvement	Principle	Code Reference	Responsible Officer	Target Completion Date	Actual Completion Date	Progress Update
1 Induction Training for new Members.	1 5	1.1; 2.4 – 2.4b	Senior Officers	31/3/18	29/8/17 & 31/8/17	Conducted by Bridge Manager and Board Accountant.
2 Update the Standing Orders, including the Scheme of Delegation, Tender Procedures, & Financial Regulations.	1 5 6	1.1, 1.3, 1.4, 2.2 – 2.4; 2.2; 2.5	Clerk	30/9/17	5/3/18	Reported to Board meeting on 5 March 2018 and included on Board Documents page on TRB website.
3 Update the Local Code of Corporate Governance to reflect updated CIPFA Guidance.	1 5 7	1.2 – 1.4; 2.4c, 3.4; 2.3	Bridge Manager & Treasurer	30/9/17	8/6/17	Reported to Board meeting on 19 June 2017 and included on Board Documents page on TRB website.
4 Declaration of Interest to be added as a Standing Item on the Board's meeting agenda.	1	1.4	Clerk	30/9/17	19/6/17	Added to Standing Agenda Items for every Board meeting.
5 Produce an up-to-date Register of Interests for employees.	1	1.4	Bridge Manager	31/3/18	7/3/18	For Bridge Management only.
6 Produce a Register of Members Interests specific to the Board.	1	1.4	Clerk	31/3/18	16/2/18	Produced using information on Constituent Council's websites.
7 Equalities and Human Rights training for all employees.	1	2.2	Bridge Manager	31/3/18		Ongoing. Estimated completion in summer 2018. Carried forward to 2018/2019. *

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

**TAY ROAD BRIDGE JOINT BOARD****IMPROVEMENT AGENDA FOR 2018/2019**

<b>Improvement</b>	<b>Principle</b>	<b>Code Reference</b>	<b>Responsible Officer</b>	<b>Target Completion Date</b>	<b>Details</b>
1 Equalities and Human Rights training for all employees.	1 5	2.2 2.4	Bridge Manager	30/9/18	Carried forward from 2017/2018. In progress.
2 Training for Bridge Management to avoid unconscious bias recruitment.	1	2.1	Bridge Manager	31/12/18	Source: Annual Governance Statement Self-Assessment Checklist.
3 Introduce Personal Harassment Policy.	1	2.3	Bridge Manager	31/3/19	Source: Annual Governance Statement Self-Assessment Checklist.
4 Update Data Protection procedures to ensure compliance with GDPR.	1 6	3.4 4.1 & 4.2	Bridge Manager	31/7/18	Source: Meeting with Information Governance Officer and Internal Audit review of Data Protection.
5 Review the Board's website in terms of its quality in delivering information to bridge users and implement improvements.	2 5	3.3 2.5	Bridge Manager	31/3/19	Source: Annual Governance Statement Self-Assessment Checklist.
6 Introduce Mental Health awareness initiatives for the workforce.	5	2.8	Bridge Manager	31/3/19	Source: Annual Governance Statement Self-Assessment Checklist.

**ITEM No ...8.....**

**REPORT TO: TAY ROAD BRIDGE JOINT BOARD - 18 JUNE 2018**

**REPORT ON: UNAUDITED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

**REPORT BY: TREASURER**

**REPORT NO: TRB 11-2018**

**1 PURPOSE OF REPORT**

To provide some additional commentary on the unaudited Annual Accounts for the year ended 31 March 2018 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;
- ii notes the unaudited Annual Accounts which have been submitted along with report;
- iii 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 2017/2018 Movement in Reserves Statement shows that there was a break-even position during the year after the required accounting adjustments. This gives a total General Reserve Balance of £1,160,591 as at 31 March 2018.

**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 2017/2018 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 2017/2018 Movement in Reserves Statement shows that there was a balanced budget during the year. The main variances were as follows:

	<b>£000</b>
Administration overspend	185
Operations overspend	26
Plant and Equipment underspend	(73)
Bridge Maintenance underspend	(31)
Financing and Investment Income and Expenditure underspend	(12)
Non-Specific Grant Income applied	(82)
Other accounting adjustments underspend	(13)
<b>TOTAL</b>	<u><u>-</u></u>

Further details of the other areas of under and overspend together with reasons for these variances are included on page 9 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 2018.

- 4.5 On 5 December 2016, the Joint Board approved a 2017/2018 Capital Expenditure Programme (Report TRB 29-2016) for various works on the bridge and other miscellaneous capital purchases totalling £875,000 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 appraised as to the actual spend-to-date and the projected capital expenditure outturn position. The last projected outturn on the capital programme of £643,000 was reported to the Joint Board on 5 March 2018, (report TRB 2-2018 refers).

During the financial year 2017/2018, the Joint Board incurred capital expenditure of £596,000, i.e. an underspend of £279,000 against the approved capital budget. The variance against the original budget relates to net budget savings during the year of £79,000 and slippage to 2018/2019 of £200,000.

- 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 screened for any policy implications in respect of Sustainability, Strategic Environment Assessment, Anti-Poverty and Equality Impact Assessment and Risk Management. There are no major implications.



**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**

**6 JUNE 2018**





Tay Road Bridge



**TAY ROAD BRIDGE JOINT BOARD**

**ANNUAL ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**UNAUDITED**



**JUNE 2018**



**TAY ROAD BRIDGE JOINT BOARD  
ANNUAL ACCOUNTS 2017/2018  
CONTENTS**

	<u>PAGE NO</u>
<b>Members and Officials</b>	<b>3</b>
<b>Management Commentary</b>	<b>4</b>
<b>Annual Governance Statement</b>	<b>13</b>
<b>Annual Remuneration Report</b>	<b>17</b>
<b>Statement of Responsibilities for the Statement of Accounts</b>	<b>21</b>
<b>Expenditure and Funding Analysis</b>	<b>22</b>
<b>The Core Financial Statements:</b>	
Comprehensive Income & Expenditure Statement	<b>23</b>
Movement in Reserves Statement	<b>24</b>
Balance Sheet	<b>25</b>
Cash Flow Statement	<b>26</b>
<b>Notes to the Financial Statements</b>	<b>27</b>
<b>Independent Auditor's Report to the Members of the Tay Road Bridge Joint Board and the Accounts Commission for</b>	<b>53</b>

## TAY ROAD BRIDGE JOINT BOARD MEMBERS AND OFFICIALS

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 2017/2018, the Members and Officials of the Board were:

### Representing Dundee City Council

Councillor Stewart Hunter (Chair)  
Councillor Bill Campbell  
Councillor Fraser Macpherson  
Councillor Lynne Short  
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, MICE

### Engineer

Mr Fergus Wilson BSc, MBA, CEng, MICE, MCIHT, MAPS, Dundee City Council

### Clerk

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

### Treasurer

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

### Contact Details:

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

#### Bridge Manager

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

#### Engineer

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

#### Clerk

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

#### Treasurer

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

## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

### INTRODUCTION

We are pleased to present the Annual Accounts for Tay Road Bridge Joint Board ("the Board") for the year ended 31st March 2018. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2017/2018 ("the Code"). This Management Commentary provides a context for the annual accounts and an analysis of the financial performance during the year. The principal risks and uncertainties facing the Board are identified, together with the potential impact and actions being taken.

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

### ORGANISATIONAL CHANGES

This year has been one of progress for staff at the bridge, particularly the Operations staff who have shown great dedication in achieving the traffic management qualifications needed to provide them with the necessary skills and confidence to help management transform how the bridge deals with breakdowns, debris and other incidents on the bridge.

The introduction of an in-house Impact Protection Vehicle (IPV) in December 2017 is aimed predominantly at improving the safety of all bridge users and staff. The IPV is used to safely protect stranded vehicles and debris from other vehicles using the bridge. This highly visible blocking vehicle means that the bridge can be kept open until expert third party recovery services arrive to quickly and carefully remove any obstruction. The outsourcing of vehicle recovery services to an experienced local firm, Ninewells Garage, is working well, and they provide the necessary experience to make sure that all types of vehicles can be recovered safely and timeously. This is a significant improvement over the previous Tay Road Bridge recovery capabilities, where vehicle recovery was limited. This way of working maximises bridge availability to all users and also provides reassurance to stranded vehicle drivers and occupants.



November 2017 saw the retirement of an experienced Bridge Officer. This post was advertised using the "myjobscotland" website favoured by all Scottish local authorities. The post was filled at the start of January 2018 following 102 applications.

The staffing levels have remained static since the retirement of the Operations Manager at the end of March 2017, with an organisational make-up of twenty-two staff members, comprising eleven shift workers (Operations staff), eight Maintenance members of staff and three members of staff dealing with all management and administrative duties.

## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

### MANAGEMENT ARRANGEMENTS WITH SCOTTISH GOVERNMENT

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

### CONTRACTS

The management of traffic and pedestrian users of the Tay Road Bridge has benefitted from a number of successful projects delivered in 2017/2018, with more projects due for delivery in 2018/2019 that will add resilience to the bridge's infrastructure.

#### New CCTV

In December 2016 the Board approved installation of thirty new cameras for the Tay Road Bridge, designed to replace and enhance existing infrastructure. The CCTV project was completed during the summer of 2017 and has proved to be a very successful tool to help Control Room Supervisors recognise and respond to breakdowns more efficiently and accurately, notice and clear debris from the carriageway more quickly, and also assist the Police with enquiries into incidents that occur on the bridge.

#### New Variable Message Signs

Following Board agreement in March 2017, VMS Ltd of Newcastle completed installation of ten new Variable Message Signs on the Tay Road Bridge and environs in February 2018. These flexible message signs allow the Tay Road Bridge to share important safety and traffic information with users more effectively than previously possible. All signs are located at key locations on the approaches to and on the bridge itself to provide advanced warning of hazardous road conditions or bridge restrictions, placed at strategic locations to make sure that drivers have sufficient notice to help them amend their driving behaviour accordingly.



#### SESTRAN Park & Ride Proposal

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

#### New Passenger Lift

The Board approved the manufacture and installation of a new passenger lift to serve the bridge walkway at the Dundee landfall in March 2018. The aim of the new lift, to be installed by Caltech of Dundee, is to improve lift reliability and reduce downtime, thus helping to ensure that the lift remains open to all user groups. This project is planned to commence in early August 2018, with completion by mid-September.

#### New Switchgear

This project will be brought to the June 2018 Board for approval. The aim of this project is to renew and upgrade the main electrical switchgear that serves the Dundee and Fife sides of the bridge. The switchgear is over thirty years old and 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, it is recommended that full renewal takes place.



## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

### TRAFFIC

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

Wind speed > 80mph	Wind speed > 60mph	Wind speed > 45mph	Works Full Closures	Breakdowns and Minor Accidents	Operational, Miscellaneous and Police Closures
Closed to all Vehicles	Cars Only	No Double Deck buses			
1	8	39	0	37	537
<b>Comparator figures for 2016/2017:</b>					
0	7	43	0	53	394

Over the past twelve months there was one full closure due to winds exceeding 80mph and the number of wind related restrictions is in line with those recorded in 2016/2017.

The number of short term single carriageway closures to clear breakdowns and minor accidents from the bridge is 30% lower over this period when compared to 2016/2017, but Operational, Miscellaneous and Police closures has increased by 36%. This will be due in part to very short closures associated with the CCTV and VMS installation.

There were no full closures for works during 2017/2018 (2016/2017 = nil).

### STAFFING ISSUES

#### Staff Establishment

Staffing levels and the existing establishment stands as follows:-

	2017/2018	2016/2017
Administration	3	3
Operational	11	11
Maintenance	8	8
<b>Total</b>	<b>22</b>	<b>22</b>



## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

### FINANCIAL PERFORMANCE REVIEW

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

Following publication in 2015 of CIPFA's Telling the Story Review of the Presentation of Local Authority Financial Statements, the 2016/2017 Code changed the segmental reporting arrangements for the Comprehensive Income and Expenditure Statement and introduced the Expenditure and Funding Analysis. The new 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 5 December 2016, approved the 2017/2018 Revenue Budget. The final budget showed a projected break-even position. The projected General Reserve balance as at 31 March 2018 would be £1,160,591.

The Board received quarterly Revenue Monitoring reports during 2017/2018 in order to keep the members fully apprised as to the projected revenue outturn position.

The following table reconciles the Revenue Budget approved by the Board on 5 December 2016 to the revised budget figures that are included in the Comprehensive Income and Expenditure Statement shown on page 23. The actual outturn for 2017/2018 was a net overspend against budget of £13,000 before the application of accounting adjustments and the detailed variance analysis is set out on page 9. After the required accounting adjustments this gives a total General Reserve balance of £1,160,591 as at 31 March 2018 which is unchanged from the corresponding figure at 31 March 2017.

**TAY ROAD BRIDGE JOINT BOARD  
MANAGEMENT COMMENTARY**

	Approved Budget £000	Reallocate CFCR £000	Net Depreciation & Impairment Allocation £000	Reallocate Investment Property Inc & Exp £000	Employee Benefits Adjustment £000	Net (Gain)or Loss on Disposal of Assets £000	Recognised Capital Grant £000	Revaluation of non- Current Assets £000	IAS 19 Adjs £000	Revised Budget £000	Actual Expend/ (Income) £000	Over / (Under) Spend £000
Administration	463	-	-	-	-	-	-	-	12	475	660	185
Operations	465	-	-	-	-	-	-	-	67	532	558	26
Plant & Equipment	297	-	-	-	-	-	-	-	-	297	224	(73)
Bridge Maintenance	399	-	-	(10)	3	-	-	-	47	439	408	(31)
CFCR	100	(100)	-	-	-	-	-	-	-	-	-	-
Corporate Costs	-	-	1,943	-	-	-	-	-	34	1,977	1,977	-
<b>Net Cost of Services</b>	<b>1,724</b>	<b>(100)</b>	<b>1,943</b>	<b>(10)</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>160</b>	<b>3,720</b>	<b>3,827</b>	<b>107</b>
Other Operating Income & Expenditure	(11)	-	-	10	-	(7)	-	-	-	(8)	(8)	-
Financing & Investment Income & Expenditure	(13)	-	-	-	-	-	-	-	68	55	43	(12)
Non-Specific Grant Income	(1,700)	-	-	-	-	-	(750)	-	-	(2,450)	(2,532)	(82)
<b>(Surplus) / Deficit on Provision of Service</b>	<b>-</b>	<b>(100)</b>	<b>1,943</b>	<b>-</b>	<b>3</b>	<b>(7)</b>	<b>(750)</b>	<b>-</b>	<b>228</b>	<b>1,317</b>	<b>1,330</b>	<b>13</b>
(Surplus) / Deficit on Revaluation of PPE	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial (Gains) / Losses on Pension Assets / Liabilities	-	-	-	-	-	-	-	-	(2,035)	(2,035)	(2,035)	-
<b>Total Comprehensive Income &amp; Expenditure</b>	<b>-</b>	<b>(100)</b>	<b>1,943</b>	<b>-</b>	<b>3</b>	<b>(7)</b>	<b>(750)</b>	<b>-</b>	<b>(1,807)</b>	<b>(718)</b>	<b>(705)</b>	<b>13</b>
IAS 19 Adjustments	-	-	-	-	-	-	-	-	1,807	1,807	1,807	-
Other IFRS Code Accounting Adjustments	-	100	(1,943)	-	(3)	7	750	-	-	(1,089)	(1,102)	(13)
<b>Total (Surplus)/ Deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>General Reserve Balance b/fwd</b>	<b>(1,161)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,161)</b>	<b>(1,161)</b>	<b>-</b>
<b>General Reserve Balance c/fwd</b>	<b>(1,161)</b>	<b>-</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>

## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

The following two charts show how the total 2017/2018 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: 2017/18 Net Cost of Services by Nature:

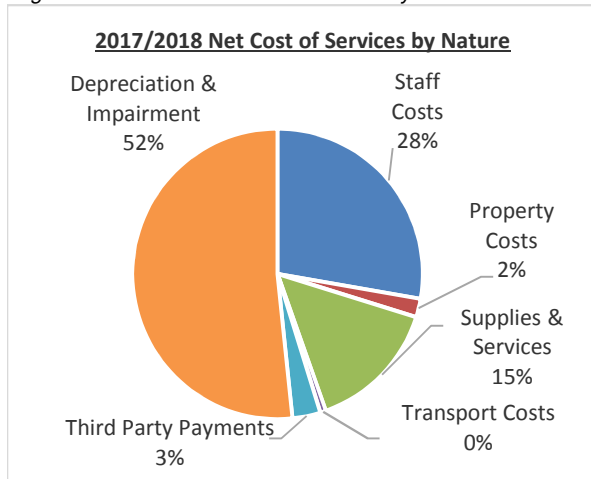
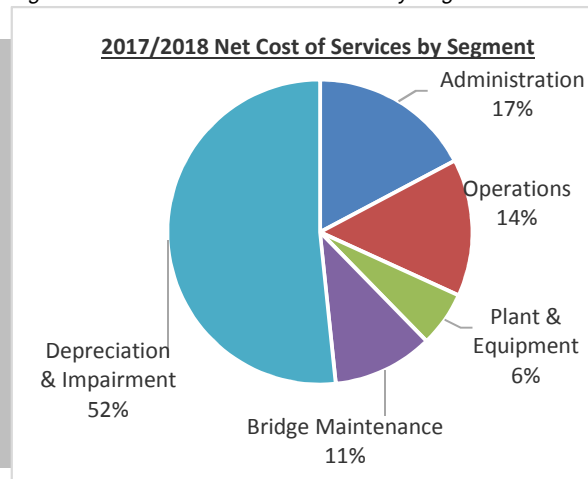


Figure 2: 2017/18 Net Cost of Services by Segment:



### *Administration (Overspend £185,000)*

This reflects increased expenditure in relation to payment of £210,000 in respects of an outstanding legal case. This was partly offset by lower than anticipated expenditure on various expenditure headings including annual insurance premiums, training, medicals, and IT hardware.

### *Operations (Overspend £26,000)*

This reflects increased expenditure during the year on salary costs and additional training required for the implementation of new vehicle recovery working practices. This was partly offset by lower than anticipated expenditure on staff uniforms and vehicle recoveries.

### *Plant & Equipment (Underspend £73,000)*

This reflects savings resulting from the installation of new CCTV equipment which has reduced the annual equipment maintenance and rental of digital equipment costs. In addition, there was lower than anticipated expenditure on the cathodic protection system as the monitoring system is scheduled to be replaced in 2018/2019. There were also lower than expected expenditure on various expenditure headings including electricity, equipment purchase, plant hire, materials, fuel, vehicle maintenance, harbourage costs, and principal inspections.

### *Bridge Maintenance (Underspend £31,000)*

Reflects lower than anticipated expenditure in relation to external consultant structural inspections and miscellaneous inspections and reports as a result of more inspections being undertaken in-house. In addition, expenditure on overtime, medicals, electricity, plant hire equipment maintenance, materials, and de-icing materials was lower than anticipated. These savings were partly offset by increased expenditure on training courses in relation to the introduction of the new Impact Protection Vehicle and higher than anticipated costs associated with ground maintenance.

### *Financing and Investment Income and Expenditure (Underspend £12,000)*

Reflects lower than anticipated expenditure on investment property due to less repairs required than expected as well as slightly higher than anticipated Interest on Revenue Balances as a result of increased average cash balances.

### *Non-Specific Grant Income (Increased Grant Income £82,000)*

Reflects the net overspend on other budget heads, as detailed above. Any net overspends require to be funded by applying unused revenue grants carried forward from previous years.

### *Other Accounting Adjustments (Underspend £13,000)*

Reflects net underspends on CFCR projects.

## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

### Capital Expenditure and Financing

During 2017/2018, the Board incurred capital expenditure of £596,000 on the following projects:-

	£000
<b>Capital Expenditure:</b>	
Vehicles	143
CCTV	159
Advanced Warning Signs	148
Other Projects	146
	596

### Capital expenditure was funded as follows:

	£000
Capital Grant from the Scottish Government	502
CFCR	87
Capital Receipts	7
	596

### 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 £738,000 as at 31 March 2018. The estimated net pension liability at 31 March 2017 was £2,545,000. The overall decrease was due to a decrease in the liabilities arising from changes to the financial and demographic assumptions, partly offset by an actuarial loss.

### Settlement of Court Case

Tay Road Bridge Joint Board raised a Court Action in 2010 as a result of a defect identified in the inspection gantry runway beams which were replaced in the 1980s. When the original Summons was prepared, it was thought that the Board could rely upon the terms of the Contract in terms of Section 7 of the Prescription and Limitation (Scotland) Act 1973. The beams were replaced in 1989 but the defects did not become apparent until 2004. The Contract allowed for a period of 20 years for defects to be remedied once noticed (which would be 2024 in the view of our legal advice). The Summons was prepared in 2010 which would be well within the 20 year defect liability period.

As this was a complicated engineering issue, referrals had to be made to engineering experts and Junior and Senior Counsel. The case was sisted (suspended) for a period of time while both parties prepared their case. In the meantime, the case of David T Morrison & Co Ltd -v- ICL Plastics Scotland was determined in 2015 by the Supreme Court and this was deemed to change the accepted understanding of the law of prescription in Scotland. By 2016, both parties were prepared to proceed to a full hearing (Proof) but the case of Gordon Trustees -v- Campbell Paterson was issued in March 2016. The effect of that was to further change the accepted understanding of the law of prescription in Scotland and allow the Defenders pleas that they claimed that the action had been prescribed. The decision was unexpected and had it proceeded to a Proof in March 2016 as arranged the Board would have lost the case on the basis of prescription but would also have incurred further considerable expense of the Proof Hearing. It was agreed at that point that the case would be further sisted (suspended) until the Gordon case proceeded to the Supreme Court. The issues regarding the law of prescription in Scotland were considered to be so important that the Gordon case was appealed to the Supreme Court and the decision was received in late 2017. Unfortunately, the decision of the Court of Session regarding the prescription was upheld by the Supreme Court and the position on the law of prescription as outlined in the Gordon case is now agreed to be the law of Scotland.

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

As a result and as advised by Senior Counsel there was no realistic prospect of succeeding in the Court case and a settlement was agreed. The Board requires to pay the Defenders expenses of £210,000 which are included as expenditure in the Administration section of the Comprehensive Income and Expenditure Statement and as a creditor in the Balance Sheet.

### **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.
- 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 pier protection system at navigation spans, 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 governance policies.
- Failure to deliver projects to time and / or cost. The Board adopts robust project management procedures.
- Lack of financial resources. The Board's submission of applications for grant income includes robust estimates as back up. There is regular monitoring and control of expenditure against agreed budgets. Reserves are reviewed and maintained at prudent levels.
- Lack of staff resources, e.g. from pandemic, industrial action, recruitment issues. The Board maintains and reviews it's Business Continuity Plans, consults with staff and trade unions on employment matters, manages staff absences, plans recruitment requirements in advance, and maintains a programme of staff training.

### **PERFORMANCE MANAGEMENT**

Due to the limited nature of the operations at the Bridge Board there are no performance measures in place. Bridge availability statistics are collected and reported at the quarterly Board meetings and reported in the Annual Accounts (see page 6).

### **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 2017/2018. However, significant risks surrounding future uncertainties continue to affect plans for the Board to effectively manage budgetary pressures.

### **Acknowledgements**

During the 2017/2018 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.

**TAY ROAD BRIDGE JOINT BOARD  
MANAGEMENT COMMENTARY**

Finally, we would conclude our report by thanking all staff who contributed to the preparation of the Board's 2017/2018 Annual Accounts.

---

**Gregory Colgan, BAcc (Hons),  
ACMA, CGMA  
Treasurer  
Tay Road Bridge  
Joint Board  
10 September 2018**

---

**Alan Hutchison  
Bridge Manager  
Tay Road Bridge  
Joint Board  
10 September 2018**

---

**Stewart Hunter  
Chair  
Tay Road Bridge  
Joint Board  
10 September 2018**

## 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.

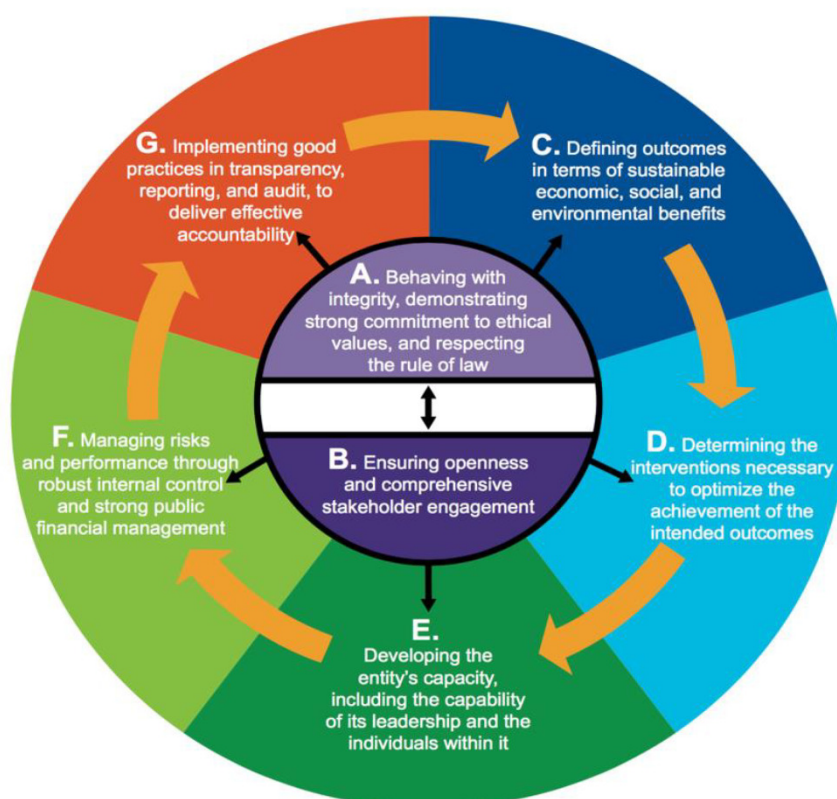
In discharging these responsibilities elected members and senior officers are responsible for implementing effective arrangements for governing the Joint Board's affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

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.



## TAY ROAD BRIDGE JOINT BOARD ANNUAL GOVERNANCE STATEMENT

The overall control arrangements include:

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

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

### 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. In addition the Joint Board has made a self-assessment of their own arrangements. This involved the completion, by the Bridge Manager, 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. 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.

The Treasurer complies with the principles set out in CIPFA's *Role of the Chief Financial Officer (2016)*.

In the opinion of the Joint Board's Internal Auditor, Tay Road Bridge Joint Board operates adequate and effective internal control systems and proper arrangements are in place to promote and secure Value for Money.

### Continuous Improvement Agenda

The Joint Board's progress against the Continuous Improvement Agenda items for 2017/2018 are detailed in Table 1. One item is still in progress and has been carried forward to be actioned in 2018/2019. Additional areas for improvement have also been identified by Joint Board Officers and these are included on Table 2 and form the Continuous Improvement Action Plan for 2018/2019. 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 2018/2019 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.

---

**Stewart Hunter**  
Chair  
Tay Road Bridge Joint Board  
10 September 2018

---

**Alan Hutchison**  
Bridge Manager  
Tay Road Bridge Joint Board  
10 September 2018

## ANNUAL GOVERNANCE STATEMENT

TABLE 1 - IMPROVEMENT AGENDA FOR 2017/2018

	Improvement	Principle	Code Reference	Responsible Officer	Target Completion Date	Actual Completion Date	Progress Update
1	Induction Training for new Members.	1 5	1.1; 2.4 - 2.4b	Senior Officers	31/03/2018	29/8/17 & 31/8/17	Conducted by Bridge Manager and Board Accountant.
2	Update the Standing Orders, including the Scheme of Delegation, Tender Procedures, & Financial Regulations.	1 5 6	1.1, 1.3, 1.4, 2.2 - 2.4; 2.2; 2.5.	Clerk	30/09/2017	05/03/2018	Reported to Board meeting on 5 March 2018 and included on Board Documents page on TRB website.
3	Update the Local Code of Corporate Governance to reflect updated CIPFA Guidance.	1 5 7	1.2 - 1.4; 2.4c, 3.4; 2.3.	Bridge Manager & Treasurer	30/09/2017	08/06/2017	Reported to Board meeting on 19 June 2017 and included on Board Documents page on TRB website.
4	Declaration of Interest to be added as a Standing Item on the Board's meeting agenda.	1	1.4	Clerk	30/09/2017	19/06/2017	Added to Standing Agenda Items for every Board meeting.
5	Produce an up-to-date Register of Interests for employees.	1	1.4	Bridge Manager	31/03/2018	07/03/2018	For Bridge Management only.
6	Produce a Register of Members Interests specific to the Board.	1	1.4	Clerk	31/03/2018	16/02/2018	Produced using information on Constituent Council's websites.
7	Equalities and Human Rights training for all employees.	1	2.2	Bridge Manager	31/03/2018		Ongoing. Estimated completion in summer 2018. Carried forward to 2018/2019. *

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

## ANNUAL GOVERNANCE STATEMENT

TABLE 2 - IMPROVEMENT AGENDA FOR 2018/2019

	Improvement	Principle	Code Reference	Responsible Officer	Target Completion Date	Details
1	Equalities and Human Rights training for all employees.	1 5	2.2 2.4	Bridge Manager	31/03/2018	Carried forward from 2017/2018. In progress.
2	Training for Bridge Management to avoid unconscious bias recruitment.	1	2.1	Bridge Manager	31/12/2018	Source: Annual Governance Statement Self-Assessment Checklist.
3	Introduce Personal Harassment Policy.	1	2.3	Bridge Manager	31/03/2019	Source: Annual Governance Statement Self-Assessment Checklist.
4	Update Data Protection procedures to ensure compliance with GDPR.	1 6	3.4 4.1 & 4.2	Bridge Manager	31/07/2018	Source: Meeting with Information Governance Officer and Internal Audit review of Data
5	Review the Board's website in terms of its quality in delivering information to bridge users and implement improvements.	2 5	3.3 2.5	Bridge Manager	31/03/2019	Source: Annual Governance Statement Self-Assessment Checklist.
6	Introduce Mental Health awareness initiatives for the workforce.	5	2	Bridge Manager	31/03/2019	Source: Annual Governance Statement Self-Assessment Checklist.

## TAY ROAD BRIDGE JOINT BOARD ANNUAL REMUNERATION REPORT

### INTRODUCTION

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

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

### REMUNERATION ARRANGEMENTS

#### Senior Board Members

The remuneration of Councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (SSI No. 2007/183). The Regulations set out the remuneration payable to Councillors with the responsibility of a Chair or Vice-Chair of a Joint Board. The Regulations require the remuneration to be paid by the Council of which the Chair or Vice-Chair is a member.

The Board has an arrangement with each Council which remunerates the Chair and Vice-Chair, to reimburse the Council for the additional costs of that councillor arising from them being a Chair or Vice-Chair of the Board. The disclosures made in this report are limited to the amounts paid to the Council by the Board for remuneration and does 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 2017/2018, with the employee falling into category (i) above. The remuneration details for the Senior Employees of the Board are set out in Table 2.

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

Remuneration Bands	No of	No of
	Employees	Employees
	2017/2018	2016/2017
£50,000 - £54,999	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 2017/2018 (2016/2017: five). Details are set out in Table 4.

### 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 2017/2018 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 2017/2018	Whole Time Pay	Contribution Rate 2016/2017
On earnings up to and including £20,700	5.50%	up to and including £20,500	5.50%
On earnings above £20,700 and up to £25,300	7.25%	above £20,500 and up to £25,000	7.25%
On earnings above £25,300 and up to £34,700	8.50%	above £25,000 and up to £34,400	8.50%
On earnings above £34,700 and up to £46,300	9.50%	above £34,400 and up to £45,800	9.50%
On earnings above £46,300	12%	above £45,800	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 2017/2018, the scheme member contribution rate for Senior Employees of the Board was in the range of 7.9% of pensionable pay (2016/2017: 8.0%). In 2017/2018, the employer contribution rate was 17% of pensionable pay for Senior Employees (2016/2017: 17%).

---

**Stewart Hunter**  
Chair  
Tay Road Bridge Joint Board  
10 September 2018

---

**Alan Hutchison**  
Bridge Manager  
Tay Road Bridge Joint Board  
10 September 2018

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

Councillor Name	Responsibility	Salary, Fees & Allowances	Taxable Expenses	Non-cash Expenses & Benefits-in-kind	Total Remuneration 2017/2018	Total Remuneration 2016/2017
		£	£	£	£	£
Stewart Hunter	Chair, Tay Road Bridge Joint Board (from 18 June 2017)	3,316	-	-	3,316	-
Jonny Tepp	Vice-Chair, Tay Road Bridge Joint Board (from 18 June 2017)	3,000	-	-	3,000	-
Margaret Taylor	Chair, Tay Road Bridge Joint Board (to 4 May 2017)	616	14	-	630	4,238
Jimmy Black	Vice-Chair, Tay Road Bridge Joint Board (to 4 May 2017)	290	-	-	290	3,170
<b>Total</b>		<b>7,222</b>	<b>14</b>	<b>-</b>	<b>7,236</b>	<b>7,408</b>

TABLE 2 – REMUNERATION OF SENIOR EMPLOYEES

Employee Name	Post Title	Salary, Fees & Allowances	Bonuses	Taxable Expenses	Compensation for Loss of Employment	Benefits Other Than in Cash	Total Remuneration 2017/2018	Total Remuneration 2016/2017
		£	£	£	£	£	£	£
Alan Hutchison	Bridge Manager	54,045	-	-	-	-	54,045	53,510
<b>Total</b>		<b>54,045</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54,045</b>	<b>53,510</b>

TABLE 3 – SENIOR EMPLOYEES ACCRUED PENSION BENEFITS

Employee Name	Post Title	Pension as at 31 March 2018	Pension Difference from 31 March 2017	Lump Sum as at 31 March 2018	Lump Sum Difference from 31 March 2017	Pension Contribution 2017/2018	Pension Contribution 2016/2017
		£000	£000	£000	£000	£000	£000
Alan Hutchison	Bridge Manager	12	2	8	-	9	9
<b>Total</b>		<b>12</b>	<b>2</b>	<b>8</b>	<b>-</b>	<b>9</b>	<b>9</b>

**TABLE 4 – TERMINATION BENEFITS AND EXIT PACKAGES**

There were no Voluntary Early Retirements or Voluntary Redundancy Schemes in operation during 2017/2018.

During 2016/2017, as part of a revision to the staff structure of the Operations Team, the Board approved Voluntary Early Retirement and Voluntary Redundancy schemes. The table below details the total number and cost of employee departures agreed under these schemes, split over various cost bandings. The total cost of these exit packages includes the strain on fund payable by the Board to the relevant pension scheme, employers contribution to any enhancement of service awarded (i.e. added years benefits) or redundancy payments made. These costs are included on an actuarial basis and have been calculated by the Board's appointed actuary, Barnett Waddingham (where no actuarial valuation was provided by the actuary an estimate of the capitalised cost has been made based on the required future payments to the relevant pension schemes).

Exit Package Cost Band	Total Number of exit packages by cost band		Total cost of exit packages in each cost band	
	2016/2017	2017/2018	2016/2017	2017/2018
	£000	£000	£000	£000
£0 - £20,000	-	-	-	-
£20,001 - £40,000	1	-	39	-
£40,001 - £60,000	1	-	44	-
£60,001 - £80,000	-	-	-	-
£80,001 - £100,000	1	-	87	-
£100,000 - £150,000	1	-	108	-
£150,001 - £250,000	1	-	186	-
<b>Total</b>	<b>5</b>	<b>-</b>	<b>464</b>	<b>-</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 10 September 2018.

Signed on behalf of Tay Road Bridge Joint Board

---

**Stewart Hunter**

**Chair**

**Tay Road Bridge Joint Board**

**10 September 2018**

**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 2018.

---

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

**Treasurer**

**Tay Road Bridge Joint Board**

**18 June 2018**







**TAY ROAD BRIDGE JOINT BOARD  
MOVEMENT IN RESERVES STATEMENT**

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

	<b>Revenue Reserves</b>	<b>Capital Reserves</b>			
	General Fund Balance £000	Capital Grants Unapplied Account £000	<b>Total Usable Reserves £000</b>	Unusable Reserves £000	<b>Total Board Reserves £000</b>
<b>Balance at 31 March 2016</b>	<b>(1,161)</b>	<b>(876)</b>	<b>(2,037)</b>	<b>(70,776)</b>	<b>(72,813)</b>
<b><u>Movement in Reserves during 2016/2017</u></b>					
<b>Total Comprehensive Expenditure and Income</b>	<b>1,911</b>	<b>-</b>	<b>1,911</b>	<b>485</b>	<b>2,396</b>
Adjustments between accounting basis & funding basis under regulations (note 6)	(1,911)	(423)	(2,334)	2,334	-
<b>Net (Increase) / Decrease before Transfers to Earmarked Reserves</b>	<b>-</b>	<b>(423)</b>	<b>(423)</b>	<b>2,819</b>	<b>2,396</b>
Transfers to / (from) Earmarked Reserves	-	-	-	-	-
<b>(Increase) / Decrease in 2016/2017</b>	<b>-</b>	<b>(423)</b>	<b>(423)</b>	<b>2,819</b>	<b>2,396</b>
<b>Balance at 31 March 2017 carried forward</b>	<b>(1,161)</b>	<b>(1,299)</b>	<b>(2,460)</b>	<b>(67,957)</b>	<b>(70,417)</b>
<b><u>Movement in Reserves during 2017/2018</u></b>					
<b>Total Comprehensive Expenditure and Income</b>	<b>1,330</b>	<b>-</b>	<b>1,330</b>	<b>(2,035)</b>	<b>(705)</b>
Adjustments between accounting basis & funding basis under regulations (note 6)	(1,330)	(248)	(1,578)	1,578	-
<b>Net (Increase) / Decrease before Transfers to Earmarked Reserves</b>	<b>-</b>	<b>(248)</b>	<b>(248)</b>	<b>(457)</b>	<b>(705)</b>
Transfers to / (from) Earmarked Reserves	-	-	-	-	-
<b>(Increase) / Decrease in Year</b>	<b>-</b>	<b>(248)</b>	<b>(248)</b>	<b>(457)</b>	<b>(705)</b>
<b>Balance at 31 March 2018 carried forward</b>	<b>(1,161)</b>	<b>(1,547)</b>	<b>(2,708)</b>	<b>(68,414)</b>	<b>(71,122)</b>

**TAY ROAD BRIDGE JOINT BOARD  
BALANCE SHEET**

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Board. The net assets of the Board (assets less liabilities) are matched by the reserves held by the Board. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Board may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure). The second category of reserves is those that the Board is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

<b>31 March 2017</b>		<b>Note</b>	<b>31 March 2018</b>
<b>£000</b>			<b>£000</b>
70,503	Property, Plant & Equipment	21	69,156
71	Investment Property	20	71
<b>70,574</b>	<b>Total Long Term Assets</b>		<b>69,227</b>
57	Inventories	23	55
23	Short Term Debtors	24	29
3,512	Cash and Cash Equivalents	14	3,882
<b>3,592</b>	<b>Total Current Assets</b>		<b>3,966</b>
(1,204)	Short Term Creditors	25	(1,333)
<b>(1,204)</b>	<b>Total Current Liabilities</b>		<b>(1,333)</b>
(2,545)	Net Pension Liabilities	16	(738)
<b>(2,545)</b>	<b>Total Long Term Liabilities</b>		<b>(738)</b>
<b>70,417</b>	<b>Net Assets</b>		<b>71,122</b>
2,460	Usable reserves	10	2,708
67,957	Unusable Reserves	11	68,414
<b>70,417</b>	<b>Total Reserves</b>		<b>71,122</b>

**Gregory Colgan, BAcc (Hons), ACMA, CGMA**  
Treasurer  
Tay Road Bridge Joint Board  
18 June 2018

**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>2016/2017</b>		<b>2017/2018</b>
<b>£000</b>		<b>£000</b>
1,911	Net (surplus) or deficit on the provision of services	1,330
(2,013)	Adjust net surplus or deficit on the provision of services for non cash movements	(1,902)
77	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	423
<b>(25)</b>	<b>Net cash flows from Operating Activities</b>	<b>(149)</b>
(423)	Investing Activities (note 12)	(207)
(14)	Financing Activities (note 13)	(14)
<b>(462)</b>	<b>Net (Increase) or Decrease in cash and cash equivalents</b>	<b>(370)</b>
3,050	Cash and cash equivalents at the beginning of the reporting period	3,512
<b><u>3,512</u></b>	<b>Cash and cash equivalents at the end of the reporting period (note 14)</b>	<b><u>3,882</u></b>

## **1 ACCOUNTING POLICIES**

### **A General Principles**

The Annual Accounts summarise the Board's transactions for the 2017/2018 financial year and its position at the year-end of 31 March 2018. 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 2017/2018 and the Service Reporting Code of Practice 2017/2018, supported by 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 the sale of goods is recognised when the Board transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Board.
- Revenue from the provision of services is recognised when the Board can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Board.
- 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 there is evidence that debts are unlikely to 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 fixed assets during the year:

- depreciation attributable to the assets used by the Board; and

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

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

## **F Employee Benefits**

### Benefits Payable During Employment

Short-term employee benefits (those that fall due wholly within 12 months of the year-end), such as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees, are recognised as an expense in the year in which employees render service to the Board. An accrual is made against relevant operating areas in the Surplus or Deficit on the Provision of Services for the cost of holiday entitlements earned by employees but not taken before the year-end and 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. Any accrual made is required under statute to be reversed out of the General Reserve by a credit to the Accumulating Compensated Absences Adjustment Account in the Movement in Reserves Statement.

### 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 and are charged on an accruals basis to the appropriate service 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 Superannuation Scheme (Tayside Pension Fund), a defined benefits scheme which is administered by Dundee City Council. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Board.

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

- The liabilities of the Tayside Pension Fund attributable to the Board are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bond, iBoxx AA rated over 15 year corporate bond index.
- The assets of the Tayside Pension Fund attributable to the Board are included in the Balance Sheet at their fair value:
  - quoted securities – current bid price
  - unquoted securities – professional estimate
  - unitised securities – current bid price
  - property – market value.

The change in the net pensions liability is analysed into the following components:

- Service cost comprising:
  - current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to relevant operating areas;
  - past service cost – the increase in liabilities arising as a result of a scheme amendment or curtailment whose effect 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 Pensions Reserves 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 appropriations 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 reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Annual Accounts are adjusted to reflect such events; and
- those that are indicative of conditions that arose after the reporting period – the Annual Accounts are not adjusted to reflect such events, but where a category of events would have a material effect disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Annual Accounts.



## **H Government Grants and Contributions**

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

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

Amounts recognised as due to the Board are not credited to the Comprehensive Income and Expenditure Account until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using 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**

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.

## **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 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

#### *Operating Leases*

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

## **M Property, Plant and Equipment**

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

### Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Board and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

### Measurement

Assets are initially measured at cost, comprising:

- the purchase price; and

- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

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

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of current value. Assets included in the Balance Sheet at current value are re-valued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains would be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a revaluation or impairment loss previously charged to a service. Where decreases in value are identified, the revaluation loss is accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains);
- where there is no balance in the Revaluation Reserve or insufficient balance, the carrying amount of the asset is written down against the relevant line(s) in the Comprehensive Income and Expenditure Statement.

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

#### Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall. Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains);
- where there is no balance in the Revaluation Reserve or insufficient balance, the carrying amount of the asset is written down against the relevant line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

#### Assets Held for Sale / Disposals

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is re-valued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses. Depreciation is not charged on Assets Held for Sale. Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account. Amounts received for disposals are categorised as capital receipts. Receipts are required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Board's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Reserve in the Movement in Reserves Statement. Amounts are appropriated to the Capital Adjustment Account from the General Reserve in the Movement in Reserves Statement.

#### Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- buildings – straight-line allocation over the useful life of the property as estimated by the valuer.
- vehicles, plant and equipment – straight line allocation over between 3 and 35 years.
- infrastructure – straight-line allocation up to 85 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 Provisions, Contingent Liabilities and Contingent Assets**

#### Provisions

Provisions are made where an event has taken place that gives the Board a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For example, the Board may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation. Provisions are charged as an expense to the appropriate line in the Comprehensive Income and Expenditure Statement in the year that the Board becomes aware of the obligation, and measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant heading. Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Board settles the obligation.

## **O Reserves**

Reserves are created by appropriating 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 heading in that year to count against the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated 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 and retirement benefits and these reserves do not represent usable resources for the Board. Further information on the Board's reserves is contained in notes 10 and 11.

## **P 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.

## **Q FAIR VALUE MEASUREMENT**

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

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

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

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

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

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

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

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

There were no relevant accounting standards that have been issued but are not yet adopted in the 2017/2018 Code of Practice on Local Authority Accounting in the United Kingdom.

**3 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

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

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

The Statement of Accounts contains estimated figures that are based on assumptions made by the Board about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Board's Balance Sheet at 31 March 2018 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

<b>Item</b>	<b>Uncertainties</b>	<b>Effect if Actual Results Differ from Assumptions</b>
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Board will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for property, plant and equipment would increase by £56,000 for every year that useful lives had to be reduced.
Pensions 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 £164,000. However, the assumptions interact in complex ways. During 2017/2018, the Board's actuaries advised that the net pensions assets had increased by £1,040,000 as a result of estimates being corrected as a result of experience and net pension liabilities had reduced by £995,000 attributable to updating of the assumptions.

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

**5 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. The relevant transfers between reserves are explained in the Movement in Reserves Statement.

**2017/2018**

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

**2016/2017**

<b>Adjustments from General Reserve to arrive at Comprehensive Income &amp; Expenditure Statement Amounts</b>	<b>Adjustments between Funding &amp; Accounting Basis</b>			
	<b>Adjustments for Capital Purposes</b>	<b>Net Change for the</b>		<b>Total Adjustments</b>
		<b>Pensions Adjustment</b>	<b>Other Differences</b>	
<i>Explanatory Notes:</i>	(1)	(2)	(3)	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Administration	-	4	-	4
Operations	-	(46)	-	(46)
Plant & Equipment	-	-	-	-
Bridge Maintenance	-	29	-	29
Corporate Costs	1,943	421	-	2,364
<b>Net Cost of Services</b>	<b>1,943</b>	<b>408</b>	<b>-</b>	<b>2,351</b>
<b>Other Operating Income &amp; Expenditure from the Expenditure &amp; Funding Analysis</b>	<b>(500)</b>	<b>60</b>	<b>-</b>	<b>(440)</b>
<b>Difference between General Reserve Surplus or Deficit and CIES Surplus or Deficit on the Provision of Services</b>	<b>1,443</b>	<b>468</b>	<b>-</b>	<b>1,911</b>

*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 ie 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 CIES.
- 3) Other differences between amounts debited / credited to the Comprehensive Income and Expenditure Statement and amounts payable /receivable to be recognised under statute:
  - a) For Financing and investment income and expenditure - the other differences column recognises adjustments to the General Reserve for the re-measurement of the revenue costs / income associated with financial instruments.
  - b) For Financing and investment income and expenditure - the other differences column recognises interest payable / receivable being reclassified as a corporate cost.

**EXPENDITURE AND FUNDING ANALYSIS - EXPENDITURE AND INCOME ANALYSED BY NATURE**

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

	<b>2016/2017</b>	<b>2017/2018</b>
	<b>Net</b>	<b>Net</b>
<b>Expenditure:</b>	<b>Expenditure /</b>	<b>Expenditure /</b>
	<b>(Income)</b>	<b>(Income)</b>
	<b>£000</b>	<b>£000</b>
Staff Costs	1,046	1,062
Property Costs	84	79
Supplies & Services	422	565
Transport Costs	29	25
Third Party Payments	84	119
Corporate Costs	2,364	1,977
<b>Total Expenditure</b>	<b>4,029</b>	<b>3,827</b>
<b>Income:</b>		
Fees, Charges & Other Service Income	(1)	(8)
Interest & Investment Income	36	43
Government Grants & Contributions	(2,153)	(2,532)
<b>Total Income</b>	<b>(2,118)</b>	<b>(2,497)</b>
<b>(Surplus) or Deficit on Provision of Services</b>	<b>1,911</b>	<b>1,330</b>



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

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

	<u>Revenue</u> <u>Reserve</u>	<u>Capital</u> <u>Reserve</u>	<u>Capital</u> <u>Reserve</u> <u>Capital</u> <u>Grants</u>	Movement in Unusable Reserves	Total 2017/2018
	General Fund Balance £000	Capital Receipts Reserve £000	Unapplied Account £000	£000	£000
<b>2017/2018</b>					
<b>Adjustments involving the Capital Adjustment Account:</b>					
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>					
Charges for depreciation and impairment of non current assets	(1,943)	-	-	1,943	-
Movements in the fair value of Investment Properties	-	-	-	-	-
Capital grants and contributions that have been applied to capital financing	750	-	-	(750)	-
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-	-	-	-
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>					
Capital expenditure charged against the General Reserve	87	-	-	(87)	-
<b>Adjustments involving the Capital Receipts Reserve:</b>					
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	7	(7)	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	7	-	(7)	-
<b>Adjustments involving the Capital Grants Unapplied Account:</b>					
Reversal of unapplied capital grant and contributions credited to the Comprehensive Income and Expenditure Statement	-	-	(248)	248	-
<b>Adjustments involving the Pensions Reserve:</b>					
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 16)	(355)	-	-	355	-
Employer's pensions contributions and direct payments to pensioners payable in the year	127	-	-	(127)	-
<b>Adjustment involving the Accumulating Compensated Absences Adjustment Account:</b>					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(3)	-	-	3	-
<b>Total Adjustments</b>	<b>(1,330)</b>	<b>-</b>	<b>(248)</b>	<b>1,578</b>	<b>-</b>

	<u>Revenue Reserve</u>	<u>Capital Reserve</u>	<u>Capital Reserve</u>	<u>Movement in Unusable Reserves</u>	<u>Total 2016/2017</u>
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied Account	in Unusable Reserves	2016/2017
<b>2016/2017</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	(1,943)	-	-	1,944	1
Movements in the fair value of Investment Properties	-	-	-	-	-
Capital grants and contributions that have been applied to capital financing	500	-	-	(500)	-
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-	-	-	-
<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	-	-	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	-	-	-
<b>Adjustments involving the Capital Grants Unapplied Account:</b>					
Reversal of unapplied capital grant and contributions credited to the Comprehensive Income and Expenditure Statement	-	-	(423)	423	-
<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 16)	(696)	-	-	695	(1)
Employer's pensions contributions and direct payments to pensioners payable in the year	228	-	-	(228)	-
<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	-	-	-	-	-
<b>Total Adjustments</b>	<b>(1,911)</b>	<b>-</b>	<b>(423)</b>	<b>2,334</b>	<b>-</b>

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

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

<u>2016/2017</u> <u>£000</u>		<u>2017/2018</u> <u>£000</u>
(1)	Fees and Charges	(1)
-	(Gains) / Losses on the disposal of non current assets	(7)
<u>(1)</u>	<b>Total</b>	<u>(8)</u>

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

<u>2016/2017</u> <u>£000</u>		<u>2017/2018</u> <u>£000</u>
60	Net interest on the defined benefit liability (asset)	68
(15)	Interest receivable and similar income	(16)
(9)	Net Income & Expenditure on investment properties	(9)
<u>36</u>	<b>Total</b>	<u>43</u>

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

<u>2016/2017</u> <u>£000</u>		<u>2017/2018</u> <u>£000</u>
(1,653)	Non-ring fenced government grants	(1,782)
(500)	Capital grants and contributions	(750)
<u>(2,153)</u>	<b>Total</b>	<u>(2,532)</u>

**10 BALANCE SHEET - USABLE RESERVES**

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement and note 6.

**11 BALANCE SHEET - UNUSABLE RESERVES**

<u>31 March 2017</u> <u>£000</u>		<u>31 March 2018</u> <u>£000</u>
762	Revaluation Reserve	762
69,739	Capital Adjustment Account	68,392
(2,545)	Pensions Reserve	(738)
1	Accumulating Compensated Absences Adjustment Account	(2)
<u>67,957</u>	<b>Total Unusable Reserves</b>	<u>68,414</u>

Revaluation Reserve

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

- re-valued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

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

2016/2017		2017/2018
<u>£000</u>		<u>£000</u>
762	<b>Balance at 1 April</b>	762
-	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 6 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2016/2017		2017/2018
<u>£000</u>		<u>£000</u>
71,627	<b>Balance at 1 April</b>	69,739
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(1,943)	• Charges for depreciation and impairment of non current assets	(1,943)
(22)	• Revaluation losses on Property, Plant & Equipment	-
-	• Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-
-	Adjusting amounts written out of the Revaluation Reserve	-
<u>(1,965)</u>	<b>Net written out amount of the cost of non current assets consumed in the year</b>	<u>(1,943)</u>
	Capital financing applied in the year:	
-	• Use of the Capital Receipts Reserve to finance new capital expenditure	7
77	• Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	502
-	• Capital expenditure charged against the General Reserve	87
<u>77</u>	<b>Total Capital Financing Applied during the year</b>	<u>596</u>
-	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	-
<u>69,739</u>	<b>Balance at 31 March</b>	<u>68,392</u>

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

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Board accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Board makes employer's contributions to pensions funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Board has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

<u>2016/2017</u> <u>£000</u>		<u>2017/2018</u> <u>£000</u>
<b>(1,614)</b>	<b>Balance at 1 April</b>	<b>(2,545)</b>
(463)	Re-measurements of the net defined benefit liability / (asset)	2,035
(696)	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	(355)
228	Employer's pensions contributions and direct payments to pensioners payable in the year	127
<b>(2,545)</b>	<b>Balance at 31 March</b>	<b>(738)</b>

Accumulating Compensated Absences Adjustment Account

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

<u>2016/2017</u> <u>£000</u>		<u>2017/2018</u> <u>£000</u>
<b>1</b>	<b>Balance at 1 April</b>	<b>1</b>
(1)	Settlement or cancellation of accrual made at the end of the preceding year	(1)
1	Amounts accrued at the end of the current year	(2)
-	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(3)
<b>1</b>	<b>Balance at 31 March</b>	<b>(2)</b>

**12 CASH FLOW STATEMENT - INVESTING ACTIVITIES**

<u>2016/2017</u> <u>£000</u>		<u>2017/2018</u> <u>£000</u>
77	Purchase of property, plant and equipment, investment property and intangible assets	550
-	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(7)
(500)	Other receipts from investing activities	(750)
<b>(423)</b>	<b>Net cash flows from investing activities</b>	<b>(207)</b>

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

**13 CASH FLOW STATEMENT - FINANCING ACTIVITIES**

<b>2016/2017</b>		<b>2017/2018</b>
<u>£000</u>		<u>£000</u>
(14)	Other receipts from financing activities	(14)
<u>(14)</u>	<b>Net cash flows from financing activities</b>	<u>(14)</u>

**14 CASH FLOW STATEMENT - CASH AND CASH EQUIVALENTS**

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

<b>31 March 2017</b>		<b>31 March 2018</b>
<u>£000</u>		<u>£000</u>
3,512	Bank current account	3,882
<u>3,512</u>	<b>Total cash and cash equivalents</b>	<u>3,882</u>

**15 EXTERNAL AUDIT COSTS**

The Board has incurred the following costs in relation to the audit of the Annual Accounts, certification of grant claims and statutory inspections and to other non-audit services provided by the Board's external auditors:

	<b>2016/2017</b>	<b>2017/2018</b>
	<u>£000</u>	<u>£000</u>
Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor for the year	12	12
<b>Total</b>	<u>12</u>	<u>12</u>

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

### 16 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 pensions 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 pensions 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 Pensions 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>2016/2017</b>	<b>2017/2018</b>
	<b>£000</b>	<b>£000</b>
<b>Comprehensive Income and Expenditure Statement:</b>		
<i>Cost of Services:</i>		
• current service cost	215	253
• past service cost	421	-
• curtailment	-	34
<i>Financing and Investment Income and Expenditure</i>		
• net interest on the defined liability (asset)	57	65
• administration expenses	3	3
<b>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</b>	<b>696</b>	<b>355</b>
<i>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>		
Re-measurement of the net defined benefit liability comprising:		
• Return on plan assets (excluding amount included in the net interest expense)	(1,471)	(560)
• Other actuarial gains / (losses) on assets	-	242
• Actuarial gains and losses arising on changes in demographic assumptions	-	(680)
• Actuarial gains and losses arising on changes in financial assumptions	1,903	(315)
• Other (if applicable)	31	(722)
<b>Total Re-measurements</b>	<b>463</b>	<b>(2,035)</b>
<b>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</b>	<b>1,159</b>	<b>(1,680)</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	(696)	(355)
<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>		
• employers' contributions payable to scheme	228	127



**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>2015/2016</b>	<b>2016/2017</b>	<b>2017/2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Net pension assets as at:			
Present value of funded obligation	9,178	11,354	9,688
Fair value of scheme assets	(7,705)	(9,177)	(9,311)
<b>Net liability</b>	<b>1,473</b>	<b>2,177</b>	<b>377</b>
Present value of unfunded obligation	141	368	361
<b>Net liability arising from defined benefit obligation</b>	<b>1,614</b>	<b>2,545</b>	<b>738</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>2016/2017</b>	<b>2017/2018</b>
	<b>£000</b>	<b>£000</b>
Opening balance at 1 April	9,319	11,722
Current service cost	215	253
Interest cost	322	298
Contributions by scheme participants	41	40
<i>Re-measurement (gains) and losses:</i>		
o change in financial assumptions	1,903	(315)
o change in demographic assumptions	-	(680)
Experience gain on defined benefit obligation	31	(722)
Benefits paid	(530)	(581)
Past service costs, including curtailments	421	34
<b>Closing balance at 31 March</b>	<b>11,722</b>	<b>10,049</b>

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

	<b>Local Government Pension Scheme</b>	
	<b>2016/2017</b>	<b>2017/2018</b>
	<b>£000</b>	<b>£000</b>
Opening balance at 1 April	7,705	9,177
Interest income on assets	265	233
Re-measurement gain / (loss): return on assets less interest	1,471	560
Other re-measurement gain	-	(242)
Administration expenses	(3)	(3)
Employer contributions	228	127
Contributions by scheme participants	41	40
Benefits paid	(530)	(581)
<b>Closing balance at 31 March</b>	<b>9,177</b>	<b>9,311</b>

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

The actual return on scheme assets in the year was £793,000 ( 2016/2017: £1,736,000).

**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 £0.738m 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>2016/2017</b>	<b>2017/2018</b>
Long-term expected rate of return on assets in the scheme:		
Mortality assumptions:		
Longevity at 65 for current pensioners (years):		
Men	21.4	20.3
Women	23.5	22.2
Longevity at 65 for future pensioners (years):		
Men	23.7	22.1
Women	25.8	24.1
Rate of inflation (RPI)	3.50%	3.55%
Rate of inflation (CPI)	2.60%	2.55%
Rate of increase in salaries	3.60%	3.35%
Rate of increase in pensions	2.60%	2.35%
Rate of discounting scheme liabilities	2.60%	2.55%

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	9,885	10,049	10,215
o Projected service cost	231	236	241
Adjustment to long term salary increase:			
o Present value of total obligation	10,063	10,049	10,034
o Projected service cost	236	236	236
Adjustment to pension increases and deferred re-valuation:			
o Present value of total obligation	10,201	10,049	9,899
o Projected service cost	241	236	231
Adjustment to mortality age rating assumption:	<b>+ 1 year</b>	<b>None</b>	<b>- 1 year</b>
o Present value of total obligation	10,461	10,049	9,653
o Projected service cost	244	236	229

**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 2017	31 March 2017	31 March 2018	31 March 2018
	£000	%	£000	%
Equity investments	6,608	72	6,479	70
Gilts	608	7	455	5
Other Bonds	905	10	1,059	11
Property	905	10	1,058	11
Cash	151	1	260	3
<b>Total</b>	<b>9,177</b>	<b>100</b>	<b>9,311</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 £110,000 expected contributions to the scheme in 2018/2019. The weighted average duration of the defined benefit obligation for scheme members is 17 years (2016/2017: 16 years).

### 17 EVENTS AFTER THE BALANCE SHEET DATE

There were no events that occurred between 1 April 2018 and 18 June 2018 that would require adjustment to the 2017/2018 financial statements. The latter date is the date on which the unaudited accounts were authorised for issue by the Treasurer.

### 18 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 2018 (see note 27).

#### Other Local Authorities

Angus, Dundee City and Fife Councils are considered to be related parties of the Board. During 2017/2018, the Board entered into a number of transactions with Dundee City Council and Fife Council, as detailed below:

2016/2017			2017/2018	
Income	Expenditure		Income	Expenditure
£000	£000		£000	£000
(15)	-	<b>Dundee City Council:</b>	(17)	-
-	62	Interest Receivable	-	77
-	4	Central Support Services	-	12
-	27	Grounds Maintenance	-	122
<b>(15)</b>	<b>93</b>	Miscellaneous	<b>(17)</b>	<b>211</b>
		<b>Total Dundee City Council</b>		
		<b>Fife Council:</b>		
-	6	Grounds Maintenance	-	-
-	6	Miscellaneous	-	4
<b>-</b>	<b>12</b>	<b>Total Fife Council</b>	<b>-</b>	<b>4</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 2018:

2016/2017			2017/2018	
Asset £000	Liability £000		Asset £000	Liability £000
		<b>Dundee City Council:</b>		
-	3	Central Support Services	-	3
(15)	-	Interest Receivable	(17)	-
-	35	Miscellaneous (incl. Capital Works)	-	48
<b>(15)</b>	<b>38</b>	<b>Total Dundee City Council</b>	<b>(17)</b>	<b>51</b>
		<b>Fife Council:</b>		
-	12	Miscellaneous	-	5
-	<b>12</b>	<b>Total Fife Council</b>	-	<b>5</b>

## 19 LEASES

### The Board as Lessee

The Board held no assets on finance or operating lease during 2017/2018 and, accordingly, there were no lease rentals paid to lessors during the year (2016/2017: None) or commitments due to lessors in 2017/2018 (2016/2017: 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 2017/2018 the Board received rent of £10,213 from this agreement (2016/2017: £10,213). 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.

## 20 INVESTMENT PROPERTIES

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

	2016/2017 £000	2017/2018 £000
Rental income from investment property	10	10
Direct operating expenses arising from investment property	(1)	(1)
<b>Net gain/(loss)</b>	<b>9</b>	<b>9</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.

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

The following table summarises the movement in the fair value of investment properties over the year:

	2016/2017 £000	2017/2018 £000
Balance at start of the year	71	71
Additions:		
Purchases	-	-
Subsequent expenditure	-	-
Disposals:	-	-
Net gains/(losses) from fair value adjustments	-	-
Transfers:		
to/from Inventories	-	-
to/from Property, Plant and Equipment	-	-
<b>Balance at end of the year</b>	<b>71</b>	<b>71</b>

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.

## 21 PROPERTY, PLANT AND EQUIPMENT

### *Movements on Balances*

Movements in 2017/2018:

	Other Land and Building £000	Vehicles, Plant & Equipment £000	Infrastructure Assets £000	Total Property, Plant & Equipment £000
<b>Cost or Valuation</b>				
At 1 April 2017	1,398	826	85,853	88,077
Additions	-	536	60	596
Derecognition – Disposals	-	(59)	-	(59)
Expenditure Not Adding Value	-	(28)	-	(28)
Revaluation Increases / (Decreases) recognised in the Revaluation Reserve	-	-	-	-
Revaluation Increases / (Decreases) recognised in the Surplus / Deficit on the Provision of Services	-	-	-	-
Other movements in Cost or Valuation	-	-	-	-
<b>At 31 March 2018</b>	<b>1,398</b>	<b>1,275</b>	<b>85,913</b>	<b>88,586</b>
<b>Accumulated Depreciation and Impairment</b>				
At 1 April 2017	39	456	17,079	17,574
Depreciation charge	19	64	1,832	1,915
Depreciation written out to the Surplus / Deficit on the Provision of Services	-	-	-	-
Derecognition – Disposals	-	(59)	-	(59)
<b>At 31 March 2018</b>	<b>58</b>	<b>461</b>	<b>18,911</b>	<b>19,430</b>
<b>Net Book Value:</b>				
<b>At 31 March 2018</b>	<b>1,340</b>	<b>814</b>	<b>67,002</b>	<b>69,156</b>
<b>At 31 March 2017</b>	<b>1,359</b>	<b>370</b>	<b>68,774</b>	<b>70,503</b>

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

Comparative Movements in 2016/2017:

	<b>Other Land and Building £000</b>	<b>Vehicles, Plant &amp; Equipment £000</b>	<b>Infrastructure Assets £000</b>	<b>Total Property, Plant &amp; Equipment £000</b>
<b>Cost or Valuation</b>				
At 1 April 2016	1,429	780	85,832	<b>88,041</b>
Additions	-	46	31	<b>77</b>
Derecognition – Disposals	-	-	-	-
Expenditure Not Adding Value	-	-	(10)	<b>(10)</b>
Revaluation Increases / (Decreases) recognised in the Revaluation Reserve	-	-	-	-
Revaluation Increases / (Decreases) recognised in the Surplus / Deficit on the Provision of Services	(31)	-	-	<b>(31)</b>
Other movements in Cost or Valuation	-	-	-	-
<b>At 31 March 2017</b>	<b>1,398</b>	<b>826</b>	<b>85,853</b>	<b>88,077</b>
<b>Accumulated Depreciation</b>				
At 1 April 2016	29	395	15,225	<b>15,649</b>
Depreciation charge	19	61	1,854	<b>1,934</b>
Depreciation written out to the Surplus / Deficit on the Provision of Services	(9)	-	-	<b>(9)</b>
Derecognition – Disposals	-	-	-	-
<b>At 31 March 2017</b>	<b>39</b>	<b>456</b>	<b>17,079</b>	<b>17,574</b>
<b>Net Book Value:</b>				
<b>At 31 March 2017</b>	<b>1,359</b>	<b>370</b>	<b>68,774</b>	<b>70,503</b>
<b>At 31 March 2016</b>	<b>1,400</b>	<b>385</b>	<b>70,607</b>	<b>72,392</b>

*Capital Commitments*

At 31 March 2018, the Board has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2018/2019 and future years, budgeted to cost £101,000 (Similar commitments at 31 March 2017 were £342,000).

The major commitments is for  
- Lift Replacement = £91,000.

*Revaluations*

The Authority carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is re-valued at least every five years. All valuations were carried out by Mr Alastair Kay BSc MRICS, Registered Valuer for Dundee City Council's City Development Department. 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.

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

**22 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.

	<b>2016/2017</b>	<b>2017/2018</b>
	<b>£000</b>	<b>£000</b>
<i>Capital investment:</i>		
Property, Plant and Equipment	77	596
<b>Total Capital Investment</b>	<b>77</b>	<b>596</b>
<i>Sources of finance:</i>		
Capital receipts	-	7
Government grants and other contributions	77	502
CFCR	-	87
<b>Total Sources of Finance</b>	<b>77</b>	<b>596</b>

**23 INVENTORIES**

	<b>Maintenance Materials</b>		<b>Total</b>	
	<b>2016/2017</b>	<b>2017/2018</b>	<b>2016/2017</b>	<b>2017/2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Balance outstanding at start of year</b>	61	57	61	57
Recognised as an expense in the year	(4)	(2)	(4)	(2)
Other Adjustments	-	-	-	-
<b>Balance outstanding at year-end</b>	<b>57</b>	<b>55</b>	<b>57</b>	<b>55</b>

**24 SHORT-TERM DEBTORS**

	<b>31 March 2017</b>	<b>31 March 2018</b>
	<b>£000</b>	<b>£000</b>
Local authorities	15	17
Other entities and individuals	8	12
<b>Total</b>	<b>23</b>	<b>29</b>

**25 SHORT-TERM CREDITORS**

	<b>31 March 2017</b>	<b>31 March 2018</b>
	<b>£000</b>	<b>£000</b>
Central government bodies	1,112	1,043
Local authorities	50	26
Other entities and individuals	42	264
<b>Total</b>	<b>1,204</b>	<b>1,333</b>

**26 GRANT INCOME**

The Board credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Account in 2017/2018:

	<b>2016/2017</b>	<b>2017/2018</b>
	<b>£000</b>	<b>£000</b>
<b>Credited to Taxation and Non Specific Grant Income</b>		
Scottish Government Revenue Grant	1,644	1,782
Heritage Lottery Funding	9	-
Scottish Government Capital Grant	500	750
<b>Total</b>	<b>2,153</b>	<b>2,532</b>

The Board has £1,023,000 of revenue grants, contributions and donations that have yet to be recognised as income due to them having conditions attached to them that requires the monies or property to be returned to the grant provider (2016/2017: £1,096,000). This is included in Note 25, Short-Term Creditors under central government bodies.

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

**172**

The Annual Accounts set out on pages 13 to 52 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 Services  
Audit Scotland  
4th Floor,  
102 West Port  
Edinburgh  
EH3 9DN.



**REPORT TO: TAY ROAD BRIDGE JOINT BOARD - 18 JUNE 2018**  
**REPORT ON: 2018/2019 INSURANCE PROGRAMME**  
**REPORT BY: TREASURER**  
**REPORT NO: TRB 8-2018**

## 1 PURPOSE OF REPORT

This report provides an overview of the insurance arrangements for the financial year 2018/2019.

## 2 RECOMMENDATIONS

It is recommended that the Joint Board notes the details contained within this report.

## 3 FINANCIAL IMPLICATIONS

The financial implications of the 2018/2019 insurance programme, as detailed in Appendix A, are that the covers have been negotiated within the provision contained in the approved 2018/2019 Revenue Budget.

## 4 MAIN TEXT

All policies are negotiated by Dundee City Council's Insurance and Risk Manager under the Service Level Agreement with Corporate Services. All policies are arranged through the insurance brokers Marsh with the exception of Directors & Officers and Death in Service policies which are arranged directly with the insurers.

### 4.1 Property / Material Damage / Business Interruption:

Covers property damage to the bridge assets, buildings and contents, and increased cost of working following insured damage. The first loss limit for damage to the bridge is £13m.

### 4.2 Combined Liability Policies:

These policies cover the Joint Board's legal liabilities to its employees and to members of the public.

### 4.3 Directors & Officers:

This policy is a traditional liability policy covering the individual and collective legal liabilities of Joint Board members and officers.

### 4.4 Fidelity Guarantee:

This policy relates to fraud / misappropriation of materials by Joint Board employees.

### 4.5 Personal Accident:

This policy covers personal accident and travel exposures. Variable injury benefits cover lump sum payments for death, permanent disablement, and permanent disfigurement. The travel insurance is applicable for any travel undertaken primarily for business purposes and includes cover for medical expenses, personal belongings, business equipment, cash, travel documents, travel disruption, and personal liability.

- 4.6 Hired in Plant:  
This policy responds to loss of or damage to small plant hired in by the Joint Board.
- 4.7 Engineering Combined:  
The principal cover afforded by this policy relates to inspection of gantries, associated infrastructure and other owned plant in compliance with statutory requirements.
- 4.8 Motor Fleet:  
Covers any employee of the Joint Board for vehicles that are the property of the Bridge Board and any that are on hire, loaned or leased to the Joint Board. An excess of £100 is applicable on each claim.
- 4.9 Marine:  
Provides cover for damage to Joint Board owned vessels and any liabilities resulting from their use. This has reduced since 2015/2016 due to sale of Safety Boat.
- 4.10 Death in Service:  
Provides additional life cover to employees over and above that provided by the Local Government Pension Scheme (LGPS). At present this is a contractual benefit for all current employees who were in post at 31 December 2011 but was closed to new employees after 31 December 2011 (see Report TRB26-2011 at Joint Board Meeting on 12 December 2011). This will result in a gradual reduction in premiums as the number of employees covered reduces over time.

## 5 **BACKGROUND**

There are no significant insurance renewal issues to report on for the Joint Board. All covers have been renewed with existing Insurers.

## 6 **POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty and Equality Impact Assessment and Risk Management. There are no major implications.

## 7 **CONSULTIONS**

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

**GREGORY COLGAN**  
**TREASURER**

**6 JUNE 2018**

APPENDIX ATAY ROAD BRIDGE JOINT BOARDPREMIUM SUMMARY 2018/2019

<u>CLASS</u>	<u>2013/14</u> <u>£</u>	<u>2014/15</u> <u>£</u>	<u>2015/16</u> <u>£</u>	<u>2016/17</u> <u>£</u>	<u>2017/18</u> <u>£</u>	<u>2018/19</u> <u>£</u>
Property	54,060	54,060	51,357	53,053	53,295	40,388
Combined Liability	16,960	17,120	17,120	18,234	18,487	16,800
Excess Public Liability	4,007	4,007	4,007	4,139	3,608	3,490
Directors & Officers	1,357	1,357	1,357	1,402	1,408	1,434
Fidelity	869	901	901	931	935	952
Personal Accident	943	943	943	974	930	906
Hired in Plant	819	819	820	847	851	866
Engineering Combined	13,148	12,621	11,989	12,452	11,688	11,807
Motor Fleet	3,700	3,940	4,801	5,202	5,697	8,688
Marine	10,000	10,407	1,502	1,314	1,320	1,344
Death in Service	4,305	4,305	4,361	4,361	2,952	2,557
<b>TOTAL</b>	<b><u>110,168</u></b>	<b><u>110,480</u></b>	<b><u>99,158</u></b>	<b><u>102,909</u></b>	<b><u>101,171</u></b>	<b><u>89,232</u></b>

Premiums include HM Government's Insurance Premium Tax (12% from 2018, previously 10% from 2017, 9.5% from 2016, and 6% from 2011).

