
TAY ROAD BRIDGE JOINT BOARD

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

TO: ALL MEMBERS OF THE TAY
ROAD BRIDGE JOINT BOARD

Date 20th September, 2022

Dear Member

TAY ROAD BRIDGE JOINT BOARD

You are requested to attend a meeting of the **TAY ROAD BRIDGE JOINT BOARD** to be held remotely on Monday, 26th September, 2022 at 10.30 am.

The agenda and papers are enclosed.

Members of the Press or Public wishing to join the meeting should contact Committee Services on telephone (01382) 434818 or by email at committee.services@dundeecity.gov.uk by no later than 12 noon on Friday, 23rd September, 2022.

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

Yours faithfully

ROGER MENNIE

Clerk to the Joint Board

AGENDA OF BUSINESS

1 DECLARATION OF INTEREST

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

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

2 MINUTE OF PREVIOUS MEETING - Page 1

The minute of meeting of the Tay Road Bridge Joint Board held on 13th June, 2022 is submitted for approval (copy attached).

3 PARK AND RIDE UPDATE - Page 7

(Report No TRB26-2022 by the Bridge Manager, enclosed).

4 OPERATIONAL RESTRICTIONS AND CLOSURES - Page 9

(Report No TRB22-2022 by the Bridge Manager, enclosed).

5 PROPOSED CHANGES TO OPERATIONAL TEAM STRUCTURE AT THE TAY ROAD BRIDGE - Page 17

(Report No TRB25-2022 by the Bridge Manager, enclosed).

6 ANNUAL REVIEW OF STRATEGIC RISK MANAGEMENT - Page 21

(Report No TRB24-2022 by the Bridge Manager, enclosed).

7 TENDER REPORT – NEW MAINTENANCE STORAGE CONTAINER AND NEW DE-ICING LIQUID STORAGE TANK - Page 39

(Report No TRB23-2022 by the Bridge Manager, enclosed).

8 AUDITED ACCOUNTS

(a) EXTERNAL AUDITOR'S ANNUAL REPORT

(i) Audit Scotland's Covering Letter - Page 41

(ii) Proposed 2021/2022 Annual Audit Report - Page 51

(Copy attached).

(b) RESPONSE TO EXTERNAL AUDITOR'S ANNUAL REPORT ON THE 2021/2022 AUDIT OF TAY ROAD BRIDGE JOINT BOARD - Page 75

(Report No TRB17-2022 by the Treasurer, enclosed).

(c) AUDITED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Page 79

(Copy attached).

9 REVENUE MONITORING – 4 MONTHS TO 31ST JULY, 2022 - Page 143

(Report No TRB18-2022 by the Treasurer, enclosed).

10 CAPITAL MONITORING – 4 MONTHS TO 31ST JULY, 2022 - Page 149

(Report No TRB19-2022 by the Treasurer, enclosed).

11 INTERNAL AUDIT – AUDIT NEEDS ASSESSMENT AND STRATEGIC PLAN 2022 TO 2025 - Page 155

(Report No TRB20-2022 by the Treasurer, enclosed).

12 INTERNAL AUDIT – ANNUAL AUDIT PLAN 2022/2023 - Page 173

(Report No TRB21-2022 by the Treasurer, enclosed).

13 DATE OF NEXT MEETING

The next meeting of the Joint Board will be held remotely on Monday, 5th December, 2022 at 10.00am (unless otherwise advised).

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ITEM No ...2.....

At a MEETING of the **TAY ROAD BRIDGE JOINT BOARD** held remotely on 13th June, 2022.

Present:-

Dundee City Council

Councillor Ken LYNN
 Councillor Dorothy MCHUGH
 Bailie Fraser MACPHERSON
 Councillor Steven ROME
 Councillor Wendy SCULLIN
 Councillor Lynne SHORT

Fife Council

Councillor Altany CRAIK
 Councillor Gary HOLT
 Councillor Louise KENNEDY-DALBY
 Councillor Alan KNOX
 Councillor Jonny TEPP

Angus Council

Councillor Kenny BRAES

Also Present (Officers):-

Gary BRADY (Engineer)
 Matthew CRONIN (Audit Scotland)
 Cameron GAIR (Transport Scotland)
 Alan HUTCHISON (Bridge Manager)
 Kenny McKAIG (for Clerk)
 Steve McNAUGHT (Henderson Loggie)
 John MOIR (for Treasurer)
 Richard SMITH (Audit Scotland)

I DECLARATION OF INTEREST

There were no declarations of interest.

II MEMBERSHIP OF JOINT BOARD

The Joint Board noted the reconstituted membership as undernoted:-

Dundee City Council

Bailie Macpherson, Councillors Ken Lynn, Dorothy McHugh, Steven Rome, Wendy Scullin and Lynne Short.

Fife Council

Councillors Altany Craik, Gary Holt, Louise Kennedy-Dalby, Alan Knox and Jonny Tepp.

Angus Council

Councillor Kenny Braes.

III APPOINTMENT OF CHAIRPERSON AND VICE-CHAIRPERSON

It was reported that the Joint Board required to appoint a Chairperson and Vice-Chairperson in terms of paragraph 10 of Schedule 1 to the Tay Road Bridge Order 1991.

Councillor Tepp, seconded by Bailie Macpherson, moved the appointment of Councillor Holt as Chairperson.

As an amendment, Councillor Rome, seconded by Councillor Lynn, moved appointment of Councillor Short.

On a division, there voted for the motion – Bailie Macpherson and Councillors Craik, Holt, Knox, McHugh, Scullin and Tepp (7); and for the amendment – Councillors Braes, Kennedy-Dalby, Lynn, Rome and Short (5) – whereupon Councillor Holt was appointed as Chairperson.

Councillor McHugh, seconded by Councillor Holt, moved the appointment of Bailie Macpherson as Vice-Chairperson.

As an amendment, Councillor Rome, seconded by Councillor Lynn, moved appointment of Councillor Short.

On a division, there voted for the motion – Bailie Macpherson and Councillors Craik, Holt, Knox, McHugh Scullin and Tepp, (7); and for the amendment – Councillors Braes, Kennedy-Dalby, Lynn, Rome and Short (5) – whereupon Bailie Macpherson was appointed as Vice-Chairperson.

IV APPOINTMENT OF CLERK, TREASURER AND ENGINEER

It was reported that in terms of Section 5 of the Tay Road Bridge Order 1991, the Joint Board was required to appoint a Clerk, a Treasurer and an Engineer. The Joint Board agreed that Dundee City Council continue to act as lead authority to the Joint Board and consequently, the following Officers of Dundee City Council serve in the posts indicated:-

Clerk	Head of Democratic and Legal Services
Treasurer	Executive Director of Corporate Services
Engineer	City Engineer (Design and Property Services).

V APPOINTMENT OF SUB COMMITTEES

(i) Appointment of Appeals Committee

The Joint Board agreed to re-establish an Appeals Committee, with powers to deal with staff grievance and disciplinary matters. Membership of the last Appeals Committee comprised the Chairman, Vice-Chairman and one other member of the Joint Board, as available.

(ii) Appointment of Miscellaneous Sub Committee

The Joint Board agreed to re-establish a Miscellaneous Sub-Committee, with powers to deal with miscellaneous matters such as regradings and other types of disciplinary matters which were outside the jurisdiction of the Bridge Manager. Membership of the last Miscellaneous Sub Committee comprised one member from Dundee City Council, one from Fife Council and one other member as available, these not to include members of the Appeals Committee in the interests of natural justice.

VI MINUTE OF PREVIOUS MEETING

The minute of meeting of the Tay Road Bridge Joint Board held on 28th February, 2022 was submitted and approved.

VII OPERATIONAL RESTRICTIONS AND CLOSURES

There was submitted Report No TRB13-2022 by the Bridge Manager appraising the Joint Board of the number and nature of operational restrictions and closures applied between 1st February to 30th April, 2022.

The Joint Board noted the contents of the report as at 30th April, 2022.

VIII RESPONSE TO INTERNAL AUDITOR'S REPORT TO MEMBERS

There was submitted Report No TRB14-2022 by the Bridge Manager in response to the Annual Report, ref 2022/07, prepared by the Joint Board's Internal Auditor, Henderson Loggie, on Payroll: Asset Security/Management (which was attached as an appendix to the report); Risk Management/Business Continuity Planning (which was attached as an appendix to the report); Corporate Governance (which was attached as an appendix to the report) and previous Audit follow-up reviews (which was attached as an appendix to the report)). A copy of the Internal Auditor's annual report was also included as an appendix to the report.

The Joint Board:-

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

IX TENDER REPORT - VARIABLE MESSAGE SIGN (VMS) IMPROVEMENTS

There was submitted Report No TRB15-2022 by the Bridge Manager seeking approval for the Joint Board's current maintenance contractor, TWM Traffic Control Systems, to supply the following services:

- supply and install replacement VMS in Fife on approaches to the bridge.

The Joint Board:-

- (i) agreed that the Clerk to the Joint Board be instructed to accept the offer of £111,529 from TWM Traffic Control systems to supply new VMS for the Tay Road Bridge; and
- (ii) agreed that the overall expenditure of £150,000 be authorised which included an allowance of £16,729 for 15% contingencies and for professional fees associated with design and supply of associated structural and electrical infrastructure.

X INTRODUCTION OF NEW BYELAWS

There was submitted Report No TRB16-2022 by the Bridge Manager seeking approval for the making of the Tay Road Bridge Joint Board (TRBJB) Byelaws 2022, included as Appendix 1 to the report.

Following discussion, the Joint Board approved the TRBJB Byelaws 2022 with the inclusion of references to e-bikes, with the date to be changed from 2019 to 2022 and with references to police, fire and ambulance services being changed to all emergency services and granted authority for the Clerk to the Joint Board to authenticate and make the Byelaws in accordance with the Tay Road Bridge Confirmation Act 1991 and to apply to the Scottish Ministers for them to be confirmed.

XI EXTERNAL AUDIT ANNUAL AUDIT PLAN 2021/2022

There was submitted Report No TRB8-2022 by the Treasurer presenting to the Joint Board the External Audit Annual Audit Plan, which was attached as an Appendix to the report.

The Joint Board noted the content of the External Audit Annual Audit Plan for 2021/2022.

XII LOCAL CODE OF CORPORATE GOVERNANCE

There was submitted Report No TRB9-2022 by the Treasurer reviewing and updating the Joint Board's Local Code of Corporate Governance.

The Joint Board:-

- (i) approved the compliance review and updated Local Code of Corporate Governance as detailed in Appendix A of the report;
- (ii) noted the progress against the 2021/2022 improvement action plan in Appendix 1 of the report; and
- (iii) approved the implementation of the improvements listed in Appendix 2 of the report for 2022/2023.

XIII ANNUAL GOVERNANCE STATEMENT FOR THE YEAR TO 31ST MARCH, 2022

There was submitted Report No TRB10-2022 by the Treasurer presenting to the Joint Board the Annual Governance Statement for approval and inclusion in the unaudited Annual Accounts for the year ended 31st March 2022 which were also submitted to the Joint Board.

The Joint Board:-

- (i) noted the content of the covering report;
- (ii) approved the Annual Governance Statement which was included as an Appendix to the report; and
- (iii) instructed the Treasurer to include the Annual Governance Statement in the Annual Accounts for the year to 31st March 2022.

XIV UNAUDITED ACCOUNTS FOR YEAR TO 31ST MARCH, 2022

There was submitted Report No TRB11-2022 by the Treasurer providing additional commentary on the unaudited Annual Accounts for the year ended 31st March 2022 which were submitted to the Tay Road Bridge Joint Board along with the report.

The Joint Board:-

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

XV 2022/2023 INSURANCE PROGRAMME

There was submitted Report No TRB12-2022 by the Treasurer providing an overview of the insurance arrangements for the financial year 2022/2023.

The Joint Board noted the details contained within the report.

XVI STANDING ORDERS, SCHEME OF DELEGATION, TENDER PROCEDURES AND FINANCIAL REGULATIONS

The Joint Board approved and adopted the current Standing Orders, Scheme of Delegation, Tender Procedures and Financial Regulations for the Tay Road Bridge Joint Board, copies of which were submitted.

XVII DATE OF NEXT MEETING

Monday, 12th September, 2022 at 10.00 am to be held remotely unless otherwise advised.

Councillor Gary HOLT, Chairperson.

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ITEM No ...3.....

REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 26 SEPTEMBER 2022

REPORT ON: PARK & RIDE UPDATE

REPORT BY: BRIDGE MANAGER

REPORT NO: TRB26 -2022

1 PURPOSE OF REPORT

- 1.1 The purpose of the report is to re-affirm the previous Board's stance of support for the development of a Park & Ride facility at the south landfall of the bridge and permit the Bridge Manager to represent the Board on the Tay Bridgehead Park & Ride working group.

2 RECOMMENDATION

- 2.1 It is recommended that the Board support the development of the Park & Ride proposal in principle by writing a letter of support of Fife Council's funding bids and permit the Bridge Manager to protect the TRBJB interests by positively engaging with the Taybridgehead Park & Ride working group.

3 FINANCIAL IMPLICATIONS

- 3.1 Fife Council has submitted a Levelling Up Fund bid for the North East Fife Constituency. There are no implications to existing TRBJB budgets.

4 BACKGROUND

- 4.1 SEStran's proposals for a Park & Ride at the south end of the bridge were presented to Board members in Report Number TRB6-2009 at a Special Meeting of the Board on 8th May 2009. At the meeting SEStran and Tactran presented their proposals regarding options for a Park & Ride /Choose facility on Board land, adjacent to Northfield Farm. The Board gave permission for the Bridge Manager to engage in further discussion with SEStran and Tactran but made it clear that any proposals must not affect the Board's property.
- 4.2 The aim of the Tay Bridgehead Park & Ride is to facilitate improved access to Dundee City Centre and surrounding areas with a view to meeting the aspirations of the City and the Regions (SEStran & Tactran). The Park & Ride will also support the ongoing work in implementing a Low Emission Zone (LEZ) within the City. The proposal includes a Park & Ride site with an approximate 450 space car park, landscaping, access junction, drainage, lighting, CCTV, bus turning facilities, bus stances and shelters, EV charging, etc. The site is situated on a greenfield site near the Tay Bridgehead on the south side of the B946.
- 4.3 Report number TRB27-2013 presented to the Board on 16 December 2013 recommended that the Board accept the District Valuer's valuation for the transfer of ownership to SEStran. The Board agreed to transfer ownership to SEStran subject to planning permission being granted by Fife Council and an imposition of a real burden on the sale restricting the use of the land to a park and ride facility. This transfer of ownership was not progressed at this time by SEStran and given the time that has passed, further valuation by the District Valuer may be required and further Board approval sought.

- 4.4 In 2019 Fife Council were successful in being awarded Scottish Government funding to move the Tay Bridgehead Park & Ride project forward to planning stage, payable from November 2019 to March 2020. The grant was in support for Public Transport Provision (PTP) measures in support of the introduction of a Low Emission Zone. This funding was only for one year and did not provide sufficient time to complete the planning process.
- 4.5 On the 30 August 2022 the Bridge Manager obtained the following project status update from Fife Council's Lead Consultant for Climate Change & Partnerships.
- 4.5.1 Tay Bridgehead Park & Ride working group (Tay Road Bridge Joint Board, SEStran, Tactran, Transport Scotland, Dundee City Council & Fife Council officers) are actively seeking funding to implement the project.
- 4.5.2 Fife Council have submitted a Levelling Up Fund (LUF) bid for the North East Fife Constituency.
- 4.5.3 The bid is for capital funding for construction of the park and ride, access roads, any other road realignment, signing and public utility diversions required.
- 4.5.4 LUF announcement is due in the UK Government Autumn Statement, likely October.
- 4.5.5 Fife Council has sought and received Levelling Up Fund letters of support from:
- Tactran - support of Tay Bridgehead Park & Ride
 - SEStran - support of Tay Bridgehead Park & Ride
 - Dundee City Council - support of Tay Bridgehead Park & Ride
 - Transport Scotland over all general support of all LUF bids
 - Wendy Chamberlain MP, North East Fife Constituency
- 4.5.6 The Tay Bridgehead Park & Ride is also part of the consideration of the Tactran Bus Partnership Fund Bid.

5 POLICY IMPLICATIONS

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

6 CONSULTATIONS

- 6.1 The Treasurer and Clerk to the Board have been consulted on this report and are in agreement with the contents.

7 BACKGROUND PAPERS

- 7.1 None.

ALAN HUTCHISON
BRIDGE MANAGER
1 SEPTEMBER 2022

ITEM No ...4.....

REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 26 SEPTEMBER 2022

REPORT ON: OPERATIONAL RESTRICTIONS AND CLOSURES BRIDGE

REPORT BY: MANAGER

REPORT NO: TRB 22-2022

1.0 PURPOSE OF REPORT

1.1 To appraise the Joint Board of the number and nature of operational restrictions and closures applied between 1 May to 31 July 2022.

2.0 RECOMMENDATIONS

2.1 The Joint Board are asked to note the contents of this Report as at 31 July 2022.

3.0 FINANCIAL IMPLICATIONS

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

4.0 COMMENTARY ON RESTRICTIONS AND CLOSURES

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

A summary of the restrictions applied between 1 May to 31 July 2022 is given below:-

4.1.1 Single Carriageway Closure

Reason	Total Duration (Minutes)	Number of Occasions	Average Duration (Minutes)	Maximum Time Closed (Minutes)	Minimum Time Closed (Minutes)
Operational	630	184	3.42	41	1
Breakdown	28	4	7	13	3
Miscellaneous Incidents	55	17	3.24	10	1
Single Lane Closures for Maintenance	2198	8	274.75	1410	10
Police Incidents	258	25	10.32	20	2

4.1.2 **Full Bridge Closure**

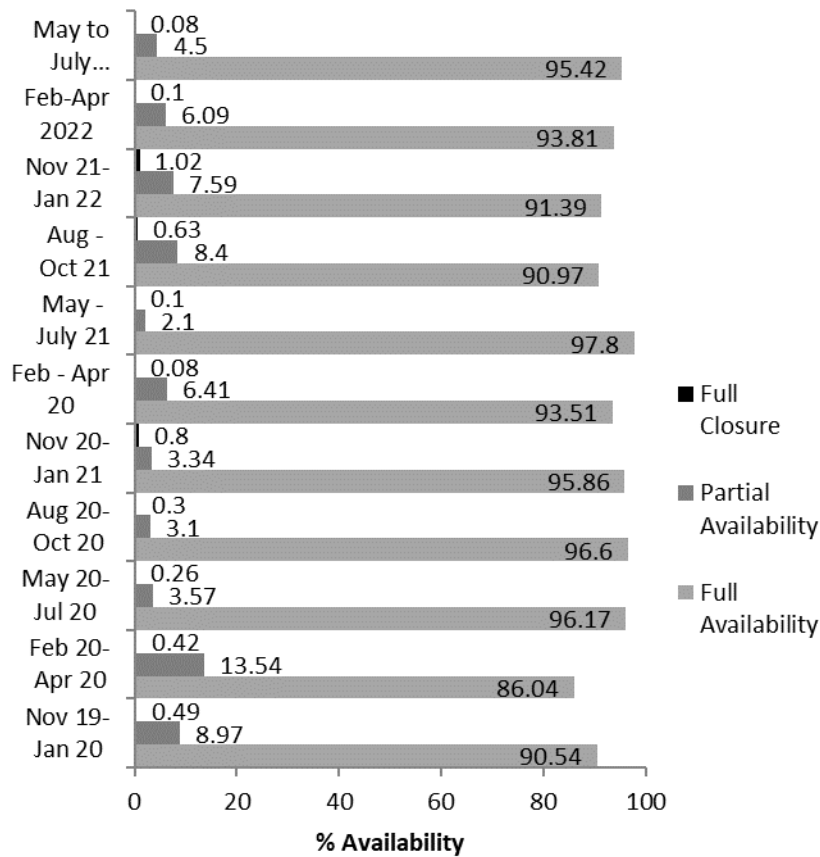
Reason	Total Duration (Minutes)	Number of Occasions	Average Duration (Minutes)	Maximum Time Closed (Minutes)	Minimum Time Closed (Minutes)
Operational (Night Closures)	0	0	0	0	0
Police Incidents	108	7	15.43	31	1
Wind	0	0	0	0	0

4.1.3 **High Winds Restrictions**

Traffic Restricted	Total Duration (Minutes)	Number of Occasions	Average Duration (Minutes)	Maximum Time Restricted (Minutes)	Minimum Time Restricted (Minutes)
Double Deck Buses	2655	6	442.5	966	45
High Sided Vehicles	0	0	0	0	0
All Traffic	0	0	0	0	0

4.1.4 **Availability of Bridge**

AVAILABILITY TO BRIDGE USERS



	May-July 21	Aug-Oct 21	Nov 21-Jan 22	Feb-Apr 22	May-Jul 22
Full Availability	97.8	*90.97	91.39	93.81	95.42
Partial Availability	2.1	8.4	7.59	6.09	4.5
Full Closure	0.1	0.63	1.02	0.1	0.08

*A contraflow was installed on the bridge for five days in September to permit structural investigation works in advance of the main resurfacing contract to commence in 2023.

4.1.5 **Summary of Bridge availability 1 May to 31 July 2022**

Full availability (No restrictions)	95.42%
Partial Availability (Some restrictions)	4.5%
No Availability (Full Closure)	0.08%

4.1.6 Passenger Lift Availability 4 December 2018 to 31 July 2022

The current lift was put into service on 4 December 2018.

The Lift has been unavailable for public use for the following durations and reasons between 4 December 2018 and 31 July 2022:

YEAR	Downtime for Routine Servicing (hrs)	Downtime for Lift Faults (hrs)	Downtime for Power Cut (hrs)	Downtime for Vandalism (hrs)	Downtime for Foyer Door Faults (hrs)	Total (hrs)
2018 (from 4 Dec 2018)	0	10	0	0	0	10
2019	¹ 5	9	0.5	0	0	14.5
2020	² 12	3.5	1	0	0	16.5
2021	² 11	9	11	18	41.5	84.5
2022 (to 31 July 2022)	² 7	0	0	0	0	7
Total	35	31.5	12.5	18	41.5	
TOTAL TIME LIFT NOT AVAILABLE FROM 4 DECEMBER 2018 to 31 JULY 2022 = 138.5 HOURS						

¹Warranty Servicing

²Monthly Servicing

5.0 TRAFFIC COUNT DATA

5.1 Traffic Count Data from Dundee Ramps

	1 st Quarter 2021	2 nd Quarter 2021	3 rd Quarter 2021	4 th Quarter 2021	1 st Quarter 2022	2 nd Quarter 2022
	(Feb- Apr)	(May- Jul)	(Aug – Oct)	(Nov- Jan)	(Feb- Apr)	(May- Jul)
Northbound to West	3478	4013	6012	5314	5733	6171
Northbound to East	5128	7084	7135	6862	6668	7187
Northbound Total	8606	11097	13147	12176	12401	13358
Southbound from West	3726	5245	5473	5282	5138	5393
Southbound From East	5722	7940	7885	7565	7428	8199
Southbound Total	9448	13185	13358	12847	12566	13592
AADT Traffic per Quarter	18054	24882	26505	25023	24967	26950

AADT – (Annual Average Daily Total)

*New counting loops were installed on 8 October 2020. Please note that some data was corrupted on the northbound exit slip road from this date. Traffic counts have been averaged using reliable data over the quarter to allow the traffic count to be reported.

5.2 **Active Travel Counts - *AADT**

<i>Year</i>	<i>Month</i>	<i>No. Pedestrians</i>	<i>No. Cyclists</i>	
2020	November	Not Counted	93	
	December	Not Counted	67	
2021	January	Not Counted	69	
		N/A	77	AADT/Quarter
	February	Not Counted	81	
	March	Not Counted	189	
	April	Not Counted	183	
		N/A	151	AADT/Quarter
	May	Not Counted	150	
	June	Not Counted	190	
	July	Not Counted	165	
		N/A	168	AADT/Quarter
	August	Not Counted	160	
	September	Not Counted	152	
	October	Not Counted	95	
		N/A	136	AADT/Quarter
	November	Not Counted	87	
	December	Not Counted	50	
2022	January (from 11 Jan)	129	76	
		129	71	
	February	31	60	
	March	182	102	
	April	192	121	
		135	94	AADT/Quarter
	May	172	137	
	June	149	163	
	July	114	178	
		145	159	AADT/Quarter

*AADT – (Annual Average Daily Total) Northbound and Southbound

A Pedestrian and Cycling Counter was installed on the bridge walkway in October 2019. Pedestrian counts became available on 11 January 2022.

6.0 POLICY IMPLICATIONS

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

7.0 CONSULTATIONS

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

8.0 BACKGROUND PAPERS

8.1 None.

**ALAN HUTCHISON
BRIDGE MANAGER
1 SEPTEMBER 2022**

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REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 26 SEPTEMBER 2022

REPORT ON: PROPOSED CHANGES TO OPERATIONAL TEAM STRUCTURE AT THE TAY ROAD BRIDGE

REPORT BY: BRIDGE MANAGER

REPORT NO: TRB 25-2022

1 PURPOSE OF REPORT

- 1.1 The purpose of the report is to seek Board approval of the Bridge Manager’s proposal to appoint one additional Tay Road Bridge Operative to improve peer-to-peer support at work and minimise changes to relief team rota work patterns.

2 RECOMMENDATION

- 2.1 It is recommended that approval is given to the Bridge Manager’s proposals outlined in section 4.

3 FINANCIAL IMPLICATIONS

- 3.1 Recurring revenue costs in the order of £55,000 per annum will be incurred.
- 3.2 The Treasurer advises that the above expenditure can be met within the Revenue Budget for 2022/23 and thereafter will be factored into future revenue budgets.

4 BACKGROUND

- 4.1 The staffing structure was reorganised on 1 July 2021 and created five operational teams to monitor the bridge 24 hours a day, 365 days a year. Refer Appendix 1. Four teams of two work on a 12-hour shift rota pattern, with absences and additional day shift cover provided by a “relief” or “reserve” team of six.
- 4.2 In the year since the rota was implemented, the shift staff and the Administration and Resources Officer have advised that the current team make-up is leading to rota insecurity for Relief Team members. For example, a staff member phoning in sick at short notice relies on a member of the relief team changing from their allocated shift pattern. It was also noted that during and following some bridge incidents during night shifts, staff members feel that peer-to-peer support is missing due to the two person teams.
- 4.3 The Bridge Manager has been in consultation with staff and Trade Unions to address these concerns and recommends restructuring the existing five teams to comprise one supervisor and two operatives. Refer appendix 2. This will enhance staffing cover within each individual team and will mitigate rota uncertainty and provide the peer-to-peer support for all bridge incidents. All staff and Trade Unions are in support of this proposal.
- 4.4 In order to achieve this staffing structure, an additional Tay Road Bridge Operative must be employed. This post would be advertised on the “MyJobScotland” website, and an appointment would be made as soon as is practicable.

5 **POLICY IMPLICATIONS**

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

6 **CONSULTATIONS**

- 6.1 The Treasurer and Clerk to the Board have been consulted on this report and are in agreement with the contents. The trade unions have also been consulted and have agreed to allow the Bridge Manager to present the proposals outlined to the Board.

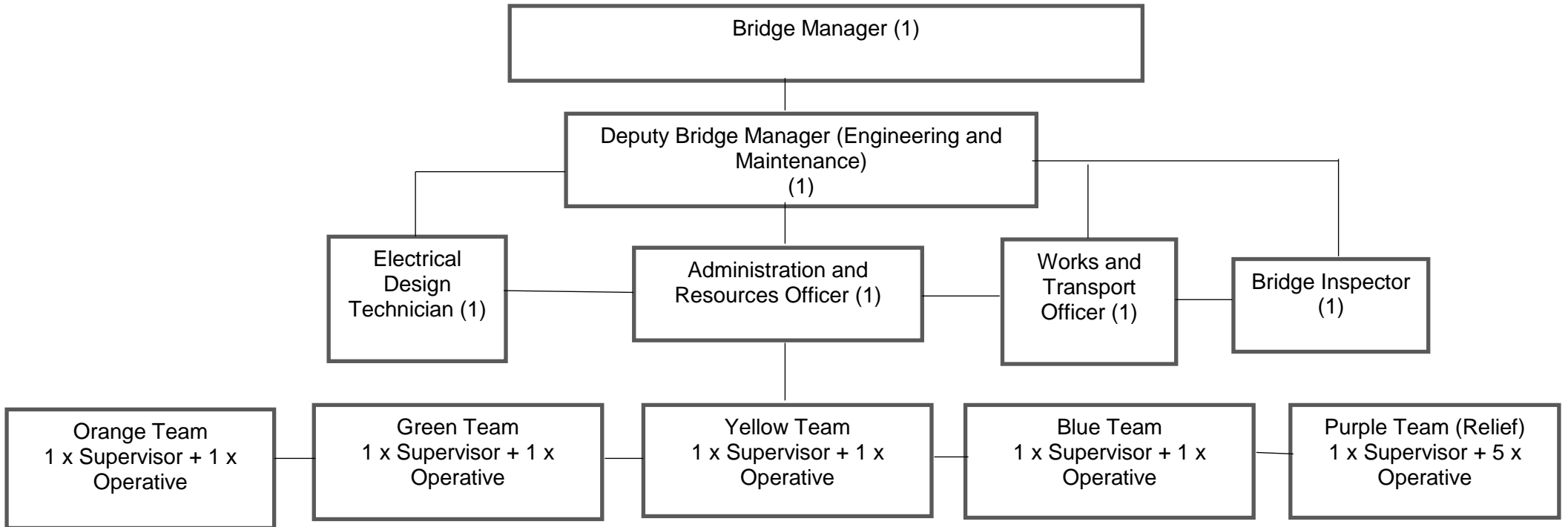
7 **BACKGROUND PAPERS**

- 7.1 None.

ALAN HUTCHISON
BRIDGE MANAGER
17 JULY 2022

APPENDIX 1

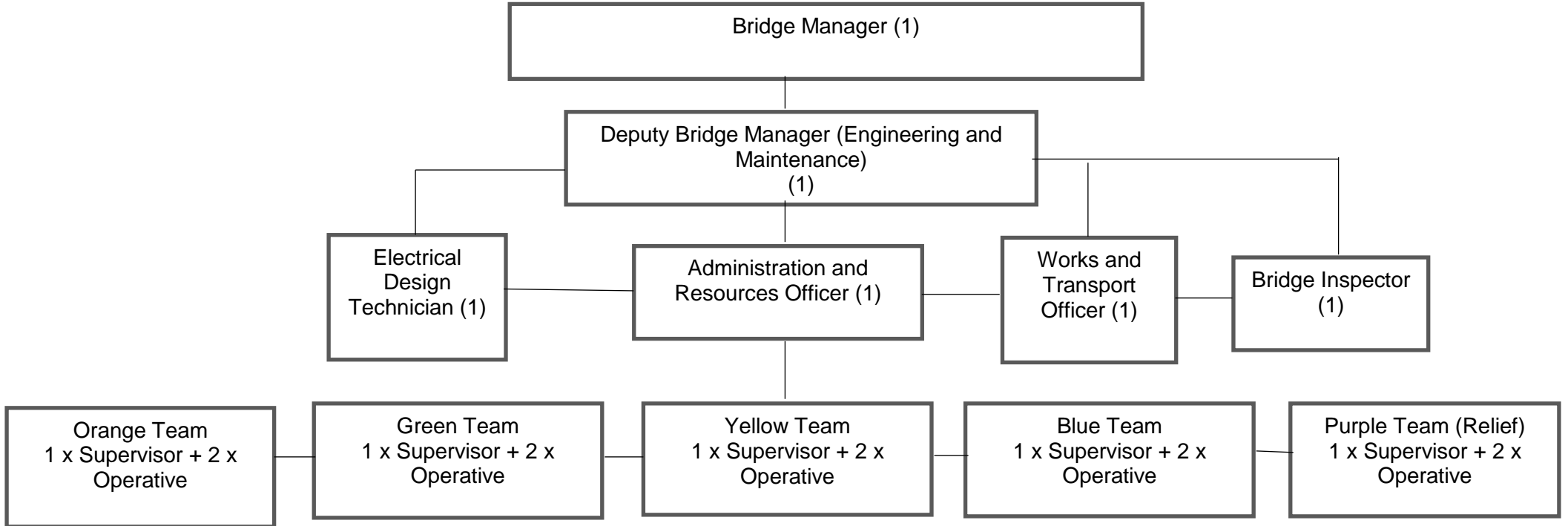
**TAY ROAD BRIDGE
ORGANISATION STRUCTURE**



Number of Employees in this structure = 20

APPENDIX 2

TAY ROAD BRIDGE
PROPOSED ORGANISATION STRUCTURE FROM 1 JANUARY 2023



Number of Employees in this structure = 21

ITEM No ...6.....

TO: TAY ROAD BRIDGE JOINT BOARD – 26 SEPTEMBER 2022
REPORT ON: ANNUAL REVIEW OF STRATEGIC RISK MANAGEMENT
REPORT BY: BRIDGE MANAGER
REPORT NO: TRB 24-2022

1.0 PURPOSE OF REPORT

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

2.0 RECOMMENDATION

2.1 The Joint Board are asked to note the contents of this Report as at 12 September 2022 and the Strategic Risk Register attached as Appendix 1.

3.0 FINANCIAL IMPLICATIONS

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

4.0 OUTCOME OF REVIEW

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

4.2 This review was carried out on 26 August 2022 in conjunction with the Insurance and Risk Management Team from Dundee City Council and it can be reported that no changes to Appendix 1, Strategic Risk Register, have been deemed necessary. This plan will now cover the period 2022-23.

5.0 POLICY IMPLICATIONS

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

6.0 CONSULTATION

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

7.0 BACKGROUND PAPERS

7.1 None.

ALAN HUTCHISON
BRIDGE MANAGER
1 SEPTEMBER 2022

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Appendix 1



Tay Road Bridge

TAY ROAD BRIDGE JOINT BOARD

RISK MANAGEMENT STRATEGIC PLAN AND STRATEGIC RISK REGISTER

Prepared by:	Alan Hutchison
Reviewed by:	Alan Hutchison/Leanne Marra DCC Risk Management

Document Reference:	TRB 09 rev 8
Approved for Issue:	Alan Hutchison
Date: 24 August 2022	Bridge Manager

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Contents

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

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1. INTRODUCTION

A working definition of Risk Management would be

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

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

Tangible

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

Intangible

- Better Public Image
- Orderly consideration of risk

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

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

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

2. **POLICY STATEMENT**

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

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

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

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

3. RISK MANAGEMENT STRATEGY

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

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

3.1 Status

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

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

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

3.2 Management Arrangements

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

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

3.3 Risk Management Forums

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

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

3.4 Accountability

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

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

3.5 Monitoring and Review

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

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

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

3.6 **Management Information**

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

4. ROLES AND RESPONSIBILITIES

4.1 Board Members

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

Board Members main tasks are to:

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

4.2 Board Officers

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

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

The Bridge Manager's key tasks will be to:

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

5. Risk Management

5.1 Risk Identification Process

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

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

5.2 Risk Prioritisation and Control

Risks identified are prioritised in the following manner:

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

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

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

Probability

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

Severity

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

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

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

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

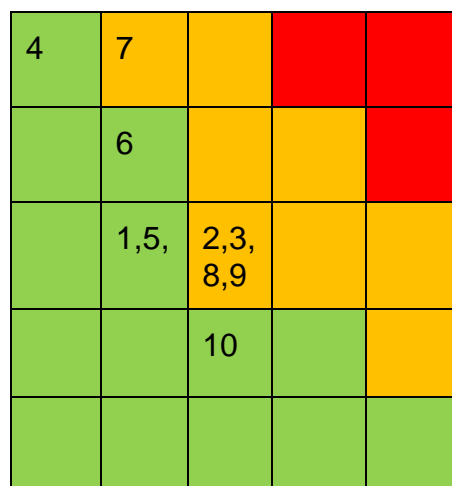
5.3 Monitoring Arrangements

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

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

5.4 Current Risk Status

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



APPENDIX A

Strategic Risk Register

No	Risk Description	Probability (P)	Severity (S)	Inherent Risk (P) x (S)	Existing Controls	Residual Risk	Further Action Required	Responsible Officer	Priority
Risk Category: External									
1	Change of Government with revised policies/strategies	2	4	8	N/A	2x4 =8	None	Clerk Treasurer	Green
2	Legislative changes e.g. Health & Safety , Environmental, Procurement etc	3	4	12	Maintain awareness of changes to legislation and amend policies and procedures timeously	3x3 = 9	Review and update Policies and Procedures on regular basis	Clerk Bridge Manager Engineer	Amber
3	Effects of changes to Economy – budget limitations etc	3	4	12	Financial planning, monitoring and control systems – Maintain regular and early communication with Transport Scotland for funding requirements.	3x3 = 9	None	Bridge Manager Treasurer	Amber

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

8	Failure to deliver projects to time and/or cost	3	4	12	Major schemes submitted to Board for approval. Early communication with Transport Scotland required to ensure funding requests are adequately noticed.	3x3 = 9	Adopt robust project management procedures including Business Case preparation for schemes in excess of £50,000.	Bridge Manager Engineer	Amber
9	Lack of financial resources:-	3	4	12	<p>Maintain regular and early communication with Transport Scotland for funding requirements.</p> <p>Submission of applications for Grant in Aid to include robust estimates as back up.</p> <p>Monitor and control expenditure against agreed budgets</p>	3x3 = 9	None	Bridge Manager Treasurer	Amber

10	Lack of staff resources:- Pandemic Industrial Action Recruitment problems	3	3	9	<p>Business Continuity plans</p> <p>Liaison/Consultation with Staff and Trade Unions on matters affecting staff</p> <p>Monitor/manage staff absences</p> <p>Monitor retiral dates and plan recruitment accordingly</p> <p>Service level agreement for Resilience Support secured in 2020 with Tayside Contracts to provide support if staff absent.</p> <p>Staffing structure changed in 2021 to provide enhanced in-house resilience.</p>	3x2 =6	<p>Review BC plans on regular basis</p> <p>Develop Staff Planning Strategy</p>	<p>Bridge Manager Roads Maintenance Partnership Manager at Tayside Contracts</p>	Green
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APPENDIX B
Risk Management Action Plan 2021-22

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

ITEM No ...7.....

REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 26 SEPTEMBER 2022

REPORT ON: TENDER REPORT – NEW MAINTENANCE STORAGE CONTAINER AND NEW DE-ICING LIQUID STORAGE TANK

REPORT BY: BRIDGE MANAGER

REPORT NO: TRB 23 -2022

1 PURPOSE OF REPORT

- 1.1 To gain approval to appoint Dundee Plant Company Ltd to supply and install the following in the TRBJB rear compound:
- New 20,000 litre electric powered de-icing liquid storage tank on a new concrete foundation; and
 - New 12m (40 foot) steel storage shipping container, with internal lighting, on a new concrete base foundation

2 RECOMMENDATIONS

- 2.1 It is recommended that:
- The Clerk to the Board be instructed to accept the offer of £77,093.50 from Dundee Plant Company Ltd to supply and install the items noted in paragraph 1.1; and
 - The overall expenditure of £92,000 be authorised which includes an allowance of 10% for contingencies and for professional fees associated with design and supply of associated structural and electrical infrastructure.

3 FINANCIAL IMPLICATIONS

- 3.1 The Treasurer advises that the above expenditure can be met from the Capital Budget for 2022/23.

4 BACKGROUND

- 4.1 A Potassium Acetate solution is used to de-ice the bridge carriageway in lieu of road salt because this specialist and inert product does not contribute to corrosion of structural elements. The existing 10,000 litre storage tank for this product is now approximately 30 years old and is showing signs of external corrosion and should be replaced to avoid accidental discharge of de-icing liquid. A new, larger, 20,000 litre liquid storage tank has been specified to gain advantages of bulk ordering cost savings and this will also ensure that stocks are always sufficient in times of adverse weather.
- 4.2 A new 12m (40 foot), steel storage shipping container will be installed to replace three smaller steel shipping containers currently used to store an array of maintenance related equipment and products. The existing steel containers are more than 30 years old and are corroded and no longer watertight.

- 4.3 The size of the new tank and container are such that a new foundation slab will be required to permit structural support.
- 4.4 Procurement was a mini-competition to six contractors using Lot 1 of the Dundee City Council Civil Engineering Framework, via a price/quality tender, with only one return as follows:

Company Name	Tender
Dundee Plant Company Ltd	£77,093.70 arithmetically corrected from £76,533.50
T&N Gilmartin	No return
Kilmac Ltd	No return
Delson Contracts Ltd	No return
Breedon Northern Ltd	No return
Morrison Construction	No return

5 POLICY IMPLICATIONS

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

6 CONSULTATIONS

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

7.0 BACKGROUND PAPERS

- 7.1 None

ALAN HUTCHISON
BRIDGE MANAGER
1 SEPTEMBER 2022

Tay Road Bridge Joint Board - Audit of 2021/22 annual accounts

26 September 2022

Independent auditor's report

1. Our audit work on the 2021/22 annual accounts is now substantially complete. Subject to receipt of a revised set of annual accounts for final review, we anticipate being able to issue our independent audit's report on 13 September 2022.
2. The proposed report is attached at [Appendix A](#) and includes our opinion that:
 - the financial statements give a true and fair view of its financial position for the year ended 31 March 2022, and
 - the audited part of the remuneration report, management commentary and annual governance statement are consistent with the financial statements and prepared in accordance with relevant regulations and guidance.
3. We also have nothing to report in respect of misstatements in the information accompanying the financial statements, the adequacy of accounting records, or the information and explanations we received during the audit.

Annual audit report

4. International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the board's accounting practices. As detailed in our Annual Audit Report, our audit identified some presentational and disclosure issues which were discussed with management. These were all adjusted in the audited annual accounts and none were significant enough to require to be separately reported under ISA 260.
5. Our report also sets out conclusions from our consideration of the financial management and financial sustainability, and governance arrangements of the organisation.
6. This report will be issued in final form after the annual accounts have been certified.

Unadjusted misstatements

7. We are required to report to those charged with governance, all unadjusted misstatements, other than those below our reporting threshold, and request that they be corrected.
8. We have no unadjusted misstatements to be corrected.

Fraud, subsequent events and compliance with laws and regulations

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

Representations from Section 95 Officer

10. As part of the completion of our audit, we are seeking written representations from the Section 95 Officer (i.e. the Treasurer) on aspects of the annual accounts, including the judgements and estimates made.

11. A template letter of representation is attached at [Appendix B](#). This should be signed and returned to us by the Section 95 Officer with the signed annual accounts prior to the independent auditor's report being certified.

Acknowledgement

12. The audit team would like to thank all current and former Joint Board members, and officers, for their co-operation and assistance over the period of the audit appointment.

Appendix A: Proposed Independent Auditor's Report

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

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Tay Road Bridge Joint Board for the year ended 31 March 2022 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Expenditure and Funding Analysis, Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the 2021/22 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2021/22 Code of the state of affairs of Tay Road Bridge Joint Board as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2021/22 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 10 June 2021. The period of total uninterrupted appointment is two years. I am independent of Tay Road Bridge Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to Tay Road Bridge Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Tay Road Bridge Joint Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on Tay Road Bridge Joint Board's current or future financial sustainability. However, I report on Tay Road Bridge Joint Board's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

I report in my Annual Audit Report, available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my judgements thereon.

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

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

In preparing the financial statements, the Treasurer is responsible for assessing Tay Road Bridge Joint Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the organisation's operations.

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

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how Tay Road Bridge Joint Board is complying with that framework;
- identifying which laws and regulations are significant in the context of Tay Road Bridge Joint Board;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Tay Road Bridge Joint Board's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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

Reporting on other requirements

Opinion prescribed by the Accounts Commission on the audited part of the Remuneration Report

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

Other information

The Treasurer is responsible for other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited part of the Remuneration Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on the Management Commentary and Annual Governance Statement

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

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

Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in my Annual Audit Report available from the [Audit Scotland website](#).

Use of my report

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

Richard Smith CPFA
Senior Audit Manager
4th Floor, 8 Nelson Mandela Place
Glasgow
G2 1BT

Appendix B: Template Letter of Representation (ISA 580)

<Signed copy of ISA 580 letter to be provided on headed paper with signed 2021/22 Annual Accounts>

26 September 2022

Richard Smith
Senior Audit Manager
Audit Scotland
8 Nelson Mandela Place
Glasgow
G2 1BT

Dear Richard

Tay Road Bridge Joint Board Annual Accounts 2021/22

1. This representation letter is provided in relation to your audit of the annual accounts of Tay Road Bridge Joint Board for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the remuneration report, management commentary and annual governance statement.

2. I confirm to the best of my knowledge and belief and having made appropriate enquiries of the Joint Board, the following representations given to you in connection with your audit of Tay Road Bridge Joint Board's annual accounts for the year ended 31 March 2022.

General

3. Tay Road Bridge Joint Board and I have fulfilled our statutory responsibilities for the preparation of the 2021/22 annual accounts. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by Tay Road Bridge Joint Board have been recorded in the accounting records and are properly reflected in the financial statements.

4. I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. I am not aware of any uncorrected misstatements other than those reported by you.

Financial Reporting Framework

5. The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (2021/22 accounting code), and in accordance with the requirements of the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003 and The Local Authority Accounts (Scotland) Regulations 2014.

6. In accordance with the 2014 regulations, I have ensured that the financial statements give a true and fair view of the financial position of Tay Road Bridge Joint Board at 31 March 2022 and the transactions for 2021/22.

Accounting Policies & Estimates

7. All significant accounting policies applied are as shown in the notes to the financial statements. The accounting policies are determined by the 2021/22 accounting code where applicable. Where the code does not specifically apply I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable. All accounting policies applied are appropriate to Tay Road Bridge Joint Board's circumstances and have been consistently applied.

8. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. Judgements used in making estimates have been based on the latest available, reliable information. Estimates have been revised where there are changes in the circumstances on which the original estimate was based or as a result of new information or experience.

Going Concern Basis of Accounting

9. I have assessed Tay Road Bridge Joint Board's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on Tay Road Bridge Joint Board's ability to continue as a going concern.

Assets

10. Where a rolling programme of asset valuations has been used, I have satisfied myself that the carrying amount of assets at 31 March 2022 does not differ materially from that which would be determined if a revaluation had been carried out at that date.

11. I carried out an assessment at 31 March 2022 as to whether there is any indication that an asset may be impaired and have recognised any impairment losses identified.

12. I have provided you with all information of which I am aware regarding any valuation exercises carried out after 31 March 2022.

13. There are no plans or intentions that are likely to affect the carrying value or classification of the assets recognised within the financial statements.

14. Owned assets are free from any lien, encumbrance or charge except as disclosed in the financial statements.

Liabilities

15. All liabilities at 31 March 2022 of which I am aware have been recognised in the annual accounts.

16. Provisions have been recognised in the financial statements for all liabilities of uncertain timing or amount at 31 March 2022 of which I am aware where the conditions specified in the 2021/22 accounting code have been met. The amount recognised as a provision is the best estimate of the expenditure likely to be required to settle the obligation at 31 March 2022. Where the effect of the time value of money is material, the amount of the provision has been discounted to the present value of the expected payments.

17. Provisions recognised in previous years have been reviewed and adjusted, where appropriate, to reflect the best estimate at 31 March 2022 or to reflect material changes in the assumptions underlying the calculations of the cash flows.

18. The accrual recognised in the financial statements for holiday untaken by 31 March 2022 has been estimated on a reasonable basis.

19. The pension assumptions made by the actuary in the IAS 19 report for Tay Road Bridge Joint Board have been considered and I confirm that they are consistent with management's own view.

20. There are no plans or intentions that are likely to affect the carrying value or classification of the liabilities recognised in the financial statements.

Contingent liabilities

21. There are no significant contingent liabilities, other than those disclosed in Note 26 to the financial statements, arising either under formal agreement or through formal undertakings requiring disclosure in the accounts. All known contingent liabilities have been fully and properly disclosed, including any outstanding legal claims which have not been provided under the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 and IAS 37.

Fraud

22. I have provided you with all information in relation to:

- my assessment of the risk that the financial statements may be materially misstated because of fraud
- any allegations of fraud or suspected fraud affecting the financial statements
- fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

Laws and Regulations

23. I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

Related Party Transactions

24. All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with the 2021/22 accounting code. I have made available to you the identity of all of Tay Road Bridge Joint Board's related parties and all the related party relationships and transactions of which I am aware.

Remuneration Report

25. The Remuneration Report has been prepared in accordance with the Local Authority Accounts (Scotland) Amendment Regulations 2014, and all required information of which I am aware has been provided to you.

Management commentary

26. I confirm that the Management Commentary has been prepared in accordance with the statutory guidance and the information is consistent with the financial statements.

Corporate Governance

27. I confirm that Tay Road Bridge Joint Board has undertaken a review of the system of internal control during 2021/22 to establish the extent to which it complies with proper practices set out in the Delivering Good Governance in Local Government: Framework 2016. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.

28. I confirm that the Annual Governance Statement has been prepared in accordance with the Delivering Good Governance in Local Government: Framework 2016 and the information is consistent with the financial statements. There have been no changes in the corporate governance arrangements or issues identified, since 31 March 2022, which require to be reflected.

Events Subsequent to the Date of the Balance Sheet

29. All events subsequent to 31 March 2022 for which the 2021/22 accounting code requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

Robert Emmott
Treasurer

26 September 2022

Tay Road Bridge Joint Board

Proposed 2021/22 Annual Audit Report



Prepared for Tay Road Bridge Joint Board and the Controller of Audit
12 September 2022

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Contents

Key messages	3
Introduction	4
Part 1. Audit of 2021/22 annual accounts	7
Part 2. Financial management and sustainability	11
Part 3. Governance and Transparency	14
Appendix 1. Action plan 2021/22	19
Appendix 2. 2021/22 national performance reports	21

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Key messages

2021/22 annual accounts

- 1 The Joint Board's financial statements give a true and fair view of its financial position for the year ended 31 March 2022.
- 2 The audited part of the remuneration report, the management commentary and annual governance statement are consistent with the financial statements and prepared in accordance with applicable requirements.

Financial management and sustainability

- 3 Appropriate budget monitoring and reporting arrangements were in place during 2021/22 and the Joint Board drew down £0.025 million less non-specific grant income than budgeted for during the year.
- 4 The impact of emerging cost pressures, including increasing staff and energy costs, is likely to place pressure on the budget of the Joint Board in future years.
- 5 The Joint Board approved a capital programme of £14.390 million over the next 3 years, but there remains a risk that the funding required to deliver all of the future years' capital projects may not be available.

Governance and transparency

- 6 Tay Road Bridge Joint Board has appropriate and effective governance arrangements in place to support scrutiny of decision-making and conducts its business in an open and transparent manner.
- 7 The Joint Board maintained a good level of performance over the last 12 months as traffic levels returned to near pre-pandemic levels.

Introduction

Scope of our audit

1. This report summarises the findings from our 2021/22 audit of Tay Road Bridge Joint Board (the Joint Board). The scope of our audit was set out in our Annual Audit Plan presented to the June meeting of the Joint Board. This report comprises the findings from:

- the audit of Tay Road Bridge Joint Board's 2021/22 annual accounts and
- our consideration of the financial management and financial sustainability, and governance arrangements, of the Joint Board.

Continuing impact of Covid-19

2. As highlighted in our Annual Audit Plan, in common with all public bodies, the Joint Board continues to deal with the operational and financial impact of the Covid-19 pandemic. Known risks related to the pandemic were included in our plan, and we have adapted our audit work during the year to address any new risks that have emerged.

Adding value through the audit

3. We aim to add value to the Joint Board and help promote improved standards of governance, better management and decision-making and more effective use of resources, by:

- identifying and providing insight on significant risks, and making clear and relevant recommendations for improvements
- providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability
- reporting our findings and conclusions in public
- sharing intelligence and good practice through our national reports and briefing papers, [Appendix 2](#).

Auditor independence

4. Auditors appointed by the Accounts Commission must comply with the [Code of Audit Practice 2016](#) and relevant supporting guidance. When auditing the financial statements auditors must comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies.

5. We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and therefore the 2021/22 audit fee of £13,290, as set out in our

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

Responsibilities

6. Tay Road Bridge Joint Board has responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices. The Joint Board is also responsible for establishing appropriate and effective arrangements for governance, propriety and regularity.

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

8. As public sector auditors we give independent opinions on the annual accounts. The [Code of Audit Practice 2016](#) includes provisions relating to the audit of small bodies. Where the application of the full wider audit scope is judged by auditors not to be appropriate to an audited body then the annual audit work can focus on the appropriateness of the disclosures in the governance statement and the financial management and financial sustainability of the body. As highlighted in our 2021/22 Annual Audit Plan, due to the low volume and lack of complexity of the financial transactions, we applied the small body provisions of the Code to the 2021/22 audit of the Joint Board.

9. Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#).

Audit reporting

10. The weaknesses or risks identified in this report are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

11. An agreed action plan setting out specific recommendations, responsible officers and dates for implementation is included at [Appendix 1](#).

12. This report is addressed to both the Tay Road Bridge Joint Board and the Controller of Audit and will be published on Audit Scotland's website: www.audit-scotland.gov.uk

External audit appointment for 2022/23 to 2026/27

13. The Accounts Commission is responsible for the appointment of external auditors for local government bodies. External auditors are appointed from either Audit Scotland's Audit Services Group or private firms of accountants. The financial year 2021/22 is the last year of the current audit appointment round.

14. The procurement process for the new round of audit appointments covering 2022/23 to 2026/27 was completed in May 2022 and Audit Scotland has again been appointed as the external auditor for Tay Road Bridge Joint Board. Although Audit Scotland remain the board's external auditors, to maintain the

independence and objectivity of the audit team, the engagement lead and other staff working on the audit will be changed for the 2022/23 audit. The outgoing audit team will work with officers and the new audit team to ensure a smooth transition.

15. The new auditors will follow a new Code of Audit Practice which applies to public sector audits for financial years starting on or after 1 April 2022. It replaces the Code issued in May 2016.

Acknowledgement

16. The audit team would like to thank all current and former Joint Board members, and officers, for their co-operation and assistance over the period of the audit appointment.

Part 1. Audit of 2021/22 annual accounts

The annual accounts are the principal means of an organisation accounting for the stewardship of resources and performance in using those resources

Main judgements

Tay Road Bridge Joint Board's financial statements give a true and fair view of its financial position for the year ended 31 March 2022.

The audited part of the remuneration report, the management commentary and annual governance statement are consistent with the financial statements and prepared in accordance with applicable requirements.

Our audit opinions on the annual accounts are unmodified

17. The annual accounts for the year ended 31 March 2022 were approved by the Joint Board on 12 September 2022. We reported within our independent auditor's report our opinion that:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework
- the audited part of the remuneration report, the management commentary and the annual governance statement were all consistent with the financial statements and prepared in accordance with the applicable requirements.

The audit of the 2021/22 annual accounts was completed in line with the original timetable

18. We received the unaudited annual accounts on 13 June 2022, in line with the agreed timetable. The accounts and working papers presented for audit were complete, and finance staff provided good support to the audit team which helped ensure the final accounts audit was completed in line with the original timetable.

The inspection notice was placed in accordance with the required regulations and no objections were raised to the 2021/22 annual accounts

19. Regulation 9 of the [Local Authority Accounts \(Scotland\) Regulations 2014](#) requires a local authority to give public notice on its website by 17 June (at the latest) of the right to inspect its annual accounts. The specified date should be at least 14 days after the notice is published, but cannot be later than 1 July, and the inspection period should last for 15 working days from the date specified in the notice. As part of the audit, we confirmed that the 2021/22 annual accounts inspection notice was placed in accordance with the regulations.

20. The regulations also require a local authority to give the right of interested persons to inspect and object to its accounts, as provided for by section 101 (a) (rights of interested persons to inspect and copy documents and to object to accounts) of the 1973 Act. No objections were raised to the 2021/22 annual accounts.

Our audit approach and testing reflected the calculated materiality levels

21. Materiality can be defined as the maximum amount by which auditors believe the financial statements could be misstated and still not be expected to affect the perceptions and decisions of users of the annual accounts. The assessment of what is material is a matter of professional judgement. A misstatement or omission, which would not normally be regarded as material by value, may be important for other reasons (for example, an item contrary to law). In forming our opinion on the financial statements, we assess the materiality of uncorrected misstatements, both individually and collectively.

22. Our initial assessment of materiality was undertaken during the planning phase of the audit and was based on the gross expenditure reported in the 2020/21 audited annual accounts. These materiality levels were reported in our Annual Audit Plan presented to the Joint Board in June 2022.

23. On receipt of the unaudited 2021/22 annual accounts we recalculated our materiality levels based on the actual gross expenditure for the year ended 31 March 2022, as summarised in [Exhibit 1](#). We concluded that there was no significant impact on the audit approach due to the recalculated materiality levels.

Exhibit 1 Materiality values

Materiality level	Amount
Overall materiality: This is the calculated figure we use in assessing the overall impact of audit adjustments on the financial statements. It has been set at 1% of net assets at 31 March 2022.	£644,000
Performance materiality: This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. Using our professional judgement, we have set performance materiality at 75% of overall materiality.	£484,000
Lower level of performance materiality: A lower performance materiality has been set for classes of transactions where lesser amounts could influence decisions of users of the accounts (i.e. income and expenditure statement transactions). This has been set at 2% of gross expenditure for the year ended 31 March 2022.	£79,000
Reporting threshold: We are required to report to those charged with governance on all unadjusted misstatements in excess of the 'reporting threshold' amount. This has been set at 5% of overall materiality.	£32,000

Source: Audit Scotland

Our audit identified and addressed the significant risks of material misstatement and the other risk areas requiring specific audit focus

24. [Exhibit 2](#) provides our assessment of the significant risks of material misstatement in the annual accounts for the 2021/22 audit. It details the work we undertook to address these risks and our conclusions from this work. These risks influenced our overall audit strategy and the allocation of staff resources to the audit.

Exhibit 2

Identified significant risk of material misstatement in the financial statements

Significant risk of material misstatement	Assurance procedure	Results and conclusions
<p>1. Risk of material misstatement due to fraud caused by the management override of controls</p> <p>As stated in International Standard on Auditing (UK) 240, management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.</p>	<ul style="list-style-type: none"> • Detailed testing of journal entries, with a focus on significant risk areas, including year-end and post-close down entries. • Detailed testing of accounting estimates, assessing any changes to the methods and underlying assumptions used to prepare these compared to the prior year. • Substantive testing of income and expenditure transactions around the year-end to confirm they are accounted for in the correct financial year. • Focussed testing of accounting accruals and prepayments. • Evaluation of significant transactions that are outside the normal course of business, identified through detailed testing of income and expenditure, accruals and cut off transactions. 	<p>Satisfactory</p> <p>The completion of the assurance procedures did not identify any evidence of management override of controls.</p>

Source: Audit Scotland

25. As part of our assessment of audit risks at the planning stage, we identified two other areas where we considered there was a risk of material misstatement to the financial statements. Both the actuarial valuation of the pension liability and the valuation of non-current assets involve a significant degree of estimation and judgment. We assessed that this subjectivity represented an increased risk of misstatement for the financial statements. While these areas required audit focus, based on our assessment of the likelihood and magnitude of the risk, we did not consider they represented significant risks of material misstatement.

26. We designed audit procedures to address these risks and as part of the financial statements audit we undertook work to:

- agree the pension figures in the 2021/22 annual accounts to the corresponding figures in the actuarial report for the year ended 31 March

2022, and review the work of the actuary, including reviewing the appropriateness of actuarial assumptions; and

- agree the non-current assets figures in the 2021/22 annual accounts to the corresponding figures in the valuer's report for the year ended 31 March 2022, and review of the valuer and basis of non-current asset valuations.

27. These audit procedures did not identify any matters which we need to bring to your attention.

We did not identify any issues during the financial statements audit that require to be reported under ISA260

28. International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the board's accounting practices.

29. Our audit identified some presentational and disclosure issues which were discussed with management. These were all adjusted in the audited annual accounts and none were significant enough to require to be separately reported under ISA 260.

We have no unadjusted errors to report

30. It is our responsibility to request that all misstatements above the reporting threshold are corrected. We have no unadjusted errors to report.

The Joint Board has made progress in addressing our prior year recommendations

31. The Joint Board has made progress in addressing our prior year recommendations and an update on the action taken in response to these is included at [Appendix 1](#).

Part 2. Financial management and sustainability

Financial management is about financial capacity, sound budgetary processes, and whether the control environment and internal controls are operating effectively. Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services.

Main judgements

Appropriate budget monitoring and reporting arrangements were in place during 2021/22 and the Joint Board drew down £0.025 million less non-specific grant income than budgeted for during the year.

The impact of emerging cost pressures, including increasing staff and energy costs, is likely to place pressure on the budget of the Joint Board in future years.

The Joint Board approved a capital programme of £14.390 million over the next 3 years, but there remains a risk that the funding required to deliver all of the future years' capital projects may not be available.

Appropriate budget monitoring and reporting arrangements are in place

32. The Joint Board approve its annual budget prior to start of the financial year and quarterly budget monitoring reports are provided to the board during the year. The budget monitoring reports provide detail on variances against budget and forecast year-end positions. This allows members to scrutinise the financial performance of the Joint Board and to consider actions to mitigate projected over-spends or other developments during the year.

The Joint Board drew down £0.025 million less non-specific grant income than budgeted for during 2021/22

33. In December 2020 the Joint Board approved a revenue budget of £1.629 million for 2021/22. This was based on receipt of a Resource Grant from the Scottish Government of £1.606 million and other income of £0.023 million. The budget projected a break-even position based on administration expenditure of £0.473 million, operations costs of £0.530 million, plant and equipment spend of £0.222 million, and bridge maintenance expenditure of £0.405 million.

34. The actual outturn for 2021/22 resulted in the Joint Board drawing down £0.025 million less non-specific grant income than budgeted for during the year. This reflected the underlying budget variances during the year. The most significant variances against budget (i.e. greater than £0.010 million) are summarised in [Exhibit 3](#).

Exhibit 3

Summary of significant variances against budget for 2021/22

Area	£m	Main reasons for variance
Operations	0.020	Underspend reflects lower than anticipated expenditure on salary costs due to the removal of a vacant Operations Officer post from the establishment.
Financing and Investment Income and Expenditure	0.013	Overspend reflects higher than anticipated expenditure on the Fife Kiosk building.

Source: Tay Road Bridge Joint Board Annual Accounts 2021/22

35. It should be noted that the operational outturn reported for the year differs from the deficit on provision of services figure of £1.764 million reported in the Comprehensive Income and Expenditure Statement (CIES) due to the statutory accounting adjustments required for items such as pension benefits and depreciation. A reconciliation has been included in the 'Financial Performance Review' section of the management commentary in the annual accounts showing the impact of these adjustments.

The general fund reserve balance of £1.161 million at 31 March 2022 was above the minimum level approved in the Joint Board's reserves strategy

36. The Joint Board holds a general fund reserve, the main purpose of which is to provide a contingency fund to meet unexpected expenditure and as a working balance to help cushion the impact of uneven cash flows. The usable general reserve held by the joint board at 31 March 2022 remained at the same level as 31 March 2021, at £1.161 million.

The Joint Board reported slippage of 32 per cent against its 2021/22 Capital Plan

37. The Joint Board approved a 2021/22 Capital Plan of £0.805 million, to be funded through capital grants. The final outturn reported for the year showed that capital works costing £0.550 million were completed during the year. This represented slippage against the original plan of 32 per cent, with the majority of the slippage attributable to the rephasing of the Advanced Warning Signs and New Gantries works, partly offset by additional Carriageway Resurfacing works.

The Joint Board approved a provisional 2022/23 revenue budget of £1.771 million in December 2021

38. In December 2021, the Joint Board received a report titled 'Revenue Budget 2022/23 to 2024/25'. This included the provisional revenue budget for 2022/23 of £1.771 million based on administration expenditure of £0.535 million, operations costs of £0.896 million, plant and equipment spend of £0.241 million, and bridge maintenance expenditure of £0.099 million. The budget projected a break-even position based on the receipt of a Resource Grant from the Scottish Government of £1.759 million and other income of £0.012 million.

The impact of emerging cost pressures, including increasing staff and energy costs, is likely to place pressure on the budget of the Joint Board in future years

39. The financial impact of the Covid-19 pandemic on the Scottish Government budget is likely to extend across several years. The SG budget will also be under increased pressure due to other increasing cost pressures including staff and energy costs. This will in turn place pressure on the budget of Tay Road Bridge Joint Board in future years if additional funding is not available to fully fund its increased costs.

40. The 'Revenue Budget 2022/23 to 2024/25' report to the December 2021 Joint Board meeting included the provisional revenue budget for 2022/23 and indicative annual revenue budgets for 2023/24 and 2024/25. This provided members with an estimate of future budget requirements based on known increases and assumptions around other costs at that time. However, these revenue budgets will need to be closely monitored and reported during 2022/23 to ensure they reflect the actual increases in costs and revised expectations on future funding settlements.

Recommendation 1

Management should ensure that finance reports keep members informed of the impact of increasing cost pressures during 2022/23, including the longer-term impact of these emerging pressures on planned revenue and capital activity for future years.

The Joint Board approved a capital programme of £14.390 million over the next 3 years, but there remains a risk that the funding required to deliver all of the future years' capital projects may not be available

41. The 2022/23 to 2024/25 capital programme, approved in December 2021, anticipates capital expenditure of £14.390 million. The joint board has agreed a capital grant of £1.310 million for 2022/23, leaving an additional funding requirement of £13.080 million for the period 2022-24 yet to be identified under the approved capital programme.

42. We highlighted in our 2020/21 Annual Audit Report that there is a risk that the Scottish Government funding required to deliver all of the Joint Board's future years' capital projects may not be available due to the ongoing pressures on public finances created by the Covid-19 pandemic. This funding risk has been further exacerbated during 2021/22 due to increasing gas and electricity prices, and other cost pressures, which have increased the costs of all capital projects.

43. Management has advised that the long-term ten-year Capital Plan is regularly shared and discussed with Transport Scotland officers to ensure the funding for the completion of essential capital projects is prioritised.

Part 3. Governance and Transparency

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

Main judgements

Tay Road Bridge Joint Board has appropriate and effective governance arrangements in place to support scrutiny of decision-making and conducts its business in an open and transparent manner.

The Joint Board maintained a good level of performance over the last 12 months as traffic levels returned to near pre-pandemic levels.

Tay Road Bridge Joint Board has appropriate and effective governance arrangements in place to support scrutiny of decision-making

44. In reviewing the adequacy of the governance and transparency arrangements of an organisation we consider a number of areas, including:

- the structure and conduct of the Joint Board
- the level of openness and transparency, and
- the overall arrangements and standards of conduct, including those for the prevention and detection of fraud, error, bribery and corruption.

45. The Joint Board is comprised of twelve members taken from Dundee City Council (six), Fife Council (five) and Angus Council (one), and meets quarterly. From our attendance at Joint Board meetings during the course of the audit appointment we have observed that sufficient time is allowed to discuss the issues on the agendas and members are well prepared and ask appropriate questions.

46. Due to the ongoing impact of Covid-19 pandemic the Joint Board meetings were held remotely via Microsoft Teams throughout 2021/22. However, we have not noted any adverse impact on the level of scrutiny at meetings due to these meetings being held remotely.

The Annual Governance Statement is consistent with the financial statements and has been prepared in accordance with relevant regulations and guidance

47. As part of our annual audit we are required to provide an opinion as to whether the Annual Governance Statement is consistent with the financial statements and has been prepared in accordance with relevant regulations and guidance.

48. Our review of the Annual Governance Statement in the Joint Board's 2021/22 Annual Accounts assessed the assurances which are provided to the Bridge Manager regarding the adequacy and effectiveness of the joint board's system of internal control which operated in the financial year, and the accuracy and completeness of the other information included in the statement.

49. The statement highlights areas for improvement and we reported in our 2021/22 Annual Audit Report that a number of the planned improvement actions were originally scheduled to be completed in prior years but were delayed so that staff could focus on the operational priorities following the Covid-19 outbreak in March 2020. Progress has been made with these during 2021/22 but the 2022/23 improvement agenda still includes 7 items which have been carried forward from prior years.

Recommendation 2

Management should ensure the planned improvement actions carried forward from prior years are actioned and concluded during 2022/23.

The Joint Board conducts its business in an open and transparent manner

50. Openness and transparency means that the public have access to understandable, relevant and timely information about how the Joint Board is taking decisions and how it is using resources such as money, people and assets. The Joint Board demonstrates its commitment to transparency in a number of ways:

- members of the public can attend meetings of the Joint Board
- agendas and minutes for the Joint Board meetings and supporting papers are available on the Joint Board's website
- the availability of the annual accounts on the website.

51. We are content that the Joint Board conducts its business in an open and transparent manner.

New website

52. We recommended in our 2020/21 Annual Audit Report that management should review the documents published on the Tay Road Bridge Joint Board website against the Public Sector Bodies (Website and Mobile Applications) Accessibility Regulations 2018 as part of the website improvements scheduled for 2021/22.

53. In July 2021, the Joint Board launched its new website which includes features allowing users to change the language and compatibility settings that adjust the way in which information is displayed. As part of the update, a public consultation was also held using an online questionnaire to gain information / feedback from users about how the website could be improved.

Good practice – Accessibility of new website

In August 2021 the Joint Board's new website was checked for accessibility using a third party tool, SiteImprove. This tool scans keywords, structure, code integrity and content, such as consistent font sizes, colour contrasts and structural integrity and assigns the website with a grade based on its level of accessibility. The result of this assessment graded the Joint Board's website at an "A" which is the highest rating available and reflects a website that complies with the highest standards of accessibility.

The management commentary in the 2021/22 annual accounts provided a fair, balanced and reasonable analysis of the organisation's financial performance for the year

54. In addition to the consistency opinion on the management commentary covered in Part 1 of this report, we also consider the qualitative aspects of the management commentary included in the annual accounts. The purpose of the management commentary is to provide information on the Joint Board, its main objectives and strategies, and the principal risks that it faces. It is required to provide a fair, balanced and reasonable analysis of a body's performance and is essential in helping stakeholders understand the financial statements. We concluded that the management commentary in the 2021/22 annual accounts satisfied these requirements.

Good practice – Review of the year in management commentary

The management commentary in the Joint Board's 2021/22 annual accounts provided useful detail on the organisation's activities over the last 12 months and its plans for the future. It was also enhanced by the inclusion of relevant photos and performance statistics. We believe that the commentary was well written and presented in a way that users of the accounts would find useful and understandable.

The Joint Board has appropriate arrangements in place for the prevention and detection of fraud and error

55. The Joint Board is responsible for establishing arrangements for the prevention and detection of fraud, error and irregularities, bribery and corruption. Furthermore, it is responsible for ensuring that its affairs are managed in accordance with proper standards of conduct by putting effective arrangements in place.

56. We have reviewed the arrangements in place and concluded that these are appropriate for the prevention and detection of fraud, error and irregularities, bribery and corruption. We are not aware of any specific issues that we need to bring to your attention.

The Joint Board maintained a good level of performance over the last 12 months as traffic levels returned to near pre-pandemic levels

57. As shown in [Exhibit 4](#) on page [17](#), the Joint Board maintained a good level of performance over the last 12 months as traffic levels returned to near pre-pandemic levels. However, it was noted that sickness levels, including illness related to Covid-19, showed an increase on the 2020 levels.

Good practice – Changes to operational working and staffing structure

In June 2021 the Joint Board approved proposals to reorganise the staffing structure at the Tay Road Bridge by uniting the operational and maintenance teams to create effective cross team working. These changes were designed to improve business resilience and service delivery, along with staff health and wellbeing, and included the delivery of training to help staff achieve new skills and qualifications. The new operational working and staffing structure will assist the organisation in undertaking its duty to maintain the bridge, and related infrastructure, and responding to future challenges.

Exhibit 4

Key Performance Information

Indicator	Year		
	2019	2020	2021
Safe Services			
Accidents involving members of the public	2	0	0
Reportable incidents involving employees	2	0	0
Complaints and enquiries	2019	2020	2021
Complaints received	1	1	1
Complaints responded to within 10 working days	100%	100%	100%
Enquiries received	28	21	36
Enquiries responded to within 10 working days	100%	95%	97%
Staff absence	2019	2020	2021
Staff sickness (average days per annum)	29.5	11.8	14.2
Payment of invoices	2019/20	2020/21	2021/22
Payment of invoices within 30 days of invoice date	99.7%	99.3%	99.2%

Source: Tay Road Bridge Joint Board Annual Accounts 2021/22

National performance audit reports

58. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2021/22 a number of reports and briefing papers were published which may be of interest to the Joint Board. These are detailed in [Appendix 2](#).

Appendix 1. Action plan 2021/22

2021/22 recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p>1. Emerging cost pressures</p> <p>The impact of emerging cost pressures, including increasing staff and energy costs, is likely to place pressure on the budget of the Joint Board in future years.</p> <p>Risk: There is a risk that the Joint Board will have insufficient resources to deliver their longer-term revenue and capital plans.</p>	<p>Management should ensure that finance reports keep members informed of the impact of increasing cost pressures during 2022/23, including the longer-term impact of these emerging pressures on planned revenue and capital activity for future years.</p> <p>Paragraphs 39. and 40.</p>	<p>Regular Revenue and Capital Monitoring reports will inform members of the impact of cost pressures during 2022/2023. Revenue and Capital Budget reports covering 2023/24 to 2025/26 will include the longer-term impact of emerging cost pressures.</p> <p>Responsible officer: Treasurer</p> <p>Agreed date: March 2023</p>
<p>2. Improvement activity</p> <p>The 2022/23 improvement agenda in the Annual Governance Statement includes 7 items which have been carried forward from prior years.</p> <p>Risk: Identified improvement actions are not being implemented timeously.</p>	<p>Management should ensure the planned improvement actions carried forward from prior years are actioned and concluded during 2022/23.</p> <p>Paragraphs 47. to 49.</p>	<p>Planned improvement actions carried forward from prior years are in progress and will be prioritised for completion during 2022/2023.</p> <p>Responsible officer: Bridge Manager</p> <p>Agreed date: March 2023</p>

Update on prior year recommendations

Issue/risk	Recommendation	Update on progress
<p>PY1. 1. Delivering of 3-year capital programme</p> <p>The 2021/22 to 2023/24 capital programme set out projects totalling £10.135 million, including projects costing £8.505 million to be delivered in 2023/24.</p>	<p>Management should ensure that contingency plans are in place to prioritise the completion of essential capital projects should the required capital grant funding to deliver the 2021/22 to 2023/24 capital programme not be available.</p>	<p>Complete</p> <p>Management has confirmed that the long-term ten-year Capital Plan is regularly shared and discussed with Transport Scotland officers to ensure the funding for the</p>

Issue/risk	Recommendation	Update on progress
<p>Risk: There is a risk that the Joint Board will have insufficient funding or resources to deliver the 3-year capital programme.</p>		<p>completion of essential capital projects is prioritised.</p>
<p>PY2. Improvement activity</p> <p>A number of the planned improvement actions for the coming year identified in the Annual Governance Statement were originally scheduled to be completed in 2020/21, but were delayed so that staff could focus on the operational priorities following the Covid-19 outbreak in March 2020.</p> <p>Risk: There is a risk that the Joint Board will be unable to deliver all the improvement actions identified for 2021/22.</p>	<p>Management should prioritise the planned improvement actions identified for 2021/22 in the Annual Governance Statement to ensure that the most time critical activities are completed first.</p>	<p>Ongoing</p> <p>Progress has been made during 2021/22 but the 2022/23 improvement agenda still includes 7 items which have been carried forward from prior years. Management should focus on progressing these improvements during 2022/23.</p> <p>See action plan point 2</p>
<p>PY3. Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018</p> <p>The regulations require public sector bodies to put appropriate arrangements in place to ensure that information published on their websites is accessible.</p> <p>Risk: The information published on the Joint Board's website may not satisfy the requirements of the regulations.</p>	<p>As part of the website improvements scheduled for 2021/22, management should review the documents published on the Tay Road Bridge Joint Board website against the Public Sector Bodies (Website and Mobile Applications) Accessibility Regulations 2018 to identify what reasonable changes could be made to improve the accessibility of any information that does not comply with these requirements.</p>	<p>Complete</p> <p>In August 2021 the Joint Board's new website was checked for accessibility using a third party tool, SiteImprove. This tool scans keywords, structure, code integrity and content, such as consistent font sizes, colour contrasts and structural integrity and assigns the website with a grade based on its level of accessibility. The result of this assessment graded the Joint Board's website at an "A" which is the highest rating available and reflects a website that complies with the highest standards of accessibility.</p> <p>Paragraphs 52. to 53.</p>

Appendix 2. 2021/22 national performance reports

May

[Local government in Scotland Overview 2021](#)

June

[Covid 19: Personal protective equipment](#)

July

[Community justice: Sustainable alternatives to custody](#)

September

[Covid 19: Vaccination programme](#)

January

[Planning for skills](#)

[Social care briefing](#)

February

[NHS in Scotland 2021](#)

March

[Local government in Scotland: Financial Overview 20/21](#)

[Drug and alcohol: An update](#)

[Scotland's economy: Supporting businesses through the Covid 19 pandemic](#)

Tay Road Bridge Joint Board

2021/22 Annual Audit Report

Audit Scotland's published material is available for download on the website in a number of formats. For information on our accessibility principles, please visit:

www.audit-scotland.gov.uk/accessibility



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

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

REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 26 SEPTEMBER 2022

REPORT ON: RESPONSE TO EXTERNAL AUDITOR'S ANNUAL REPORT ON THE 2021/2022 AUDIT OF TAY ROAD BRIDGE JOINT BOARD

REPORT BY: TREASURER

REPORT NO: TRB 17-2022

1 PURPOSE OF REPORT

This report is a response to the report prepared by the Board's external auditor on the audit of Tay Road Bridge Joint Board for the year ended 31 March 2022. A copy of the external auditor's draft report and the Board's Audited Statement of Accounts are included on the agenda as separate items.

2 RECOMMENDATIONS

It is recommended that the Board:

- i notes the contents of the draft external auditor's report including the completed action plan at Appendix 1 and in particular that Audit Scotland have indicated that they will issue an unqualified audit opinion on the 2021/2022 Annual Accounts;
- ii endorse this report as the Board's formal response to the external auditor's report;
- iii instruct the Treasurer to arrange for the Audited Annual Accounts noted above to be signed and then returned to the external auditor; and
- iv instruct the Treasurer thereafter to arrange for the above Annual Accounts, including copies of all audit certificates to be published on the Board's website by no later than 31 October 2022.

3 FINANCIAL IMPLICATIONS

The Board's 2021/2022 Movement in Reserves Statement shows that there was a break-even position during the year. This gives a total General Reserve Balance of £1,160,591 as at 31 March 2022.

4 MAIN TEXT

Introduction

- 4.1 External audit is one of the key methods by which the activities and performance of local government are independently scrutinised and reported upon. The external audit of the Board for the financial year 2021/2022 was carried out by Mr Richard Smith, Senior Audit Manager, Audit Scotland. The Joint Board's External Auditors are appointed for a five-year period and the financial year 2020/2021 marked the fifth year of Audit Scotland's appointment to the Board. Normally at the end of each five-year period a new auditor is appointed, either Audit Scotland or a private sector accountancy firm. Covid-19 had an impact on the 2019/2020 and 2020/2021 audits of public sector bodies and the vast majority of these audits were reported later than normal. In October 2020, Audit Scotland approved the extension of current audit appointments for one year to include the 2021/2022 audit year. This decision reflects the need for stability and continuity given the longer-term impact of Covid-19 on audited bodies and the difficulty of running the necessary audit procurement exercise during the pandemic. The 2021/2022 audit will be the final year of the current appointment.

- 4.2 The 2021/2022 unaudited Annual Accounts were submitted to Audit Scotland, prior to the required statutory deadline of 30 June 2022. The accounts have since been subject to a three-week statutory public inspection period and no objections were received.

External Auditors Report

- 4.3 Audit Scotland have now completed their audit work and, in accordance with auditing standards (ISA 260: Communication with those charged with governance), are required to report the outcome of their work in relation to their review of the financial statements, prior to formally issuing their audit opinions. This requirement has been addressed in the External Auditor's report.
- 4.4 The report summarises the findings in relation to the overall audit of the Board for the year ended 31 March 2022. The attached report describes the scope of audit work undertaken during 2021/2022 and the issues arising from that work are divided into the following key areas:
- Key Messages;
 - Introduction;
 - Audit of 2021/2022 Annual Accounts;
 - Financial Management and Sustainability,
 - Governance and Transparency, including an assessment as to the appropriateness of the amended governance arrangements as a result of Covid 19; and
 - Appendices.
- 4.5 In addition to the Members of the Board, the external auditor's report is also addressed to the Controller of Audit at the Accounts Commission for Scotland. Given this wider audience, and the extent of the external auditor's responsibilities and scope of work, the report is by necessity both fulsome and extensive. A copy of his report is included on the agenda as a separate item. Accordingly, it is not the intention in this report to provide a detailed response or commentary on all the external auditor's findings.

External Auditor's Conclusions

- 4.6 The external auditor has undertaken a thorough and wide-ranging review of the financial statements and the processes and procedures around their preparation. It is pleasing to note that the auditor's overall findings and conclusions are satisfactory. In particular the Board can take encouragement from the following findings:
- the accounts were submitted on time;
 - there was no qualification to the auditor's opinion;
 - final accounts working papers were complete and finance staff provided good support to the audit team which helped ensure the final accounts audit was completed in line with the original timetable;
 - assurance can be placed on the financial systems and internal financial controls used by the Board;
 - there were appropriate budget monitoring and reporting arrangements in place during 2021/2022 which allowed for scrutiny and consideration of actions to mitigate challenges;
 - the Board has appropriate and effective corporate governance arrangements in place that support the scrutiny of decisions made by the Joint Board and conducts its business in an open and transparent manner; and
 - interim changes to the governance arrangements in response to Covid 19 since March 2020 have not resulted in any adverse impact on the level of scrutiny at Board meetings.

External Auditor's Recommendations

- 4.7 The External Auditor has made two recommendations for improvement arising from the 2021/2022 audit that requires further action by the Board. These recommendations have been considered carefully by Board officers and the completed action plan, incorporating the "agreed management action / timing", is included at Appendix 1 to the external auditor's report.

Examples of Good Practice

- 4.8 The External Auditor has highlighted three examples of good practice during 2021/2022.
- i) The Board's new website was assessed for compliance against the Public Sector Bodies (Website and Mobile Applications) Accessibility Regulations 2018. The result of this assessment graded the Joint Board's website at the highest rating available and reflects a website that complies with the highest standards of accessibility.
 - ii) The management commentary in the Annual Accounts provided useful detail on the activities during 2021/2022 and its plans for the future and was presented in a way that users of the accounts would find useful and understandable; and
 - iii) The changes to operational working and the staffing structure created effective cross-team working, improved business resilience and service delivery, along with staff health and wellbeing, and helped staff achieve new skills and qualifications.

The Way Ahead

- 4.9 Following the approval of the accounts for signature, the relevant statements of the Annual Accounts will be signed and dated by the appropriate officers and then returned to the external auditor. In line with statutory requirements, copies of the Annual Accounts together with the audit certificate will then be published on the Board's website by no later than 31 October 2022.

5 **POLICY IMPLICATIONS**

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

6 **CONSULTATIONS**

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

7 **BACKGROUND PAPERS**

Audit Scotland: Tay Road Bridge Joint Board - Annual Audit Report to Members on the 2021/2022 Audit (September 2022).

ROBERT EMMOTT
TREASURER

23 AUGUST 2022

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Tay Road Bridge



TAY ROAD BRIDGE JOINT BOARD

**ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022**

AUDITED



SEPTEMBER 2022

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**TAY ROAD BRIDGE JOINT BOARD
ANNUAL ACCOUNTS 2021/2022
CONTENTS**

	<u>PAGE NO</u>
Members and Officials	3
Management Commentary	4
Annual Governance Statement	15
Annual Remuneration Report	23
Statement of Responsibilities for the Statement of Accounts	27
Expenditure and Funding Analysis	30
The Core Financial Statements:	
Comprehensive Income & Expenditure Statement	31
Movement in Reserves Statement	32
Balance Sheet	33
Cash Flow Statement	34
Notes to the Financial Statements	35
Independent Auditor's Report to the Members of the Tay Road Bridge Joint Board and the Accounts Commission	60

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TAY ROAD BRIDGE JOINT BOARD MEMBERS AND OFFICIALS

Tay Road Bridge Joint Board ("the Board") comprises 12 elected members who are appointed by the three constituent local authorities to serve on the Board. Dundee City Council nominates 6 members, Angus Council has 1 member and Fife Council nominates the remaining 5 members. Following the Scottish Local Government Elections that were held in May 2017 it was agreed by the Board that Dundee City Council would continue to act as lead authority to the Board, and consequently, the Council are required to appoint officers to serve as officials of the Board. At the end of financial year 2021/2022, the Members and Officials of the Board were:

Representing Dundee City Council

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



Following the Local Government elections in May 2022 a new Chair and Vice-Chair were appointed at the June 2022 Board meeting. The Chair, who will be responsible for signing the accounts, is Councillor Gary Holt from Fife Council and the Vice-Chair is Councillor Fraser Macpherson from Dundee City Council.

Bridge Manager

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

Engineer

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

Clerk

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

Treasurer

Mr Robert Emmott, BSc, CPFA, Dundee City Council.

Contact Details:

Tay Road Bridge Joint Board website: www.tayroadbridge.co.uk

Bridge Manager	Engineer	Clerk	Treasurer
Bridge Office	c/o Dundee City Council	c/o Dundee City Council	c/o Dundee City Council
Marine Parade	City Development	Corporate Services	Corporate Services
Dundee	50 North Lindsay Street	21 City Square	50 North Lindsay Street
DD1 3JB	Dundee	Dundee	Dundee
01382 433044	01382 433711	01382 434202	01382 433633
alan.hutchison@ tayroadbridge.co.uk	gary.brady@ dundeecity.gov.uk	roger.mennie@ dundeecity.gov.uk	robert.emmott@ 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 2022. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/2022 ("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

In June 2021 the board agreed to the Bridge Manager's proposals to reorganise the staffing structure at the Tay Road Bridge with the aim of improving business resilience and staff health and well-being. The reorganisation involved uniting the operational and maintenance teams to create effective cross team working and improve staffing resilience by providing staff the opportunity to develop new skills and qualifications. This change also involved the introduction of twelve hour shift working, with a night and day shift, to replace the continental three eight hour shift pattern of early, back and night shift. The aim of this change was to improve work/life balance for shift workers.

The organisational changes were introduced on 1 July 2021 with an organisational make-up of twenty staff members, comprising thirteen operational shift workers and seven standard Monday to Friday workers. The Tay Road Bridge team all contribute to our aim of providing a safe and reliable journey for the average 26,000 daily vehicle crossings. Our staff undertake bridge inspections and maintenance, fleet management, electrical maintenance, and administrative duties alongside breakdown recovery and debris removal.

The Covid-19 pandemic has impacted the ability of the team to undertake training in 2021/22, but I am pleased that where possible and with adherence to all Scottish government advice to remain Covid-19 safe, we have managed to commence delivery of the following training to help staff maintain confidence and competence in their individual roles:

- HGV Driving Training
- Traffic Management Training
- Inspection Gantry Training
- Applied Suicide Intervention Skills Training (ASIST)
- Mobile Scaffold Training
- First Aid Training

MANAGEMENT ARRANGEMENTS WITH SCOTTISH GOVERNMENT

During this period, the main point of contact with the Scottish Government continued to be the Roads Directorate of Transport Scotland. Virtual meetings to remain Covid 19 safe have been held on a regular basis between Board Officers and officers from the Roads Directorate of Transport Scotland to discuss financial matters and future projects.

CONTRACTS

The management of traffic and pedestrian users of the Tay Road Bridge has benefitted from a number of successful projects delivered in 2021/2022, with more projects due for delivery in 2022/2023 that will add resilience to the bridge's infrastructure.

TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

Variable Message Signs

In January 2022 the board awarded a maintenance contract to TWM Traffic Control Systems Limited that provides Tay Road Bridge with resilience support to maintain our existing Variable Message Signs (VMS) in good working order and thus maintain our ability to display important safety messaging to our users. As part of this contract, the communication system that transmits messages from the control room software for display on the signs was upgraded. This upgrade involved switching from a 2G network to a 4G network and has significantly improved the response time for messages to be displayed. This allows us to respond in real-time to display important safety messaging without any appreciable communication lag-time.



Administration Office Compound Surfacing and Fencing

In January 2022 Tayside Contracts completed the asphalt resurfacing and installation of security fencing to our Dundee works compound. This project has improved the security of stored materials in the compound and provided an even and safe surface that will reduce future maintenance intervention.



Painting of Columns below Dundee Plaza

In 2021 local artists enhanced the existing artwork to the columns below the Dundee Plaza and extended this artwork installation to all the unpainted columns in this area. This project was taken forward as a direct result of the work flowing from the Mental Health and Wellbeing group set up to look at suicide reduction at the crossing.

Each column has its own colour which when viewed from a distance blend together to create a 3D gradient. A colour gradient, shifting from “earth” colours to “water” colours has been incorporated into the artwork that harmonises and builds on the impact the scheme from 2016 already brought to the space. Coloured lighting on each column subtly changes the perception of the installation at night, always making it an attractive and interesting space.



On the asphalt surfacing adjacent to the columns, ripples were painted in May 2022 to mimic the reflections of the river on the underside of the carriageway. The ripples will be designed and painted to offer a unique photographic background. It will appear as if the person posing has left ripples in the water as they move through the space.

TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

The aim of this public artwork is to encourage footfall to the area and make what was an austere space attractive, safe, and welcoming.



Consulting Engineering Services

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

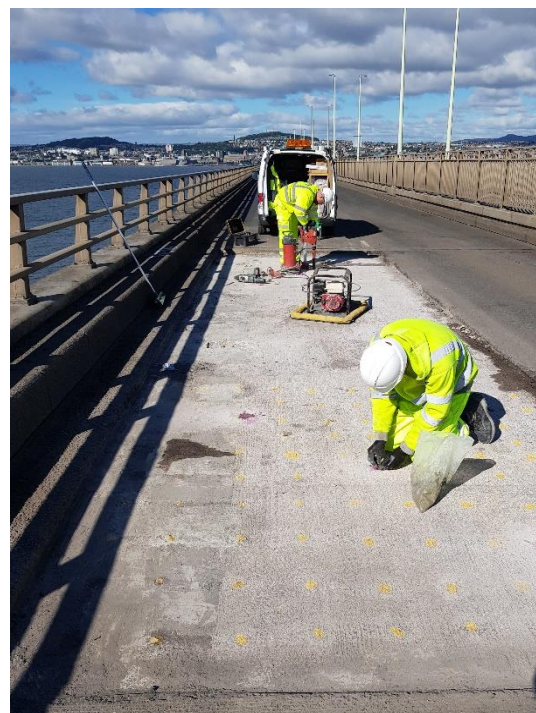
In 2021/2022 WSP Limited continued to work on the following capital projects:

Gantry Replacement:

The Engineer to the Board and the Bridge Manager have continued to work closely with WSP Limited to deliver new inspection gantries. Investigation and design work has developed, and concept design is now underway to develop Approval-In-Principle submission documents for technical approval by the Engineer to the Board. The project is still on target to be delivered in 2024/2025.

Carriageway Resurfacing and Replacement Joints:

In September 2021, Tayside Contracts under the direction of WSP Limited, undertook intrusive investigation of the carriageway surfacing that involved removal of large sections of surfacing. This was undertaken to ascertain the condition of the top surface of the concrete deck and waterproofing layer to help the project team estimate the requirement for concrete repairs and prepare appropriate material specifications and cost information required for the major resurfacing project in 2023/2024 and 2024/2025. The Engineer to the Board and the Bridge Manager are pleased to report that the concrete surfacing exposed was in a structurally sound condition. These works also provided the opportunity for a trial of the traffic management that will be required during the future major works, and this was invaluable to the project team. The resurfacing project is still on target to commence in 2023/2024 and the movement joints will be renewed during this project. The expansion joints are between 25 and 30 years old and are now practically beyond serviceable life.



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
Closed to all Vehicles	Cars Only	No Double Deck buses			
2	9	44	5	22	460
Comparator figures for 2020/2021:					
1	4	33	3	12	434
Comparator figures for 2019/2020:					
2	9	53	1	8	540

The works closures in 2021/2022 related to movement joint and carriageway pot hole repairs that required a full closure to facilitate a safe staff and contractor working environment.

STRATEGIC PLAN AND PERFORMANCE SUMMARY

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

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

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

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

The remaining KPI is reported quarterly to the Board:

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

TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

KPIs for the full calendar years 2015 to 2021 are as follows:

Safe Services

Years	Accidents Involving Members of the Public	Years	Reportable Incidents Involving Employees	Minor Accidents Involving Employees	Time Lost – Employees (Hrs)
	(Target = Reduction Year on Year)		(Target = 0)	(Target = 0)	(Target = 0)
2015	6	2015	0	2	0
2016	2	2016	0	2	24
2017	9	2017	0	2	0
2018	9	2018	0	3	16
2019	2	2019	2	1	376
2020	0	2020	0	1	0
2021	0	2021	0	3	0

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

During 2021 there were no lost working hours due to accidents at work. All accidents are investigated and mitigation measures are put in place to avoid a repeat occurrences. During 2019 the time lost by employees due to accidents was 376 hours, with one employee accounting for the majority of this absence. All employees have recovered and are back at work. A separate Health and Safety report is presented to the Board annually.

Effective and Efficient Services: Complaints and Enquiries

Years	Complaints Received & Responses			Enquiries Received & Responses		
	Complaints Received	Complaints Responded To	Complaints Responded to within 10 Working Days	Enquiries Received	Enquiries Responded To	Enquiries Responded to within 10 Working Days
	Target = 10% Reduction Year on Year	Target = 100% of Complaints Responded to	Target = 100% of Complaints Responded to	Target = 10% Reduction Year on Year	Target = 100% of Enquiries Responded to	Target = 100% of Enquiries Responded to
2015	7	7	7	36	36	36
2016	10	10	10	77	77	77
2017	4	4	4	28	28	28
2018	6	6	6	50	50	50
2019	1	1	1	28	28	28
2020	1	1	1	21	21	20
2021	1	1	1	36	36	35
2022 (to 31 March 2022)	0	0	0	12	12	12

TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

In the four years between the start of January 2015 and the end of December 2019 the board received on average seven complaints from the public per year regarding our services. These generally related to concerns regarding bridge availability during closures, or concerns related to our sharing of information during such closures. Subsequently, we gained Board agreement to refresh our website to improve information sharing and it appears that this has been instrumental in reducing the number of public complaints in 2020 and 2021 to one per year.

The board will continue to pursue every opportunity to reflect upon and improve service delivery. All complaints are responded to in a timely manner and within ten working days.

Effective and Efficient Services: Staff Absence

Calendar Years	Staff Sickness (Average Days per Annum)
	Target = <5
2015	17.45
2016	5.76
2017	6.98
2018	7.55
2019	29.5
2020	11.8
2021	14.2

The board lost an average 14.2 days per employee per year in 2021 due to sickness, including illness related to Covid-19. This is an increase of 2.4 from 2020, when we recorded an average employee sickness of 11.8 days.

From 2022 the board will measure sickness absence in working hours lost, as opposed to days off, following the staffing reorganisation implemented on 1 July 2021. The board will then convert this time to days using the Office for National Statistics (ONS) average working day of 7 hours 30 minutes. This will allow direct lost day comparisons with the national average sickness statistics published by the ONS. The ONS have noted that sickness days recorded nationally in 2020 have been heavily skewed by the high number of people furloughed due to Covid-19 restrictions and thus any comparisons with our statistics will be meaningless. No employees of the board were furloughed during the Covid-19 pandemic.

Effective and Efficient Services: Payment of Invoices

Years	Payment of Invoices within 30 days of Invoice Date
	Target = 100%
2015/16	98.06%
2016/17	98.81%
2017/18	98.86%
2018/19	98.85%
2019/20	99.68%
2020/21	99.28%
2021/22	99.20%

The board continues to pay invoices timeously and aim to do this within thirty days. The percentage of payments made within thirty days of invoice date during 2021/2022 was 99.20%.

TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

IMPACT OF CORONAVIRUS PANDEMIC ON OPERATIONS

The UK Government announced a lockdown on 23 March 2020 in response to the Covid 19 pandemic. This had a major impact on the management and operations of the bridge. Management took immediate action to safeguard employees and bridge users. These actions were taken to maintain resilience and ensured bridge availability and the continued safety of employees and bridge users during this challenging and unprecedented time. Business Continuity Planning / Incident Response meetings were held between key personnel and guidance issued to all staff on a regular basis. The actions detailed in the Business Continuity Plan have been implemented during the current Covid19 crisis and it will continue to be updated to reflect changing circumstances. As the pandemic progressed into 2021/2022 the impact reduced but the board continued to take steps to ensure adherence to all Scottish Government advice to remain Covid-19 safe for Board Members, employees, service users and members of the public.

STAFFING ISSUES

Staff Establishment

Staffing levels and the existing establishment stands as follows:-

	2021/2022	2021/2022	2020/2021	2020/2021
	Current	Establishment	Current	Establishment
Administration	3	3	3	3
Operational	17	17	10	11
Maintenance	0	0	7	8
Total	20	0	20	22

During 2021/2022 the Operational and Maintenance teams were merged (please refer to the additional detail provided in the 'Organisation Changes' section on page 4).



FINANCIAL PERFORMANCE REVIEW

Revenue Expenditure

The Tay Road Bridge Joint Board, at its meeting on 7 December 2020, approved the 2021/2022 Revenue Budget. The final budget was projected to break-even. The projected General Reserve balance as at 31 March 2022 would be £1,160,591.

The Board received quarterly Revenue Monitoring reports during 2021/2022 in order to keep the members fully appraised as to the projected revenue outturn position.

The following table reconciles the Revenue Budget approved by the Board on 7 December 2020 to the revised budget figures that are included in the Comprehensive Income and Expenditure Statement shown on page 31. The actual outturn for 2021/2022 was a net overspend against budget of £5,000 before the application of accounting adjustments. The detailed variance analysis is set out on page 12. After the required accounting adjustments this gives a total General Reserve balance of £1,160,591 as at 31 March 2022 which is unchanged from the corresponding figure at 31 March 2021.

**TAY ROAD BRIDGE JOINT BOARD
MANAGEMENT COMMENTARY**

	Approved Budget £000	Net Depreciation & Impairment Allocation £000	Reallocate Investment Property Inc & Exp £000	Employee Benefits Adjustment £000	Revaluation of PPE Assets £000	Recognised Capital Grant £000	IAS 19 Adjs £000	Revised Budget £000	Actual Expend/ (Income) £000	Over / (Under) Spend £000
Administration	472	-	-	-	-	-	21	493	486	(7)
Operations	530	-	-	-	-	-	100	630	610	(20)
Plant & Equipment Operating Costs	222	-	-	-	-	-	-	222	223	1
Bridge Maintenance	405	-	(2)	(2)	-	-	66	467	465	(2)
Corporate Costs	-	2,109	-	-	-	-	-	2,109	2,109	-
Net Cost of Services	1,629	2,109	(2)	(2)	-	-	187	3,921	3,893	(28)
Other Operating Income & Expenditure	(11)	-	10	-	-	-	-	(1)	(6)	(5)
Financing & Investment Income & Expenditure	(12)	-	(8)	-	-	-	15	(5)	8	13
Non-Specific Grant Income	(1,606)	-	-	-	-	(550)	-	(2,156)	(2,131)	25
(Surplus) / Deficit on Provision of Service	-	2,109	-	(2)	-	(550)	202	1,759	1,764	5
(Surplus) / Deficit on Revaluation of PPE	-	-	-	-	(1)	-	-	(1)	(1)	-
Actuarial (Gains) / Losses on Pension Assets / Liabilities	-	-	-	-	-	-	(808)	(808)	(808)	-
Total Comprehensive Income & Expenditure	-	2,109	-	(2)	(1)	(550)	(606)	950	955	5
IAS 19 Adjustments	-	-	-	-	-	-	606	606	601	(5)
Other IFRS Code Accounting Adjustments	-	(2,109)	-	2	1	550	-	(1,556)	(1,556)	-
Total (Surplus)/ Deficit	-	-	-	-	-	-	-	-	-	-
General Reserve Balance b/fwd	(1,161)	-	-	-	-	-	-	(1,161)	(1,161)	-
General Reserve Balance c/fwd	(1,161)	-	-	-	-	-	-	(1,161)	(1,161)	-

The following two charts show how the total 2021/2022 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: 2021/2022 Net Cost of Services by Nature:

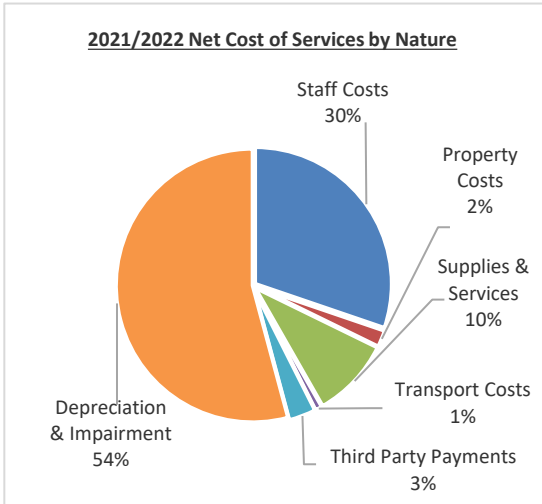
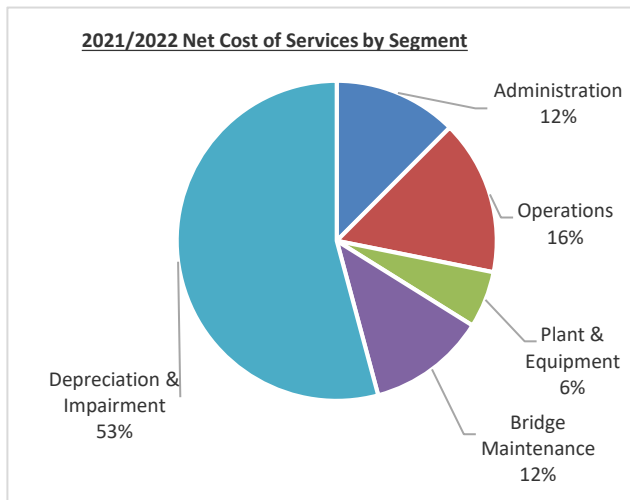


Figure 2: 2021/2022 Net Cost of Services by Segment:



Administration (Underspend £7,000)

This reflects lower than anticipated expenditure in relation to training due to the pandemic and lower than anticipated costs in relation to a new contract awarded for waste disposal, offset by increased expenditure on computer hardware.

Operations (Underspend £20,000)

This reflects lower than anticipated expenditure on salary costs due to the removal of a vacant Operations Officer post from the establishment as part of the restructure and reduced overtime costs as a result of the new working patterns as well as lower training costs due to the pandemic. This is offset by increased salary costs as a result of changes to operational working and regradings within the staffing structure since July 2021 ([see June 2021 Board Papers, TRB 11-2021](#)).

Plant & Equipment (Overspend £1,000)

This reflects higher than anticipated expenditure in relation to an additional electricity supply to a contractor's site office at the Dundee Central Waterfront Development. This is reflected in increased income as detailed below and increased expenditure on maintenance contracts for CCTV, VMS and lifts. This is offset by lower than anticipated expenditure in relation to the hire of a safety boat as there was not any requirement for further hires beyond the standard six month contract period, and also reduced expenditure on plant hire, materials, purchase of equipment, as well as contractor costs and principal inspections on the gantries as there were ongoing capital works and there will be a major replacement programme in the next few years.

Bridge Maintenance (Underspend £2,000)

This reflects lower than anticipated expenditure due to the removal of a vacant Maintenance Officer post from the establishment as part of the restructure and a saving in overtime costs as a result of the new working patterns. There was also a reduction in ground maintenance expenditure due to lower maintenance planting installed in recent years and no expenditure on miscellaneous inspections and reports as they were not required this year. This is offset by an overspend due to increased salary costs as a result of changes to operational working and staffing structure since July 2021 ([see June 2021 Board Papers, TRB 11-2021](#)) and increased expenditure on cleaning costs at the toilets at Fife car park due to a more rigorous Covid 19 cleaning regime for the toilets at Fife car park until November.

Other Operating Income and Expenditure (Underspend £5,000)

This reflects higher than anticipated income due to income for the supply of electricity to a site office for the contractors on the Central Waterfront Development.

Financing and Investment Income and Expenditure (Overspend £13,000)

This reflects higher than anticipated expenditure on the Fife Kiosk building.

Non-Specific Grant Income (Reduced Grant Income £25,000)

Reflects the net underspend on other budget heads, as detailed above.

Other Accounting Adjustments (Underspend £5,000)

Reflects underspends on IFRS Code Accounting adjustments and IAS 19 adjustments.

Capital Expenditure and Financing

The Board, at its meeting on 7 December 2020, approved the 2021/2022 Capital Plan of £805,000. This would be funded from Capital Grants.

The Board received quarterly Capital Monitoring reports during 2021/2022 in order to keep the members fully apprised as to the projected capital outturn position. Actual gross capital expenditure for the year was £550,000. The following table compares the actual outturn position with budget for capital expenditure and the associated funding. The underspend against the original capital budget was due to budget adjustments and slippage across a range of projects:-

	Budget £000	Actual £000	Variance £000
Capital Expenditure:			
Carriageway Resurfacing	100	271	171
Cathodic Protection Hardware	25	5	(20)
Advanced Warning Signs	250	10	(240)
Replacement of Expansion Joints	25	19	(6)
New Gantries	100	85	(15)
Fife Landfall Improvements	50	-	(50)
Dundee Compound Resurfacing	75	64	(11)
Other Projects	180	96	(84)
	805	550	(255)
Capital expenditure was funded as follows:			
	£000	£000	£000
Capital Grant from the Scottish Government	805	550	(255)
	805	550	(255)

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 £27,000 as at 31 March 2022. The estimated net pension liability at 31 March 2021 was £628,000. The overall decrease was due to an increase in the value of assets as a result of increased return on assets less interest and changes in financial assumptions.

PRINCIPAL RISKS AND UNCERTAINTIES

As part of the ongoing management of risk, senior officers conduct an annual review of strategic risk management issues which is 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 a pier protection system at navigation spans and maintains security through CCTV and 24 hour site attendance. In addition, Dundee Port Authority has controls and procedures governing navigation of vessels on the river.
- Loss of operational capacity through loss of bridge / buildings. The Board maintains a regular inspection programme and maintenance of assets.
- Losses through poor governance. The Board continues to review and apply recognised good governance policies.
- Failure to deliver projects to time and / or cost. The Board adopts robust project management procedures.
- Lack of financial resources. The Board's submission of applications for grant income includes robust estimates as back up. There is regular monitoring and control of expenditure against agreed budgets. Reserves are reviewed and maintained at prudent levels.
- Lack of staff resources, e.g. from pandemic, industrial action, recruitment issues. The Board maintains and reviews its Business Continuity Plans, consults with staff and trade unions on employment matters, manages staff absences, plans recruitment requirements in advance, and maintains a programme of staff training.

FUTURE DEVELOPMENTS

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

CONCLUSIONS

Sound financial management and effective risk management have enabled the Board to successfully manage its financial and operational performance during 2021/2022. However, significant risks surrounding future uncertainties continue to affect plans for the Board to effectively manage budgetary pressures.

Acknowledgements

During the 2021/2022 financial year the Board's financial position has required continuous scrutiny and strict budgetary control. We would like to thank the Bridge Engineer and the Bridge staff for their assistance in controlling the Board's expenditure and income. In addition, we wish to mention our appreciation of the help and co-operation provided during the financial year by the elected members and by Roger Mennie, Clerk to the Board.

Finally, we would conclude our report by thanking all staff who contributed to the preparation of the Board's 2021/2022 Annual Accounts.

Robert Emmott, BSc, CPFA

**Treasurer
Tay Road Bridge
Joint Board
12 September 2022**

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

**Bridge Manager
Tay Road Bridge
Joint Board
12 September 2022**

Councillor Gary Holt

**Chair
Tay Road Bridge
Joint Board
12 September 2022**

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.

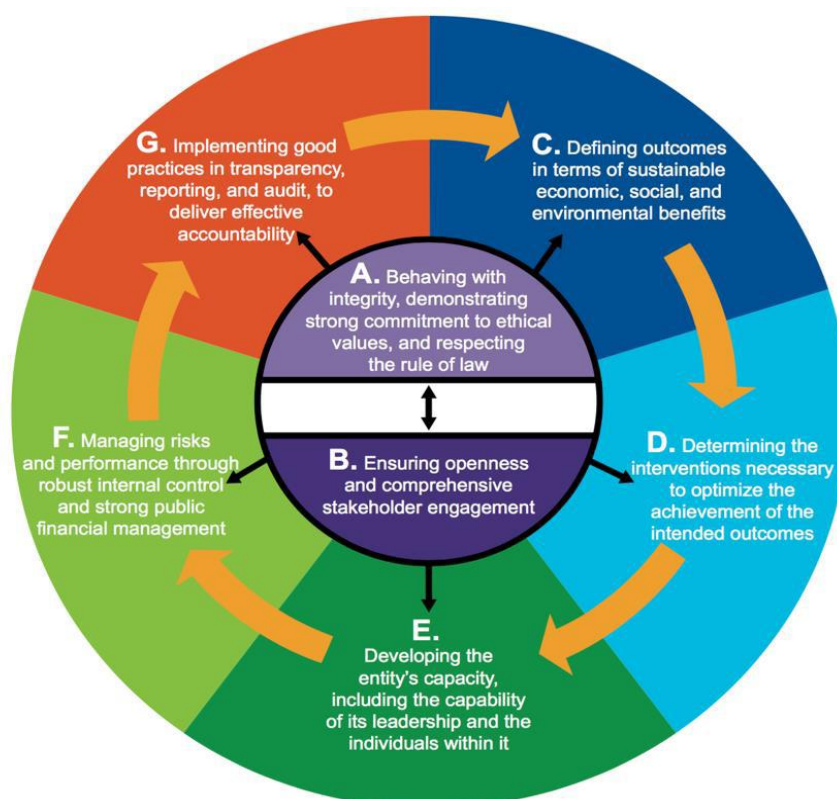
In discharging these responsibilities elected members and senior officers are responsible for implementing effective arrangements for governing the Joint Board's affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

In June 2022, the Joint Board approved and adopted an updated Local Code of Corporate Governance that is consistent with the principles of the CIPFA/SOLACE (Chartered Institute of Public Finance & Accountancy / Society of Local Authority Chief Executives) framework *Delivering Good Governance in Local Government (2016)*. This statement explains how Tay Road Bridge Joint Board delivers good governance and reviews the effectiveness of these arrangements.

The Joint Board's Governance Framework

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

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



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

TAY ROAD BRIDGE JOINT BOARD ANNUAL GOVERNANCE STATEMENT

The overall control arrangements include:

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

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

The new CIPFA's *Financial Management Code (2019)* (FM Code) is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. For the first time the FM Code sets out the standards of financial management for local authorities. Local government finance in the UK is governed by primary legislation, regulation and professional standards as supported by statutory provision. The general financial management of a local authority, however, has not until now been supported by a professional code. The FM Code has been introduced because the exceptional financial circumstances faced by local authorities have revealed concerns about fundamental weaknesses in financial management, particularly in relation to organisations that may be unable to maintain services in the future. 2021/2022 is the first full year of compliance with the FM Code. The board complies with the principles and standards set out in CIPFA's FM Code (2019).

Review of Effectiveness

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

In addition, as part of the Annual Governance Statement process the Bridge Manager completes a self-assessment checklist of the Board's own governance, risk management and internal control arrangements. This involved the completion of a 74-point checklist covering seven key governance areas of Service Planning and Performance Management; Internal Control Environment; Fraud Prevention and Detection; Budgeting, Accounting and Financial Control; Risk Management and Business Continuity; Asset Management; Partnerships; and Information Governance. This again indicated a high level of compliance.

The Joint Board's Internal Audit provider conforms with Public Sector Internal Audit Standards and reports to the Joint Board. Internal Audit undertakes an annual programme of work, which is reported to the Joint Board. The Internal Auditor provides an independent opinion on the adequacy and effectiveness of the system of internal control. In the opinion of the Joint Board's Internal Auditor, overall the Board operates adequate internal control systems as defined in the Audit Needs Assessment. The audit and assurance work has not identified any significant gaps in the Board's control environment that would increase the risk of financial loss. This opinion was arrived at by taking into consideration the internal audit, risk management and other assurance work that has been undertaken during 2021/2022 and in previous years since the internal auditors original appointment in 2010.

TAY ROAD BRIDGE JOINT BOARD ANNUAL GOVERNANCE STATEMENT

Impact of Coronavirus Pandemic on Corporate Governance

The UK Government announced a lockdown on 23 March 2020 in response to the Covid 19 pandemic. This had a major impact on the management and operations of the bridge. Management took immediate action to safeguard employees and bridge users. These actions were taken to maintain resilience and ensured bridge availability and the continued safety of employees and bridge users during this challenging and unprecedented time. Business Continuity Planning / Incident Response meetings were held between key personnel and guidance issued to all staff on a regular basis. As the pandemic progressed into 2021/2022 the impact reduced but the board continued to take steps to ensure adherence to all Scottish Government advice to remain Covid-19 safe for Board Members, employees, service users and members of the public.

The Annual Governance Statement assesses governance in place during 2021/2022 so the majority of the year was affected by coronavirus. The conclusion on whether or not governance is fit for purpose should reflect the normal operations. However, coronavirus has impacted on governance since March 2020 and the Annual Governance Statement has to reflect the circumstances at the time of publication and the impact on governance.

The impact on governance affected the Board in 2020/2021, for example changes to decision making arrangements whereby the following procedures were implemented for Board business from 23 March 2020 until the resumption of Board meetings in September 2020, albeit virtually. Virtual Board meetings have continued throughout 2021/2022.

Continuous Improvement Agenda

The Joint Board's progress against the Continuous Improvement Agenda items for 2021/2022 is detailed in Table 1. Several items are still in progress and have been carried forward to be actioned in 2022/2023. Additional areas for improvement have also been identified by Joint Board officers and these are included in Table 2 and form the Continuous Improvement Action Plan for 2022/2023. These were identified in the self-assessment checklists that were completed as part of the Joint Board's assurance gathering process and also from Internal Audit reviews.

During 2022/2023 steps will be taken to address the outstanding items identified in the Continuous Improvement Agenda to further enhance the Joint Board's governance arrangements.

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

Councillor Gary Holt
Chair
Tay Road Bridge Joint Board
12 September 2022

Alan Hutchison, BEng (Hons), MSc, CEng,
FICE, MCIHT. Bridge Manager
Tay Road Bridge Joint Board
12 September 2022

ANNUAL GOVERNANCE STATEMENT

TABLE 1 - IMPROVEMENT AGENDA FOR 2021/2022

Original Improvement Agenda					Progress Update		
	Improvement	Source	Source Date	Responsible Officer	Target Completion Date	Actual Completion Date	Comments (e.g. Estimated Completion Date, Reasons for delays, etc.)
1	Update Data Protection procedures to ensure compliance with GDPR: Develop Records Management Plan.	Local Code of Corporate Governance 2018/2019 (Principle A: Integrity & Ethics and F: Managing Risks & Performance).	Carried forward from 2019/2020. In progress.	Bridge Manager	31/12/2021	Annual review required. 2021 review completed on 16/12/2021	Review with Dundee City Council's (DCC) Information Governance Manager completed on 16 December 2021. All actions arising from meeting completed apart from the requirement to arrange training on Data Protection to be rolled out to all staff in 2022.
2	Review the Board's website in terms of its quality in delivering information to bridge users and implement improvements.	Local Code of Corporate Governance 2018/2019 (Principle B: Openness and E: Developing the Entity).	Carried forward from 2019/2020. In progress.	Bridge Manager	31/12/2021	01/09/2021	New website launched in 2021. Further user questionnaire to be issued by Spring 2023 to seek feedback from public to help plan further improvements if practicable.
3	Update Bridge Byelaws.	Local Code of Corporate Governance 2019/2020 (Principle A: Integrity & Ethics) & Internal Audit Report (2019/2) Compliance with Legislation.	Carried forward from 2019/2020. In progress.	Clerk / Bridge Manager	31/12/2021		Covid-19 impeded delivery because hard copies could not be displayed for public viewing. Given the time that has passed since Board approval in June 2020, the Board Officers have agreed to take the new byelaws to the June 2022 Board for an updated approval (there will be a change in Board members between the 2020 and 2022 cohort). *
4	Revise Whistle-Blowing Policy.	Whistle-Blowing Policy (Report 12-2016 at June 2016 Board meeting).	Carried forward from 2019/2020. In progress.	Bridge Manager	31/12/2021		To be carried forward. New target date December 2022. TRBJB follow DCC procedures and DCC are currently updating the policy. We will await this update before we roll out to staff. *

5	Hold monthly Management Meetings instead of quarterly to improve control given number of capital and inspection surveys due from 2020.	Local Code of Corporate Governance 2019/2020 (Principle D: Achieving Intended Outcomes).	Carried forward from 2020/2021. In progress.	Bridge Manager	31/12/2021	Dec-21	Management meetings have been held inconsistently in 2021 due to staff absences. Meetings are calendared monthly to April 2023.
6	Review structure and shift patterns of Operations team to improve staff welfare and service to users.	Local Code of Corporate Governance 2019/2020 (Principle E: Developing the Entity).	Carried forward from 2020/2021. In progress.	Bridge Manager	31/12/2021	01/07/2021	New shift pattern and restructure now fully operational.
7	Bridge manager development and performance review to be re-established.	Local Code of Corporate Governance 2019/2020 (Principle E: Developing the Entity).	Carried forward from 2020/2021. In progress.	Engineer	31/12/2021	31/01/2022	This action has been resolved through face to face EPDR. Future appraisals to be based on annual refresh.
8	Develop checklist to assist in collation and recording of all evidence required to demonstrate compliance with Construction Design Management (CDM) 2015 Regulations.	Internal Audit Report 2020/03 Management of Health & Safety.	Carried forward from 2020/2021. In progress.	Bridge Manager	31/12/2021	01/09/2021	Checklist created and now being adopted.
9	Ensure that a formal programme of reporting of data protection issues to the Joint Board.	Internal Audit Report 2020/05 Data Protection.	Carried forward from 2020/2021. In progress.	Clerk / Bridge Manager	31/12/2021		A Board report titled Annual Update on Privacy, Data protection and GDPR will be presented to the Board every March Board to report on whether there have been any breaches and that all policies relating to these matters have been reviewed. To be carried forward to March 2023. *
10	Transport and Works Manager and Administration Officer to attend training course on Recruitment and Interviewing to enable the Board to recruit more effectively at all levels.	Annual Governance Self-Assessment Checklist.	Carried forward from 2020/2021. In progress.	Bridge Manager	31/12/2021		To be carried forward to new target date December 2022. Training not yet available through DCC. *

11	Review the Board's response to the Covid 19 crisis.		Carried forward from 2020/2021. In progress.	Bridge Manager	31/12/2021		Covid -19 crisis is still ongoing. Dynamic changes to procedures are being rolled out when government advice changes, evidenced by risk assessments issued to staff.
12	Develop a TRB Team Charter to help convey core service values / standards to managers and employees.	Local Code of Corporate Governance 2020/2021 (Principle A: Integrity & Ethics and B: Openness).	New for 2021/2022.	Bridge Manager	31/03/2022	01/07/2021	Team Charter introduced to coincide with organisation staffing changes and boost morale by providing clear expectations to improve focus and support to help staff manage the change successfully.
13	Revise Communications Policy.	Local Code of Corporate Governance 2020/2021 (Principle B: Openness).	New for 2021/2022.	Bridge Manager	31/03/2022		Meeting held with Head of DCC Communications January 2022. DCC progressing. New target December 2022. *
14	Establish a formal business case process for all major capital projects.	Internal Audit Report 2021/03 Capital Projects.	New for 2021/2022.	Bridge Manager	31/03/2022		This will form part of future Capital Plan Project reports to the Board as required. *

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

ANNUAL GOVERNANCE STATEMENT

TABLE 2 - IMPROVEMENT AGENDA FOR 2022/2023

	Improvement	Source	Source Date	Respons-ible Officer	Target Completion Date	Details
1	Update Bridge Byelaws.	Local Code of Corporate Governance 2019/2020 (Principle A: Integrity & Ethics) & Internal Audit Report (2019/2) Compliance with Legislation.	Carried forward from 2019/2020. In progress.	Clerk / Bridge Manager	31/03/2023	Carried forward from 2021/2022. In progress.
2	Revise Whistle-Blowing Policy.	Whistle-Blowing Policy (Report 12-2016 at June 2016 Board meeting).	Carried forward from 2019/2020. In progress.	Bridge Manager	31/12/2022	Carried forward from 2021/2022. In progress.
3	Ensure that a formal programme of reporting of data protection issues to the Joint Board.	Internal Audit Report 2020/05 Data Protection.	Carried forward from 2020/2021.	Clerk / Bridge Manager	31/03/2023	Carried forward from 2021/2022. In progress.
4	Transport and Works Manager and Administration Officer to attend training course on Recruitment and Interviewing to enable the Board to recruit more effectively at all levels.	Annual Governance Self-Assessment Checklist.	Carried forward from 2020/2021.	Bridge Manager	31/12/2022	Carried forward from 2021/2022. In progress.

5	Review the Board's response to the Covid 19 crisis.		Carried forward from 2020/2021.	Bridge Manager	31/12/2022	Carried forward from 2021/2022. In progress.
6	Revise Communications Policy.	Local Code of Corporate Governance 2020/2021 (Principle B: Openness).	Carried forward from 2021/2022.	Bridge Manager	31/12/2022	Carried forward from 2021/2022. In progress.
7	Establish a formal business case process for all major capital projects.	Internal Audit Report 2021/03 Capital Projects.	New for 2021/2022.	Bridge Manager	31/03/2023	Carried forward from 2021/2022. In progress.
8	Review all Board Human Resource policies to provide comfort that the Board's policies are aligned with DCC and up-to-date with legislation.	Annual Governance Statement self-assessment checklist, section 2: Internal Control Environment.	New for 2022/2023.	Bridge Manager	31/03/2023	Source: Annual Governance Statement self-assessment checklist, section 2: Internal Control Environment.
9	Improve communication of Risk Assessments & re-introduce regular Health and Safety meetings.	Annual Governance Statement self-assessment checklist, section 2: Internal Control Environment.	New for 2022/2023.	Bridge Manager	31/03/2023	Source: Annual Governance Statement self-assessment checklist, section 2: Internal Control Environment.

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, the Remuneration Bands and Exit Packages 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) Amendment Regulations 2021 (SSI No. 2021/18). The Regulations set out the remuneration payable to Councillors with the responsibility of a Chair or Vice-Chair of a Joint Board. The Regulations require the remuneration to be paid by the Council of which the Chair or Vice-Chair is a member. The Board has an arrangement with each Council which remunerates the Chair and Vice-Chair, to reimburse the Council for the additional costs of that councillor arising from them being a Chair or Vice-Chair of the Board. The disclosures made in this report are limited to the amounts paid to the Council by the Board for remuneration and do not reflect the full value of the remuneration that may be paid to the councillor. The remuneration details for the Chair and Vice-Chair of Tay Road Bridge Joint Board are set out in Table 1.

Senior Employees

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

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

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

The Board has determined that one employee met the criteria for designation as a Senior Employee in 2021/2022, 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
	2021/2022	2020/2021
£55,000 - £59,999	0	1
£60,000 - £64,999	1	0
Total	1	1

TAY ROAD BRIDGE JOINT BOARD ANNUAL REMUNERATION REPORT

EXIT PACKAGES

There were no exit packages agreed during 2021/2022 (2020/2021: None).

TRADE UNION (Facility Time Publication Requirements) REGULATIONS 2017

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on the 1st April 2017. These regulations place a legislative requirement on relevant public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation. The board does not have any union representatives that are given paid time off to carry out union activity (2020/2021: none).

ACCRUED PENSION BENEFITS

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

From 1 April 2009 a five tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009, contribution rates were set at 6% for all non-manual employees. The members' contribution rates for 2021/2022 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 2021/2022	Whole Time Pay	Contribution Rate 2020/2021
On earnings up to and including £22,300	5.50%	up to and including £22,200	5.50%
On earnings above £22,301 and up to £27,300	7.25%	above £22,200 and up to £27,100	7.25%
On earnings above £27,301 and up to £37,400	8.50%	above £27,100 and up to £37,200	8.50%
On earnings above £37,401 and up to £49,900	9.50%	above £37,200 and up to £49,600	9.50%
On earnings above £49,900	12%	above £49,600	12%

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

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

**TAY ROAD BRIDGE JOINT BOARD
ANNUAL REMUNERATION REPORT**

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 2021/2022, the scheme member contribution rate for Senior Employees of the Board was 8.0% of pensionable pay (2020/2021: 8.1%). In 2021/2022, the employer contribution rate was 17% of pensionable pay for Senior Employees (2020/2021: 17%).

Councillor Gary Holt
Chair
Tay Road Bridge Joint Board
12 September 2022

Alan Hutchison, BEng (Hons), MSc, CEng,
FICE, MCIHT. Bridge Manager
Tay Road Bridge Joint Board
12 September 2022

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

Councillor Name	Responsibility	Salary, Fees & Allowances	Taxable Expenses	Total Remuneration 2021/2022	Total Remuneration 2020/2021
		£	£	£	£
Lynne Short	Chair, Tay Road Bridge Joint Board	4,654	-	4,654	4,466
Jonny Tepp	Vice-Chair, Tay Road Bridge Joint Board	3,482	-	3,482	3,349
Total		8,136	-	8,136	7,815

Please note the 2020/2021 recharge to Tay Road Bridge Joint Board has been restated (increased) to include an undercharge of £2,232 in respect of 2020/2021 that was paid in 2021/2022.

TABLE 2 – REMUNERATION OF SENIOR EMPLOYEES

Employee Name	Post Title	Salary, Fees & Allowances	Total Remuneration 2021/2022	Total Remuneration 2020/2021
		£	£	£
Alan Hutchison	Bridge Manager	60,084	60,084	59,343
Total		60,084	60,084	59,343

TABLE 3 – SENIOR EMPLOYEES ACCRUED PENSION BENEFITS

Employee Name	Post Title	Pension as at 31 March 2022	Pension Difference from 31 March 2021	Lump Sum as at 31 March 2022	Lump Sum Difference from 31 March 2021	Pension Contribution 2021/2022	Pension Contribution 2020/2021
		£000	£000	£000	£000	£000	£000
Alan Hutchison	Bridge Manager	18	2	9	-	10	10
Total		18	2	9	-	10	10

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 12 September 2022.

Signed on behalf of Tay Road Bridge Joint Board

Councillor Gary Holt
Chair

Tay Road Bridge Joint Board
12 September 2022

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 2022.

Robert Emmott, BSc, CPFA
Treasurer

Tay Road Bridge Joint Board
12 September 2022

TAY ROAD BRIDGE JOINT BOARD EXPENDITURE AND FUNDING ANALYSIS

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

2020/2021			2021/2022		
Net Expenditure Chargeable to General Fund £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the CIES £000	Net Expenditure Chargeable to General Fund £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the CIES £000
Expenditure					
455	4	459	464	22	486
497	58	555	503	107	610
208	-	208	223	-	223
340	39	379	402	63	465
-	2,037	2,037	-	2,109	2,109
1,500	2,138	3,638	1,592	2,301	3,893
			Net Cost Of Services		
(1,500)	(787)	(2,287)	(1,592)	(537)	(2,129)
-	1,351	1,351	-	1,764	1,764
			(Surplus) or Deficit		
1,161			1,161		
			Opening General Reserve Balance		
-			-		
			Less / Add Surplus or (Deficit) on General Reserve Balance in year		
1,161			1,161		
			Closing General Reserve Balance at 31 March		

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

109

ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS

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

2021/2022

Adjustments from General Reserve to arrive at Comprehensive Income & Expenditure Statement Amounts	Adjustments between Funding & Accounting Basis			
	Adjustments for Capital Purposes	Net Change for the		Total Adjustments
		Pensions Adjustment	Other Differences	
<i>Explanatory Notes:</i>	(1)	(2)	(3)	
	£000	£000	£000	£000
Administration	-	22	-	22
Operations	-	107	-	107
Plant & Equipment Operating Costs	-	-	-	-
Bridge Maintenance	-	63	-	63
Corporate Costs	2,109	-	-	2,109
Net Cost of Services	2,109	192	-	2,301
Other Operating Income & Expenditure from the Expenditure & Funding Analysis	(550)	15	(2)	(537)
Difference between General Reserve Surplus or Deficit and CIES Surplus or Deficit on the Provision of Services	1,559	207	(2)	1,764

2020/2021

Adjustments from General Reserve to arrive at Comprehensive Income & Expenditure Statement Amounts	Adjustments between Funding & Accounting Basis			
	Adjustments for Capital Purposes	Net Change for the		Total Adjustments
		Pensions Adjustment	Other Differences	
<i>Explanatory Notes:</i>	(1)	(2)	(3)	
	£000	£000	£000	£000
Administration	-	4	-	4
Operations	-	58	-	58
Plant & Equipment Operating Costs	-	-	-	-
Bridge Maintenance	-	39	-	39
Corporate Costs	2,037	-	-	2,037
Net Cost of Services	2,037	101	-	2,138
Other Operating Income & Expenditure from the Expenditure & Funding Analysis	(815)	24	4	(787)
Difference between General Reserve Surplus or Deficit and CIES Surplus or Deficit on the Provision of Services	1,222	125	4	1,351

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

110

Explanatory Notes:

- 1) Adjustments for capital purposes - this column adds in depreciation and impairment and revaluation gains and losses in the services line and for:
 - a) Other operating expenditure - adjustments for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
 - b) Financing and investment income and expenditure - the statutory charges for capital financing i.e. loan repayments and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
 - c) Taxation and non-specific grant income and expenditure - capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.
- 2) Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:
 - a) For services this represents the removal of the employer pension contributions made by the Board as allowed by statute and the replacement with current service costs and past service costs.
 - b) For Financing and investment income and expenditure - the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.
- 3) Other differences between amounts debited / credited to the Comprehensive Income and Expenditure Statement and amounts payable /receivable to be recognised under statute:
 - a) For services this represents the inclusion of a charge for short-term accumulating compensating absences, mainly relating to accrued annual leave entitlement. Allocations of insurance costs and impairment allowances on trade debtors have been included.

EXPENDITURE AND INCOME ANALYSED BY NATURE

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

	2020/2021	2021/2022
	Net	Net
Expenditure:	Expenditure /	Expenditure /
	(Income)	(Income)
	£000	£000
Staff Costs	1,020	1,177
Property Costs	84	78
Supplies & Services	342	370
Transport Costs	29	33
Third Party Payments	126	126
Corporate Costs	2,037	2,109
Total Expenditure	3,638	3,893
Income:		
Fees, Charges & Other Service Income	(13)	(6)
Interest & Investment Income	11	8
Government Grants & Contributions	(2,285)	(2,131)
Total Income	(2,287)	(2,129)
(Surplus) or Deficit on Provision of Services	1,351	1,764

TAY ROAD BRIDGE JOINT BOARD
COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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

2020/2021				2021/2022			
Gross Expenditure	Gross Income	Net Expenditure/ (Income)		Budgeted Net Expenditure (unaudited)	Gross Expenditure	Gross Income	Net Expenditure/ (Income)
£000	£000	£000		£000	£000	£000	£000
			Expenditure				
459	-	459	Administration	493	486	-	486
555	-	555	Operations	630	610	-	610
208	-	208	Plant & Equipment Operating Costs	222	223	-	223
379	-	379	Bridge Maintenance	467	465	-	465
2,037	-	2,037	Corporate Costs	2,109	2,109	-	2,109
3,638	-	3,638	Net Cost Of Services	3,921	3,893	-	3,893
-	(13)	(13)	Other Operating Income & Expenditure (note 6)	(1)	-	(6)	(6)
27	(16)	11	Financing and Investment Income and Expenditure (note 7)	5	19	(11)	8
-	(2,285)	(2,285)	Non-Specific Grant Income (note 8)	(2,156)	-	(2,131)	(2,131)
3,665	(2,314)	1,351	Net Deficit on Provision of Services	1,769	3,912	(2,148)	1,764
43	(30)	13	Net deficit on revaluation of PPE	(1)	-	(1)	(1)
2,576	(3,034)	(458)	Actuarial (Gains) / Losses on Pension Assets / Liabilities	(808)	17	(825)	(808)
2,619	(3,064)	(445)	Other Comprehensive Income and Expenditure	(809)	17	(826)	(809)
6,284	(5,378)	906	Total Comprehensive Income and Expenditure	960	3,929	(2,974)	955

**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.

	Revenue Reserves			
	General Fund Balance £000	Total Usable Reserves £000	Unusable Reserves £000	Total Board Reserves £000
Balance at 31 March 2020	(1,161)	(1,161)	(65,123)	(66,284)
<u>Movement in Reserves during 2020/2021</u>				
Total Comprehensive Expenditure and Income	1,351	1,351	(445)	906
Adjustments between accounting basis & funding basis under regulations (note 5)	(1,351)	(1,351)	1,351	-
Net (Increase) / Decrease before Transfers to Earmarked Reserves	-	-	906	906
Transfers to / (from) Earmarked Reserves	-	-	-	-
(Increase) / Decrease in 2020/2021	-	-	906	906
Balance at 31 March 2021 carried forward	(1,161)	(1,161)	(64,217)	(65,378)
Total Comprehensive Expenditure and Income	1,764	1,764	(809)	955
Adjustments between accounting basis & funding basis under regulations (note 5)	(1,764)	(1,764)	1,764	-
Net (Increase) / Decrease before Transfers to Earmarked Reserves	-	-	955	955
Transfers to / (from) Earmarked Reserves	-	-	-	-
(Increase) / Decrease in Year	-	-	955	955
Balance at 31 March 2022 carried forward	(1,161)	(1,161)	(63,262)	(64,423)

**TAY ROAD BRIDGE JOINT BOARD
BALANCE SHEET**

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

31 March 2021		Note	31 March 2022
£000			£000
64,853	Property, Plant & Equipment	20	63,295
68	Investment Property	19	68
64,921	Total Long Term Assets		63,363
50	Inventories	22	45
292	Short Term Debtors	23	319
835	Cash and Cash Equivalents	13	815
1,177	Total Current Assets		1,179
(92)	Short Term Creditors	24	(92)
(92)	Total Current Liabilities		(92)
(628)	Net Pension Liabilities	15	(27)
(628)	Total Long Term Liabilities		(27)
65,378	Net Assets		64,423
1,161	Usable reserves	9	1,161
64,217	Unusable Reserves	10	63,262
65,378	Total Reserves		64,423

Robert Emmott, BSc, CPFA
Treasurer
Tay Road Bridge Joint Board

The unaudited accounts were issued on 13 June 2022 and the audited accounts were authorised for issue on 12 September 2022.

**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.

2020/2021		2021/2022
£000		£000
1,351	Net deficit on the provision of services	1,764
(2,265)	Adjust net surplus or deficit on the provision of services for non cash movements	(2,283)
883	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	619
(31)	Net cash flows from Operating Activities	100
556	Investing Activities (note 11)	(74)
(27)	Financing Activities (note 12)	(6)
498	Net (Increase) in cash and cash equivalents	20
1,333	Cash and cash equivalents at the beginning of the reporting period	835
835	Cash and cash equivalents at the end of the reporting period (note 13)	815

1 ACCOUNTING POLICIES

A General Principles

The Annual Accounts summarise the Board's transactions for the 2021/2022 financial year and its position at the year-end of 31 March 2022. 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 2021/2022 and the Service Reporting Code of Practice 2021/2022, and International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the 2003 Act. The accounting convention adopted in the Annual Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets.

B Accruals of Income and Expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including those rendered by the Board's employees) are recorded as expenditure when the services are received, rather than when payments are made.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

C Cash and Cash Equivalents

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

D Changes in Accounting Policies and Estimates and Prior Period Errors

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

E Charges to Revenue for Non-Current Assets

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

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

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

F Employee Benefits

Benefits Payable During Employment

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

Termination Benefits

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

Post Employment Benefits

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

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

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

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

- Service cost comprising:
 - current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to relevant operating areas;

- past service cost – the increase in liabilities arising as a result of a scheme amendment or curtailment the effect of which relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Corporate Costs; and
- net interest on the defined benefit liability / (asset), i.e. net interest expense for the Board – the change during the period in the net defined benefit liability / (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability / (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contribution and benefit payments.
- Re-measurements comprising:
 - the return on plan assets – excluding amounts included in the net interest on the net defined benefit liability / (asset) – charged to the Pension Reserve as Other Comprehensive Income and Expenditure; and
 - actuarial gains and losses – changes in the net pensions liability that arise because events have not co-incided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- contributions paid to the Tayside Pension Fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Reserve balance to be charged with the amount payable by the Board to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact on the General Reserve of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Board also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

G Events After the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue. Two types of events can be identified:

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

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

H Government Grants and Contributions

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

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

Amounts recognised as due to the Board are not credited to the Comprehensive Income and Expenditure Account until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor. Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant line (Non-Specific Grant Income) in the Comprehensive Income and Expenditure Statement. Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Reserve Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

I Heritage Assets

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

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

Heritage Assets Not Recognised in the Balance Sheet

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

J Inventories and Long Term Contracts

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

K Investment Properties

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

L Leases

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

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

The Board as Lessor

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

M Property, Plant and Equipment

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

Recognition

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

Measurement

Assets are initially measured at cost, comprising:

- the purchase price; and

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

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

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

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

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

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

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

Impairment

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

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

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

Assets Held for Sale / Disposals

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

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

Depreciation

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

Depreciation is calculated on the following bases:

- buildings – straight-line allocation over the useful life of the property as estimated by the valuer.
- vehicles, plant and equipment – straight line allocation over between 3 and 30 years.
- infrastructure – straight-line allocation up to 120 years.

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

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

N Reserves

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

O VAT

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

P FAIR VALUE MEASUREMENT

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

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

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

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

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

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

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

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

The deferral of implementation of IFRS 16 Leases to the 2024/2025 Code of Practice has meant that the 2022/2023 Code has not yet completed its full due process. There are no other relevant accounting standards that have been issued but that are not yet adopted in the 2022/2023 Code of Practice.

3 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the Board has had to make certain judgements about future events. The key judgement made in the Annual Accounts relates to the high degree of uncertainty about future levels of funding for public bodies, especially in light of the financial impact of the Covid 19 pandemic. The Board has determined that this uncertainty is not sufficient to provide an indication that the assets of the Board might be impaired as a result of a need to reduce levels of service provision or affect the underlying assumption of the Board's Going Concern basis.

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 2022 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Board will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for property, plant and equipment would increase by £32,670 for every year that useful lives had to be reduced.
Pension Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Board with expert advice about the assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £180,000. However, the assumptions interact in complex ways. During 2021/2022, the Board's actuaries advised that the net pensions assets had increased by £369,000 as a result of an increase in the return on assets less interest and net pension liabilities had decreased by £439,000 attributable to updating of the assumptions.

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

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

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

	<u>Revenue</u> <u>Reserve</u>	<u>Capital</u> <u>Reserve</u>	<u>Capital</u> <u>Reserve</u> <u>Capital</u> <u>Grants</u>	<u>Movement</u> <u>in</u> <u>Unusable</u> <u>Reserves</u>	<u>Total</u> <u>2021/2022</u>
2021/2022	General Fund Balance £000	Capital Receipts Reserve £000	Unapplied Account £000	£000	£000
Adjustments involving the Capital Adjustment Account:					
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>					
Charges for depreciation and impairment of non current assets	(2,110)	-	-	2,110	-
Revaluation Gains on Property, Plant & Equipment	1	-	-	(1)	-
Movements in the fair value of Investment Properties	-	-	-	-	-
Capital grants and contributions that have been applied to capital financing	550	-	-	(550)	-
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>					
Capital expenditure charged against the General Reserve	-	-	-	-	-
Adjustments involving the Capital Receipts Reserve:					
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	-	-	-	-	-
Adjustments involving the Capital Grants Unapplied Account:					
Reversal of unapplied capital grant and contributions credited to the Comprehensive Income and Expenditure Statement	-	-	-	-	-
Adjustments involving the Pensions Reserve:					
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 15)	(348)	-	-	348	-
Employer's pensions contributions and direct payments to pensioners payable in the year	141	-	-	(141)	-
Adjustment involving the Accumulating Compensated Absences Adjustment Account:					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	2	-	-	(2)	-
Total Adjustments	(1,764)	-	-	1,764	-

	<u>Revenue Reserve</u>	<u>Capital Reserve</u>	<u>Capital Reserve</u>	<u>Capital Grants Unapplied Account</u>	<u>Movement in Unusable Reserves</u>	<u>Total 2020/2021 £000</u>
2020/2021	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied Account £000	Capital Grants Unapplied Account £000	Movement in Unusable Reserves £000	Total 2020/2021 £000
Adjustments involving the Capital Adjustment Account:						
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>						
Charges for depreciation and impairment of non current assets	(2,056)	-	-	-	2,056	-
Revaluation Gains on Property, Plant & Equipment	19	-	-	-	(19)	-
Movements in the fair value of Investment Properties	(3)	-	-	-	3	-
Capital grants and contributions that have been applied to capital financing	815	-	-	-	(815)	-
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>						
Capital expenditure charged against the General Reserve	-	-	-	-	-	-
Adjustments involving the Capital Receipts Reserve:						
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	-	-	-	-	-	-
Adjustments involving the Capital Grants Unapplied Account:						
Reversal of unapplied capital grant and contributions credited to the Comprehensive Income and Expenditure Statement	-	-	-	-	-	-
Adjustments involving the Pensions Reserve:						
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 15)	(253)	-	-	-	253	-
Employer's pensions contributions and direct payments to pensioners payable in the year	131	-	-	-	(131)	-
Adjustment involving the Accumulating Compensated Absences Adjustment Account						
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	(4)	-	-	-	4	-
Total Adjustments	(1,351)	-	-	-	1,351	-

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

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

2020/2021		2021/2022
£000		£000
(13)	Miscellaneous Income	(6)
-	(Gains) / Losses on the disposal of non current assets	-
(13)	Total	(6)

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

2020/2021		2021/2022
£000		£000
24	Net interest on the defined benefit liability (asset)	15
(6)	Interest receivable and similar income	(1)
3	Changes in the fair value of investment properties	-
(10)	Net Income & Expenditure on investment properties	(6)
11	Total	8

8 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - NON SPECIFIC GRANT INCOME

2020/2021		2021/2022
£000		£000
(1,470)	Non-ring fenced government grants	(1,581)
(815)	Capital grants and contributions	(550)
-	Repayment of Capital grants and contributions	-
(2,285)	Total	(2,131)

9 BALANCE SHEET - USABLE RESERVES

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

10 BALANCE SHEET - UNUSABLE RESERVES

31 March 2021		31 March 2022
£000		£000
749	Revaluation Reserve	749
64,105	Capital Adjustment Account	62,547
(628)	Pensions Reserve	(27)
(9)	Accumulating Compensated Absences Adjustment Account	(7)
64,217	Total Unusable Reserves	63,262

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**

2020/2021		2021/2022
<u>£000</u>		<u>£000</u>
762	Balance at 1 April	749
30	Upward Revaluation of assets	-
(43)	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>749</u>	Balance at 31 March	<u>749</u>

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation and impairment losses are charged to the Comprehensive Income and Expenditure Statement. The Account is credited with the amounts set aside by the Board as finance for the costs of acquisition, construction and enhancement. The Account contains accumulated gains and losses on Investment Properties that have yet to be consumed by the Board. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 5 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2020/2021		2021/2022
<u>£000</u>		<u>£000</u>
65,330	Balance at 1 April	64,105
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(2,056)	• Charges for depreciation and impairment of non current assets	(2,109)
19	• Revaluation losses on Property, Plant & Equipment	1
<u>(2,037)</u>	Net written out amount of the cost of non current assets consumed in the year	<u>(2,108)</u>
	Capital financing applied in the year:	
-	• Use of the Capital Receipts Reserve to finance new capital expenditure	-
815	• Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	550
-	• Capital expenditure charged against the General Reserve	-
<u>815</u>	Total Capital Financing Applied during the year	<u>550</u>
(3)	Movements in the market value of Investment Properties debited or credited to the CIES	-
<u>64,105</u>	Balance at 31 March	<u>62,547</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.

2020/2021		2021/2022
£000		£000
(964)	Balance at 1 April	(628)
(268)	Actuarial gains or (losses) on pensions assets and liabilities	-
726	Re-measurements of the net defined benefit liability / (asset)	808
(253)	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	(348)
131	Employer's pensions contributions and direct payments to pensioners payable in the year	141
(628)	Balance at 31 March	(27)

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.

2020/2021		2021/2022
£000		£000
(5)	Balance at 1 April	(9)
-	Settlement or cancellation of accrual made at the end of the preceding year	-
(4)	Amounts accrued at the end of the current year	2
(4)	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	2
(9)	Balance at 31 March	(7)

11 CASH FLOW STATEMENT - INVESTING ACTIVITIES

2020/2021		2021/2022
£000		£000
1,051	Purchase of property, plant and equipment, investment property and intangible assets	539
-	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	-
(495)	Other receipts from investing activities	(613)
556	Net cash flows from investing activities	(74)

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

12 CASH FLOW STATEMENT - FINANCING ACTIVITIES

2020/2021		2021/2022
<u>£000</u>		<u>£000</u>
(27)	Other receipts from financing activities	(6)
<u>(27)</u>	Net cash flows from financing activities	<u>(6)</u>

13 CASH FLOW STATEMENT - CASH AND CASH EQUIVALENTS

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

31 March 2021		31 March 2022
<u>£000</u>		<u>£000</u>
835	Bank current account	815
<u>835</u>	Total cash and cash equivalents	<u>815</u>

14 EXTERNAL AUDIT COSTS

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

	2020/2021	2021/2022
	<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	13	13
Total	<u>13</u>	<u>13</u>

TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

15 DEFINED BENEFIT PENSION SCHEMES

Participation in pension schemes

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

The Board participates in two post employment schemes:

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

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

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

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

Transactions relating to post employment benefits

The Board recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Board is required to make against reserves is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Reserve via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Reserve Balance via the Movement in Reserves Statement during the year:

	Local Government Pension Scheme	
	2020/2021	2021/2022
	£000	£000
Comprehensive Income and Expenditure Statement:		
<i>Cost of Services:</i>		
• current service cost	229	333
• past service cost	-	-
• curtailment	-	-
<i>Financing and Investment Income and Expenditure</i>		
• net interest on the defined liability (asset)	21	11
• administration expenses	3	4
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	253	348
<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)	(2,593)	(386)
• Other actuarial (gains) / losses on assets	268	-
• Actuarial gains and losses arising on changes in demographic assumptions	(310)	-
• Actuarial gains and losses arising on changes in financial assumptions	2,308	(439)
• Other (if applicable)	(131)	17
Total Re-measurements	(458)	(808)
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	(205)	(460)
Movement in Reserves Statement:		
• reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(253)	(348)
<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>		
• employers' contributions payable to scheme	131	141

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

Pension assets and liabilities recognised in the Balance Sheet

Local Government Pension Scheme

	2019/2020	2020/2021	2021/2022
	£000	£000	£000
Net pension liabilities as at March:			
Present value of funded obligation	9,314	11,216	11,057
Fair value of scheme assets	(8,673)	(10,944)	(11,369)
Net liability	641	272	(312)
Present value of unfunded obligation	323	356	339
Net liability arising from defined benefit obligation	964	628	27

Assets and liabilities in relation to post employment benefits

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

	Funded liabilities: Local Government Pension Scheme	
	2020/2021	2021/2022
	£000	£000
Opening balance at 1 April	9,637	11,572
Current service cost	229	333
Interest cost	222	223
Contributions by scheme participants	43	47
<i>Re-measurement (gains) and losses:</i>		
o change in financial assumptions	2,308	(439)
o change in demographic assumptions	(310)	-
Experience gain on defined benefit obligation	(131)	17
Benefits paid	(426)	(357)
Past service costs, including curtailments	-	-
Closing balance at 31 March	11,572	11,396

Reconciliation of fair value of the scheme assets:

	Local Government Pension Scheme	
	2020/2021	2021/2022
	£000	£000
Opening balance at 1 April	8,673	10,944
Interest income on assets	201	212
Re-measurement gain: return on assets less interest	2,593	386
Actuarial gains and (losses)	(268)	-
Administration expenses	(3)	(4)
Employer contributions	131	141
Contributions by scheme participants	43	47
Benefits paid	(426)	(357)
Closing balance at 31 March	10,944	11,369

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 £598,000 (2020/2021: £2,794,000).

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 £0.027m 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 2021.

The principal assumptions used by the actuary have been:

	Local Government Pension Scheme	
	2020/2021	2021/2022
Long-term expected rate of return on assets in the scheme:		
Mortality assumptions:		
Longevity at 65 for current pensioners (years):		
Men	18.9	18.9
Women	22.2	22.3
Longevity at 65 for future pensioners (years):		
Men	20.2	20.3
Women	23.8	23.9
Rate of inflation (RPI)	2.90%	4.35%
Rate of inflation (CPI)	2.45%	3.35%
Rate of increase in salaries	3.90%	4.35%
Rate of increase in pensions	2.90%	3.35%
Rate of discounting scheme liabilities	1.95%	2.60%

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:

	Local Government Pension Scheme		
	£000	£000	£000
	+0.1%	0%	-0.1%
Adjustment to discount rate:			
o Present value of total obligation	11,216	11,396	11,579
o Projected service cost	296	304	312
Adjustment to long term salary increase:			
o Present value of total obligation	11,422	11,396	11,371
o Projected service cost	304	304	304
Adjustment to pension increases and deferred re-valuation:			
o Present value of total obligation	11,552	11,396	11,243
o Projected service cost	312	304	296
Adjustment to mortality age rating assumption:	+ 1 year	None	- 1 year
o Present value of total obligation	12,056	11,396	10,775
o Projected service cost	319	304	290

**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 2021 £000	31 March 2021 %	31 March 2022 £000	31 March 2022 %
Equity investments	7,836	72	8,051	71
Gilts	433	4	535	5
Other Bonds	1,428	13	1,357	12
Property	1,000	9	1,240	11
Cash and alternatives	247	2	186	1
Total	10,944	100	11,369	100

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 2023.

The Board anticipated to pay £127,000 expected contributions to the scheme in 2022/2023. The weighted average duration of the defined benefit obligation for scheme members is 16 years (2020/2021: 16 years).

16 EVENTS AFTER THE BALANCE SHEET DATE

There were no events that occurred between 1 April 2022 and 12 September 2022 that required adjustment to the 2021/2022 financial statements. The latter date is the date on which the audited accounts were authorised for issue by the Treasurer.

17 RELATED PARTIES

The Board is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Board or to be controlled or influenced by the Board. Disclosure of these transactions allows readers to assess the extent to which the Board might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Board.

Central Government

Central government has effective control over the general operations of the Board. It is responsible for providing the statutory framework within which the Board operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Board has with other parties. There are £219,000 of grant receipts outstanding at 31 March 2022 (2020/2021: £287,000) (see note 23).

Other Local Authorities

Angus, Dundee City and Fife Councils are considered to be related parties of the Board. Further detail on the nature of the relationship with these local authorities is provided on page 3 of these accounts under 'Members and Officials'. However, there are no agreements between the three local authorities for the sharing of control over the Board, decisions do not require unanimous consent of the three authorities or all twelve members, and veto power does not exist. During 2021/2022, the Board entered into a number of transactions with Dundee City Council and Fife Council, as detailed below:

2020/2021			2021/2022	
Income £000	Expenditure £000		Income £000	Expenditure £000
(6)	-	Dundee City Council:	(1)	-
-	84	Interest Receivable	-	86
-	5	Central Support Services	-	5
-	70	Grounds Maintenance	-	35
-	-	Professional Fees	-	183
-	42	Capital Works	-	69
-	-	Miscellaneous	-	-
(6)	201	Total Dundee City Council	(1)	378

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

		Fife Council:		
-	5	Miscellaneous	-	5
-	<u>5</u>	Total Fife Council	-	<u>5</u>

The following balances existed between the Board and Dundee City Council as at 31 March 2022:

2020/2021			2021/2022	
Asset £000	Liability £000		Asset £000	Liability £000
(6)	-	Dundee City Council:	(1)	-
(11)	1	Interest Receivable	-	1
<u>(17)</u>	<u>1</u>	Total Dundee City Council	<u>(1)</u>	<u>1</u>

18 LEASES

The Board as Lessee

The Board held no assets on finance or operating lease during 2021/2022 and, accordingly, there were no lease rentals paid to lessors during the year (2020/2021: None) or commitments due to lessors in 2021/2022 (2020/2021: 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 2021/2022 the Board received rent of £10,213 from this agreement (2020/2021: £10,213). Assuming that the lease continues for one year, the present value of minimum lease payments receivable as at the Balance Sheet date are as follows:

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

19 INVESTMENT PROPERTY

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

	2020/2021 £000	2021/2022 £000
Rental income from investment property	10	10
Direct operating expenses arising from investment property	-	(4)
Net gain/(loss)	<u>10</u>	<u>6</u>

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.

	2020/2021 £000	2021/2022 £000
Balance at start of the year	71	68
Net gains / (losses) from changes in fair value	(3)	-
Balance at end of the year	<u>68</u>	<u>68</u>

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

TAY ROAD BRIDGE JOINT BOARD
NOTES TO THE FINANCIAL STATEMENTS

20 PROPERTY, PLANT AND EQUIPMENT

Movements on Balances

Movements in 2021/2022:

	Other Land and Buildings £000	Vehicles, Plant & Equipment £000	Infrastructure Assets £000	Total Property, Plant & Equipment £000
Cost or Valuation				
At 1 April 2021	1,309	2,094	86,642	90,045
Additions	-	140	410	550
Expenditure Not Adding Value	-	(16)	(51)	(67)
Revaluation Increases / (Decreases) recognised in the Surplus / Deficit on the Provision of Services	1	-	-	1
At 31 March 2022	1,310	2,218	87,001	90,529
Accumulated Depreciation and Impairment				
At 1 April 2021	36	855	24,301	25,192
Depreciation charge	35	173	1,834	2,042
At 31 March 2022	71	1,028	26,135	27,234
Net Book Value:				
At 31 March 2022	1,239	1,190	60,866	63,295
At 31 March 2021	1,273	1,239	62,341	64,853

Comparative Movements in 2020/2021:

	Other Land and Buildings £000	Vehicles, Plant & Equipment £000	Infrastructure Assets £000	Total Property, Plant & Equipment £000
Cost or Valuation				
At 1 April 2020	1,398	1,846	86,160	89,404
Additions	-	251	564	815
Expenditure Not Adding Value	-	(3)	(82)	(85)
Revaluation Increases / (Decreases) recognised in RR	(14)	-	-	(14)
Revaluation Increases / (Decreases) recognised in the Surplus / Deficit on the Provision of Services	(75)	-	-	(75)
At 31 March 2021	1,309	2,094	86,642	90,045
Accumulated Depreciation				
At 1 April 2020	95	690	22,530	23,315
Depreciation charge	35	165	1,771	1,971
Derecognition – Disposals	(94)	-	-	(94)
At 31 March 2021	36	855	24,301	25,192
Net Book Value:				
At 31 March 2021	1,273	1,239	62,341	64,853
At 31 March 2020	1,303	1,156	63,630	66,089

TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

Capital Commitments

At 31 March 2022, the Board has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2022/2023 and future years, budgeted to cost £182,000 (Similar commitments at 31 March 2021 were £192,000).

The major commitments are for:

- New Fire Alarm system = £109,000; and
- Electrical Distribution Board replacement = £73,000.

Revaluations

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

21 CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it.

	2020/2021 £000	2021/2022 £000
<i>Capital investment:</i>		
Property, Plant and Equipment	815	550
Total Capital Investment	815	550
<i>Sources of finance:</i>		
Government grants and other contributions	815	550
Total Sources of Finance	815	550

22 INVENTORIES

	Maintenance Materials		Total	
	2020/2021 £000	2021/2022 £000	2020/2021 £000	2021/2022 £000
Balance outstanding at start of year	56	50	56	50
Recognised as an expense in the year	(3)	(1)	(3)	(1)
Other adjustments	(3)	(4)	(3)	(4)
Balance outstanding at year-end	50	45	50	45

23 SHORT-TERM DEBTORS

	31 March 2021 £000	31 March 2022 £000
Central government bodies	257	219
Local authorities	17	46
Other entities and individuals	18	53
Total	292	318

24 SHORT-TERM CREDITORS

	31 March 2021 £000	31 March 2022 £000
Central government bodies	28	29
Local authorities	48	8
Other entities and individuals	16	55
Total	92	92

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

25 GRANT INCOME

The Board credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Account in 2021/2022:

	2020/2021	2021/2022
	£000	£000
Credited to Taxation and Non Specific Grant Income		
Scottish Government Revenue Grant	1,470	1,581
Scottish Government Capital Grant	815	550
Repayment of Scottish Government Capital Grant	-	-
Total	2,285	2,131

The Board has £nil revenue grants, contributions and donations that have yet to be recognised as income due to them having conditions attached to them that requires the monies or property to be returned to the grant provider (2020/2021: £nil).

26 CONTINGENT LIABILITIES

Equalisation of Guaranteed Minimum Pension (GMP) in Public Service Pension Schemes

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

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

On 23 March 2021, the Government published the outcome to its GMP Indexation GMP Consultation, concluding that all public service pension schemes, including the LGPS, will be directed to provide full indexation to members with a GMP reaching State Pension Age (SPA) beyond 5 April 2021. This is a permanent extension of the existing 'interim solution' that has applied to members with a GMP reaching SPA on or after 5 April 2016.

Tayside Pension Fund's actuaries valuation assumption for GMP is that the Fund will pay limited increases for members that have reached SPA by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, the actuaries have assumed that the Fund will be required to pay the entire inflationary increase. The actuaries assumption is consistent with the consultation outcome and they do not believe that any adjustments are required to the value placed on the liabilities as a result of the consultation outcome.

Goodwin Case

The Goodwin case affects male survivors (of female members) by extending the applicable service back from 1988 back to 1978. This only impacts survivor benefits coming into payment after 2005. This doesn't affect who is entitled to benefit, it just impacts the amount to be paid to widowers.

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

The widower liability calculated as part of the formal valuation was less than 0.5% of the total liabilities for the Fund. Tayside Pension Fund's actuaries don't normally receive information on the dependent's pension amount of current members, as this is calculated only when it comes into payment by the administering authority, but they do have to allow for this in the liability calculations that they estimate based on the total service and accrued pension so they have effectively covered any adjustment for pre 1988 service/benefit for active/deferred and pensioner members. The only potential adjustment is therefore a small increase in the current widowers' liability.

For these widowers to be affected the female member would have to have pre 1988 service, which is now thirty-two years ago. There would therefore need to be a combination of service and pension in payment to be greater than thirty-two years. Given the average age of dependents was around seventy-three at the last valuation and the average service might be around ten years the actuaries expect there are very few members where this is the case. If they assume even 10% meet this criteria then the impact might be $0.5\% \times 10\% \times \text{pre 1988 benefit} / \text{total benefit}$. Even if the pre 1988 benefit was 50% of the total (which is unlikely) then the impact would be 0.025%. Whilst there are a number of estimates and assumptions outlined the actuaries believe that the impact is not material.

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Tay Road Bridge Joint Board for the year ended 31 March 2022 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Expenditure and Funding Analysis, Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the 2021/22 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2021/22 Code of the state of affairs of Tay Road Bridge Joint Board as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2021/22 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 10 June 2021. The period of total uninterrupted appointment is two years. I am independent of Tay Road Bridge Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to Tay Road Bridge Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Tay Road Bridge Joint Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on Tay Road Bridge Joint Board's current or future financial sustainability. However, I report on Tay Road Bridge Joint Board's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

I report in my Annual Audit Report, available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my judgements thereon.

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

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

In preparing the financial statements, the Treasurer is responsible for assessing Tay Road Bridge Joint Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the organisation's operations.

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

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how Tay Road Bridge Joint Board is complying with that framework;
- identifying which laws and regulations are significant in the context of Tay Road Bridge Joint Board;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Tay Road Bridge Joint Board's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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

Reporting on other requirements

Opinion prescribed by the Accounts Commission on the audited part of the Remuneration Report

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

Other Information

The Treasurer is responsible for other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited part of the Remuneration Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on the Management Commentary and Annual Governance Statement

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

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

Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in my Annual Audit Report available from the [Audit Scotland website](#).

Use of my report

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

Richard Smith CPFA
Senior Audit Manager
Audit Scotland
4th Floor, 8 Nelson Mandela Place
Glasgow
G2 1BT

ITEM No ...9.....

REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 26 SEPTEMBER 2022

REPORT ON: REVENUE MONITORING – 4 MONTHS TO 31 JULY 2022

REPORT BY: THE TREASURER

REPORT NO: TRB 18-2022

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to appraise Board Members of the latest position regarding the Joint Board's 2022/2023 Revenue Budget.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Joint Board note the content of this Revenue Monitoring Report as at 31 July 2022.

3.0 FINANCIAL IMPLICATIONS

3.1 The 2022/2023 Revenue Budget predicted a break-even position (see Report 23-2021). The current outturn position for the financial year 2022/2023 is projecting a break-even position based on the financial information available at 31 July 2022 (as detailed in Appendix A).

3.2 Following the removal of tolls the Board's Revenue Expenditure is now financed by an annual Revenue Grant from Scottish Government.

3.3 During 2019, Transport Scotland's Internal Audit conducted a review of their management of grant funding arrangements which included their administration of grant payments to and carry forward requests from the Joint Board. One of the recommendations of this review was that monthly grant claims now have to be submitted based on actual net expenditure. This results in a projected Revenue Grant carried forward into 2023/2024 of £nil.

3.4 The projected break-even position, if it materialised, would result in a General Fund Reserve of £1,160,591 at 31 March 2023. This level of retained reserves is subject to negotiation with the Scottish Government.

3.5 Following an External Audit recommendation, the Board's Strategic Plan 2019 to 2024 (TRB 28-2018) was approved by the Board with the aim of demonstrating the link between the budgets and financial performance reporting against the strategic objectives. Appendix B links the current year's gross expenditure to each of the Board's five strategic objectives.

3.6 Details of current variances against budget headings are detailed below.

3.7 An underspend of £70,000 is projected in relation to Administration Staff Costs. Budget allowances had been made for the addition of an additional in-house bridge inspector but this service will now be undertaken by the Engineer to the Board's staff, resulting in a £50,000 saving. The Deputy Bridge Manager post vacated in June will remain unfilled for the remainder of the year resulting in a £45,000 saving. This saving will be offset by a temporary regrading of the Works and Transport Officer post to reflect the allocation of some of the duties associated with the Deputy Bridge Manager's role. Therefore, 50% of the Works and Transport Officer post has been allocated from the Operations section to the Administration section, resulting in additional expenditure of £20,000. There will also be additional expenditure of £5,000 for Summer Engineering Student Placement for 12 weeks (see Agenda Item 11 of the TRB Board meeting on 28 February 2022).

- 3.8 An underspend of £22,000 is projected in relation to Operations Staff Costs. This is due to the vacated Deputy Bridge Manager post described above (in paragraph 3.7) being filled by the Works and Transport Officer who will provide temporary cover with 50% of their re-graded salary being allocated to the Administration section from July resulting in a saving of £10,000 for the Operations budget. There is also anticipated savings of £28,000 for Overtime as this is not required due to new working patterns since the staffing re-structure. These are offset by the requirement for a new Operative post (September 2022 Board Agenda Note 4 TRB Report 25-2022) to be added to the establishment from Dec 2022 resulting in additional expenditure of £16,000.
- 3.9 An overspend of £37,000 is projected in relation to Plant and Equipment Supplies and Services. Following a risk review of business resilience, new contracts for equipment maintenance and structural monitoring of the column cathodic protection were awarded to protect bridge operations. These were required to be formalised through tendered contracts to ensure operational requirements would be met. These contracts cover equipment maintenance for the gantries, variable message signs and Cathodic Protection monitoring equipment.
- 3.10 An overspend of £5,000 is projected in relation to Bridge Maintenance Property Costs. This is due to an anticipated increase in electricity costs due to rising energy prices.
- 3.11 Reduced income of £55,000 is projected in relation to Scottish Government Revenue Grant. This is due to a change in the process for receiving this grant since October 2019 with monthly grant applications now being made on the basis of actual expenditure incurred (see TRB20-2019).
- 3.12 Increased income of £5,000 is projected in relation to Interest on Revenue Balances. This is due to higher than anticipated interest rates.

4.0 RISK ASSESSMENT

- 4.1 In preparing the Board's Annual Revenue Budget (see Report TRB 23-2021), the Treasurer considered the key strategic, operational and financial risks faced by the Board over this period. In order to alleviate the impact these risks may have should they occur, a number of general risk mitigating factors are utilised by the Board. These include:
- a system of perpetual detailed monthly budget monitoring with latest positions reported to quarterly Board meetings;
 - the level of General Fund Reserve balances available to meet any unforeseen expenditure;
 - the level of other cash backed reserves available to meet any unforeseen expenditure;
 - the possibility of identifying further budget savings and efficiencies during the year if required; and
 - the possibility of identifying new income streams during the year.

5.0 POLICY IMPLICATIONS

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

6.0 CONSULTATIONS

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

7.0 BACKGROUND PAPERS

7.1 None

**ROBERT EMMOTT
TREASURER**

23 AUGUST 2022

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TAY ROAD BRIDGE JOINT BOARD**REVENUE MONITORING AS AT 31 JULY 2022**

	Revenue Budget 2022/23 £	Expenditure to 31 July 2022 £	Final Projection 2022/23 £	Variance from Budget £	Paragraph Reference
EXPENDITURE					
<u>Administration</u>					
Staff Costs	248,198	62,877	178,198	(70,000)	(3.7)
Property Costs	33,150	7,323	33,150	-	
Supplies and Services	141,325	95,317	141,325	-	
Transport Costs	300	-	300	-	
Third Party Payments	111,654	55,798	111,654	-	
	534,627	221,315	464,627	(70,000)	
<u>Operations</u>					
Staff Costs	884,646	275,897	862,646	(22,000)	(3.8)
Supplies and Services	11,000	2,076	11,000	-	
	895,646	277,973	873,646	(22,000)	
<u>Plant and Equipment</u>					
Property Costs	25,150	6,642	25,150	-	
Supplies and Services	177,350	37,782	214,350	37,000	(3.9)
Transport Costs	32,650	15,879	32,650	-	
Third Party Payments	5,750	-	5,750	-	
	240,900	60,303	277,900	37,000	
<u>Bridge Maintenance</u>					
Property Costs	28,500	12,468	33,500	5,000	(3.10)
Supplies and Services	49,450	6,941	49,450	-	
Transport Costs	200	-	200	-	
Third Party Payments	21,200	-	21,200	-	
	99,350	19,409	104,350	5,000	
GROSS EXPENDITURE	1,770,523	579,000	1,720,523	(50,000)	
INCOME					
Scottish Government Revenue Grant	1,758,960	212,110	1,703,960	(55,000)	(3.11)
Interest on Revenue Balances	950	-	5,950	5,000	(3.12)
Kiosk Rent	10,213	2,553	10,213	-	
Miscellaneous	400	113	400	-	
GROSS INCOME	1,770,523	214,776	1,720,523	(50,000)	
TOTAL NET DEFICIT / (SURPLUS) MET FROM GENRAL RESERVE BALANCES	-	364,224	-	-	

APPENDIX B**LINKING THE 2022/2023 REVENUE BUDGET MONITORING TO THE BOARD'S STRATEGIC OBJECTIVES**

	Strategic Objective	2022/2023 Budget £	Expenditure to 31 July 2022 £	2022/2023 Projected £
1	Meeting User Expectations	1,301,987	438,023	1,209,987
2	Fiscally Sustainable	88,504	55,798	88,504
3	Transparent Governance and Clear Decision-Making Processes	20,282	-	20,282
4	A Modern, Diverse and Well-Trained Workforce	19,500	5,467	19,500
5	Quality and Standards	<u>340,250</u>	<u>79,712</u>	<u>382,250</u>
	TOTAL GROSS EXPENDITURE	<u>1,770,523</u>	<u>579,000</u>	<u>1,720,523</u>

REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 26 SEPTEMBER 2022

REPORT ON: CAPITAL MONITORING - 4 MONTHS TO 31 JULY 2022

REPORT BY: THE TREASURER

REPORT NO: TRB 19-2022

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to appraise Board Members of the latest position regarding the Joint Board's 2022/2023 Capital Plan.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Joint Board note the content of this Capital Monitoring Report as at 31 July 2022.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The Joint Board's 2022/2023 Capital Expenditure Programme of £1,310,000 was approved by the Board on 6 December 2021 (Report TRB 24-2021). From 1 April 2008 the Board's Capital Expenditure projects are being financed through Scottish Government Capital Grant.
- 3.2 The capital outturn for the financial year 2022/2023 (as detailed in Table 1 on Appendix A) is projected to be £1,310,000 (i.e. no change compared to the original approved budget) based on the financial ledger information up to 31 July 2022 and this will be funded from 2022/2023 Capital Grant of £1,310,000.
- 3.3 An explanation of the major variances is shown in section 4 of the report.
- 3.4 During 2019, Transport Scotland's Internal Audit conducted a review of their management of grant funding arrangements which included their administration of grant payments to and carry forward requests from the Joint Board. One of the recommendations of this review was that monthly grant claims now have to be submitted based on actual net expenditure. This results in a projected Capital Grant carried forward into 2023/2024 of £nil.
- 3.5 Following an External Audit recommendation, the Board's Strategic Plan 2019 to 2024 (TRB 28-2018) was approved by the Board with the aim of demonstrating the link between the budgets and financial performance reporting against the strategic objectives. Appendix B links the current year's gross expenditure to each of the Board's five strategic objectives.

4.0 REASONS FOR CAPITAL EXPENDITURE VARIANCES

- 4.1 The main reasons for the budget variations on individual projects can be summarised as follows:

	£000
<u>Slippage from 2021/2022:</u>	
Miscellaneous Projects	86
<u>Budget Adjustments:</u>	
Carriageway Resurfacing	200
Advanced Warning Signs	(190)
New Gantries	100
Fife Landfall Improvements	(122)
Gantry – Miscellaneous	(7)
New Distribution Board	(23)
Parapet Refurbishment / Replacement	(10)
<u>Slippage to 2023/2024:</u>	
Advanced Warning Signs	(34)
Total Budget Adjustments	<u>(nil)</u>

- 4.2 The delivery of the Capital Programme this year is very challenging. The global supply chain for sourcing materials and components has been affected by the Covid pandemic and Brexit, due to a shortage of raw materials and market demand as economies look to rebuild. Officers are constantly reviewing the capital programme of works and prioritising those projects that can realistically be progressed during the current year. There is a risk of further slippage in the capital programme, as the Board reacts to the extreme market conditions currently affecting the construction industry. Updated projections will be incorporated into future capital monitoring reports and shared with Transport Scotland as it informs the Scottish Government's Spending Review.
- 4.3 Details of current capital works and the main reasons for movements on each project are:
- 4.4 Carriageway Resurfacing: The original 2022/2023 budget was £100,000. The projected expenditure for this contract has been increased to £300,000. This is to facilitate an enabling contract to make structural alterations to kerbing and white lining on the Dundee and Fife approaches to aid the passage of fixed wheelbase vehicles during contraflow works, devised following feedback from local bus companies after the September 2021 contraflow trials. This additional funding will also allow for the laying of trial mixes on a site in Dundee to determine final asphalt specifications in advance of the main resurfacing works in 2023/2024.
- 4.5 Cathodic Protection (CP) Hardware: The original 2022/2023 budget of £200,000 is projected to be spent. This is for the replacement of CP hardware at the base of the columns.
- 4.6 Advanced Warning Signs: The original 2022/2023 budget was £400,000. The projected expenditure for this contract was reduced to £150,000 from the estimates in the Tender Report to the June 2022 Board (Report TRB 15-2022) for Variable Message Sign (VMS) Improvements estimated at £150,000 for the supply and installation of new VMS in Fife, including professional fees associated with the design and supply of associated structural and electrical infrastructure. Further to traffic management planning for the 2023/2024 resurfacing works, additional signs have been specified with the aim of improving safety messaging in relation to controlling the speed of vehicles during contraflow to aid user safety. This additional signage will also be invaluable in controlling traffic speed once resurfacing is completed. As a result of additional specification there will be increased costs of £60,000 resulting in an

anticipated project total in 2022/2023 of £176,000 and slippage of £34,000 into 2023/2024 for the provision of temporary VMS at the site in St. Michaels.

- 4.7 Replacement of Expansion Joints: The original 2022/2023 budget of £25,000 is projected to be spent.
- 4.8 New Gantries: The original 2022/2023 budget was £100,000. The projected expenditure for this project has been increased to £200,000 for the reprofiling of the overall project programme to permit early contractor involvement for preparation of Approval In Principle documentation to reduce project risk with the delivery of complex inspection gantries.
- 4.9 Fife Landfall Improvements: The original 2022/2023 budget was £150,000. Due to the rescheduling of capital works as a result of Covid 19 these works were rescheduled to future years. The projected expenditure on this project has been reduced to £28,000. This consists of an estimated £10,000 for an engineer survey of the slopes at the Fife Landfall and an estimated £18,000 for design, materials and labour for the creation of woodland walks with climate-adapted planting at Fife Landfall in partnership with St. Andrews Botanic Gardens. This was proposed by the Well-Being working group with the aim of increasing footfall to this area.
- 4.10 Paintwork to Box Girders: The original 2022/2023 budget of £25,000 is projected to be spent. This is to allow for testing of the durability of the existing paint system.
- 4.11 Gantry Miscellaneous: The original 2022/2023 budget was £25,000. This is not anticipated to be fully spent so the revised budget has been reduced to £18,000.
- 4.12 Miscellaneous Projects: The original 2022/2023 budget was £100,000. This budget is used for several smaller projects. Expenditure in 2021/2022 for the Fire Alarm project was £23,000 against an anticipated budget of £109,000 on new fire alarms in all buildings (see Tender Report TRB 6-2022 at February 2022 Board) with slippage of £86,000 into 2022/2023. The specification for this project has been revised to allow for the fire alarms at the Fife kiosk to be linked to the whole system which is anticipated to cost £12,000. The Uninterrupted Power Supply (UPS) requires safety improvements which are anticipated to cost £13,000. New Wellbeing Signage is currently being designed with an estimated total cost of £6,000. The Fife Kiosk requires new Canopy Ducts with initial expected cost of £70k. The revised budget for 2022/2023 is anticipated to be £186,000.
- 4.13 New Distribution Board: The original 2022/2023 budget was £100,000. The projected expenditure for this contract has been reduced to £77,000 and is informed by the Tender Report to the February 2022 Board for the replacement of the Electrical Distribution Board in the administration office (TRB 5-2022).
- 4.14 Winter Maintenance Equipment: The original 2022/2023 budget of £75,000 is projected to be spent. This is for the replacement of the de-icing fluid storage tank with a double skin and banded arrangement. A new storage tank for de-icing materials and new de-icing bowser is also required.
- 4.15 Parapet Refurbishment / Replacement: The original 2022/2023 budget of £10,000. This is not anticipated to be spent so the revised budget has been reduced to £nil.

5.0 RISK ASSESSMENT

- 5.1 There are a number of risks which may have an impact on the Capital expenditure programme. The main areas of risk are set out below, together with the mechanisms in place to help mitigate these risks.

- 5.2 Construction cost inflation levels are volatile, and they can on occasion be relatively high in comparison to general inflation. Therefore, delays in scheduling and letting contracts may lead to increases in projected costs. Every effort will be made to ensure delays are avoided wherever possible and any increase in costs minimised.
- 5.3 Slippage in the Capital programme leads to the need to reschedule projects in the current year and possibly future years, therefore creating problems in delivering the programme on time. The various lockdowns and restrictions on site for capital projects, has resulted in projects requiring to be re-phased. For this reason, the programme is carefully monitored and any potential slippage is identified as soon as possible to enable any corrective action to be taken.
- 5.4 Capital projects can be subject to unforeseen events, such as delays in progressing the project. This could lead to inflation impacting on the total cost of the project. In addition, currency fluctuations can also impact on costs. Contingencies are built into the budget for each capital project and these will be closely monitored throughout the project. The potential additional costs arising from implementing measures to create a compliant site and a safe working environment for workers, are being monitored. Project inflation, as a result of COVID 19 is also being reviewed. Officers will continually monitor and review the capital programme for the on-going effects of COVID19, in terms of projected cost and timescales.
- 5.5 Capital projects can be subject to unforeseen price increases. The nature of construction projects is such that additional unexpected costs can occur. Contingencies are built into the budget for each capital project and these are closely monitored throughout the project.
- 5.6 There is risk associated with projects that are not yet legally committed as the works are not yet tendered for, and there is potential for costs to be greater than the allowance contained within the Capital Plan. As the majority of spend on these projects is in future years, the risk in the current year is not significant. Future years' Capital programme will be adjusted to reflect updated cost estimates.
- 5.7 The Capital Monitoring report and the Engineer's report provide information on individual projects contained within the Capital Budget and the impact of expenditure movements on the future financial years.
- 5.8 The level of Capital Grant received from the Scottish Government may be impacted by budgetary constraints in future financial statements.

6.0 CONCLUSION

- 6.1 The Board's 2022/2023 capital programme is showing a projected capital spend of £1,310,000 which will be funded from the current year's Scottish Government grant.
- 6.2 The 2022/2023 capital expenditure programme will continue to be monitored on a regular basis throughout the remainder of the current financial year.

7.0 POLICY IMPLICATIONS

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

8.0 CONSULTATIONS

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

9.0 BACKGROUND PAPERS

- 9.1 None.

ROBERT EMMOTT
TREASURER

23 AUGUST 2022

TAY ROAD BRIDGE JOINT BOARD

APPENDIX A

TABLE 1: CAPITAL EXPENDITURE MONITORING - 4 MONTHS TO 31 JULY 2022

<u>Expenditure</u>	<u>Strategic Objective</u>	<u>Capital Budget 2022/23 £000</u>	<u>Slippage from 2021/22 £000</u>	<u>Budget Adjust £000</u>	<u>Slippage into 2023/24 £000</u>	<u>Revised Capital Budget 2022/23 £000</u>	<u>Actual to 31 July 2022 £000</u>	<u>Projected Outturn 2022/23 £000</u>	<u>Variance from Budget £000</u>
									-
Carriageway Resurfacing	1	100	-	200	-	300	27	300	-
CP Hardware	5	200	-	-	-	200	-	200	-
Advanced Warning Signs	1	400	-	(190)	(34)	176	-	176	-
Replacement of Expansion Joints	1	25	-	-	-	25	-	25	-
New Gantries	5	100	-	100	-	200	9	200	-
Fife Landfall Improvements	5	150	-	(122)	-	28	-	28	-
Paintwork to Box Girders	5	25	-	-	-	25	-	25	-
Gantry – Miscellaneous	5	25	-	(7)	-	18	-	18	-
Miscellaneous Projects	5	100	86	-	-	186	85	186	-
New Distribution Board	5	100	-	(23)	-	77	63	77	-
Winter Maintenance Equipment	5	75	-	-	-	75	-	75	-
Parapet Refurbishment / Replacement	5	10	-	(10)	-	-	-	-	-
Total Gross Expenditure		1,310	86	(52)	(34)	1,310	184	1,310	=
Funded by:		£000	£000	£000	£000	£000	£000	£000	£000
Capital Grant 2022/2023		1,310	86	(52)	(34)	1,310	153	1,310	-
Total Funding		1,310	86	(52)	(34)	1,310	153	1,310	=

TABLE 2: Unapplied Capital Grant Projected Carry Forward:

	£000
Add: Projected Capital Grant Received 2022/2023	1,310
Less: Projected Capital Grant Utilised 2022/2023	(1,310)
	—
Unapplied Capital Grant Carried Forward to 2023/2024	—

LINKING THE 2022/2023 CAPITAL BUDGET MONITORING TO THE BOARD'S STRATEGIC OBJECTIVES

Strategic Objective	<u>Capital Budget 2022/2023 £000</u>	<u>Revised Capital Budget 2022/2023 £000</u>	<u>Actual Expenditure to 31 July 2022 £000</u>	<u>2022/2023 Projected £000</u>
1 Meeting User Expectations	525	525	27	501
2 Fiscally Sustainable	-	-	-	-
3 Transparent Governance and Clear Decision-Making Processes	-	-	-	-
4 A Modern, Diverse and Well-Trained Workforce	-	-	-	-
5 Quality and Standards	<u>785</u>	<u>785</u>	<u>157</u>	<u>809</u>
TOTAL GROSS EXPENDITURE	<u>1,310</u>	<u>1,310</u>	<u>184</u>	<u>1,310</u>

REPORT TO: TAY ROAD BRIDGE JOINT BOARD - 26 SEPTEMBER 2022

**REPORT ON: INTERNAL AUDIT - AUDIT NEEDS ASSESSMENT AND STRATEGIC PLAN
2022 to 2025**

REPORT BY: TREASURER

REPORT NO: TRB 20-2022

1.0 PURPOSE OF REPORT

1.1 To present to the Board the Internal Audit Needs Assessment and Strategic Plan 2022 to 2025, which is attached as an appendix to this report.

2.0 RECOMMENDATIONS

2.1 The Board is asked to approve the three-year Strategic Audit Plan which has been based on the detailed Internal Audit Needs Assessment.

3.0 FINANCIAL IMPLICATIONS

3.1 The cost of Internal Audit Services is included in the approved Revenue Budget.

4.0 MAIN TEXT

4.1 The Board has a responsibility to develop and maintain internal control systems, risk management processes, governance arrangements and accounting records. In addition, the Board is responsible for ensuring that the Board's resources are used appropriately for the activities intended, fraud and other irregularities are prevented and detected, and the principles of Best Value are complied with. Internal audit reviews support management by giving an independent assessment of the adequacy and effectiveness of internal controls.

4.2 The Board's Internal Audit Service is provided by Henderson Loggie in respect of the financial years 2022/2023 to 2024/2025, and the Audit Needs Assessment (ANA) and Strategic Plan has been prepared by them with reference to the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom.

4.3 The purpose of the ANA is to identify the main areas where the Board is exposed to risk that can be managed through the internal control environment, and which therefore should be considered by internal audit.

4.4 Risks have been split into six categories: Reputation; Staffing Issues; Estates and Facilities; Financial Issues; Organisational Issues; and Information and IT.

4.5 Following identification of the key controls and associated risks, the different areas of risk have been assessed using the following criteria:

- Risk Impact
- Risk Likelihood
- Present Controls

4.6 The results obtained from the assessment process identified and prioritised the areas requiring internal audit coverage over the next three years.

4.7 The Internal Audit Strategic Plan allocates audit days to the categories identified in the ANA to give a rolling programme of work which will be updated annually to ensure that any new and/or changed risks are reflected in the annual plan.

4.8 The Strategic Audit Plan allows for 15 days of audit work to be undertaken in respect of each of the financial years 2022/2023 to 2024/2025.

5.0 POLICY IMPLICATIONS

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

6.0 CONSULTATIONS

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

7.0 BACKGROUND PAPERS

7.1 None

ROBERT EMMOTT
TREASURER

23 AUGUST 2022

Tay Road Bridge Joint Board

Audit Needs Assessment and Strategic Plan 2022 to 2025

Internal Audit report No: 2023/01

Draft issued: 16 August 2022

Final issued:



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Contents

		Page
Section 1	Overview	1 - 2
Section 2	Audit Needs Assessment	3 - 8
Section 3	Strategic Plan	9 - 11



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Overview

Introduction

We have been appointed as Internal Auditors of the Tay Road Bridge Joint Board ('the Board') for the period from 1 April 2022 to 31 March 2025.

Internal audit primarily provides an independent and objective opinion to the Joint Board and to the Bridge Manager on risk management, control and governance, by measuring and evaluating their effectiveness in achieving the Board's agreed objectives. In addition, internal audit's findings and recommendations are beneficial to line management in the audited areas. Risk management, control and governance comprise the policies, procedures and operations established to ensure the achievement of objectives, the appropriate assessment of risk, the reliability of internal and external reporting and accountability processes, compliance with applicable laws and regulations, and compliance with the behavioural and ethical standards set for the Board.

Internal audit also provides an independent and objective consultancy service specifically to help line management improve the Board's risk management, control and governance.

Risk Consideration

There are a number of regulatory, operational and financial risks faced by any organisation. There are also risks that are specific to individual organisations, and which vary over time. All of these risks need to be managed effectively since they cannot be eliminated entirely.

The purpose of this ANA is to identify these risks and assess the audit coverage required to give the Joint Board and Bridge Manager assurances that the control environment is effective in reducing the risks to an acceptable level.

Where the Board's risks can be impacted by internal control and subjected to internal audit these have been identified in the ANA and prioritised in the Strategic Plan with reference to the combined risk factors identified in the ANA (pages 3 to 8) and the resources allocated by the Board to internal audit. Prioritisation affects the frequency of visits, the number of days allocated, and the position in the audit cycle.

The Board's strategic and operational risks do not exist in isolation but are inter-dependent. We will therefore ensure that audit projects are linked, where appropriate to do so, and results from relevant previous projects will be taken into consideration at the detailed planning stage for each assignment.

Audit Needs Assessment

Our ANA involved the following activities:

- Reviewing the Board's risk register
- Reviewing the Board's strategic and operational plans
- Reviewing previous internal audit reports
- Reviewing external audit reports and plans
- Reviewing the Board's website and internal policies and procedures
- Utilising our experience at similar organisations and our understanding of the Board
- Discussions with the Bridge Manager and other Board Officers

Information from discussions with the Bridge Manager, together with our analysis of various documents examined, identified the following issues as being the main strategic, operational, financial and regulatory issues facing the Board at this time:

- Financial constraint and uncertainty in the current economic climate. Flexibility will be needed to respond to changes in funding, particularly capital funding, and potential legislative changes that may be made with a short notice period;
- Maintaining operational effectiveness and maximising access to the bridge whilst ensuring responsibilities regarding health and safety of staff and the public are adequately met;
- Ensuring that appropriate governance arrangements are maintained through communication of key operational and strategic issues between the Board's officers and the Joint Board; and
- Reduction in staff numbers to raise efficiency impacting on the design of the control environment, including the ability to use segregation of duties as a key control.

The ANA and Strategic Plan are revised on an on-going basis (at least annually) to take account of any changes in the Board's risk profile. Any changes to the internal audit plan are approved by the Joint Board.

Value for Money

This ANA does not specifically address Value for Money projects. However, VFM is an integral part of all audits and therefore it has been mentioned at points within this ANA. VFM is always considered during any audit work that we are undertaking.

Business Improvement

We will draw on the experience within our team to provide input on the use of a wide range of business improvement tools, including the use of lean systems and methodologies, where this is appropriate



Audit Needs Assessment

Audit Needs Assessment

The Audit Needs Assessment (ANA) has been developed following discussion with the Bridge Manager and with reference to the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom. Work in the previous three-year cycle has been used to update the key control environment. The ANA has been prepared on the basis of the normal three-year internal audit cycle, covering the period 2022/23 to 2024/25.

The ANA is based on the Board's Risk Register, supplemented by our own knowledge and assessment of the risks faced by the Board. Risks have been split into six categories: reputation; staffing issues; estates and facilities; financial issues; organisational issues; and information and IT.

The assessment covers the main areas where the Board is exposed to risk that can sensibly be managed through internal control, and which should therefore be considered for examination by internal audit. The assessment has taken no account of the resources available to carry out the work, although **items included in the Strategic plan on pages 3 to 8 are noted in bold in the ANA.**

Following identification of the key controls and associated risks we have assessed the different areas of risk using the following criteria:

- **Risk Impact**
- **Risk Likelihood**
- **Present Controls**

The resource recommended, and the work required to test whether the controls are in place and operating effectively, has been assessed using the combination of results of these three criteria and current assurance mechanisms. Audit coverage in recent years has also been taken into consideration, together with current systems developments



Risk Category	Risk Register Reference	Risk Impact	Risk Likelihood	Present Controls	Assurance	Priority
Reputation						
<input type="checkbox"/> Damage to Reputation		Medium	Low	Good	Policy for responding to press comment.	Low
<input type="checkbox"/> Management of Health and Safety	2, 6	Medium	Medium	Good	H&S Policy and risk assessments in place. H&S Committees consults with employees and trade unions. Induction and job specific training cover H&S matters. H&S Annual Report presented to the Joint Board.	Medium
<input type="checkbox"/> Failure to Adhere to Changes in Legislation	2	Medium	Low	Good	Review timetable for policies and procedures to be updated. Bridge Manager is a member of the Tolls, Turnpikes and Bridges Group which provides information re relevant legislations, regulation and good practice. SLA with DCC	Medium
<input type="checkbox"/> Stakeholder Communication	7, 10	Medium	Low	Good	Regular Joint Board meetings held with minutes and papers available to the public. Policies, Board news and other relevant notices also published on the Board's website.	Medium
Staffing Issues						
<input type="checkbox"/> Equalities Legislation	2	Medium	Medium	Good	Mainstreaming Equality Report in place. Service Level Agreement (SLA) in place with DCC includes employment legislation changes are identified. Established communication links with Trade Unions. Staff targets, development and training are all monitored by management.	Medium
<input type="checkbox"/> Contentious Staffing Issues	2, 10	Medium	Low	Good		Low
<input type="checkbox"/> Industrial Relations	10	Medium	Low	Good		Low
<input type="checkbox"/> Failure to Attract and Retain Quality Staff	10	Medium	Low	Good		Low
<input type="checkbox"/> Controls Over Payroll	7, 9	Medium	Low	Good	SLA also in place for payroll services with transactions authorised by the Bridge Manager.	Medium



Risk Category	Risk Register Reference	Risk Impact	Risk Likelihood	Present Controls	Assurance	Priority
Estates and Facilities						
<input type="checkbox"/> Physical Security	4, 5, 6	Medium	Medium	Good	Bridge premises are staffed 24 hours a day, 365 days a year as well as having CCTV and security access.	Low
<input type="checkbox"/> Disruption to Operations Following Loss or Breakdown of Key Equipment	4, 5, 6	Medium	Medium	Good		Low
<input type="checkbox"/> Asset Management	4, 5, 6	Medium	Medium	Average	Programme of regular asset inspections and maintenance carried out. Insurance in place through SLA with DCC.	Low
<input type="checkbox"/> Breach of Statutory Duty	2	Medium	Low	Good	Regular review of legislative requirements by management.	Low
<input type="checkbox"/> Failure to Deliver Major Projects on Time and on Budget	8	Medium	Medium	Good	Capital Plan agreed by the Board covering major schemes for the next 3 years. Responsibility for overseeing delivery of Capital Plan aligned to Engineer to the Board. Regular reporting of capital spending, with explanations for slippage to the Board.	Medium



Risk Category	Risk Register Reference	Risk Impact	Risk Likelihood	Present Controls	Assurance	Priority
Financial Issues						
<input type="checkbox"/> Failure to Receive Required Funding	3, 9	High	Medium	Good	Budget submitted to Scottish Government for three-year capital and revenue grant. Board approval is required for any additional expenditure not included in the agreed revenue or capital budgets. Budget variances monitored regularly by management and discussed regularly by the Board by way of Monitoring Reports.	Medium
<input type="checkbox"/> Agreed Expenditure Targets Not Met	9	Medium	Medium	Good		Medium
<input type="checkbox"/> Prevention and Response to Internal Fraud, Impropriety or Misconduct On the Part of Staff	7	Medium	Low	Good	Fraud Guidelines and Whistleblowing policy in place. Anti-fraud and corruption strategy in place.	Low
<input type="checkbox"/> Main Financial Systems <ul style="list-style-type: none"> • General Ledger 	7, 9	Medium	Low	Good	General Ledger System with Management Information Reporting Tools provided by DCC under SLA.	Low
<ul style="list-style-type: none"> • Procurement and Creditors / Purchasing • Debtors / Income 	2, 7, 9	Medium	Medium	Good	Financial Regulations specify procedures for ordering of works, goods and services; payment of accounts; raising income; income handling; and banking arrangements. Previous internal and external audit findings report no significant concerns.	Medium
	7, 9	Low	Low	Good		Low
<ul style="list-style-type: none"> • Cash and Bank / Treasury Management 	7, 9	Low	Low	Good		DCC operate a separate bank account for the Board and provide Treasury management under the SLA.



Risk Category	Risk Register Reference	Risk Impact	Risk Likelihood	Present Controls	Assurance	Priority
Organisational Issues						
<input type="checkbox"/> Major Disaster e.g. Fire / Terrorist Attack / Bridge Impact / Major IT Failure / Disruption to Bridge Access	4, 5	High	Low	Good	Piers on main navigation spans protected from bridge impact. Business Continuity Plan and Business Continuity Disaster Recovery Plan in place and tested. Health and Safety audits conducted.	Low
<input type="checkbox"/> Widespread or Epidemic / Pandemic Illness	10	Medium	Low	Good		Low
<input type="checkbox"/> Corporate Governance and Overall Control Environment	7	Medium	Low	Good	Code of Corporate Governance in place. Member training provided through constituent Council and induction training by TRBJB.	Medium
<input type="checkbox"/> Effective Corporate Planning	7	Medium	Medium	Average	Regular review of strategic planning process by management and Board.	Medium
<input type="checkbox"/> Risk Management	All	Medium	Medium	Good	Risk Management Strategic Plan and Risk Register in place and reported to the Joint Committee annually.	Medium
<input type="checkbox"/> Insurance Arrangements	4, 6, 7	High	Low	Good	Service Level Agreement with DCC Insurance and Risk Management Section provides necessary advice.	Medium



Risk Category	Risk Register Reference	Risk Impact	Risk Likelihood	Present Controls	Assurance	Priority
Information and IT						
<input type="checkbox"/> Loss of Data or IT Hardware	7	High	Low	Good	IT Disaster Recovery Plan, network security covered by Dundee City Council SLA. Data Protection and FoI policies in place.	Medium
<input type="checkbox"/> Breach of IT Network Security	7	High	Low	Good		Medium
<input type="checkbox"/> Non-Compliance with Data Protection / Freedom of Information Legislation	2, 7	Medium	Medium	Average		Medium
<input type="checkbox"/> Inappropriate Use of Internet / E-mail by Staff	7	Medium	Low	Good	DCC Acceptable Use policy and internet / email content controls in place under terms of SLA. Service Level Agreement with DCC IT Service	Low
<input type="checkbox"/> Management of Systems Implementation	7, 8	Medium	Medium	Good		Medium



Strategic Plan

Strategic Plan

The Strategic Plan covers the normal three-year internal audit cycle. Audit days have been allocated to the categories identified in the ANA to give a rolling programme of work. Where relevant, these have been further split into sub-categories. Frequency of visits, the number of days allocated, and the position in the cycle has been determined with reference to the combined risk factors identified in the ANA, previous internal audit findings and current systems developments. Not all medium priority items can be covered in the cycle. Reference to other assurance methods has influenced which of these have not been included. Some low priority items have been included in the programme as planned changes to legislation, or the Board's procedures mean the current risk assessment needs to be confirmed.

There is an expectation by external auditors that some element of review is included in the internal audit programme each year in relation to core financial systems and budgetary processes and controls. This has been taken into consideration in formulating the Strategic Plan.

Audit Methodology

Prior to commencement of the work each year the Strategic Plan will be reviewed in advance of the production of the Annual Plan. The Annual Plan will provide more detail on the risks to be covered and the work to be carried out in each area. The process will include discussion with officers, the Board's external auditors and the Joint Board as appropriate.

Once the Annual Plan has been agreed an audit timetable will be set and detailed planning will be carried out for each area. In all cases the audit work involves:

- Identification of the expected controls.
- Review of systems to identify actual controls.
- Consideration of established Best Practice in the area.
- Testing of controls to ensure they are operating effectively.
- Consideration of VFM issues where appropriate on all audit assignments and conducting specific VFM reviews as agreed with the Board's officers and the Joint Board.
- Consideration of the relevance of business improvement tools, including lean systems and methodologies, to individual audit assignments.
- Discussion of findings and our likely recommendations with the relevant managers and staff involved with the systems. Recommendations will be graded to help management prioritise their importance.
- Issue of a draft report to confirm factual accuracy and obtain official management responses for inclusion in the final report.
- Issue of a final report that summarises audit objectives; work carried out; the implications of the findings for internal control; and an action plan with areas for improvement, allocated responsibility for the implementation and a timeframe for completion.
- Follow-up of action plans in future years.

Tay Road Bridge Joint Board Strategic Plan 2022/23 to 2024/25

Proposed Allocation of Audit Days

Audit Area	Risk Register Ref.	Previous IA Coverage	2022/23 Days	2023/24 Days	2024/25 Days	Objective
Reputation						
Health, Safety & Wellbeing	2,6	2019/20 - Good	4			To review the arrangements in place within the Board to identify and manage Health, Safety and Wellbeing (H, S & W) issues.
Partnership Working	2, 7			4		The scope of this audit will be to carry out a review of the effectiveness of the Board's partnership working arrangements, including local authorities, emergency services, charitable and community organisations.
Staffing Issues						
Payroll	7, 9	2021/22 - Good			4	To undertake a high-level review of all key aspects of Payroll, including an examination of payments, authorisations and changes to payroll data and auto-enrolment. The audit will cover activities undertaken by the Board but not the Dundee City Council systems.
Estates and Facilities						
Capital Projects	8	2020/21 - Satisfactory	4	4		Undertake Gateway style review to assess whether capital projects are being effectively managed and delivered on time and within budget and have achieved the stated benefits set out in the initial business case. This will include a review of the project's governance arrangements in place at the Board. Specifically, audits will focus on the bridge carriageway resurfacing project. In 2022/23 we will assess the Board's state of readiness ahead of the project commencing in May 2023. In 2023/24 we will review progress made with the project against planned milestones, outcomes and budget.



ANA and Strategic Plan 2022 to 2025 - DRAFT

Audit Area	Risk Register Ref.	Previous IA Coverage	2022/23 Days	2023/24 Days	2024/25 Days	Objective
Financial Issues						
Procurement and Creditors / Purchasing	2, 7, 9	2021/22 - Good			4	To ensure that the Procurement Strategy and procedures in place support best value purchasing across the organisation in relation to non-pay spend.
Contract Management	2, 7, 9			4		To review the Boards financial and management controls relating to maintenance contracts, covering contract awards, contract provisioning and monitoring, staff training and guidance and document management.
Organisational Issues						
Corporate Governance	7	2021/22 - Good			4	Cyclical check to undertake a high-level review of the corporate governance arrangements in place within the Board to ensure that the governance framework represents best practice as set out in the CIPFA code of practice. We will also review the Scheme of Delegation and Standing Orders.
Corporate Planning	7	2015/16 - Good	3			This audit will be a high-level review of the corporate planning arrangements in place within the Board.
Other Audit Activities						
Management & planning, attendance at Joint Board meetings & liaising with external audit			2	2	2	
Follow-up			1	1	1	Follow up of outstanding internal audit recommendations.
ANA			1	-	-	
Total			15	15	15	



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REPORT TO: TAY ROAD BRIDGE JOINT BOARD - 26 SEPTEMBER 2022

REPORT ON: INTERNAL AUDIT - ANNUAL AUDIT PLAN 2022/2023

REPORT BY: TREASURER

REPORT NO: TRB 21-2022

1.0 PURPOSE OF REPORT

1.1 To present to the Board the Internal Audit Annual Audit Plan, which is attached as an appendix to this report.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Board notes the contents of the Internal Audit Annual Plan for 2022/2023 which is based on the detailed Internal Audit Needs Assessment and Strategic Plan 2022 to 2025.

3.0 FINANCIAL IMPLICATIONS

3.1 The cost of Internal Audit Services is included in the approved Revenue Budget.

4.0 BACKGROUND

4.1 Reference is made to Report TRB 20-2022 whereby the Board was asked to approve the three-year Strategic Audit Plan which was based on the detailed Internal Audit Needs Assessment (ANA).

4.2 The Board has a responsibility to develop and maintain internal control systems, risk management processes, governance arrangements and accounting records. In addition, the Board is responsible for ensuring that the Board's resources are used appropriately for the activities intended, fraud and other irregularities are prevented and detected, and the principles of Best Value are complied with. Internal audit reviews support management by giving an independent assessment of the adequacy and effectiveness of internal controls.

4.3 The Board's Internal Audit Service is provided by Henderson Loggie in respect of the financial years 2022/2023 to 2024/2025, and the Audit Needs Assessment (ANA) and Strategic Plan were prepared by them with reference to the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom.

4.4 The ANA identified the main areas where the Board is exposed to risk that can be managed through internal control, and which therefore should be considered by internal audit. The results obtained from the assessment process identified and prioritised the areas requiring internal audit coverage over the next three years.

4.5 The Internal Audit Strategic Plan allocates audit days to the categories identified in the ANA to give a rolling programme of work which will be updated annually to ensure that any new and/or changed risks are reflected in the annual plan. The three-year Strategic Audit Plan allows for 15 days in 2022/2023.

5.0 MAIN TEXT

5.1 The Internal Audit Annual Audit Plan for 2022/2023, which is attached as an Appendix to this report, sets out the proposed audit work to be undertaken in 2022/2023.

5.2 This will result in separate reports being issued for each review. The reviews will cover the following areas:

- Health, Safety and Wellbeing;
- Capital Projects;
- Corporate Planning; and
- Follow-Up Reviews.

6.0 POLICY IMPLICATIONS

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

7.0 CONSULTATIONS

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

8.0 BACKGROUND PAPERS

8.1 Internal Audit – Audit Needs Assessment and Strategic Plan 2022 to 2025 (TRB 20-2022).

ROBERT EMMOTT
TREASURER

23 AUGUST 2022

Tay Road Bridge Joint Board

Internal Audit Annual Plan 2022/23

Internal Audit Report No: 2023/02

Draft issued: 16 August 2022

Final issued:



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Contents

		Page
Section 1	Introduction	1
Section 2	Strategic Plan 2022 to 2025	2
Section 3	Outline Scope and Objectives	
	• Health, Safety & Wellbeing	3
	• Capital Projects	4
	• Corporate Planning	5
	• Follow-Up Reviews	6



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Introduction

- 1.1 The purpose of this document is to present to the members of Tay Road Bridge Joint Board ('the Board') the annual internal audit operating plan for the year ended 31 March 2023. The plan is based on the proposed allocation of audit days for 2022/23 set out in the Audit Needs Assessment and Strategic Plan 2022 to 2023. The preparation of the Strategic Plan involved dialogue with the Bridge Manager.
- 1.2 At Section 3 of this report we have set out the outline scope and objectives for each audit assignment to be undertaken during 2022/23, together with the proposed audit approach. These were arrived at following discussion with the Bridge Manager.
- 1.3 Separate reports will be issued for each assignment with recommendations graded to reflect the significance of the issues raised. In addition, audit findings will be assessed and graded on an overall basis to denote the level of priority that should be given to each report.
- 1.4 Our audit service complies with the Public Sector Internal Audit Standards (PSIAS).



Strategic Plan 2022 to 2025

Audit Area	Risk Register Ref.	Previous IA Coverage	2022/23 Days	2023/24 Days	2024/25 Days
Reputation					
Health, Safety & Wellbeing	2, 6	2019/20 - Good	4		
Partnership Working	2, 7			4	
Staffing Issues					
Payroll	7, 9	2021/22 - Good			4
Estates and Facilities					
Capital Projects	8	2020/21 - Satisfactory	4	4	
Financial Issues					
Procurement and Creditors / Purchasing	2, 7, 9	2021/22 - Good			4
Contract Management	2, 7, 9			4	
Organisational Issues					
Corporate Governance	7	2021/22 - Good			4
Corporate Planning	7	2015/16 - Good	3		
Other Audit Activities					
Management & planning, attendance at Joint Board meetings & liaising with external audit			2	2	2
Follow-up			1	1	1
ANA			1	-	-
Total			15	15	15

Key

Category: Gov – Governance; Perf – Performance; Fin – Financial

Priority: H – High; M – Medium; L – Low



Outline Scope and Objectives

Audit Assignment:	Health, Safety & Wellbeing
Priority:	Medium
Joint Board Meeting:	March 2023
Days:	4

Scope

This audit will review the arrangements in place within the Board to identify and manage Health, Safety and Wellbeing (H, S & W) issues.

Objectives

The main objective of the audit will be to review the Board's overall arrangements for managing H, S & W and to consider whether these are adequate.

We will seek to obtain reasonable assurance that the Board has:

- a H, S & W policy, plan, and documented procedures which are communicated to all staff and relevant contractors;
- a formal risk identification and assessment process;
- a H, S & W training programme which includes induction training, refresher training and training for new activities or legislation;
- regular monitoring of H&S systems to ensure that they are functioning effectively, including H, S & W audits, carried out either internally or by external agencies such as the Health and Safety Executive;
- an incident and accident recording system with follow-up and implementation of new controls where required; and
- regular reporting of H&S to senior management and to the Board.

Our audit approach will be:

From discussion with the Bridge Manager, the Maintenance and Operations Manager and other relevant staff, and review of procedural documentation, we will identify the internal controls in place and compare these with expected controls. A walkthrough of key systems will then be undertaken to confirm our understanding, and this will be followed up with compliance testing where considered necessary to ensure that internal controls are operating effectively. We will report on any areas where expected controls are found to be absent or where controls could be further strengthened.



Audit Assignment:	Capital Projects
Priority:	Medium
Joint Board Meeting:	June 2023
Days:	4

Scope

The bridge carriageway resurfacing project is a major capital project of considerable size and material investment for the Board. We have agreed with the Bridge Manager that we will undertake a 'Gateway' type review of how well this project has been managed to date compared to 'best practice'.

The timing of the review will be agreed to enable the review findings to feed into the project delivery timetable.

Objectives

The overall objective will be to review the carriageway resurfacing project at a key stage in its lifecycle to provide assurance that it is ready to progress to the next stage. Stages are:

- Business Justification
- Delivery Strategy
- Investment Decision
- Readiness for Service
- Operations Review and Benefits Realisation

In 2022/23 the audit will focus on the initial four stages. An audit of the Operation Review and Benefits Realisation stage will be undertaken in 2023/24.

Our audit approach will be:

Interviews will be held with relevant Tay Road Bridge staff to assist in documenting the systems and processes in place. A detailed assessment of the key internal controls will be performed, and an audit testing programme devised thereon. Detailed compliance and substantive tests will then be carried out.

Audit Assignment:	Corporate Planning
Priority:	Medium
Joint Board Meeting:	December 2022
Days:	3

Scope

We will review the overall corporate planning processes within the Board, including detailed operational planning.

Objectives

The overall objective of the audit will be to obtain reasonable assurance that the Board's planning process accords with good practice.

Specific objectives will be to obtain reasonable assurance that:

- linkages between the Corporate Plan and the operational plans are clearly defined and communicated;
- commitments in the Corporate Plan are systematically translated into clear responsibilities for implementation within the operational plans;
- there is a systematic approach for ensuring stakeholders views and key risks are taken into account;
- the plans are being appropriately monitored and controlled; and
- there is effective linkage between planning and budgeting at all levels.

Our audit approach will be:

Through discussions with key officers with responsibility for planning across the Board we will document the planning processes covering the setting of key strategic objectives and the delivery framework within the Corporate Plan and developing operational plans. Operational will be obtained and reviewed to ensure that there are clear linkages with the Corporate Plan and that the plans are consistent with each other. We will also review these plans to assess how the strategic objectives are translated into clear responsibilities for implementation and how budget information is used to inform planning. We will also review the monitoring and reporting arrangements in place.



Audit Assignment:	Follow-Up Reviews
Priority:	Various
Joint Board Meeting:	June 2023
Days:	1

Scope

This review will cover the following reports from the 2021/22 internal audit programme and reports from earlier years where previous follow-up identified recommendations outstanding:

- Report 2022/06 – Follow-up Reviews.

Internal Audit Reports 2022/01, 2022/02, 2022/03, 2022/04 and 2022/05 did not contain any action plans and therefore no follow-up of these reports is required.

Objective

The objective of our follow-up review will be to assess whether recommendations made in internal audit reports from 2021/22 (and outstanding actions from previous years) have been appropriately implemented and to ensure that where little or no progress has been made towards implementation, that plans are in place to progress them.

Audit Approach

- 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
- prepare a summary of the current status of the recommendations for the Joint Board.



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