
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 4th September, 2023

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 11th September, 2023 at 10.00am.

The agenda and papers are enclosed.

Members of the Press or Public wishing to join the meeting should contact Committee Services on telephone (01382) 43211 or by email at committee.services@dundeecity.gov.uk by no later than 12 noon on Friday 8th September, 2023.

Please submit any apologies for absence to Elaine Doak, Committee Services Officer on telephone (01382) 434211 or email elaine.doak@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 19th June, 2023 is submitted for approval (copy attached).

3 OPERATIONAL RESTRICTIONS AND CLOSURES - Page 5

(Report No TRB26-2023 by the Bridge Manager, copy attached).

**4 UPDATE ON RESURFACING & MOVEMENT JOINT PROJECT / GANTRY PROJECT
- Page 13**

(Report No TRB27-2023 by the Bridge Manager, copy attached).

5 SAFETY BOAT PROVISION - Page 17

(Report No TRB25-2023 by the Bridge Manager, copy attached).

6 ANNUAL REVIEW OF STRATEGIC RISK MANAGEMENT - Page 21

(Report No TRB24-2023 by the Bridge Manager, copy attached).

7 AUDITED ACCOUNTS

(a) EXTERNAL AUDITOR'S ANNUAL REPORT

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

(ii) Proposed 2022/2023 Annual Audit Report - Page 51

(Copy attached).

(b) RESPONSE TO EXTERNAL AUDITOR'S ANNUAL REPORT ON THE 2022/2023 AUDIT
OF TAY ROAD BRIDGE JOINT BOARD - Page 75

(Report No TRB20-2023 by the Treasurer, attached).

(c) AUDITED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Page 79

(Copy attached).

8 REVENUE MONITORING – 4 MONTHS TO 31ST JULY, 2023 - Page 145

(Report No TRB21-2023 by the Treasurer, copy attached).

9 CAPITAL MONITORING – 4 MONTHS TO 31ST JULY, 2023 - Page 153

(Report No TRB22-2023 by the Treasurer, copy attached).

10 INTERNAL AUDIT – ANNUAL AUDIT PLAN 2023/2024 - Page 161

(Report No TRB23-2023 by the Treasurer, copy attached).

11 DATE OF NEXT MEETING

The next meeting of the Joint Board will be held on Monday, 4th December, 2023 at 10.00am via MS Teams (unless otherwise advised).

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ITEM No ...2.....

At a MEETING of the **TAY ROAD BRIDGE JOINT BOARD** held remotely on 19th June, 2023.

Present:-

Dundee City Council

Councillor Ken LYNN
 Bailie Fraser MACPHERSON
 Councillor Wendy SCULLIN
 Councillor Lynne SHORT

Fife Council

Councillor Altany CRAIK
 Councillor Gary HOLT
 Councillor Allan KNOX

Angus Council

Councillor Kenny BRAES

Also Present (Officers):-

Gary BRADY (Engineer)
 Robert EMMOTT (Treasurer)
 Cameron GAIR (Transport Scotland)
 Andrew HERD (Transport Scotland)
 Alan HUTCHISON (Bridge Manager)
 Kenny McKAIG (for Clerk)
 Eilidh MCARTHUR (Audit Scotland)
 Steve MCNAUGHT (Henderson Loggie)
 John MOIR (for Treasurer)
 Richard SMITH (Audit Scotland)

Councillor Gary HOLT, Chairperson, in the Chair.

Apologies for absence were submitted on behalf of Councillor Steven Rome, Councillor Dorothy McHugh, Councillor Jonny Tepp and Councillor Ann Verner.

I DECLARATION OF INTEREST

There were no declarations of interest.

II MINUTE OF PREVIOUS MEETING

The minute of meeting of the Tay Road Bridge Joint Board held on 6th March, 2023 was submitted and approved.

III SUMMER STUDENT PLACEMENT

There was submitted an Agenda Note (TRB19-2023) by the Bridge Manager, advising the Joint Board of the appointment of a summer student engineer. The appointment of the student engineer for the Tay Road Bridge Joint Board was desirable to assist with the supervision of the year's major resurfacing contract, bridge inspections, the preparation of reports and cataloguing of historic drawings and calculations. The student appointment would maintain strong links with further education institutions and help future graduates gain practical workplace experience to help them develop skills for the workplace. Costs would be covered by the agreed revenue budget 2023/2024.

The Joint Board noted the appointment.

IV OPERATIONAL RESTRICTIONS AND CLOSURES

There was submitted Report No TRB14-2023 by the Bridge Manager, appraising the Joint Board of the number and nature of operational restrictions and closures applied between 1st February, 2023 to 30th April, 2023.

The Joint Board noted the content of the report as at 30th April, 2023.

V UPDATE ON ENGINEERING WORKS

There was submitted Report No TRB15-2023 by the Engineer to the Board, advising the Joint Board on the current situation regarding Engineering works on the bridge.

The Joint Board agreed to note the position on current progress.

VI RESPONSE TO INTERNAL AUDITOR'S ANNUAL REPORT TO MEMBERS

There was submitted Report No TRB17-2023 by the Bridge Manager, in response to the Annual Report, ref 2023/07, prepared by the Joint Board's Internal Auditor, Henderson Loggie, on Health, Safety & Wellbeing, (Appendix 2 of the report); Corporate Planning (Appendix 3 of the report); Capital Projects (Appendix 4) and previous Audit follow-up reviews (Appendix 5 of the report). A copy of the Internal Auditor's annual report was included as Appendix 1 of the report.

The Joint Board agreed:-

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

VII EXTERNAL AUDIT ANNUAL AUDIT PLAN 2022/2023

There was submitted Report No TRB9-2023 by the Treasurer, presenting to the Joint Board the External Audit Annual Audit Plan, attached as an Appendix to the report.

The Joint Board agreed to note the content of the External Audit Annual Audit Plan for 2022/2023.

VIII LOCAL CODE OF CORPORATE GOVERNANCE

There was submitted Report No TRB10-2023 by the Treasurer, appraising the Joint Board of the review and update to the Joint Board's Local Code of Corporate Governance.

The Joint Board agreed:-

- (i) to approve the compliance review and updated Local Code of Corporate Governance as detailed in Appendix A of the report;
- (ii) to note the progress against the 2022/2023 improvement action plan in Appendix 1 of the report; and
- (iii) to approve the implementation of the improvements listed in Appendix 2 of the report for 2023/2024.

IX ANNUAL GOVERNANCE STATEMENT FOR THE YEAR TO 31ST MARCH, 2023

There was submitted Report No TRB11-2023 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, 2023 which was also submitted.

The Joint Board agreed:-

- (i) to note the contents of the covering report;
- (ii) to approve the Annual Governance Statement which was included as an Appendix to the report; and
- (iii) to instruct the Treasurer to include the Annual Governance Statement in the Annual Accounts for the year to 31st March, 2023.

X UNAUDITED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2023

There was submitted Report No TRB12-2023 by the Treasurer, providing some additional commentary on the unaudited Annual Accounts for the year ended 31st March, 2023 which was submitted to the Tay Road Bridge Joint Board along with the report.

The Joint Board agreed:-

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

XI REDUCED 2023/2024 GRANT INCOME

There was submitted Report No TRB18-2023 by the Treasurer, advising the Joint Board of the reduced grant funding for 2023/2024.

The Joint Board agreed to note the details contained in the report.

XII 2023/2024 INSURANCE PROGRAMME

There was submitted Report No TRB13-2023 by the Treasurer, providing the Joint Board with an overview of the insurance arrangements for the financial year 2023/2024.

The Joint Board agreed to note the details contained within the report.

XIII DATE OF NEXT MEETING

Monday, 11th September, 2023 at 10.00am 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 – 11 SEPTEMBER 2023

REPORT ON: OPERATIONAL RESTRICTIONS AND CLOSURES

REPORT BY: THE BRIDGE MANAGER

REPORT NO: TRB26-2023

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 2023.

2.0 RECOMMENDATIONS

2.1 The Joint Board are asked to note the contents of this Report as at 31 July 2023.

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 several reasons including recovering debris, breakdowns, high winds and other operational requirements, such as carriageway inspections and access to the inspection gantries. Miscellaneous incidents include escorting pedestrians from the carriageway.

4.2 At midnight on the 12 June 2023 the bridge was fully closed to allow a contraflow traffic management arrangement to be safely installed on the southbound carriageway in preparation for the start of major resurfacing and joint replacement works. This arrangement allowed the northbound carriageway to remain closed when the bridge opened at 0500 hours, with Fife and Dundee-bound traffic directed to use the southbound carriageway on a single lane basis. The statistics shown in the following tables show bridge availability prior to full closure of the northbound carriageway and after full closure of the northbound carriageway. The statistics in the table at paragraph 4.2.7 show the performance of the contraflow arrangement. Please note that from 12 June, all vehicles wider than 2.6m were restricted from use of the bridge. This wide load restriction is not included in the overall statistics. It has been noted that traffic has been taking up to 15-20 minutes to access and cross the bridge at peak times under normal traffic flow.

A summary of the restrictions applied between 1 May and 31 July 2023 is given below:-

4.2.1 Single Carriageway Restrictions – 1 May to Midnight on 11 June

Reason	Total Duration (Minutes)	Number of Occasions	Average Duration (Minutes)	Maximum Time Closed (Minutes)	Minimum Time Closed (Minutes)
Operational	250	81	3.09	8.5	1
Breakdown	43	3	14.33	36	3
Miscellaneous Incidents	*42	13	3.23	10	1
Single Lane Closures for Maintenance	**5422	19	285.4	510	7
Police Incidents	133	14	9.5	21	2

*Includes setting up cones (2 occasions at 10 minutes each) for 15m bus trial to assist contraflow planning

**Single lane closure/restrictions to assist third party install fibre optic cables under the bridge and pot-hole repairs.

4.2.2 Single Lane Restrictions on Accessible Carriageway– 12 June (0500 hrs) to 31 July

Contraflow Traffic Management Installed on Southbound Carriageway – Northbound Carriageway Fully Closed throughout period. No loads over 2.6m permitted.

Reason	Total Duration (Minutes)	Number of Occasions	Average Duration (Minutes)	Maximum Time Closed (Minutes)	Minimum Time Closed (Minutes)
Operational	149	28	5.32	16	1
Breakdown	27	3	9	19	6
Miscellaneous Incidents	0	0	0	0	0
Single Lane Closures for Maintenance	0	0	0	0	0
Police Incidents	248	12	20.67	60	1

4.2.3 Full Bridge Closure – 1 May to 11 June (Midnight)

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	29	2	14.5	20	9
Misc Incidents	10	1	10	10	10
Wind	0	0	0	0	0

4.2.4 Full Closure of Accessible Carriageway – 12 June (0500hrs) to 31 July

Contraflow Traffic Management Installed on Southbound Carriageway – Northbound Carriageway Fully Closed throughout period. No loads over 2.6m permitted.

Reason	Total Duration (Minutes)	Number of Occasions	Average Duration (Minutes)	Maximum Time Closed (Minutes)	Minimum Time Closed (Minutes)
Operational (Night Closures)	*275	1	275	275	275
Police Incidents	414	9	46	165	4
Misc Incidents	3	1	3	3	3
Breakdown	55	3	18.33	29	5
Wind	0	0	0	0	0

*Full bridge closure to facilitate safe installation of contraflow traffic management between midnight and 0500 on 12 June included here.

4.2.5 High Winds Restrictions – 12 June (0001 hrs) to 31 July

Contraflow Traffic Management Installed on Southbound Carriageway – Northbound Carriageway Fully Closed throughout period. No loads over 2.6m permitted.

NB: No high wind restrictions during period 1 May to 11 June (Midnight)

Traffic Restricted	Total Duration (Minutes)	Number of Occasions	Average Duration (Minutes)	Maximum Time Restricted (Minutes)	Minimum Time Restricted (Minutes)
Double Deck Buses	2315	3	771.67	1520	145
High Sided Vehicles	0	0	0	0	0
All Traffic	0	0	0	0	0

4.2.6 Summary of Bridge Availability 1 May to Midnight 11 June 2023 (prior to contraflow)

Full Availability (No restrictions)	90.20%
Partial Availability (Some restrictions)	9.74%
No Availability (Full Closure)	0.06%

4.2.7 Summary of Bridge Availability on Accessible Carriageway Midnight 11 June to 31 July 2023 (during and post contraflow installation)

Contraflow Traffic Management Installed on Southbound Carriageway – Northbound Carriageway Fully Closed throughout period. No loads over 2.6m permitted.

Full Availability of Accessible Carriageway (No restrictions)	95.02%
Partial Availability of Accessible Carriageway (Some restrictions)	3.88%
No Availability of Accessible Carriageway (Full Closure)	1.1%

4.2.9 Passenger Lift Availability 4 December 2018 to 31 July 2023

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

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	² 10.5	6	0	0	0	16.5
2023 (to 31 Jul 2023)	² 6.5	0	0	0	0	6.5
Total	49.5	37.5	12.5	18	41.5	
TOTAL TIME LIFT NOT AVAILABLE FROM 4 DECEMBER 2018 to 31 JULY 2023 = 148.5 HOURS						

¹Warranty Servicing

²Monthly Servicing

5.0 TRAFFIC COUNT DATA

5.1 Traffic Count Data from Dundee Ramps

	1 st Quarter 2022	2 nd Quarter 2022	3 rd Quarter 2022	4 th Quarter 2022	1 st Quarter 2023	2 nd Quarter 2023
	(Feb - Apr)	(May - Jul)	(Aug - Oct)	(Nov- Jan)	(Feb - Apr)	(May- Jul)
Northbound to West	5733	6171	6079	5137	5734	5747
Northbound to East	6668	7187	6933	6508	6988	7449
Northbound Total	12401	13358	13072	11645	12722	13196
Southbound from West	5138	5393	5382	5078	5331	5359
Southbound From East	7428	8199	7934	7228	7791	8203
Southbound Total	12566	13592	13316	12306	13122	13562
AADT Traffic per Quarter	24967	26950	26388	23951	25844	*26758

*Traffic flows are in line with those of the same period in 2022, despite northbound lane closure.

AADT – (Annual Average Daily Total)

5.2 Active Travel Counts - *AADT

<i>Year</i>	<i>Month</i>	<i>No. Pedestrians</i>	<i>No. Cyclists</i>	
2021	November	Not Counted	87	
	December	Not Counted	50	
2022	January (from 11 Jan)	129	76	
		129	71	AADT/Quarter
	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
	August	118	199	
	September	245	161	
	October	**Pedestrian Counter Not Operating	88	
		N/A	149	AADT/Quarter
	November	Not Counted	59	
	December	Not Counted	52	
2023	January	Not Counted	72	
			61	AADT/Quarter
	February	Not Counted	109	
	March	Not Counted	110	
	April	Not Counted	161	
			127	AADT/Quarter
	May	Not Counted	193	
	June	Not Counted	232	
	July	Not Counted	182	
		N/A	202	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.

**Readings from 10 October 2022 are not available. The fault was reported to Cycling Scotland on 15 November 2022, 8 February 2023, and 16 August 2023.

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 agree with the content.

8.0 BACKGROUND PAPERS

8.1 None.

**ALAN HUTCHISON
BRIDGE MANAGER
29 AUGUST 2023**

ITEM No ...4.....

REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 11 SEPTEMBER 2023

REPORT ON: UPDATE ON RESURFACING & MOVEMENT JOINT PROJECT / GANTRY PROJECT

REPORT BY: BRIDGE MANAGER

REPORT NO: TRB 27–2023

1.0 PURPOSE OF REPORT

1.1 To advise the Joint Board on the current situation regarding the ongoing resurfacing and movement joint renewal works on the bridge, and the inspection gantry replacement project.

2.0 RECOMMENDATIONS

2.1 It is recommended that:

- The Joint Board notes the position on current progress.

3.0 FINANCIAL IMPLICATIONS

3.1 There are no financial implications arising from this report.

4.0 IMPLICATIONS TO BRIDGE USERS

4.1 No implications will arise as a direct result of this report. The major resurfacing and joint replacement work commenced on 12 June 2023 and a contraflow traffic management system installed on the bridge, whereby one carriageway is completely closed, and the other accepts two-way traffic flow. Delays of up to 15 minutes have been experienced for vehicles using the bridge.

4.2 No loads over 2.6m wide can access the bridge.

4.3 The bridge and walkway remain open during the construction phase of this project. Short and regular ten-minute restrictions to users of the shared path are being used to safely permit hydro-demolition concrete repair work adjacent to the shared path.

5.0 BACKGROUND

5.1 The TRBJB's term consultant, WSP UK Ltd, were appointed in December 2019 to provide expert advice to the Board of the most cost-effective time and means to carry out total resurfacing and movement joint replacement. This culminated in March 2023 when the Board agreed to the appointment of Volker Stevin Ltd to deliver the project over two years (2023 and 2024). The Bridge Manager and Engineer are still working closely with WSP UK Ltd to deliver this project and confirm progress as follows:

<u>Resurfacing and Expansion Joint Replacement – as 17 August 2023.</u>			
	% Complete	Total Expenditure £(rounded)	Programme
Stage 1 – Desk top study	100	67,000	Completed October 2020
Stage 2 – Structural Testing & Data Collection to inform stage 3	100	271,000	Completed April 2022
Stage 3 – Preliminary Design	100	96,000	Completed February 2023
Stage 4 – Detailed Design	100	52,000	May 2023
**Stage 5 – Construction (Phase 1 only)	50	£1,267,000	May 2023 – September 2024
Stage 6 - Handover	0	-	September 2024

** Stage 5 commentary

- The project has been split into two phases. Phase 1, northbound works, are approximately 50% complete. Phase 2, southbound works, will commence in April 2024.
- The original 1966 surface has been completely planed from the concrete deck and milling work is now finished and the bitumen coating to the slab removed. This has enabled the concrete slab to be inspected and areas of defective concrete to be identified.
- All concrete kerbs have been removed.
- All movement joints have been taken out and slab edge repairs and re-profiling have commenced in preparation for new movement joint installation.
- Concrete repairs to the top of the slab are progressing, using hydro-demolition to remove defective concrete in advance of placing additional reinforcement where required, followed by installation of zinc anodes to mitigate future corrosion and concrete re-instatement.
- Concrete repairs to the outer cantilever, accessed via scaffold, have started.
- Surveys of the concrete slab have been completed and this is informing areas that require to be reprofiled to accommodate the waterproofing system and confirm new profile for asphalt installation.
- Waterproofing, asphalt installation and joint installation are major work activities that will commence from September.
- Phase 1 traffic management is currently programmed to be removed at the end of November 2023.

5.2 The guidance document, “The Operation and Maintenance of Bridge Access Gantries”, IStructE 2nd Ed 2007, recommends that gantries which have been in service for between 20 and 35 years should be considered to have reached the end of their finite life from a consideration of structural safety. The bridge’s inspection gantries are now over thirty years old and regular routine inspections by the Bridge Manager’s team have identified issues associated with regular repair and downtime. The Bridge Manager and Engineer are therefore working closely with WSP to deliver

new gantries to be installed in 2025. The Bridge Manager and Engineer can update progress as follows:

<u>Gantry Replacement – as 1 May 2023.</u>			
	% Complete	Total Expenditure £(rounded)	Programme
Stage 1 – Desk top study	100	30,000	Completed March 2021
Stage 2 – Options Assessment	100	101,000	Completed March 2022
Stage 3 – Preliminary Design	100	106,000	March 2022 – June 2023
Stage 4 – Detailed Design & Procurement	5	-	July 2023 – February 2024. Tender programmed for issue October 2023.
Stage 5 – Construction	0	-	March 2024 – April 2025. Aim for March 2024 Board for project approval.
Stage 6 - Handover	0	-	May 2025

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, Treasurer and Bridge Manager have been consulted in the preparation of this report.

8.0 BACKGROUND PAPERS

8.1 None.

ALAN HUTCHISON
BRIDGE MANAGER
24 AUGUST 2023

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ITEM No ...5.....

REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 11 SEPTEMBER 2023
REPORT ON: SAFETY BOAT PROVISION
REPORT BY: BRIDGE MANAGER
REPORT NO: TRB 25-2023

1.0 PURPOSE OF REPORT

- 1.1 To seek Joint Board approval to appoint David Anderson Marine of Newport-on -Tay as the preferred bidder to provide safety boat services at the Tay Road Bridge in relation to the inspection and maintenance of the Board's Assets, as defined in the Tay Road Bridge Joint Board's Asset Management Plan.

2.0 RECOMMENDATIONS

- 2.1 Offers for safety boat provision were received by two suppliers and an evaluation on a 40:60 price/quality split on the accepted tenders was carried out. It is recommended that the Clerk to the Board be instructed to appoint David Anderson Marine on a two-year contract to provide safety cover for statutory inspections and to provide protection of workers carrying out concrete repairs to the bridge deck cantilevers in 2023 and 2024.

3.0 FINANCIAL IMPLICATIONS

- 3.1 Expenditure will be included within the revenue budget.

Contract period is 18 months with a guaranteed 120 day call out at £800 per day.

TOTAL - £96,000

4.0 POLICY IMPLICATIONS

- 4.1 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.
- 4.2 Inspections of the bridge are a statutory requirement and permit efficient planning of future maintenance to ensure the continuing good condition of the structure.

5.0 IMPLICATIONS TO BRIDGE USERS

- 5.1 Off peak short duration stops (i.e. less than 3 minutes duration) are permitted under controlled conditions to allow egress from and access to vehicles transporting personnel to the inspection gantries.

6.0 BACKGROUND

- 6.1 The Health and Safety Executive (HSE) Code of Guidance for Working On, Near or Over Water in the UK confirms that a rescue plan must be in place to provide safety cover for individuals working over water. In the case of operatives working over the river Tay and using our current gantries, a safety boat is deemed to be required to permit compliance with this legislation.
- 6.2 With regards to the TRBJB's requirements for safety boat provision, it is currently projected that new inspection gantries will be delivered in Spring 2025. The design of these will follow CDM regulations and will allow us to dispense with our current requirement for safety boat support because they will incorporate higher railings and other fall safe mechanisms. As a result, safety boat cover to allow us to complete our statutory inspections will only be required until the Spring of 2025.
- 6.3 In 2019, and after a competitive tendering process, David Anderson Marine were awarded a four-year contract to supply safety boat services to the Tay Road Bridge Joint Board. This contract, which expires on 30 September 2023, allowed for the daily provision of a safety boat between April and September every year.
- 6.4 The resurfacing, expansion joint replacement and concrete repairs project is programmed to take place between June and October 2023 and between May and September 2024. This means that a new contract in line with the current contract specification will be inefficient and wasteful. This is because the spring/summer period when day-to-day bridge inspections are carried out will not be fully available because of the capital works programme. However, the TRBJB are still mandated to carry out our statutory duties and therefore inspections will need to be reprogrammed to take advantage of spells of good weather over the winter months.
- 6.5 A contract for safety boat provision to cover the full 365 days annually will be inefficient and costly because during the winter months the inspections will be subjected to weather delays, however, the Bridge Manager is confident that 40 days of inspection will be achieved in 2023 and 80 days in 2024, it's just that these days will not be concurrent.
- 6.7 A single stage (open) tender opportunity was advertised on the Public Contracts Scotland Portal. Two tenders were returned and evaluated on 16 August 2023 and are as follows

Company	Price	Quality Score/100	Weighted Price/ Quality Score/100	Position
David Anderson Marine	£96,000	100	100	1
Edinburgh Marine Limited	£114,000	85	84.68	2

CONSULTATIONS

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

7.0 BACKGROUND PAPERS

8.1 None.

**ALAN HUTCHISON
BRIDGE MANAGER
24 AUGUST 2023**

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ITEM No ...6.....

REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 11 SEPTEMBER 2023

REPORT ON: ANNUAL REVIEW OF STRATEGIC RISK MANAGEMENT

REPORT BY: THE BRIDGE MANAGER

REPORT NO: TRB 24-2023

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 11 September 2023 and the Strategic Risk Register attached as Appendix 1.

3.0 FINANCIAL IMPLICATIONS

3.1 There are no financial implications resulting from 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 15 August 2022 in conjunction with the Insurance and Risk Management Team from Dundee City Council and it can be reported that no material changes to Appendix 1, Strategic Risk Register, have been deemed necessary. However, each identified risk has been given an "R" reference and the matrix at section 5.4 of the plan modified. These changes have been made to help make the residual status of the risk items that have been identified clearer. This plan will now cover the period 2023-24.

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
24 AUGUST 2023**

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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 9
Approved for Issue:	Alan Hutchison
Date: 15 August 2023	Bridge Manager

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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:-

	5	10	15	20	25
Probability	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 Residual (Current) Risk Status

The following Risk Status graph has been prepared using the information taken from the Strategic Risk Register in Appendix A. This matrix graphically identifies the residual risk status of the ten risk items identified (risk score (P x S) after controls have been implemented).

	5	10	15	20	25
	4	8	12	16	20
Probability (P) (1 to 5)	3	6 R10	9 R2, R3, R8, R9	12	15
	2	4	6	8 R1, R6	10 R7
	1	2 R5	3	4	5 R4
					Severity (S) (1 to 5)

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									
R1	Change of Government with revised policies/strategies	2	4	8	N/A	2x4 =8	None	Clerk Treasurer	Green
R2	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
R3	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									
R4	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
R5	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
R6	Loss of operational capability through loss of bridge/buildings	2	5	10	Frequent inspection/maintenance of assets	2x4 = 8	None	Bridge Manager Engineer	Green
R7	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

R8	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
R9	Lack of financial resources:-	3	4	12	Maintain regular and early communication with Transport Scotland for funding requirements. Submission of applications for Grant in Aid to include robust estimates as back up. Monitor and control expenditure against agreed budgets	3x3 = 9		Bridge Manager Treasurer	Amber

R10	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</p> <p>Roads Maintenance Partnership Manager at Tayside Contracts</p>	Green
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APPENDIX B
Risk Management Action Plan 2023-24

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

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Tay Road Bridge Joint Board – Audit of 2022/23 annual accounts

11 September 2023

Independent auditor's report

1. Our audit work on the 2022/23 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 unqualified audit opinions in the independent auditor's report on 11 September 2023 (the proposed report is attached at [Appendix A](#)).

Annual audit report

2. Under International Standards on Auditing in the UK, we report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action. We present for the Joint Board's consideration our proposed annual report on the 2022/23 audit. Exhibit 3 titled "Significant findings and key audit matters from the audit of the annual accounts" in our report sets out the issues identified in respect of the Tay Road Bridge Joint Board Annual Accounts for the year ended 31 March 2023.

3. Our report also sets out conclusions on the wider scope areas that frame public audit as set out in the Code of Audit Practice.

4. This report will be issued in final form after the annual accounts have been certified.

Unadjusted misstatements

5. We are required to report to those charged with governance, all misstatements above our reporting threshold, and request that these are corrected. As detailed in Exhibit 3 in our Annual Audit Report, two misstatements above this value were identified during the audit. Management has made an £80,000 adjustment in respect of the debit balance in short term creditors (issue 1 in Exhibit 3) but has chosen not to make the £28,000 adjustment for the application of depreciation to land and buildings valuations (issue 3 in Exhibit 3).

6. As the value of the unadjusted error is below our materiality levels it does not impact upon our audit opinions on the annual accounts.

Fraud, subsequent events and compliance with laws and regulations

7. 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

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

9. 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

10. We would like to thank Joint Board members, and officers, for their co-operation and assistance and we look forward to continuing to work together constructively over the course of our five-year 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 2023 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, and Cash Flow Statement, and notes to the financial statements, including 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 2022/23 (the 2022/23 Code).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of Tay Road Bridge Joint Board as at 31 March 2023 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 2022/23 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 by the Accounts Commission on 2 December 2022. My period of appointment is five years, covering 2021/22 to 2025/26. Including a previous appointment, the period of total uninterrupted appointment will be seven 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 the ability of the Tay Road Bridge Joint Board 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 the current or future financial sustainability of Tay Road Bridge Joint Board. 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 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 the ability of 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 Tay Road Bridge Joint Board's operations.

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

Auditor's responsibilities for the audit of the financial statements

My objectives are to 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:

- using my understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of Tay Road Bridge Joint Board;
- inquiring of the Treasurer as to other laws or regulations that may be expected to have a fundamental effect on the operations of Tay Road Bridge Joint Board;

- inquiring of the Treasurer concerning the policies and procedures of Tay Road Bridge Joint Board regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on 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 parts of the Remuneration Report

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

Other information

The Treasurer is responsible for the other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited parts of the Annual 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 parts 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, including those in respect of Best Value, are set out in my Annual Audit Report.

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 108 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: Letter of Representation (ISA 580)

<Signed copy of ISA 580 letter to be provided on headed paper with signed 2022/23 Annual Accounts>

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

11 September 2023

Dear Richard

Tay Road Bridge Joint Board Annual Accounts 2022/23

1. This representation letter is provided about your audit of the annual accounts of Tay Road Bridge Joint Board for the year ended 31 March 2023 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 2023.

General

3. Tay Road Bridge Joint Board and I have fulfilled our statutory responsibilities for the preparation of the 2022/23 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 2022/23 (2022/23 accounting code), mandatory guidance from LASAAC, and 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 the Tay Road Bridge Joint Board at 31 March 2023 and the transactions for 2022/23.

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 2022/23 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 2023 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 2023 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 2023.

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 2023 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 2023 of which I am aware where the conditions specified in the 2022/23 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 2023. 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 2023 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 2023 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 reviewed 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 2022/23 accounting code and IAS 37.

Contingent assets

22. There are no significant contingent assets, other than those disclosed in Note 27 to the financial statements, arising either under formal agreement or through formal undertakings requiring disclosure in the accounts. All known contingent assets have been fully and properly disclosed, and quantified where possible, including any outstanding legal claims which have not been recognised under the 2022/23 accounting code and IAS 37.

Fraud

23. 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

24. 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

25. All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with the 2022/23 accounting code. I have made available to you the identity of all the Tay Road Bridge Joint Board's related parties and all the related party relationships and transactions of which I am aware.

Remuneration Report

26. 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

27. 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

28. I confirm that the Tay Road Bridge Joint Board has undertaken a review of the system of internal control during 2022/23 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.

29. 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 2023, which require to be reflected.

Events Subsequent to the Date of the Balance Sheet

30. All events subsequent to 31 March 2023 for which the 2022/23 accounting code requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

Robert Emmott
Treasurer

Tay Road Bridge Joint Board

2022/23 Annual Audit Report

DRAFT



Prepared for Tay Road Bridge Joint Board and the Controller of Audit
11 September 2023

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Key messages

Audit of 2022/23 annual accounts

- 1 Tay Road Bridge Joint Board's financial statements give a true and fair view of its financial position for the year ended 31 March 2023.
- 2 The audited part of the annual remuneration report, the management commentary and annual governance statement are consistent with the financial statements and prepared in accordance with applicable requirements.

Wider scope audit work

- 3 The Joint Board has appropriate budget monitoring and reporting arrangements in place and reported a net overspend against budget of £0.007 million for 2022/23.
- 4 The 2023/24 revenue and capital grants provided by Transport Scotland were both lower than anticipated. As a result, the Joint Board will need to use £0.307 million of its general reserves to fund anticipated revenue expenditure for 2023/24 and it has had to reprofile the capital projects to be undertaken during 2023/24.
- 5 There is uncertainty over the level of revenue funding for future years, and a risk that the funding required to deliver future capital projects may not be available. This uncertainty over future funding levels presents a risk to the longer-term financial sustainability of the Joint Board. Management has engaged with Transport Scotland to obtain clarity over the likely level of funding available for future years.

Introduction

1. This report summarises the findings from the 2022/23 annual audit of Tay Road Bridge Joint Board. It is addressed to the Joint Board and the Controller of Audit and will be published on Audit Scotland's website: www.audit-scotland.gov.uk.

2. The scope of the audit was set out in an annual audit plan presented to the June meeting of the Joint Board. This annual audit report comprises the findings from the audit of Tay Road Bridge Joint Board's 2022/23 annual accounts, and conclusions on wider scope areas as set out in the [Code of Audit Practice 2021](#), which for less complex bodies includes conclusions on financial sustainability and Best Value.

3. We would like to thank Joint Board members, and officers, for their co-operation and assistance and we look forward to continuing to work together constructively over the course of our five-year appointment.

Responsibilities and reporting

4. 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 and propriety.

5. The responsibilities of an independent auditor appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the [Code of Audit Practice 2021](#) and supplementary guidance, and International Standards on Auditing in the UK.

6. This report contains an agreed action plan at [Appendix 1](#) setting out specific recommendations, responsible officers, and dates for implementation. 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 of its responsibility to address the issues we raise and from maintaining adequate systems of control.

Auditor Independence

7. We confirm that we comply with the Financial Reporting Council's Ethical Standard and that we have not undertaken any non-audit related services. We are not aware of any relationships that could compromise our objectivity or our independence.

Part 1. Audit of 2022/23 annual accounts

Public bodies are required to prepare annual accounts comprising financial statements and other related reports. These are principal means of accounting for the stewardship of public funds.

Main judgements and conclusions

Tay Road Bridge Joint Board's financial statements give a true and fair view of its financial position for the year ended 31 March 2023.

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

Audit opinions on the annual accounts are unmodified

8. The annual accounts for the year ended 31 March 2023 were approved by the Joint Board on 11 September 2023. The independent auditor's report included the following audit opinions on the annual accounts:

- 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 annual remuneration report, management commentary and the annual governance statement were all consistent with the financial statements and properly prepared in accordance with the applicable requirements.

The 2022/23 annual accounts were certified on 11 September 2023

9. We received the unaudited annual accounts on 19 June 2023, in line with the agreed audit timetable. The accounts and working papers presented for audit were of a good standard and management and finance staff provided excellent support to the team during the audit process. This helped enable the final accounts audit to be completed in time for the September meeting of the Joint Board and the 2022/23 annual accounts were certified on 11 September 2023.

Our audit approach and testing was informed by our materiality levels for the 2022/23 audit

10. The concept of materiality is applied by auditors to determine whether misstatements identified during the audit could reasonably be expected to

influence the economic decisions of users of the financial statements, and impact the opinion set out in the independent auditor's report. Auditors set a monetary threshold when considering materiality, although some issues may be considered material by their nature and it is ultimately a matter of the auditor's professional judgement.

11. Different levels of materiality have been identified for balances and income and expenditure transactions due to the disparity in values between the two. This reflects the fact that while the functions of the Joint Board are focussed on the major asset (i.e. the Tay Road Bridge), the annual spend primarily relates to revenue expenditure on the maintenance and operation of the bridge rather than capital additions or capital enhancement expenditure.

12. Our initial assessment of materiality was carried out during the planning phase of the audit and was based on the financial results reported in the audited 2021/22 annual accounts. These materiality levels were reported in our annual audit plan to the June meeting of the Joint Board.

13. On receipt of the unaudited 2022/23 annual accounts we reconsidered our materiality levels based on the financial results for the year ended 31 March 2023, and decided the planned amounts were appropriate and didn't require revision. These are shown in [Exhibit 1](#).

Exhibit 1

Materiality values

Materiality	Amount
Overall materiality levels based on net assets value	
Overall materiality	£1,200,000
Performance materiality	£900,000
Reporting threshold	£60,000
Lower materiality levels based on gross expenditure	
Overall materiality	£78,000
Performance materiality	£58,500
Reporting threshold	£4,000

Source: Audit Scotland

14. Performance materiality is used by auditors when undertaking work on individual areas of the financial statements. It is a lower materiality threshold, set to reduce the probability of aggregated misstatements exceeding overall materiality. Performance materiality was set at 75 per cent of overall materiality, reflecting the scale of previous year's adjustments, the extent of estimation in the accounts and the planned testing in proportion to the scale of the organisation.

Our audit identified and addressed the risks of material misstatement

15. [Exhibit 2](#) sets out the significant and non-significant risks of material misstatement. It also summarises the further audit procedures we performed during the year to obtain assurances over these risks and the conclusions from the work completed.

Exhibit 2

Significant and non-significant risks of material misstatement

Nature of risk	Audit response	Conclusion
Significant risks of material misstatement		
<p>1. Risk of material misstatement due to fraud caused by 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"> Assessed the design and implementation of controls over journal entry processing. Made inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. Tested journals at the year-end and post-closing entries and focus on significant risk areas. Considered the need to test journal entries and other adjustments during the period. Evaluated significant transactions outside the normal course of business. Assessed any changes to the methods and underlying assumptions used to prepare accounting estimates compared to the prior year. Substantively tested income and expenditure transactions around the year-end to confirm they are accounted for in the correct financial year. Tested accounting accruals and prepayments focussing on significant risk areas. 	<p>Satisfactory</p> <p>The completion of the assurance procedures did not identify any evidence of management override of controls.</p>
Other risks of material misstatement		
<p>2. Estimation in the valuation of pension assets and liabilities</p>	<ul style="list-style-type: none"> Assessed the scope, independence and competence of the professionals engaged in providing estimates for pensions. 	<p>Satisfactory</p> <p>The completion of the assurance procedures did not identify any errors</p>

Nature of risk	Audit response	Conclusion
<p>Actuarial estimates are a complex combination of liabilities over significant future periods based on life expectancy, CPI growth and discounting (based on corporate bond rates).</p> <p>Assets are based on an individual employer body's share of assets at the last triennial valuation. Roll forward adjustments are provided to members data and to asset valuations.</p> <p>There is a risk that small changes in the assumptions used can lead to large changes in the resulting valuations resulting in material misstatement in the annual accounts.</p>	<ul style="list-style-type: none"> Reviewed the appropriateness of actuarial assumptions and results including comparison with other councils and the pension fund as a whole. Established officers' arrangements for ensuring the reasonableness of professional estimations and the accuracy of information provided to the actuary by the council. 	<p>in the IAS19 pension disclosures.</p>

Source: Audit Scotland

We reported the significant findings from the audit to those charged with governance prior to the annual accounts being approved and certified

16. 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.

17. The significant findings are summarised in [Exhibit 3](#). Our audit also identified other presentation and disclosure issues which were discussed with management. These were all amended in the audited annual accounts and none were significant enough to require to be separately reported under ISA 260.

Exhibit 3

Significant findings and key audit matters from the audit of the annual accounts

Issue	Resolution
<p>1. Debit balance in short term creditors</p> <p>The Joint Board received a Credit Note amounting to £80,000 from a supplier in March 2023. We confirmed during the audit that the credit note related to the 2022/23 financial year and that the payment was not received by the Joint Board until 2023/24.</p> <p>This amount was netted off against the short term creditors balance in the unaudited accounts, rather than included as part of the short term debtors balance, resulting in both the short term creditors and short term debtors balances at 31 March 2023 being understated by £80,000.</p>	<p>Management has made the necessary adjustments in the audited 2022/23 annual accounts.</p> <p>As the adjustment resulted in the short-term debtors and short term creditors balances both increasing by £80,000, it did not impact upon the 'Net Assets' figure in the Balance Sheet.</p>
<p>2. Expenditure and Funding Analysis</p> <p>The Expenditure and Funding Analysis (EFA) reconciles financial performance on a funding basis with the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement.</p> <p>Information on the Joint Board's financial performance on a funding basis was included in the Management Commentary in the unaudited accounts. However, our review identified that this included some elements which are not included in the Joint Board's regular financial monitoring reports, with the result that the information did not easily reconcile to the EFA.</p>	<p>Management revised the financial performance information included in the Management Commentary in the audited accounts to better reflect the format of regular financial monitoring reports.</p>
<p>3. Application of depreciation to land and buildings valuations</p> <p>The carrying amount of an item of property, plant and equipment should reflect its current value. The Joint Board engaged a property valuer to provide valuations for land and buildings as at 31 March 2023.</p> <p>As part of the audit we reviewed the Joint Board's asset register to confirm that the asset values accurately reflected the amounts in the valuer's certificate. This identified that for some assets the values had been incorrectly reduced by the application of an annual depreciation charge. This resulted in the value of property, plant and equipment being understated by £28,000.</p>	<p>As the amounts involved are not material, management has chosen not to make an adjustment for this in the audited 2022/23 annual accounts and we have reported it as an unadjusted error at paragraph 18.</p> <p>This unadjusted error does not impact upon our audit opinions on the annual accounts set out at paragraph 8.</p>

Issue	Resolution
<p>4. Contingent Asset disclosure</p> <p>The Code defines a Contingent Asset as: “A possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.”</p> <p>Following separate incidents where a third party caused damage to the bridge, the Joint Board have made two insurance claims to cover the cost of remedial works. To date, the claims remain outstanding and there is no certainty over the level or timing of any payment the Joint Board may receive.</p> <p>As these claims meet the Code definition of a contingent asset we requested that a contingent asset disclosure was included in the audited accounts in respect of these items.</p>	<p>Management has amended the 2022/23 annual accounts to include a Contingent Asset note.</p>

Source: Audit Scotland

We have one unadjusted error of £28,000 to report

18. We are required to report to those charged with governance, all misstatements above our reporting threshold, and request that these are corrected. As detailed in [Exhibit 3](#), two misstatements above this value were identified during the audit. Management has made an £80,000 adjustment in respect of the debit balance in short term creditors (issue 1 in [Exhibit 3](#)) but has chosen not to make the £28,000 adjustment for the application of depreciation to land and buildings valuations (issue 3 in [Exhibit 3](#)).

19. As the value of the unadjusted error is below our materiality levels it does not impact upon our audit opinions on the annual accounts set out at paragraph [8](#).

Prior year recommendations have been addressed

20. The Joint Board has made good progress in addressing the external auditor’s two prior year recommendations and an update on the action taken in response to each of these is included at [Appendix 1](#).

Part 2. Wider scope audit work

For less complex bodies wider-scope audit work considers the financial sustainability of the body and the services that it delivers over the medium to longer term, and the arrangements for securing Best Value.

Main judgements and conclusions

The Joint Board has appropriate budget monitoring and reporting arrangements in place and reported a net overspend against budget of £0.007 million for 2022/23.

The 2023/24 revenue and capital grants provided by Transport Scotland were both lower than anticipated. As a result, the Joint Board will need to use £0.307 million of its general reserves to fund anticipated revenue expenditure for 2023/24 and it has had to reprofile the capital projects to be undertaken during 2023/24.

There is uncertainty over the level of revenue funding for future years, and a risk that the funding required to deliver future capital projects may not be available. This uncertainty over future funding levels presents a risk to the longer-term financial sustainability of the Joint Board. Management has engaged with Transport Scotland to obtain clarity over the likely level of funding available for future years.

Appropriate budget monitoring and reporting arrangements are in place

21. 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 reported a net overspend against budget of £0.007 million for 2022/23

22. In December 2021 the Joint Board approved a revenue budget of £1.771 million for 2022/23. This was based on receipt of Resource Grant from the Scottish Government of £1.759 million and other income of £0.012 million. The budget projected a break-even position 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.

23. The Joint Board drew down its full Resource Grant of £1.759 million during 2022/23 and reported a break-even position against the approved budget. The break-even position reflected the underlying overspends and underspends during the year and the most significant variances against budget (i.e. greater than £0.010 million) are summarised in [Exhibit 4](#).

Exhibit 4**Summary of significant variance against budget for 2022/23**

Area	£m	Main reasons for variance
Administration costs	0.064	Underspend reflects lower than anticipated staff costs due to vacancies and restructuring.
Plant and equipment operating costs	0.049	Overspend due to increased expenditure on maintenance contracts for the gantries, variable message signs and cathodic protection equipment. Additional expenditure was also incurred on energy costs and extra hire of the safety boat for the principal inspection of the bridge paintwork.
Bridge maintenance	0.028	Overspend due to increased energy costs, partly offset by reduced cleaning costs following the end of Covid-level cleaning requirements.
Interest on revenue balances	0.011	Higher than anticipated income received during the year due to increases in interest rates during the year.

Source: Tay Road Bridge Joint Board Annual Accounts 2022/23

The Joint Board reported slippage of 26 per cent against its 2022/23 Capital Plan

24. The Joint Board approved a 2022/23 Capital Plan of £1.310 million, to be funded through capital grants. The final outturn reported for the year showed that capital works costing £0.971 million were completed during the year. This represented slippage against the original plan of 26 per cent, with the majority of the slippage attributable to the Cathodic Protection Hardware and Advanced Warning Signs projects, and Fife Landfill Improvements.

The Joint Board will need to use £0.307 million of its general reserves to fund anticipated revenue expenditure for 2023/24

25. In December 2022, the Joint Board received a report titled 'Revenue Budget 2023/24 to 2025/26'. This included the provisional revenue budget for 2022/23 of £1.939 million based on administration expenditure of £0.586 million, operations costs of £0.993 million, plant and equipment spend of £0.277 million, and bridge maintenance expenditure of £0.083 million. The provisional budget projected a break-even position based on the receipt of a Resource Grant from the Scottish Government of £1.919 million and other income of £0.020 million.

26. At the end of March 2023 Transport Scotland advised that the Joint Board's actual revenue grant for 2023/24 would be £1.612 million. As a result, the Joint Board will need to use £0.307 million of its general reserves to fund anticipated revenue expenditure for the year.

There remains a risk that the funding required to deliver the capital projects planned for future years may not be available

27. The external auditor highlighted in 2020/21 that there was a risk that the Scottish Government funding required to deliver 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. In 2021/22 they highlighted that this funding risk had been further exacerbated during the year due to increasing gas and electricity prices, and other cost pressures, which have increased the costs of all capital projects.

28. The 2023/24 to 2025/26 capital programme, approved in December 2022, included capital expenditure of £18.339 million over the next 3 years, with activity totalling £7.109 million planned for 2023/24.

29. At the end of March 2023 Transport Scotland advised that the Joint Board's actual capital grant for 2023/24 would be £6.530 million (£0.579 million less than the capital funding requested). The Joint Board has reprofiled the capital projects to be undertaken during 2023/2024 to reflect the actual level of capital grant for the year.

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

The Joint Board's general fund reserve balance is expected to reduce from £1.2 million to £0.9 million by 31 March 2024

31. 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 2023 remained at the same level as 31 March 2022, at £1.161 million.

32. As detailed at [paragraph 26.](#), the Joint Board will need to use £0.307 million of its general reserves to fund anticipated revenue expenditure during 2023/24. This will result in the general reserve balance at 31 March 2024 reducing to £0.854 million which the Joint Board consider to be: "...below a prudent level to ensure that a continued safe and reliable service to bridge users is maintained."

33. The Treasurer has raised concerns with Transport Scotland about the level of revenue funding provided for 2023/24 and sought a commitment that the Joint Board will be fully funded in future financial years.

The uncertainty over future funding levels presents a risk to the financial sustainability of the Joint Board

34. The [Code of Audit Practice 2021](#) requires external auditors to conclude as to whether audited bodies are planning effectively so they can continue to deliver services in the medium term (two to five years) and longer term (over five years).

35. As detailed in this section of the report, there is uncertainty over the level of revenue funding for future years, and a risk that the funding required to deliver future capital projects may not be available. This uncertainty over future funding levels presents a risk to the longer-term financial sustainability of the Joint Board.

36. Management has engaged with Transport Scotland to obtain clarity over the likely level of funding available for future years.

Recommendation 1

Management should continue to engage with Transport Scotland to obtain clarity over the likely level of funding available for future years, and an early indication of the revenue and capital grant levels for 2024/25. The Joint Board should consider the response provided by Transport Scotland when setting the provisional 2024/25 revenue budget and 3-year capital plan in December 2024.

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

37. 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.

38. 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 year we have observed that sufficient time is allowed to discuss the issues on the agendas and members are well prepared and ask appropriate questions.

39. Due to the ongoing impact of the Covid-19 pandemic the Joint Board meetings were held remotely via Microsoft Teams throughout 2022/23. 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

40. 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.

41. Our review of the Annual Governance Statement in the Joint Board's 2022/23 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.

42. The statement highlights areas for improvement and the external auditor's 2021/22 Annual Audit Report highlighted that the improvement agenda for

2022/23 included 7 items which had been carried forward from prior years. It also recommended that management ensure the planned improvement actions carried forward from prior years are actioned and concluded during the year.

43. This recommendation has been addressed during the year as the improvement actions were progressed and the 2023/24 improvement agenda only contains one item which has been carried forward from prior years.

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

44. 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.

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

The management commentary in the 2022/23 annual accounts provided a fair, balanced and reasonable analysis of the organisation's financial performance for the year

46. 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 2022/23 annual accounts satisfied these requirements.

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

47. 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.

48. 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 has appropriate arrangements in place to secure Best Value, and measure the efficiency and effectiveness, of its operations

49. Tay Road Bridge Joint Board has defined its mission as being 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”. The Joint Board’s Strategic Plan has identified the following five strategic objectives to support the delivery of its mission:

- 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 work force as the service provided allows.
- 5) **Quality and Standards:** Improve safety, maintenance and processes to deliver continuous improvement.

50. The Joint Board has developed Key Performance Indicators (KPIs) to measure general performance and success in achieving its strategic objectives. These are reported annually as part of the management commentary contained within the Annual Accounts.

The Joint Board maintained a good level of performance over the last 12 months

51. As shown in [Exhibit 5](#) on page [17](#), the Joint Board maintained a good level of performance over the last 12 months.

Exhibit 5
Key Performance Information

Indicator	Year		
Traffic	2020/21	2021/22	2022/23
Fully closed due to works being undertaken on the bridge *	3	5	2
Closed due to breakdowns and minor accidents	12	22	18
Safe Services	2020	2021	2022
Accidents involving members of the public	0	0	3
Reportable incidents involving employees	0	0	0
Complaints and enquiries	2020	2021	2022
Complaints received	1	1	0
Complaints responded to within 10 working days	100%	100%	N/A
Enquiries received	21	36	23
Enquiries responded to within 10 working days	95%	97%	100%
Staff absence	2020	2021	2022
Staff sickness (average days per annum)	11.8	14.2	13.8
Payment of invoices	2020/21	2021/22	2022/23
Payment of invoices within 30 days of invoice date	99.3%	99.2%	97.8%

* The works closures during 2022/23 related to repairs to movement joints and carriageway potholes that required a full closure to facilitate a safe staff and contractor working environment.

Source: Tay Road Bridge Joint Board Annual Accounts 2022/23

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Appendix 1. Action plan 2022/23

2022/23 recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p>1. Future revenue and capital funding</p> <p>There is uncertainty over the level of revenue funding for future years, and a risk that the funding required to deliver future capital projects may not be available.</p> <p>Risk: The uncertainty over future funding levels presents a risk to the longer-term financial sustainability of the Joint Board.</p>	<p>Management should continue to engage with Transport Scotland to obtain clarity over the likely level of funding available for future years, and an early indication of the revenue and capital grant levels for 2024/25. The Joint Board should consider the response provided by Transport Scotland when setting the provisional 2024/25 revenue budget and 3-year capital plan in December 2024.</p> <p>Paragraphs 34. to 36.</p>	<p>The Treasurer has raised concerns with Transport Scotland about the level of revenue funding provided for 2023/2024 and has sought a commitment that the Joint Board will be fully funded in future financial years. Management will continue to engage with Transport Scotland to obtain clarity over the likely level of funding available for future years.</p> <p>Responsible officer: Treasurer</p> <p>Agreed date: 31 March 2024</p>

Update on prior year recommendations

Issue/risk	Recommendation	Update on progress
<p>PY1. 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>Ongoing</p> <p>Budget monitoring papers during the year kept members informed of the impact of emerging cost pressures on the Joint Board's financial outturn. However, the uncertainty over future funding levels presents a risk to the longer-term financial sustainability of the Joint Board.</p> <p>See action plan point 1 above.</p>

Issue/risk	Recommendation	Update on progress
<p>PY2. 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>Completed</p> <p>This has now been addressed as the improvement actions were being progressed during the year and the 2023/24 improvement agenda only contains one item which has been carried forward from prior years.</p> <p>Paragraphs 40. to 43.</p>

Tay Road Bridge Joint Board

2022/23 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



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ITEM No ...7(b).....

REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 11 SEPTEMBER 2023

REPORT ON: RESPONSE TO EXTERNAL AUDITOR'S ANNUAL REPORT ON THE 2022/2023 AUDIT OF TAY ROAD BRIDGE JOINT BOARD

REPORT BY: TREASURER

REPORT NO: TRB 20-2023

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 2023. 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 2022/2023 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 2023.

3 FINANCIAL IMPLICATIONS

The Board's 2022/2023 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 2023.

4 MAIN TEXTIntroduction

- 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 2022/2023 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 2022/2023 marked the first year of Audit Scotland's appointment to the Board.
- 4.2 The 2022/2023 unaudited Annual Accounts were submitted to Audit Scotland, prior to the required statutory deadline of 30 June 2023. 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 2023. The attached report describes the scope of audit work undertaken during 2022/2023 and the issues arising from that work are divided into the following key areas:
- Key Messages;
 - Introduction;
 - Audit of 2022/2023 Annual Accounts;
 - Wider Scope Audit Work; 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 of a good standard and finance staff provided excellent support to the audit team which helped ensure the final accounts audit was completed ahead of 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 2022/2023 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;
 - 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; and
 - the management commentary provided a fair, balanced and reasonable analysis of the Board's financial performance for the financial year.

External Auditor's Recommendations

- 4.7 The External Auditor has made one recommendation for improvement arising from the 2022/2023 audit that requires further action by the Board. This recommendation has

been considered carefully by Board officers and the completed action plan, incorporating the "agreed management action / timing", is included at Appendix 1 to the external auditor's report.

The recommendation relates to the 2023/2024 revenue and capital grants provided by Transport Scotland both being lower than anticipated. As a result, the Joint Board will need to use £0.307 million of its general reserves to fund anticipated revenue expenditure for 2023/2024 which will reduce the general reserve balance to a level that the Board considers to be "...below a prudent level to ensure that a continued safe and reliable service to bridge users is maintained." The Board has also had to reprofile the capital projects to be undertaken during 2023/2024.

The external auditor considers there to be uncertainty over the level of revenue funding for future years, and a risk that the funding required to deliver future capital projects may not be available. This uncertainty over future funding levels presents a risk to the longer-term financial sustainability of the Joint Board. The Treasurer has raised concerns with Transport Scotland about the level of revenue funding provided for 2023/2024 and has sought a commitment that the Joint Board will be fully funded in future financial years. Management will continue to engage with Transport Scotland to obtain clarity over the likely level of funding available for future years.

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 2023.

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 2022/2023 Audit (September 2023).

ROBERT EMMOTT
TREASURER

23 AUGUST 2023

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ITEM No ...7(c).....



Tay Road Bridge



TAY ROAD BRIDGE JOINT BOARD

**ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**

AUDITED



SEPTEMBER 2023

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**TAY ROAD BRIDGE JOINT BOARD
ANNUAL ACCOUNTS 2022/2023
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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 2022 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 2022/2023, the Members and Officials of the Board were:

Representing Dundee City Council

Councillor Fraser Macpherson (Vice-Chair from 13 June 2022)
Councillor Lynne Short (Chair until 13 June 2022)
Councillor Ken Lynn
Councillor Dorothy McHugh
Councillor Steven Rome
Councillor Wendy Scullin



Representing Angus Council

Councillor Kenny Braes



Representing Fife Council

Councillor Gary Holt (Chair from 13 June 2022)
Councillor Jonny Tepp (Vice-Chair until 13 June 2022)
Councillor Altany Craik
Councillor Louise Kennedy-Dalby
Councillor Alan Knox



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 2023. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/2023 ("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

The Tay Road Bridge Joint Board employ 20 staff members, comprising fifteen operational shift workers and five 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 staffing structure was reorganised on 1 July 2021 to create five operational teams to monitor the bridge 24 hours a day, 365 days a year. Four teams of two, comprising one supervisor and one operative, worked on a 12-hour shift rota pattern, with absences and additional day shift cover provided by a "relief" or "reserve" team of six. In July 2022, the shift staff and the Administration and Resources Officer advised that this team make-up was leading to rota insecurity for relief team members. For example, a staff member phoning in sick at short notice relied on a member of the relief team changing from their allocated shift pattern. It was also noted that during and following some bridge incidents on night shifts, staff members felt that peer-to-peer support was missing due to the two person teams.

The Bridge Manager consulted with staff and Trade Unions to address these concerns and thus made a recommendation to further restructure the existing five teams to comprise one supervisor and two operatives. This proposal was approved by the TRBJB in September 2022. A further operative post was introduced to the organisational structure to fulfil the minimum staffing required to achieve the new team make-up. A new member of staff was appointed as an operative in late December 2022. The new "three-member" teams commenced operationally in January 2023 and no further concerns have been raised by staff since this change was made.

The Covid-19 pandemic impacted the ability of the team to undertake training in 2021/22, but this is now getting back to "normal", and we have managed to deliver the following training to help staff maintain confidence and competence in their individual roles:

- Heavy Goods Vehicle (HGV) Driving
- Traffic Management
- Inspection Gantry Training
- Applied Suicide Intervention Skills Training (ASIST)
- First Aid
- Institute of Health & Safety (IOSH) Working Safely
- Mobile Elevated Working Platforms (MEWP)

Further courses around helping staff manage their own and colleagues' wellbeing will be delivered by Dundee City Council Learning and Development team in 2023.

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 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.

TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

CONTRACTS

The management of traffic and pedestrian users of the Tay Road Bridge has benefitted from a number of successful projects delivered in 2022/2023, with more projects due for delivery in 2023/2024 that will add resilience to the bridge's infrastructure.

New Winter Maintenance Storage Tank

In September 2022, the Board agreed to the purchase and installation of a new 20,000 litre, double skinned, electric powered de-icing liquid storage tank. This replaced a 30-year-old 10,000 litre single skinned tank that was showing signs of corrosion. The new tank removes the risk of accidental discharge of the potassium acetate solution used to de-ice the carriageway. The larger tank allows the Board to take advantage of bulk purchase savings and makes sure that stocks are sufficient in times of prolonged adverse weather.



New Winter Maintenance De-icing Applicator

In November 2022, the Board purchased a new vehicle mounted de-icing liquid sprayer to replace an aging and generator powered towed bowser that had been used to apply de-icing fluid onto the carriageways for the last 25 years. This has reduced the risk associated with staff towing a trailer and permits a more efficient application of liquid. The Hilltip 500 Spray Striker is electrically operated from within the cab of the vehicle and its inbuilt technology adjusts the application to accommodate the varying speed of the vehicle. This makes sure that the fluid is applied efficiently and provides comfort that the correct amount of de-icing agent has been applied. A GPS plan of where the fluid has been applied is also available through a website app that can be used to check that all areas have been correctly treated.



New Defibrillator

In 2022 a new defibrillator was installed in the Fife car park. This life saving equipment was supplied by Robertson Construction as a community benefit following on from the fire alarm and electrical distribution projects.



New Storage Container

In September 2022, the Board agreed to the purchase and installation of a new 12m steel storage container, bought to replace three similar containers that were more than 30 years old and were no longer watertight. This new watertight and electrical lit container is crucial to the bridge's operations and securely stores an array of maintenance related equipment and products.

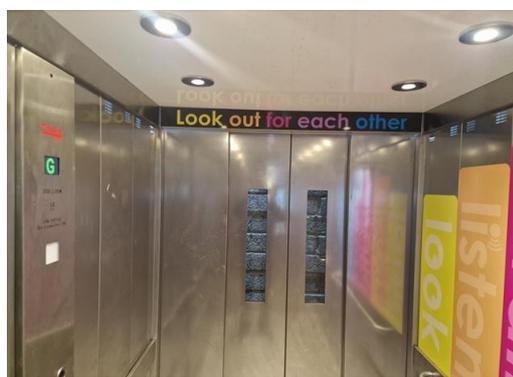
TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

New Fire Alarm and Electrical Distribution Board

In May 2022, following TRBJB approval in March 2022, a new wireless fire alarm system was installed in the Administration Office, bridge abutments, and Fife Kiosk. This replaced an aging system and provides the TRBJB with a modern and reliable early warning system to protect staff and assets. A new electrical distribution board was also installed in 2022 and this reduces the risk of electrical system failure to protect business continuity and enhance business resilience.

New Signage on Shared Path and Lift

In March 2023, a collaborative project with Dundee City Council's Communication team, culminated with the installation of new safety messaging on the Tay Road Bridge shared path and within the Lift area. The new signage delivers user friendly clear and bright messages to make it clear to our different user groups that the path and lift is shared and to encourage a "look-out-for-each-other" attitude from everyone who uses the crossing.



Biodiversity Project

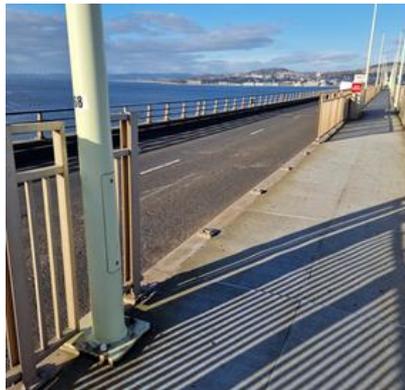
In February and March 2023, work started on a biodiversity project at the Fife landfall area with the tidying up of overgrown banking. This project is being delivered in conjunction with the St. Andrews Botanical Garden and aims to create a diverse habitat for native trees and plants that will be used for education purposes and will hopefully attract school trips and be an area of interest for visitors and locals alike. The trees are due to be planted this spring and summer by local volunteers and community groups organised by the St. Andrews Botanical Garden.



TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

Damage to Shared Path Railings and West Bound Off Ramp Barrier Containment

Unfortunately, in November 2022, two separate vehicle accidents on the bridge resulted in significant damage to the railings of the shared path and the west bound off ramp containment barriers. We are pleased to note that no one was injured but the accidents did result in significant spend to replace the damaged infrastructure, with replacement railings and barriers completed in March 2023. This work is subject to an insurance claim from third parties and claims are ongoing.



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 2022/2023 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 to deliver new inspection gantries. Investigation and design work has developed and has culminated in the production of a detailed Design Specification and Activity Schedule that will be tendered on the open market in 2023. A future Board report will be brought to the Board for advanced approval of any project award. The project is on target to be delivered in Spring 2025.

Carriageway Concrete Repairs, Waterproofing, Resurfacing and Replacement Joints:

In September 2022, Tayside Contracts completed the laying of asphalt trial mixes on Carlunie Road, located in the Dunsinane Industrial Estate in Dundee. This involved placing two different asphalt mixes on a road that has a concrete sub-base and which was also in need of resurfacing. This trial proved successful and allowed us to understand how the two mixes would behave during placing and this helped us to determine the most appropriate asphalt surfacing specification for the resurfacing project. In March 2023, the Board gave the authority for the Board officers to negotiate with and appoint Volker Stevin over a two-year period to deliver the project, based on design specifications and drawings prepared by WSP on the Board's behalf. The resurfacing project is still on target to commence in 2023 and 2024.



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			
1	9	40	2	18	625
Comparator figures for 2021/2022:					
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 2022/2023 related to movement joint and carriageway pothole 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 2022 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
2022	3	2022	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.

The three accidents on the bridge in 2022 involved vehicles and these were investigated and found to be unrelated to the bridge's infrastructure. I am pleased to confirm that there were no serious injuries resulting from the accidents on the bridge in 2022.

During 2022 there were no lost working hours due to accidents at work. All accidents are investigated and, if appropriate, mitigation measures are put in place to avoid 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	0	0	0	23	23	23

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, with no complaints received in 2022.

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
2022	13.75

The board lost an average 13.75 days per employee per year in 2022 due to sickness, including illness related to Covid-19. This is a small decrease from 2021, when we recorded an average employee sickness of 14.2 days. The target sickness of 5 days per employee per year has not been achieved but it is hoped that the health and wellbeing presentations being delivered to staff in 2023 will bring the sickness rate down towards our target.

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%
2022/23	97.77%

The board continues to pay invoices timeously and aim to do this within thirty days, with 97.77% of payments made within 30 days of invoice date in 2022/2023. Although this figure is lower than the 99.2% figure achieved in 2021/2022, I am happy to report that 95.26% of payments are actually made within 14 days.

DATA PROTECTION

There have been no known data breaches in the period from 1 April 2022 to 31 March 2023. The Bridge Manager meets annually with the Data Protection Officer at Dundee City Council to review all the Board's data protection documentation. The last review meeting took place on 27 April 2023.

TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

STAFFING ISSUES

Staff Establishment

Staffing levels and the existing establishment stands as follows:-

	2022/2023	2022/2023	2021/2022	2021/2022
	Current	Establishment	Current	Establishment
Administration	3	3	3	3
Operational	17	17	17	17
Total	20	20	20	20



FINANCIAL PERFORMANCE REVIEW

Revenue Expenditure

The Tay Road Bridge Joint Board, at its meeting on 6 December 2021, approved the 2022/2023 Revenue Budget. The final budget was projected to break-even. The projected General Reserve balance as at 31 March 2023 would be £1,160,591.

The Board received quarterly Revenue Monitoring reports during 2022/2023 in order to keep the members fully apprised as to the projected revenue outturn position.

The following table shows the Revenue Budget approved by the Board on 6 December 2021 against the actual expenditure and income in the format used for monitoring purposes at Board level. The actual outturn for 2022/2023 was a break-even position. The detailed variance analysis is set out on page 12. This gives a total General Reserve balance of £1,160,591 as at 31 March 2023 which is unchanged from the corresponding figure at 31 March 2022.

Future Financial Issues

The grant application letter for 2023/2024 from the Board to Transport Scotland requested a capital grant of £7,109,000 and a revenue grant of £1,918,680. The amounts in the 2023/2024 grant offer letters from Transport Scotland were a capital grant of £6,530,000 and a revenue grant of £1,612,000. The reduced capital grant can be mitigated by reprofiling the capital projects to be undertaken during 2023/2024. The reduced revenue grant will require general reserves to be used to fund the deficit to ensure that a continued safe and reliable service to bridge users is maintained. Given the current inflationary pressures this will result in the Board using £306,680 of General Reserves to fund the budgeted expenditure resulting in a projected General Reserve Balance of £853,911 as at 31st March 2024. The Board continues to liaise with Transport Scotland to explore further actions to alleviate these issues.

**TAY ROAD BRIDGE JOINT BOARD
MANAGEMENT COMMENTARY**

	Approved Budget £000	Actual Expend/ (Income) £000	Over / (Under) Spend £000
Administration	535	471	(64)
Operations	896	896	-
Plant and Equipment Operating Costs	241	290	49
Bridge Maintenance	99	127	28
Gross Expenditure	1,771	1,784	13
Scottish Government Resource Grant	(1,759)	(1,759)	-
Interest on Revenue Balances	(1)	(12)	(11)
Kiosk Rent	(10)	(10)	-
Miscellaneous Income	(1)	(3)	(2)
Gross Income	(1,771)	(1,784)	(13)
Total Net Deficit / (Surplus) met from General Reserve Balance	-	-	-
General Reserve Balance brought forward	(1,161)	(1,161)	-
General Reserve Balance carried forward	(1,161)	(1,161)	-

The following two charts show how the total 2022/2023 expenditure of the Board in the Comprehensive Income and Expenditure Statement on page 32 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: 2022/2023 Net Cost of Services by Nature:

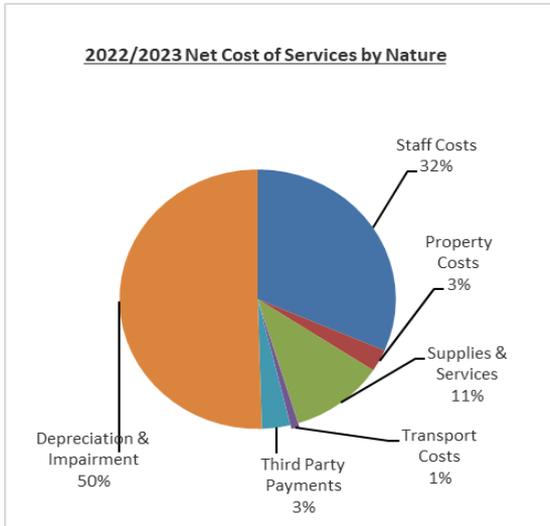
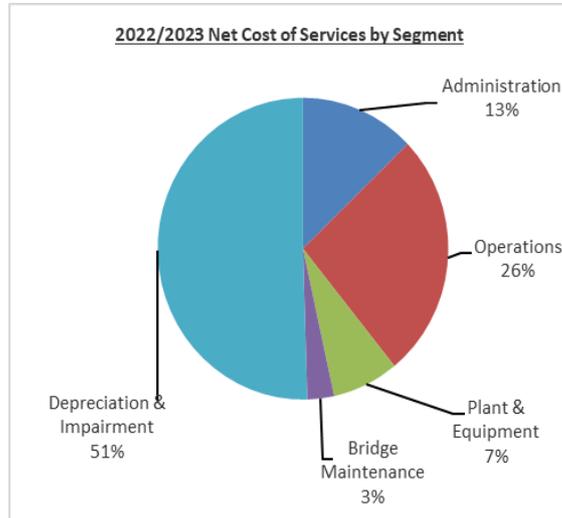


Figure 2: 2022/2023 Net Cost of Services by Segment:



Administration (Underspend £64,000)

This reflects lower than anticipated expenditure in relation to salary costs due to vacancies and restructuring offset by increased energy costs.

Plant & Equipment (Overspend £49,000)

This reflects higher than anticipated expenditure in relation to increased expenditure on maintenance contracts for the gantries, Variable message signs and cathodic protection equipment. There was also increased energy costs and additional hire of the safety boat after the end of the normal contract period to provide cover for the principal inspection the bridge paintwork.

Bridge Maintenance (Overspend £28,000)

This reflects higher than anticipated expenditure due to increased energy costs offset by decreased expenditure on cleaning costs at the toilets at Fife car park following the end of Covid-level cleaning requirements.

Interest on Revenue Balances (Underspend £11,000)

This reflects higher than anticipated income from interest on revenue balances due to rising interest rates.

Miscellaneous Income (Underspend £2,000)

This reflects higher than anticipated income due to receiving an insurance receipt for damage to the wind anemometer by a contractor in 2021/2022.

Capital Expenditure and Financing

The Board, at its meeting on 6 December 2021, approved the 2022/2023 Capital Plan of £1,310,000. This would be funded from Capital Grants.

The Board received quarterly Capital Monitoring reports during 2022/2023 in order to keep the members fully apprised as to the projected capital outturn position. Actual gross capital expenditure for the year was £971,000. 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:-

Capital Expenditure:	Budget £000	Actual £000	Variance £000
Carriageway Resurfacing	100	184	84
Cathodic Protection Hardware	200	18	(182)
Advanced Warning Signs	400	193	(207)
Replacement of Expansion Joints	25	15	(10)
New Gantries	100	79	(21)
Fife Landfall Improvements	150	17	(133)
New Distribution Board	100	70	(30)
Winter Maintenance Equipment	75	100	25
Other Projects	160	295	135
	1,310	971	(339)

Capital expenditure was funded as follows:

	£000	£000	£000
Capital Grant from the Scottish Government	1,310	971	(339)
	1,310	971	(339)

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 asset of £1,175,000 as at 31 March 2023. The estimated net pension liability at 31 March 2022 was £27,000. The overall increase was due to an decrease in the value of liabilities arising from 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 2022/2023. However, significant risks surrounding future uncertainties continue to affect plans for the Board to effectively manage budgetary pressures.

Acknowledgements

During the 2022/2023 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 2022/2023 Annual Accounts.

Robert Emmott, BSc, CPFA

**Treasurer
Tay Road Bridge
Joint Board
11 September 2023**

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

**Bridge Manager
Tay Road Bridge
Joint Board
11 September 2023**

Councillor Gary Holt

**Chair
Tay Road Bridge
Joint Board
11 September 2023**

TAY ROAD BRIDGE JOINT BOARD ANNUAL GOVERNANCE STATEMENT

Scope of Responsibility

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

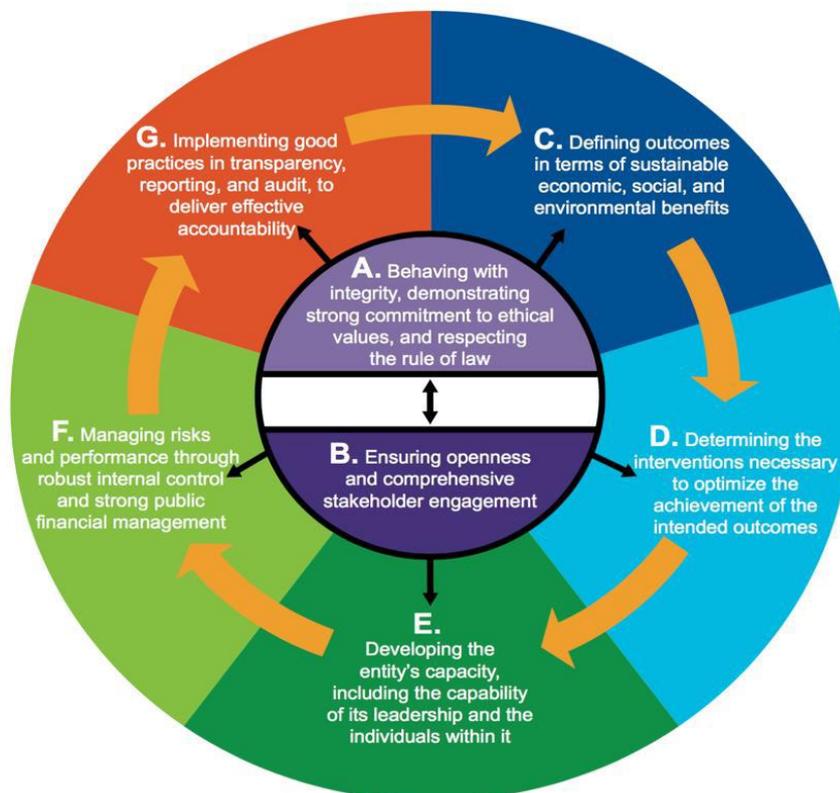
In discharging these responsibilities elected members and senior officers are responsible for implementing effective arrangements for governing the Joint Board's affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

To this end the Joint Board will be asked to approve and adopt an updated Local Code of Corporate Governance that is consistent with the principles of the CIPFA/SOLACE (Chartered Institute of Public Finance & Accountancy / Society of Local Authority Chief Executives) framework *Delivering Good Governance in Local Government (2016)*. This statement explains how Tay Road Bridge Joint Board delivers good governance and reviews the effectiveness of these arrangements.

The Joint Board's Governance Framework

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

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



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

TAY ROAD BRIDGE JOINT BOARD ANNUAL GOVERNANCE STATEMENT

The overall control arrangements include:

- reporting financial and operational information regularly to Joint Board meetings;
- clearly defined Standing Orders and Schemes of Administration covering Financial Regulations, Tender Procedures and Delegation of Powers;
- approved Fraud Guidelines which include anti-fraud and corruption strategies, and "whistle-blowing" arrangements under the Public Interest Disclosure Act 1998;
- 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. 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 75-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 2022/2023 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. Business Continuity Planning / Incident Response meetings were held between key personnel and guidance issued to all staff on a regular basis. Their actions detailed in the Business Continuity Plan were implemented and were updated continuously to reflect changing circumstances. As the impact of the pandemic reduced the board continued to take steps to ensure adherence to Scottish Government advice in relation to Covid-19 restrictions / guidelines and when safe and practicable to do so, re-introduced normal working practices.

The Annual Governance Statement assesses governance in place during 2022/2023 so the majority of the year was not 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 2022/2023, for example changes to decision making arrangements whereby emergency decision-making and governance 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 2022/2023.

Continuous Improvement Agenda

The Joint Board's progress against the Continuous Improvement Agenda items for 2022/2023 is detailed in Table 1. Several items are still in progress and have been carried forward to be actioned in 2023/2024. 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 2023/2024. 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 2023/2024 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
11 September 2023

Alan Hutchison, BEng (Hons), MSc, CEng,
FICE, MCIHT. Bridge Manager
Tay Road Bridge Joint Board
11 September 2023

ANNUAL GOVERNANCE STATEMENT

TABLE 1 - IMPROVEMENT AGENDA FOR 2022/2023

Original Improvement Agenda						Progress Update	
	Improvement	Source	Source Date	Respons-ible Officer	Target Comple-tion Date	Actual Comple-tion Date	Comments (e.g. Estimated Completion Date, Reasons for delays, etc.)
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	06/04/2023	Byelaws 2022 were approved by Scottish Ministers and came into effect on 6 April 2023. The new byelaws are available on the TRBJB website and were posted at the Dundee access to the bridge on the passenger lift foyer wall in April 2023.
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	18/11/2022	New Whistle-blowing policy and employee guidance notes issued to staff on 18 November 2022 and awareness poster installed in Administration Office foyer.
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. In progress.	Clerk / Bridge Manager	31/03/2023	19/06/2023	The Board officers have agreed that Data Protection reporting will form part of the Management Commentary in the annual accounts presented to the June Board meeting, commencing 2023.
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. In progress.	Bridge Manager	31/12/2022	16/11/2022	Formal training was not available through DCC but the Bridge Manager has provided guidance and knowledge through one-to-one sessions of best practice and the two employees have joined the Bridge Manager in a recruitment exercise in November 2022. The Bridge Manager is comfortable that this action can now be considered complete.

5	Review the Board's response to the Covid 19 crisis.		Carried forward from 2020/2021. In progress.	Bridge Manager	31/12/2022	31/12/2022	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. 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 were implemented were updated continuously to reflect changing circumstances. As the impact of the pandemic reduced the board continued to take steps to ensure adherence to Scottish Government advice in relation to Covid-19 restrictions / guidelines and, when safe and practicable to do so, re-introduced normal working practices.
6	Revise Communications Policy.	Local Code of Corporate Governance 2020/2021 (Principle B: Openness).	Carried forward from 2021/2022. In progress.	Bridge Manager	31/12/2022	30/06/2022	New Communication Strategy completed and issued to staff.
7	Establish a formal business case process for all major capital projects.	Internal Audit Report 2021/03 Capital Projects.	Carried forward from 2021/2022. In progress.	Bridge Manager	31/03/2023	19/06/2023	Additional information on project stages, timelines, progress, spend profile, and implications to Bridge users will be included in Engineering Update Board reports on the current major projects, Carriageway Resurfacing and Expansion Joint Replacement, and Gantry Replacement and for future major projects.
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		The Bridge Manager has reviewed all the latest DCC HR policies/procedures and will share with the trade unions in 2023 before implementing to the TRBJB staff. *

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	31/10/2023	Health and Safety meetings recommenced. The Bridge Manager continually assesses better ways of communicating Risk Assessments Method Statements (RAMS) to staff.
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* Carried forward items have been included in Table 2 with new target completion dates.

ANNUAL GOVERNANCE STATEMENT

TABLE 2 - IMPROVEMENT AGENDA FOR 2023/2024

	Improvement	Source	Source Date	Responsible Officer	Target Completion Date	Details
1	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.	Carried forward from 2022/2023. In progress.	Bridge Manager	31/12/2023	Carried forward from 2022/2023. In progress.
2	Revise Fraud Guidelines.	Local Code of Corporate Governance 2022/2023 (Principle A: Integrity and Ethics) and Annual Governance Statement self-assessment checklist, section 3: Fraud Prevention and Detection.	New for 2023/2024.	Treasurer	31/03/2024	New for 2023/2024.
3	Induction training for new board members.	Local Code of Corporate Governance 2022/2023 (Principle A: Integrity and Ethics).	New for 2023/2024.	Bridge Manager / Treasurer	31/03/2024	New for 2023/2024.
4	Equality and Diversity and Human Rights training to be rolled-out to all staff.	Local Code of Corporate Governance 2022/2023 (Principle A: Integrity and Ethics).	New for 2023/2024.	Bridge Manager	31/03/2024	New for 2023/2024.
5	Data Protection training to be rolled-out to all staff.	Local Code of Corporate Governance 2022/2023 (Principle A: Integrity and Ethics and Principle F: Managing Risks and Performance).	New for 2023/2024.	Bridge Manager	31/03/2024	New for 2023/2024.

6	Improve communication of Risk Assessments Method Statements (RAMS) to staff.	Annual Governance Statement self-assessment checklist, section 2: Internal Control Environment.	New for 2023/2024.	Bridge Manager	31/03/2024	New for 2023/2024.
7	Meetings with service providers to assess the quality of services provided under Service Level Agreements (SLAs).	Local Code of Corporate Governance 2022/2023 (Principle E: Developing the Entity's Capacity) and Annual Governance Statement self-assessment checklist, section 7: Partnerships.	New for 2023/2024.	Bridge Manager	31/03/2024	New for 2023/2024.

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 reimbursement and do not reflect the full value of the remuneration that may be paid to the councillor. The reimbursement 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 2022/2023, 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
	2022/2023	2021/2022
£60,000 - £64,999	1	1
Total	1	1

TAY ROAD BRIDGE JOINT BOARD ANNUAL REMUNERATION REPORT

EXIT PACKAGES

There were no exit packages agreed during 2022/2023 (2021/2022: 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 (2021/2022: 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 2022/2023 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 2022/2023	Whole Time Pay	Contribution Rate 2021/2022
On earnings up to and including £23,000	5.50%	up to and including £22,300	5.50%
On earnings above £23,001 and up to £28,100	7.25%	above £22,301 and up to £27,300	7.25%
On earnings above £28,101 and up to £38,600	8.50%	above £27,301 and up to £37,400	8.50%
On earnings above £38,601 and up to £51,400	9.50%	above £37,401 and up to £49,900	9.50%
On earnings above £51,401	12%	above £49,901	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 2022/2023, the scheme member contribution rate for Senior Employees of the Board was 8.0% of pensionable pay (2021/2022: 8.0%). In 2022/2023, the employer contribution rate was 17% of pensionable pay for Senior Employees (2021/2022: 17%).

Councillor Gary Holt
Chair
Tay Road Bridge Joint Board
11 September 2023

Alan Hutchison, BEng (Hons), MSc, CEng,
FICE, MCIHT. Bridge Manager
Tay Road Bridge Joint Board
11 September 2023

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

Councillor Name	Responsibility	Total Reimbursement 2022/2023	Total Reimbursement 2021/2022
		£	£
Gary Holt	Chair, Tay Road Bridge Joint Board (from 13 June 2022)	3,756	-
Fraser Macpherson	Vice-Chair, Tay Road Bridge Joint Board (from 13 June 2022)	2,755	-
Lynne Short	Chair, Tay Road Bridge Joint Board (up to 13 June 2022)	486	4,654
Jonny Tepp	Vice-Chair, Tay Road Bridge Joint Board (up to 13 June 2022)	1,127	3,482
Total		8,124	8,136

TABLE 2 – REMUNERATION OF SENIOR EMPLOYEES

Employee Name	Post Title	Salary, Fees & Allowances	Total Remuneration 2022/2023	Total Remuneration 2021/2022
		£	£	£
Alan Hutchison	Bridge Manager	62,933	62,933	60,084
Total		62,933	62,933	60,084

TABLE 3 – SENIOR EMPLOYEES ACCRUED PENSION BENEFITS

Employee Name	Post Title	Pension as at 31 March 2023	Pension Difference from 31 March 2022	Lump Sum as at 31 March 2023	Lump Sum as at 31 March 2023	Pension Contribution 2022/2023	Pension Contribution 2021/2022
		£000	£000	£000	£000	£000	£000
Alan Hutchison	Bridge Manager	19	1	10	10	11	10
Total		19	1	10	10	11	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 11 September 2023.

Signed on behalf of Tay Road Bridge Joint Board

Councillor Gary Holt
Chair

Tay Road Bridge Joint Board
11 September 2023

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 2023.

Robert Emmott, BSc, CPFA
Treasurer

Tay Road Bridge Joint Board
11 September 2023

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

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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.

2022/2023

Adjustments from General Reserve to arrive at Comprehensive Income & Expenditure Statement Amounts	Adjustments between Funding & Accounting Basis			
	Adjustments for Capital Purposes	Net Change for the		
		Pensions Adjustment	Other Differences	Total Adjustments
		(1)	(2)	(3)
<i>Explanatory Notes:</i>	£000	£000	£000	£000
Administration	-	32	-	32
Operations	-	140	-	140
Plant & Equipment Operating Costs	-	-	-	-
Bridge Maintenance	-	-	(10)	(10)
Corporate Costs	1,983	-	-	1,983
Net Cost of Services	1,983	172	(10)	2,145
Other Operating Income & Expenditure from the Expenditure & Funding Analysis	(978)	2	8	(968)
Difference between General Reserve Surplus or Deficit and CIES Surplus or Deficit on the Provision of Services	1,005	174	(2)	1,177

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		
		Pensions Adjustment	Other Differences	Total Adjustments
		(1)	(2)	(3)
<i>Explanatory Notes:</i>	£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

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

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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:

	2021/2022	2022/2023
	Net	Net
Expenditure:	Expenditure /	Expenditure /
	(Income)	(Income)
	£000	£000
Staff Costs	1,177	1,237
Property Costs	78	108
Supplies & Services	370	433
Transport Costs	33	37
Third Party Payments	126	131
Corporate Costs	2,109	1,983
Total Expenditure	3,893	3,929
Income:		
Fees, Charges & Other Service Income	(6)	(3)
Interest & Investment Income	8	(19)
Government Grants & Contributions	(2,131)	(2,730)
Total Income	(2,129)	(2,752)
(Surplus) or Deficit on Provision of Services	1,764	1,177

**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 2021	(1,161)	(1,161)	(64,217)	(65,378)
<u>Movement in Reserves during 2021/2022</u>				
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 2021/2022	-	-	955	955
Balance at 31 March 2022 carried forward	(1,161)	(1,161)	(63,262)	(64,423)
Total Comprehensive Expenditure and Income	1,177	1,177	(1,267)	(90)
Adjustments between accounting basis & funding basis under regulations (note 5)	(1,177)	(1,177)	1,177	-
Net (Increase) / Decrease before Transfers to Earmarked Reserves	-	-	(90)	(90)
Transfers to / (from) Earmarked Reserves	-	-	-	-
(Increase) / Decrease in Year	-	-	(90)	(90)
Balance at 31 March 2023 carried forward	(1,161)	(1,161)	(63,352)	(64,513)

**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 2022		Note	31 March 2023
£000			£000
63,295	Property, Plant & Equipment	20	62,174
68	Investment Property	19	75
-	Net Pension Assets	15	1,175
63,363	Total Long Term Assets		63,424
45	Inventories	22	44
319	Short Term Debtors	23	751
815	Cash and Cash Equivalents	13	717
1,179	Total Current Assets		1,512
(92)	Short Term Creditors	24	(423)
(92)	Total Current Liabilities		(423)
(27)	Net Pension Liabilities	15	-
(27)	Total Long Term Liabilities		-
64,423	Net Assets		64,513
1,161	Usable reserves	9	1,161
63,262	Unusable Reserves	10	63,352
64,423	Total Reserves		64,513

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

The unaudited accounts were issued on 19 June 2023 and the audited accounts were authorised for issue on 11 September 2023.

**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.

2021/2022		2022/2023
£000		£000
1,764	Net deficit on the provision of services	1,177
(2,283)	Adjust net surplus or deficit on the provision of services for non cash movements	(2,027)
619	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	680
100	Net cash flows from Operating Activities	(170)
(74)	Investing Activities (note 11)	269
(6)	Financing Activities (note 12)	(1)
20	Net (Increase) in cash and cash equivalents	98
835	Cash and cash equivalents at the beginning of the reporting period	815
815	Cash and cash equivalents at the end of the reporting period (note 13)	717

1 ACCOUNTING POLICIES

A General Principles

The Annual Accounts summarise the Board's transactions for the 2022/2023 financial year and its position at the year-end of 31 March 2023. 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 2022/2023 and the Service Reporting Code of Practice 2022/2023, 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 assets / 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. The actuaries have incorporated an impact of asset ceiling to comply with IFRIC 14. The asset ceiling is the present value of any economic benefit available to the Employer in the form of refunds or reduced future employer contributions. After discussions with the Fund, we have taken the approach to restrict the surplus with an asset ceiling. The asset ceiling is calculated as the difference between the accounting surplus attributable to the Employer and the surplus limit. The surplus limit is calculated as the expected future cost of accrual, calculated in line with the discount rate, minus the present value of the certified contributions payable by the Employer.
- 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 asset / 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-incident 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. If a negative balance arises on the Pensions Reserve it 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 2023/2024 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 2023/2024 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 2023 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 £32,479 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 £160,000. However, the assumptions interact in complex ways. During 2022/2023, the Board's actuaries advised that the net pensions assets had decreased by £1,641,000 as a result of an increase in the return on assets less interest and net pension liabilities had decreased by £4,352,000 attributable to updating of the assumptions. the actuaries have incorporated £1,335,000 as an impact of asset ceiling to comply with IFRIC 14.

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

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

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

	<u>Revenue</u> <u>Reserve</u>	<u>Capital</u> <u>Reserve</u>	<u>Capital</u> <u>Reserve</u> <u>Capital</u> <u>Grants</u>	Movement in Unusable Reserves	Total 2022/2023
	General Fund Balance £000	Capital Receipts Reserve £000	Unapplied Account £000	£000	£000
2022/2023					
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	(2,165)	-	-	2,165	-
Revaluation Gains on Property, Plant & Equipment	112	-	-	(112)	-
Movements in the fair value of Investment Properties	6	-	-	(6)	-
Capital grants and contributions that have been applied to capital financing	971	-	-	(971)	-
Amounts of non-current assets written-off on disposal or sale as part of the gain/loss on disposal to the CIES	71	-	-	(71)	-
<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)	(326)	-	-	326	-
Employer's pensions contributions and direct payments to pensioners payable in the year	152	-	-	(152)	-
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	(1,177)	-	-	1,177	-

	<u>Revenue</u> <u>Reserve</u>	<u>Capital</u> <u>Reserve</u>	<u>Capital</u> <u>Reserve</u>	Movement in	Total
2021/2022	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied Account £000	Unusable Reserves £000	2021/2022 £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	-

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

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

2021/2022		2022/2023
£000		£000
(6)	Miscellaneous Income	(3)
-	(Gains) / Losses on the disposal of non current assets	-
(6)	Total	(3)

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

2021/2022		2022/2023
£000		£000
15	Net interest on the defined benefit liability (asset)	2
(1)	Interest receivable and similar income	(12)
0	Changes in the fair value of investment properties	(7)
(6)	Net Income & Expenditure on investment properties	(2)
8	Total	(19)

8 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - NON SPECIFIC GRANT INCOME

2021/2022		2022/2023
£000		£000
(1,581)	Non-ring fenced government grants	(1,759)
(550)	Capital grants and contributions	(971)
-	Repayment of Capital grants and contributions	-
(2,131)	Total	(2,730)

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 2022		31 March 2023
£000		£000
749	Revaluation Reserve	640
62,547	Capital Adjustment Account	61,542
(27)	Pensions Reserve	1,175
(7)	Accumulating Compensated Absences Adjustment Account	(5)
63,262	Total Unusable Reserves	63,352

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**

2021/2022		2022/2023
<u>£000</u>		<u>£000</u>
749	Balance at 1 April	749
-	Upward Revaluation of assets	83
-	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(192)
-	Accumulated gains on assets sold or scrapped	-
-	Amount written off to the Capital Adjustment Account	-
<u>749</u>	Balance at 31 March	<u>640</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.

2021/2022		2022/2023
<u>£000</u>		<u>£000</u>
64,105	Balance at 1 April	62,547
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(2,109)	• Charges for depreciation and impairment of non current assets	(2,165)
1	• Revaluation losses on Property, Plant & Equipment	182
<u>(2,108)</u>	Net written out amount of the cost of non current assets consumed in the year	<u>(1,983)</u>
	Capital financing applied in the year:	
-	• Use of the Capital Receipts Reserve to finance new capital expenditure	-
550	• Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	971
-	• Capital expenditure charged against the General Reserve	-
<u>550</u>	Total Capital Financing Applied during the year	<u>971</u>
-	Movements in the market value of Investment Properties debited or credited to the CIES	7
<u>62,547</u>	Balance at 31 March	<u>61,542</u>

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

Pensions Reserve

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

<u>2021/2022</u>		<u>2022/2023</u>
<u>£000</u>		<u>£000</u>
(628)	Balance at 1 April	(27)
-	Actuarial gains or (losses) on pensions assets and liabilities	-
808	Re-measurements of the net defined benefit liability / (asset)	2,711
(348)	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	(326)
141	Employer's pensions contributions and direct payments to pensioners payable in the year	152
-	Impact of Asset Ceiling	(1,335)
(27)	Balance at 31 March	1,175

Accumulating Compensated Absences Adjustment Account

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

<u>2021/2022</u>		<u>2022/2023</u>
<u>£000</u>		<u>£000</u>
(9)	Balance at 1 April	(7)
-	Settlement or cancellation of accrual made at the end of the preceding year	-
2	Amounts accrued at the end of the current year	2
2	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	2
(7)	Balance at 31 March	(5)

11 CASH FLOW STATEMENT - INVESTING ACTIVITIES

<u>2021/2022</u>		<u>2022/2023</u>
<u>£000</u>		<u>£000</u>
539	Purchase of property, plant and equipment, investment property and intangible assets	948
-	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	-
(613)	Other receipts from investing activities	(679)
(74)	Net cash flows from investing activities	269

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

12 CASH FLOW STATEMENT - FINANCING ACTIVITIES

2021/2022		2022/2023
£000		£000
<u>(6)</u>	Other receipts from financing activities	<u>(1)</u>
<u>(6)</u>	Net cash flows from financing activities	<u>(1)</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 2022		31 March 2023
£000		£000
<u>815</u>	Bank current account	<u>717</u>
<u>815</u>	Total cash and cash equivalents	<u>717</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:

	2021/2022	2022/2023
	£000	£000
Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor for the year	<u>13</u>	<u>15</u>
Total	<u>13</u>	<u>15</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	
	2021/2022	2022/2023
	£000	£000
Comprehensive Income and Expenditure Statement:		
<i>Cost of Services:</i>		
• current service cost	333	324
• past service cost	-	-
• curtailment	-	-
<i>Financing and Investment Income and Expenditure</i>		
• net interest on the defined liability (asset)	11	(1)
• administration expenses	4	3
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	348	326
<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)	(386)	844
• Other actuarial (gains) / losses on assets	-	-
• Actuarial gains and losses arising on changes in demographic assumptions	-	-
• Actuarial gains and losses arising on changes in financial assumptions	(439)	(4,352)
• Other (if applicable)	17	797
• Impact of Asset Ceiling	-	1,335
Total Re-measurements	(808)	(1,376)
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	(460)	(1,050)
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	(348)	(326)
<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>		
• employers' contributions payable to scheme	141	152

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

Pension assets and liabilities recognised in the Balance Sheet

Local Government Pension Scheme

	2020/2021 £000	2021/2022 £000	2022/2023 £000
Net pension liabilities as at March:			
Present value of funded obligation	11,216	11,057	7,908
Fair value of scheme assets	(10,944)	(11,369)	(10,679)
Net liability	272	(312)	(2,771)
Present value of unfunded obligation	356	339	261
Impact of Asset Ceiling	-	-	1,335
Net liability arising from defined benefit obligation	628	27	(1,175)

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	
	2021/2022 £000	2022/2023 £000
Opening balance at 1 April	11,572	11,396
Current service cost	333	324
Interest cost	223	293
Contributions by scheme participants	47	50
<i>Re-measurement (gains) and losses:</i>		
○ change in financial assumptions	(439)	(4,352)
○ change in demographic assumptions	-	-
Experience gain on defined benefit obligation	17	797
Benefits paid	(357)	(339)
Past service costs, including curtailments	-	-
Closing balance at 31 March	11,396	8,169

Reconciliation of fair value of the scheme assets:

	Local Government Pension Scheme	
	2021/2022 £000	2022/2023 £000
Opening balance at 1 April	10,944	11,369
Interest income on assets	212	294
Re-measurement gain: return on assets less interest	386	(844)
Actuarial gains and (losses)	-	-
Administration expenses	(4)	(3)
Employer contributions	141	152
Contributions by scheme participants	47	50
Benefits paid	(357)	(339)
Closing balance at 31 March	11,369	10,679

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

The actual return / (loss) on scheme assets in the year was £(550,000) (2021/2022: £598,000).

**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 asset of £1.175m 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 2022.

The principal assumptions used by the actuary have been:

	Local Government Pension Scheme	
	2021/2022	2022/2023
Long-term expected rate of return on assets in the scheme:		
Mortality assumptions:		
Longevity at 65 for current pensioners (years):		
Men	18.9	19.0
Women	22.3	22.4
Longevity at 65 for future pensioners (years):		
Men	20.3	20.4
Women	23.9	23.9
Rate of inflation (RPI)	4.35%	3.85%
Rate of inflation (CPI)	3.35%	2.85%
Rate of increase in salaries	4.35%	3.85%
Rate of increase in pensions	3.35%	2.85%
Rate of discounting scheme liabilities	2.60%	4.80%

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 +0.1%	£000 0%	£000 -0.1%
Adjustment to discount rate:			
o Present value of total obligation	8,067	8,169	8,272
o Projected service cost	160	164	168
Adjustment to long term salary increase:			
o Present value of total obligation	8,184	8,169	8,154
o Projected service cost	164	164	164
Adjustment to pension increases and deferred re-valuation:			
o Present value of total obligation	8,259	8,169	8,081
o Projected service cost	168	164	160
Adjustment to mortality age rating assumption:	+ 1 year	None	- 1 year
o Present value of total obligation	8,590	8,169	7,771
o Projected service cost	170	164	158

**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 2022 £000	31 March 2022 %	31 March 2023 £000	31 March 2023 %
Equity investments	8,051	71	7,638	71
Gilts	535	5	213	2
Other Bonds	1,357	12	1,481	14
Property	1,240	11	1,055	10
Cash and alternatives	186	1	292	3
Total	11,369	100	10,679	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 £135,000 expected contributions to the scheme in 2023/2024.

16 EVENTS AFTER THE BALANCE SHEET DATE

There were no events that occurred between 1 April 2022 and 11 September 2023 that required adjustment to the 2022/2023 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 £527,000 of grant receipts outstanding at 31 March 2023 (2021/2022: £219,000) (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 2022/2023, the Board entered into a number of transactions with Dundee City Council and Fife Council, as detailed below:

2021/2022			2022/2023	
Income £000	Expenditure £000		Income £000	Expenditure £000
(1)	-	Dundee City Council:	(12)	-
-	86	Interest Receivable	-	90
-	5	Central Support Services	-	5
-	35	Grounds Maintenance	-	52
-	183	Professional Fees	-	101
-	69	Capital Works	-	52
-	-	Miscellaneous	-	-
(1)	378	Total Dundee City Council	(12)	300

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

		Fife Council:		
-	5	Miscellaneous	-	6
-	<u>5</u>	Total Fife Council	-	<u>6</u>

The following balances existed between the Board and Dundee City Council as at 31 March 2023:

2021/2022			2022/2023	
Asset	Liability		Asset	Liability
£000	£000		£000	£000
		Dundee City Council:		
(1)	-	Interest Receivable	(12)	-
-	-	Professional Fees	-	9
-	1	Miscellaneous	-	243
<u>(1)</u>	<u>1</u>	Total Dundee City Council	<u>(12)</u>	<u>252</u>

18 LEASES

The Board as Lessee

The Board held no assets on finance or operating lease during 2022/2023 and, accordingly, there were no lease rentals paid to lessors during the year (2021/2022: None) or commitments due to lessors in 2022/2023 (2021/2022: 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 2022/2023 the Board received rent of £10,213 from this agreement (2021/2022: £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:

	2021/2022	2022/2023
	£000	£000
Rental income from investment property	10	10
Direct operating expenses arising from investment property	(4)	(8)
Net gain/(loss)	<u>6</u>	<u>2</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.

	2021/2022	2022/2023
	£000	£000
Balance at start of the year	68	68
Net gains / (losses) from changes in fair value	-	7
Balance at end of the year	<u>68</u>	<u>75</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 2022/2023:

	Other Land and Buildings £000	Vehicles, Plant & Equipment £000	Infrastructure Assets £000	Total Property, Plant & Equipment £000
Cost or Valuation				
At 1 April 2022	1,310	2,218	87,001	90,529
Additions	-	566	405	971
Expenditure Not Adding Value	-	(7)	(82)	(89)
Revaluation Increase / (Decrease) recognised in Revaluation Reserve	(110)	-	-	(110)
Revaluation Increases / (Decreases) recognised in the Surplus / Deficit on the Provision of Services	112	-	-	112
At 31 March 2023	1,312	2,777	87,324	91,413
Accumulated Depreciation and Impairment				
At 1 April 2022	71	1,028	26,135	27,234
Depreciation charge	25	148	1,903	2,076
Write back of Depreciation	(71)	-	-	(71)
At 31 March 2023	25	1,176	28,038	29,239
Net Book Value:				
At 31 March 2023	1,287	1,601	59,286	62,174
At 31 March 2022	1,239	1,190	60,866	63,295

Comparative 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				
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

TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

Capital Commitments

At 31 March 2023, the Board has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2023/2024 and future years, budgeted to cost £11.829m (Similar commitments at 31 March 2022 were £0.182m).

The major commitments are for:

- Carriageway Resurfacing: £5.633m in 2023/2024 and £6.196m in 2024/2025.

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.

	2021/2022 £000	2022/2023 £000
<i>Capital investment:</i>		
Property, Plant and Equipment	550	971
Total Capital Investment	550	971
<i>Sources of finance:</i>		
Government grants and other contributions	550	971
Total Sources of Finance	550	971

22 INVENTORIES

	Maintenance Materials		Total	
	2021/2022 £000	2022/2023 £000	2021/2022 £000	2022/2023 £000
Balance outstanding at start of year	50	45	50	45
Recognised as an expense in the year	(1)	(1)	(1)	(1)
Other adjustments	(4)	-	(4)	-
Balance outstanding at year-end	45	44	45	44

23 SHORT-TERM DEBTORS

	31 March 2022 £000	31 March 2023 £000
Central government bodies	219	527
Local authorities	46	128
Other entities and individuals	53	96
Total	318	751

24 SHORT-TERM CREDITORS

	31 March 2022 £000	31 March 2023 £000
Central government bodies	29	10
Local authorities	8	252
Other entities and individuals	55	161
Total	92	423

**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 2022/2023:

	2021/2022	2022/2023
	£000	£000
Credited to Taxation and Non Specific Grant Income		
Scottish Government Revenue Grant	1,581	1,759
Scottish Government Capital Grant	550	971
Repayment of Scottish Government Capital Grant	-	-
Total	2,131	2,730

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 (2021/2022: £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.

27 CONTINGENT ASSETS

During 2022/2023 there were several accidents recorded that resulted in damage to the Board's property. These are subject to ongoing insurance claims. No income has been recognised in the 2022/2023 accounts as the amount and timing of any insurance receipts are uncertain at the date that the audited accounts were authorised for issue.

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 2023 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, and Cash Flow Statement, and notes to the financial statements, including 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 2022/23 (the 2022/23 Code).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of Tay Road Bridge Joint Board as at 31 March 2023 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 2022/23 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 by the Accounts Commission on 2 December 2022. My period of appointment is five years, covering 2021/22 to 2025/26. Including a previous appointment, the period of total uninterrupted appointment will be seven 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 the ability of the Tay Road Bridge Joint Board 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 the current or future financial sustainability of Tay Road Bridge Joint Board. 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 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 the ability of 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 Tay Road Bridge Joint Board's operations.

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

Auditor's responsibilities for the audit of the financial statements

My objectives are to 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:

- using my understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of Tay Road Bridge Joint Board;
- inquiring of the Treasurer as to other laws or regulations that may be expected to have a fundamental effect on the operations of Tay Road Bridge Joint Board;
- inquiring of the Treasurer concerning the policies and procedures of Tay Road Bridge Joint Board regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on 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 parts of the Remuneration Report

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

Other information

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

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

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 parts 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, including those in respect of Best Value, are set out in my Annual Audit Report.

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 108 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**

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ITEM No ...8.....

REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 11 SEPTEMBER 2023

REPORT ON: REVENUE MONITORING – 4 MONTHS TO 31 JULY 2023

REPORT BY: THE TREASURER

REPORT NO: TRB 21-2023

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 2023/2024 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 2023.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The 2023/2024 Revenue Budget predicted a break-even position (see Report 29-2022). The current outturn position for the financial year 2023/2024 is projecting a £237,780 overspend against the Revenue Budget based on the financial information available at 31 July 2023 (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 2024/2025 of £nil.
- 3.4 The projected overspend, if it materialised, would result in a General Fund Reserve of £922,811 at 31 March 2024. 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 £35,000 is projected in relation to Administration Staff Costs. This is due to a projected £63,000 underspend due to the Deputy Bridge Manager post remaining unfilled for the remainder of the year resulting in a £65,000 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 £25,000. There will also be additional expenditure of £5,000 for Summer Engineering Student Placement for 12 weeks (see Agenda Item 3 of the TRB Board meeting on 19 June 2023).

- 3.8 An overspend of £25,000 is projected in relation to Administration Property Costs. This is due to an anticipated increase in electricity costs due to higher energy prices.
- 3.9 An overspend of £12,000 is projected in relation to Administration Supplies and Services. This is due to a projected overspend on Insurance Premiums.
- 3.10 An underspend of £25,000 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 resulting in a saving of £25,000 for the Operations budget.
- 3.11 An overspend of £10,000 is projected in relation to Plant and Equipment Property Costs. This is due to an anticipated increase in electricity costs due to higher energy prices.
- 3.12 An underspend of £55,000 is projected in relation to Plant and Equipment Supplies and Services. This is due to a reduced requirement for expenditure on the hire of a safety boat.
- 3.13 An overspend of £25,000 is projected in relation to Bridge Maintenance Property Costs. This is due to an anticipated increase in electricity costs due to higher energy prices.
- 3.14 Reduced income of £306,680 is projected in relation to Scottish Government Revenue Grant. This is due to lower than anticipated offer of grant from Transport Scotland / Scottish Government (see Report TRB 18-2023).
- 3.15 Increased income of £18,400 is projected in relation to Interest on Revenue Balances. This is due to higher than anticipated interest rates, offset by an anticipate reduction in average monthly balances.
- 3.16 Increased income of £7,500 is projected in relation to Miscellaneous Income. This is due to reimbursement of £5,000 for initial legal and surveying work in relation to the installation of a fibre optic cable on bridge property as well as £2,500 annual wayleave income from the operator of the fibre optic cable from when Cable operational (see Report TRB 7-2023).

4.0 RISK ASSESSMENT

- 4.1 In preparing the Board's Annual Revenue Budget (see Report TRB 29-2022), 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**

17 AUGUST 2023

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TAY ROAD BRIDGE JOINT BOARD**REVENUE MONITORING AS AT 31 JULY 2023**

	Revenue Budget 2023/24 £	Expenditure to 31 July 2023 £	Final Projection 2023/24 £	Variance from Budget £	Paragraph Reference
EXPENDITURE					
<u>Administration</u>					
Staff Costs	222,929	61,443	187,929	(35,000)	(3.7)
Property Costs	35,750	19,909	60,750	25,000	(3.8)
Supplies and Services	140,932	103,691	152,932	12,000-	(3.9)
Transport Costs	300	-	300	-	
Third Party Payments	185,998	29,140	185,998	-	
	585,909	214,183	587,909	2,000	
<u>Operations</u>					
Staff Costs	983,134	305,107	958,134	(25,000)	(3.10)
Supplies and Services	10,300	2,502	10,300	-	
	993,434	307,609	968,434	(25,000)	
<u>Plant and Equipment</u>					
Property Costs	25,150	9,112	35,150	10,000	(3.11)
Supplies and Services	213,150	37,035	158,150	(55,000)	(3.12)
Transport Costs	34,650	17,585	34,650	-	
Third Party Payments	3,750	-	3,750	-	
	276,700	63,732	231,700	(45,000)	
<u>Bridge Maintenance</u>					
Property Costs	29,000	15,691	54,000	25,000	(3.13)
Supplies and Services	47,250	2,002	47,450	-	
Transport Costs	200	-	200	-	
Third Party Payments	6,200	110	6,200	-	
	82,650	17,803	107,650	25,000	
GROSS EXPENDITURE	1,938,693	603,327	1,895,693	(43,000)	
INCOME					
Scottish Government Revenue Grant	1,918,680	490,013	1,612,000	(306,680)	(3.14)
Interest on Revenue Balances	9,600	-	28,000	18,400	(3.15)
Kiosk Rent	10,213	2,553	10,213	-	
Miscellaneous	200	200	7,700	7,500	(3.16)
GROSS INCOME	1,938,693	492,766	1,657,913	(280,780)	
TOTAL NET DEFICIT / (SURPLUS) MET FROM GENRAL RESERVE BALANCES	-	110,561	237,780	237,780	

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APPENDIX B**LINKING THE 2023/2024 REVENUE BUDGET MONITORING TO THE BOARD'S STRATEGIC OBJECTIVES**

	Strategic Objective	2023/2024 Budget £	Expenditure to 31 July 2023 £	2023/2024 Projected £
1	Meeting User Expectations	942,697	358,608	932,197
2	Fiscally Sustainable	94,584	-	94,584
3	Transparent Governance and Clear Decision-Making Processes	20,345	-	20,345
4	A Modern, Diverse and Well-Trained Workforce	25,000	9,380	25,000
5	Quality and Standards	<u>856,067</u>	<u>235,339</u>	<u>823,567</u>
	TOTAL GROSS EXPENDITURE	<u>1,938,693</u>	<u>603,327</u>	<u>1,895,693</u>

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ITEM No ...9.....

REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 11 SEPTEMBER 2023
REPORT ON: CAPITAL MONITORING - 4 MONTHS TO 31 JULY 2023
REPORT BY: THE TREASURER
REPORT NO: TRB 22-2023

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 2023/2024 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 2023.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The Joint Board's 2023/2024 Capital Expenditure Programme of £7,109,000 was approved by the Board on 5 December 2022 (Report TRB 30-2022). From 1 April 2008 the Board's Capital Expenditure projects are being financed through Scottish Government Capital Grant.
- 3.2 The amount in the 2023/2024 Capital Grant Offer letter from Transport Scotland dated 31st March 2023 was £6,530,000 (see Report TRB 18-2023).
- 3.3 The capital outturn for the financial year 2023/2024 (as detailed in Table 1 on Appendix A) is projected to be £6,039,000 (i.e. a reduction of £1,070,000 compared to the original approved budget) based on the financial ledger information up to 31 July 2023 and this will be funded from 2023/2024 Capital Grant of £6,039,000.
- 3.4 An explanation of the major variances is shown in section 4 of the report.
- 3.5 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 2024/2025 of £nil.
- 3.6 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 2022/2023:</u>	
None	-
<u>Budget Adjustments:</u>	
Carriageway Resurfacing	400
Bridge Concrete Repairs	(850)
<u>Slippage to 2024/2025:</u>	
New Gantries	(620)
Total Budget Adjustments	<u>(1,070)</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, Brexit and other world events, due to a shortage of raw materials, increased inflation and market demand as economies look to rebuild. and this is resulting in inflationary increases upwards of 30% on the predicted cost of capital projects. 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 2023/2024 budget was £5,250,000. The projected expenditure for this contract has been increased to £5,650,000 from the estimates in the Framework report (see TRB 6-2023). This is for the renewal of the carriageway surface, deck expansion joints, deck waterproofing and associated concrete repairs.
- 4.5 Cathodic Protection (CP) Hardware: The original 2023/2024 budget of £150,000 is projected to be spent. Testing was carried out in 2022/2023 due to system failures and this identified issues that will result in the replacement of CP hardware at the base of the several columns.
- 4.6 Advanced Warning Signs: The original 2023/2024 budget of £34,000 is projected to be spent. This is for the provision of temporary Variable Message Sign at the site in St. Michaels.
- 4.7 New Vehicles: The original 2023/2024 budget of £30,000 is projected to be spent. This is for the planned replacement of one vehicle.
- 4.8 New Gantries: The original 2023/2024 budget was £670,000. The projected expenditure for this project has been reduced to £50,000 due to slippage in project timescales.
- 4.9 Gantry Miscellaneous: The original 2023/2024 budget of £25,000 is projected to be spent.
- 4.10 Miscellaneous Projects: The original 2023/2024 budget of £100,000 is projected to be spent. This budget is used for several smaller projects.
- 4.11 Bridge Concrete Repairs: The original 2023/2024 budget was £850,000. This is not anticipated to be spent as Concrete Repairs are included within the Carriageway Resurfacing project (see TRB 6-2023) 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. 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.
- 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 2023/2024 capital programme is showing a projected capital spend of £6,039,000 which will be funded from the current year's Scottish Government grant.
- 6.2 The 2023/2024 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**

16 AUGUST 2023

TAY ROAD BRIDGE JOINT BOARD

APPENDIX A

TABLE 1: CAPITAL EXPENDITURE MONITORING - 4 MONTHS TO 31 JULY 2023

<u>Expenditure</u>	<u>Strategic Objective</u>	<u>Capital Budget 2023/24 £000</u>	<u>Slippage from 2022/23 £000</u>	<u>Budget Adjust £000</u>	<u>Slippage into 2024/25 £000</u>	<u>Revised Capital Budget 2023/24 £000</u>	<u>Actual to 31 July 2023 £000</u>	<u>Projected Outturn 2023/24 £000</u>	<u>Variance from Budget £000</u>
									-
Carriageway Resurfacing	1	5,250	-	400	-	5,650	523	5,650	-
CP Hardware	5	150	-	-	-	150	-	150	-
Advanced Warning Signs	1	34	-	-	-	34	1	34	-
New Vehicles	5	30	-	-	-	30	-	30	
New Gantries	5	670	-	-	(620)	50	9	50	-
Gantry – Miscellaneous	5	25	-	-	-	25	1	25	-
Miscellaneous Projects	5	100	-	-	-	100	9	100	-
Bridge Concrete Repairs	5	<u>850</u>	<u>-</u>	<u>(850)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Gross Expenditure		<u>7,109</u>	<u>-</u>	<u>(450)</u>	<u>(620)</u>	<u>6,039</u>	<u>543</u>	<u>6,039</u>	<u>-</u>
Funded by:		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Capital Grant 2022/2023		<u>7,109</u>	<u>-</u>	<u>(450)</u>	<u>(620)</u>	<u>6,039</u>	<u>53</u>	<u>6,039</u>	<u>-</u>
Total Funding		<u>7,109</u>	<u>-</u>	<u>(450)</u>	<u>(620)</u>	<u>6,039</u>	<u>53</u>	<u>6,039</u>	<u>-</u>

TABLE 2: Unapplied Capital Grant Projected Carry Forward:

	<u>£000</u>
<u>Add:</u> Projected Capital Grant Received 2023/2024	6,039
<u>Less:</u> Projected Capital Grant Utilised 2023/2024	(6,039)
	<u>-</u>
Unapplied Capital Grant Carried Forward to 2024/2025	<u>-</u>

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LINKING THE 2023/2024 CAPITAL BUDGET MONITORING TO THE BOARD'S STRATEGIC OBJECTIVES

Strategic Objective	<u>Capital Budget 2023/2024 £000</u>	<u>Revised Capital Budget 2023/2024 £000</u>	<u>Actual Expenditure to 31 July 2023 £000</u>	<u>2023/2024 Projected £000</u>
1 Meeting User Expectations	5,284	5,684	524	5,684
2 Fiscally Sustainable	-	-	-	-
3 Transparent Governance and Clear Decision-Making Processes	-	-	-	-
4 A Modern, Diverse and Well-Trained Workforce	-	-	-	-
5 Quality and Standards	<u>1,825</u>	<u>355</u>	<u>19</u>	<u>355</u>
TOTAL GROSS EXPENDITURE	<u>7,109</u>	<u>6,039</u>	<u>543</u>	<u>6,039</u>

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REPORT TO: TAY ROAD BRIDGE JOINT BOARD - 11 SEPTEMBER 2023

REPORT ON: INTERNAL AUDIT - ANNUAL AUDIT PLAN 2023/2024

REPORT BY: TREASURER

REPORT NO: TRB 23-2023

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 2023/2024 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 2023/2024.

5.0 MAIN TEXT

5.1 The Internal Audit Annual Audit Plan for 2023/2024, which is attached as an Appendix to this report, sets out the proposed audit work to be undertaken in 2023/2024.

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

- Partnership Working;
- Capital Projects;
- Contract Management; 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

15 AUGUST 2023

Tay Road Bridge Joint Board

Internal Audit Annual Plan 2023/24

Internal Audit Report No: 2024/01

Draft issued: 15 August 2023

Final issued: ...



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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 2024. The plan is based on the proposed allocation of audit days for 2023/24 set out in the Audit Needs Assessment and Strategic Plan 2022 to 2025. 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 2023/24, 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).



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Strategic Plan 2022 to 2025

Audit Area	Risk Register Ref.	Previous IA Coverage	Actual 2022/23 Days	Planned 2023/24 Days	Planned 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	2022/23 - Good	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:	Partnership Working
Priority:	Medium
Joint Board Meeting:	TBC
Days:	4

Scope

The scope of this audit will be to carry out a high-level review of the effectiveness of the Board's partnership working arrangements with its constituent local authorities and other parties.

Objectives

The overall objective of the audit will be to establish the extent to which the Board's arrangements for partnership working are designed to achieve, and are actually delivering, Best Value.

Secondary objectives will be to ensure that:

- there are effective governance arrangements for the review, monitoring and reporting for strategic partnerships;
- the Board has agreed a set of measures and targets to track progress and demonstrate impact of partnership working, and there are good arrangements with partners for managing and reporting performance;
- the Board has along with its partners set and agreed priorities and is committed to delivering them; and
- the Board understands the resources needed to deliver its partnership priorities and works well with partners to align its funding, assets and staffing in a sustainable framework.

Our audit approach will be:

We will apply where applicable Audit Scotland's Best Value toolkit for Effective Partnership Working through discussion with the Bridge Manager and other members of the management team, as appropriate, and review of supporting information, and form conclusions based on the evidence obtained on the effectiveness of the Board's partnership working arrangements.



Audit Assignment:	Capital Projects
Priority:	Medium
Joint Board Meeting:	TBC
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 the final key stage in its lifecycle to provide assurance that it is ready for completion. Stages are:

- Business Justification
- Delivery Strategy
- Investment Decision
- Readiness for Service
- Operations Review and Benefits Realisation

Ahead of the resurfacing works which commenced in June 2023, internal audit report 2023/05 – Capital Projects, issued in May 2023, focused on the initial three stages. With the project expected to complete in 2024, this review will focus on the Readiness for Service and Operation Review and Benefits Realisation stages.

Our audit approach will be:

Interviews will be held with relevant staff to assist in documenting the systems and processes in place. A detailed assessment of the adequacy of the key internal controls will be performed based on a review of project documentation.

Audit Assignment:	Contract Management
Priority:	Medium
Joint Board Meeting:	TBC
Days:	4

Scope

Contract management is the administration of contracts between a business and its vendors. The Local Government in Scotland Act 2003 places a statutory duty on local authorities to secure best value. Procurement activities which deliver value for money will contribute to the achievement of value for money and one of these activities is contract management.

Good contract management ensures that risk is reduced, savings and quality of service are maximised, and all parties involved in the contract fully understand their obligations and responsibilities and fulfil them as efficiently and effectively as possible. Poor contract management can lead to missed renewals, breach of contract, and can leave the Board open to the risks of fraud and corruption through overcharging, invoicing for work that is not carried out, and falsification of performance reports. Once a contract commences it is important that there is a robust basis on which to monitor the performance of the contract.

This audit will review the arrangements in place within Board for the management of contracts with suppliers to ensure compliance with terms and conditions, adequate operational performance, and minimisation of risks.

Objectives

The objectives of this audit will be to gain reasonable assurance that:

- the Board maintains a database of all contracts, monitors for compliance with its contract management process and provides adequate management information on the performance of its agreed contracts;
- all awarded contracts have clear, measurable, attainable, and realistic (proportionate and relevant) performance standards which are documented to monitor performance of the contractor;
- regular performance reviews take place with the contractor to assess performance against the agreed performance standards, with the review and its outcomes adequately documented; and
- any agreed action plan to improve performance is monitored and assessed, with the outcomes adequately documented.

Our audit approach will be:

From discussions with the Bridge Manager and other relevant staff, we will establish what contract management arrangements are in place within the Board. These will then be evaluated to establish if they follow recognised good practice.

For a sample of contracts, compliance testing will be carried out to determine whether contract management processes had been complied with and determine whether controls in place were operating effectively.



Audit Assignment:	Follow-Up Reviews
Priority:	Various
Joint Board Meeting:	June 2024
Days:	1

Scope

This review will cover the following reports from the 2022/23 internal audit programme and reports from earlier years where previous follow-up identified recommendations to be outstanding:

- Report 2023/04 – Health, Safety and Wellbeing
- Report 2023/06 – Follow-up Reviews 2022/23

Reports 2023/01, 2023/02, 2023/03, 2023/05, and 2023/07, did not contain any recommendations and therefore no follow-up is required.

Objective

The objective of our follow-up review will be to assess whether recommendations made in internal audit reports from 2022/23 (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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