

# Tay Road Bridge Joint Board

2022/23 Annual Audit Report



 AUDIT SCOTLAND

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

11 September 2023

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# Key messages

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## 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.

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# Introduction

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**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](http://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.

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# 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.

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## 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.

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## 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](#).

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## Exhibit 1

### Materiality values

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

Source: Audit Scotland

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**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
<b>Significant risks of material misstatement</b>		
<p><b>1. Risk of material misstatement due to fraud caused by management override of controls</b></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"> <li>Assessed the design and implementation of controls over journal entry processing.</li> <li>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.</li> <li>Tested journals at the year-end and post-closing entries and focus on significant risk areas.</li> <li>Considered the need to test journal entries and other adjustments during the period.</li> <li>Evaluated significant transactions outside the normal course of business.</li> <li>Assessed any changes to the methods and underlying assumptions used to prepare accounting estimates compared to the prior year.</li> <li>Substantively tested income and expenditure transactions around the year-end to confirm they are accounted for in the correct financial year.</li> <li>Tested accounting accruals and prepayments focussing on significant risk areas.</li> </ul>	<p><b>Satisfactory</b></p> <p>The completion of the assurance procedures did not identify any evidence of management override of controls.</p>
<b>Other risks of material misstatement</b>		
<p><b>2. Estimation in the valuation of pension assets and liabilities</b></p>	<ul style="list-style-type: none"> <li>Assessed the scope, independence and competence of the professionals engaged in providing estimates for pensions.</li> </ul>	<p><b>Satisfactory</b></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"> <li>Reviewed the appropriateness of actuarial assumptions and results including comparison with other councils and the pension fund as a whole.</li> <li>Established officers' arrangements for ensuring the reasonableness of professional estimations and the accuracy of information provided to the actuary by the council.</li> </ul>	<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><b>1. Debit balance in short term creditors</b></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><b>2. Expenditure and Funding Analysis</b></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><b>3. Application of depreciation to land and buildings valuations</b></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 <a href="#">18.</a></p> <p>This unadjusted error does not impact upon our audit opinions on the annual accounts set out at paragraph <a href="#">8.</a></p>

Issue	Resolution
<p><b>4. Contingent Asset disclosure</b></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](#).

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# 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.

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## 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.

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## 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.

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## 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.

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## 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		
	2020/21	2021/22	2022/23
<b>Traffic</b>			
Fully closed due to works being undertaken on the bridge *	3	5	2
Closed due to breakdowns and minor accidents	12	22	18
<b>Safe Services</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Accidents involving members of the public	0	0	3
Reportable incidents involving employees	0	0	0
<b>Complaints and enquiries</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
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%
<b>Staff absence</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Staff sickness (average days per annum)	11.8	14.2	13.8
<b>Payment of invoices</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
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

# Appendix 1. Action plan 2022/23

## 2022/23 recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p><b>1. Future revenue and capital funding</b></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><b>Risk: The uncertainty over future funding levels presents a risk to the longer-term financial sustainability of the Joint Board.</b></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><a href="#">Paragraphs 34. to 36.</a></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><b>Responsible officer:</b> Treasurer</p> <p><b>Agreed date:</b> 31 March 2024</p>

## Update on prior year recommendations

Issue/risk	Recommendation	Update on progress
<p><b>PY1. Emerging cost pressures</b></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><b>Risk: There is a risk that the Joint Board will have insufficient resources to deliver their longer-term revenue and capital plans.</b></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><b>Ongoing</b></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><a href="#">See action plan point 1 above.</a></p>

Issue/risk	Recommendation	Update on progress
<p><b>PY2. Improvement activity</b></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><b>Risk: Identified improvement actions are not being implemented timeously.</b></p>	<p>Management should ensure the planned improvement actions carried forward from prior years are actioned and concluded during 2022/23.</p>	<p><b>Completed</b></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><a href="#">Paragraphs 40. to 43.</a></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:

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