

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

10 DECEMBER 2024

**DRAFT AUDITED ANNUAL ACCOUNTS 2023/24 AND
DRAFT ANNUAL AUDIT REPORT TO THE MEMBERS OF
TACTRAN AND THE CONTROLLER OF AUDIT
FOR THE YEAR ENDED 31 MARCH 2024****JOINT REPORT BY THE TREASURER AND DIRECTOR**

This report presents the Partnership's 2023/24 Audited Annual Accounts (unsigned) in accordance with the Local Authority Accounts (Scotland) Regulations 2014.
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1 RECOMMENDATIONS

1.1 That the Partnership:

- (i) notes the contents of Audit Scotland's Draft Annual Audit Report for the year ended 31 March 2024, as attached at Appendix 2;
- (ii) approves the 2023/24 Audited Annual Accounts at Appendix 3 and authorises the Partnership Chair, Director and Treasurer to sign them; and
- (iii) authorises the Treasurer to sign the Letter of Representation as attached at Appendix 4.

2 BACKGROUND

- 2.1 Regional Transport Partnerships were required to submit their 2023/24 Unaudited Annual Accounts to the Controller of Audit by 30 June 2024, with Audited Annual Accounts to be submitted by 30 September 2024. Due to resourcing constraints at Audit Scotland, the audit of Tactran was planned for and performed in October and November, with the Audited Annual Accounts to be submitted in December 2024.
- 2.2 The Annual Accounts are prepared in accordance with the 2023 CIPFA Code of Practice on Local Authority Accounting (the Code). The Accounts also comply with the Local Authority Accounts (Scotland) Regulations 2014.
- 2.3 The Unaudited Annual Accounts were approved for submission to the external auditor at the Partnership's meeting on 11 June 2024 (Report RTP/24/11 refers) and were formally submitted in advance of the statutory deadline of 30 June 2024.
- 2.4 The Unaudited Annual Accounts were available for public inspection between 28 June and 18 July 2024 (inclusive). During this period Audit Scotland received no objections to the draft Accounts.

3 DISCUSSION

- 3.1 The audit of the 2023/24 Annual Accounts took place between October and November 2024. The audit considered not only the financial statements but also areas such as financial performance and corporate governance.
- 3.2 Audit Scotland's covering letter is included as Appendix 1. The Draft Annual Audit Report for the year ended 31 March 2024 is set out at Appendix 2. The Draft Audit Report sets out Audit Scotland's opinions and conclusions on the overall audit and their findings to be reported under ISA260: Report to those Charged with Governance.
- 3.3 Following approval of the 2023/24 Unaudited Accounts by the Board in June 2024, there were a few presentational adjustments during the audit process, and these have no impact on the level of resources available to the Partnership.
- 3.4 The Audit Scotland conclusions from the 2023/24 audit are set out on page 3 of Appendix 1 and are summarised as follows:

Audit of 2023/24 annual accounts

1. Audit opinions on Tactran's 2023/24 Annual Accounts are unmodified, with the financial statements giving a true and fair view.
2. The audited parts of Remuneration Report, Management Commentary and Annual Governance Statement are prepared in accordance with proper accounting practices.
3. There are no significant findings or key matters to report from the audit, and no unadjusted misstatements.

Wider Scope

4. Financial management arrangements are satisfactory
 5. There is no risk to Tactran's financial sustainability in the short-term. A medium-term financial plan has been developed for approval and its contents will be reviewed as part of the 2024/25 audit.
 6. Governance and transparency arrangements and Annual Governance Statement disclosures are appropriate.
- 3.5 At this time the 2023/24 Audited Annual Accounts remain unsigned. Approval of the Accounts at today's meeting will provide authorisation for the Chair, Director and Treasurer to sign them and also authorise the Treasurer to sign the Letter of Representation at Appendix 4.
 - 3.6 All signatures will be provided electronically using a system recognised by Audit Scotland that ensure the signings comply with the legislative requirements.

- 3.7 Once signed, the Accounts will be passed to Audit Scotland so that they may issue their opinion in the form of an audit certificate. The final signed 2023/24 Accounts and Annual Audit Report for the year ended 31 March 2024 will be published on the Tactran website.

4 CONSULTATIONS

- 4.1 There has been no consultation in the preparation of this report.

5 RESOURCE AND EQUALITY IMPLICATIONS

- 5.1 There are no direct resource or equalities implications arising from this report.

Scott Walker
Treasurer

Mark Speed
Director

Report prepared by Scott Walker. For further information contact email swwalker@pkc.gov.uk or telephone 01738 475515

NOTE

Background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (and not containing confidential or exempt information) were relied on to a material extent in preparing this Report:

Report to Partnership RTP/24/11, Draft Unaudited Annual Accounts 2023/24, 11 June 2024

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Tayside and Central Scotland Transport Partnership

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Perth
PH1 5EN

10 December 2024

Tayside and Central Scotland Transport Partnership Audit of 2023/24 annual accounts

Independent auditor's report

1. My audit work on the 2023/24 annual accounts is now substantially complete. Subject to receipt of a revised set of annual accounts for final review, I anticipate being able to issue unmodified audit opinions in the independent auditor's report on 10 December 2024. The proposed report is attached at [Appendix A](#).

Annual Audit Report

2. Under International Standards on Auditing in the UK, I report specific matters arising from the audit of the annual accounts to those charged with governance of a body in sufficient time to enable appropriate action. I present for the Partnership Board's consideration my draft Annual Audit Report on the 2023/24 audit. There are no significant findings or key matters arising from the audit to report.

3. The report also sets out conclusions from our consideration of two (financial sustainability and the appropriateness of the disclosures in the governance statement) of the wider scope areas that frame public audit as set out in the Code of Audit Practice.

4. The Annual Audit Report will be issued in final form after the audit of the annual accounts has been completed.

Unadjusted misstatements

5. I also report to those charged with governance all unadjusted misstatements in the annual accounts which I have identified during the course of my audit, other than those of a trivial nature, and request that these misstatements be corrected.

6. There are no unadjusted misstatements to be corrected.

Fraud, subsequent events, and compliance with laws and regulations

7. In presenting this report to the Partnership Board I 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 my attention.

Representations from the Treasurer

8. As part of the completion of our audit, I am seeking written representations from the Treasurer on aspects of the annual accounts, including the judgements and estimates made.

9. A draft letter of representation is attached at [Appendix B](#). This should be signed and returned to me by the Treasurer with the signed annual accounts prior to the independent auditor's report being signed.

Appendix A: Proposed Independent Auditor's Report

Independent auditor's report to the members of Tayside and Central Scotland Transport Partnership 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 the Tayside and Central Scotland Partnership for the year ended 31 March 2024 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement and notes to the financial statements, including material accounting policy information. 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 2023/24 (the 2023/24 Code).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the body as at 31 March 2024 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 2023/24 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 5 June 2023. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the body 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 the body. 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 body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, I report on the body'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 the Partnership Board for the financial statements

As explained more fully in the Statement of Responsibilities for the Annual Accounts, 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 the Treasurer determines 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 body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

The Partnership 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 the body;

- inquiring of the Treasurer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Treasurer concerning the body's policies and procedures 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 the body'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 Remuneration Report described as audited. In my opinion, the audited parts of the 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, Members and Officials, Annual Governance Statement, Statement of Responsibilities and the unaudited part of the Remuneration Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement

of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

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

Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice, 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.

Maggie Bruce CA
Senior Audit Manager
Audit Scotland
1st Floor, Room F03
The Green House
Beechwood Business Park North
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Appendix B: Letter of Representation (ISA 580)

Maggie Bruce
Senior Audit Manager
Audit Scotland
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Dear Maggie

Tayside and Central Scotland Transport Partnership Annual Accounts 2023/24

- 1.** This representation letter is provided about your audit of the annual accounts of Tayside and Central Scotland Transport Partnership (hereafter referred to as Tactran) for the year ended 31 March 2024 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view and have been properly prepared, 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 Partnership Director and Management Team the following representations given to you in connection with your audit of Tactran's annual accounts for the year ended 31 March 2024.

General

- 3.** Tactran and I have fulfilled our statutory responsibilities for the preparation of the 2023/24 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 Tactran 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 2023/24 (2023/24 Code), 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 Tactran at 31 March 2024 and the transactions for 2023/24.

Accounting Policies and Estimates

7. All material accounting policies applied are as shown in the notes to the financial statements. The accounting policies are determined by the 2023/24 Code where applicable. Where the 2023/24 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 Tactran'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 Tactran'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 Tactran's ability to continue to adopt the going concern basis of accounting.

Assets

10. I carried out an assessment at 31 March 2024 as to whether there is any indication that an asset may be impaired and have recognised any impairment losses identified.

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

Liabilities

12. All liabilities at 31 March 2024 of which I am aware have been reported in the financial statements.

13. Provisions have been recognised in the financial statements for all liabilities of uncertain timing or amount at 31 March 2024 of which I am aware where the conditions specified in the 2023/24 Code have been met.

14. The accrual recognised in the financial statements for annual leave untaken by 31 March 2024 has been estimated on a reasonable basis.

15. The pension assumptions made by the actuary in the IAS 19 report for Tactran have been reviewed and I confirm that they are consistent with management's own view.

16. 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

17. There are no significant contingent liabilities arising either under formal agreement or through formal undertakings requiring disclosure in the accounts.

Litigation and Claims

18. All known actual or possible legal claims have been disclosed to you and have been accounted for and disclosed in the financial statements in accordance with the 2023/24 Code.

Fraud

19. I understand my responsibilities for the design, implementation, and maintenance of internal control to prevent fraud and I believe I have appropriately fulfilled those responsibilities.

20. 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, and
- 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

21. 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

22. All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with the 2023/24 Code. I have made available to you the identity of all the Tactran's related parties and all the related party relationships and transactions of which I am aware.

Remuneration Report

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

Management Commentary

24. 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

25. I confirm that Tactran has undertaken a review of the system of internal control during 2023/24 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.

26. 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 2024, which require to be reflected.

Events Subsequent to the Date of the Balance Sheet

27. All events subsequent to 31 March 2024 for which the 2023/24 Code requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

Treasurer

Tayside and Central Scotland Transport Partnership

DRAFT 2023/24 Annual Audit Report



 AUDIT SCOTLAND

Prepared for Tayside and Central Scotland Transport Partnership and the Controller of Audit

10 December 2024

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Key messages

Audit of 2023/24 annual accounts

- 1** Audit opinions on the annual accounts are unmodified. The financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework.
- 2** The audited part of the Remuneration Report, Management Commentary and Annual Governance Statement are all consistent with the financial statements and are prepared in accordance with proper accounting practices.
- 3** There are no significant findings or key matters to report from the audit, and no unadjusted misstatements to report to those charged with governance.

Wider scope

- 4** Financial management arrangements are satisfactory and Tactran reported a £19,000 surplus for 2023/24.
- 5** There is no risk to Tactran's financial sustainability in the short-term with additional funding of £1.8 million secured for Active Travel Behaviour Change projects in 2024/25. A medium-term financial plan has been developed for approval at the December 2024 meeting of the Partnership Board. We will review the content of the plan as part of our 2024/25 audit.
- 6** Governance and transparency arrangements and Annual Governance Statement disclosures are appropriate.

Introduction

1. This report summarises the findings from the 2023/24 annual audit of Tayside and Central Scotland Transport Partnership (Tactran) 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 12 March 2024 meeting of the Partnership Board. This Annual Audit Report includes matters arising from an audit of Tactran's annual and accounts, and conclusions on financial sustainability and the appropriateness of the disclosures in the Annual Governance Statement.
3. We would like to thank elected members, management, and staff, particularly those in finance, for their continued co-operation and assistance this year.

Responsibilities and reporting

4. Tactran has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices. Tactran is also responsible for compliance with legislation and for putting arrangements in place for governance and propriety.
5. The responsibilities of independent auditors appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the Code of Audit Practice and supplementary guidance and International Standards on Auditing in the UK.
6. This report contains an agreed action plan at the [Appendix](#) setting out specific recommendations, responsible officers, and dates for implementation. The weaknesses or risks identified in this report are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues raised and to maintain 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. The 2023/24 audit fee of £13,800, as set out in our 2023/24 Annual Audit Plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.
8. We aim to help Tactran promote improved standards of governance, better management and decision making and more effective use of resources. We do this by sharing intelligence and good practice and by identifying and providing insight on significant risks and making clear recommendations for improvement.

Part 1. Audit of 2023/24 annual accounts

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

Main judgements

Audit opinions on the annual accounts are unmodified. The financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework.

The audited part of the Remuneration Report, Management Commentary and Annual Governance Statement are all consistent with the financial statements and prepared in accordance with proper accounting practices.

There are no significant findings or key matters to report from the audit, and no unadjusted misstatements to report to those charged with governance.

Audit opinions on the annual accounts are unmodified

9. The Partnership Board approved the annual accounts for Tactran for the year ended 31 March 2024 on 10 December 2024. The independent auditor's report includes the following 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 Remuneration Report was prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014
- the Management Commentary and Annual Governance Statement were consistent with the financial statements and properly prepared in accordance with the applicable requirements.

The 2023/24 annual report and accounts were certified on 10 December 2024 in line with the agreed audit timetable

10. The unaudited annual accounts were received in line with the agreed audit timetable on 11 June 2024. Officers provided good support to the audit team, and we were able to certify the annual accounts in accordance with the agreed timetable.

Our audit approach and testing was informed by the overall materiality level of £30,750

11. 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 accounts, and hence 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. It is ultimately a matter of the auditor's professional judgement.

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 2022/23 annual accounts. These materiality levels were reported in our Annual Audit Plan.

13. On receipt of the unaudited annual accounts, we reconsidered our materiality levels based on gross expenditure for the year ended 31 March 2024. Our revised materiality levels are set out in [Exhibit 1](#).

Exhibit 1 Materiality values

Materiality level	Amount
Overall materiality	£30,750
Performance materiality	£23,000
Reporting threshold	£1,500

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% of overall materiality as detailed in the Annual Audit Plan.

No issues were identified from our work in response to the risks of material misstatement identified in the annual accounts

15. [Exhibit 2](#) sets out the risks of material misstatement to the financial statements identified in the 2023/24 Annual Audit Plan. It also summarises the further audit procedures performed during the year to obtain assurances over these risks and the conclusions from the work completed.

Exhibit 2**Identified risks of material misstatement in the annual accounts**

Audit risk	Assurance procedure	Results and conclusions
Significant risk of material misstatement		
<p>1. Risk of material misstatement due to fraud caused by management override of controls</p> <p>As stated in ISA (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>	<p>Assessed the design and implementation of controls over journal entry processing.</p> <p>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.</p> <p>Tested journals at the year-end and post-closing entries and focus on significant risk areas.</p> <p>Considered the need to test journal entries and other adjustments during the year.</p> <p>Evaluated significant transactions outside the normal course of business.</p> <p>Assessed any changes to the methods and underlying assumptions used to prepare accounting estimates compared to the prior year.</p> <p>Substantively tested income and expenditure transactions around the year-end to confirm they are accounted for in the correct financial year.</p> <p>Tested accounting accruals and prepayments focusing on significant risk areas.</p>	<p>The completion of the assurance procedures did not identify any evidence of management override of controls.</p>
Non-significant risk of material misstatement		
<p>2. Estimation in the valuation of pension assets and liabilities</p>	<p>Assessed the scope, independence and competence of the professionals engaged in providing estimates for pensions.</p>	<p>The completion of the assurance procedures did not identify any evidence of a material misstatement in the valuation of pension assets and liabilities.</p>

Audit risk	Assurance procedure	Results and conclusions
	<p>Reviewed the appropriateness of actuarial assumptions and results including comparison with other employers and the pension fund as a whole.</p> <p>Established officers' arrangements for ensuring the reasonableness of professional estimations and the accuracy of information provided to the actuary by Tactran.</p>	

There are no significant findings or key audit matters to report from our audit of the annual accounts

16. International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to the Partnership Board, including our view about the qualitative aspects of Tactran's accounting practices.

17. The Code of Audit Practice also requires me to highlight key audit matters, which are defined in ISA (UK) 701 as those matters judged to be of most significance.

18. We have no significant findings or key audit matters to report from our audit of the annual accounts.

Management Commentary disclosures were reviewed and improved in response to last year's recommendation

19. The Code of Practice on Local Authority Accounting in the United Kingdom requires local government bodies to prepare and publish a Management Commentary along with their financial statements. The Management Commentary should be fair, balanced, understandable, and consistent with the financial statements.

20. Last year we recommended that Tactran review the content and presentation of its Management Commentary against Audit Scotland's good practice note, [Good Practice Note: Management Commentaries](#), to ensure key messages are not obscured through the inclusion of overly detailed financial information.

21. The content and presentation of the Management Commentary included in the 2023/24 unaudited accounts had been reviewed and improved in response to our recommendation. We concluded that 2023/24 Management Commentary was consistent with the financial statements and properly prepared in accordance with the applicable requirements.

There are no unadjusted misstatements to report to those charged with governance

22. It is our responsibility to request that all misstatements, other than those below our reporting threshold, are corrected, although the final decision on making the correction lies with those charged with governance.

23. Our audit did not identify any material misstatements. We did identify some issues with the presentation and disclosure of items within the annual accounts including the classification of interest earned on Tactran's funds invested in Perth and Kinross Council's loans fund. Officers agreed to amend the financial statements to reflect all of our audit findings and so there are no unadjusted misstatements to report to those charged with governance.

Good progress was made on prior year recommendations

24. Tactran has made good progress in implementing the agreed prior year audit recommendations. All three of the brought forward recommendations have been actioned. We will review the content of the medium-term financial plan as part of our 2024/25 audit.

Part 2. Wider Scope

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

Financial management arrangements are satisfactory and Tactran reported a £19,000 surplus for 2023/24.

There is no risk to Tactran's financial sustainability in the short-term with additional funding of £1.8 million secured for Active Travel Behaviour Change projects in 2024/25. A medium-term financial plan has been developed for approval at the December 2024 meeting of the Partnership Board. We will review the content of the plan as part of our 2024/25 audit.

Governance and transparency arrangements and Annual Governance Statement disclosures are appropriate.

Financial management arrangements are satisfactory

25. Financial management is about financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively. It is Tactran's responsibility to ensure that its financial affairs are conducted in a proper manner. We reviewed Tactran's arrangements for financial management during 2023/24 and concluded that they were satisfactory, with appropriate monitoring reports being regularly submitted to the Partnership Board for scrutiny.

Tactran reported a year end surplus of £19,000 for 2023/24

26. Tactran reported a year-end surplus of £19,000 for 2023/24 against a planned use of reserves of £43,000 resulting in an underspend against budget of £62,000. The majority of this (£55,000) was due to underspends on the Regional Transport Strategy programme including:

- planned work on the development of the Regional Transport Strategy and Delivery Plan was completed delivering a £12,000 underspend against budget
- the Rail with Tay Cities Park and Choose project underspent by £12,000 in 2023/24. This project is expected to complete in 2024/25
- the contingency budget of £19,000 was not required and remained unspent at the year-end.

27. The surplus was added to the General Fund Reserve resulting in a balance of £97,000 at 31 March 2024.

There is no risk to Tactran’s financial sustainability in the short-term with additional funding of £1.8 million secured for Active Travel Behaviour Change projects in 2024/25

28. The 2024/25 budget (£0.668 million) approved by the Partnership Board is funded by contributions from constituent councils (£0.103 million), funding from the Scottish Government (£0.497 million) and reserves (£0.068 million). Scottish Government funding has reduced by £26,000 (5 per cent) in 2024/25 compared to previous years.

29. Tactran has also secured additional funding of £1.8 million from Transport Scotland for Active Travel Behaviour Change projects across the Tactran region in 2024/25. This funding will encourage walking, cycling, and wheeling across three themes: Urban Trail, Access to Bikes and Active Travel Promotion. Part of the funding will be used to ensure that Tactran has the resources to manage and deliver these projects.

30. We have concluded that there is no risk to Tactran’s financial sustainability in the short-term but note that securing sufficient additional funding to deliver on its priorities and outcomes will become increasingly challenging as the public sector faces continuing financial pressures.

A medium-term financial plan has been developed for approval at the December 2024 meeting of the Partnership Board. We will review the content of the plan as part of our 2024/25 audit

31. Last year we reported that annual funding from the Scottish Government and constituent councils had not increased since 2013/14 and 2015/16 respectively, and that, over time, the proportion allocated to Tactran’s core budget has increased resulting in a decrease in the amount remaining to fund Regional Transport Strategy projects. We recommended that Tactran prepare a medium-term financial plan to understand and manage any risks or threats to its financial sustainability. Officers accepted the recommendation and a medium-term financial plan has been developed for approval at the December 2024 meeting of the Partnership Board. We will review the content of the plan as part of our 2024/25 audit.

Governance and transparency arrangements are appropriate

32. Tactran was constituted under the Transport (Scotland) Act 2005 as one of seven transport partnerships set up to provide a co-ordinated approach to transport planning and delivery between different local authority areas. The Tactran area covers Perth and Kinross, Dundee, Angus, and Stirling.

33. The Partnership Board has ten Councillor members representing the four constituent Councils, four non-council appointments made by the Scottish Ministers and one external advisor.

34. The Partnership Board meets regularly, usually four or five times a year. We have reviewed the minutes and papers submitted to the Partnership Board and conclude that they are sufficiently detailed and comprehensive to allow for effective decision-making and scrutiny. The papers are readily accessible on the Tactran website.

Annual Governance Statement disclosures are appropriate

35. As part of our 2023/24 audit, we reviewed the disclosures included in the Annual Governance Statement and concluded that they are consistent with the financial statements and comply with the guidance issued by Scottish Ministers.

36. Last year we noted that Tactran's governance documents and financial regulations were last updated in December 2016 and June 2019 respectively. In addition, the service level agreement with Perth and Kinross Council had not been updated since March 2011. We recommended that these documents be regularly reviewed to ensure they remain fit for purpose.

37. In response, Tactran reviewed and updated its service level agreements with Perth and Kinross Council for Legal Services and Finance, and these were approved by the Partnership Board on 12 March 2024 and 1 April 2024 respectively. The governance documents have also been updated and were approved by the Partnership Board in September 2024.

Appendix. Action plan 2023/24

Follow-up of prior year recommendations

Issue/risk	Recommendation and agreed action	Update
<p>1. Reliance on management expert (Actuary)</p> <p>Tactran relies on the actuary to provide information for inclusion in the annual accounts. The finance team does not review the actuary's report for reasonableness before the accounts are updated.</p> <p>There is a risk that pension assets / liabilities are materially misstated in the annual accounts.</p>	<p>We recommend that management review the actuary's reports to confirm that these provide a satisfactory basis for disclosures in the accounts.</p> <p>Management will review the assumptions contained within the actuary report. Any significant changes between financial years will be raised with the actuary.</p> <p>Responsible officer: Treasurer</p> <p>Agreed date: 30 June 2024</p>	<p>Complete</p> <p>Management confirmed that they reviewed the assumptions this year.</p>
<p>2. Management commentary</p> <p>The management commentary contains a lot of detailed financial information that makes it difficult to read. Our audit also noted a number of errors in the disclosures, and these were corrected in the audited annual accounts.</p> <p>There is a risk that key messages are obscured through the inclusion of too much detailed information.</p>	<p>Tactran should review the content and presentation of its management commentary against the Audit Scotland good practice note to ensure key messages are not obscured through the inclusion of overly detailed financial information.</p> <p>Management will undertake a review of the Management Commentary to ensure it remains in line with good practice.</p> <p>Responsible officer: Director / Treasurer</p> <p>Agreed date: 30 June 2024</p>	<p>Complete</p> <p>The Management Commentary has been updated this year to include less detailed financial information and there is more focus on key messages.</p>
<p>3. Financial sustainability</p> <p>To date, Tactran has prepared financial plans on an annual basis. In these</p>	<p>Tactran should develop a medium-term financial plan.</p> <p>The annual review of the Risk Register recognises the</p>	<p>Complete</p> <p>A medium-term financial plan has been developed for approval at the December</p>

Issue/risk	Recommendation and agreed action	Update
<p>fiscally challenging times, planning over the medium-term is essential for Tactran to understand and manage any risks or threats to its financial sustainability.</p> <p>There is a risk that Tactran cannot deliver on the priorities and outcomes set out in its Regional Transport Strategy.</p>	<p>financial challenges faced by Tactran.</p> <p>Management will consider developing a medium-term financial plan, recognising that the Constituent Councils have an obligation under Section 3 of the Transport (Scotland) Act 2005 to fund the net expenditure of the Partnership.</p> <p>Responsible officer: Treasurer</p> <p>Agreed date: 31 March 2025</p>	<p>2024 meeting of the Partnership Board. We will review the content of the plan as part of our 2024/25 audit.</p>
<p>4. Governance documents</p> <p>Tactran's governance documents and financial regulations were last updated in December 2016 and June 2019, respectively. In addition, the service level agreement with Perth & Kinross Council has not been updated since March 2011.</p> <p>There is a risk that these documents no longer reflect Tactran's current operations.</p>	<p>The governance documents, financial regulations and service level agreement with Perth & Kinross Council should be regularly reviewed to ensure they remain fit for purpose.</p> <p>The governance documents will be reviewed when performing the annual review of the Risk Register.</p> <p>Service Level Agreements will be reviewed and, if required, updated to ensure they remain fit for purpose.</p> <p>Responsible officer: Director / Treasurer</p> <p>Agreed date: 31 March 2024</p>	<p>Complete</p> <p>The SLAs for Finance and Legal Services have been updated. Revised governance documents were approved at the Partnership Board in September 2024.</p>

Tayside and Central Scotland Transport Partnership

DRAFT DRAFT 2023/24 Annual Audit Report

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**TAYSIDE AND CENTRAL SCOTLAND
TRANSPORT PARTNERSHIP**

**ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024**

AUDITED

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP
ANNUAL ACCOUNTS 2023/24

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TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

MANAGEMENT COMMENTARY

1. BACKGROUND

Tayside and Central Scotland Transport Partnership (Tactran) is the statutory Regional Transport Partnership (RTP) covering Angus, Dundee City, Perth and Kinross and Stirling Councils. Established under the Transport (Scotland) Act 2005 Tactran's main purpose is to prepare and coordinate the delivery of the statutory Regional Transport Strategy and to oversee and contribute to effective strategic transport planning and delivery at a regional level.

The original Regional Transport Strategy 2008 – 2023, approved by Scottish Ministers in June 2008, set out a Vision and Objectives for ensuring that transport infrastructure and networks meet the mobility and accessibility needs of people and businesses throughout the region over a 10 – 15 year period.

During 2015/16 the Partnership completed a refresh of the RTS following extensive consultation with partner Councils, Community Planning partners, Development Planning Authorities and other key stakeholders. This process included alignment of the RTS2 planning timescale with that for the second TAYplan Strategic Development Plan, which covers much of the Tactran region. The Regional Transport Strategy 2015 – 2036 Refresh was approved by Ministers in July 2015.

At its meeting on 15 September 2020 the Partnership agreed to commence work on producing a new Regional Transport Strategy for the Tactran region. Work continued on producing a new RTS throughout 2021/22, 2022/23 and 2023/24, with a new Draft Regional Transport Strategy 2024 – 2034 submitted in February 2024 to the Cabinet Secretary for Transport and approved in April 2024.

Implementation of the Strategy is guided by a supporting RTS Delivery Plan which identifies the key interventions and measures that are required nationally, regionally and locally to ensure effective delivery of the Strategy and realisation of the RTS overarching Vision and Objectives. The RTS Delivery Plan provides a strategic framework for determining Capital and Revenue programmes to support RTS delivery working in collaboration with partner Councils, Scottish Government, Transport Scotland and other delivery stakeholders.

2. REVIEW OF 2023/24 DEVELOPMENTS AND ACHIEVEMENTS

Each year the Partnership approves an annual RTS Revenue Programme which sets out the Partnership's key development and delivery priorities for the financial year ahead.

During 2023/24 the approved RTS Revenue Programme, amounting to **£143,549** was supplemented by **£206,909** external grant income to provide a total resource of **£350,458** to support a wide range of regional, local and national priorities including:

- Ongoing development, monitoring and renewal of the RTS, promotion of Tactran and maintenance of Tactran website;
- Promoting and addressing relationships between Health and Transport, including continued contribution towards the costs of the Safe Drive Stay Alive road safety campaign in the Stirling area and promotion of a Young Driver Scheme in Tayside;
- Maintenance and development of the regional Tactran Liftshare website and the national Travelknowhow Scotland travel planning toolkit;
- Maintenance and promotion of the Thistle Assistance website, app and card scheme and a review of the opportunity for and benefits arising from the new bus powers contained within the Transport (Scotland) Act 2019;

- Membership of East Coast Mainline Authorities (ECMA); continued development of Tay Cities Park and Choose Strategy, funded by Transport Scotland's Local Rail Development Fund;
- Contribution towards the Stirling and Tayside Timber Transport Group's continued appointment of a Timber Transport Officer and support to Freight Quality Partnership;
- Ongoing promotion of Get on the Go social media campaign and development and progression of the Mobility as a Service (MaaS) Enable pilot project through an Integrated Mobility Partnership with Sestran.

In addition, Transport Scotland provided a grant of **£699,250** to Tactran for regional active travel projects. These funds were available to partner organisations by bidding for projects that fit at least one of the following criteria:

- take forward the recommendations of the 13 active travel audits previously undertaken at key settlements across Angus, Dundee, Perth and Kinross and Stirling Council areas;
- develop and implement key routes within the Tactran Regional Walking and Cycling Network (TRWCN);
- develop and implement access to key services within the Tactran Region.

During 2023/24 the following Active Travel projects were supported:

- Angus Council – Feasibility and design for coherent network of routes across the towns of Brechin, Forfar and Monifieth;
- Dundee City Council – Infrastructure linking Dundee and Angus College Campus to NCN1, Lynch Centre link path and Finlathen Park Green Circular Improvements; Active Travel Audit High Impact Actions at Strathmartine, Coldsides, Lochee and Maryfield;
- Perth and Kinross Council – Construction of Woodside to Coupar Angus shared use path alongside the A94 and an Active Travel Masterplan for Kinross;
- Stirling Council - Feasibility and concept design for Active Travel routes and connections to public transport nodes; Active Travel infrastructure provision at Airthrey Road and in Balfron;
- Development of regional active travel mapping and delivery plan, programme management and support and active travel behaviour change preparatory work.

In addition, a significant proportion of Tactran staff time and resource is committed to supporting general Community Planning engagement and development in all four partner Council areas. The Partnership also continued to work with and support Development Planning Authorities.

Further information on the Partnership's activity, the Regional Transport Strategy and our related RTS programme work can be obtained by visiting our website www.tactran.gov.uk.

3. STRATEGIC DEVELOPMENTS

The second National Transport Strategy (NTS2) was published on 5 February 2020. This was followed by the publication of the Strategic Transport Projects Review 2 (STPR2) on 8 December 2022, with Transport Scotland announcing that they intended to develop an associated delivery plan. Both of these documents together set out policies, future direction and investment plans over the next 20 years and together with Transport Scotland's route map to achieve a 20 per cent reduction in car kilometres by 2030, have also influenced the development of Tactran's new Draft Regional Transport Strategy 2024 – 2034. Tactran's new Draft RTS reflects the 4 four priorities for Scotland's transport system as set out in the National Transport Strategy: reduces inequalities; takes climate action; helps deliver inclusive economic growth; and improves our health and wellbeing.

Tactran began 2023/24 by undertaking a 12-week public consultation on a draft Regional Transport Strategy and completed the year by submitting a new Draft RTS 2024 – 2034 to the Cabinet

Secretary for Transport in February 2024. As the strategy has developed, the following have become key elements of the strategy:

- The strategy must recognise the different circumstances and opportunities as they relate to the rural and urban populations across the region;
- Given that the achievement of a number of national targets are unlikely to be achieved with existing resources, delivery arrangements and timescales, the Partners need to:
 - focus activity on those locations and groups in society where support to access facilities or encourage behaviour change is most required;
 - Recognise that the alternative to the car (whether for people with cars, or those without) requires integrated solutions. This requires agreeing priorities and co-ordinating programmes within and across partner organisations;
 - Investigate a step change in public transport provision;
 - Investigate mechanisms to reduce car km to support the national climate change target;
 - understand the potential gaps between 'the best that we can do' and the achievement of the national targets, and to encourage the Government to continue to work with Partners to understand how these targets can be achieved.

Tactran has now commenced developing a delivery plan for the new Regional Transport Strategy.

In addition to the NTS2 and STPR2, the Transport (Scotland) Act 2019 received Royal Assent on 15 November 2019 and set out a framework for National Transport Strategy; Low Emission Zones; Bus Services; Ticketing Arrangements and Schemes; travel concession schemes as applied to community transport; pavement parking and double parking; workplace parking; recovery of unpaid parking charges; road works and Regional Transport Partnerships finance, which permits RTPs to establish reserve funds. Of these initiatives Tactran has progressed research into Bus Services and the opportunity for and benefits arising from the new bus powers contained within the Transport (Scotland) Act 2019.

The City Deals represent a significant focus and opportunity to bring forward delivery of a number of key strategic connectivity priorities identified within the RTS and RTS Delivery Plan, in support of achieving the sustainable economic growth aspirations identified within City Deals and Regional Economic Strategies. Work continued supporting the Tay Cities Deal, covering Angus, Dundee City, Perth and Kinross and North-East Fife including transport projects for Dundee Airport, Perth Rail and Bus Stations and Low Carbon Transport in Perth, and also the Stirling and Clackmannanshire City Region Deal.

Strategic Development Plans are to be replaced by Regional Spatial Strategies (RSS) and Tactran continues to engage proactively with the various Development Planning Authorities and Tactran officers have been involved in providing input and helping shape the interim Regional Spatial Strategies (iRSS) for Forth Valley and Tay Cities. The National Planning Framework 4 (NPF4) was adopted and published by Scottish Ministers on 13 February 2023. Tactran anticipates further involvement through ongoing participation with the steering groups for the two RSS covering the Tactran region.

Tactran continued to be significantly involved in two bus alliances in the area – the Tayside Bus Alliance and Forth Valley Bus Alliance. Tactran employed the Tayside Bus Alliance Project Manager throughout 2023/24, with funding from Transport Scotland, via Dundee City Council. The Tayside Bus Alliance submitted its Strategic Business Case to the Transport Scotland Gateway in April 2023 and the Tayside Bus Alliance Manager continued to work with Transport Scotland and the alliance members to provide input to the gateway process.

Tactran continued to take Climate Action providing a platform for Local Authorities through a Regional EV Steering Group and taking the lead on regional Hydrogen projects.

The Partnership and its officers continued to engage proactively in the development of transport and other related policy nationally, regionally, and locally. Consultations and publications responded to and commented on during 2023/24 included: Stirling Council LDP; Draft Energy

Strategy and Just Transition plan; ZEV Mandate and CO2 Emission Regulations for New Cars and Vans; Perth and Kinross Council Mobility Strategy Main Issues; LTS Guidance Peer Review; Local Living and 20-minute neighbourhoods; Just transition for the Transport Sector; Loch Lomond and the Trossachs National Park Partnership Plan; Scotrail Fife and Tay Cities Timetable and LNER Stirling consultation.

Tactran continues to collaborate and coordinate with the other RTPs on strategic policy development and delivery at a regional and national level through participation in the RTP Chairs Forum and the RTP Lead Officers Group.

In 2023/24 the Partnership's officers continued to contribute to national policy and professional development through active engagement in the following professional bodies and associations:

- Society of Chief Officers of Transportation in Scotland (SCOTS)
- Association of Transport Coordinating Officers (ATCO)

4. PLANS FOR THE FUTURE

In the year ahead Tactran staff will continue to adopt a hybrid model of office-based and home working.

The Partnership will focus on working with partners to implement the new RTS, including:

- Developing a Delivery Plan and Monitoring Framework for the new RTS;
- Further work on 20% reduction in car km in tandem with Transport Scotland;
- Continuing development of the Bus Alliances proposals;
- Continuation review and proposals for Bus Services;
- Implementation of Active Travel Behaviour Change proposals, funded through Transport Scotland's People and Place fund and administration of Community Transition Fund;
- Assisting in City Deals;
- Delivery of the RTS revenue programme;
- Continuation of Regional EV Steering Group, in collaboration with constituent authorities in developing their Electric Vehicle Infrastructure Expansion Plans;
- Regional hydrogen project initiatives.

5. PRINCIPAL RISKS AND UNCERTAINTIES

Tactran has an approved Risk Management Policy and Risk Register which set out the key strategic and operational risks for the Partnership and associated management controls. The main areas of identified risk are in relation to reviews, collaboration and governance; RTS development and delivery; management and operation of the Partnership; and financial support and management.

Risks are inherent and Tactran has taken and will continue to implement measures to mitigate these risks. The Risk Register is reviewed by Board members not less than annually. The last review took place at the March 2024 Board meeting. This review considered any new or altered risks identified during the previous financial year and looking forward into the future financial year(s).

The principal strategic risk facing the Partnership, as identified through successive Risk Register reviews and Annual Audits, continues to be in relation to securing the necessary commitment and funding to support delivery of the RTS. The Partnership and its officers continue to seek and explore opportunities for leveraging external and match delivery funding through engagement with partner Councils, Community Planning Partners, Transport Scotland, Government, other RTPs and transport agencies and providers.

During 2023/24 Tactran successfully secured **£699,250** from Transport Scotland for Active Travel projects. Tactran utilised further external funding of **£206,909** in the year to take forward a number of initiatives and projects that contribute to the development of the RTS.

RTPs are identified as “key players” in supporting achievement of national carbon reduction and other environmental objectives under the Climate Change (Scotland) Act 2009 (CCA). The Partnership continues to prepare a Public Sector Climate Change Report annually with the latest report submitted in November 2023.

The Equalities Act 2010 sets out a General Equality Duty and requires specified public bodies, including RTPs, to publish and periodically update and report on progress in meeting equalities duties and obligations under the 2010 Act and related Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012. Public bodies are required to publish 2-yearly a Mainstreaming Report, which sets out progress the authority has made to make the Equality Duty integral to the exercise of all its functions, and an Equality Outcomes Report setting out the results the authority aims to achieve in order to further the elimination of discrimination, the advancement of equality of opportunity and/or the fostering of good relations. The Partnership submitted its updated Mainstreaming Report and Equality Outcomes Report in April 2023.

As outlined above, delivery opportunities are emerging in the form of City Deals covering the Tay Cities region (Angus, Dundee City, Perth and Kinross and North East Fife) and Stirling City region (Stirling and Clackmannanshire). Moving forward it is expected that both City Deals will provide a focus and opportunity to lever national, regional and local funding for the delivery of key Strategic Connectivity and other elements of the RTS, with Tactran positioned to play a key role in supporting the development and implementation of both City Deals and related connectivity proposals. In supporting the delivery of the City Deal programmes, Tactran will support the risk management procedures adopted by the respective Joint Committees.

6. FINANCIAL PERFORMANCE

This section is presented as a commentary on the overall financial position of Tactran as shown within the Annual Accounts for the year ended 31 March 2024. It contains explanations of the major influences on the Partnership’s income, expenditure, and cash flow in line with the Statement of Accounting Policies which sets out the basis upon which the financial statements have been prepared and explains the accounting treatment of both general and specific items. The Comprehensive Income and Expenditure recognises all income received in the 2023/24 financial year in line with the terms and conditions of funding.

The Movement in Reserves Statement recognises the **£19,000** surplus for 2023/24 (£22,000 deficit in 2022/23).

The Balance Sheet includes a General Fund Reserve to recognise the cumulative surpluses and deficits including the surplus for 2023/24. Also included are Unusable Reserves for Pension and Accumulated Absences movements.

The Cash Flow Statement includes changes in Debtor and Creditor balances between the financial years and shows the cash position of the Partnership at the year end.

At its meeting on 14 March 2023, the Tayside and Central Scotland Transport Partnership Board approved the 2023/24 Core Revenue Budget of **£532,353**; of which **£422,333** was met by Grant in Aid funding from the Scottish Government, **£103,020** was requisitioned from the four constituent Councils, and **£7,000** was met from Reserves. Constituent Council requisitions utilise a Scottish Government allocation methodology based on 95% population and 5% area, as follows:

Angus Council	22.9%	£23,595
Dundee City Council	28.4%	£29,265
Perth and Kinross Council	30.3%	£31,210
Stirling Council	18.4%	£18,950
Total Council Requisitions	100.0%	£103,020

At its meeting on 13 June 2023 the Tayside and Central Scotland Transport Partnership Board approved the unaudited 2022/23 Annual Accounts. The final deficit funded from reserves in 2022/23 was confirmed as **£22,227** resulting in opening reserves of **£77,476** in 2023/24. RTS reserves of **£44,476** were budgeted for use in 2023/24; and following an adjustment to the Scottish Government Grant in Aid allocation towards Core budget, **£1,505** was budgeted for return to reserves. This resulted in a projected Core reserve balance at 31 March 2024 of **£34,505**.

The draft Scottish Government Grant in Aid revenue funding for financial year 2023/24 for the Regional Transport Strategy (RTS) was **£100,417**. Further adjustments to the RTS budget in June 2023 resulted in an increase to **£136,386**, which included **£44,476** funding from reserves. Interest income of **£7,163** was used to augment the RTS budget, which resulted in total gross expenditure budget of **£143,549** in 2023/24.

The 2023/24 Tactran Core and RTS gross revenue budgets amounted to **£675,902**.

During 2023/24, the Partnership Board received regular revenue monitoring reports to ensure members were fully apprised of the projected outturn position.

The Partnership's final position for 2023/24 excluding accounting adjustments relating to accumulated absences (£2,846) was a surplus of **£19,230** which was returned to reserves.

	Budget £'000	Actual £'000	Variance £'000
Employee Costs	443	435	(8)
Property Costs	20	32	12
Supplies and Services	17	12	(5)
Transport	5	3	(2)
Third Party	191	1,044	853
Total Expenditure	676	1,526	850
Scottish Government Grant	523	1,417	894
Council Requisitions	103	103	0
Other Income	7	25	18
Total Income	633	1,545	912
(Deficit)/Surplus	(43)	19	62

The table above summarises the 2023/24 Budget approved by the Partnership Board and provides the actual income and expenditure for the year ended 31 March 2024. The overall **£19,230** surplus comprises a **£9,148** underspend on the Core Revenue Budget and an underspend of **£10,082** on projects within the Regional Transport Strategy programme.

The underspend on Employee Costs of **£8,000** relates to unused relocation allowance (**£7,000**) and an underspend on staff pay (**£1,000**).

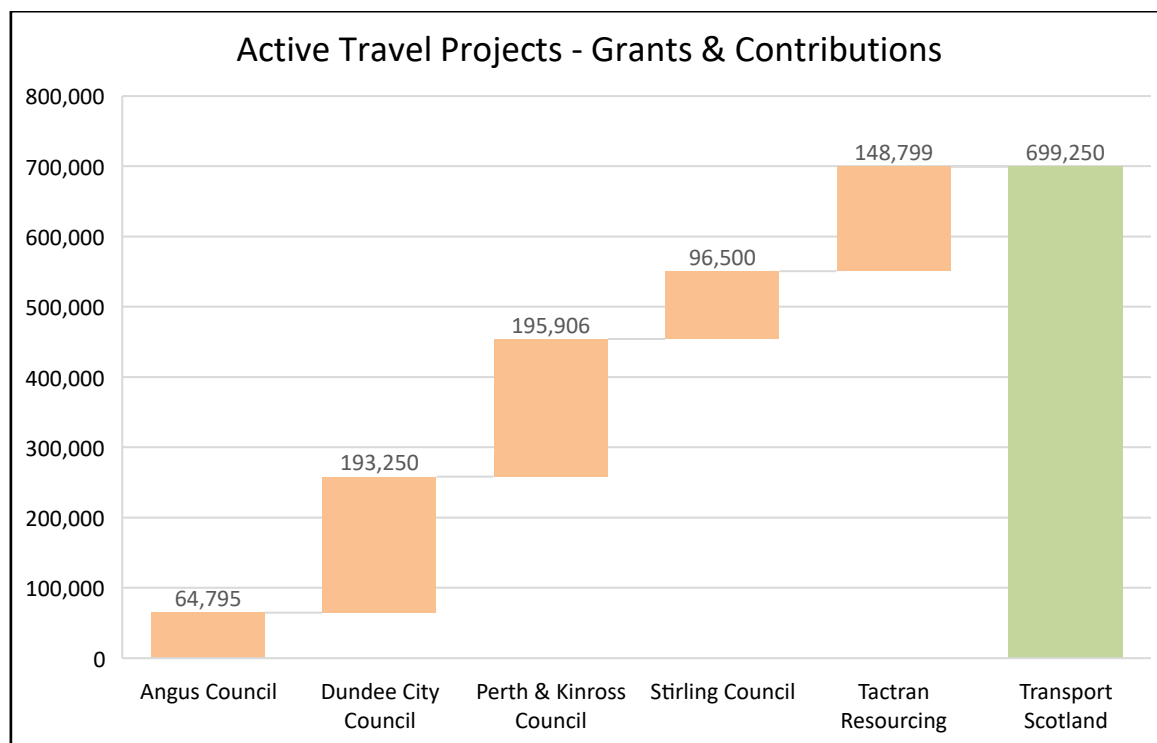
The overspend on Property Costs of **£12,000** is mainly due to an increase in energy costs (**£6,000**), supplemented by a charge for business rates following a change to rates relief rules (**£5,000**) and an increase in cleaning (**£1,000**).

Further savings from the use of hybrid working have resulted in underspends of **£5,000** on Supplies and Services and **£2,000** on Transport.

The variance on Third Party expenditure of **£853,000** is primarily due to the receipt of funding towards Active Travel from Transport Scotland (**£699,000**), additional income towards the RTS Programme from Transport Scotland and Constituent Local Authorities (**£207,000**) and an overspend on the audit fee (**£2,000**). These are partially offset by an overall underspend on the RTS Programme (**£55,000**).

The additional Scottish Government Grant of **£894,000** relates to the income received from Transport Scotland for Active Travel (**£699,000**) and funding towards the RTS Programme (**£195,000**). The **£18,000** variance in Other Income relates to additional grants from Constituent Local Authorities towards the RTS Programme (**£12,000**) and additional interest received in the year (**£6,000**).

The usage of Transport Scotland external funding towards Active Travel Projects is summarised below:-



A summary of additional income and total expenditure for the Regional Transport Strategy and Active Travel Grant is provided below and further information is provided within the Review of 2023/24 Developments and Achievements:-

Regional Transport Strategy	Budget	Income	Gross Budget	Actual Expenditure	Variance to Gross Budget
Development of RTS	£54,000	£0	£54,000	£42,378	(£11,622)
Health and Transport	£12,000	£0	£12,000	£12,000	£0
Travel Planning	£10,275	£72,139	£82,414	£82,414	£0
Buses Strategy	£3,000	£73,350	£76,350	£76,102	(£248)
Rail	£16,644	£49,420	£66,064	£54,532	(£11,532)
Freight	£5,000	£0	£5,000	£2,350	(£2,650)
Travel Information	£18,500	£12,000	£30,500	£26,126	(£4,374)
Climate change	£5,000	£0	£5,000	£0	(£5,000)
Contingency	£19,130	£0	£19,130	£0	(£19,130)
Sub-Total	£143,549	£206,909	£350,458	£295,902	(£54,556)
Active Travel Grant	£0	£699,250	£699,250	£699,250	£0
Total	£143,549	£906,159	£1,049,708	£995,152	(£54,556)

The total surplus on the Comprehensive Income and Expenditure Statement was **£22,000** which reflects, International Accounting Standard 19 (Retirement Benefits) (“IAS 19”), the entries required in respect of pension costs and accumulated absences.

7. ANNUAL GOVERNANCE STATEMENT

This statement sets out the framework within which governance and control is managed and reviewed. The main components of the system are listed, together with any significant weaknesses that have been identified and the remedial action taken.

8. STATEMENT OF RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS

This statement sets out the main financial responsibilities of the Partnership and the Treasurer.

9. GENERAL FUND

Following Royal Assent of the Transport (Scotland) Act 2019 the Partnership is provided with the power to hold General Fund Reserves. Any surplus is therefore transferred to reserves in the year they are created and can be drawn upon for use in future years. The details of Tactran reserves are provided within the Movement in Reserves Statement on page 18.

10. CAPITAL EXPENDITURE

During 2023/24, the Partnership did not incur any direct capital expenditure.

11. PENSION ASSET / LIABILITY

Under International Accounting Standard (IAS) 19 (Retirement Benefits), the Partnership is required to include in the Annual Accounts amounts relating to the assets, liabilities, income and expenditure of the pension schemes for its employees. Based on information provided by Local Government Pension Scheme Actuaries, it has been estimated that the Partnership had no pensions asset or liability as at 31 March 2024 or 31 March 2023.

Triennial valuations of the fund are carried out with the latest valuation having taken place at 31 March 2023, which resulted in a decrease in the employers pension contribution rate to 15.7% of pensionable pay from 1 April 2024. For these accounts the employers contribution rate was set at 17.0% of pensionable pay, based on the previous triennial valuation of 31 March 2020.

12. GOING CONCERN

The Treasurer is responsible for making an annual assessment of whether it is appropriate to prepare the accounts on a going concern basis. In accordance with the Code of Practice on Local Authority Accounting in the United Kingdom, an authority’s financial statements shall be prepared on a going concern basis; that is, the accounts should be prepared on the assumption that the functions of the authority will continue in operational existence for at least twelve months from the date of approval of the financial statements and it can only be discontinued under statutory prescription. In addition, under the Transport (Scotland) Act 2005, the constituent local authorities have a legal obligation to meet all liabilities borne by the authority. The activities of the authority have not been significantly impaired, and the authority continues to work towards the delivery of the Regional Transport Strategy. On this basis, the Treasurer has determined that it remains appropriate to prepare the financial statements on a going concern basis.

13. PRIOR PERIOD ADJUSTMENTS

There are no prior period adjustments.

14. POST BALANCE SHEET EVENTS

No significant events occurred between the Balance Sheet date and the date the Treasurer signed the accounts that would have a material impact on the 2023/24 Annual Accounts.

15. THE FINANCIAL STATEMENTS

Movement in Reserves Statement

This statement shows the movement in the year on different Reserves held by the Partnership. This is analysed into 'Usable Reserves' (i.e. those that can be applied to fund expenditure) and 'Unusable Reserves'.

Comprehensive Income and Expenditure Statement

This statement shows the accounting costs in the year of providing services in accordance with generally accepted accounting practices.

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Partnership. The net assets of the Partnership (assets less liabilities) are matched by the Reserves held by the Partnership.

Cash Flow Statement

This statement shows the changes in cash and cash equivalents of the Partnership during the reporting period. The statement shows how the Partnership generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

Notes to the Core Financial Statements

These notes are intended to provide the reader with further information which is not separately detailed in the core financial statements.

16. REMUNERATION REPORT

The Local Authority Accounts (Scotland) Amendment Regulations 2011 require Regional Transport Partnerships to include a Remuneration Report in the Financial Statements. The Remuneration Report discloses information for each senior employee.

Partnership Board members receive no remuneration in relation to their appointment to the Partnership. Board members may claim reasonable expenses incurred in relation to their participation in Partnership business. Expenses for Councillor Members are borne by the constituent Councils. Expenses paid to non-Councillor members are reported in Note 9: Members Expenses.

17. ACKNOWLEDGEMENTS

During the 2023/24 financial year the Partnership's financial position has undertaken regular scrutiny and strict budgetary control. We would wish to place on record our appreciation of the excellent work carried out by the Partnership's officers, supported by the officers of Perth and Kinross Council in the financial management of the Partnership and in the preparation of the 2023/24 Annual Accounts.

Andrew Parrott
Chair of Partnership Board
Tactran

Scott Walker
Treasurer
Tactran

Mark Speed
Partnership Director
Tactran

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

MEMBERS AND OFFICIALS

Tayside and Central Scotland Transport Partnership (Tactran) is a statutory body established under the Transport (Scotland) Act 2005. The Tactran region covers the Angus, Dundee City, Perth and Kinross and Stirling Council areas.

Tactran works with its partner Councils, Community Planning Partnerships, Development Planning Authorities, Scottish Government, Transport Scotland, transport providers and other key stakeholders to develop and enhance Scotland's transport infrastructure and services in support of promoting sustainable economic growth, social inclusion and environmental sustainability.

PARTNERSHIP BOARD MEMBERSHIP

Membership of the Partnership is prescribed by the Regional Transport Partnerships (Establishment, Membership and Constitution) (Scotland) Order 2005. The Partnership Board consists of 10 Councillors who are nominated by partner Councils – 3 per Council from Dundee City and Perth and Kinross and 2 per Council from Angus and Stirling – plus 4 or 5 non-Councillor members.

Board membership during 2023/24:

Councillor Members

Angus Council

Councillor Heather Doran
Councillor Mark McDonald

Dundee City Council

Councillor Mark Flynn
Councillor Dorothy McHugh
Councillor Steven Rome (to March 2024)
Councillor Siobhan Tolland (from March 2024)

Perth and Kinross Council

Councillor Hugh Anderson
Councillor Andrew Parrott (Chair)
Councillor Richard Watters

Stirling Council

Councillor Danny Gibson (to June 2023)
Councillor Rachel Nunn
Councillor Jennifer Preston (from June 2023)

Non-Councillor Members

Non-Councillor appointments are made by the Partnership, subject to the consent of Scottish Ministers. Legislation permits the Partnership to appoint either 4 or 5 such members and the Partnership has agreed to appoint the maximum of 5 non-Councillor members. The non-Councillor members during 2023/24:

Mr Bryan Doyle – appointed in March 2020

Ms Amy McDonald – appointed in September 2020

Mr Paul Reid – appointed in June 2022

Mr Alan Stewart – appointed in September 2023

Vacant

Non-Councillor member appointments are ordinarily for a period of 2 years, with extension subject to agreement by the Partnership Board.

Advisors

Regional Transport Partnerships may appoint such number of observers or advisors as they consider appropriate.

Currently there is one appointed advisor, Sustrans' Infrastructure Partnership Manager.

PARTNERSHIP STAFF

Partnership Director

Mark Speed was appointed Partnership Director from April 2020. As the Partnership's Chief Officer, Mark is responsible for ensuring that the Partnership meets its statutory obligations and duties and for managing the Partnership and its resources.

Mark brings a wealth of experience of working at a National, Regional and Local level of Government. Mark has previously been engaged as Head of Place Management at Sunderland City Council, Commissioning Manager for Transport and Infrastructure at Peterborough City Council, Senior Travel Demand Engineer at TRANSIT New Zealand and as Senior Policy Officer for the Tyne and Wear Local Transport Plan Core Team. Mark studied Environmental Management at Dundee University and Transport Policy and Planning at Newcastle University.

Senior Partnership Manager

Niall Gardiner was appointed as Projects Manager in October 2007. Niall has over 30 years' experience working in transportation planning and engineering. Niall was promoted to the position of Senior Partnership Manager as part of a staff re-structuring in July 2016. Niall is responsible for managing the development and implementation of Regional Transport Strategy delivery programmes, in liaison with partner Councils, Community Planning Partnerships, Development Planning Authorities and other delivery stakeholders.

Senior Strategy Officer

Jonathan Padmore took up the post of Senior Strategy Officer in January 2018. Jonathan joined from Stirling Council and has over 25 years' experience working in transport planning roles for Stirling Council, St. Helen's and Sefton Metropolitan Borough Council's in Merseyside, Norfolk County Council and Aberdeen City Council.

Strategy Officer (Strategic Connectivity)

Claudia Stuerck took up the post of Strategy Officer (Strategic Connectivity) in October 2021. Claudia joined Tactran from Free Hanseatic City of Bremen in Germany and has 14 years' experience in Scottish, UK and European transport planning, policy and strategy.

Strategy Officer (Sustainable Transport)

Merry Scott started in the post of Strategy Officer for Sustainable Transport in October 2020. Merry has previously worked in Dundee City Council and Transport Consultancy and has 17 years' experience in Sustainable Transport. Merry is a Chartered Member of the Institute of Logistics and Transport and has an MSc in Passenger Transport Management.

Tayside Bus Alliance – Project Manager

James Cooper joined Tactran in March 2022 to manage all aspects of the Tayside Bus Alliance for the Bus Partnership Fund STAG appraisal and associated initiatives. James has over 30 years' experience working in the transport sector, mainly in academic and research roles, but also brings significant project management experience to the post.

Office Manager / Personal Assistant (PA) to Director

Ashley Roger was appointed Office Manager / Personal Assistant to the Director in January 2007. Ashley has over 20 years' office management / PA experience in the private and public sectors. Ashley is responsible for overseeing all aspects of office management and related administrative support to the Partnership's staff and members and providing PA support to the Partnership Director.



PROPER OFFICERS

In accordance with statutory requirements the Partnership has appointed two Proper Officers who provide specialist financial and legal support and advice to the Partnership Board and Partnership Director. These are:-

Partnership Treasurer

Scott Walker is the Strategic Lead – Finance and Business Support (Chief Finance Officer/ S95 Officer) with Perth and Kinross Council and is the Proper Officer for all matters relating to financial probity, treasury management and reporting.

Partnership Legal Adviser

Lisa Simpson is the Strategic Lead – Legal and Governance with Perth and Kinross Council and is the Proper Officer for all matters of a legal nature, including Execution of Deeds, and representing the Partnership in any legal or tribunal proceedings.

OTHER OFFICERS

In addition to the Proper Officers set out above, Tactran has also appointed another officer as detailed below, to provide specialist corporate governance advice and support to the Partnership Board and Partnership Director.

Partnership Secretary

Scott Hendry is the Democratic Services Manager within Committee Services for Perth and Kinross Council and is the officer for all matters relating to Partnership governance, meetings and proceedings, and for ethical standards.

Further information on Tactran's membership and officer team can be found on the Partnership's website – www.tactran.gov.uk

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

ANNUAL GOVERNANCE STATEMENT

1. Scope of Responsibility

Tactran's aim is to develop a transportation system for the region covering the Angus, Dundee City, Perth and Kinross and Stirling Council areas, as outlined in the Partnership's Regional Transport Strategy 2015 - 2036 Refresh.

The Partnership is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, that public money is safeguarded and properly accounted for and used economically, efficiently, effectively and ethically. The Partnership also has a duty to make arrangements to secure continuous improvement in the way its functions are carried out.

In discharging these overall responsibilities, members and senior officers are responsible for implementing proper arrangements for the governance of the Partnership's affairs, and facilitating the effective exercise of its functions, including arrangements for management of risk.

The Partnership has approved and adopted a set of governance documents which is consistent with appropriate corporate governance and relevant guidance. These documents including Financial Regulations, Scheme of Delegation, Risk Management Strategy and Policy; and Standing Orders were updated in 2024 and were approved by the Partnership Board on 10 September 2024. The Code of Conduct for Members of the Partnership was updated in March 2022.

This statement explains how the Partnership delivers good governance and reviews the effectiveness of these arrangements.

2. The Partnership's Governance Framework

The governance framework comprises the systems, processes, culture and values by which the Partnership is directed and controlled and its activities through which it accounts to, engages with and influences the community. It enables the Partnership to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services. The framework reflects the arrangements in place to meet the six supporting principles of effective corporate governance.

- Focusing on the purpose of the Partnership and on outcomes for the community, and creating and implementing a vision for the local area;
- Members and officers working together to achieve a common purpose with clearly defined functions and roles;
- Promoting values for the Partnership and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- Developing the capacity and capability of members and officers to be effective;
- Engaging with local people and other stakeholders to ensure robust public accountability.

A significant part of the governance framework is the system of internal control which is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Partnership's policies, aims and objectives. These risks are reported to the Partnership annually. This will enable the Partnership to manage its key risks efficiently, effectively, economically and ethically. While the system of internal control is designed to manage risk at a reasonable level it cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable, and not absolute, assurance of effectiveness.

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

The system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period. The Partnership has previously agreed that regular internal audit scrutiny is not necessary for the scale of the Partnership, but they will provide advice and guidance as and when required.

As part of the ongoing commitment to hybrid working, adjustments have been made to the financial control process that permits the process to be undertaken without need to physically meet or access the office. No other specific governance improvement areas have been identified for 2023/24.

3. Determining the Partnership's purpose, its vision for the region and intended Outcomes for the Community

The Partnership aims to develop a transportation system for the region covering the Angus, Dundee City, Perth and Kinross and Stirling Council areas, which is focussed on reducing inequalities, addressing climate change, improving health and wellbeing and assisting in the delivery of sustainable inclusive economic growth.

The Annual Revenue Programme details the projects the Partnership is involved in and an update is reported to the Partnership Board on a quarterly basis. These projects link to the aims of the strategy and the Annual Report provides a report of performance against objectives, targets and performance indicators as outlined in the Regional Transport Strategy.

Review of Effectiveness

The Partnership, which uses some of Perth and Kinross Council's financial control systems, has put in place arrangements detailed within the Partnership's Governance documents.

The review of the effectiveness of its governance framework is informed by:

- The operation and monitoring of controls by the Partnership Director, Proper Officers and managers;
- The External Auditors in its Annual Audit Report; and
- Other inspection agencies comments and reports.

Through the year members and officers have responsibility for the development and maintenance of the governance environment. These review mechanisms include:

- The Partnership Board provides strategic leadership, determines policy aims and objectives and takes executive decisions not delegated to officers. It provides governance accountability for the Partnership's performance.
- The Annual Audit Report is considered by the Partnership Board.
- The Risk Management System requires that risks are reviewed regularly by officers and annually by the Partnership Board. This ensures that actions are taken to effectively manage the Partnership's identified risks. The Review of Risk Register (Report RTP/23/01 refers) considered by the Partnership on 12 March 2024 provided revisions and updates to relevant Risk Controls and Actions.
- The Legal Advisor is responsible to the Partnership for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.
- The Partnership operates Anti-Bribery, Anti-Fraud and Corruption policies in accordance with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption.



The Partnership's financial management arrangements conform to the governance arrangements of CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) as set out in the Application Note to Delivering Good Governance in Local Government.

4. Certification

It is the Treasurer's opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Partnership's internal control system for the year ended 31 March 2024.

From this year's review there is evidence that the governance arrangements are operating effectively with overall compliance by the Partnership in all significant areas of corporate governance.

The Partnership's governance arrangements and systems are confirmed as being operational and current at the date of signing of this Annual Governance Statement.

Andrew Parrott
Chair of Partnership Board
Tactran

Mark Speed
Partnership Director
Tactran

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

STATEMENT OF RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS

The Partnership's responsibilities

The Partnership is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that a designated officer has the responsibility for the administration of those affairs. For Tactran 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) Regulation 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).
- Approve the Annual Accounts for signature.

I confirm that these Annual Accounts were approved for signature by the Partnership Board at its meeting on 10 December 2024.

Signed on behalf of Tactran

Andrew Parrott
Chair of Partnership Board
Tactran

The Treasurer's responsibilities

The Treasurer is responsible for the preparation of the Partnership's Annual Accounts in accordance with proper practices 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 Local Authority Code (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 Tactran at the reporting date and the transactions of Tactran for the year ended 31 March 2024.

Scott Walker CPFA
Treasurer
Tactran

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP 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 the Tayside and Central Scotland Partnership for the year ended 31 March 2024 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement and notes to the financial statements, including material accounting policy information. 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 2023/24 (the 2023/24 Code).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the body as at 31 March 2024 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 2023/24 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 5 June 2023. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the body 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 the body. 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 body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, I report on the body'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 the Partnership Board for the financial statements

As explained more fully in the Statement of Responsibilities for the Annual Accounts, 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 the Treasurer determines 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 body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

The Partnership 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 the body;
- inquiring of the Treasurer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Treasurer concerning the body's policies and procedures 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 the body'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 Remuneration Report described as audited. In my opinion, the audited parts of the 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, Members and Officials, Annual Governance Statement, Statement of Responsibilities and the unaudited part of the Remuneration Report.

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

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

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

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

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

Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.



Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice, 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.

Maggie Bruce CA
Senior Audit Manager
Audit Scotland
1st Floor, Room F03
The Green House
Beechwood Business Park North
Inverness IV2 3BL

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

MOVEMENT IN RESERVES STATEMENT

For the year ended 31 March 2024

	General Fund Balance	Total Usable Reserves	Accumulated Absences Unusable Reserves (see Note 7)	Pensions Reserve Unusable Reserves (see Note 7)	Total Tactran Reserves
	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2022	100	100	(9)	(48)	43
<u>Movement in reserves during 2022/23</u>					
Deficit on provision of services	(104)	(104)	0	0	(104)
Other Comprehensive Expenditure and Income	0	0	0	134	134
Total Comprehensive Expenditure and Income	(104)	(104)	0	134	30
Adjustments between accounting basis and funding basis under regulations (note 5)	82	82	4	(86)	0
(Decrease)/increase in 2022/23	(22)	(22)	4	48	30
Balance at 31 March 2023 carried forward	78	78	(5)	0	73
<u>Movement in reserves during 2023/24</u>					
Surplus on provision of services	5	5	0	0	5
Other Comprehensive Expenditure and Income	0	0	0	17	17
Total Comprehensive Expenditure and Income	5	5	0	17	22
Adjustments between accounting basis and funding basis under regulations (note 5)	14	14	3	(17)	0
Increase/(decrease) in 2023/24	19	19	3	0	22
Balance at 31 March 2024 carried forward	97	97	(2)	0	95

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

For the year ending 31 March 2024

2022/23 (restated)*			2023/24			
Gross Exp £'000	Gross Income £'000	Net (Income) / Exp £'000	Note	Gross Exp £'000	Gross Income £'000	Net (Income) /Exp £'000
SERVICES						
1,665	(1,497)	168		1,493	(1,428)	65
47	0	47		48	0	48
1,712	(1,497)	215		1,541	(1,428)	113
COST OF SERVICES						
1	(9)	(8)	12	0	(15)	(15)
0	(103)	(103)		0	(103)	(103)
1	(112)	(111)		0	(118)	(118)
		104				(5)
		(134)				(17)
		(30)				(22)
TOTAL COMPREHENSIVE INCOME AND EXPENDITURE						

* Interest income was mistakenly included within Highways and Transport income. The restatement reflects a correction to its treatment being included within Financing and Investment Income and Expenditure.

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

BALANCE SHEET

Year Ending 31 March 2024

<i>As at</i>			<i>As at</i>	
<i>31 March 2023</i>		Notes	31 March 2024	
<i>£'000</i>	<i>£'000</i>		£'000	£'000
359			642	
<u>134</u>	Short Term Debtors	16	<u>165</u>	
	Cash and Cash Equivalents	8		
493	Current Assets		807	
(420)	Short Term Creditors	17	(712)	
<u>73</u>	Net Assets		<u>95</u>	
	Financed by Fund Balances and Unusable Reserves:			
78	General Fund Reserve		97	
0	Pensions Reserve		0	
(5)	Accumulated Absence	7	(2)	
<u>73</u>			<u>95</u>	

The Unaudited Annual Accounts were issued on 11 June 2024 and the Audited Annual Accounts were authorised for issue on 10 December 2024.

Scott Walker CPFA
Treasurer
Tactran

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

CASH FLOW STATEMENT

Year Ending 31 March 2024

2022/23 £'000	Notes	2023/24 £'000
(104)	Net (deficit)/surplus on provision of service	5
	Adjustments to net deficit on the provision of services for non-cash movements:-	
(140)	Debtors increased by	(283)
136	Creditors increased by	295
(4)	Employee Accrual	(3)
86	Pension adjustments	17
(26)	Net (decrease)/increase in cash and cash equivalents	31
160	Cash and cash equivalents at the beginning of the reporting period	134
134	Cash and cash equivalents at the end of the reporting period	165
	8	

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

REMUNERATION REPORT

(i) Remuneration Policy for Senior Employees

The Partnership Board determines initial remuneration for senior employees with reference to the level of responsibility of the post.

The Partnership does not operate a Remuneration Committee.

Annual inflationary increases are based on those agreed by the Scottish Joint Negotiating Committee for Chief Officials of Local Authorities (Scotland).

(ii) Remuneration for Senior Councillors

Under current legislation Councillor Members of the Partnership are not entitled to receive any remuneration from Tactran. Remuneration would be made directly from their constituent authorities and this information would be disclosed within each constituent authority's remuneration report. Expenses paid to Board members are detailed in note 9 to the financial statements.

(iii) Officers Remuneration

The Partnership has two Proper Officers who undertake tasks within their specialised areas, who earn in excess of £50,000 (Treasurer and Legal Adviser), however both Proper Officers are employed and paid by Perth and Kinross Council and are not included within the Remuneration report. The Partnership is charged a total of £25,000 by Perth and Kinross Council for Financial, Legal and Secretarial support, which includes a cost recharge for the Proper Officers.

The number of employees whose remuneration, excluding employer's pension contributions, was £50,000 or more in bands of £5,000 was:

<i>Number of Employees 2022/23</i>	Salary Banding	Number of Employees 2023/24
0	£95,000 - £99,999	1
1	£90,000 - £94,999	0
1	£60,000 - £64,999	1
0	£55,000 - £59,999	0
0	£50,000 - £54,999	1

(iv) Senior Employees Remuneration

Name and Post Title	Salary, Fees and Allowance	Total Remuneration 2023/24	Total Remuneration 2022/23
Mark Speed Partnership Director	£96,110	£96,110	£90,627
	£96,110	£96,110	£90,627

The senior employee in the above table had overall chief executive officer responsibility and accountability for the strategic direction and management of the Partnership, to the extent that the person has powers and authority to direct and control the major activities of the Partnership, including activities involving the expenditure of money. The Partnership Director is also responsible for ensuring that the Partnership fulfils its statutory duties and obligations in line with priorities set by the Partnership Board during the year to which the Report relates, whether solely or collectively with other persons.

(v) Senior Employees Pension Entitlement

The pension entitlement of the Partnership senior employee is as follows:

Name and Post Title	In year pension contributions			Accrued pension benefits		
	2022/23 £	2023/24 £		As at 31 March 2023 £'000	As at 31 March 2024 £'000	Difference from 31 March 2023 £'000
Mark Speed Partnership Director	15,407	16,339	Pension Lump Sum	29 0	33 0	4 0
	15,407	16,339				

(vi) The number of Exit packages with Total Cost per band and Total Cost of Compulsory and Other Redundancies

There were no exit packages agreed in either 2022/23 or 2023/24.

(vii) Audit Review

All information disclosed within the tables, and the number of exit packages, is audited by the Partnership's appointed External Auditors. The other sections of the Remuneration Report are reviewed by External Auditors to ensure that they are consistent with the financial statements.

Mark Speed
Partnership Director
Tactran

Andrew Parrott
Chair of Partnership Board
Tactran

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

NOTES TO THE CORE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

GENERAL PRINCIPLES

The Annual Accounts summarise the Partnerships transactions for 2023/24 and its position at 31 March 2024. The Partnership is required to prepare Annual Accounts by the Transport (Scotland) Act 2005, section 3, and section 12 of the Local Government in Scotland Act 2003 requires they be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Annual Accounts is principally historical cost, modified by the revaluation of certain categories of financial instruments.

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.

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.

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 Partnership's cash management.

EMPLOYEE BENEFITS

Benefits Payable During Employment

Short-term employee benefits, such as wages and salaries, paid annual leave, paid sick leave and any non-monetary benefits for current employees are recognised as an expense in the year in which employees render service to the Partnership. An accrual is made against services in the Surplus or Deficit on the Provision of Services for the cost of holiday entitlements and other forms of leave earned by employees but not taken before the year-end and which employees can carry forward into the next financial year. The accrual is made at the remuneration rates applicable in the following financial year. Any accrual made is required under statute to be reversed from the General Fund Balance by crediting the Accumulating Compensated Absences Adjustment Account in the Movement in Reserves Statement.

The Local Government Pension Scheme

Employees, subject to qualifying criteria, are eligible to join the Local Government Pension Scheme (LGPS). The LGPS is a statutory funded defined final benefit salary scheme operated through local pension funds. Tactran and its employees pay contributions into the Tayside Pension Fund administered by Dundee City Council calculated at a level to balance the pension liabilities with investment assets. The contributions paid into the scheme by employees and member pension benefits are prescribed, for the period to which the accounts relate, by the Local Government Pensions Scheme (Scotland) Regulations 1998 as amended. Tactran's contributions, as employer, into the Tayside Pension Fund are subject to the advice of the Fund actuary.

For 2023/24 the employer's contribution as set at the triennial valuation as at 31 March 2020 is 17.0%. This rate will reduce to 15.7% for 2024/25 following the triennial valuation as at 31 March 2023.

The Local Government Scheme is accounted for as a defined benefits scheme up to 31 March 2015. From 1 April 2015 the scheme changed to a career average scheme:

- The liabilities of Tayside Pension Fund attributable to the Partnership 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 projected earnings for current employees,
- The assets of Tayside Pension Fund attributable to the Partnership are included in the Balance Sheet at their fair value –
 - quoted securities – current bid price,
 - unquoted securities – professional estimate,
 - unitised securities – current bid price,
 - property – market value,
- The change in the net pensions liability is analysed into seven components:
 - 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 the services for which the employees worked;
 - past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;
 - interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
 - expected return on assets – the annual investment return on the fund assets attributable to the Authority, based on an average of the expected long-term return – credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
 - gains/losses on settlements and curtailments – the result of actions to relieve the Partnership of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited/credited to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;
 - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve;
 - contributions paid to 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 Fund balance to be charged with the amount payable by the Partnership to the Pension Fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The balance that arises on the Pensions Reserve thereby measures the impact on the General Fund 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 Partnership 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.

EVENTS AFTER THE REPORTING PERIOD

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

- those that provide evidence of conditions that existed at the end of the reporting period – the Annual Accounts are adjusted to reflect such events;
- 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.

FINANCIAL INSTRUMENTS

In the Notes to the Financial Statements, financial instruments are required to be shown at fair value. Fair value is defined as the amount for which an asset could be exchanged or a liability settled, assuming that the transaction was negotiated between parties knowledgeable about the market in which they are dealing and willing to buy/sell at an appropriate price, with no other motive in their negotiations other than to secure a fair price.

GOING CONCERN

The Treasurer is responsible for making an annual assessment of whether it is appropriate to prepare the accounts on a going concern basis. In accordance with the Code of Practice on Local Authority Accounting in the United Kingdom, an authority's financial statements shall be prepared on a going concern basis; that is, the accounts should be prepared on the assumption that the functions of the authority will continue in operational existence for at least twelve months from the date of approval of the financial statements and it can only be discontinued under statutory prescription. In addition, under the Transport (Scotland) Act 2005, the constituent local authorities have a legal obligation to meet all liabilities borne by the authority. The activities of the authority have not been significantly impaired, and the authority continues to work towards the delivery of the Regional Transport Strategy. On this basis, the Treasurer has determined that it remains appropriate to prepare the financial statements on a going concern basis.

GOVERNMENT GRANTS AND CONTRIBUTIONS

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

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

Amounts recognised as due to the Partnership are not credited to the Comprehensive Income and Expenditure Account until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants/contributions) in the Comprehensive Income and Expenditure Statement.

LEASES

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges 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 rent-free period at the commencement of the lease).

RESERVES

Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a Reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The Reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement.

Certain Reserves are kept to manage the accounting processes for retirement benefits and accumulated absences which do not represent usable resources for the Partnership – these Reserves are explained in note 7.

The Core reserve is the uncommitted balance as per the reserves policy, to maintain a useable reserve of 3-5% of the Core gross expenditure budget. The RTS reserve comprises underspend on the RTS Programme, and transfers from Core underspend that would otherwise exceed the uncommitted Core reserve level, for use towards the RTS Programme in future years. At 31 March 2024 Core reserve was £33,359 and RTS reserve was £63,348.

VAT

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

2. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Annual Accounts contain estimated figures that are based on assumptions made by the Partnership 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 Partnerships Balance Sheet at 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Partnership with expert advice about the assumptions to be applied.

The effects on the net pension's 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 £52,575 (£43,160 for 2022/23).

However, the assumptions interact in complex ways. During 2023/24, the Partnership's actuaries updated the assumptions and, with the asset ceiling incorporated (see Note 11), advised that the net pension liability remains unchanged and there is a nil pension liability at 31 March 2024. The 2022/23 liability had decreased by £48,330 and was nil at 31 March 2023.

3. ADJUSTMENTS BETWEEN ACCOUNTING AND FUNDING

	2022/23 £'000	2023/24 £'000
Pension adjustment	86	17
Re-measurement of net defined benefit asset	(134)	(17)
Accumulated Absence	(4)	(3)
Total Adjustments	(52)	(3)

4. EXPENDITURE AND FUNDING ANALYSIS – 2023/24

Services	Net (Income) / Expenditure Chargeable to General Fund £'000	Adjustment Between Accounting and Funding Basis (note 3) £'000	Net (Income) / Expenditure in the Comprehensive Income and Expenditure Statement £'000
Highways and Transport Services	50	15	65
Corporate and Democratic Services	48	0	48
Cost of Services	98	15	113
Financing and Investment Income and Expenditure	(14)	(1)	(15)
Constituent Council Requisitions	(103)	0	(103)
(SURPLUS) DEFICIT ON PROVISION OF SERVICES	(19)	14	(5)
Remeasurements of the net defined benefit asset	0	(17)	(17)
TOTAL COMPREHENSIVE (INCOME) AND EXPENDITURE	(19)	(3)	(22)

EXPENDITURE AND FUNDING ANALYSIS – 2022/23 (restated)*

Services	Net (Income) / Expenditure Chargeable to General Fund £'000	Adjustment Between Accounting and Funding Basis (note 3) £'000	Net (Income) / Expenditure in the Comprehensive Income and Expenditure Statement £'000
Highways and Transport Services	87	81	168
Corporate and Democratic Services	47	0	47
Cost of Services	134	81	215
Financing and Investment Income and Expenditure	(9)	1	(8)
Constituent Council Requisitions	(103)	0	(103)
(SURPLUS) DEFICIT ON PROVISION OF SERVICES	22	82	104
Remeasurements of the net defined benefit asset	0	(134)	(134)
TOTAL COMPREHENSIVE (INCOME) AND EXPENDITURE	22	(52)	(30)

The Expenditure and Funding Analysis shows how the funding available to the Partnership in the form of partner contributions has been used in providing services. This is compared to the costs of services on an accounting basis.

* In conformance with the restatement to the Comprehensive Income and Expenditure Statement, a restatement between Highways and Transport, and Financing and Investment Income and Expenditure for interest received has been applied.

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

This note details the adjustments that are made to the Comprehensive Income and Expenditure Statement recognised by the Partnership in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Partnership to meet future capital and revenue expenditure.

	<i>Movement in Unusable Reserves</i>	<i>Movement in Unusable Reserves</i>
	<i>2022/23 £'000</i>	<i>2023/24 £'000</i>
Adjustments involving the Pensions Reserve:		
Reversal of items relating to post employment benefits debited or credited to the Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(145)	(82)
Employer's pensions contributions and direct payments to pensioners payable in the year	59	65
Adjustment involving the Accumulating Compensated Absences Adjustment Account		
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	4	3
Total Adjustments	(82)	(14)

6. BALANCE SHEET – USABLE RESERVES

Movements in the Partnership's Usable Reserves are detailed in the Movement in Reserves Statement.

7. BALANCE SHEET – UNUSABLE RESERVES

<i>31 March 2023 £'000</i>		<i>31 March 2024 £'000</i>
0	Pensions Reserve	0
(5)	Accumulating Compensated Absences Adjustment Account	(2)
(5)	Total Unusable Reserves	(2)

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 Partnership 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 Partnership makes employer's contributions to pension's funds or eventually pays any pensions for which it is directly responsible. The nil balance on the Pensions Reserve therefore shows there is neither a surplus nor deficit in the benefits earned by past and current employees and the resources the Partnership has set aside to meet them.

2022/23		2023/24
£'000		£'000
(48)	Balance at 1 April	0
134	Other Comprehensive Income	17
(145)	Reversal of items relating to retirement benefits debited or credited to the Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(82)
59	Employer's pensions contributions and direct payments to pensioners payable in the year	65
0	Balance as at 31 March	0

Accumulating Compensated Absences Adjustment Account

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

2022/23		2023/24
£'000		£'000
(9)	Balance at 1 April	(5)
4	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	3
(5)	Balance at 31 March	(2)

8. CASH AND CASH EQUIVALENTS

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

31 March 2023		31 March 2024
£'000		£'000
134	Bank current accounts	165
134	Balance at 31 March	165

9. MEMBERS EXPENSES

The Partnership paid the following amounts to members during the year.

	2022/23	2023/24
	£'000	£'000
Expenses	1	1
	1	1

10. EXTERNAL AUDIT COSTS

The external auditor of the Partnership is appointed by the Accounts Commission for Scotland for a period of 5 years from 2022/23. The total fee payable to Audit Scotland in respect of the 2023/24 financial year for external audit services undertaken in accordance with the Code of Audit Practice is £13,800 (2022/23 £13,035). During 2023/24 the external auditor did not provide any other services to the Partnership other than the duties undertaken in accordance with the Code of Audit Practice.

11. PENSION SCHEMES

Participation in pension schemes

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

The Partnership participates in the Local Government Pension Scheme, administered locally by Dundee City Council which is a funded defined benefit scheme providing benefits based on career average earnings. The Partnership and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

Transactions relating to post employment benefits

The costs of retirement benefits are recognised 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 which requires to be made is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

	Local Government Pension Scheme £'000 2022/23	Local Government Pension Scheme £'000 2023/24
Costs of Services		
Service Cost	145	83
Financial and Investment Income and Expenditure		
Net Interest on defined liability	1	(1)
Total Post Employment Benefit Charged to the Surplus on the Provision of Services	146	82
Remeasurements	134	17
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	280	99
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	(86)	(17)
Employers contributions payable to scheme	59	65

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 2022/23 £'000	Funded liabilities Local Government Pension Scheme 2023/24 £'000
Opening Balance at 1 April	4,142	2,884
Current Service Costs	145	83
Past Service Costs	0	0
Interest Cost	107	137
Contributions by scheme participants	26	28
Change in assumptions:		
Change in financial assumptions	(1,724)	(28)
Change in demographic assumptions	0	(32)
Experience loss on defined benefit obligation	256	263
Estimated benefits paid net of transfer	(68)	(75)
Closing balance at 31 March	2,884	3,260
	Assets 2022/23 £'000	Assets 2023/24 £'000
Opening Balance at 1 April	4,096	3,911
Interest on assets	106	188
Return on assets (less interest)	(307)	352
Other actuarial gains	0	21
Estimated benefits paid net of transfer	(68)	(75)
Employer contributions	59	65
Contributions by scheme participants	26	28
Administration Expenses	(1)	(1)
Closing balance at 31 March	3,911	4,489
	2022/23 £'000	2023/24 £'000
Opening impact of asset ceiling	0	(1,027)
Interest on asset ceiling	0	(49)
Actuarial losses / (gains)	(1,027)	(153)
Closing balance at 31 March	(1,027)	(1,229)

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 annual gain on scheme assets in the year was £539,877 (2022/23: loss of £199,922).

Scheme History

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Present Value of Liabilities				
Local Government scheme	(3,904)	(4,143)	(2,884)	(3,260)
Fair Value of Assets in Local Government Pension Scheme	3,632	4,094	3,911	4,489
Impact of Asset Ceiling	0	0	(1,027)	(1,229)
(Deficit)/Surplus of the Scheme	(272)	(49)	0	0

The liabilities show the underlying commitments that the Partnership has in the long term to pay post employment (retirement) benefits. The asset ceiling is defined as the present value of any economic benefits available in the form of reductions in future contributions to the plan. The actuaries have calculated whether there are economic benefits in the form of reductions in future contributions, in accordance with International Financial Reporting Interpretations Committee - Interpretation 14 (IFRIC 14). The economic benefits were calculated as £1,228,886 (including interest of £49,291); however, as there is no unconditional right to a refund, no asset is recognised.

In 2023/24 the pension balance of nil has no impact on the Balance Sheet of Tactran.

Basis for estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. Both the Local Government Pension Scheme and discretionary benefits liabilities have been assessed by Barnett Waddingham, an independent firm of actuaries, estimates for the Fund being based on the latest full valuation of the scheme as at 31 March 2023.

The principal assumptions used by the actuary have been:

	2020/21	2021/22	2022/23	2023/24
Expected Return	33%	6%	(5%)	14%
Longevity at 65 for current pensioners:				
Retiring Today: Males	19.7	18.9	19.0	18.9
Females	21.7	22.2	22.4	21.6
Retiring in 20 Years: Males	21.4	20.3	20.4	20.2
Females	23.5	23.9	23.9	23.1
Past service liability duration (years)	19	19	16	17
Rate of inflation (CPI)	2.8%	3.2%	2.9%	2.95%
Rate of increase in salaries	3.8%	4.2%	3.9%	3.95%
Rate for discounting scheme liabilities	2.0%	2.6%	4.8%	4.9%

Sensitivity Analysis

	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
- Present value of total obligation	3,208	3,260	3,314
- Projected service cost	78	80	83
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
- Present value of total obligation	3,271	3,260	3,250
- Projected service cost	80	80	80

Adjustment to pension increase and deferred revaluation	+0.1%	0.0%	-0.1%
- Present value of total obligation	3,305	3,260	3,217
- Projected service cost	83	80	78
Adjustment to mortality age rating assumption	+ 1 Year	None	- 1 Year
- Present value of total obligation	3,376	3,260	3,149
- Projected service cost	83	80	77

Pension Scheme Asset Breakdown

Local Government Pension Scheme assets consist of the following categories, by proportion of the total assets.

	31 March 2023	31 March 2024
Equities	72%	72%
Gilts	2%	6%
Other Bonds	13%	7%
Property	10%	9%
Cash	3%	6%
Total	<u>100%</u>	<u>100%</u>

The actuary advised that gains and losses are estimated for each year but only calculated on an actual basis every 3 years.

The total contributions expected to be made to the Local Government Pension Scheme by the Partnership in the year to 31 March 2025 is **£60,552**.

12. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

	2022/23	2023/24
	£'000	£'000
Pensions interest cost and expected return on pensions assets	1	(1)
Interest receivable and similar income	(9)	(14)
	<u>(8)</u>	<u>(15)</u>

13. TRANSACTIONS WITH RELATED PARTIES

The four constituent Councils are related parties of Tactran, in terms of the Accounting Code of Practice, as councillors from each authority area serve as Board members of the Partnership. The Scottish Government is also a related party providing the statutory framework under which Tactran operates and providing a significant amount of grant funding amounting to £522,750 in 2023/24 (£522,750 in 2022/23).

During 2023/24 the Partnership entered into a number of transactions with the constituent Councils and these are detailed as follows:

2022/23			2023/24	
Income From £'000	Payments To £'000		Income From £'000	Payments To £'000
Angus Council				
(23)	0	Tactran Requisition	(24)	0
(2)	0	Other Income	(4)	0
0	90	Third Party Payments	0	65
<u>(25)</u>	<u>90</u>		<u>(28)</u>	<u>65</u>
Dundee City Council				
(29)	0	Tactran Requisition	(29)	0
(2)	0	Other Income	(4)	0
0	276	Third Party Payments	0	195
<u>(31)</u>	<u>276</u>		<u>(33)</u>	<u>195</u>
Perth and Kinross Council				
(31)	0	Tactran Requisition	(31)	0
(9)	0	Interest Receivable	(14)	0
(2)	0	Other Income	(4)	0
0	11	Supplies and Services	0	4
0	99	Third Party Payments	0	205
0	34	Central Support Services	0	33
<u>(42)</u>	<u>144</u>		<u>(49)</u>	<u>242</u>
Stirling Council				
(19)	0	Tactran Requisition	(19)	0
0	145	Third Party Payments	0	96
<u>(19)</u>	<u>145</u>		<u>(19)</u>	<u>96</u>

14. BALANCES WITH RELATED PARTIES

The four constituent Councils are related parties of Tactran, in terms of the Accounting Code of Practice, as both Tactran and the Councils are subject to common control by Central Government. The following balances existed between the Partnership and its related parties as at 31 March 2024.

2022/23 Amount Due To/(From) £		2023/24 Amount Due To/(From) £
	Angus Council	
18	RTS	65
<u>18</u>		<u>65</u>
	Dundee City Council	
1	Supplies and Services	2
65	RTS	193
<u>66</u>		<u>195</u>
	Perth and Kinross Council	
(8)	Interest Receivable	(7)
25	RTS	196
82	Staff Cost	41
3	Supplies and Services	2
<u>102</u>		<u>232</u>
	Stirling Council	
0	RTS	96
<u>0</u>		<u>96</u>

15. FINANCE AND OPERATING LEASES

Partnership as Lessee

The Partnership held no assets on finance lease during 2023/24 (2022/23: None) and accordingly there were no finance lease rentals paid to lessors during 2023/24 (2022/23: None). The Partnership occupies office premises in Perth on an operating lease which commenced in November 2006. Tactran is legally committed to future lease payments of **£22,483** as at 31 March 2024. A four-year extension to the lease has been agreed from November 2021 with no change to the rent of £13,490. The table below documents the minimum lease payments due in future years:-

	2022/23 £'000	2023/24 £'000
Not later than one year	13	13
Later than one year and not later than five years	23	9
	<u>36</u>	<u>22</u>

16. DEBTORS

2022/23 £'000		2023/24 £'000
	<u>Current (Due within 1 year)</u>	
0	Angus Council	0
144	Central Government	63
0	Dundee City Council	0
8	Perth and Kinross Council	7
207	Other Entities and Individuals	572
<u>359</u>		<u>642</u>

17. CREDITORS

2022/23 £'000		2023/24 £'000
18	Angus Council	65
66	Dundee City Council	195
110	Perth and Kinross Council	239
0	Stirling Council	96
226	Other Entities, Individuals and Employee Accrual	117
<u>420</u>		<u>712</u>

18. GRANT INCOME

The Partnership recognised the following grants and contributions in respect of its Core and RTS Programme:

	2022/23 £'000	2023/24 £'000
Scottish Government	523	523
Constituent Authorities	103	103
	<u>626</u>	<u>626</u>

Additional funding received during the year to augment the RTS and Capital Programmes is disclosed within Section 4 – Financial Performance.

19. FINANCIAL INSTRUMENT BALANCES

Accounting regulations require that the “financial instruments” shown on the balance sheet be further analysed into various defined categories.

Financial liabilities and financial assets represented by loans and receivables are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- the fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair value of an instrument is determined by calculating the Net Present Value (NPV) of future cash flows, which provides an estimate of the value of payments in the future in today's terms.

Fair value of Financial Assets carried at Amortised cost (Less than 12 months)

	31 March 2023		31 March 2024	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Cash	134	134	165	165
Debtors	286	286	572	572
	422	422	737	737

Fair value of Financial Liabilities carried at Amortised Cost (Less than 12 months)

	31 March 2023		31 March 2024	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Creditors	383	383	693	693
	383	383	693	693

Nature and extent of risks arising from Financial Instruments

The Partnership's activities expose it to a variety of financial risks:

- (i) credit risk – the possibility that other parties might fail to pay amounts due to the Partnership;
- (ii) liquidity risk – the possibility that the Partnership might not have funds available to meet its commitments to make payments;
- (iii) market risk – the possibility that financial loss might arise for the Partnership as a result of changes in such measures as interest rates.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Partnership's customers. The Partnership places deposits with The Royal Bank of Scotland and Perth and Kinross Council.

The following analysis summarises the Partnership's potential maximum exposure to credit risk, based on past experience and current market conditions. No credit limits were exceeded during the financial year and the Partnership expects full repayment on the due date of deposits placed with its counterparties.

	Amounts at 31 March 2024 £'000	Historical experience of default %	Historical experience adjusted for market conditions as at 31 March 2024 %	Estimated maximum exposure to default and uncollectability £'000
Deposits with banks and other financial institutions	165	0	0	0
Customers	0	0	0	0
Total	165	0	0	0

Debtors

The Partnership does not generally allow credit for customers, such that no amount of the balance is past its due date for payment. The level of debtors can be analysed by age as follows:

	31 March 2023 (restated)* £'000	31 March 2024 £'000
Less than three months	286	572
Total	<u>286</u>	<u>572</u>

* Debtors included within Financial Instruments comprised all debtors as per the balance sheet. Not all debtors are classed as financial instruments and accordingly the balance has been restated to those that are.

Liquidity Risk

The Partnership has deposits with both The Royal Bank of Scotland and Perth and Kinross Council, both of which are on-call with immediate access. Therefore, there is no significant risk that the Partnership will be unable to raise finance from these sources to meet its commitments under financial instruments.

Market Risk

Interest rate risk

Tactran has no borrowing, with interest rate risk limited to interest earned. The Partnership is exposed to interest rate fluctuations on its deposit of surplus funds with Perth and Kinross Council, with the rate being variable through its link to the Bank of England base rate. Reductions in interest rate will reduce interest earned and reduce income credited to the Comprehensive Income and Expenditure Statement. For example, a 1% reduction in interest rate would result in a £3,200 reduction in interest receivable.



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Dear Maggie,

Tayside and Central Scotland Transport Partnership Annual Accounts 2023/24

1. This representation letter is provided about your audit of the annual accounts of Tayside and Central Scotland Transport Partnership (hereafter referred to as Tactran) for the year ended 31 March 2024 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view and have been properly prepared, 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 Partnership Director and Management Team the following representations given to you in connection with your audit of Tactran's annual accounts for the year ended 31 March 2024..

General

3. Tactran and I have fulfilled our statutory responsibilities for the preparation of the 2023/24 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 Tactran 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 2023/24 (2023/24 Code), 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 Tactran at 31 March 2024 and the transactions for 2023/24.

Accounting Policies & Estimates

7. All material accounting policies applied are as shown in the notes to the financial statements. The accounting policies are determined by the 2023/24 Code where applicable. Where the 2023/24 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 Tactran'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 Tactran'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 Tactran's ability to continue to adopt the going concern basis of accounting.

Assets

10. I carried out an assessment at 31 March 2024 as to whether there is any indication that an asset may be impaired and have recognised any impairment losses identified.
11. There are no plans or intentions that are likely to affect the carrying value or classification of the assets recognised within the financial statements.

Liabilities

12. All liabilities at 31 March 2024 of which I am aware have been reported in the financial statements.
13. Provisions have been recognised in the financial statements for all liabilities of uncertain timing or amount at 31 March 2024 of which I am aware where the conditions specified in the 2023/24 Code have been met.
14. The accrual recognised in the financial statements for annual leave untaken by 31 March 2024 has been estimated on a reasonable basis.
15. The pension assumptions made by the actuary in the IAS 19 report for Tactran have been reviewed and I confirm that they are consistent with management's own view.
16. 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

17. There are no significant contingent liabilities arising either under formal agreement or through formal undertakings requiring disclosure in the accounts.

Litigation and Claims

18. All known actual or possible legal claims have been disclosed to you and have been accounted for and disclosed in the financial statements in accordance with the 2023/24 Code.

Fraud

19. I understand my responsibilities for the design, implementation, and maintenance of internal control to prevent fraud and I believe I have appropriately fulfilled those responsibilities.

20. 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, and
- 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

21. 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

22. All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with the 2023/24 Code. I have made available to you the identity of all the Tactran's related parties and all the related party relationships and transactions of which I am aware.

Remuneration Report

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

Management Commentary

24. 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

25. I confirm that Tactran has undertaken a review of the system of internal control during 2023/24 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.

26. 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 2024, which require to be reflected.

Events Subsequent to the Date of the Balance Sheet

27. All events subsequent to 31 March 2024 for which the 2023/24 Code requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

Scott Walker
Treasurer