

THE SCOTTISH ROAD WORKS COMMISSIONER

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2016/17 ANNUAL REPORT AND ACCOUNTS

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PERFORMANCE REPORT

OVERVIEW

STATEMENT BY SCOTTISH ROAD WORKS COMMISSIONER (SRWC) – ANGUS CARMICHAEL

The Scottish Road Works Commissioner (the Commissioner) is an independent statutory office holder established under Section 16 of the Transport (Scotland) Act 2005 (the 2005 Act) and is accountable to the Scottish Ministers and ultimately the Scottish Parliament.

The Office of Scottish Road Works Commissioner (SRWC) was initially filled in 2007. I was appointed to the Office of SRWC on 28 September 2015.

In November 2015 I presented my priorities at the “Roads Expo” industry seminar which is held annually at Ingliston, Edinburgh. Details are available on the office website at <http://www.roadworksscotland.gov.uk/>

In particular my priorities include pursuing greater consistency in the notification of road works undertaken by roads authorities and scrutinizing the work of utility companies with respect to the quality of their reinstatements on completion of road works.

There were a total of 130,895 road works in Scotland in the year to 31 March 2017, an increase of 2,041 from the year to 31 March 2016 (128,854). Roads authority (i.e. Local Council and Transport Scotland) works accounted for 25.5% of the total, a small decrease from 25.7% in the year to 31 March 2016. The performance of all organisations undertaking road works continues to be monitored by my office on a quarterly basis using data and reports extracted from the Scottish Road Works Register.

Annual Road Works Performance Reviews were issued during June and July 2016 to all roads authorities and utility companies operating in Scotland. The 1 April – 31 March reporting period introduced last year, which mirrors the Roads Authorities and Utilities Committee (Scotland) (RAUC(S)) business year, was again used. Performance Reviews contained performance data and analysis specific to each organisation.

There was a small increase in the utility company noticing failure rate which rose from 7.0% in the previous reporting period to 7.8% in 2016/17. The roads authority noticing failure rate shows a slightly larger increase, rising from 8% in the previous reporting period to 10% in 2016/17. The number of overrunning works remains low on both sides of the community at 2%, demonstrating that works are generally well planned. Utility company works extensions remain at 9%, whilst roads authorities demonstrated a small improvement from 20% in 2015/16 to 16% in 2016/17.

There were no Commissioner penalties issued during the reporting period.

Over the reporting period my office continued to engage with the road works community at many levels through attendance at quarterly RAUC(S), Area RAUC, Local RAUC and ad hoc meetings. Attendance at and participation in various technical working groups was maintained. The Commissioner is also a member of the Highway Authorities and Utilities Committee UK (HAUC(UK)) which meets quarterly. Membership of HAUC(UK) consists of utility companies, highway authorities, roads authorities and other organisations from across the United Kingdom, enabling best practice to be shared across Scotland, England, Wales and Northern Ireland.

The Commissioner is a member of a number of working groups including the Scottish Road Works Policy and Development Group, the Scottish Road Research Board, the Scottish Pavement Forum and the Scottish Temporary Traffic Management Safety Forum.

PURPOSE & MAIN ACTIVITIES

HISTORY, STATUTORY POWERS AND RESPONSIBILITIES

The Commissioner's general function is to work with the road works community to oversee improvements to the planning, co-ordination and quality of road works in Scotland. In particular the Commissioner must:

- Monitor the carrying out of works in roads in Scotland undertaken by both Roads Authorities (Councils for local roads, Transport Scotland for trunk roads) and Utility Companies. The performance of the Tay Bridge Authority and Edinburgh Trams is also monitored.
- Promote compliance with the New Roads and Street Works Act 1991 (the 1991 Act) which sets out the general duties of road works authorities to co-ordinate works and for statutory undertakers to co-operate with road works authorities when undertaking works; and
- Promote the pursuit of good practice by those persons who have functions conferred on them or permissions granted to them by or under the 1991 Act.

The Commissioner has the power to request from a road works authority or a utility company such information relevant to their respective functions and activities. The Commissioner also has the power to impose financial penalties when systematic failure of duties under the 1991 Act occurs by either roads authorities or utility companies. The Commissioner also undertakes a dispute resolution function where escalation of disputes between roads authorities and utility companies occur.

KEY ISSUES AND RISKS AFFECTING THE ORGANISATION

DEVELOPMENTS PLANNED IN 2017/18

- In August 2015, Derek Mackay, Minister for Transport and the Islands announced that he intended commissioning a review of the office and functions of the Scottish Road Works Commissioner to build on existing strengths. The Minister expressed the view that any resultant improvements should be fully implemented before the appointment of the next Commissioner.

The consultant's review was received by the current Minister, Humza Yousaf, early in the current reporting period and is being used in conjunction with the findings of the 2013 Strategic Review of Road Works in Scotland to inform the ongoing draft of a Miscellaneous Transport Bill being brought forward by the current administration. (The Scottish National Party election manifesto noted "We will bring forward a Transport Bill to improve bus services, enhance and improve the role of the Scottish Road Works Commissioner and wider road works legislation and to enable and enforce responsible parking")

The Bill process will continue throughout the 2017/18 financial year and beyond.

- The RAUC(S) Coring Programme of utility company reinstatements, which were undertaken during 2015, commenced late in the 2015/16 financial year. However, it remains incomplete and will not now be reported to RAUC(S) before September 2017.
- In addition to other established priorities, during 2017/18, the office will continue to focus on:
 - (i) Roads Authority noticing performance.
 - (ii) Utility company compaction of the unbound layers in their reinstatements to inform future road works policy.

During 2016/17 preparation of tender documents covering the provision of the Scottish Road Works Register (SRWR) for a maximum period of 7 years commencing 1 April 2018 commenced. Tender documents were placed on the Public Contracts Scotland website in late March 2017 with tenders

returned for assessment in April 2017. Contract award, ongoing development and implementation will continue through the 2017/18 financial year.

MONITORING

The main sources of data available to the Scottish Road Works Commissioner's monitoring regime are:

- the performance of each organisation using data from a suite of indicators in the Scottish Road Works Register
- the statutory Sample Inspection regime of utility companies by roads authorities, and
- the two yearly coring programmes of the bound layers in utility company reinstatements..

The Scottish Road Works Register (SRWR) suite of indicators, which benchmarks roads authority and utility company road works performance within Scotland and against the rest of the UK, is regularly reviewed to enable organisations and the Commissioner to demonstrate continuous improvement. A recent metric introduced measures the number of qualifying works promoted per 100km of road length for each roads authority against others in their respective Society of Chief Officers in Transportation in Scotland (SCOTS) peer group. This has driven a marked improvement in a few of the poorest performing authorities.

The 2015/16 Annual Report and Accounts noted that a Technical Standards Manager had been appointed in December 2013. This post is now well established and provides the means to monitor and assess the compliance of both utility companies and roads authorities against technical standards and Codes of Practice. The role involves site monitoring, including spot checks of road works sites and a programme of "tool box talks" to road works operatives and management. Monitoring includes the use of a Lightweight Deflectometer (LWD) to assess the competence of the compaction of the unbound backfill layers in utility company reinstatements. However, use of the LWD has been compromised as a consequence of "validity periods" to commencing road works permitted in the secondary legislation.

BEST PRACTICE AND COMMUNITY ENGAGEMENT

In 2014/15 the Commissioner secured funding from the Scottish Roads Research Board to commission research into the compaction of the unbound layers in reinstatements and ways of improving the performance of joints in the bound layers. Unfortunately, the Transport Research Laboratory (TRL) has yet to conclude the latter piece of work.

Priorities set at Roads Expo in 2015 remained a key focus of the office activities throughout 2016/17.

Engagement with broadband delivery companies has continued this reporting period, ensuring co-operation with roads authorities to allow utility company road works and works for roads purposes to be delivered in a co-ordinated manner.

The office of the Commissioner continued engagement with the road works community at national and area meetings, and at various working groups.

There were a number of minor updates to RAUC(S) Advice Notes during the reporting period.

In 2016/17, the Commissioner continued to promote best practice through community engagement, encouraging innovation and improved performance monitoring by organisations. An important part of this process was the ongoing involvement of the Technical Standards Manager at a local level to improve community communication and compliance.

LEGISLATIVE REGIME CHANGES

The Scottish Road Works Register (Prescribed Fees and Amounts) Regulations 2008 and *The Scottish Road Works Register (Prescribed Fees) Regulations 2015* were the prevailing Scottish Statutory Instruments for the collection of funds from the user community for the operation of the Scottish Road Works Register at the start of the 2016/17 year. *The Scottish Road Works Register (Prescribed Fees) Regulations 2017* were made on 23 February 2017 and came into force on 1 April 2017. The updated 2017 Regulations cover a two year period, replacing the 2015 Regulations and will be used in conjunction with the 2008 Regulations. The 2017 Regulations may be subject to review and change following the current tendering exercise for the provision of the Register from 1 April 2018.

The Road Works (Inspection Fees) (Scotland) Amended Regulations 2014 is the Scottish Statutory Instrument which sets the fee which roads authorities can charge utility companies for undertaking statutory inspections of utility company road works in accordance with the Code of Practice for Inspections. A review of this Instrument was initiated during 2015/16, but the working group has yet to deliver their recommendation to the Scottish Government.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties are set out within the Governance Statement on page 12.

GOING CONCERN BASIS

Accounts have been prepared on a "going concern" basis and there are no issues to report.

SUMMARY

The office of the Scottish Road Works Commissioner is currently well placed to continue its engagement with the road works community across Scotland and to oversee improvements to the planning, co-ordination and quality of road works. In parallel, it will continue to input to road works policy and development.

PERFORMANCE ANALYSIS

Whilst there are no formal indicators, office performance is measured against the objectives set out in general terms in the Corporate Plan and more specifically in the Business Plan. During 2016/17, the office continued to refresh and update procedures and governance to enable it to deliver the aims of the Corporate and Business Plans, which are published and updated on the office website.

In addition to established road works community and governance priorities such as the issue of Annual Performance Reviews and the publication of an Annual Report etc, the office has identified the need to further scrutinize the noticing practices of roads authorities and the compaction of the unbound layers in utility company reinstatements. These two metrics were an office focus during 2016/17.

Ongoing attendance at all Area RAUC and National RAUC meetings is key to promoting good practice and improved performance across organisations undertaking road works. The office was routinely present at all such meetings. In addition, the Technical Standards Manager commenced a programme of attendance and support at Local RAUC meetings across Scotland. Whilst the office is not resourced to attend all such meetings this "grass roots" involvement is an essential part of our engagement to encourage co-operation and co-ordination.

During 2016/17, the office drew down the full "Grant in Aid" agreed with the Scottish Government Sponsor Department and achieved its planned budget spend.

The SRWC annually monitors the performance of the organisation and provides a quarterly dashboard detailing performance against objectives outlined in the Business Plan. Over the period 2016-17 the

organisation exhibited satisfactory performance with objectives being achieved in the main. Due to circumstances out with the control of the SRWC some objectives were not progressed, these have all been highlighted in the quarterly dashboard.

FINANCIAL POSITION

The financial statements cover the period 1 April 2016 to 31 March 2017 and have been prepared in accordance with the accounts direction issued by Scottish Ministers.

Within the various statements, monies associated with the operation of the Scottish Road Works Register (SRWR), which is funded by the user community through the collection of Prescribed Fees and Amounts, are effectively ring fenced. In view of this, whilst not fully segmented, the accounts include segmented information.

Grant in Aid awarded by Scottish Ministers in 2016/17 was £375k, which was fully drawn down over the financial year (2015/16: £409.5k). 2016/17 expenditure was £343k (2015/16: £415k)

Income collected in relation to the operation of the SRWR in 2016/17 totalled £866k (2015/16: £816k). Related expenditure during 2016/17 was £920k (2015/16: £886k).


The £54k variance between the SRWR income collected and expenditure incurred reflects the phased return of "deferred income" previously collected by Susiephone Ltd to fund the current SRWR retendering process which the Scottish Government is now underwriting. £216k of "deferred income" is effectively being returned to the user community by applying a £54k reduction to the monies collected through Prescribed Fees and Amounts in each of 2015/16, 2016/17, 2017/18 and 2018/19.

The Commissioner earned no income in the year on direct activities (2015/16: £nil).

SUSTAINABILITY

The office of the Scottish Road Works Commissioner is committed to functioning in as sustainable a manner as possible. In terms of the Public Services Reform (Scotland) Act 2010, the office publishes its Sustainability, Efficiency Effectiveness and Economy Statement on the Commissioner's website. The 2016/17 statement is available to view at:

<http://www.roadworksscotland.gov.uk/Publications/Information.aspx>

<p>PERFORMANCE REPORT</p> 	
<p>Angus Carmichael Scottish Road Works Commissioner and Accountable Officer</p>	<p>25 September 2017</p>

ACCOUNTABILITY REPORT**CORPORATE GOVERNANCE REPORT****DIRECTORS REPORT****THE COMMISSIONER**

Angus Carmichael was appointed to the Office of Scottish Road Works Commissioner (SRWC) on 28 September 2015.

EQUAL OPPORTUNITIES, DIVERSITY AND HUMAN RIGHTS

The Commissioner is committed to continued compliance with the Public Sector Equality Duty as set out in the Equality Act 2010 and the Equality & Human Rights Commission's Code of Practice and supports the principles of equal opportunities in carrying out operational functions and employment practices. The Commissioner is committed to pursuing positive action in the organisation's policies and practices to ensure that no individual is discriminated against, either directly or indirectly, unlawfully or unjustifiably because of their personal status in relation to race, ethnic or national origin, religion, age, gender, sexual or marital status, or disability.

PENSION LIABILITIES

Pensions and their associated benefits are provided through the Civil Service pension arrangements and administered for the Commissioner by the Scottish Government. Further information is included in Note 3 of the Accounts.

REGISTER OF INTERESTS

The Commissioner publishes a Register of Interests. This is updated as required and reviewed annually. The register details only staff who have made disclosures. Where no disclosure has been made, there is no entry in the register for the staff member and this is clearly identified on the register. The current copy of declared interests is published on the Commissioner's website along with the Code of Conduct for the Commissioner's office.

The Register of Interests can be found in the following location :

<http://www.roadworksscotland.gov.uk/Publications/Information.aspx>

The Code of Conduct can be found in the following location:

<http://www.roadworksscotland.gov.uk/Publications/Policies.aspx>

AUDITORS

The SRWC Accounts are audited by auditors appointed by the Auditor General for Scotland in accordance with paragraph 2(b) of Schedule 2 of the Transport (Scotland) Act 2005. Scott-Moncrieff have been appointed for a period of 5 years, commencing with the 2016/17 Accounts, under powers conferred by the Public Finance and Accountability (Scotland) Act 2000. An external audit remuneration fee of £12,500 is reflected in the accounts. Scott-Moncrieff receive no fees in relation to non-audit work.

DISCLOSURE OF RELEVANT AUDIT INFORMATION

As Accountable Officer, I am not aware of any relevant information of which our auditors are unaware. I have taken all necessary steps to ensure that I am aware of any relevant audit information and to establish that the auditors are also aware of this information.

PROVISION OF INFORMATION TO EMPLOYEES

The Scottish Road Works Commissioner has adopted the principles of openness and participation in the office and places a high level of importance on both informing and consulting staff. The Commissioner does so by providing access to management papers, through oral and written briefings, by regular staff meetings and events. Information is only withheld where this can be shown to be justified or where a duty of confidence is owed to a third party.

PERSONAL DATA INCIDENTS

There were no personal data incidents during 2016/17.

PAYMENT OF CREDITORS

The Scottish Road Works Commissioner has adopted Scottish Government policies and procedures in relation to the payment of suppliers. 100% of supplier invoices were paid within 10 days of receipt.

SIGNIFICANT EVENTS SINCE THE END OF THE FINANCIAL YEAR

There have been no significant events since the end of the financial year which require revision to the figures disclosed in the annual accounts under the terms of IAS 10: Events after the Reporting Period. In accordance with the requirements of IAS 10, events are reviewed and considered up to the date on which the accounts are authorised for issue. This is interpreted as the date on which the Independent Auditor's report is signed.

STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES

The Scottish Government designated the Scottish Road Works Commissioner as the Accountable Officer for the office of the Scottish Road Works Commissioner. The relevant responsibilities as Accountable Officer, including the responsibility for the propriety and regularity of the public finances, for the keeping of proper records and for safeguarding the Commissioner's assets, are set out in the Memorandum to Accountable Officers of Other Public Bodies issued by the Scottish Government and published in the Scottish Public Finance Manual.

Under Paragraph 2(a) Schedule 2 of the Transport (Scotland) Act 2005, the Scottish Ministers have directed the Commissioner to prepare a statement of accounts for each financial year in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Commissioner and of income and expenditure, recognising gains and losses and cash flows for the financial year.

In preparing the accounts, the Scottish Road Works Commissioner is required to comply with the requirements of the Government Financial Reporting Manual and the Scottish Public Finance Manual, with particular reference to:

- (i) Observing the Accounts Direction issued by Scottish Ministers (see Annex 1), including the relevant accounting and disclosure requirements, and applying accounting policies on a consistent basis;
- (ii) Making judgements and estimates on a reasonable basis;
- (iii) Stating whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed and disclosing and explaining any material departures in the financial statements; and
- (iv) Preparing the accounts on a "going concern" basis.

I confirm that, as far as I am aware, there is no relevant audit information of which Scott-Moncrieff are unaware, and that as Accountable Officer, I have taken all the steps I ought to have taken to make myself aware of any relevant audit information and to establish that Scott-Moncrieff are aware of that information.

As Accountable Officer, I am responsible for the regularity and propriety of the public finances received from the Scottish Government and the collected "Prescribed Fees and Amounts". In addition, I am required to keep proper records and to safeguard SRWC assets, all as set out in the Accountable Officer's Memorandum issued by Scottish Ministers.

GOVERNANCE STATEMENT

As Accountable Officer, I have responsibility for putting in place and maintaining sound systems of governance and internal control that support the delivery of the office policies, aims and objectives. As noted in the "Statement of Accountable Officer's Responsibilities" above, I am required to safeguard public funds and assets in accordance with the responsibilities assigned to me and for which I am personally responsible.

The Scottish Public Finance Manual (SPFM) is issued by the Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. It sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for economy, efficiency and effectiveness and promotes good practice and high standards of propriety.

GOVERNANCE ARRANGEMENTS

In 2010, it was agreed with Transport Scotland, the sponsor organisation in the Scottish Government, that given the independent status and the budget of the Office, the Commissioner would operate without an audit committee or advisory board. It was also agreed that the topic should be kept under review and that should any practical difficulties arise, that governance arrangements would be reviewed. I can confirm that no practical difficulties have arisen.

The agreement that the office of the Scottish Road Works Commissioner would operate without an audit committee or advisory board was taken based on the following arrangements being in place to give assurance that there are adequate controls:

- Annual audit by an independent auditor;
- Publication of audited Annual Accounts;
- Continuing to utilise Scottish Government processes and procedures as much as possible;
- Continuing to utilise Scottish Government services such as SCOTS, SEAS, Pensions and Payroll;
- Regular meetings with Transport Scotland; and
- Internal Audit undertaken at appropriate intervals.

It was further agreed in 2010 that given the reliance that the Commissioner's office places on Scottish Government processes and systems, Transport Scotland would include the need for internal audit cover as part of their risk based plans for internal audit. As such Scottish Government internal audit provide coverage on an occasional, not annual basis, including the availability of advisory services on risk, control and governance and to carry out urgent work on request where there are specific needs or problems. Scottish Government Internal Audit undertook an internal audit in 2015/16 to review risk, control and governance and have reported on their audit. The audit action plan identified seven issues/risks and categorised them three Low Priority, four Medium Priority and zero High Priority. Action was taken in respect of all recommendations.

I confirm that, in my opinion, the governance arrangements are appropriate and effective and no significant issues have been identified.

INTERNAL CONTROL

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the Commissioner's aims and objectives. It can, therefore, only provide reasonable, not absolute assurance of effectiveness.

The process within the organisation accords with the guidance from the Scottish Ministers provided in the SPFM and has been in place for the year ended 31 March 2017 and up to the date of approval of the Annual Accounts.

The system of internal control is based on an on-going process designed to identify principal risks to the achievement of the organisation's policies, aims and objectives. It evaluates the nature and extent of those risks and manages them efficiently, effectively and economically.

The list below summarises the main risks affecting the organisation and the mitigation measures in place to reduce the risk to the SRWC. The most significant risk affecting the organisation is associated with the Scottish Road Works Register. The top three risks affecting the organisation have been summarised below.

- **There is a risk that the SRWR provider enters into financial difficulty resulting in the total loss of the register.** The SRWC is "the keeper" of the SRWR which is provided by a private company. Mitigation measures have been put in place to reduce the severity and likelihood of this risk to the SRWC. In the event of total loss, the minimum requirements are set out by legislation and the SRWC would initiate these via a paper notices process. Provision has also been made to initiate an emergency tender process to find a new supplier.
- **There is a risk that external issue(s) increase SRWC costs above agreed budget.** Spending is closely monitored, however specific mitigation measures have been put in place to reduce the severity and likelihood of this risk to the SRWC. The Framework Document between Transport Scotland and the SRWC makes provision to amend the Grant in Aid payment profile to respond to business needs. Spending and risks are monitored on a monthly basis.
- **There is a risk that a member of staff could undertake fraudulent activity, resulting in significant financial loss for the SRWC.** Mitigation has been put in place to reduce the severity and likelihood of this risk. Signatories to the accounts have been restricted and current banking arrangements restricts payments to £100k. Further mitigation has been applied with only the SRWC being able to authorise final payment. The SRWC has a small team and is therefore able to monitor closely. The SRWC holds monthly meetings to review accounts.

Further details of all risks assessed and mitigation measures are detailed in the SRWC's Risk Register.

I confirm that, in my opinion, the control arrangements are appropriate and effective and that no significant issues have been identified.

Given the Office's reliance on Scottish Government financial and HR systems I confirm that I have considered the content of the Accounting Officer's Certificate 2016/17 submitted to the Cabinet Office on 6 July 2017.

RISK MANAGEMENT

All bodies to which the SPFM is directly applicable must operate a risk management strategy in accordance with relevant guidance issued by the Scottish Ministers. The general principles for a successful risk management strategy are set out in the SPFM.

Following an Internal Audit Action Plan recommendation in March 2016, the SRWC and SRWR Risk Registers were amalgamated. The new SRWC Risk Register is reviewed on a bi-annual basis. The Commissioner and staff regularly consider risk in respect of specific issues. As new risks emerge or existing risks change, adjustments are made to the SRWC Risk Register.

The Business Continuity Plan is reviewed to reflect staff and legislation changes, and any other issues which would have an impact on the continued operation of the office.

Reviews of the Risk Register and Business Continuity Plan take account of any changes required due to advice from professional advisors or the results of internal and external audit.

The Commissioner is committed to a process of continuous development and improvement, responding to any relevant reviews and identified best practice.

The Commissioner will continue to be guided by the Scottish Public Finance Manual.

DATA SECURITY

There have been no lapses in data security for the period ending 31 March 2017.

REVIEW OF EFFECTIVENESS OF INTERNAL CONTROLS

As Accountable Officer I have responsibility for reviewing the effectiveness of internal controls. My review of the effectiveness of internal controls in place during the 2016/17 financial year was informed by:

- The staff within the office who have responsibility for the development and maintenance of the internal control framework
- Consideration of the matters which arose during preparation of the 2015/16 accounts
- Comments made by the internal audit team
- Comments made by the external auditors
- The Scottish Public Finance Manual and Financial Reporting Manual

Appropriate action is in place to address any weaknesses identified and to improve the effectiveness of internal controls.

SIGNIFICANT ISSUES

I confirm that there are no significant issues to report for the 2016/17 period.

REMUNERATION AND STAFF REPORT

REMUNERATION REPORT

Commissioner appointments are generally for a period of 5 years. However, following the second Commissioner stepping down in May 2015, Angus Carmichael was appointed as Commissioner on 28 September 2015 for a period of 2 years pending a review of the Commissioner's functions on behalf of Scottish Ministers. This appointment has been extended to a maximum period of 5 years whilst the findings of the review of the post are developed and brought forward through primary and secondary legislation.

The salary and pension entitlements of Angus Carmichael during the 2016/17 financial year and the median pay disclosure are subject to audit and are set out below.

REMUNERATION

Remuneration	Salary (Bands of £5, 000)	Notes	Pension Benefits (£000s)	Total Remuneration 2015/16 (Bands of £5,000)
Angus Carmichael	£65-70k (2015/16 : £30-£35k)	(1)	£26k (2015/16 : £13k)	£90 - £95k (2015/16 : £45-£50k)

Note:

(1) Annualised Salary £65,000 -£70,000

Salary disclosures reflect the requirements of the Government Financial Reporting Manual (the FReM). Given the independent nature of the office, the Commissioner is not part of a bonus scheme, nor does the post have any reserved rights, recruitment or retention allowances.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. The annualised banded remuneration of the highest-paid director in the office of the Scottish Road Works Commissioner in the financial year 2016/17 was £65,000 - £70,000 (2015/16 £65,000 - £70,000). This was 1.61 times (2015/16 – 1.66 times) the median remuneration of the workforce, which was £42,011 (2015/16 £40,588). All staff employed in the Commissioner's office are remunerated between Scottish Government Grades B2 and B3 (£29,107 - £42,220).

The ratio of the salary of the highest paid director to the median remuneration of the organisation's workforce in 2016/17 remains broadly similar to the ratio in 2015/16. The minor variance of 0.05 is due to:

- the influence of staff pay progression within their respective salary grades in line with SG policy, and
- the influence of the annual cost of living salary award in line with SG agreements.

In 2016/17, no employees received remuneration in excess of the highest-paid director (2015/16 Nil). Remuneration includes basic salaries and overtime. It does not include employer national insurance or pension contributions.

BENEFITS IN KIND

The Commissioner received no benefits in kind over the reporting period 2016/17 (2015/16: £nil)

PENSION BENEFITS

Commissioner	Real increase in pension and related lump sum at pension age (Bands of £2500)	Accrued pension at pension age as at 31/3/17 and related lump sum (Bands of £5000)	CETV at 31 March 2017 £'000	CETV at 31 March 2016 £'000	Real increase in CETV £'000
Angus Carmichael	0 - 2.5	0 - 5	40	13	22

THE CASH EQUIVALENT TRANSFER VALUE (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits they have accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

THE REAL INCREASE IN THE VALUE OF CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

STAFF REPORT

NUMBER OF SENIOR STAFF BY BAND

The most senior officer is the Commissioner and the current remuneration level is Band C3 (£67,854 – £69,380)

STAFF NUMBERS EMPLOYED (SUBJECT TO AUDIT)

The average number of full time equivalent (FTE) staff employed by the Scottish Road Works Commissioner during the period was as follows:

	2016/17	2015/16
Commissioner	1	1
Permanent Staff	4.8	5
Other	-	0.75
	<u>5.8</u>	<u>6.75</u>

All staff are subject to UK Employment Contracts.

Staff costs are detailed in the Financial Statements Note 3 – Staff Costs

STAFF COMPOSITION (SUBJECT TO AUDIT)

The following table shows the breakdown by gender of the staff employed within the Commissioner's Office and who were in post on 31 March 2017.

	Male	Female
Staff	2	2.8
Commissioner	1	-
Total	3	2.8

One female member of staff is employed on an 80% FTE basis.

SICKNESS ABSENCE DATA

The staff sickness absence rate in the Commissioner's Office was 0.15% in 2016-17. This represents a further reduction on the figure of 0.42% achieved in 2015/16. There was no long term sickness absence recorded.

EXPENDITURE ON CONSULTANCY*Legal Support*

Over the reporting period the SRWC continued to engage Anderson Strathern Solicitors to provide legal support, specifically in relation to the ongoing retendering exercise for the provision of the Scottish Road Works Register. Expenditure on external legal support during 2016/17 was £8,490.

Accountancy Support

During 2016/17, the office reverted to external accountancy support following an eighteen month secondment from the Scottish Government. Expenditure on external accountancy support was £1,975.

STAFF POLICIES

The Scottish Road Works Commissioner is committed to following current Scottish Government policy with respect to applications for employment, continuing employment, training and career development.

In line with Scottish Government's recruitment procedures, the Commissioner gives full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. In addition, the Commissioner's current remuneration policy reflects Scottish Government policy.

OFF-PAYROLL ENGAGEMENTS

There were no Off-Payroll engagements during 2016/17.

EXIT PACKAGES (SUBJECT TO AUDIT)

There were no exit packages during the reporting period.

PARLIAMENTARY ACCOUNTABILITY REPORT

FEES AND CHARGES

The SRWC collects "Prescribed Fees and Amounts" income from utility companies and roads authorities in respect of the provision of the Scottish Road Works Register. Fees and Amounts income collected in 2016/17 totalled £833K (2015/16: 783K). Fees income received from activities is summarised in Note 2.

ACCOUNTABILITY REPORT



Angus Carmichael
Scottish Road Works Commissioner and Accountable Officer

25 September 2017

INDEPENDENT AUDITOR'S REPORT**INDEPENDENT AUDITOR'S REPORT****Independent auditor's report to the Scottish Road Works Commissioner, the Auditor General for Scotland and the Scottish Parliament**

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice approved by the Auditor General for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Report on the audit of the financial statements**Opinion on financial statements**

We have audited the financial statements in the annual report and accounts of the Scottish Road Works Commissioner for the year ended 31 March 2017 under the Transport (Scotland) Act 2005. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2016/17 Government Financial Reporting Manual (the 2016/17 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the Transport (Scotland) Act 2005 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2017 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2016/17 FReM; and
- have been prepared in accordance with the requirements of the Transport (Scotland) Act 2005 and directions made thereunder by the Scottish Ministers.

Basis of opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing in the UK and Ireland (ISAs (UK&I)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standards for Auditors, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of the Accountable Officer's Responsibilities, the Accountable Officer

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 Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable legal requirements and ISAs (UK&I) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors. An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accountable Officer; and the overall presentation of the financial statements.

Our objectives are to achieve 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK&I) 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 economic decisions of users taken on the basis of these financial statements.

Other information in the annual report and accounts

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

In connection with our audit of the financial statements in accordance with ISAs (UK&I), our responsibility is to read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Report on regularity of expenditure and income

Opinion on regularity

In our opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. We are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Report on other requirements**Opinions on other prescribed matters**

We are required by the Auditor General for Scotland to express an opinion on the following matters.

In our opinion, the auditable part of the Remuneration and Staff Report has been properly prepared in accordance with the Transport (Scotland) Act 2005 and directions made thereunder by the Scottish Ministers.

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

- the information given in the Performance Report 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 Transport (Scotland) Act 2005 and directions made thereunder by the Scottish Ministers; and
- the information given in the 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 Transport (Scotland) Act 2005 and directions made thereunder by the Scottish Ministers.

Matters on which we are required to report by exception

We are required by the Auditor General for Scotland to report to you if, in our opinion:

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

We have nothing to report in respect of these matters.



Karen Jones
For and on behalf of Scott- Moncrieff
Scott-Moncrieff
Exchange Place 3
Sempole Street
Edinburgh
EH3 8BL

Date... 25 SEPTEMBER 2017

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE PERIOD ENDED 31 MARCH 2017

	Note	2016/17 £000	2015/16 £000
Expenditure			
Staff Costs	3	332	376
Register Operation		809	769
Professional Fees		20	30
Accommodation		10	11
Other Expenditure	4	81	85
Depreciation	5	5	2
Total		1257	1273
Income			
Income From SRWR Activities	2	(920)	(870)
		(920)	(870)
Total Comprehensive net Expenditure for the financial year ended 31 March 2017		337	403

All amounts relate to continuing activities. There have been no gains or losses other than those recognised in the Statement of Comprehensive Net Expenditure.

The accompanying Notes on pages 26 to 34 form an integral part of these Accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Note	2016/17 £000	2015/16 £000
Non-current assets:			
Property, plant and equipment	5	22	27
Total non-current assets		22	27
Current assets:			
Trade and other receivables	6	8	4
Cash and cash equivalents	7	517	540
Total current assets		525	544
Total assets		547	571
Current liabilities			
Trade and other payables	8	(298)	(306)
Deferred income	8	(54)	(54)
Total current liabilities		(352)	(360)
Total Assets			
less: Current Liabilities		195	211
Non-current liabilities			
Deferred income	8	(54)	(108)
Total non-current liabilities		(54)	(108)
Net Assets / (Liabilities)		141	103
Reserves			
Taxpayers Equity		141	103
		141	103

The accompanying Notes on pages 26 to 34 form an integral part of these Accounts.

The accountable officer authorised these financial statements for issue on 25 September 2017

FINANCIAL STATEMENTS



Angus Carmichael

Scottish Road Works Commissioner and Accountable Officer

25 September 2017

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2017

	Note	2016/17 £000	2015/16 £000
Cash flows from operating activities			
Net operating (costs) before Scottish Ministers funding		(337)	(403)
Adjustments for non-cash items			
Depreciation	5	5	2
Decrease / (Increase) in trade and other receivables	6	(4)	2
(Decrease) / Increase in trade payables	8	(8)	31
(Decrease) / Increase in long term liabilities		(54)	(54)
Net cash outflow from operating activities		(398)	(422)
Cash flows from investing activities			
Purchase of non-current assets	5	(-)	(28)
Net cash outflow from investing activities		(-)	(28)
Cash flows from financing activities			
Grants from Sponsor Body		375	410
Net cash flow from financing activities		375	410
Net (Decrease) / Increase in cash and cash equivalents in the period		(23)	(40)
Cash & cash equivalents at the beginning of the period	7	540	580
Cash and cash equivalents at the end of the period	7	517	540

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE PERIOD ENDED 31 MARCH 2017

	Total Reserves	
	2016/17 (£000's)	2015/16 (£000's)
Balance at 1 April	103	96
Net expenditure for the year	(337)	(403)
Funding from Scottish Ministers	375	410
Balance at 31 March	<u>141</u>	<u>103</u>

NOTES TO THE ACCOUNTS FOR 2016/17

1. STATEMENT OF ACCOUNTING POLICIES**1.1 BASIS OF ACCOUNTING**

These financial statements have been prepared in accordance with the 2016/17 Government Financial Reporting Manual (FReM) issued by Scottish Ministers. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Scottish Road Works Commissioner for the purposes of giving a true and fair view has been selected. The particular policies adopted by the Scottish Road Works Commissioner are described below. They have been applied consistently in dealing with items that are considered material to the Accounts.

The Accounts for the financial year ended 31 March 2017 are presented in accordance with paragraph 2(a) of Schedule 2 of the Transport (Scotland) Act 2005, and prepared in accordance with an Accounts Direction given by Scottish Ministers, refer to Annex 1.

These accounts are prepared on a historical cost basis, as modified by the revaluation of property, plant and equipment and financial assets and liabilities at fair value.

1.2 TANGIBLE NON-CURRENT ASSETS**CAPITALISATION**

Purchases of assets with a value exceeding £500 inclusive of irrecoverable VAT are treated as capital with the exception of land and buildings where the threshold is set at £10,000 and IT equipment where the group value exceeds £300.

VALUATION

Assets are valued at depreciated historical cost as a proxy for current value in existing use.

DEPRECIATION

Depreciation is provided on property, plant & equipment at rates calculated to write off costs or valuation in equal instalments over the remaining estimated useful life of the asset. These are as follows:

Furniture & Equipment	5 Years
Fixtures & Fittings	5 Years
IT Equipment	3 Years
Office Vehicle	5 Years
Testing Equipment (LWD)	5 Years

Depreciation is calculated on a monthly basis starting the month after purchase or acquisition and ceasing in the month of disposal.

1.3 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.4 FUNDING RECEIVABLE

"Grant in Aid" funding received from the Scottish Ministers via Transport Scotland is credited directly to the general fund in the period to which it relates.

1.5 LEASES

The Commissioner holds no material finance or operating leases.

1.6 PENSION COSTS

Defined Pension benefits are provided through the Principal Civil Service Pension Scheme (MyCSP) which is an unfunded multi-employer defined benefit scheme.

The Commissioner is a member of the Civil Service Nuvos Pension Scheme (MyCSP).

One member of staff is on the Civil Service Partnership Scheme (MyCSP). Remaining staff are members of the Civil Service Alpha Pension Scheme.(MyCSP).

With funding arrangements that are through defined contributions, it is not possible to identify or describe the extent to which MyCSP is liable for other entities obligations or any agreed allocations of deficit /surplus on the wind-up of the plan given the scale of the Commissioner's office's involvement in relation to the wider Scottish Government (SG). The exact proportion of the plan attributable to MyCSP is negligible in relation to SG and other related bodies within the plan. Further details on pension payments are included in Note 4.

A full actuarial valuation was carried out as at 31 March 2012. Details can be found in the resource accounts of the Cabinet Office; Civil Superannuation (www.civilservice-pensions.gov.uk).

1.7 VALUE ADDED TAX

The Scottish Road Works Commissioner is required to pay VAT on the purchase of goods and services. All VAT is charged to the Statement of Comprehensive Net Expenditure.

The Scottish Government considers that the Commissioner cannot be classed as a Government Department for the purposes of section 41(3) of the Value Added Tax Act 1994 and as such cannot gain the appropriate status to allow the recovery of VAT.

The Prescribed Fees and Amounts collected by the Commissioner are a statutory levy and therefore VAT cannot be applied to them.

1.8 INCOME RECOGNITION

Income collected to fund the operation of the SRWR is based on the projected cost of running the register during the year in question. Whilst a balanced budget is desirable, any surplus/shortfall in the income collected is accrued and taken into account in setting the level of "Prescribed Fees and Amounts" for the following year.

1.9 IMPENDING APPLICATION OF NEWLY ISSUED ACCOUNTING STANDARDS NOT YET EFFECTIVE

IFRS 9 Financial Instruments was issued in July 2014, effective for periods beginning on or after 1 January 2018. This was EU endorsed in November 2016. HM Treasury is working towards implementing the standard in the FReM from 2018-19.

IFRS 15 Revenue from Contracts with Customers was issued in May 2014, effective for periods beginning on or after 1 January 2018. It is not yet endorsed by the EU but is expected to be in 2017. HM Treasury is working towards implementing the standard in the FReM from 2018-19.

IFRS 16 Leases was issued in January 2016, effective for periods beginning on or after 1 January 2019. It is not yet endorsed by the EU but is expected to be in late 2017. The introduction of IFRS 16 is subject to analysis and review by HM Treasury and the other Relevant Authorities. HM Treasury will issue an Exposure Draft on IFRS 16 in advance of the effective date.

IAS 7 Statement of Cash Flows disclosure initiative issued in January 2016, effective for periods beginning on or after 1 January 2017. It is not yet endorsed by the EU but is expected to be in 2017. HM Treasury is working towards implementing the standard in the FReM from 2018-19.

1.10 SEGMENTAL REPORTING

The Commissioner currently operates two segments, namely the office of the Scottish Road Works Commissioner and the Scottish Road Works Register. The office of the Scottish Road Works Commissioner is funded through Grant in Aid from the Scottish Government. The Scottish Road Works Register is funded by the road works community with income for the 2016/17 financial year being collected in accordance with The Scottish Road Works Register (Prescribed Fees) Regulations 2015 and The Scottish Road Works Register (Prescribed Fees and Amounts) Regulations 2008. IFRS 8 Segmental Reporting requires operating segments to be identified on the basis of internal reports which are regularly reviewed. Details are shown in Note 15.

2. INCOME FROM ACTIVITIES

	2016/17 £000	2015/16 £000
Income from Activities:		
Prescribed Fees & Amounts (PFA)	833	783
Released from Deferred Income	54	54
SRWR training	33	32
Other Income	-	1
	920	870

3. STAFF COSTS

The office of the Scottish Road Works Commissioner employed 4.8 permanent staff during 2016/17, plus the Commissioner. The figure for 2015/16 was 5 plus the Commissioner.

STAFF COSTS

	Commissioner	SRWC Segment Staff	SRWR Segment Staff	Total Remuneration	Total Remuneration
	2016/17	2016/17	2016/17	2016/17	2015/16
	£000	£000	£000	£000	£000
Wages and salaries	68	141	47	256	299
NI Contributions	8	14	5	27	26
Pension costs	15	25	9	49	51
	91	180	61	332	376

The total remuneration for 2016/17 has decreased by £44K, Further details noted in the Remuneration report.

PENSION COSTS

For 2016/17 a total employer's contributions of £45,824 was paid to MyCSP at one of two rates in the range between 20.9% and 22.1% of pensionable pay based on salary bands. In addition to this, £7,142 was paid to the Partnership pension scheme.

The salary bands for pension contributions were revised and implemented on 1 April 2015.

The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

There were no outstanding or prepaid scheme contributions at 31 March 2017 (31 March 2016 £Nil).

On death after retirement, a pension and/or lump sum benefit is payable to the surviving spouse, dependant on the member's circumstances and the scheme joined within MyCSP. On death in service, the scheme pays a lump sum benefit of at least twice pensionable pay, again dependant on the scheme joined, and also provides a service enhancement on computing the spouse's pension. The enhancement depends on the length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

4. REGISTER OPERATION AND OTHER EXPENDITURE

4.1 REGISTER OPERATION

This represents costs associated with the provision of the SRWR, including contracted costs paid to the provider Symology Ltd.

4.2 OTHER EXPENDITURE

	2016/17	2015/16
	£000	£000
<u>SRWC Segment</u>		
General office expenses	18	16
Travel & Subsistence	5	5
Development Costs	4	6
Other Costs	3	12
	30	39
<u>SRWR Segment</u>		
Training	32	25
Meetings & External Services	10	13
Travel, Administration & General	9	8
	51	46
Total Other Expenditure - SRWC	81	85

The above total does not include £12,500 for external auditor remuneration (2015/16 £13,450). This is included under Professional Fees in the Statement of Comprehensive Net Expenditure. External audit received no fees in relation to non-audit work.

5. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicle £000	Test Equipment £000	Information Technology £000	Furniture & Fittings £000	2017 Total £000	2016 Total £000
Cost						
At 1 April 2016	20	8	9	2	39	11
Additions	-	-	-	-	-	28
Disposals	-	-	(2)	-	(2)	-
At 31 March 2017		8	7	2	37	39
Depreciation						
At 1 April 2016	1	-	9	2	12	10
Charge for Year	4	1	-	-	5	2
Disposals	-	-	(2)	-	(2)	-
At 31 March 2017	5	1	7	2	15	12
Net Book Value at 31 March 2017	15	7	-	-	22	27
Net Book Value at 31 March 2016	19	8	-	-	27	1

6. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2016/17 £000	2015/16 £000
Bodies External to Government		
Trade Debtors	7	3
Prepayments	1	1
	8	4

7. CASH AND CASH EQUIVALENTS

	2016/17 £000	2015/16 £000
The following balances at 31 March 2017 were held at:		
Government Banking Service		
Opening Balance	160	118
Movement	209	42
Closing	369	160
RBS account		
Opening Balance	380	461
Movement	(232)	(81)
Closing	148	380
Total Closing Balance	517	540

8. TRADE PAYABLES AND OTHER LIABILITIES

	2016/17	2015/16
Trade Payables and Accruals	£000	£000
Amounts falling due within one year:		
Trade Payables		
SRWC	105	11
SRWR	175	173
Accruals		
SRWC	8	112
SRWR	-	1
IAS 19: Employee Benefits	10	9
	298	306

	2016/17	2015/16
	£000	£000
Amounts falling due within one year:		
Due to :		
Other Central Government Bodies	98	123
Local Authorities	2	-
Bodies external to Government	198	183
	298	306

*** Deferred Income**

	2016/17	2015/16
	£000	£000
Amounts falling due within one year:		
Deferred income for 2017/18 implementation	54	54
Amounts falling due after one year:		
Deferred income for future implementation	54	108
	108	162

*** Deferred Income**

Prior to the contract for the provision of the SRWR transferring to the Commissioner, the former provider of the SRWR, Susiephone Ltd, collected additional income through Prescribed Fees and Amounts to fund the current SRWR retendering exercise which the Scottish Government is now underwriting. £216k of "deferred income" is now effectively being returned to the user community by applying a £54k reduction to the monies collected through Prescribed Fees and Amounts in each of 2015/16, 2016/17, 2017/18 and 2018/19.

9. PAYMENTS TO THE CONSOLIDATED FUND

There were no Commissioner penalties imposed and no consequential payments to the consolidated fund during the 2016/17 financial year (2015/16: £nil).

10. CAPITAL COMMITMENTS

There were no contracted capital commitments as at 31 March 2017 (31 March 2016: £nil).

11. CONTINGENT LIABILITIES DISCLOSED UNDER IAS 37

There were no contingent liabilities as at 31 March 2017 (31 March 2016: £nil).

12. FINANCIAL INSTRUMENTS

The Scottish Road Works Commissioner relies on Grant in Aid to fund the operation of the office and has no borrowings. Subject to routine robust budget monitoring, the SRWC is not exposed to liquidity risk. The SRWC has no deposits and all assets are denominated in pounds sterling. Consequently, the office is not exposed to interest rate risk or currency risk.

13. RELATED-PARTY TRANSACTIONS

The Scottish Road Works Commissioner was constituted by Scottish Ministers. "Grant in Aid" funding is provided annually through Transport Scotland who are a Scottish Government Agency. This is accounted for through the Statement of Changes in Taxpayers Equity.

14. OTHER FINANCIAL COMMITMENTS

There are no other financial commitments at 31 March 2017.

15. SEGMENT INFORMATION

The following items show the main categories of expenditure split between the two segments of the organisation.

	2016/17	2016/17	2016/17
	£000	£000	£000
	SRWC	SRWR	Total
Total Income	375	920	1295
Total Expenditure	337	920	1257
Total Assets	391	156	547
Total Liabilities	121	285	406

	2015/16	2015/16	2015/16
	£000	£000	£000
	SRWC	SRWR	Total
Total Income	410	870	1280
Total Expenditure	387	886	1273
Total Assets	187	384	571
Total Liabilities	132	336	468

ANNEX 1

ACCOUNTS DIRECTION



THE SCOTTISH ROAD WORKS COMMISSIONER

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of paragraph 2 of Schedule 2 of the Transport (Scotland) Act 2005, hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2008, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts.

A handwritten signature in blue ink, appearing to read 'D. Patel'.

Signed by the authority of the Scottish Ministers

Dated 14th January 2008.

