

# THE SCOTTISH ROAD WORKS COMMISSIONER

Annual Report and Accounts 2020-21

**Contact Address :**

E Spur  
Saughton House  
Broomhouse Drive  
Edinburgh  
EH11 3XD

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# Performance Report

## Overview

This section provides information on the office of the Scottish Road Works Commissioner's principal activities, purpose and the risks to achieving objectives for the year ended 31 March 2021

## Statement By Scottish Road Works Commissioner– Kevin Hamilton

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 SRWC on 9 November 2020 taking over from Angus Carmichael who stepped down on 27 September 2020.

The COVID-19 pandemic and the restrictions on daily life and working practices had some impact on the working of the office. However, the early adoption of home working and quick transition to electronic processes limited the impact and for the majority of the period, the office was able to operate on a business as usual basis.

The pandemic did have an impact on roadworks activity and in the initial few weeks, restrictions were in place which limited activity to emergency, urgent and essential work only.

In July 2020, a significant upgrade to the Scottish Road Works Register was implemented which enhanced the system's capabilities and functionality. The transition to the new system was successful and the feedback received to date has been overwhelmingly positive.

There were a total of 119,724 road works in Scotland in the year to 31 March 2021, a decrease of 8,901 for the year to 31 March 2020 (128,625).

Utility company road works totalled 93,011 (2019/20 93,380) which represents 77.6% (2019/20 72.6%) of all road works undertaken.

Roads authority road works totalled 26,713 (2019/20 35,245) which represents 22.4% (2019/20 27.4%) of all road works undertaken.

The total number of road works registered decreased by only 7% from the previous year despite the significant restrictions associated with the Covid-19 pandemic. However, the number of works registered by roads authorities fell by 24% from 35,245 in 2019/20 to 26,713 in 2020/21. This decrease was predominantly due to very limited works being actioned during the period April to June and slow return to normal delivery during July to August. Roads authorities advised that they had diverted resources to activities supporting the pandemic response. A number of roads authorities continued to register low volumes of their qualifying works right up to the end of the reporting period.

The performance of all organisations undertaking road works continued to be monitored on a quarterly basis during 2020/21 using data extracted from the Scottish Road Works Register and a quarterly performance dashboard issued to all organisations undertaking road works in Scotland.

Annual Road Works Performance Reviews covering the period 1 April 2019 to 31 March 2020 were issued to all roads authorities and utility companies operating in Scotland during August 2020.

Performance data and analysis was specific to each organisation. An outline summary is provided below:

#### Noticing Failure Rates

Utility companies achieved 5.8% (2019/20 – 4.8%) and roads authorities 5.8% (2019/20 – 4.0%). Considering the disruption caused by the pandemic the overall increased noticing failure rates for both utility companies and roads authorities is not deemed significant. It is expected that performance will return to previous levels in due course.

#### Works Extensions

Both Utility companies and Roads Authorities performance deteriorated slightly to 8% (2019/20 - 7%) and 9% (2019/20 - 7% - note this was reported incorrectly in the 2019/20 report) respectively.

#### Over-Running Works

Utility companies performance changed very slightly to 3% (2019/20 - 2%). Roads authorities also remained largely static at 0.4% (2019/20 - 0.5%).

#### Commissioner Penalties

There were six Commissioner penalties issued during this reporting period totalling £94,000 (2019/20 - £18,000).

My office continued to engage with the road works community at various levels during 2020/21 attending quarterly RAUC(S) meetings, Area RAUC meetings, Local RAUC meetings and ad hoc meetings. Staff attended, and participated in, various technical working groups including the Scottish Road Works Policy and Development Group, the Scottish Road Research Board, the Scottish Pavement Forum and the Roads Collaboration Board.

Attendance was also maintained at quarterly Highway Authorities and Utilities Committee UK (HAUC(UK)) meetings. HAUC(UK) brings highway authorities, roads authorities, utility companies and governments together with the aim of encouraging works to be undertaken safely and smartly to reduce the impact of street works and road works on members of the public throughout the UK.

Attendance at and participation in these meetings was not significantly affected by the COVID-19 pandemic as meetings very quickly migrated to online video conferencing platforms and this working practice continued through the remainder of the reporting period.

## Purpose & Main Activities

### History, Statutory Powers And Responsibilities

The Commissioner works with the road works community to oversee improvements to the planning, co-ordination and quality of road works in Scotland.

In particular the Commissioner:

- Monitors the carrying out of road works in Scotland, undertaken by both Roads Authorities and Utility Companies. The performance of the Tay Road Bridge Joint Board and Edinburgh Trams is also scrutinized.
- Promotes 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 to
- Promotes 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 powers to request information from roads authorities and utility companies relevant to their respective functions and activities. The Commissioner also has powers to impose financial penalties when systematic failure of duties under the 1991 Act occurs by either roads authorities or utility companies.

The Commissioner undertakes a dispute resolution function when a dispute between a roads authority and a utility company is escalated.

### Key issues and risks affecting the organisation

#### Developments planned in 2021/22

The Transport (Scotland) Act 2019 received royal assent in November 2019. It contains a number of provisions which will directly affect the work of the office. Implementation of these provisions was delayed significantly by the COVID pandemic and are now expected to be commenced over the next two to three year period.

In addition to other established priorities, during 2021/22, the office will to focus on:

- Roads Authority noticing performance.
- Roads Authority inspection activity and practices

- Encouraging greater adherence to the Code of Practice for Safety at Streetworks, particularly in relation to minimising the impacts of roadworks on pedestrians, cyclists and people with mobility challenges.
- Supporting the commencement of provisions in the Transport (Scotland) Act 2019.

Scottish Government asked the SRWC to lead a review of the Specification for the Reinstatement of Openings in Roads (SROR) and work will continue on this through the coming year.

## Monitoring

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

- performance data from a suite of indicator reports in the Scottish Road Works Register
- statutory sample inspections of utility company road works by roads authorities, and
- biennial national 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 across Scotland, and facilitates benchmarking against the rest of the UK, is regularly reviewed to enable organisations and the Commissioner to demonstrate continuous improvement. Monitoring 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 remains a high priority. This has driven a marked improvement in the performance of several authorities.

On site technical standards monitoring was one area of work which had to be completely curtailed through the pandemic. However, it is anticipated that this will recommence, subject to resources, towards the middle of 2021/22.

## Best Practice And Community Engagement

The office continued to engage with the road works community at a national, area and local level in addition to membership of various working groups, promoting best practice, encouraging innovation and improved performance monitoring.

In particular, engagement with broadband delivery companies continued, promoting co-operation with roads authorities to assist the delivery of accelerated telecoms road works programmes in a co-ordinated manner.

An important part of this process was the ongoing involvement of the Technical Standards Manager at a local level to improve compliance and communication between utility companies and roads authorities.

Since taking over the role in November, the commissioner has actively engaged with various user groups but in particular the Mobility Access Committee for Scotland in order to better understand the impacts of roadworks on people with mobility challenges.

The commissioner and staff have continued to actively participate in the Scottish Road Research Board (SRRB), the Transport Scotland Pavement Forum (TSPF) and the Roads Collaboration Board.

### Legislative Regime Changes

The Scottish Road Works Register (Prescribed Fees and Amounts) Regulations 2008 and The Scottish Road Works Register (Prescribed Fees) Amendment Regulations 2019 were the Scottish Statutory Instruments covering the collection of funds from the user community for the operation of the Scottish Road Works Register during the 2019/20 financial year.

The Scottish Road Works Register (Prescribed Fees) Regulations 2020 were made on 18 February 2020 and came into force 1 April 2020. Together with the Scottish Road Works Register (Prescribed Fees and Amounts) Regulations 2008 these Scottish statutory instruments cover the collection of fees and amounts from the user community for the operation of the Scottish Road Works Register during the 2020/21 financial year.

The Transport (Scotland) Act 2019 was passed on 10 October 2019 and received Royal Assent on 15 November 2019. Part 9 of the Act contains provisions that will which will impact the work of the SRWC once commenced. Commencement of the provisions has been delayed by the COVID-19 pandemic.

### Principal Risks And Uncertainties

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

### Going Concern Basis

The 2020/21 Annual Accounts have again been prepared on a “going concern” basis and there are no issues to report at this time. Both the SRWC and SRWR budgets are monitored monthly and 5 year forecasts reviewed.

The possibility of an inspection function for the office, in line with the provisions made in the Transport (Scotland) Act 2019, will have a significant influence on any future funding profile

and discussions are ongoing with Scottish Government in this regard. This is not expected to impact SRWC's ability to continue as a going concern.

## Summary

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

## Performance Analysis

Whilst there are no formal indicators, office performance is measured against objectives set out in general terms in the Corporate Plan and more specifically in the Business Plan. During 2020/21, the office continued to refresh and update procedures and governance as required to deliver the aims of the Corporate and Business Plans, which are available on the office website.

In addition to recurring road works community and governance priorities, such as issuing Annual Performance Reviews, publishing an Annual Report etc., the office has continued scrutinizing the noticing practices of roads authorities and the compaction of the unbound layers in utility company reinstatements. These metrics remained priorities during 2020/21.

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

In addition to drawing down the full agreed Grant in Aid during 2020/21, the Scottish Government carried forward an additional £20,000 of funding from 2019/20 for the review of the Specification for the Reinstatement of Openings in Roads (SROR). The work was significantly delayed by the COVID-19 pandemic and the funding has been carried forward into 2021/22.

The SRWC monitors the performance of the office against the aims of the Corporate Plan and programmes identified in the Business Plan. Over the period 2020/21 performance was again satisfactory.

It is a requirement of The Government Financial Reporting Manual (FReM) that the following are reflected in the Performance Report;

1. An explanation of the link between Key Performance Indicators (KPIs), risk and uncertainty.



The office does not have formal KPIs, but has developed a performance dashboard as part of its Business Plan. This is discussed and updates agreed at regular team meetings, mitigating risks and uncertainty considered in the Risk Register. Particular focus is given to regular budget monitoring of the SRWC budget and the SRWR budget.

2. An explanation of the development and performance of the organisation during the year.

The performance of the SRWC's office during 2020/21 can be found in the Business Plan Performance Dashboard at:

### [Business Plan 2020-21](#)

3. Non-financial information including social matters, respect for human rights, anti-corruption and anti-bribery matters.

In addition to taking guidance from Scottish Government HR policy and procedures, the office maintains a number of policies and procedures including a Code of Conduct, Equalities Statement and Environmental Policy. These documents are drafted to be appropriate for the small size and scale of the organisation.

Documents are reviewed on a regular basis. Each policy has a predetermined review schedule appropriate to the policy area it covers. Reviews consider current public sector requirements, statutory and non-statutory, and the content of other oSRWC policies and guidance. The risk register is informed by the amelioration outlined for each specific policy area as well as key targets from the business plan. Assessing whether targets are achievable includes an evaluation of the potential risk that a target introduces.

As an independent public official the SRWC sets operational and office policies to meet the specific needs and unique work of the office. Where the office does not hold its own policy, Scottish Government policy is adopted. This takes advantage of the wider expertise of Scottish Government which is subject to stringent audit process.

### [Financial Position](#)

The financial statements cover the period 1 April 2020 to 31 March 2021 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.

SRWC Grant in Aid of £375k was awarded by Scottish Ministers which was fully drawn down in accordance with the agreed profiling over the financial year (2019/20: £395k). SRWC expenditure in 2020/21 was £368k (2019/20: £393k)

SRWR Prescribed Fees and Amounts totalling £912k (2019/20 £856k) were collected from utility companies and roads authorities towards the provision of the register. In addition £10k (2019/20 £8k) was collected from new undertakers for access to the SRWR throughout the year depending on their date of joining. New monies collected totalled £922k (2019/20: £900k). Related expenditure during 2020/21 was £891k (2019/20: £917k).

The Commissioner earned no income in the year on direct activities (2019/20: £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 2020/21 statement is available to view at:

[SRWC Sustainability, Efficiency, Effectiveness and Economy Statement 2020-21](#)

## Performance Report



Kevin Hamilton  
Scottish Road Works Commissioner and Accountable Officer  
03 September 2021

# Accountability Report

## Corporate Governance Report

This section contains the Directors' Report, the Statement of Accountable Officer's Responsibilities and the Governance Statement.

## Directors' Report

### The Commissioner

I was appointed SRWC on 9 November 2020. The previous Commissioner, Angus Carmichael stepped down on 27 September 2020. During the intervening period from 28 September until 8 November, Transport Scotland assumed the functions, duties and responsibilities of the Commissioner.

### 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 only details 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:

[Register of Interests 2020/21](#)

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

[SRWC Code of Conduct](#)

## 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. Azets 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. This appointment has recently been extended by one year in view of uncertainties around the COVID-19 pandemic. An external audit remuneration fee of £12,890 is reflected in the accounts. Azets 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 the 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 2020/21.

## Payment of Creditors

The Scottish Road Works Commissioner adopts Scottish Government policies and procedures in relation to the payment of suppliers. In 2020/21: 98.5% (2019/20: 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 Azets 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 Azets 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, the Scottish Government sponsor unit agreed 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:

- an annual audit is undertaken by an independent auditor;
- audited annual accounts are published;
- the SRWC continues to utilise Scottish Government processes and procedures as much as possible;
- the SRWC continues to utilise Scottish Government services such as SCOTS, SEAS, pensions and payroll;
- the SRWC meets regularly with the Scottish Government sponsor unit; and
- an internal audit is undertaken at appropriate intervals.

It was agreed in 2010 that given the reliance that the SRWC places on Scottish Government processes and systems, that internal audit of the office would form part of the Transport Scotland risk based plan for internal audit. As such internal audit is provided by Scottish Government and considered annually as part of the Transport Scotland audit planning process. This includes an advisory service on risk, control and governance and, where required, provide advice on urgent work 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 and comments made by internal audit have informed the Commissioner's opinion over the effectiveness of controls.

The Transport Scotland risk based audit planning exercise for 2020/21 did not identify the need to undertake an internal audit during the reporting period.

No specific assurances were provided to the office by Internal Audit Services during the year in respect of Scottish Government systems used by the SRWC.

I obtained written assurance from Transport Scotland that sound systems of governance and internal control had been in place prior to my appointment. I have also undertaken a review of expenditure incurred prior to my appointment and 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 Scottish Public Finance Manual and has been in place for the year ended 31 March 2021 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.

Significant risks affecting the organisation are associated with the Scottish Road Works Register, External Factors and Financial Loss.

Specific issues considered in compiling the office Risk Register, which could result in both financial and reputational loss to the organisation, include, or are informed by the following:

- The 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. An emergency tender process would be initiated to find a new supplier.
- The 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. An example of an external risk is the impact on the office of the provisions of the Transport (Scotland) Act 2019.
- The 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 this 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. In addition to the ongoing review of risk at oSRWC, this year the possible impact of the COVID-19 Pandemic was considered. Given the existing controls in place and the make-up of the office it was concluded that there was only a minor risk to operations going forward. The SRWR provider's plans were also reviewed.

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

I confirm that I remain content with the financial and HR support provided by the Scottish Government and that the 2020/21 Annual Assurance Statement was submitted to the Cabinet Office on 21 June 2021.

## Risk Management

All bodies to which the Scottish Public Finance Manual 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 2021.

## 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 2020/21 financial year was informed by:



- The staff within the office who have responsibility for the development and maintenance of the internal control framework
- The assurances given by Transport Scotland regarding the controls in place prior to my appointment
- Consideration of the matters which arose during preparation of the 2020/21 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 2020/21 period.

## Remuneration and Staff Report

### Remuneration Report

Commissioner appointments are generally for a period of 5 years. Kevin Hamilton was appointed as Commissioner on 9 November 2020. Angus Carmichael's tenure as Commissioner finished on 27 September 2020.

The salary and pension entitlements of Angus Carmichael and Kevin Hamilton during the 2020/21 financial year and the median pay disclosure are subject to audit and are set out below.

### Remuneration

Remuneration	Salary (Bands of £5, 000)	Pension Benefits (£000s)	Total Remuneration 2020/21 (Bands of £5,000)
<b>Kevin Hamilton (9/11/20 – 31/03/21)</b>	£25 - £30k	£11k	£40 - £45k
<b>Angus Carmichael (01/04/20 to 27/09/20)</b>	£35 - £40k (2019/20 : £75 - £80k)	£23k (2019/20: £33k)	£60 - £65k (2019/20 £105 -£110k)

Note – Kevin Hamilton annualised salary £70-£75k  
Angus Carmichael annualised salary £75-£80k

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 2020/21 was £75,000 - £80,000 (2019/20 £75,000 - £80,000). This was 1.7 times (2019/20 – 1.7 times) the median remuneration of the workforce, which was £46,598 (2019/20 £45,680). All permanent staff employed in the Commissioner's office are remunerated between Scottish Government Grades B2 – B3 (£30,652 - £46,599).

The ratio of the salary of the highest paid director to the median remuneration of the organisation's workforce in 2020/21 remains broadly similar to the ratio in 2019/20.

In 2020/21, no employees received remuneration in excess of the annualised salary of the highest-paid director (2019/20: £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 2020/21 (2019/20: £nil)

### Pension Benefits

<b>Commissioner</b>	<b>Accrued pension at pension age as at 31/03/2021</b> <b>£'000</b>	<b>Real increase in pension and related lump sum at pension age</b> <b>£'000</b>	<b>CETV at 31/03/2021</b> <b>£'000</b>	<b>CETV at 31/03/2020</b> <b>£'000</b>	<b>Real increase in CETV</b> <b>£'000</b>
<b>Kevin Hamilton</b>	0 - 5	0 – 2.5	8	0	6
<b>Angus Carmichael</b>	5 - 10	0 - 2.5	156	137	19

### 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 Commissioner was remunerated at Band C3 (£74,038 – £76,574) April 2020 to March 2021.

### 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:

	2020/21	2019/20
Commissioner	1	1
Permanent Staff	5.0	5.0
Other	-	0.4
	<hr/> 6.0	<hr/> 6.4

All staff are subject to UK Employment Contracts.

## Staff Costs (subject to Audit)

	Commissioner	SRWC Segment Staff	SRWR Segment Staff	Total Remuneration	Total Remuneration
	2020/21 £000	2020/21 £000	2020/21 £000	2020/21 £000	2019/20 £000
Wages and salaries	67	165	54	286	304
NI Contributions	8	18	6	32	33
Pension costs	19	48	11	78	74
	<u>94</u>	<u>231</u>	<u>71</u>	<u>396</u>	<u>411</u>

The total remuneration for 2020/21 has decreased by £15k.

## 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 2021.

	Male	Female
Staff	3	1
Commissioner	1	-
<u>Total</u>	<u>4</u>	<u>1</u>

## Sickness Absence Data

The staff sickness absence rate in the Commissioner's office was 0% 2020/21

## Expenditure on Consultancy

### Legal Support

Over the reporting period the SRWC continued to engage Anderson Strathearn Solicitors to provide legal support. Expenditure on external legal support during 2020/21 was £8,286

### Accountancy Support

During 2020/21, expenditure on external accountancy support was £1,852

## 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 2020/21.

#### 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 from utility companies and roads authorities in respect of the provision of the Scottish Road Works Register. In addition £10k was collected from new utilities throughout the year. Income collected in 2020/21 totalled £922k (2019/20: £864k). Income received from activities is summarised in Note 2.

#### Accountability Report



Kevin Hamilton  
Scottish Road Works Commissioner and Accountable Officer  
03 September 2021

# **Independent auditor's report to the members of Scottish Road Works Commissioner, the Auditor General for Scotland and the Scottish Parliament**

## **Reporting on the audit of the financial statements**

### **Opinion on financial statements**

We have audited the financial statements in the annual report and accounts of Scottish Road Works Commissioner for the year ended 31 March 2021 under the Transport (Scotland) Act 2005. The financial statements comprise the Statement of Financial Position, the Statement of Comprehensive Net Expenditure, the Statement of Cash Flow, 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 2020/21 Government Financial Reporting Manual (the 2020/21 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 2021 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 2020/21 FReM; and
- have been prepared in accordance with the requirements of Transport (Scotland) Act 2005 and directions made thereunder by the Scottish Ministers.

### **Basis for opinion**

We conducted our 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 Auditor General for Scotland. 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 were appointed by the Auditor General on 31 May 2016. The period of total uninterrupted appointment is five years. 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 Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern basis of accounting

We 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 we have performed, we 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.

## Risks of material misstatement

We report in a separate Annual Audit Report, available from the Audit Scotland website, the most significant assessed risks of material misstatement that we identified and our judgements thereon.

## Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of 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.

In preparing the financial statements, the Accountable Officer 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 deemed inappropriate.

## Auditor's responsibilities for the audit of the financial statements

Our 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 our 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 economic decisions of users taken on the basis of these financial statements.

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

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

The extent to which our 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Reporting 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. In addition to our responsibilities to detect material misstatements in the financial statements in respect of irregularities, 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.



## Reporting on other requirements

### Opinion prescribed by the Auditor General for Scotland on audited part of the Remuneration and Staff Report

We have audited the parts of the Remuneration and Staff Report described as audited. In our opinion, the audited 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.

### Statutory other information

The Accountable Officer is responsible for the statutory other information in the annual report and accounts. The statutory other information comprises the Performance Report and the Accountability Report excluding the audited part of the Remuneration and Staff Report.

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

Our opinion on the financial statements does not cover the statutory other information and we do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

### Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

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) 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 audited 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.

### Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

### Use of our report

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, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

*Karen Jones*

Karen Jones (for and on behalf of Azets Audit Services)

Exchange Place 3,  
Semple Street,  
Edinburgh,  
EH3 8BL  
07 October 2021

Date:

## Financial Statements

### Statement of Comprehensive Net Expenditure for the Period Ended 31 March 2021

	Note	2020/21 £000	2019/20 £000
Expenditure			
Staff Costs	3	396	411
Register Operation	4.1	765	784
Professional Fees		23	15
Accommodation		10	11
Other Expenditure	4.2	60	84
Depreciation	5	5	5
Total		1,259	1,310
Income			
Income from SRWR Activities	2	(922)	(900)
		(922)	(900)
Total Comprehensive net Expenditure for the financial year ended 31 March 2021		337	410

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 30 to 40 form an integral part of these Accounts.

## Statement of Financial Position as at 31 March 2021

	Note	2020/21 £000	2019/20 £000
Non-current assets:			
Property, plant and equipment	5	7	12
Total non-current assets			12
Current assets:			
Trade and other receivables	6	1	1
Cash and cash equivalents	7	517	517
Total current assets		518	518
Total assets		525	530
Current liabilities			
Trade and other payables	8	(320)	(363)
Deferred income	8	(-)	(-)
Total current liabilities		(320)	(363)
Total Assets			
less: Current Liabilities		205	167
Non-current liabilities			
Deferred income	8	(-)	(-)
Total non-current liabilities		(-)	(-)
Net Assets / (Liabilities)		205	167
Reserves			
Taxpayers Equity		205	167
		205	167

The accompanying Notes on pages 30 to 40 form an integral part of these Accounts. The accountable officer authorised these financial statements for issue on 3 September 2021.



Kevin Hamilton  
Scottish Road Works Commissioner and Accountable Officer  
03 September 2021

## Statement of Cash Flows for the Period Ended 31 March 2021

	Note	2020/21 £000	2019/20 £000
Cash Flows from operating activities			
Net operating (costs)		(337)	(410)
Adjustments for non-cash items			
Depreciation	5	5	5
Decrease/(Increase) in trade and other receivables	6	-	1
(Decrease)/increase in trade payables	8	(43)	64
Net cash outflows from operating activities		(375)	(340)
Cash flows from investing activities			
Purchase of non-current assets	5	-	(2)
Net cash outflow from investing activities		-	(2)
Cash flows from financing activities			
Grants from sponsor bodies		375	395
Net cash flows from financing activities		375	395
Net (Decrease) / Increase in cash and cash equivalents in the period		-	53
Cash & cash equivalents at the beginning of the period	7	517	464
Cash & cash equivalents at the end of the period	7	517	517

## Statement of Changes in Taxpayers' Equity for the Period Ended 31 March 2021

	Total Reserves	
	2020/21 (£000's)	2019/20 (£000's)
Balance at 1 April	167	182
Net expenditure for the year	(337)	(410)
Funding from Scottish Ministers	375	395
Balance at 31 March	<u>205</u>	<u>167</u>

## Notes to the Accounts for 2020/21

### Statement of Accounting Policies

#### 1.1 Basis of Accounting

These financial statements have been prepared in accordance with the 2020/21 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 2021 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 £500.

##### 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	5 Years
Office Vehicle	5 Years
Testing Equipment (Light Weight Deflectometer)	10 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 quarterly, through the office sponsor unit, is credited directly to 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 Alpha 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 defined contribution funding arrangements, 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 3.

A full actuarial valuation was carried out as at 31 March 2016. Details can be found in the resource accounts of the Cabinet Office; Civil Superannuation [Civil Service Pensions : Scheme Valuations](#)

### 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 Critical Judgements in Applying accounting policies

In applying the accounting policies set out in these Notes, the Commissioner has had to make judgements about financial transactions or those involving uncertainty about future events. The critical judgement made in the Financial Statements is that the organisation will continue as a going concern and will be appropriately funded by the Scottish Parliamentary Corporate Body (SPCB).

### 1.10 Critical accounting estimates

The Financial Statements contain estimated figures that are based on assumptions about the future or that are otherwise uncertain. These estimates relate to the value of tangible and intangible assets. Estimates are made taking account of historical experience, current trends and other relevant factors but cannot be determined with certainty. Actual results could be different from the assumptions and estimates, but are unlikely to be material.

Pension benefits are provided through the Civil Service pension arrangements. The Civil Service pension arrangements are unfunded multi-employer defined benefit schemes in

which the Commissioner's office is unable to identify its share of the underlying assets and liabilities.

### 1.11 Impending Application of Newly Issued Accounting Standards Not Yet Effective

At the date of authorisation of these financial statements, the Commissioner has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- IFRS 16: Leases. HM Treasury have agreed to defer implementation until 1 April 2022.

The Commissioner does not expect that the adoption of the Standards listed above will have a material impact on the financial statements in future periods

### 1.12 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 through income collected from the road works community. The Scottish Road Works Register (Prescribed Fees) Amendment Regulations 2020 and The Scottish Road Works Register (Prescribed Fees and Amounts) Regulations 2008, were applied to the collection of the operation of monies for the collection of the register in 2019/20. 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

	2020/21 £000	2019/20 £000
<b>Income from Activities:</b>		
Fees for access to the SRWR	922	864
Grants for the development of SRWR	-	21
SRWR training	-	15
	<b>922</b>	<b>900</b>

### 3. Staff Costs

The office of the Scottish Road Works Commissioner employed 5 permanent members plus the Commissioner in 2020/21. The figure for 2019/20 was 5.4 plus the Commissioner.

#### Staff Costs

	Total Remuneration	Total Remuneration
	2020/21	2019/20
	£000	£000
Wages and salaries	286	304
NI Contributions	32	33
Pension costs	78	74
	<hr/>	<hr/>
	396	411

The total remuneration for 2020/21 has decreased by £15k. Further detail and analysis of staff costs can be found in the Remuneration and Staff Report.

#### Pension Costs

For 2020/21 a total employer's contributions of £66,115 was paid to MyCSP at one of two rates in the range between 27.1% and 27.9% of pensionable pay based on salary bands. In addition to this, £8,504.26 was paid to the Partnership pension scheme.

The salary bands for pension contributions were revised and implemented on 1 April 2019.

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 2021 (31 March 2020 £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. It also provides a service enhancement to 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

	2020/21 £000	2019/20 £000
<u>SRWC Segment</u>		
General office expenses	13	16
Travel & Subsistence	1	6
Development Costs	1	4
Other Costs	1	2
	<hr/> 16	<hr/> 28
<u>SRWR Segment</u>		
Training	36	9
Development Costs	-	35
Meetings & External Services	8	8
Travel, Administration & General	-	4
	<hr/> 44	<hr/> 56
Total Other Expenditure -	<hr/> 60	<hr/> 84

The above total does not include £12,890 for external auditor remuneration (2019/20 £12,580). This is included under Professional Fees in the Statement of Comprehensive Net Expenditure. External audit received no fees in relation to non-audit work.

Development Costs in the SRWR Segment relate to development of a new on line training service.

## 5. Property, Plant and Equipment

	Motor Vehicle £000	Test Equipment £000	Information Technology £000	Furniture & Fittings £000	2021 Total £000	2020 Total £000
Cost						
At 1 April 2020	20	8	7	2	37	36
Additions	-	-	-	-	-	2
Disposals	-	-	-	-	-	(1)
At 31 March 2021	20	8	7	2	37	37
Depreciation						
At 1 April 2020	17	3	3	2	25	21
Charge for Year	3	1	1	-	5	5
Disposals	-	-	-	-	-	(1)
At 31 March 2021	20	4	4	2	30	25
Net Book Value at 31 March 2021	-	4	3	-	7	
Net Book Value at 31 March 2020	3	5	4	-		12

## 6. Trade receivables and other current assets

	2020/21 £000	2019/20 £000
Bodies External to Government		
Trade Debtors	1	0
Prepayments	0	1
	<u>1</u>	<u>1</u>

## 7. Cash and Cash Equivalents

	2020/21 £000	2019/20 £000
The following balances at 31 March 2021 were held at:		
Government Banking Service		
Opening Balance	263	232
Movement	-	31
Closing	<u>263</u>	<u>263</u>
RBS account		
Opening Balance	254	232
Movement	-	22
Closing	<u>254</u>	<u>254</u>
Total Closing Balance	<u>517</u>	<u>517</u>

## 8. Trade Payables and Other Liabilities

	2020/21 £000	2019/20 £000
Trade Payables and Accruals		
Amounts falling due within one year:		
Trade Payables		
SRWC	91	117
SRWR	205	223
Accruals		
SRWC	8	9
SRWR	-	-
IAS 19: Employee Benefits	<u>16</u>	<u>14</u>
	<u>320</u>	<u>363</u>

	2020/21 £000	2019/20 £000
Amounts falling due within one year:		
Due to :		
Other Central Government Bodies	101	114
Local Authorities	-	-
Bodies external to Government	<u>219</u>	<u>249</u>
	<u>320</u>	<u>363</u>

## 9. Payments to the Consolidated Fund

There was £94,000 Commissioner penalties imposed and paid to the consolidated fund this reporting period (2019/20: £18,000).

## 10. Capital Commitments

There were no contracted capital commitments as at 31 March 2021 (31 March 2020 £nil).

## 11. Contingent Liabilities Disclosed Under IAS 37

There were no contingent liabilities as at 31 March 2021 (31 March 2020: £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 2021.

## 15. Segment Information

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

	2020/21 £000	2020/21 £000	2020/21 £000
	SRWC	SRWR	Total
Total Income	375	922	1,297
Total Expenditure	368	891	1,259
Total Assets	270	255	525
Total Liabilities	111	209	320

	2019/20 £000	2019/20 £000	2019/20 £000
	SRWC	SRWR	Total
Total Income	395	900	1,295
Total Expenditure	393	917	1,310
Total Assets	276	254	530
Total Liabilities	138	225	363



# 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 (FRM) 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.

D. Patel

Signed by the authority of the Scottish Ministers

Dated 14<sup>th</sup> January 2008