

# Scottish Road Works Commissioner

## Annual report on the 2013/14 audit



Prepared for the Scottish Road Works Commissioner and the Auditor General for Scotland

October 2014

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# Key Messages

## 2013/14

In 2013/14 we assessed the key strategic and financial risks being faced by Scottish Road Works Commissioner (the Commissioner or SRWC). We audited the financial statements and we also reviewed the use of resources and aspects of governance. This report sets out our key findings.

We have given an unqualified opinion that the financial statements of the Scottish Road Works Commissioner (the Commissioner or SRWC) for 2013/14 give a true and fair view of the state of the body's affairs and of its net expenditure for the year. We also concluded that in all material respects, the expenditure and income shown in the financial statements were incurred or applied in accordance with applicable enactments and relevant guidance issued by Scottish Ministers.

In order to address concerns raised last year, the Commissioner outsourced the preparation of the financial statements to a third party accountancy firm. Back up working papers provided were of a reasonable standard. Our audit identified a number of issues which required revision and re-drafting in the financial statements. In addition, we have raised a number of issues in relation to ongoing monitoring of expenditure and income through the proper use of the financial ledger, the correct presentation of the financial statements going forward and the need to ensure budgetary control processes are robust. We are particularly concerned as to the organisational capacity of the Commissioner and her staff. The Commissioner was paid for time off which she was unable to take during 2013/14 and there have been four changes in finance officers over the past 18 months.

The Scottish Government agreed a budget of £330,000 for SRWC direct activities for the year. Net operating costs of £306,000 were incurred during the year and the actual draw down of funds was £317,000. For the first 3 months of the 2013/14 financial year, Susiephone Limited provided management services to the Commissioner for the operation of the Scottish Road Works Register (SRWR). The Commissioner then brought these services in-house from 1 July 2013. The activities of the register are funded through the levying of Prescribed Fees; a surplus of £69,000 was recorded on road works register activities.

The consolidated financial outturn of the Scottish Road Works Commissioner and SRWR was a combined £80,000 surplus (£2,000 deficit in 2012/13).

Overall the SRWC's arrangements for the prevention and detection of fraud were satisfactory during 2013/14. We also concluded that the systems of internal control are operating effectively although we have raised an issue in relation to the utilisation of the financial ledger.

## Outlook

In recognition of some of the pressures being faced by the Commissioner, the 2014/15 Grant in Aid figure from the Scottish Government has increased to £409,500, a 24% increase from the 2013/14 original budget. The challenge going forward will be to contain spending within the agreed budget while maintaining performance, and ensuring that the SRWC has the resources available to manage the running of the Scottish Road Works Register.

# Introduction

1. This report summarises our findings arising from the 2013/14 audit of the Scottish Road Works Commissioner (SRWC). The purpose of the report is to set out concisely the scope, nature and extent of the audit. It summarises our opinions (i.e. on the financial statements) and conclusions on significant issues arising.
2. The report also reflects our overall responsibility to carry out an audit in accordance with the public sector audit model which is based on the Code of Audit Practice prepared by Audit Scotland (May 2011). This sets out the wider dimensions of the public sector audit which involves not only the audit of the financial statements but also consideration of areas such as financial performance and corporate governance.
3. The concept of audit risk is of key importance to the audit process. During the planning stage of our audit we identified a number of key audit risks, some of which involved a high degree of judgement by management, some of which had the potential to have significant impact on the financial statements. We set out in our annual audit plan the related source of assurances and the audit work we proposed to undertake to secure appropriate levels of assurance. Appendix A sets out the key audit risks identified at the planning stage and how we addressed each risk in arriving at our opinion on the financial statements.
4. Appendix B is an action plan setting out the key risk areas we have identified from the audit. The Commissioner has considered the issues and agreed to take the specific steps in the column headed "planned management action". We do not expect all risks to be eliminated or even minimised. What we expect is that SRWC understands its risks and has arrangements in place to manage these risks.
5. An audit of the financial statements is not designed to identify all matters that may be relevant to those charged with governance. It is the auditor's responsibility to form and express an opinion on the financial statements prepared by management; however this does not relieve management of their responsibilities in this respect. This report has been prepared for the use of the Commissioner and no responsibility to any third party is accepted.
6. This report is also addressed to the Auditor General for Scotland and will be published on our website after consideration by the Commissioner.

# Financial statements

## Conduct and scope of the audit

7. Information on the integrity and objectivity of the appointed auditor and audit staff, and the nature and scope of the audit, were outlined in our Annual Audit Plan which was submitted to the Commissioner in February 2014, and follow the requirements of the Code of Audit Practice prepared by Audit Scotland in May 2011.
8. As part of the requirement to provide full and fair disclosure of matters relating to our independence we can confirm that we have not undertaken non-audit related services. The 2013/14 agreed fee for the audit was disclosed in the Annual Audit Plan and this fee remains unchanged.
9. We review and report on, as appropriate, other information published with the financial statements, including the management commentary, governance statement and the remuneration report.

## Audit opinion & accounting issues

10. We have given an unqualified opinion that the financial statements of the Scottish Road Works Commissioner (SRWC) for 2013/14 give a true and fair view of the state of the body's affairs and of its net expenditure for the year. The audit opinion was formally signed on 30 October 2014. We confirmed that the expenditure and income in the financial statements was in accordance with applicable legislation and Ministerial guidance.
11. We received the unaudited financial statements on 11 July 2014 which was in accordance with the agreed timetable. In order to address the issues raised last year in relation to the production of the accounts, the preparation of the unaudited financial statements together with the necessary back up papers was outsourced to a third party accountancy firm, Wylie & Bisset.
12. The working papers and the draft financial statements supplied were generally of a good standard and the staff provided good support to the audit team. However a number of significant issues were identified which resulted in a revision to the accounts. The most significant issues related to:
  - the management commentary and governance statement required to be updated to reflect current year activities
  - the presentation and disclosure of the Remuneration Report was not compliant with updated regulations as set out in the 2013/14 Financial Reporting Manual (FReM)
  - the penalty fee income collected by the Commissioner had not been recognised in the financial statements.

13. One monetary adjustment remained outstanding and was not processed in the financial statements. We agreed with the Accountable Officer that the amount involved (£1,000) would not have a material impact on the reported outturn position.

## Significant findings (ISA260)

14. During the course of the audit we identified a number of significant issues which are discussed further below.
15. **Financial statements preparation.** We noted in our 2012/13 final report that there had been a number of issues arising in relation to the preparation of the financial statements due to the absence of suitably experienced and knowledgeable staff. For 2013/14, the Commissioner took action to address this issue by appointing a third party, Wylie and Bisset, to prepare the draft financial statements for 2013/14. While we acknowledge the positive steps taken by the Commissioner, the financial statements required revision and update in order to comply more fully with the 2013/14 FReM. As discussed in paragraph 23 below, this issue will require to be considered further in respect of the 2014/15 financial statements.
16. A formal financial statements preparation timetable should be prepared and followed to ensure a complete set of draft financial statements and working papers are ready for audit review. Officers should adhere to the key stages and allowance should be made to include a management quality review of the unaudited financial statements prior to submitting the accounts for audit in order to minimise the number of changes required.

### Refer Action Plan No. 1

17. **Scottish Road Works Register (SRWR).** In her role as the keeper of the SRWR, notice was given to Susiephone Limited (a private not-for profit company) that the function was to be brought in-house. Susiephone Limited was duly wound up on 30 June 2013 and its functions brought in-house on 1 July 2013. A bank balance of £1,079,000 was transferred to the Commissioner. We noted in our annual audit plan that there was a risk that the closing balances carried forward from the closing Susiephone Limited's balance sheet would not be properly accounted for and we were aware that transactions since 1 July had been recorded in a separate spreadsheet. At the time of our audit, neither opening balances (in relation to Susiephone Limited) nor ongoing transactions in relation to the register had been processed in the financial ledger. We have been advised that there were issues and delays over the introduction of certain modules of the financial ledger which caused the difficulties. The year end position was calculated using 'excel' spreadsheets and transactions together with the opening balances were processed retrospectively.
18. While we are satisfied that the transactions have now been properly processed and that the financial statements reflect the true position, it is essential that all transactions are posted directly into the financial ledger as it is a primary control system and will provide adequate controls over transactions. I have asked the Commissioner for specific assurances that the ledger as updated reflects the correct position as at 31 March 2014. It is essential that going forward all transactions are recorded in the financial ledger.

### Refer Action Plan No. 2

- 19. Financial statements presentation.** As part of our ongoing discussions we provided advice to the Commissioner in relation to the presentation of the 2013/14 financial statements. We had recommended disclosing the Susiephone Limited figures for the first 3 months of the year in a separate note to the accounts, followed by the single entity figures for the 9 months thereafter. However the Commissioner decided to continue the practice of showing the accounts as a consolidation. While we have agreed that there is good reason to disclose the activities of the Commissioner and the Road Works Register separately, there is no need for a consolidation. Going forward, the Commissioner should either disclose the full information of both the Register and her office separately together with the combined totals or should provide only the total figures with a disclosure note outlining the legal basis of the two segments.

**Refer Action Plan No. 3**

- 20. Statutory penalties.** During 2013/14, the Commissioner took enforcement action against two parties which led to the imposition of fines totalling £58,000. The amounts were collected in full during the year and the money was paid into the Consolidated Fund via Transport Scotland (the sponsor department) as required by statute.
- 21. Scottish Road Works Register (SRWR) contract.** The current contract for the maintenance and development of the register is due to conclude in 2016 with an option to extend for two years. With the agreement of the road works community, additional fees were levied and earmarked to be set aside to fund the re-tendering programme (£216,000) which is accounted for as deferred income in the Statement of Financial Position. The Commissioner should review the balance and assess how these funds are to be applied going forward in relation to the new contract.

**Refer Action Plan No. 4**

- 22. Management / staff capacity.** We have referred previously to the capacity of management and staff within the Commissioner's office. The Commissioner's workload continues to be challenging and in recognition of the additional hours worked by the Commissioner in 2013/14, the sponsoring department agreed to buyout her leave which she was unable to take for operational reasons (£15,000). The level of additional hours worked is unsustainable in the longer term.
- 23.** We have also noted the difficulties in obtaining and maintaining a certain level of financial expertise and knowledge within the Commissioner's office. Since December 2012, there have been 4 finance officers in post with gaps in between of varying length due to the recruitment process. This has exacerbated the workload pressures on the Commissioner and other staff within her office.
- 24.** The Commissioner continues to be in dialogue with Transport Scotland and intends to address workload issues going forward. We would recommend that firm action be taken to alleviate the workload pressures for all staff within the Commissioner's office. We will continue to monitor the situation.

**Refer Action Plan No. 5**



**25. Budgetary control.** As referred to previously, the Commissioner decided to take in-house the operation of the road works register during 2013/14. In terms of Value Added Tax (VAT), the Commissioner is required to pay VAT on the purchase of goods and services and is unable to gain the appropriate status to allow the recovery of VAT. Susiephone Limited however was VAT registered and was able to reclaim VAT. As a consequence, all VAT incurred must be charged to the Statement of Comprehensive Net Expenditure. This is highlighted in the financial statements where the cost of the SRWR contract has increased by £134,000 from 2012/13. The increase can be partly accounted by the impact of VAT charges of £80,000 which cannot be reclaimed. All register costs are met by the Prescribed Fees levied. However, we have recommended that the Commissioner should review the revenue budget and ensure adequate Prescribed Fees and Amounts are raised going forward.

**Refer Action Plan No. 6**

## Financial position

### 2013/14 Outturn

- 26.** Susiephone Limited operated the Scottish Road Works Register on behalf of the Commissioner from 1 April to 30 June 2013. The company raised invoices for the prescribed fees and amounts and expenditure incurred was offset against the income collected. The Commissioner's direct expenditure is funded by grant-in-aid received from Scottish Ministers.
- 27.** The Scottish Government agreed a budget of £330,000 for SRWC direct activities for the year. The financial statements disclose net operating costs of £306,000 and the actual draw down of funds during 2013/14 was £317,000.
- 28.** As noted above, the activities of the register are funded through the levying of Prescribed Fees. As disclosed in note 11 of the financial statements, a surplus of £69,000 was recorded on road works register activities.
- 29.** The consolidated annual outturn figures for 2013/14 are summarised in the table below. The net surplus for the Commissioner and SRWR was £80,000, compared to a deficit position of £2,000 in 2012/13.

**Table 1: Annual Outturn Figures**

|                             | 2013/14 (£000s) | 2012/13 (£000s) |
|-----------------------------|-----------------|-----------------|
| Expenditure                 | 1,179           | 1,008           |
| Income                      | 942             | 739             |
| Net Expenditure             | 237             | 269             |
| Scottish Government funding | 317             | 267             |
| Net surplus/(deficit)       | 80              | (2)             |

Source: SRWC Annual Accounts 2013/14

### 2013/14 financial position

30. The Statement of Financial Position shows a consolidated net assets position of £156,000 at 31 March 2014 (£76,000 for 2012/13); the Commissioner-only position is net assets of £25,000 (£14,000 for 2012/13). The SRWC has a relatively low fixed asset base reflecting the nature of the organisation and its business.
31. In 2013/14, the SRWC changed its billing arrangements for invoicing Prescribed Fees for access and use of the register to local authorities and utility companies. Last year these customers were billed in advance in February 2013 for fees relating to 2013/14. This year, invoices for 2014/15 were sent out after the year end in April 2014. As a consequence trade receivables and payables have reduced considerably reflecting the changed practice.

### Financial planning

32. The 2014/15 grant-in-aid figure from the Scottish Government is £409,500 and represents a 24% increase from the 2013/14 original budget.
33. We noted in our 2012/13 final report that there is no longer-term financial plan for the SRWC which links business objectives to resources and budgets. The absence of financial planning has continued this year. Funding for the Scottish Government as a whole is reducing, leading to a general downsizing. Any reduction in funding in the longer term may lead to challenges in achieving the Commissioner's statutory functions.

**Refer Action Plan No. 7**

## Corporate governance and systems of internal control

### Overall governance arrangements

34. The Code of Audit Practice gives auditors a responsibility to review and report on audited bodies' corporate governance arrangements.
35. Primary legislation established SRWC as an independent Commissioner with no Board and no specific provision for an Audit Committee. In 2010 the Commissioner agreed with Transport

Scotland, the sponsor organisation, that the organisation could operate without an audit committee or advisory board but that the topic should be kept under review. This practice has continued in 2013/14 and, as confirmed in the Governance Statement, the Commissioner has encountered no practical difficulties with this arrangement. We found that, overall for SRWC, sound governance arrangements were in place during 2013/14.

36. As discussed earlier, the Commissioner continues to face challenges with organisational and management capacity. The average number of full time equivalents (FTE) in 2013/14 was 5.0 (3.8 FTEs in 2012/13). There have been several staffing changes throughout the year, including the appointment of two Finance Assistants who have subsequently left, leaving a lack of financial experience at SRWC as previously noted. This high turnover of staff for such a small organisation and the loss of knowledge of key officers could impact on the achievement of key objectives.

**Refer Action Plan No. 5**

### Accounting and internal control systems

37. While auditors concentrate on significant systems and key controls in support of the opinion on the financial statements, their wider responsibilities require them to consider the financial systems and controls of audited bodies as a whole. However, the extent of this work should also be informed by their assessment of risk and the activities of internal audit.
38. In the interests of an efficient audit approach we rely on assurances received from the auditor of the Scottish Government on work performed on shared systems that operate at SRWC, hosted by the Scottish Government. This approach ensures we are delivering an efficient co-ordinated audit that avoids unnecessary duplication and expense.
39. The central systems assurance letter provided by the auditor of the Scottish Government concluded that there was adequate assurance for all systems used by the SRWC. Adequate assurance is where key controls and procedures are operating to enable reliance to be placed on the system.
40. Internal audit is an important element of an organisation's governance structure. We noted in our 2012/13 annual audit report that although there is an agreement with the Scottish Government for internal audit input over a 3-5 year cycle, there has been no specific activity agreed nor has there been any direct internal audit work undertaken for more than four years now. We are pleased to note that the Commissioner has secured agreement that Internal Audit services will be provided during 2015.
41. As part of actions agreed by management in the 2011/12 annual audit report the Commissioner had planned to have a draft record management plan in place by the end of December 2012. While some progress has been made on this, the plan remains incomplete. Discussions have since been held with the Public Records Office and it has been agreed that the Commissioner should plan for a finalised records management plan by Spring 2016. An agreed record management plan is an element of good governance and internal control in an organisation.

## Prevention and detection of fraud and irregularity

42. In our Annual Audit Plan we highlighted the responsibility audited bodies have for establishing arrangements to prevent and detect fraud and other irregularities. In our opinion the overall arrangements for the prevention of fraud are satisfactory, although it should be noted that no system can eliminate the risk of fraud entirely.
43. There were no instances of fraud or irregularity reported by SRWC in 2013/14.

## Standards of conduct and arrangements for the prevention and detection of corruption

44. Audited bodies are responsible for ensuring that their affairs are managed in accordance with proper standards of conduct and have proper arrangements in place for implementing and monitoring compliance with standards and codes of conduct, standing orders and financial instructions. Auditors consider whether bodies have adequate arrangements in place. No issues have been identified by us for inclusion in this report.

## Best value

45. Achievement of best value or value for money depends on the existence of sound management arrangements for services, including procedures for planning, appraisal, authorisation and control. Audited bodies are responsible for ensuring that these matters are given due priority and resources, and that proper procedures are established and operate satisfactorily. SRWC's Governance Statement confirms that the organisation is committed to a process of continuous improvement and development.

## Performance

46. The SRWC Annual Report 2013, issued in June 2014, set out the performance of all organisations undertaking road works. The Commissioner has reduced the number of quarterly performance indicators from 27 to around 12. The report set out that the noticing failure rate has reduced from the previous year to 0.07 for utility companies and 0.09 for roads authorities. The number of overrunning works remains consistently low at 2% for both of these groups.

## Acknowledgements

47. We would like to express our thanks to the staff of the SRWC and Wylie and Bisset for their help and assistance during the audit of this year's financial statements which has enabled us to provide an audit report within the agreed timetable.

# Appendix A: Key Audit Risks

The table below sets out key audit risks identified at the planning stage and how we addressed each risk in arriving at our opinion on the financial statements.

| Audit Risk  | Assurance Procedure  |
|---|--|
| <p><b>Preparation of financial statements.</b></p> <p>There is a risk that preparation of the financial statements will be delayed or inadequate due to an absence of relevant expertise.</p>   | <p>SRWC have sought external assistance from accountancy firm Wylie and Bisset for the preparation of financial statements. We provided staff at Wylie and Bisset with a working papers checklist and timetable which outlined the requirements for the draft financial statements.</p>  |
| <p><b>Transfer of closing balances.</b></p> <p>There is a risk that the closing balances carried forward from the closing Susiephone Limited's balance sheet are not properly accounted for. Transactions since 1 July 2013 have been recorded in a separate spreadsheet. There is a risk that the financial statements as at 31 March 2014 are incomplete.</p> | <p>The transfer of closing balances from Susiephone Limited was subject to detailed audit review as part of our final accounts audit. Although there was a delay in processing these transactions until the appointment of Wylie and Bisset, we are satisfied that journal transactions have been properly processed to ensure completeness at the year end.</p> |
| <p><b>Collection of income.</b></p> <p>The SWRC is now raising and collecting fees directly from the road works community. There is an increased fraud risk as SRWC is now collecting the road works register income. There is therefore a risk of fraud in revenue recognition.</p>  | <p>We undertook substantive testing of income received for prescribed fees to ensure revenue had been recognised in the correct financial year and was accounted for in the SRWC bank account, with no bad debts arising. The Prescribed Fees collected were confirmed to the Regulations. Testing was satisfactory.</p>   |
| <p><b>Monitoring of expenditure.</b></p> <p>There is a risk that expenditure is not being monitored effectively.</p>  | <p>Together with cut off testing and analytical review, we undertook substantive testing of expenditure to ensure transactions were complete. Testing was satisfactory. The final outturn (combined £80,000 surplus) indicates that expenditure is being appropriately met via grant funding and from the levying and collection of Prescribed Fees.</p>         |

# Appendix B: Action Plan

## Key Risk Areas and Planned Management Action

| Action Point | Refer Para No | Issue, risk and recommendation   | Planned Management Action  | Responsible Officer | Target Date |
|--------------|---------------|--|--|---------------------|-------------|
| 1            | 15,16         | <p><b>Financial statements preparation</b></p> <p>Draft financial statements required revision and updating. Management review of the accounts was not completed in advance of providing the draft accounts to audit.</p> <p><b>Risk</b></p> <p>A qualified opinion is given on the financial statements due to the absence of evidence. The audit is delayed due to the absence of management review.</p> <p><b>Recommendation</b></p> <p>A formal financial statements preparation timetable should be prepared and followed, which includes time allocated for management review.</p> | <p>The SRWC will obtain assistance as necessary from those familiar with the requirements of the FReM to avoid revision and updating being required.</p> <p>A formal preparation timetable will be prepared which will include time for management review.</p> | Commissioner        | June 2015   |

| Action Point | Refer Para No | Issue, risk and recommendation   | Planned Management Action  | Responsible Officer | Target Date   |
|--------------|---------------|--|--|---------------------|---------------|
| 2            | 18            | <p><b>SRWR</b></p> <p>Transactions relating to the road works register were processed retrospectively to the financial ledger.</p> <p><b>Risk</b></p> <p>Expenditure and income is not reflected in the budget monitoring process and the financial statements are incorrect.</p> <p><b>Recommendation</b></p> <p>All transactions should be recorded in the primary financial system.</p> | <p>A pre-year end check will be undertaken to ensure that the ledger is up to date and that all arrangements are in hand to facilitate preparation of the 2014/15 accounts to meet the preparation timetable.</p> <p>The required module is installed in our financial system and all transactions for the Scottish Road Works Register are now processed within the financial ledger.</p> | Commissioner        | February 2015 |
| 3            | 19            | <p><b>Accounts presentation</b></p> <p>The 2013/14 financial statements were presented as a consolidated set of accounts contrary to advice.</p> <p><b>Risk</b></p> <p>The financial statements are incorrectly presented leading to further revision and delays.</p> <p><b>Recommendation</b></p> <p>A decision should be taken as to whom will</p>                                       | <p>It has been agreed with Audit Scotland that the format for the accounts will be agreed in early 2015 prior to the commencement of the preparation of the financial statements.</p> <p>The SRWC will review the accounts preparation process for</p>   | Commissioner        | February 2015 |

| Action Point | Refer Para No | Issue, risk and recommendation   | Planned Management Action   | Responsible Officer | Target Date   |
|--------------|---------------|--|---|---------------------|---------------|
|              |               | prepare the financial statements on behalf of the Commissioner. The FReM should be reviewed and applied.   | 2014/15 to ensure that she has the correct advice on applying the FReM for 2014/15.   |                     |               |
| 4            | 21            | <p><b>SRWR contract</b></p> <p>Deferred income has been earmarked to fund the tendering exercise for the new contract.</p> <p><b>Risk</b></p> <p>There is a risk that the funds are not enough to cover the planned process or that there is a surplus of monies which may require to be refunded.</p> <p><b>Recommendation</b></p> <p>The level of income deferred should be assessed and a plan prepared to utilise the balance.</p> | The issue of this deferred income is being discussed with the Scottish Government and the road works community as part of a wider process regarding the setting of the statutory levy for use of the SRWR.                        | Commissioner        | Ongoing       |
| 5            | 22-24, 36     | <p><b>Management / staff capacity</b></p> <p>The Commissioner was paid for additional hours worked during 2013/14 as she was unable to take her time off due to operational reasons.</p> <p>There is an absence of suitably knowledgeable finance staff.</p> <p>The Commissioner will not have the</p>   | The Commissioner has raised this issue previously with her sponsoring body and will continue to do so as there is a mismatch between current organisational capacity and the workload arising from the discharge of her statutory | Commissioner        | November 2014 |



| Action Point | Refer Para No | Issue, risk and recommendation  | Planned Management Action   | Responsible Officer | Target Date |
|--------------|---------------|---|---|---------------------|-------------|
|              |               | <p>organisational capacity and resilience to meet the challenges of a more complex organisation.</p> <p><b>Risk</b></p> <p>The level of workload is unsustainable.</p> <p>There is a risk that the organisation will not achieve its objectives if management capacity is not reviewed.</p> <p><b>Recommendation</b></p> <p>The Commissioner should continue to liaise with Transport Scotland to explore options to alleviate the work pressures on herself and her staff.</p> | duties.   |                     |             |
| 6            | 25            | <p><b>Budgetary control</b></p> <p>The impact of taking the activities of Susiephone in-house should be fully reviewed and assessed.</p> <p><b>Risk</b></p> <p>The level of prescribed fees and charges levied are insufficient to cover costs.</p> <p><b>Recommendation</b></p> <p>The budget should be reviewed to ensure all costs are fully recovered.</p>  | <p>A review of the impact of taking the activities of Susiephone Ltd in-house will be undertaken including a full budget review. However the Commissioner is content that the level of prescribed fees and amounts is sufficient to cover all SRWR costs.</p> | Commissioner        | March 2014  |

| Action Point | Refer Para No | Issue, risk and recommendation  | Planned Management Action   | Responsible Officer | Target Date |
|--------------|---------------|---|---|---------------------|-------------|
| 7            | 33            | <p><b>Financial planning</b></p> <p>No longer-term financial plan has been prepared linking objectives to funds.</p> <p><b>Risk</b></p> <p>There is a risk that future funding will not be sufficient to cover planned performance.</p> <p><b>Recommendation</b></p> <p>A financial strategy should be prepared by SRWC, linking objectives to funding and income requirements.</p> | <p>The Commissioner will liaise with Transport Scotland on longer term financial planning for her office.</p> | Commissioner        | August 2015 |