

11 July 2002: For immediate use

ACCOUNTS COMMISSION ISSUES PROGRESS REPORT ON SCOTTISH BORDERS COUNCIL

The Accounts Commission for Scotland has continued to monitor the progress being made by Scottish Borders Council in dealing with the problems which resulted in a £3.9 million overspend in the Education Department. The Commission has issued its latest findings on the action taken by the Council to rectify the problems after considering a progress report from the Controller of Audit and the Council's response.

In its report the Accounts Commission notes the major changes that Scottish Borders Council have made to the management of its education service and the steps which are being taken to consolidate its recovery plans and improve its overall financial position.

The Accounts Commission welcomes the progress made by the Council but remains concerned about a number of issues raised in the Controller of Audit's progress report:

- Many of the financial management weaknesses continued during the remainder of the 2001/2 financial year
- Some staff within Lifelong Learning remain unclear about their specific responsibilities for monitoring and controlling financial performance
- Weak management co-ordination continued into the period under review
- Elected members simply noted budget monitoring reports without exploring issues of co-ordination between officials

Commenting on the situation Accounts Commission Chairman Alastair MacNish says:

“In view of these issues of outstanding concern the Accounts Commission will continue to review the situation and have requested a further progress report from the Controller of Audit at the end of October 2002.”

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Notes to editors

1. The Accounts Commission for Scotland was set up in 1975. It is an independent body of 12 members appointed by Ministers, whom, through the audit process and through value for money studies assist councils and fire and police boards to achieve the highest standards of financial stewardship and the economic and efficient use of their resources.
2. Issues arising from the audit of local authorities are reported to the Accounts Commission through the Controller of Audit who is an independent, statutory officer. The Controller of Audit can make reports in the public interest.
3. In November 2001 the Controller of Audit made a statutory report on Scottish Border Council's Education Department overspend to the Accounts Commission. The commission considered this report and reached their findings on 15 November. The Commission found serious weaknesses in the financial management of education services within the Council and requested a progress report from the Controller of Audit at the end of the financial year. The Controller of Audit made his second report on 7 June 2002. Today's findings by the Accounts Commission follow consideration of the Controller of Audit's progress report and the Council's response to that report.



4. The Accounts Commission has the power to make recommendations to councils and to Scottish Ministers. The Commission also has the power to hold hearings. The Controller of Audit's report was a public interest report in which case the Commission cannot impose individual sanctions such as surcharge.
5. Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act, 2000. It provides services to the Accounts Commission and the Auditor General for Scotland.