

**Embargo: not for use before 0001hours on Friday 8 November 2002**

## **CONTROLLER OF AUDIT ISSUES PROGRESS REPORT ON SCOTTISH BORDERS COUNCIL**

The Controller of Audit, Ronnie Hinds, today issues a further follow up report on the financial management of education services at Scottish Borders Council. The report has been prepared at the request of the Accounts Commission for Scotland who considered Mr Hinds' previous report in July 2002.

In his most recent report Mr Hinds highlights the encouraging progress made by Borders Council since July in addressing the areas he raised concern over in his last report. In particular he notes

- a continued improvement in the council's financial position
- the implementation of improved financial management procedures
- the consolidation of its plans and initiatives for improvement into one single recovery plan.

However he also points out that the council needs to build on the progress made to avoid recurrence of the problems experienced in recent years.

Controller of Audit, Ronnie Hinds says:

“Based on the assurance gained from a recent review by the Council's external auditors, I am pleased to report an overall improvement in the financial position and in the arrangements for the financial management of the Council's education service. The Council has made good progress in addressing the main areas of concern identified in my previous statutory reports. However, the improved arrangements need to be sustained and the benefits achieved in practice.”

The Accounts Commission will consider Mr Hinds' report at its meeting on 13 November 2002.

**For further information, or for a copy of the report please contact Mandy Gallacher or Katie Fleming on 0131 624 9974/9970 or 0131 477 1234**

### **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 Commission can request the Controller to



report to it on matters relating to councils' accounts. The Controller of Audit's report into Scottish Borders Council was requested by the Commission following its consideration of the Controller's previous report, dated 5 June 2002. The most recent report is made under section 102(1) of the Local Government (Scotland) Act 1973.

3. The Accounts Commission has the power to make recommendations to councils and to Scottish Ministers. The Commission also has the power to hold hearings.
4. 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.