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MIXED PICTURE EMERGES OF COUNCIL PERFORMANCE

In his annual assessment of council performance the Controller of Audit, Mr Ronnie Hinds highlights improvements in the delivery of a range of services while also reporting continuing evidence of financial and budgetary control weaknesses. Mr Hinds' report on the 2001/02 financial year was prepared for the Accounts Commission and is published today along with the Commission's findings.

On the basis of the statutory performance indicators and the audit of management arrangements there is evidence of continuing improvement in the overall delivery of council services. In addition, all councils made at least some improvement in services where their performance was previously poor.

However the report also highlights deficiencies in budgetary control which can lead to significant overspends and have implications for service provision and local taxpayers. The report also notes weaknesses in controls in major financial systems which expose council funds to the risk of fraud or accounting errors.

Commenting on these findings Accounts Commission Chairman Alastair MacNish says:

“I welcome the continuing improvement in council services reflected in this year's performance information. However successive overview reports refer to weaknesses in financial and budgetary controls which expose councils to significant risks. The achievement of Best Value under the new legislation will be dependent on effective governance within councils and these continuing weaknesses must be overcome as a matter of urgency.”

Another area of ongoing audit interest is the financial performance of DLOs and DSOs. Mr Hinds says it is disappointing that the proportion of DLOs and DSOs that managed to break-even fell from the previous year. Commenting on this Alastair MacNish says:

“The Commission commends the vast majority of councils for maintaining sound financial management of their DLOs and DSOs. There remain, however, some councils where the failure to meet break-even targets shows that performance must improve. With the abolition of Compulsory Competitive Tendering and the move towards Best Value and trading accounts councils will have to pay particular attention to their arrangements for these activities.”

The report highlights the Best Value requirements which are set out in recent legislation and the developing audit arrangements. The Accounts Commission anticipates that the overall process will contribute to increased public accountability and support continuous improvement in the provision of public services by local government.



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Notes to editors

1. The local authority overview report for 2001/02 will be available from the Audit Scotland web site at www.audit-scotland.gov.uk.
2. The Council Profiles for 2001/02 will also be published on our web site.
3. The Accounts Commission for Scotland was set up in 1975 and is independent of both central and local government. The Commission ensures that local authorities, fire and police boards spend £9 billion of public money properly and wisely.
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.