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Press release

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East Lothian Council processes did not meet expected standards

The Accounts Commission for Scotland published its findings today (Friday 29 June) on the departmental reorganisation and voluntary redundancy of the Chief Executive at East Lothian Council. The Commission accepts the Controller of Audit's report in full and endorses its overall conclusion that the process fell a long way short of the standards expected of public bodies. The Commission also emphasises the wider lessons to be learned.

Isabelle Low, Deputy Chair of the Accounts Commission, said:

"Councils have a responsibility to operate in an open and transparent manner. They need to be able to demonstrate why they have taken decisions and how they offer best value. The Commission fully endorses the Controller of Audit's report and trusts that all councils will learn from this and seek to ensure the highest possible standards in similar circumstances."

The findings state: 'The Commission believes that there are lessons to be learned for general application in such circumstances:

- Recognised best practice should be followed when councils make such decisions
- Information provided to elected members should be sufficient and supported by professional advice
- Members should be given sufficient time to consider the issues and should be provided with information on alternative options
- The decision making process should be transparent
- The process for appointing a chief executive should demonstrate that the council appointed the best candidate. Given the critical importance of the post of chief executive to the good management of a council the public are more likely to have confidence that the best candidate has been appointed if the recruitment process is not restricted but open to all potential candidates'.

The Commission also wishes to stress the importance to good governance of local authorities of the 'Protocol on Relations between Members and Officers' which is part of the National Code of Conduct for Councillors.

Today's findings are based on the Controller of Audit's report dated 15 June 2007, which was considered by the Commission at its meeting on Wednesday 20 June and subsequently. This report said:

- The process by which East Lothian Council agreed to merge departments and appoint a new chief executive did not meet the standards expected of good governance and Best Value and fell a long way short of the standards expected of public bodies
- The information provided to elected members was limited and not supported by professional advice
- Members were given insufficient time to consider the issue and were not provided with alternative options
- There was a lack of transparency in the decision making process
- The way in which the Council appointed the new Chief Executive makes it difficult for it to demonstrate that it appointed the best candidate
- Cost is only one factor in assessing Best Value, particularly when appointing a chief executive. Public sector organisations that invite external candidates and conduct a full selection process are in a stronger position to demonstrate they have appointed the best candidate for the job

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Notes to Editors:

1. The Accounts Commission for Scotland was set up in 1975 and is independent of both central and local government. The Commission considers whether local authorities, fire & rescue services and police forces spend nearly £16 billion of public money properly and effectively.

The Audit Commission operates only in England.

2. The Controller of Audit is Caroline Gardner. Her role enables issues to be brought before the Accounts Commission for their consideration.
3. 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 Auditor General for Scotland and the Accounts Commission.
4. The Controller of Audit's report '*East Lothian Council. Departmental reorganisation and voluntary redundancy of the Chief Executive*' can be found on Audit Scotland's website: www.audit-scotland.gov.uk
5. The National Code of Conduct for councillors was issued by the Standards Commission for Scotland in 2002 and can be found at: <http://www.scotland.gov.uk/Publications/2002/04/14492/2559> . Annex C, Protocol for relations between councillors and employees of Scottish councils, is at <http://www.scotland.gov.uk/Publications/2002/04/14492/2560#c>
6. Audit Scotland is currently carrying out a Best Value audit of East Lothian Council. The report will be published later this year.