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News release

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Accounts Commission welcomes improvements at Shetland Islands Council but still has concerns

Shetland Islands Council has made good progress in implementing its improvement plan. It now has many of the building blocks needed to provide Best Value. New political management arrangements and management structures are in place and the council is developing a culture of continuous improvement. However aspects of financial management continue to be of significant concern.

The Commission has issued its findings in response to a report by the Controller of Audit at Audit Scotland. This looks at the council's progress in implementing the recommendations made by the Commission following the June 2010 public hearing at Shetland Islands Council.

Chair of the Accounts Commission, John Baillie, said: "We welcome Shetland Islands Council's prompt action and the progress it has made. It is encouraging that the council now has in place many of the basic but essential building blocks needed to provide Best Value. This positive direction and change needs to be continued and the council needs to ensure it has the capacity to do this. This is especially important as it faces considerable challenges in the future. Although good progress has been made and the council is improving, there are still problems that need to be addressed."

A long term appointment to the chief executive position is needed, as the current appointment has been on an interim basis only. The council needs to do more to demonstrate more effective strategic financial management. The Commission also notes difficulties this year with the preparation of timely and accurate accounts and says the capacity of the finance function needs to improve and a new Section 95 officer appointed. This is the role charged with preparing and overseeing the council's finances.

The Commission also expresses serious concern in noting that for the sixth year running the auditors qualified the council's financial statements, due to the omission of the Shetland Charitable Trust results from the group accounts. It says this means that Shetland's people do not have a comprehensive picture of public resources, although the council has committed to addressing this situation during 2012.

The Commission has asked the Controller of Audit to prepare a further progress report in approximately 12 months' time.

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Notes to editors

1. The Accounts Commission's findings are based on the Controller of Audit's report that was considered by the Commission at its meeting on 15 December 2011. It is available at http://www.audit-scotland.gov.uk/about/docs/ac_111215_papers.pdf
2. The Accounts Commission for Scotland checks how well Scotland's councils, fire and police boards perform. It operates independently of local and central government. For more information about the Accounts Commission see <http://www.audit-scotland.gov.uk/about/ac/>
3. Audit Scotland provides services to the Accounts Commission for Scotland and carries out work as directed by the Accounts Commission. Its reports are available at www.audit-scotland.gov.uk