

**13 November 2002: For immediate use**

## **ACCOUNTS COMMISSION ISSUES PROGRESS REPORT ON SCOTTISH BORDERS COUNCIL**

The Accounts Commission for Scotland has issued its findings on the progress made by Borders Council towards rectifying problems which resulted in a £3.9 million overspend in their education service last year. The Commission's findings have been published after the consideration of a progress report by the Controller of Audit, Ronnie Hinds.

In their report the Commission notes an overall improvement in the Council's financial position and in the arrangements for the financial management of the education service.

However the Commission shares the Controller of Audit's view that the Council needs to maintain the momentum of its progress in order to secure the benefits from the improvements which have been made.

Commenting on the findings Accounts Commission Chairman Alastair MacNish says:

"The Commission welcomes the progress made by Borders Council, however they must continue to build on these improvements to ensure that past problems do not reoccur. The Council's progress will continue to be monitored through the normal audit reporting process."

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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. The Accounts Commission considered this report and issued their findings on 11 July 2002. The Commission noted progress but identified a number of areas which continued to cause concern and requested a further progress report from the Controller of Audit at the end of October 2002. The Controller of Audit made his third report on 6 November 2002. Today's findings 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.