

AUDIT SCOTLAND NATIONAL REPORTS TO AUDIT COMMITTEE 2010 - 2011

1. SUMMARY

The Code of Practice for Internal Audit in Local Government (the Code) issued by CIPFA in 2000 and further revised in 2006 sets out good practice in delivering internal audit services. Grant Thornton UK LLP, in May 2007 carried out a Code compliance review and in their resultant report recommended that external audit reports (including Audit Scotland reports) be reported to the Audit Committee. Attached in Appendix 1 to 3 are Local Government reports issued by Audit Scotland since July 2010.

2. RECOMMENDATIONS

2.1 The contents of this report are noted and are to be followed up by Internal Audit.

3. DETAILS

3.1 On 26 August 2010, Audit Scotland issued a report entitled "Roles and working relationships". This represents the first in a series of publications intended to help councils steer through the tough financial pressures they are facing. The report covers the lessons learned from audits and shows how clarity about roles and effective working relationships are essential to improving performance and achieving value for money.

3.2 The report states that councils have taken action to improve understanding of roles and responsibilities and the processes and systems that underpin good governance. However the economic, social and political context is changing quickly and the report provides checklists, examples and other information to help councils assess their current working practices and identify how they might better equip themselves to deal with the challenges ahead. The key messages from the report are provided in Appendix 1.

3.3 On 2 September 2010, Audit Scotland issued a report entitled "Getting it right for children in residential care". The report details that the present annual spend on residential child care is approximately £250 million. The report highlights that a better understanding of what leads to the best outcomes would help public bodies target this spending.

3.4 The report highlights a number of issues relating to service delivery by the 32 councils. Some of the main issues were that 10% of children in residential care may not have a completed care plan, that they found little evidence of councils reviewing their services, that not many council's had contractual arrangements or standard contracts in place. It can be reported that Argyll and Bute Council has systems in place to address

these. Exhibit 2, of the report shows that this council underspent on residential child care as per Audit Scotland Survey 2009 figures. It should be noted that the budget fluctuates according to need this year's budget is overspent. Corporate Parenting also receives high profile in the Audit Scotland report and 2 reports that went to the Council Executive in September 2010 covering recent developments are provided for the Audit Committee. The key messages from the report are provided in Appendix 2.

- 3.5 On 21 October 2010, Audit Scotland issued a report entitled "Physical recreation services in local government". The report details that councils spend around £656 million a year on recreational facilities and that capital spending has increased by 55% over the past 3 years. As part of the review and analysis of 32 councils, Argyll and Bute personnel were interviewed along with 5 other councils. The report gives commentary on Argyll and Bute being one of four council areas that has community-led businesses providing physical recreation facilities. The Oban and Lorn Community Enterprise Ltd (Atlantis Leisure facility) established in 1991 is mentioned within the report. In addition it is reported that Argyll & Bute Council is one of only 3 councils to receive reports on progress towards their sports or physical activity strategic objectives. The key messages from the report are provided in Appendix 3.
- 3.6 The full reports can either be viewed at http://www.audit-scotland.gov.uk/work/local_national.php 2010/11 or viewed in the Members Room where a copy is available.

4. CONCLUSIONS

This report is submitted to the Audit Committee for consideration.

5. IMPLICATIONS

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| 5.1 | Policy: | None |
| 5.2 | Financial: | None |
| 5.3 | Personnel: | None |
| 5.4 | Legal: | None |
| 5.5 | Equal Opportunities: | None |

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