

A29. Accounts Commission Report: Safeguarding Public Money: Are you Getting it Right?

The Committee considered a report by the director of Corporate and Housing Services presenting the key messages arising from the Accounts Commission report entitled “Safeguarding Public Money: Are You Getting it Right?”.

The report by the Accounts Commission had been produced as part of a series of reports aimed at supporting Council’s drive for continuous improvement. The report stated that:-

- Councils faced complex, challenging financial pressures. Rising demand for many of the diverse services Councils provide must be met despite tightening budgets for numerous services, and significant uncertainty stemming from external factors including the UK’s planned withdrawal from the EU.
- In 2017/18, Councils' net revenue expenditure totalled £12.4 billion. If Councils could save one per cent by improving their financial management, risk management and internal controls, they could potentially free-up an extra £124 million for providing public services.
- Scotland’s 1,227 Councillors had multi-faceted responsibilities and constantly make difficult decisions when prioritising and allocating their Council’s finite resources. With so much at stake, it is more important than ever that the impact of their decisions on communities and individuals is transparent and clearly understood. This requires an organisational culture that is open to candid discussions about risks and recognises the importance of scrutinising decisions.
- This report aimed to reinforce the importance of Councils having effective internal controls.
- The Accounts Commission expected Councillors to use this report to ensure that they:
 - had a good understanding of the main risks facing their Council and how well these risks were being managed;
 - were assured that appropriate internal controls were in place and, where weaknesses have been identified, effective action was being taken to address them; and
 - were kept aware of the outcome of any significant risk occurring; the failure of internal controls; and what remedial actions are being taken.

The key messages from the report were:-

- An effective system of internal controls and risk management helped Councils to safeguard their finances; ensures they implement their policies; and helps them to deliver high-quality services.

- Standards of internal controls may be strained. Some recurring weaknesses were becoming apparent among Councils and the consequences could be serious, including the loss of significant amounts of public money, impacts on services and reputational damage.

Ultimately, Councillors were accountable for scrutinising a Council's use of public money.

- Councillors should seek assurances from officers that a rigorous system of internal controls was in place. Scrutiny and audit Committees had leading roles, but every Committee and Councillor had a scrutiny role too.
- The Committee discussed the funding of external organisations and the Following the Public Pound Framework. Currently funding of less than £10k was not reported to the Scrutiny Committee (External) which meant that there was no elected member oversight of such awards. The Committee also sought clarification in regard to the award process and the process for applying for funding. The Director of Corporate and Housing Services undertook to investigate.

The Committee then discussed the role of the Community Planning Partnership in regard to Community Asset Transfers. Members sought assurance around the risk assessment procedures and advice given to the community. The Head of Planning and Resources stated that the Service signposted groups to Community Asset Scotland, which was an independent body. It was important that groups were able to access independent advice. Feedback suggested that the support which was signposted had been effective. Mr Greenhorn advised that a report would be submitted to the next meeting of the Education, Children and Young People Executive. Following a question Mr Greenhorn confirmed that it was a requirement that once the transfer was completed that the groups' governance and financial arrangements were stable going forward, recognising the point made by members that membership of the groups could change over time. He added that there should be annual reviews.

Following a question the Director of Corporate and Housing Services explained the process for scrutinising the Falkirk Community Trust performance.

Decision

The Committee noted the report.