

EAST AYRSHIRE COUNCIL

POLICY & RESOURCES COMMITTEE – 22 FEBRUARY 2001

1999/2000 AUDIT – DLO/DSO MANAGEMENT INFORMATION

Report by Chief Executive

1. PURPOSE OF REPORT

- 1.1** To advise of the receipt of the final report by Audit Scotland on the 1999/00 DLO/DSO Management Information Audit and to note that the actions identified by the Auditor will be picked up by Directors and considered by the relevant Service Committees as part of the agreed business planning process for the Council's DLO/DSO Business Units.

2. BACKGROUND

- 2.1** A Statutory Report was presented by the Controller of Audit to the Accounts Commission in 1998 and in 1999 providing a review of Management and Financial Controls within DLOs and DSOs across all Scottish Local Authorities over financial year 1997/98 and 1998/99 respectively. Both reports were considered by the Council and appropriate responses to the Accounts Commission agreed.
- 2.2** The need for better management information was a recurring theme in the Controller of Audit's 1998 and 1999 reports on DLOs/DSOs across Scotland. As part of their audits of councils' 1999/2000 accounts, auditors were therefore asked by the Accounts Commission to review the adequacy and quality of the Council's DLO/DSO management information.

3. MAIN FINDINGS FROM THE 1999/2000 AUDIT

- 3.1** The Accounts Commission published a report called 'Understanding Our Business' in December 1999. This publication provided guidance to councils on the importance of management information and corporate management practices to the successful management of DLOs/DSOs. East Ayrshire Council decided to utilise the model presented within the Commission's publication for the purposes of developing and implementing business plans for all of the Council's DLO/DSO business units. As the Committee will be aware, all of the Council's DLO/DSO services are structured as free-standing business units within the main client departments. Each DLO/DSO Business Unit must prepare a business plan based on a standard corporate template on an annual basis and these plans must be agreed by the relevant Service Committees. These factors led to the Council being well placed to meet the challenges set by the Management Information Audit.

3.2 In considering the progress made by councils in this area, auditors assessed each council against the guidance and best practice contained within Understanding Our Business. The audit examined five key areas:-

- the role of councillors
- corporate management
- managing DLO/DSO businesses
- management checklist
- follow-up of previous action plans

3.3 The Auditor's findings in relation to East Ayrshire Council's DLO/DSO services were generally positive;-

'The overall conclusion from this review is that the Council has already taken a number of significant actions to improve its management of DLOs/DSOs and is aware of the small number of further actions necessary to comply with 'Understanding our business'. It has demonstrated its commitment to continuous improvement in this area of its operations.'

3.4 The Auditor's report contains an action plan setting out the suggested action to be taken in response to the audit findings. The plan includes items of a corporate nature, and also actions identified for operational managers for their respective DLOs/DSOs. Relevant Service Directors will ensure that the actions contained within the Action Plan and any other issues contained within the Auditor's report are progressed. The Auditor has noted that it should be possible for these actions to be incorporated into the various DLO/DSO business plans for 2001/2002 and Directors will ensure that issues relating to business units within their area of responsibility are picked up within business plans, as appropriate. As noted at paragraph 3.1 above these issues can then be considered and progress on their achievement monitored through the relevant Service Committees as part of the DLO/DSO business planning process.

4. LEGAL / FINANCIAL IMPLICATIONS

4.1 There are no legal or financial implications resulting from this report.

5. RECOMMENDATIONS

5.1 The Committee is asked to:

- (i) note the receipt of the final report by the Auditor on the 1999/2000 Audit – DLO/DSO Management Information and the generally positive conclusion reached by the Auditor in relation to East Ayrshire Council's DLO/DSO business units;
- (ii) note that Directors will incorporate the actions and issues contained within the audit report within the relevant DLO/DSO business plans for 2001-2002 for consideration by the relevant Service Committees in line with the agreed business planning process ; and

(iv) to otherwise note the terms of this report.

David Montgomery
Chief Executive
13/2/2001

LIST OF BACKGROUND PAPERS

1. Accounts Commission Review of Finance and Management Arrangements for DLOs and DSOs 1997/98.
2. Accounts Commission Overview of DLOs and DSOs in Scotland 1998/99.
3. Audit Scotland 1999/2000 Audit – DLO/DSO Management Information

Anyone wishing further information should contact Fiona Lees, Depute Chief / Director of Corporate Resources on telephone 01563 576019

AGENDA