

Correspondence and whistleblowing

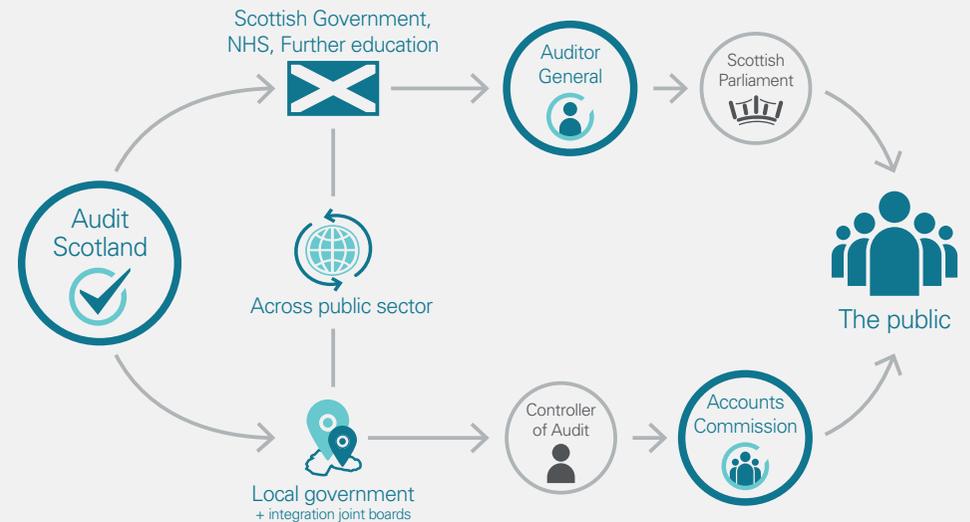
Annual report 2020/21



Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- **Audit Scotland** is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.
- The **Auditor General** is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The **Accounts Commission** is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.



About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

Key messages

- 1** We dealt with 191 correspondence cases in 2020/21. This includes 119 issues of concern about public bodies, and 69 enquiries about our audit work. Three cases were carried over from the previous year. More than half of the issues of concern (59 per cent) related to the local government sector, 32 per cent to central government, and eight per cent were about the NHS. We also received 11 whistleblowing disclosures.
- 2** Performance against our targets remains high. During 2020/21, we acknowledged 98 per cent of issues of concern within our target of five working days. We issued a final response within our target of 30 working days for 96 per cent of cases.
- 3** Public expectation about Audit Scotland's role in dealing with correspondence continues to grow. The issues that people raise with us are also becoming more complex.
- 4** During 2020/21, 63 per cent of concerns were used as either audit intelligence or explored as part of our audit work. Contract management and grant funding were commonly raised issues.

Introduction

- 1.** This report sets out information about the correspondence we received during 2020/21, including the volume, which part of the public sector it relates to, and performance against target for our response times. We continue to respond to all correspondence during the unprecedented disruption caused by the Covid-19 pandemic.
- 2.** We receive correspondence from a range of people including the general public, MSPs, MPs and councillors. People correspond with us on a variety of matters about the Scottish public bodies we audit, and this can be a valuable source of information for our audit work. They may want to raise an issue of concern or make a **whistleblowing disclosure**; have an enquiry about our audit work; or raise an **objection to a local government body's account**.
- 3.** We consider issues of concern as part of our [Code of audit practice](#). The Code states that the key factor in determining whether we examine an issue of concern is its relevance to Audit Scotland's role and functions.
- 4. Freedom of information** requests are covered in a separate annual report, along with complaints about Audit Scotland.

Whistleblowing

Under the Public Interest Disclosure Act 1998, people can raise concerns about an organisation with 'prescribed persons', eg independent regulators. The Auditor General, the Accounts Commission and Audit Scotland are prescribed persons. Statutory reporting about whistleblowing disclosures came into effect on 1 April 2017. This report includes whistleblowing disclosures during 2020/21.

Objections to local government accounts

Auditors appointed by the Accounts Commission have specific duties to consider formal objections to the accounts of local government bodies which are raised by members of the public.

Freedom of information

Audit Scotland also responds to Freedom of Information (FoI) requests. Our Corporate Governance team handles and reports on these.

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. We help the Auditor General for Scotland and the Accounts Commission check that organisations spending public money use it properly, efficiently and effectively. Audit Scotland manages correspondence sent to the Auditor General for Scotland and the Accounts Commission.

Correspondence in 2020/21

Volume of correspondence

5. The volume of correspondence fell slightly in 2020/21 compared to the previous two years ([Exhibit 1](#)). We received fewer cases during the initial stages of both Scotland's national lockdowns during the Covid-19 pandemic, compared with the same periods in previous years.

6. In 2020/21, we received 188 cases of correspondence. This consists of:

- 119 issues of concern, which includes whistleblowing concerns and objections to accounts
- 69 enquiries about our audit work.

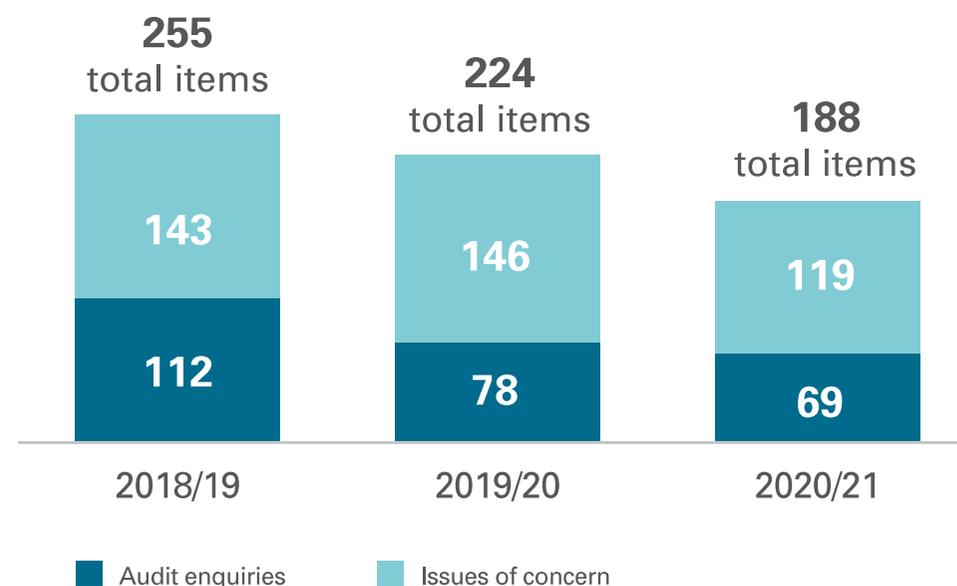
7. We also carried forward three cases that were still in progress on 1 April 2020, bringing the total we dealt with in 2020/21 to 191.

8. Most of the issues of concern were raised by members of the public (92 per cent). MSPs and councillors raised eight per cent of concerns.

9. Enquiries and requests for information about our audit work include questions about legislation and information about the role of public bodies. We also receive requests for further data from performance audit reports and comments following publication of reports such as the [NHS in Scotland 2020](#) and [Highlands and Islands Enterprise: Management of Cairngorm mountain and funicular railway](#).

Exhibit 1

Volume of correspondence received, 2018/2019 to 2020/21



Note: The information for 2020/21 does not include the three cases carried forward from the previous year.

Correspondence in 2020/21

Whistleblowing

10. Workers, as described by the guidance Public Interest (Prescribed Persons) Disclosure Order (2014), can raise disclosures about fraud, corruption or wrongdoing within the public bodies we audit. Our role is to provide workers with an alternative method for making a protected disclosure where they do not feel they can contact the public body directly.

11. We take our whistleblowing responsibilities very seriously and have a process in place to ensure we deal with disclosures appropriately.

12. Whistleblowing cases are reported in the overall number of issues of concern we receive. In 2020/21, we received 11 whistleblowing disclosures, a decrease on the 16 in 2019/20. The breakdown by prescribed person is as follows:

- Auditor General – seven
- Accounts Commission – four

13. Audit Scotland, the Accounts Commission and the Auditor General and the auditors they appoint do not have the power to issue fines or enforcements on the public bodies we audit. The guidance does not place any additional power or duty on 'prescribed persons' and we do not have a legal obligation to act on a whistleblowing disclosure.

Outcomes for whistleblowing disclosures

- Four disclosures were included as part of routine audit work.
- Six disclosures did not warrant an investigation but were considered as useful audit intelligence.
- One case was not able to be actioned because there was insufficient information, and no further information was provided to help us clarify matters raised with us. Nonetheless we shared this intelligence with the auditors for information.

Correspondence in 2020/21

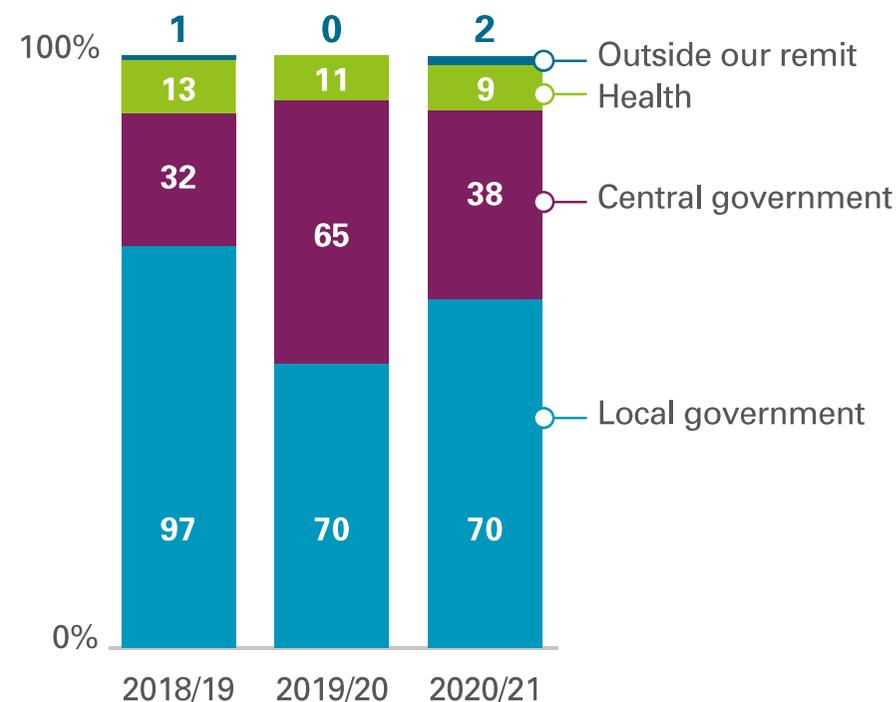
Issues of concern

14. All but two of the concerns we received in 2020/21 were about public bodies we audit. Seventy concerns (59 per cent) related to the local government sector, 38 concerns (32 per cent) related to central government bodies and nine (eight per cent) to NHS bodies ([Exhibit 2](#)). The distribution by sector is consistent with previous years.

15. Qualitative information suggests concerns are increasing in complexity. For example, many of this year's concerns were about complicated processes of grant funding or involved more than one public body. We received several concerns and enquiries from individuals and businesses about the impact of the Covid-19 pandemic, including issues relating to contracts with public bodies, Covid-19 spending, furlough rules and funding for dental services. As set out in our policy, we aim to deal with all correspondence in a timely manner and have the same response targets regardless of the complexity of each case. We discuss [our performance on page 12](#).

Exhibit 2

Number and percentage of concerns by sector, 2018/19 to 2020/21



Local government issues of concern 2020/21

16. All of the 70 local government issues of concern we received were about councils ([Exhibit 3](#)). This includes three objections to accounts, one each about North Ayrshire Council, City of Edinburgh Council and Highland Council.

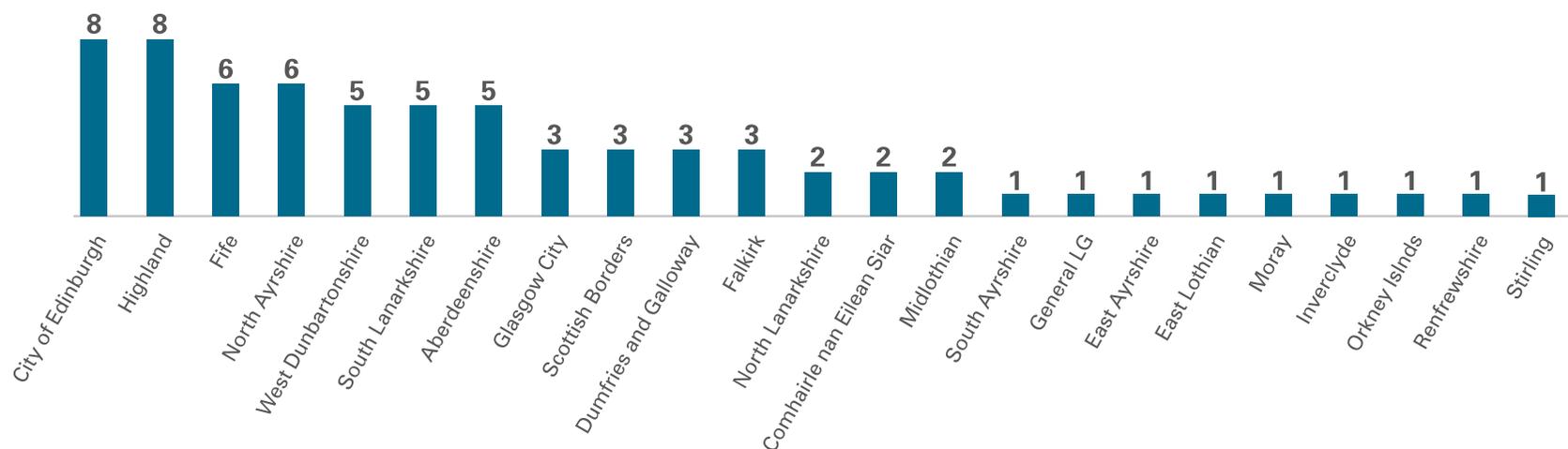
17. The councils with the highest proportion of concerns raised in 2020/21 were City of Edinburgh and Highland (both 11 per cent) and Fife and North Ayrshire with (both 10 per cent). Glasgow City, Scottish Borders and City of Edinburgh councils accounted for the highest percentages of concerns in the local government sector in 2019/20.

There are some **recurring themes** in the correspondence received about local government. Of note this year were concerns about:

- contract management, including issues relating to Covid-19 disruption
- alleged fraud
- public engagement, eg inadequate consultation, lack of transparent decision-making
- grant funding
- housing services.

Exhibit 3

Number of correspondence concerns, by local government body 2020/21



Note: General LG is used to record concerns that are raised about councils in general, or where the person does not specify which council.

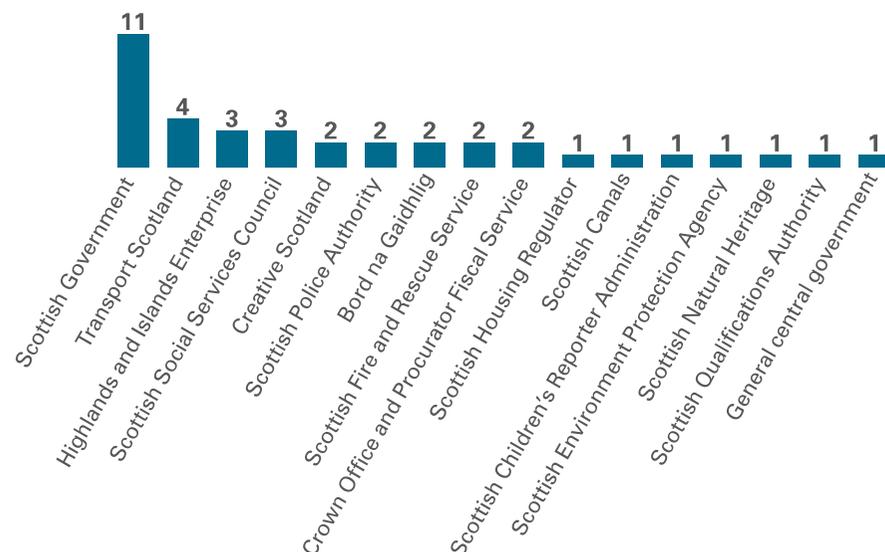
Central government and NHS issues of concern 2020/21

18. We received 38 items of correspondence relating to 16 central government bodies ([Exhibit 4](#)). The bodies with the highest proportion of concerns were Scottish Government (29 per cent) and Transport Scotland (11 per cent). Scottish Government and Highlands and Islands Enterprise (HIE) accounted for the highest percentages of concerns in the central government sector in 2019/20.

There were some **recurring themes** in the correspondence received about central government bodies. These included:

- grant funding
- decision-making and accountability.

Exhibit 4
Number of correspondence concerns, by central government body 2020/21

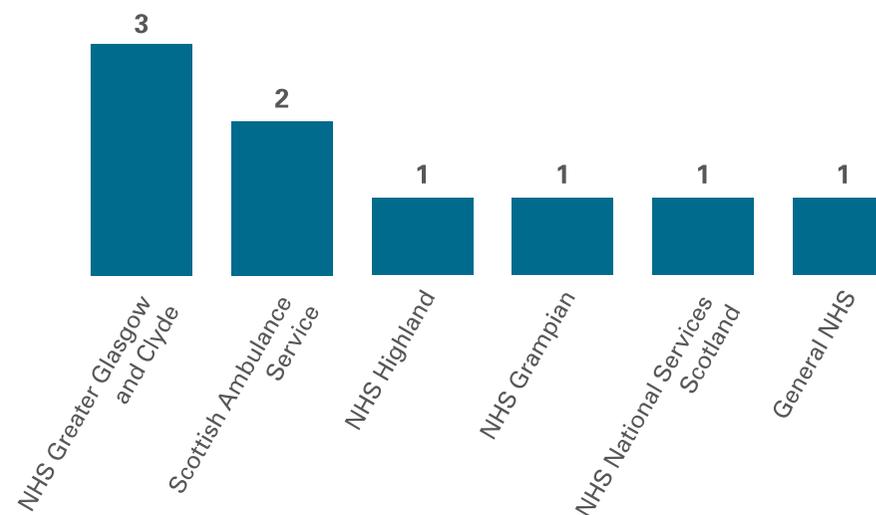


19. We received nine items of correspondence relating to six NHS bodies ([Exhibit 5](#)). The NHS boards with the highest proportion of concerns were NHS Greater Glasgow and Clyde (33 per cent) and the Scottish Ambulance Service (22 per cent). NHS Greater Glasgow and Clyde, NHS Ayrshire and Arran and NHS Lothian accounted for the highest percentage of concerns in the NHS sector in 2019/20.

Although fewer concerns were raised about NHS bodies, **recurring themes** included:

- contract management
- HR issues
- grant funding.

Exhibit 5
Number of correspondence concerns, by NHS body 2020/21



Outcomes for correspondence 2020/21

We use correspondence to inform our audit work

20. Audit Scotland's correspondence team shares all correspondence with the relevant audit teams, to ensure they have oversight of all the concerns that people contact us about.

21. The correspondence team, in collaboration with auditors, uses their technical and professional judgement in deciding what action to take. While we recognise that issues that correspondents raise

are important to them, we must ensure we use our resources carefully and that public money is not spent looking at issues that are not relevant to audit work.

22. We always advise the correspondent of the four potential outcomes from their contact with us ([Exhibit 6](#)).

Exhibit 6

Outcomes for correspondence

Concern outside our remit

We cannot examine an issue of concern about a body that we do not audit.

You can find a list of the public bodies we audit [here](#).

Where possible, we will suggest other organisations that may be able to help.

We cannot take any action

We may conclude that we cannot act on your issue of concern. For example, if you are unhappy about a council's planning decision or how a health board has handled your complaint.

Where possible, we will refer you to the public body or a regulator that may be able to help you.

Audit intelligence

We may conclude the issue of concern does not warrant specific audit work, but that it can still inform the work we do. Along with other sources of intelligence, the information you provide may be helpful to the auditors in carrying out their work.

It can help us to identify trends affecting public bodies that we may need to examine.

Audit work

Sometimes the issue of concern you raise relates to a topic that we are already covering in our audit work. The auditors can include this as part of the audit process. We may be able to provide you with findings of this work, but generally auditors would only report significant findings in the relevant published audit report.

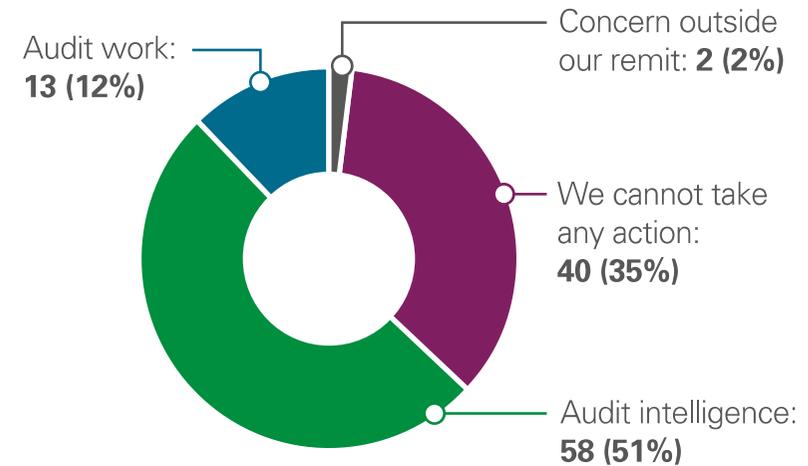
In some cases, your concern may lead to us carrying out specific audit work to examine the issue. If appropriate, we would publish the findings of this work on our website.

23. We use the correspondence to add to our knowledge of public bodies, and most issues of concern inform audit work in some way, even in cases where we cannot take any direct action. Issues raised in almost two-thirds of concerns were included in audit work or used as audit intelligence ([Exhibit 7](#)).

24. We use relevant intelligence from correspondence when planning audit work and in developing our programme of performance and best value audits. For example, auditors have used information about contract management, raised through correspondence, when planning their work on governance arrangements and approval processes.

Exhibit 7

Outcomes for 2020/21 correspondence



Our performance in 2020/21

We performed well in relation to target response times

25. We have two key performance targets relating to response times for concerns. These are that we aim to acknowledge receipt of all concerns within five working days, and to provide a final response to all within 30 working days.

26. During 2020/21, we acknowledged 98 per cent of concerns within five working days and 96 per cent received a final response within 30 working days (98 per cent and 96 per cent respectively in 2019/20). We took longer than 30 days to give a final response to five concerns. These were complex cases which required additional work. We informed the correspondents of the delayed timescales.

27. The cost for 2020/21 was around £157,000. This includes time spent by our correspondence team on managing cases, training and some of auditors' input. The overall cost will be higher, as most auditors record time on items of correspondence as part of their annual audit work.

28. For more information about the correspondence function please visit our [website](#).

Correspondence and whistleblowing

Annual report 2020/21

Audit Scotland's published material is available for download on the website in a number of formats. For information on our accessibility principles, please visit:

www.audit-scotland.gov.uk/accessibility 

For the latest news, reports and updates, follow us on:



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN

T: 0131 625 1500 E: info@audit-scotland.gov.uk 

www.audit-scotland.gov.uk 

ISBN 978 1 913287 52 8