

# Correspondence

## Annual report 2016/17

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.

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# Summary

## Introduction

1. Audit Scotland handles a wide range of correspondence from members of the public, elected representatives and organisations. Correspondence can be addressed to Audit Scotland, the Accounts Commission, the Auditor General for Scotland, or individual auditors.
2. We have no statutory duty to consider issues of concern or respond to correspondence, but we do so under our [Code of Audit Practice](#). As a public sector organisation, we understand that people will raise issues of concern about the bodies we audit, or enquiries about our audit work (audit enquiries). The Code states the key factor in determining whether we examine an issue of concern is the relevance of the issue to Audit Scotland's role and functions. Audit Scotland and appointed auditors use their professional and technical knowledge in determining how we deal with each issue of concern raised.
3. Audit Scotland's correspondence team responds to issues of concern, whistleblowing disclosures, and audit enquiries. Auditors appointed by the Accounts Commission also have specific duties to consider formal objections to the accounts of local government bodies raised by members of the public. Audit Scotland, the Accounts Commission, the Auditor General and the firms they appoint are prescribed persons under the Public Interest Disclosure Act 1998 (PIDA).
4. This report sets out the volume of correspondence we received during 2016/17, which sector it relates to, our performance in meeting target response times and an update on our continuous improvement programme. Freedom of Information (FoI) requests, complaints about Audit Scotland and data access requests are managed by the Corporate Governance Manager, and are not covered in this report.

## Key messages

- Performance against our target response times has continued to improve this year in comparison to 2015/16. During 2016/17, we acknowledged 99 per cent of cases within our target of five working days; and in 95 per cent of cases we issued a final response within our target of 30 working days. In 2015/16, performance against these two targets was 90 per cent and 87 per cent respectively.
- We have successfully delivered a number of improvements in how we deal with correspondence across the organisation. These include:
  - introducing two feedback forms - one about the 'contact us' area of the Audit Scotland website and the other on the quality of our final responses
  - supporting a training session on how to write responses in plain language, with a guidance template for reference when drafting responses
  - raising awareness about the importance of the correspondence function and the new processes across all our business groups, with specialised training delivered to Business Support Services
  - an engagement programme which included the correspondence team meeting with audit teams, firms and other external regulators.
- The volume of correspondence remains high, with over 300 correspondence cases dealt with in 2016/17. 119 cases were new issues of concern or whistleblowing disclosures.
- Issues raised through correspondence are becoming more complex in nature and there are increasing expectations from correspondents. Our responses are also being shared more widely by email, social media or in the press.
- We are committed to using correspondence intelligence in ways which will inform our audit work. During 2016/17, we developed arrangements for making better use of the management information available from our correspondence database. This includes identifying 'audit risks' (high level audit areas which help with horizon planning) and 'audit themes' (more detailed audit areas which are more useful to local auditors) which can be used to inform both current audit work, and help us plan for the future.
- We are now beginning to use broad theme information provided by other public sector regulators, such as the Scottish Public Services Ombudsman (SPSO). This aims to ensure our audit work is better informed on the issues being raised about public sector services across Scotland.

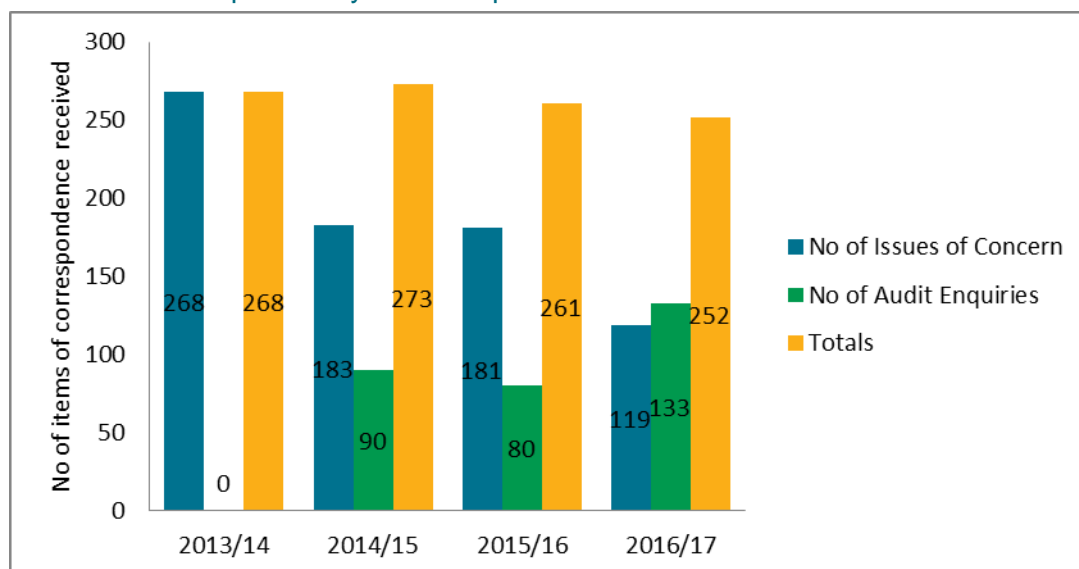
# Correspondence in 2016/17

## The volume of correspondence has remained consistent this year

5. In 2016/17, we dealt with 301 cases of correspondence, of which 133 were audit enquiries and 119 were new issues of concern. We carried forward nine cases from 2015/16 and reopened 40 cases in 2016/17.
6. Out of 119 new cases received in 2016/17, 83 (70%) cases related to public bodies audited by Audit Scotland and 30 (25%) were for public bodies audited by one of the firms appointed by the Accounts Commission and Auditor General. The remaining six cases (5%) concerned bodies which Audit Scotland does not audit. Our correspondence team works with the appointed auditor concerned in scoping the level of work, resource and time required to review these issues of concern. We continue to work in partnership with the appointed auditor until we are able to provide the appropriate final response.
7. Over the last four years, there has been little change in the total volume of correspondence we receive when including audit enquiries ([Exhibit 1](#)). However, there have been inconsistencies in how the data has been recorded over this period. For example, cases which we now count separately as reopened were previously logged as new cases prior to 2015/16.

### Exhibit 1: Volume of correspondence received, 2013/14 to 2016/17

The information below includes new cases and audit enquiries. It does not include cases carried forward from the previous year or reopened cases.



Source: Audit Scotland

8. Audit enquiries are queries about our work, for example requests for national report data, and questions about legislation and the roles of public bodies. The number of enquiries received can relate to the level of public interest in individual reports. Examples of download numbers for national reports include:

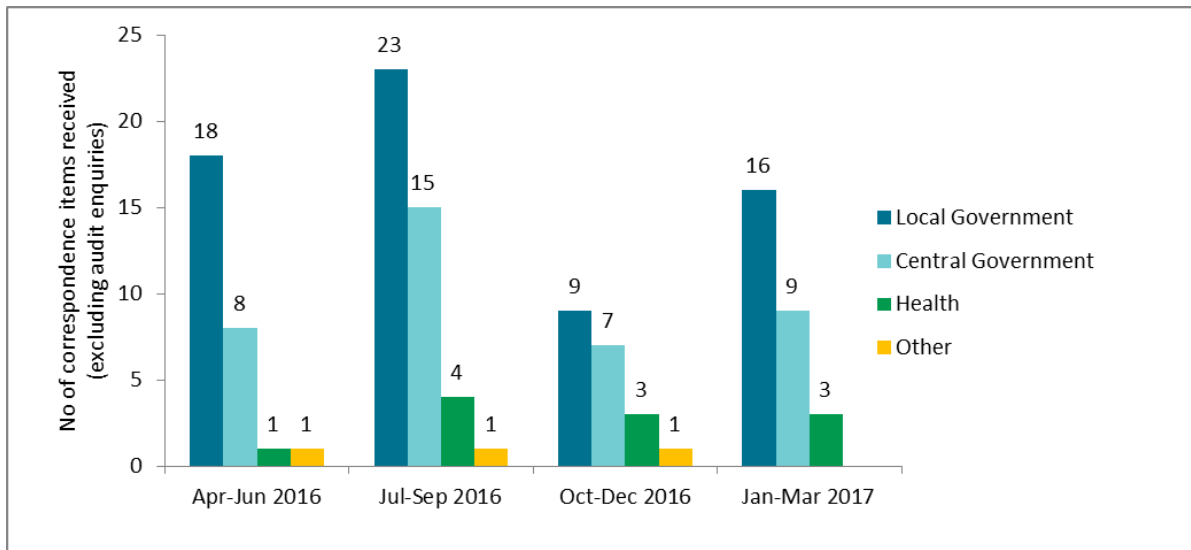
- [NHS in Scotland 2016](#) (published October 2016) 10,802 downloads
- [Local government in Scotland: Financial overview 2015/16](#) (published March 2016) 5,276 downloads
- [Common Agricultural Policy Futures programme: an update](#) (published May 2016) 7,609 downloads
- [Superfast Broadband for Scotland: a progress update](#) report (published Aug 2016) 1,949 downloads

Engaging with members of the public is important as it provides us with assurance that we are reporting on issues that are important to them. Monitoring the volume of downloads per report, and the number of audit enquiries helps us to better assess the impact of our work.

- The figures in the rest of this report exclude audit enquiries and cases carried forward from the previous year, and only consider new issues of concern. We review our reopened cases within our continuous improvement section (page 14).
- Quarter 2 was the busiest quarter of 2016/17 ([Exhibit 2](#)). A number of correspondents sometimes raise the same issue with us. For example, we received nine cases following publication of our [Superfast Broadband for Scotland: a progress update](#) (see paragraph 12).

### Exhibit 2: Correspondence received by quarter (new cases), 2016/17

Over the past year, we received the majority of correspondence in the second quarter.

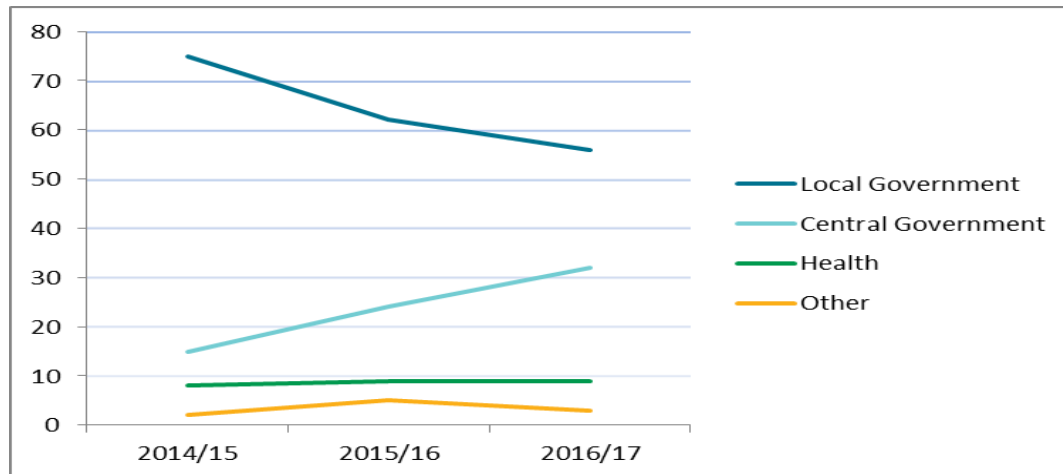


Source: Audit Scotland

- The number of new cases has fallen over the last three years. Local government related issues continue to make up the majority of new cases although the proportion has fallen. The proportion of central government related cases has been rising ([Exhibits 3 and 4](#)). In 2016/17:
  - 55 per cent of cases related to local government (62% in 2015/16; 75% in 2014/15)
  - 33 per cent to central government (24% in 2015/16; 15% in 2014/15)
  - nine per cent to NHS bodies (9% in 2015/16; 8% in 2014/15).

**Exhibit 3: Percentage of correspondence received by sector, 2016/17**

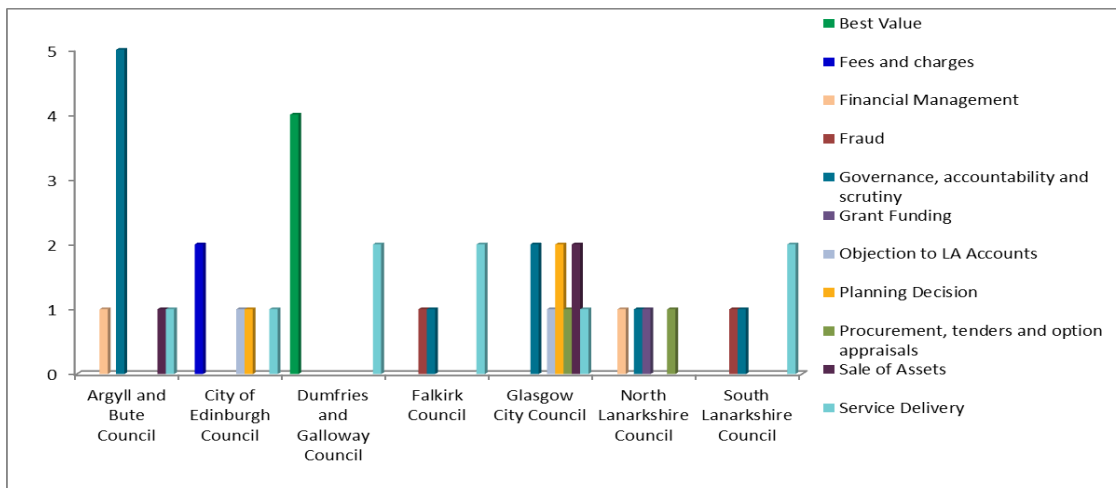
Of the 119 cases of correspondence received in 2016/17, 55% related to local government (a continuing decrease from the previous two years) and 33% related to central government (a continuing increase from the previous two years).



Source: Audit Scotland

12. The rise in central government cases between 2015/16 and 2016/17 includes:
- Scottish Government (21 cases, including nine relating to the Broadband progress report, six in connection with expenditure and the use of public money, and four in connection with grants)
  - colleges (seven cases in connection with our Section 22 reports: two in relation to Edinburgh College; three in relation to Glasgow Clyde College; and two in relation to Coatbridge College)
  - Transport Scotland (two cases - one relating to the Glasgow Prestwick Airport and one to the Dunoon Ferry contract).
13. We received 66 items of correspondence relating to 20 councils. Seven councils accounted for 40 of the 66 cases: Glasgow City (9 cases), Argyll and Bute (8 cases), Dumfries and Galloway (6 cases), City of Edinburgh (5 cases), Falkirk, North Lanarkshire and South Lanarkshire all had four cases each. [Exhibit 4](#) shows the audit themes for these seven councils.



**Exhibit 4: Types of issues raised in top seven councils (new issues of concern), 2016/17**

Source: Audit Scotland

14. Correspondents usually contact us by email. In 2016/17, we received 66 per cent of correspondence by email and 23 per cent by letter. Correspondents are now beginning to complete our online form, with four per cent using the form as a way of contacting us this year.
15. Members of the public were the main source of correspondence with 76 cases (64%). MSPs raised 12 cases (10%) and councillors raised nine cases (8%). In 2015/16, there were 19 cases from MSPs, and five cases from councillors. Elected representatives raised a range of issues, some cases brought to them by their constituents. Employees accounted for 12 cases (10%), a one per cent increase on the previous year.
16. The amount of time spent dealing with an item of correspondence is affected by a number of factors, including:
  - the increasing complexity of cases, which can often involve more than one organisation. A number of cases this year have involved more than one audited body
  - correspondents having a greater expectation of how Audit Scotland (on behalf of the Accounts Commission and the Auditor General) can deal with issues of concern raised with us. For example, correspondents may expect us to be able to overturn council decisions or become involved in a personal grievance
  - correspondents making more use of technology and the internet to share their concerns and our responses. This can generate additional correspondence for us
  - high levels of correspondence on a single issue
  - complex, in-depth information provided by a correspondent on their issue which takes time to consider and identify the points which fall within our remit to act on. One correspondent (case) has written to us on 61 occasions over the course of the year.
17. During 2016/17, our work continued to generate interest with the public both through people accessing our reports on our website and also using social media networks to comment. For example we received a lot of comments on social media about our broadband report, which generated nine correspondence cases. Our Self Directed Support (SDS) survey on our

website also generated six correspondence cases. The third most popular comments received on social media were in relation to complaints about litter in Glasgow City centre, which we redirected to the council.

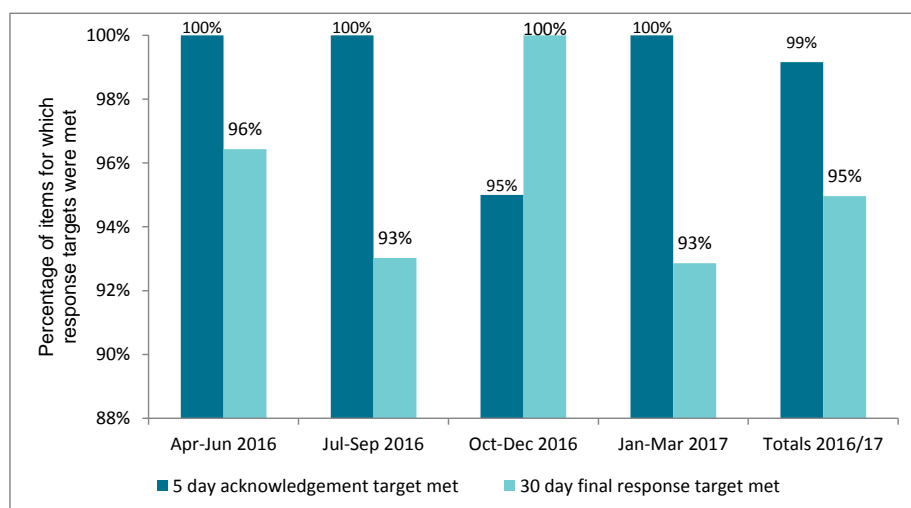
18. We continue to receive correspondence on a wide variety of issues not within our remit to consider, for example, planning decisions or complaints about council services. We hope to see a decline in these following improvements made to the information available to potential correspondents.

## We performed well in relation to target response times

19. We have two key performance targets relating to response times. We aim to acknowledge receipt of correspondence within five working days, and to provide a final response within 30 working days.
20. During 2016/17, we acknowledged 99 per cent of correspondence cases within five working days, and 95 per cent received a final response within 30 working days. This is an improvement on our performance in 2015/16 which was 90 and 87 per cent respectively. [Exhibit 5](#) shows our performance figures for 2016/17. [Exhibit 6](#) shows that we have continued to improve our performance since we completed our review in 2014/15 and implemented the recommendations.

### Exhibit 5: Performance in relation to target response times, 2016/17

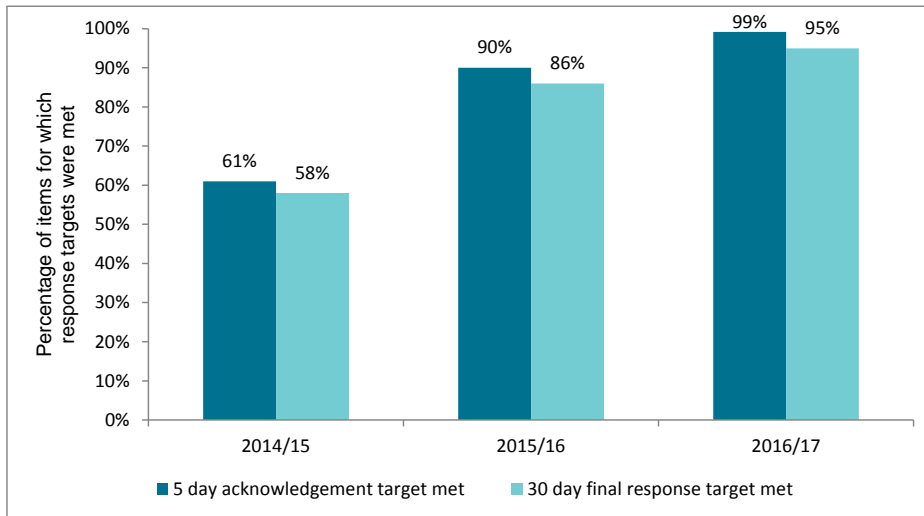
We acknowledged 99 per cent of the recorded correspondence cases within the target five working days, and 95 per cent received a final response within our 30 working days target. This compares favourably with our performance in 2015/16.



Source: Audit Scotland

## Exhibit 6: Performance in relation to target response times, 2014/15 to 2016/17

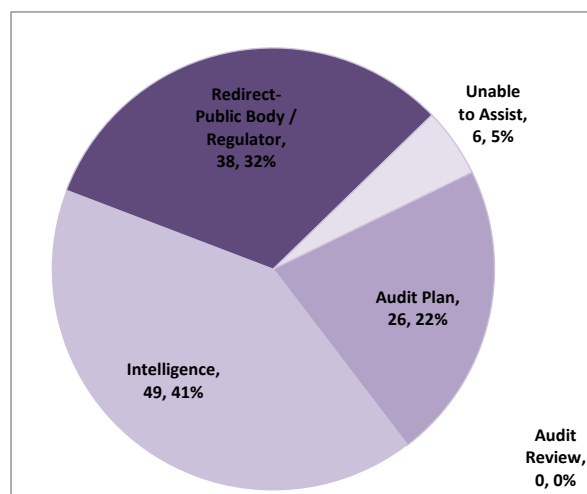
Our performance continues to improve since our review in 2014/15.



Source: Audit Scotland

21. At the start of December 2015, we started issuing automatic responses to all emails sent to our [correspondence email address](#). This helps ensure our acknowledgement targets are not missed, particularly over holiday periods.
22. The development of our policy and procedures, and improvements to our website has enabled us to provide a more consistent and uniform approach when dealing with correspondence. It has led to quicker initial assessments and decisions on what is, and is not, within our remit to consider. [Exhibit 7](#) shows the breakdown of the five potential outcomes for dealing with correspondence during 2016/17.

## Exhibit 7: Correspondence outcomes for 2016/17.



Source: Audit Scotland

23. In 2015, we introduced a redesigned correspondence area within the Audit Scotland website. This now provides a clear statement about our role and remit in relation to the different types of correspondence we deal with. Key features include:
- an [on-line form](#) that can be used for raising both whistleblowing disclosures and issues of concern
  - a [useful guide for correspondents](#) detailing the process to follow when raising a complaint directly with a public body, and the contact information and role of other public bodies in Scotland
  - a [customer flow chart](#) which explains the outcomes a correspondent can expect when raising an issue with Audit Scotland
  - an [issue of concern policy and procedure](#) which clearly sets out how we will assess issues raised with us, and the service that correspondents can expect from us.
24. At the end of January 2017, we launched our website feedback form to gain an understanding of how people felt about using the 'contact us' area of the site. The decrease in the number of new cases of correspondence received appears to be a direct result of the improvements to our website, and policies. We now clearly explain our remit and give guidance on the issues that we will, and will not consider. Correspondents have acknowledged the clarity of information in feedback received. This enables them to identify the correct body to contact in the first instance, and be more aware of the outcomes to expect when contacting Audit Scotland. We review our responses in more detail under our continuous improvement section (page 14).
25. Our Corporate Governance Manager deals with any complaints from correspondents about how we handled their correspondence. During 2016/17, we received one complaint (four complaints in 2015/16). This complaint was upheld and dealt with under the Stage 1 process. The complaint was in relation to the delay in responding to an enquiry from a public body.

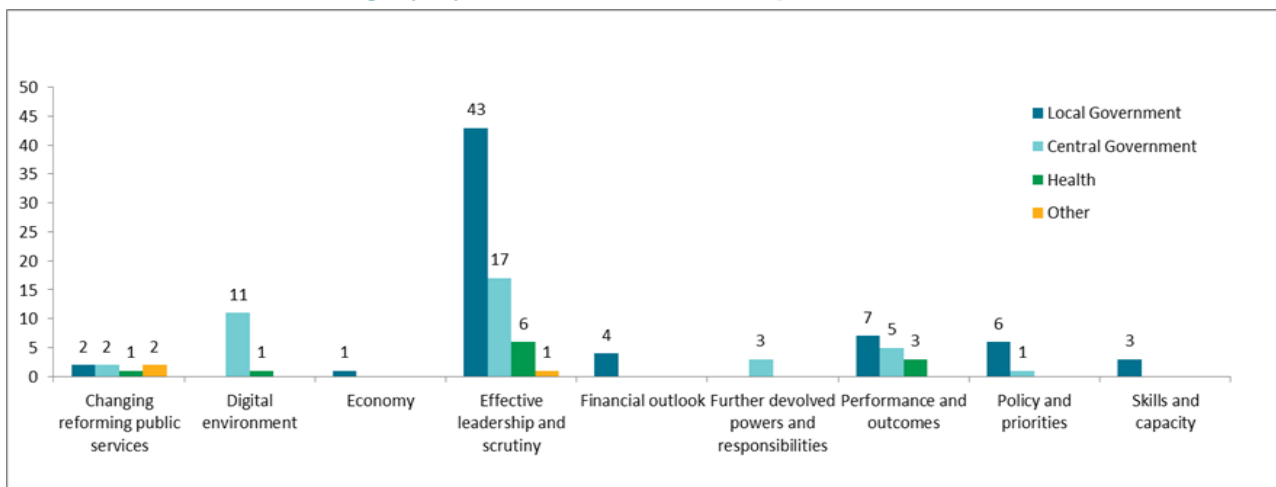
## **We have made significant improvements to service delivery during 2016/17**

26. Our achievements during 2016/17 include:
- more internal and external engagement with stakeholders, which has improved consistency in how we deal with correspondence across the organisation and with the appointed firms. We have extensively promoted how correspondence is managed, what service and outcomes correspondents can expect when they raise issues of concern, and why Audit Scotland would or would not consider a particular issue. We have also highlighted why it is important to deliver a world class correspondence function
  - making better use of the management information available from our correspondence database. This includes identifying 'audit risks' (high level audit areas which help with horizon planning) and 'audit themes' (more detailed audit areas which are more useful to local auditors), as shown in [Exhibits 8 and 9](#). These are being used to inform both current

audit work, and help us plan for the future. Examples of how this information has been used includes:

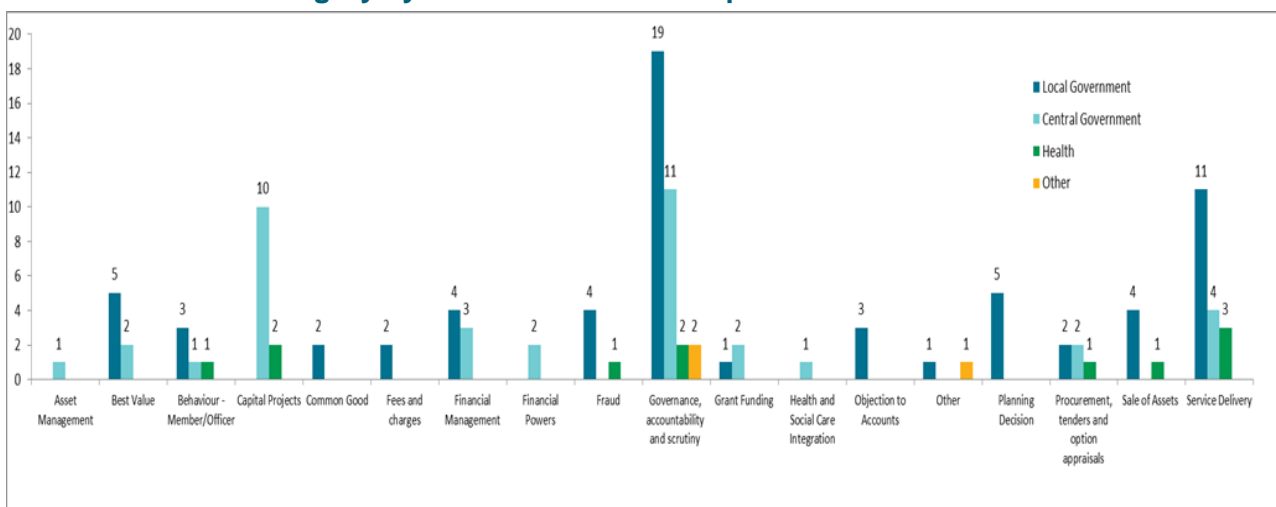
- shared with auditors as part of the Local Government [shared risk assessment](#) process
- trend information used within the Local Government overview report
- information on issues raised was provided to the Accounts Commission as part of the Controller of Audit's annual report
- information on individual bodies shared with the relevant local audit teams
- used to inform audits of [Best Value](#).

**Exhibit 8: Audit Risk Category by sector for new correspondence cases received in 2016/17**



Source: Audit Scotland

**Exhibit 9: Theme Category by sector for new correspondence cases received in 2016/17**



Source: Audit Scotland

- We have also begun to use broad theme information provided by other public sector regulators, such as the SPSO, to inform our work in line with our agreed protocols. This has helped to increase our knowledge of the public bodies we audit, and has been particularly useful in a number of ways, such as:
  - helping us to build a risk profile of the public bodies we audit
  - identifying areas of risk which we may not have been aware of otherwise
  - building knowledge of clients where we do not receive significant volumes of correspondence
  - highlighting the ‘bigger picture’ of growing themes across the public sector in Scotland
  - identifying ‘outliers’ in the bodies we audit.
- We will expand this work during 2017/8, with plans to share knowledge with other public sector regulators, such as Citizens Advice Scotland. This aims to ensure our audit work is better informed on the issues being raised about public sector services across Scotland.
- Training and development has also been a key focus. Alongside the organisation-wide engagement mentioned above, training has been delivered to Business Support Services, increasing knowledge of the correspondence function and improving how correspondence is managed by frontline staff.
- We have also taken part in training to improve the style and quality of our written responses. This was also offered to other business groups, such as the Communications team and the Business Improvement Unit. The training has influenced other areas of the business, for example Audit Services Group is applying this learning in developing the new style of Annual Audit Report templates.
- The training above has been in addition to annual Freedom of Information, Whistleblowing and Data Protection training, undertaken as part of our annual quality assurance programme.
- A member of the correspondence team attended the Public Sector Investigators Course delivered by Police Scotland in March 2017. This course brought together auditors from a variety of public sector bodies across Scotland, focusing on fraud awareness and risks. Going forward, we plan to make this training event part of the induction programme for all correspondence team members.

### **Continuous improvement and learning from our reopened cases and complaints**

27. We reviewed the 40 reopened cases we received this year. 20 cases were in relation to correspondence cases which had been closed in the last three years prior to 2016/17. They were mainly where the correspondent asked additional questions on the issue previously raised.
28. Eight correspondents accounted for 16 reopened cases and six of these raised complaints about our audit opinions and judgements either with us or the SPSO.

29. We also reviewed the complaints received this year and as a result of both of these reviews we implemented the following improvements to our processes:
- training delivered to Business Support Services to help ensure correspondence is passed to us in a timely manner
  - training delivered to correspondence team members on how to write responses in plain language, to help the correspondent understand what we will and will not be acting on
  - monitoring of cases which have received a final response but have an outstanding action for the auditors, e.g. contacting the correspondent as part of the audit
  - before we issue a response, a review by another team member for complex issues to ensure the response addresses the issues raised and is in plain language. This was also identified as an improvement from our complaint handling analysis.

### **Website feedback responses**

30. We launched our feedback form on the 16 January. We have received positive comments from these responses. We will use these as part of our annual quality review to inform how we can improve our website further.

### **Whistleblowing under the Public Interest Disclosure Act (PIDA)**

31. Audit Scotland, the Accounts Commission, the Auditor General and the firms we appoint are prescribed persons under PIDA. Workers (as described by the Regulations) can raise disclosures (concerns) about fraud, corruption or wrongdoing within the [public bodies we audit](#). Our role is to provide workers with an alternative method for making a disclosure where they don't feel comfortable in contacting the public body directly.
32. Statutory reporting about whistleblowing came into effect on 1 April 2017. This will involve us providing detail on our statutory powers and remit as prescribed persons. The report will also provide a summary on the number of cases received per entity, what action was taken i.e. our assessment outcome and any recommendations made to the public body. We will also comment on any trends across each sector. We received guidance from the Department for Business Innovation and Skills and have amended our policy to capture the changes. The new policy will be available on our website as of 30 April 2017.
33. Although our requirement to report does not start until 2017/18, we have provided our whistleblowing information for 2016/17 within paragraphs 34-37.
34. Audit Scotland does not have the power to issue fines or enforcements on the public bodies we audit. The Regulations do not place any additional power or duty on 'prescribed persons', and we do not have a legal obligation to act on a whistleblowing disclosure.
35. We take our responsibilities under PIDA very seriously. Whistleblowing cases tend to be more complex and therefore more time-consuming, however it is important that we ensure they are dealt with appropriately.
36. In 2016/17, we had nine new whistleblowing cases (including four anonymous cases). We shared five of the cases with our auditors as audit intelligence and redirected two to the

body/regulator. Two cases will be picked up as part of the annual audit of the body in question.

37. 'Governance, accountability and scrutiny' was the main theme for six cases (four councils, one NHS body and one central government body). 'Service delivery' was the theme for two cases (one council and one NHS body) and 'financial management' was the theme for one case in relation to a central government body.

## **We will continue to make further improvements in 2017/18**

38. We plan to make further improvements to the way we deal with correspondence during 2017/18. These include:
- improving the use of management information held on our correspondence database to inform our wider audit work, and making this accessible across the organisation and with the appointed firms
  - developing further contacts with other bodies to share intelligence which will help our understanding of the bodies we audit
  - introducing subject briefings for our website, covering issues which correspondents regularly write to us about, such as common good, community engagement, fraud and corporate governance arrangements
  - delivery of specialised training where appropriate, e.g. call handling and dealing with difficult situations
  - incorporating a quality review process for work carried out by audit teams, in relation to correspondence received, into our Quality Assurance Framework
  - implementing the statutory reporting for whistleblowing cases under The Prescribed Persons (Reports on Disclosures of Information) Regulations 2017
  - documenting our continuous improvement process to capture, assess and implement suggestions from correspondents, auditors and other staff.