



The Scottish Parliament
Pàrlamaid na h-Alba

Stephen Boyle
Auditor General for Scotland

Public Audit Committee
Room T3.60
The Scottish Parliament
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3 April 2023

Dear Stephen,

Replacement European Union funds – future audit and accountability arrangements

As you will be aware, the Public Audit Committee has taken a keen interest in the future audit and accountability arrangements for replacement European Union funding since this session of Parliament commenced. In particular, the Committee has sought to establish what role the Auditor General for Scotland may have within these new arrangements, and therefore what opportunity our Committee would have to scrutinise this funding.

The most recent [correspondence](#) received from the former Deputy First Minister (DFM) on this issue confirmed that there is no direct role or responsibility for Audit Scotland, the Auditor General for Scotland, or the Accounts Commission in the audit of the UK Shared Prosperity Fund (UKSPF) (or other EU replacement funding) provided by the UK Government.

The correspondence goes on to explain that the UKSPF will be delivered through local authorities, and that the Accounts Commission is responsible for auditing local government spending, including the application of funding provided by the UK

Government. The correspondence also states that local authorities are expected to award some of the UKSPF monies to projects delivered by other public bodies such as Enterprise Agencies, who are audited by the Auditor General for Scotland. On that basis, the DFM concluded that there was a remit for Audit Scotland, the Auditor General for Scotland and the Accounts Commission to consider how these funds are applied by local authorities and other public bodies in Scotland.


The Committee would welcome your views on the contents of the DFM's letter.

As you will recall, when giving evidence to the Committee on the 2021/22 audit of the Scottish Government Consolidated Accounts in January 2023, you clarified that there was no statutory role for Audit Scotland or the Auditor General for Scotland regarding replacement European Union funding. However, you also indicated that you were working with the Accounts Commission and Audit Scotland to support the Committee's interest in the transparency of replacement European Union funding.

The Committee therefore also seeks an update on how this work is progressing.

The Committee would be grateful for a response by **1 May 2023**.

Yours sincerely

A handwritten signature in black ink that reads "Richard Leonard". The signature is written in a cursive, slightly slanted style.

**Richard Leonard,
Convener**