

Anas Sarwar MSP  
Acting Convener

7 October 2020

**By email only**

Dear Acting Convener

**Covid-19: Funding support for businesses**

Thank you very much for your letters to us both following the recent Public Audit and Post-legislative Scrutiny Committee evidence session with the Auditor General and Audit Scotland colleagues on the report, [Covid-19: Implications for public finances in Scotland](#).

Your letters highlight a number of issues associated with the funding support provided to businesses as a result of the Covid-19 pandemic which are of interest to the Committee. These include: levels of funding and take-up rates; governance and accountability (including fraud); and outcomes achieved for the various streams of UK and Scottish Government business support funding. You asked whether we are jointly or individually planning any future audit work in these areas.

We are currently in the process of reviewing our work programme to reflect the changing context of Covid-19 and its implications for public finances, public services and outcomes for citizens. This work is ongoing and we are engaging with stakeholders with a view to agreeing a revised longer-term work programme in early 2021. The AGS will shortly be formally consulting PAPLS on his draft work programme as part of that process.

One of the key priority themes which we are using to frame our future audit work is Economic recovery and growth: *how public money is being used to support the economy and its response to, and recovery from, Covid-19*. As part of that programme of work we will be considering how public money has been used to support businesses during the pandemic.

A further theme informing the future work programme will be Governance and Accountability: *how public bodies are ensuring proper and effective use of public money across the public sector and within individual public bodies*. An important part of this stream of audit work will be asking appointed auditors to review how public bodies have assessed and responded to the new fraud risks arising from the global pandemic.

Given the national and local dimension to the allocation of funding to support businesses we will be adopting a co-ordinated '*following the pandemic public pound*' approach to our work in this area. This will allow us to track expenditure through central and local government bodies and enable us to form a view on how effectively the overall system of Covid-19 related business support has operated in Scotland.

We will use the helpful points raised in your letter to help inform the targeting of our future work in this area.

We hope the Committee finds this response helpful.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Stephen Boyle', with a long horizontal flourish extending to the right.

**Stephen Boyle**  
**Auditor General for Scotland**

A handwritten signature in black ink, appearing to read 'Elma Murray', written in a cursive style.

**Elma Murray**  
**Interim Chair**  
**Accounts Commission**