



Department for Levelling Up,
Housing & Communities

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Don Richards

Thank you for your letter of 17 June 2022 requesting clarification on how the Auditor General for Scotland's role will be incorporated into the UK Government's processes for the replacement of EU funds.

Funding under the UK Shared Prosperity Fund (UKSPF) will be paid to local authorities as an unringfenced grant, allocated through a distribution methodology. Prior to payment, Lead Authorities (representing a single local authority area or on behalf of a collaborative partnership where agreed) will be required to submit Investment Plans to the UK Government which will be subject to proportionate scrutiny ahead of the allocation being unlocked.

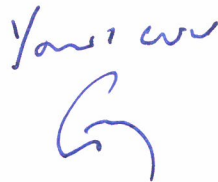
In accordance with the Cabinet Office Government Functional Standards the assurance for each DLUHC programme provides three separate and defined levels of assurance. These elements will provide assurance to my Department, the Accounting Officer and Ministers, as well as to the UK Parliament.

The assurance regimes created for all levelling up funds operating in Scotland, Wales and Northern Ireland will be compliant with their respective laws. Whereas the Government Internal Audit Agency (GIAA) is the relevant Audit Authority in England, we recognise the Auditor General's equivalent role in terms of the third line of defence in Scotland. We have just published more guidance on UKSPF, including on monitoring and evaluation as well as audit and assurance, which you can find at <https://www.gov.uk/government/collections/uk-shared-prosperity-fund-additional-information>.

The Auditor General in Scotland plays a key role in relation to local government funding in Scotland, confirming that accounts are true and fair regardless of the source of that funding (locally raised, Scottish Government, UK Government or otherwise). The UKSPF will not be subject to additional audit by the Auditor General above the prescribed audit regime for all local government funding in Scotland. However, we

recognise the Auditor General's equivalent role in terms of the third line of defence in Scotland.

I hope you find this clarification helpful.

A handwritten signature in blue ink, appearing to read 'Yours ever' followed by a stylized initial 'G'.

Rt Hon Greg Clark MP
Secretary of State for Levelling Up, Housing and Communities