

# Effective and transparent use of public funds aimed at overcoming the aftermath of the COVID-19 pandemic



## Why this topic?

- ✓ To overcome the economic and social consequences of the complicated epidemic situation in the country, the government undertook a number of measures to reduce the impact of the crisis on people and businesses.
- ✓ The implementation of the measures is related to the allocation of a significant public financial resource.
- ✓ The BNAO's task is to provide the society with an independent and objective assessment of how the funds were spent to overcome the pandemic and what effectiveness was achieved by the implementation of the measures.



## What audits have we conducted?

1. „Effective and transparent use of public funds to overcome the effects of the COVID 19 pandemic - **social support and employment measures**“ for the period 01.02.2020 - 31.03.2021

*The audit report is accessible at the following link:*

[https://www.bulnao.government.bg/media/documents/Covid\\_MTSP\\_12-04-22.pdf](https://www.bulnao.government.bg/media/documents/Covid_MTSP_12-04-22.pdf)

2. „Effective and transparent use of public funds to overcome the consequences of the COVID 19 pandemic - **measures to support farmers**“ for the period 01.02.2020 - 31.03.2021

*The audit report is accessible at the following link:*

[https://www.bulnao.government.bg/media/documents/OD\\_Covid\\_19\\_ZP\\_03\\_2022.pdf](https://www.bulnao.government.bg/media/documents/OD_Covid_19_ZP_03_2022.pdf)

***In a process of being finalized are the audits for:***

3. „ Effectiveness of **tourism support measures** to overcome the consequences of the crisis caused by the COVID-19 pandemic“ for the period 01.02.2020 - 31.12.2021.

4. „Implementation of **health measures** in response to COVID-19“ for the period 01.02.2020 - 31.12.2021



# Audit objectives and key audit question



## Audit on social support and employment measures

## Audit on the measures to support farmers

Audit subject

Effective and transparent use of public funds to overcome the effects of the COVID 19 pandemic - social support and employment measures” for the period 01.02.2020 - 31.03.2021

Effective and transparent use of public funds to overcome the consequences of the COVID 19 pandemic - measures to support farmers for the period 01.02.2020 - 31.03.2021

Key audit question

Have the public funds been spent effectively and transparently to overcome the consequences of the COVID-19 pandemic?

Have the public funds been spent effectively and transparently to overcome the consequences of the COVID-19 pandemic?



## Specific questions and sub-questions



### Audit on social support and employment measures

### Audit on the measures to support farmers

First specific question

Have conditions been created for the effective and transparent use of public funds in the implementation of the social support and employment measures to overcome the consequences of the COVID – 19 pandemic?

Have conditions been created for efficient and transparent use of public funds to overcome the consequences of the COVID-19 pandemic for farmers?

Sub-questions

1. Have timely actions been undertaken to identify and approve appropriate support measures?
2. Has and appropriate design of the support measures been developed?



## Specific questions and sub-questions - 2



	Audit on social support and employment measures	Audit on the measures to support farmers
Second specific question	Does the support provided contribute to achieving the objectives for social support and employment measures aimed at overcoming the consequences of the COVID-19 pandemic?	Does the support provided to farmers contribute to achieving the objectives of the measures aimed at overcoming the consequences of the COVID-19 pandemic?
Sub-questions	<ol style="list-style-type: none"> <li>1. Is the organization effective for the implementation of the approved measures?</li> <li>2. Has effective monitoring on the implementation of the <i>social support and employment measures/measures to support farmers</i> been exercised?</li> <li>3. Have the expected results and effects of the implementation of the social support and employment measures been achieved?/Does the support to farmers contribute to achieving the expected effects of the implementation of the measures?</li> </ol>	



## Audit methodology

- A combination of ***result-oriented and system-oriented approach*** was used;
- ***Audit samples*** were formed;
- The following methods for collecting data and information were applied: ***review and study of documents, review of public information, monitoring, written questionnaires and interviews, and conducting a marketing research;***
- The following methods for processing of collected information were used: ***systematization and summarization*** of data and information; ***comparative and descriptive analysis.***



## The audit on social support and employment measures established that ....



- ✓ The Ministry of Labour and Social Policy, the Agency for Social Assistance and the Employment Agency have undertaken timely and adequate steps to identify, develop and approve appropriate social assistance and employment measures through monthly, targeted and lump-sum social benefits.





- The design of the measures has been consistent with their objectives and has been adequately developed to address the emerging challenges, by expanding the scope of potential target groups.
- A delay was observed in adapting the financial tools with public resources in favour of small and medium-sized enterprises of start-ups and social enterprises, to help them overcome the economic consequences of COVID-19 – those were launched after 1 December 2020.



- ✓ Conditions have been created for the lawful and efficient implementation of the measures, by defining eligibility criteria, order, rules, deadlines, responsible officials for evaluation, approval and payment of benefits under the particular measures. Samples of documents have been approved for submitting applications, for documenting the performed checks and for making payments. Requirements on publicity and transparency of information and the results of the implementation of measures have been legally defined;
- ✓ The public has been adequately informed about the assistance provided and the application deadlines.



## **CONSLUSION from the Audit on social support and employment measures**

*In the period from 1 February 2020 until 31 March 2021, the Ministry of Labour and Social Policy, the Agency for Social Assistance and the Employment Agency led a proactive policy for the timely introduction of social assistance and employment measures aimed at overcoming the consequences of the COVID-19 pandemic. The public resources have been used efficiently and transparently.*

*Low interest was observed in the use of credits granted through the financial tools under the “Human Resources Development” Operational Programme 2014 – 2020. The delivery of expected results and benefits from the implementation of the financial tools as a measure to overcome the consequences of COVID-19 is at risk.*



## RECOMMENDATIONS

### from the Audit on social support and employment measures

It is advisable to perform an analysis of the results from the implementation of the financial facilities, in order to find the reasons for the weak interest in lending. Actions should be taken to stimulate interest in the existing financial facilities and their effectiveness.

Given the lack of interest from financial intermediaries and the large amount of unallocated resources under the “Human Resources Development” Operational Program 2014 – 2020 for offering credit to start-ups and social enterprises, it is advisable to review the size of available public resources and the possibilities for their absorption and timely redirection, if necessary, in order to facilitate their efficient utilization.



## The Audit on the measures to support farmers established that....



- ✓ The actions undertaken by the Ministry of Agriculture, Food and Forestry and the State Fund "Agriculture" to identify and approve the measures are timely and are in line with the amendment of Regulation (EU) No. 1305/2013 and the Temporary Framework for support and provision of farmers' liquidity adopted by the European Commission in response to the COVID-19 crisis.





- ✓ The actions undertaken to secure funds for the realization of the support under the measures are timely.
- ✓ The order and method of monitoring the progress of the measures are in line with the legal requirements and create conditions for monitoring the progress of the implementation of the measures' implementation.
- ✓ The introduced control mechanisms contribute to reporting the progress on the implementation of the measures.

*Although the results achieved, omissions were identified in the management and organization of activities!*



## **CONCLUSION from the Audit on the measures to support farmers**

*In the period from 01.02.2020 until 31.03.2021, the Ministry of Agriculture, Food and Forestry and the State Fund "Agriculture" ensured effective use of public funds to overcome the consequences of the COVID-19 pandemic. The removal of the identified omissions will ensure better clarity, predictability and protection of applicants' interests, reliability of the assessment of the degree of implementation of indicators and maximum absorption of the funds provided for overcoming the consequences of the COVID-19 pandemic under the Rural Development Programme 2014 – 2020.*



**RECOMMENDATIONS from  
the Audit on the  
measures to  
Support  
farmers**

In case, it is planned the COVID-19 support to continue, a separate section on the websites of the Ministry of Agriculture and the State Fund “Agriculture” should be opened to publish information about the forthcoming approval of measures and their implementation to guarantee that all stakeholders are acquainted with it.

“Direct Payments” Directorate at the State Fund „Agriculture“ to establish an order for preparing notification letters and administrative acts to timely inform the applicants for the results of the processing of their applications for assistance.

An order to be established for allocation of activities and responsibilities regarding the processes of review and preparation of replies on complaints/objections received from applicants regarding provision of assistance under short-term state assistance schemes.





***Thank you for your attention!***

