

The Scottish Parliament Pàrlamaid na h-Alba

Alison Irvine Interim Chief Executive Transport Scotland Public Audit Committee Room T3.60 The Scottish Parliament EDINBURGH EH99 1SP

By email only

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30 October 2023

Dear Ms Irvine,

New Vessels for the Clyde and Hebrides: Arrangements to deliver vessels 801 and 802

As you will be aware, a key conclusion of the Public Audit Committee's report on <u>New Vessels for the Clyde and Hebrides: Arrangements to Deliver Vessels 801 and 802</u>, published in March 2023, was that Caledonian Maritime Assets Limited (CMAL) continues "to pursue a thorough investigation of the allegations put forward by the BBC" Disclosure Programme in relation to potential fraud and rigging of the Hull 801 and 802 contracts.

The Committee welcomes the recent publication in full of the Procurement of Vessels 801 and 802 Allegations of Fraud report to CMAL, produced by Barry Smith KC, which included the terms of reference for this work. As you will recall when you gave evidence to the Committee on <u>21 September 2023</u>, you described the remit of this work as follows—

"CMAL has asked Barry Smith to undertake a review of all the allegations that were made in the BBC "Disclosure" programme, and the focus is on whether the process was arranged or influenced in a way that was dishonest or fraudulent. To my mind, although it is a matter for CMAL, that sounds like an all-encompassing review of the important issues that were raised in the BBC programme."

The Committee considered the report, including the terms of reference, at its meeting on 26 October 2023. At this meeting, we noted that the scope of the investigation was limited to allegations of fraud, rather than an "all-encompassing review" of the wider allegations raised in the BBC programme. The Committee is concerned that it was led to believe that a much wider investigation would take place and seeks an explanation of this matter.

The Committee also seeks a full formal response from Transport Scotland, as CMAL's sponsor, to the conclusions in the report. We have today also written in similar terms to CMAL and the Cabinet Secretary for Wellbeing Economy, Fair Work and Energy on this matter.

The Committee would welcome Transport Scotland's response by **27 November 2023.**

Yours sincerely,

Richard Leonard MSP, Convener