



The Scottish Parliament  
Pàrlamaid na h-Alba

Neil Gray MSP  
Cabinet Secretary for Wellbeing  
Economy, Fair Work and Energy

By email only

**Public Audit Committee**  
Room T3.60  
The Scottish Parliament  
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11 September 2023

Dear Cabinet Secretary,

**Accountable Officer Written Authority**

Thank you for your correspondence of 30 June 2023, which follows your appearance before the Committee on the use of Written Authority under section 15(8)(a) of the Public Finance and Accountability (Scotland) Act 2000 for vessel 802 at Ferguson Marine Port Glasgow (FMPG) on 22 June.

The Committee considered this letter at its meeting on 9 September and agreed to repeat its request that the Scottish Government considers what information can be made publicly available in relation to the two commissioned reports on the funding and future options for FMPG and the due diligence work that was used to make a value for money assessment on the completion of vessel 802 at FMPG. This information of course ultimately led to the Director-General Economy to seek Written Authority from you to continue the build of vessel 802 at FMPG based on the current cost projections. It is therefore in the public interest that the information is subject to parliamentary scrutiny.

As indicated previously, the Committee fully understands that some aspects of the reports may be commercially sensitive and therefore accepts that the full reports may not be able to be published in their entirety. The Committee however remains unconvinced of the explanation provided by both you and the Director-General

Economy that this means that none of the information contained in the reports can be provided.

Indeed, in correspondence dated 15 June, the Director-General Economy advised the Committee that “the Scottish Government has a proactive and transparent approach to making information available where possible”. In light of this statement, and in the interests of openness and transparency, the Committee urges you to reconsider what information can be made publicly available to demonstrate this commitment.

Your co-operation with the Committee on this issue would be much appreciated. The Committee’s clerks would be happy to liaise with your officials if this would be helpful.

### **Forensic analysis of FMEL’s financial records**

As you will be aware, our report, [New Vessels for the Clyde and Hebrides: Arrangements to deliver vessels 801 and 802](#), published on 23 March 2023 unanimously called for the Auditor General for Scotland (AGS) to use his powers to undertake a forensic analysis of how the significant amount of public money paid to Ferguson Marine Engineering Limited (FMEL) for the vessels was spent.

In his [response to the Committee’s report](#) on 18 May, the AGS agreed that there would be value in a forensic analysis of FMEL’s records to identify what further information these may provide about how all the public funding provided to FMEL was spent. However, he explained that there were several complex legal and practical challenges that may inhibit his ability to undertake such an analysis and that he would update the Committee on these matters as soon as possible.

The Committee received an [update from the AGS on 21 August](#). In his update, the AGS stated that having now clarified the legal position, he does not consider that he has the necessary statutory powers to undertake a forensic analysis of FMEL’s records. This is because FMEL is not a specified body subject to powers under section 23 of the Public Finance and Accountability (Scotland) Act 2000.

The AGS goes on to state that if Scottish Ministers were to make a competent order to specify FMEL as a body on which he could initiate an examination under section 23, this would allow him to undertake the forensic analysis requested by the Committee. The AGS also confirmed that there are no other statutory reporting routes available to him to undertake this work.

The Committee considered the AGS’s most recent update on 7 September and was unanimous in supporting the suggestion made by the AGS that would enable him to establish how £128.25 million of public money was spent by FMEL.

The Committee therefore urges you to consider making a competent order to specify FMEL as a body subject to powers under section 23 of the Public Finance and Accountability (Scotland) Act 2000.

The Committee would be grateful for a response by **9 October 2023**.

Yours sincerely,

**Richard Leonard MSP,  
Convener**