



The Scottish Parliament
Pàrlamaid na h-Alba

Alison Irvine
Interim Chief Executive
Transport Scotland

Public Audit Committee
Room T3.60
The Scottish Parliament
EDINBURGH
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By email only

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3 October 2023

Dear Alison

The 2021/22 audit of Scottish Canals

Thank you for giving evidence to the Public Audit Committee on the above section 22 report by the Auditor General for Scotland on [21 September 2023](#). After considering the evidence heard, the Committee agreed to write to you in your role as Accountable Officer for Transport Scotland regarding the level of sponsorship support being provided to Scottish Canals.

The Committee notes that Scottish Canals stated that it has the full support of Transport Scotland as it continues to form a fixed asset register. The Committee also noted the evidence from Transport Scotland which set out the sponsorship support that had been provided to Scottish Canals. In particular, the Interim Director Aviation, Maritime, Freight and Canals stated that—

“A clear role for me as AMFC director and for the sponsorship team in my directorate is set out in “Scottish Canals Framework Document”. That is the basis for the relationship, which is close. I have two people who work day-to-day with Scottish Canals. A lot of that work involves day-to-day problem solving, financial monitoring and sharing of information that is relevant to all public bodies.”

During the evidence session, the Committee heard from Scottish Canals that it is unlikely to meet the statutory deadline for laying its annual report and accounts and that the forthcoming audit “will not be easy” and that “the massive part of the audit will not start until 1 November”. As you will recall, the Committee asked Scottish Canals if it was getting enough support from Transport Scotland and if there was anything else that Transport Scotland could do to help to address the scale of the challenge it is facing.

The Committee was concerned by the response provided by Scottish Canals’ Director of Finance and Corporate Services, which was—

“I am sure that Transport Scotland would say that these are our annual report and accounts, and that John Paterson is the accountable officer with regard to that.”

The Committee is fully aware of the responsibilities of an Accountable Officer, however it seeks assurance from you regarding the level of direct support that Transport Scotland will be providing to Scottish Canals as it seeks to address the issues raised by the auditors and works towards a set of accounts free from a disclaimer opinion.

I would be grateful if you could response to this letter by **1 November 2023**.

Yours sincerely,

Richard Leonard MSP
Convener

CC: Stephen Boyle, Auditor General for Scotland
John Paterson, Chief Executive Scottish Canals