

20 May 2025

Douglas Ross MSP
Convener
Education, Children and Young People Committee

Dear Convener

Education, Children and Young People Committee, 7 May 2025

Thank you for your letter of 14 May, following the evidence that the Committee received from Martin Boyle, Chief Executive of the Scottish Funding Council, at the above meeting.

The two colleges to which Mr Boyle refers are Forth Valley College and Lews Castle College.

The signed Annual Report and Accounts and associated Annual Audit Report for Forth Valley College for year ending 31 July 2023 were received by me on 15 August 2024. These were delayed as the auditor considered details relating to a potential audit qualification. The appointed auditor ultimately issued a qualified opinion on the accounts, which prompted me to consider whether I should prepare a statutory report under section 22(3) of the Public Finance and Accountability (Scotland) Act 2000 (PFA Act). I decided to prepare a statutory report on the college, which is close to completion. The PFA Act requires that the statutory report be laid in Parliament, alongside the accounts, and we are currently discussing with the Scottish Government when it will be able to lay the annual report and accounts and annual audit report.

For Lews Castle College, the signed Annual Report and Accounts for year ending 31 July 2023 were received by me on 22 January 2025 and the Annual Audit Report on 18 February 2025. The appointed auditor has explained that the delay in completing the audit was due to a lack of responsiveness and staffing challenges at the college, and a need to conclude triennial pension valuation procedures. The auditor was dependant on receiving information from Highland Council on pension assurance. There were also technical issues regarding three prior year adjustments. The auditor issued a qualified opinion on the accounts, and I have decided to prepare a statutory report on the college.

Until the signed accounts are laid in Parliament, they, and any of their content, are not in the public domain. I understand that this is the reason that the Scottish Funding Council has been unable to complete its financial sustainability report for the college sector. I am not responsible for the audits of universities and so cannot comment on any delays in relation to the financial sustainability report for that sector.

Audit Scotland colleagues are in regular contact with colleagues at the Scottish Funding Council, and I have asked them to explore any ways in which we can assist them to conclude their report.

Yours sincerely

Stephen Boyle
Auditor General for Scotland