

A REPORT BY THE AUDITOR GENERAL FOR SCOTLAND UNDER SECTION 22(3) OF THE  
PUBLIC FINANCE AND ACCOUNTABILITY (SCOTLAND) ACT 2000

**THE 2002/03 AUDIT OF MORAY COLLEGE**

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1. I have received the audited accounts of Moray College for the year ended 31 July 2003. The auditor's report on the accounts is not qualified but contains a paragraph drawing attention to the College's position as a going concern. I also prepared a similar report on the College's position as a going concern in respect of the 2001/02 financial year.
2. I submit these accounts and the auditor's report in terms of section 22(4) of the Public Finance and Accountability (Scotland) Act 2000, together with this report which I have prepared under section 22(3) of the Act outlining the College's position as a going concern.
3. Moray College reported a deficit on continuing operations, on its Income and Expenditure account, of £336,000 for the period ended 31 July 2003. At 31 July 2003 the accumulated deficit on the College's Income and Expenditure Reserve was £1,654,000.
4. The auditor's report, which is incorporated at pages 13 to 14 of the accounts, refers to the College's financial position in the following terms:

“Going Concern

In forming my opinion, I have considered the adequacy of the disclosures made in the Statement of Principal Accounting Policies at page 15 of the financial statements in relation to the dependency of the College on the continuing recurring funding from the Scottish Further Education Funding Council. In view of the significance of this issue in the context of the College's accumulated deficit of £1.654m as at 31 July 2003, I consider that it should be drawn to your attention. My opinion is not qualified in this respect. ”



**ROBERT W BLACK**  
Auditor General for Scotland