

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 NORTH GLASGOW COLLEGE

1. I have received the audited accounts of North Glasgow 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. North Glasgow College reported a deficit on its Income and Expenditure account of £1,917,000 for the period ended 31 July 2003. At 31 July 2003 the accumulated deficit on the College's Income and Expenditure Reserve was £771,000.
4. The auditor's report, which is incorporated at pages xi to xii 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 Note 1 to the financial statements in relation to the dependency of the College on the continuing support of the Scottish Further Education Funding Council. In view of the significance of this uncertainty in the context of the College's accumulated deficit of £771,000 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
24 March 2004