

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 WEST LOTHIAN COLLEGE

1. I have received the audited accounts of West Lothian College for the year ended 31 July 2003. The auditors' 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 auditors' 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. West Lothian College incurred a deficit on continuing operations, on its Income and Expenditure account, of £169,000 for the period ended 31 July 2003. At 31 July 2003 the accumulated deficit on the College's Income and Expenditure Reserve was £4,201,000.
4. The auditors' report, which is incorporated at pages 8 to 9 of the accounts, refers to the College's financial position in the following terms:

“Going Concern

As disclosed in the balance sheet as at 31 July 2003 the College has total net liabilities. In forming our opinion, we have considered the likelihood of ongoing support from the Scottish Further Education Funding Council. The accounts have been prepared on a going concern basis, the validity of which depends on this support continuing. The accounts do not include any adjustments which would result from the lack of this support. In view of the significance of this uncertainty, we consider that it should be drawn to The Board Management's attention but our opinion is not qualified in this respect. We draw your attention to the paragraph included in the Statement of Accounting Policies at the Basis of Accounting section”



ROBERT W BLACK
Auditor General for Scotland