

**Address:**  
110 George Street  
Edinburgh EH2 4LH

**Website:**  
[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)

**Telephone:**  
0845 146 1010

**Email:**  
[info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)

## News release

For immediate release, Thursday, 17 October 2013

### Auditor General's report on Adam Smith College 2011/12 accounts

**The Auditor General for Scotland, Caroline Gardner, has issued a report to the Scottish Parliament on matters raised in the audit of the 2011/12 accounts for Adam Smith College.**

The report draws Parliament's attention to significant failures in corporate governance and financial stewardship at the college and the late laying of the audited accounts in the Parliament. In particular, the college has had to repay £5.5 million of European Union (EU) grants, and has provided for up to a further £1.2 million in potential repayments of other grants.

This follows allegations of financial misconduct at the college and an investigation into its administration of EU grant funding. The investigation found the college had submitted claims to grant funding bodies which were inaccurate, unsupported by evidence and overstated since at least 2007. Significant irregularities in claims for staff and other costs have also been found.

The Auditor General's report is available at:

[http://www.audit-scotland.gov.uk/docs/central/2013/s22\\_131014\\_adam\\_smith\\_college.pdf](http://www.audit-scotland.gov.uk/docs/central/2013/s22_131014_adam_smith_college.pdf)

The full audit report is available at:

[http://www.audit-scotland.gov.uk/docs/central/2012/fa\\_1112\\_adam\\_smith\\_college.pdf](http://www.audit-scotland.gov.uk/docs/central/2012/fa_1112_adam_smith_college.pdf)

**For further information contact Simon Ebbett Tel: 0131 625 1652, [sebbett@audit-scotland.gov.uk](mailto:sebbett@audit-scotland.gov.uk)**

#### Notes to editors

1. The 2011/12 year is the most recent completed college financial year. While the standard financial year runs from 1 April to 31 March, the college financial year is aligned with the further education academic year, which runs from 1 August to 30 July, and audited accounts are due to be laid in the Scottish Parliament by 30 April the following year (e.g.: 2013 for 2011/12 accounts).
2. The Auditor General's report was issued under Section 22 of the Public Finance and Accountability (Scotland) Act 2000. This allows the Auditor General to bring to the Parliament and the public's attention matters of public interest related to the financial statements of public bodies.
3. The Auditor General will present this report to the Scottish Parliament's Public Audit Committee. The committee will then decide what further it may wish to take.
4. Audit Scotland has prepared this report for the Auditor General for Scotland. All Audit Scotland reports published since 2000 are available at [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)
  - The Auditor General appoints auditors to Scotland's central government and NHS bodies; examines how public bodies spend public money; helps them to manage their finances to the highest standards; and checks whether they achieve value for money. The Auditor General is independent and is not subject to the control of the Scottish Government or the Scottish Parliament

- Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act, 2000. It provides services to the Auditor General for Scotland and the Accounts Commission for Scotland.