

News release

For immediate release

Lews Castle college accounts qualified

Lews Castle College's accounts have been qualified by auditors for failing to follow accounting standards around its stake in a Gaelic heritage venue.

Lews Castle partnered with Gaelic arts organisation Ceòlas Uibhist in 2019 to establish Cnoc Soilleir Ltd (CSL), a charitable venture that promotes the Gaelic language, heritage, music and culture.

To comply with accounting standards, auditors advised the college that it needed to include its £4.7 million share of CSL's equity value in its 2022/23 financial statements. College management disagreed with this request and wrote down the value of its share of CSL to £1.

The auditor concluded that the college had misstated its share in CSL and issued a qualified opinion on the 2022/23 accounts. Lews Castle merged with two Highland colleges in 2023 to form UHI North, West and Hebrides.

Stephen Boyle, Auditor General for Scotland, said:

"It is important colleges comply with financial accounting standards to ensure that financial statements accurately report their financial position and to help them meet their legal obligations.

"The auditor will continue to discuss with college management how the investment in CSL is reported in the newly formed college financial statements."

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Notes to Editor:

1. Lews Castle College merged with North Highland College and West Highland College to form UHI North, West and Hebrides from 1 August 2023.
2. College management stated in the revised financial statements their belief that the true value of its share of CSL is £1.
3. The Auditor General has prepared the report on Lews Castle College's 2022/23 accounts under Section 22 of the Public Finance and Accountability (Scotland) Act 2000. This allows the Auditor General to

bring to the Parliament's and the public's attention matters of public interest related to the financial statements of public bodies.

4. Section 22 reports are submitted to Scottish Ministers for laying in the Parliament along with the accounts of the relevant body. While there are statutory deadlines for these reports, the actual timing of publication is determined by when the report is laid in the Scottish Parliament by Scottish Ministers.

5. Audit Scotland has prepared this report for the Auditor General for Scotland. All Audit Scotland reports published since 2000 are available at www.audit.scot

- 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.

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