# Dundee University faces financial crisis amid fraud allegations



Dundee University is presently enveloped in financial turmoil as auditors raised concerns related to “fraud” and “unusual transactions” just two months prior to the discovery of a substantial £35 million deficit within its accounts. The financial concerns were highlighted in documents obtained by The Courier, which detail the inquiries made by the finance firm Ernst & Young (EY) in September, notably directed towards the university’s audit and risk committee.

During their examination, EY posed 13 questions to the university officials, to which the responses filled four pages. University management maintained that they were not aware of any actual, suspected, or alleged fraudulent activities. Additionally, they asserted that the institution possessed “adequate financial resources” and the capacity to navigate a pessimistic budget outcome.

However, the situation escalated dramatically in November when Iain Gillespie, the then principal of Dundee University, informed staff that job losses were "inevitable" due to an emerging deficit initially estimated at £30 million, which has now increased to £35 million. Gillespie resigned shortly thereafter, leaving the acting principal, Shane O’Neill, to oversee the university’s operations.

The potential job losses could reach as high as 700, and an independent investigation has been initiated to determine whether senior leadership attempted to suppress information regarding the university's financial difficulties. Investigators are also probing why the university did not address these pressing financial issues sooner.

In a statement given to MSPs at Holyrood, O’Neill acknowledged that he could not dismiss the possibility of criminal activity concerning the misleading information surrounding the institution's financial status. He emphasised that the true extent of financial problems only became apparent in November, thereby raising additional questions regarding the accountability of the university’s leadership when responding to the auditors.

EY specifically inquired about any "significant or unusual transactions" within the university. The audit and risk committee responded that they were “not aware” of any such transactions. The Courier further reports that there has been no subsequent communication sent to EY since the revelation of the £35 million deficit.

In a recent statement, a spokesperson for Dundee University noted, “As is standard in respect of finalising the annual audit process for FY2023/24, we are continuing to engage with our auditors to sign off the annual accounts, which includes a letter of representation.” They added that consultation with external auditors is ongoing as the university approaches the completion of the audit process.

A government taskforce aimed at securing the future of the university was announced this past Tuesday, with former principal Sir Alan Langlands appointed to chair the initiative. Concurrently, the university has undergone a leadership overhaul, seeing the departure of two vice-principals, while O’Neill has begun to recruit a team of advisers to facilitate the recovery process.

O’Neill's predecessor, Iain Gillespie, is scheduled to appear before Holyrood's education committee, despite initially declining to participate, following the Easter break this month.

Source: [Noah Wire Services](https://www.noahwire.com)