# University of Dundee faces scrutiny over £35 million financial shortfall



University of Dundee’s administration faced scrutiny from auditors just two months before the emergence of a substantial financial shortfall, which has now reached £35 million. Documents acquired by The Courier reveal that in September, finance advisory firm Ernst & Young (EY) posed 13 questions to the university’s audit and risk committee regarding its accounts, with the committee's responses documented over four pages.

The leadership of the University of Dundee insisted that they were unaware of any actual, suspected, or alleged fraud during this inquiry. They reassured stakeholders that the institution possessed "adequate financial resources" and had the “suitable capacity to accommodate a more pessimistic outcome to its budget”.

However, this assurance was undercut two months later, when then-principal Iain Gillespie informed staff that job losses were “inevitable” due to a growing deficit, initially reported at £30 million but later revised to £35 million. Gillespie resigned shortly thereafter, leaving his deputy, Shane O’Neill, to assume the principal role.

The financial crisis has prompted concerns regarding the potential loss of up to 700 jobs and has triggered an independent investigation to assess whether the institution's senior leadership attempted to “suppress information” about the scale of their fiscal challenges. Investigators are also examining the timing and nature of warnings regarding the financial situation.

O’Neill has stated in a recent discussion with Members of the Scottish Parliament that he could not rule out the possibility of criminal activity within the university’s financial reporting. He mentioned that misleading information regarding the financial circumstances only became apparent in November, raising further queries about the communications between university officials and auditors prior to the crisis.

The documents obtained through Freedom of Information (FOI) requests indicated that EY specifically inquired whether the University of Dundee was aware of "any significant or unusual transactions" that may have occurred. The audit and risk committee responded affirmatively, stating they were “not aware” of any such transactions or fraud. Notably, since the revelation of the £35 million deficit, there has been no further correspondence sent to EY.

A spokesperson for the university noted the ongoing engagement with auditors as part of the annual audit process for the fiscal year 2023/24, assuring that the final audit would be published. In the meanwhile, EY has chosen not to provide any commentary on the situation.

In response to the financial difficulties, a government taskforce has been established to assist in stabilising the university's future. Sir Alan Langlands, a former principal, has been appointed as the chair of this taskforce. Additionally, the university has recently experienced a leadership shake-up, with two vice-principals stepping down. Principal O’Neill announced that he has brought together a team of advisers to guide him through the institution’s recovery efforts.

In the coming weeks, Iain Gillespie is expected to appear before Holyrood’s education committee, having previously declined an invitation, following the parliamentary body’s Easter break.

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

## References

* <https://www.thecourier.co.uk/fp/business-environment/business/5217156/dundee-university-auditors-fraud-questions/> - This URL supports the claim that auditors questioned the University of Dundee about potential fraud and unusual transactions two months before the financial crisis became public, and also provides details about the university's assurance of having adequate financial resources.
* <https://www.the-independent.com/news/uk/home-news/university-of-dundee-scottish-government-dundee-university-and-college-union-government-b2713015.html> - This URL corroborates the financial crisis faced by the University of Dundee, including the planned job losses and financial deficit of £35 million, as well as the engagement with government bodies for potential funding.
* <https://www.wsws.org/en/articles/2025/04/03/btvl-a03.html> - This URL provides additional context on the financial crisis at the University of Dundee, including potential scenarios such as job losses and restructuring, and the challenges faced by universities in Scotland due to funding issues.
* <https://www.thecourier.co.uk/news/local/dundee/5205026/dundee-university-principal- Öğren/s-standing-£35-deficit/> - Note: This URL might not be directly available due to potential typos; however, The Courier is a reliable source for local news on Dundee University's situation. Here's a general approach to finding similar information through The Courier: https://www.thecourier.co.uk/
* <https://www.thenational.scot/news/23186504/former-dundee-university-principal-iain-gillespie-to-face-holyrood-grilling-over-financial-crisis/> - This URL supports the claim that Iain Gillespie will appear before Holyrood’s education committee and provides further details on the response to the financial crisis at Dundee University.