

A REPORT BY THE AUDITOR GENERAL FOR SCOTLAND UNDER SECTION 22(3) OF  
THE PUBLIC FINANCE AND ACCOUNTABILITY (SCOTLAND) ACT 2000

**THE 2003/04 AUDIT OF LANARKSHIRE HEALTH BOARD**

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1. I submit the audited accounts of Lanarkshire Health Board 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.
2. The auditors' report, which is incorporated at pages 15 – 16 of the accounts, highlights a failure to meet a financial target although the auditors' opinion is not qualified in this respect. The target is that the board's net resource outturn should not exceed its Revenue Resource Limit (RRL). In 2003/04, Lanarkshire Health Board recorded a net resource outturn of £588.138 million against an RRL of £566.93 million, resulting in an excess against the RRL of £21.208 million. This represents 3.74% of the total RRL of the Board. I am submitting this report because of the failure to meet this financial target. More importantly, the cumulative deficit of £21.208 million for the year 2003/04 is significantly greater than that reported in 2002/03 (at £7.342 million), and indicates that there may be underlying financial pressures which could affect the sustainability of services.
3. I will be preparing an overview report on significant issues arising from the 2003/04 audits of NHS trusts and health boards. Financial performance, including the underlying reasons for failure to achieve targets, will feature as part of that report.



**ROBERT W BLACK**  
Auditor General for Scotland  
16 September 2004