

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 RENFREWSHIRE AND INVERCLYDE PRIMARY CARE NHS  
TRUST**

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1. I have received the audited accounts of Renfrewshire and Inverclyde Primary Care NHS Trust for the three months 1 April 2003 to 30 June 2003. The Trust was formally dissolved on 30 June 2003 in line with the Scottish Executive's policy to support the development of integrated, decentralised healthcare services.
2. I submit these accounts and the auditor's 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 to bring to Parliament's attention the auditor's report on the regularity of transactions which is qualified due to a limitation of scope.
3. In consequence of section 22(1) of the Public Finance and Accountability (Scotland) Act 2000, auditors are required to include within their annual audit report an opinion as to whether, in all material respects, the expenditure and income shown in the accounts were incurred or applied in accordance with applicable enactments and guidance issued by Scottish Ministers. This element of the audit report is known as the 'regularity assertion'.
4. Certain patients are exempt from paying prescription charges, for example those in receipt of income support. Counter Fraud Services, part of the Common Services Agency, carries out checks to ensure that patients who claim exemptions are entitled to do so. During 2002/03, Counter Fraud Services estimated that, across Scotland, patients received exemptions of at least £12.6 million to which they were not entitled. Further work on the identification of the level of unrecovered income is planned for 2003/04. This work has not yet been completed and Counter Fraud Services has yet to be able to quantify unrecovered income at individual trust level.
5. In the absence of comprehensive information at trust level on exemptions from patient charges, there were no satisfactory audit procedures which the appointed auditor could adopt to form an opinion as to whether family health service income was applied in accordance with applicable enactments and guidance issued by Scottish Ministers. The auditor's report for Renfrewshire and Inverclyde Primary Care NHS Trust for the period 1 April 2003 to 30 June 2003, which is incorporated at pages 10 - 11 of the accounts, is qualified in respect of the regularity assertion in the following terms:

"Regularity

In my opinion, except for the limitation in the scope of my work in respect of family health service income, in all material respects, the expenditure and income shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers."



**ROBERT W BLACK**  
Auditor General for Scotland  
29 February 2004