

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

THE 2004/05 AUDIT OF ARGYLL AND CLYDE HEALTH BOARD

1. I submit the audited accounts of Argyll and Clyde Health Board 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.
2. The auditor's report, which is incorporated at pages 16 – 17 of the accounts, highlights a failure to meet a financial target although the auditor's opinion is not qualified in this respect. An NHS board's net resource outturn should not exceed its Revenue Resource Limit (RRL). In 2004/05, Argyll and Clyde Health Board recorded a net resource outturn of £587.009 million against an RRL of £527.517 million, resulting in a cumulative excess against the RRL of £59.492 million. This is represented by an in-year deficit of £24.122 million added to the brought forward deficit of £35.370 million. The cumulative excess represents 11.3% of the total RRL. I am submitting this report because of the failure to meet this financial target.
3. The auditor's report also draws attention to the Minister for Health and Community Care's decision in May 2005 to consult on the planned dissolution of NHS Argyll and Clyde. Under proposed plans, responsibility for services will be transferred to NHS Highland and NHS Greater Glasgow, and the accumulated excess of NHS Argyll and Clyde cleared.
4. I will also prepare an overview report commenting on significant issues arising from the 2004/05 audits of NHS bodies including qualifications by auditors and financial performance.



ROBERT W BLACK
Auditor General for Scotland
23 September 2005