

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

**THE 2005/06 AUDIT OF ARGYLL AND CLYDE HEALTH BOARD**

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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 – 18 of the accounts, draws attention to the disclosures made in the Directors' report in relation to the dissolution of Argyll and Clyde Health Board. Responsibility for services was transferred to Greater Glasgow Health Board and Highland Health Board on the 1 April 2006. The £81.7 million accumulated excess of Argyll and Clyde Health Board was cleared, through the enhanced provision within the final Revenue Resource Limit from the Scottish Executive Health Department.
3. Following the decision by the Minister for Health and Community Care to dissolve the Board, it maintained its board and committee structures throughout the year. The successor boards will [now require to develop cost savings programmes](#) to address the £28.4 million underlying recurring deficit inherited from the former Argyll and Clyde Health Board.
4. I will also prepare an overview report commenting on significant issues arising from the 2005/06 audits of NHS bodies including financial performance corporate governance arrangements. The dissolution of Argyll and Clyde Health Board, and the emerging legacy issues for the successor boards, will feature in that report.



**ROBERT W BLACK**  
**Auditor General for Scotland**  
**11 September 2006**