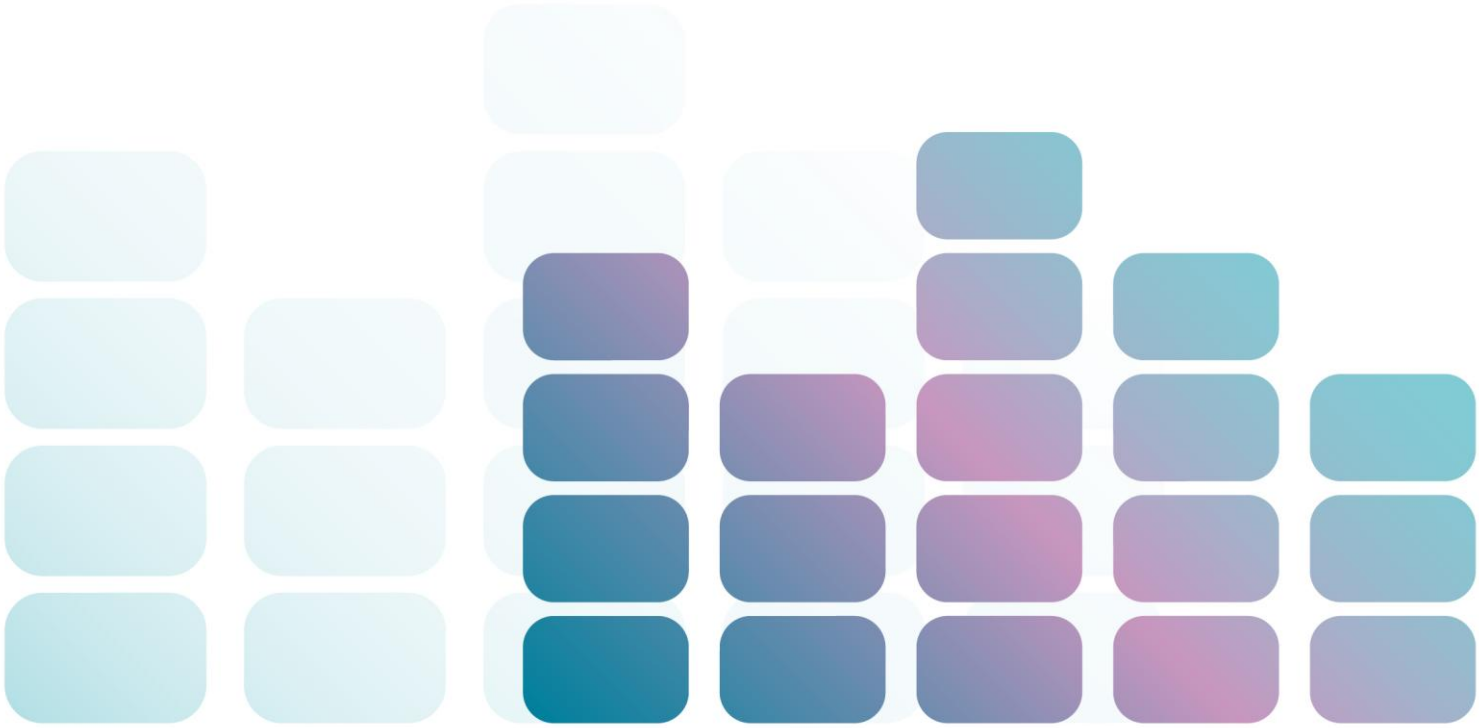
NHS Western Isles

2024/25 Annual Audit Report



AUDIT SCOTLAND

Prepared for NHS Western Isles and the Auditor General for Scotland
June 2025

Contents

Accessibility

You can find out more and read this report using assistive technology on our website www.audit.scot/accessibility.

Key messages

Audit of the annual report and accounts

1 Audit opinions on the annual report and accounts are modified. This is due to the continuing impact of the cyber-attack on Comhairle nan Eilian Siar in November 2023, that resulted in a loss of a significant amount of data, including the accounting records for the Integration Joint Board (the IJB). The NHS Western Isles consolidated accounts includes IJB figures which are based on estimated data from the Comhairle. NHS Western Isles were unable to obtain sufficient assurance that the estimated figures were accurate and complete, and this has again resulted in a qualified opinion for 2024/25.

2 We noted a number of issues regarding the presentation of transactions and balances within the notes to the accounts. We recommend that management review and update processes for mapping of transactions and balances in advance of preparing the 2025/26 annual accounts.

Wider scope and Best Value audit

Financial Management

3 NHS Western Isles operated within the three key financial targets set by the Scottish Government in 2024/25.

4 The audit work performed on the arrangements NHS Western Isles has in place for securing sound financial management found that these were effective and appropriate, however some areas were highlighted for improvement.

Financial Sustainability

5 NHS Western Isles is facing unprecedented financial challenges and while there are plans in place to deliver a break-even position there remains a need to consider transformational change.

Vision, leadership and governance

6 Overall effective governance arrangements are in place that support good governance and accountability. Board members provide adequate scrutiny

and challenge at meetings to ensure the board's performance is effectively reviewed.

Use of resources to improve outcomes

7 NHS Western Isles has appropriate arrangements for performance monitoring and reporting.

8 NHS Western Isles' performance against key waiting time standards has improved in some areas, however many areas are still behind target.

Best Value

9 A formal review is underway to demonstrate how NHS Western Isles is achieving Best Value.

Introduction

Purpose of the Annual Audit Report

1. The purpose of this Annual Audit Report is to report the significant matters identified from the 2024/25 audit of NHS Western Isles annual report and accounts and the wider scope areas specified in the Code of Audit Practice (2021).

2. The Annual Audit Report is addressed to NHS Western Isles and the Auditor General for Scotland, and will be published on Audit Scotland's website in due course.

Appointed auditor and independence

3. Claire Gardiner of Audit Scotland has been appointed as external auditor of NHS Western Isles for the period from 2023/24 until 2026/27. As reported in the Annual Audit Plan, Claire Gardiner and the audit team are independent of NHS Western Isles in accordance with relevant ethical requirements, including the Financial Reporting Council's Ethical Standard. There have been no developments since the issue of the Annual Audit Plan that impact on the continued independence of the engagement lead or the rest of the audit team from NHS Western Isles, including no provision of non-audit services.

Acknowledgements

4. We would like to thank NHS Western Isles and its staff, particularly those involved in preparation of the annual report and accounts, for their cooperation and assistance during the audit. We look forward to working together constructively over the remainder of the five-year audit appointment.

Audit scope and responsibilities

Scope of the audit

5. The audit is performed in accordance with the Code of Audit Practice, including supplementary guidance, International Standards on Auditing (ISA) (UK), and relevant legislation. These set out the requirements for the scope of the audit which includes:

- An audit of the financial statements and an opinion on whether they give a true and fair view and are free from material misstatement, including the regularity of income and expenditure.
- An opinion on statutory other information published with the financial statements in the annual report and accounts, namely the Performance Report and Governance Statement.
- An opinion on the audited part of the Remuneration and Staff Report.
- Conclusions on NHS Western Isles's arrangements in relation to the wider scope areas: Financial Management; Financial Sustainability; Vision, Leadership and Governance; and Use of Resources to Improve Outcomes.
- Reporting on NHS Western Isles's arrangements for securing Best Value.
- Provision of this Annual Audit Report.

Responsibilities and reporting

6. The Code of Audit Practice sets out the respective responsibilities of NHS Western Isles and the auditor. A summary of the key responsibilities is outlined below.

Auditor's responsibilities

7. The responsibilities of auditors in the public sector are established in the Public Finance and Accountability (Scotland) Act 2000. These include providing an independent opinion on the financial statements and other information reported within the annual report and accounts, and concluding on NHS Western Isles's arrangements in place for the wider scope areas and Best Value.

8. The matters reported in the Annual Audit Report are only those that have been identified by the audit team during normal audit work and may

not be all that exist. Communicating these does not absolve NHS Western Isles from its responsibilities outlined below.

9. The Annual Audit Report includes an agreed action plan at Appendix 1 setting out specific recommendations to address matters identified and includes details of the responsible officer and dates for implementation.

NHS Western Isles's responsibilities

10. NHS Western Isles has primary responsibility for ensuring proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety, and regularity that enables it to successfully deliver its objectives. The features of proper financial stewardship include:

- Establishing arrangements to ensure the proper conduct of its affairs.
- Preparation of an annual report and accounts, comprising financial statements for NHS Western Isles and its group that gives a true and fair view and other specified information.
- Establishing arrangements for the prevention and detection of fraud, error and irregularities, and bribery and corruption.
- Implementing arrangements to ensure its financial position is soundly based.
- Making arrangements to secure Best Value.
- Establishing an internal audit function.

National and performance audit reporting

11. The Auditor General for Scotland and the Accounts Commission regularly publish national and performance audit reports. These cover a range of matters, many of which may be of interest to NHS Western Isles and Audit and Risk Committee. Details of national and performance audit reports published over the last year can be seen in Appendix 3.

Audit of the annual report and accounts

Main judgements

Audit opinions on the annual report and accounts are modified. This is due to the continuing impact of the cyber-attack on Comhairle nan Eilian Siar in November 2023, that resulted in a loss of a significant amount of data, including the accounting records for the Integration Joint Board (the IJB). The NHS Western Isles consolidated accounts includes IJB figures which are based on estimated data from the Comhairle. NHS Western Isles were unable to provide sufficient assurance that the estimated figures were accurate and complete, and this has again resulted in a qualified opinion for 2024/25.

We noted a number of issues regarding the presentation of transactions and balances within the notes to the accounts. We recommend that management review and update processes for mapping of transactions and balances in advance of preparing the 2025/26 annual accounts.

Audit opinions on the annual report and accounts

12. NHS Western Isles and its group's annual report and accounts were approved by Board on 26 June 2025 and signed by the appointed auditor on 26 June 2025. The Independent Auditor's Report is included in NHS Western Isles's annual report and accounts, and this reports that, in the appointed auditor's, opinion except for the possible effects of the matter described in the basis for qualified opinion paragraph, the accompanying financial statements:

- give a true and fair view of the state of the affairs of the board and it's group affairs as at 31 March 2025 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2024/25 FReM;
- have been prepared in accordance with the requirements of the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

13. In 2024/25 we have qualified our audit opinion as due to a cyber-attack at the Comhairle nan Eilian Siar we were unable to obtain sufficient audit evidence to support the completeness and accuracy of NHS Western Isles share of associates and joint ventures as reported in the Statement of Consolidated Net Expenditure and investments in associates and joint ventures and other reserves in the Consolidated Statement of Financial Position.

14. The qualification reflects that we were unable to obtain sufficient appropriate audit evidence on which to base our opinion, but we concluded that the possible effects were limited to the specific account areas listed in paragraph 13. While we recognise the impact may be material we are satisfied that it is not pervasive to the financial statements.

Audit timetable

15. The unaudited annual report and accounts and all working papers were received on 6 May 2025 in accordance with the agreed audit timetable.

Audit Fee

16. The audit fee for the 2024/25 audit was reported in the Annual Audit Plan and was set at £95,500. There have been no developments that impact on planned audit work required, therefore the audit fee reported in the Annual Audit Plan remains unchanged.

Materiality

17. Materiality is applied by auditors in planning and performing an audit, and in evaluating the effect of any uncorrected misstatements on the financial statements or other information reported in the annual report and accounts.

18. The concept of materiality is to determine whether misstatements identified during the audit could reasonably be expected to influence the decisions of users of the annual report and accounts. Auditors set a monetary threshold when determining materiality, although some issues may be considered material by their nature. Therefore, materiality is ultimately a matter of the auditor's professional judgement.

19. Materiality levels for the audit of NHS Western Isles and its group were determined at the risk assessment phase of the audit and were reported in the Annual Audit Plan, which also reported the judgements made in determining materiality levels. These were reassessed on receipt of the unaudited annual report and accounts. Materiality levels were updated and these can be seen in Exhibit 1.

Exhibit 1
2024/25 Materiality levels for NHS Western Isles and its group

Materiality	NHS Western Isles and its Group
Materiality – set at 2% of chosen benchmark	£2.64 million
Performance materiality – set at 70% of materiality. As outlined in the Annual Audit Plan, this acts as a trigger point. If the aggregate of misstatements identified during the audit exceeds performance materiality, this could indicate further audit procedures are required.	£1.85 million
Reporting threshold – set at 5% of materiality.	£0.13 million

Source: Audit Scotland

Significant findings and key audit matters

20. ISA (UK) 260 requires auditors to communicate significant findings from the audit to those charged as governance, which for NHS Western Isles is the Audit and Risk Committee.

21. The Code of Audit Practice also requires public sector auditors to communicate key audit matters. These are the matters that, in the auditor's professional judgement, are of most significance to the audit of the financial statements and require most attention when performing the audit.

22. In determining key audit matters, auditors consider:

- Areas of higher or significant risk of material misstatement.
- Areas where significant judgement is required, including accounting estimates that are subject to a high degree of estimation uncertainty.
- Significant events or transactions that occurred during the year.

23. The significant findings and key audit matters to report are outlined in Exhibit 2.

Exhibit 2
Significant findings and key audit matters

Significant findings and key audit matters	Outcome
Consolidation entries relating to the IJB NHS Western Isles consolidated financial statements incorporate the financial position of Western Isles Integration Joint Board. Due to a cyber-attack on Comhairle Nan Eilean Siar in November 2023, the accounting records for the Integration Joint Board are not complete for the year ended 31 March 2025 and the figures incorporated into the Health Board's accounts are based on estimates. We were unable to obtain sufficient appropriate audit evidence to support the completeness and accuracy of NHS Western Isles' share of associates and joint ventures as reported in the Consolidated Statement of Comprehensive Net Expenditure, and investments in associates and joint ventures and other reserves, as reported in the Consolidated Statement of Financial Position. This also impacted on the related entries in the Statement of Consolidated Cash Flows and Consolidated Statement of Changes in Taxpayers' Equity, and notes to the accounts. This is issue resulted in a qualification to the audit opinion on the 2024/25 annual accounts.	The audit opinion is qualified again in 2024/25 reflecting the uncertainty around the figures in the consolidated statements relating to the IJB and the adequacy of accounting records maintained by NHS Western Isles. NHS Western Isles added narrative to the Performance Report and estimates and Judgements note. The updates accounts explain the levels of estimation and the basis for our qualification.

Significant findings and key audit matters	Outcome
Presentation of transactions and balances within the annual accounts Our audit work highlighted issues regarding the presentation of a number of transactions and balances across the accounts. Items were correctly identified as, for example, “expenditure” in the Statement of Comprehensive Net Expenditure. However, were misclassified within the notes to the accounts, for example being listed as “primary care” rather than “secondary” in Note 3b. Other classification issues were noted within liabilities and IJB transactions. Individually, these are not significant, however the extent of misclassifications results in our conclusion being reported here.	Several non-material audit adjustments were processed as noted in Appendix 2. We recommend that management review and update processes for mapping of transactions and balances in advance of preparing the 2025/26 annual accounts (Appendix 1, recommendation 1).

Source: Audit Scotland

Qualitative aspects of accounting practices

24. ISA (UK) 260 also requires auditors to communicate their view about qualitative aspects of NHS Western Isles’s accounting practices, including accounting policies, accounting estimates, and disclosures in the financial statements.

Accounting policies

25. The appropriateness of accounting policies adopted by NHS Western Isles was assessed as part of the audit. These were considered to be appropriate to the circumstances of NHS Western Isles, and there were no significant departures from the accounting policies set out in the Government Financial Reporting Manual (FReM).

Accounting estimates

26. Accounting estimates are used in number of areas in NHS Western Isles’s financial statements, including the valuation of land and buildings assets. Audit work considered the process management of NHS Western Isles has in place around making accounting estimates, including the assumptions and data used in making the estimates, and the use of any management experts. Audit work concluded:

- There were no issues with the selection or application of methods, assumptions, and data used to make the accounting estimates, and these were considered to be reasonable.
- There was no evidence of management bias in making the accounting estimates.

27. Details of the audit work performed and the outcome of the work on accounting estimates that gave rise to significant risks of material misstatement or other areas of audit focus are outlined in Exhibit 5.

Disclosures in the financial statements

28. The adequacy of disclosures in the financial statements was assessed as part of the audit. The quality of disclosures was adequate, with additional levels of detail provided for disclosures around areas of greater sensitivity.

Group audit

29. NHS Western Isles is part of a group and prepares group financial statements. The group accounts include 2 components, including NHS Western Isles which is the parent of the group. As outlined in the Annual Audit Plan, audit work was required on a number of the group's components for the purposes of the group audit, and this work was performed by a combination of the audit team and the components' audit teams. The audit work performed on the group's components is summarised in Exhibit 3.

30. Note that Western Isles Health Board Endowment Fund is also a part of the group, however it is not consolidated on the grounds that it is immaterial.

Exhibit 3
Summary of audit work on the group's components

Group component	Auditor and audit work required	Summary of audit work performed
NHS Western Isles	**Audit Scotland** Full scope audit	The outcome of audit work performed is reported within the Annual Audit Report, with details of significant findings and key audit matters reported in Exhibit 2.

Group component	Auditor and audit work required	Summary of audit work performed
Cùram Is Slàinte nan Eilean Siar (Western Isles IJB)	**Audit Scotland** Assurance procedures conducted by the IJB audit team under the same engagement lead.	As highlighted in Exhibit 2, the audit opinion has been qualified due to the uncertainty around the figures provided by the IJB as a result of the continuing impact of the cyber-attack on the Comhairle Nan Eilean Siar in 2023. Audit work was therefore limited to confirming this uncertainty remained and auditing figures that are solely derived from NHS Western Isles ledger, as this was unaffected.

Source: Audit Scotland

Audit adjustments

31. Audit adjustments were required to the financial statements to correct misstatements that were identified from the audit. We identified total adjustments of £2.374 million and also amendments to disclosures totalling £1.766 million. Details of all audit adjustments greater than the reporting threshold of £0.13 million are outlined in Appendix 2.

32. Management of NHS Western Isles processed audit adjustments for all misstatements identified greater than the reporting threshold. As a result, there are no uncorrected misstatement to report.

Significant risks of material misstatement identified in the Annual Audit Plan

33. Audit work has been performed in response to the significant risks of material misstatement identified in the Annual Audit Plan. The outcome of audit work performed is summarised in Exhibit .

Exhibit 4
Significant risks of material misstatement to the financial statements

Risk of material misstatement	Audit response	Outcome of audit work
Significant risks of material misstatement		
Fraud caused by management override of controls Management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.	The audit team: • Evaluated the design and implementation of controls over journal entry processing. • Made inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries. • Tested journals entries, focusing on those that are assessed as higher risk, such as those affecting revenue and expenditure recognition around the year-end. • Evaluated significant transactions outside the normal course of business. • Assessed the adequacy of controls in place for identifying and disclosing related party relationships and transactions in the financial statements. • Assessed changes to the methods and underlying assumptions used to prepare accounting estimates and assess these for evidence of management bias.	Audit work performed found: • The design and implementation of controls over journal processing were appropriate. • No inappropriate or unusual activity relating to the processing of journal entries was identified from discussions with individuals involved in financial reporting. • No significant issues were identified from testing of journal entries. **Conclusion:** We found no evidence of fraud caused by management override of controls.

Risk of material misstatement	Audit response	Outcome of audit work
Cyber-attack at Comhairle nan Eilean Siar – Impact on IJB NHS Western Isles are joint partners with Comhairle nan Eilean Siar (the Comhairle) in Cùram Is Slàinte nan Eilean Siar (Western Isles Integration Joint Board (the IJB)). In November 2023, the Comhairle was subject to a cyber-attack that resulted in a loss of a significant amount of data, including the accounting records for the IJB. The 2023/24 NHS Western Isles consolidated accounts included IJB figures which were based on estimated data from the Comhairle. NHS Western Isles were unable to provide sufficient assurance that the estimated figures were accurate and complete and this resulted in a qualified audit opinion. At the current time it is not clear what the Comhairle will be able to provide to support the IJB transactions reflected in the 2024/25 NHS Western Isles consolidated accounts.	The audit team will: • Review disclosures included in the annual accounts • Liaise with the auditor of the IJB to assess the reliability of information provided to NHS Western Isles from the IJB • Assess the reliability of the IJB transactions and disclosures included in the NHS Western Isles financial statements Where estimates have been used to inform figures reported in the NHS Western Isles financial statements, we will evaluate the appropriateness of assumptions and calculations which underpin key figures.	We reviewed the disclosures included within the annual accounts. We undertook a review of the IJB transactions and disclosures included within the financial statements. We also reviewed accounting estimates and transactions for appropriateness. **Conclusion:** We were unable to obtain sufficient appropriate audit evidence to support the completeness and accuracy of Western Isles Health Board's share of associates and joint ventures as reported in the group accounts. The audit opinion is qualified in respect of this matter as outlined in Exhibit 2.
Other areas of audit focus		

Risk of material misstatement	Audit response	Outcome of audit work
Valuation of property, plant and equipment NHS Western Isles held land and buildings with a net book value of £57 million as at 31 March 2024. Valuations are based on specialist and management assumptions and changes in these can result in material changes to valuations. We will review the arrangements in place to satisfy the Board that the annual revaluation process is complete and asset values are free from material misstatement.	We will review the arrangements in place to satisfy the Board that the annual revaluation process is complete and asset values are free from material misstatement.	Audit work performed found: • The design and implementation of controls over the valuation process were appropriate. • The data and assumptions used in the 2024/25 valuation process were appropriate. • Management's assessment of assets not subject to a valuation process in 2024/25 was reasonable and concluded there was unlikely to be a material difference to the current value at the year-end. **Conclusion:** the valuation of PPE is not materially misstated.

Source: Audit Scotland

Prior year recommendations

34. NHS Western Isles has made limited progress in implementing the agreed prior year audit recommendations. For actions not yet implemented, revised responses and timescales have been agreed with NHS Western Isles and are outlined in Appendix 1.

Wider scope and Best Value audit

Audit approach to wider scope and Best Value

Wider scope

35. As reported in the Annual Audit Plan, the wider scope audit areas are:

- Financial Management.
- Financial Sustainability.
- Vision, Leadership and Governance.
- Use of Resources to Improve Outcomes.

36. Audit work is performed on these four areas and a conclusion on the effectiveness and appropriateness of arrangements NHS Western Isles has in place for each of these is reported in this chapter.

Duty of Best Value

37. The Scottish Public Finance Manual (SPFM) explains that Accountable Officers have a specific responsibility to ensure that arrangements have been made to secure Best Value. Best Value in public services: guidance for Accountable Officers is issued by Scottish Ministers and sets out their duty to ensure that arrangements are in place to secure Best Value in public services.

38. Consideration of the arrangements NHS Western Isles has in place to secure Best Value has been carried out alongside the wider scope audit.

Financial Management

Conclusion

NHS Western Isles operated within the three key financial targets set by the Scottish Government in 2024/25.

The audit work performed on the arrangements NHS Western Isles has in place for securing sound financial management found that these were effective and appropriate, however some areas were highlighted for improvement.

NHS Western Isles ended the year with a £0.112 million surplus, however there is still a reliance on non-recurring savings and late allocations

39. The Scottish Government Health and Social Care Directorates (SGHSCD) set annual resource limits and cash requirements which NHS boards are required by statute to work within.

40. NHS Western Isles' initial financial plan for 2024/25 highlighted a funding gap of £5.572 million. The financial position improved significantly during the year due to the achievement of savings. Exhibit 5 shows that NHS Western Isles operated within the three key financial targets set by the Scottish Government.

Exhibit 5
Performance against resource limits in 2024/25

Financial target	Limit £m	Actual £m	Variance £m
Core revenue resource limit	116.932	116.811	0.112
Non-core revenue resource limit	4.278	4.278	-
Total revenue resource limit	**121.210**	**121.089**	**0.112**
Core capital resource limit	3.995	3.995	-
Non-core capital resource limit	-	-	-
Total capital resource limit	**3.995**	**3.995**	**-**
Cash requirement	**121.097**	**121.097**	**-**

Source: NHS Western Isles Audited Annual Accounts

NHS Western Isles delivered against their savings target

41. In 2024/25 the Scottish Government required all health boards to plan to deliver at least 3 per cent recurring savings during the financial year. The 2024/25 financial plan included a need to make savings of £5.572 million.

42. The board reported that it achieved all of its in-year savings targets, with £2.510 million delivered on a recurring basis and the remaining £3.062 million achieved through non-recurring measures .

43. Significant savings have now been required for several years which means that in order to deliver a higher level of recurring savings, the board must look to more significant savings programmes. These are likely to involve the redesign of services and will take time to be fully implemented.

The Board should improve clarity over the reporting of recurring and non-recurring savings

44. NHS Boards' savings are classified as being non-recurring (a saving that reduces financial pressure only in the current period) or recurring (a saving that reduces financial pressure in current and future periods).

45. NHS Western Isles reported achieving a mixture of both recurring and non-recurring savings in 2024/25, however from discussion with management it was clear that some of the recurring savings achieved were non-recurring in nature.

46. Management should improve reporting in this area, ensuring that savings are classified only as recurring when appropriate and that these recurring savings clearly reduce the financial challenge in future periods.

Recommendation 2

Clarity over the reporting of recurring and non-recurring savings

NHS Western Isles should improve reporting in this area, ensuring that savings are classified only as recurring when appropriate and that these recurring savings clearly reduce the financial challenge in future periods.

NHS Western Isles received additional capital funding in 2024/25 and has prepared a long-term prioritised capital plan

47. NHS Western Isles reported capital spend of £3.770m in 2024/25. This included £2.294m of additional capital funding from Scottish Government that became available in late 2024.

48. Similar to most NHS Boards in Scotland, NHS Western Isles asses its longer-term capital needs to be greater than its annual capital funding allocation. We previously recommended that NHS Western Isles prepare a capital investment strategy that includes a prioritised plan to ensure that limited funding is applied effectively. The Board's 2025/26 capital plan included a 10 year projection, with projects prioritised on a risk basis.

NHS Western Isles had appropriate internal control arrangements in 2024/25, however we noted areas for improvement

49. From our review of the design and implementation of systems of internal control, including those relating to IT, relevant to our audit approach, we concluded largely positively regarding:

- General Ledger
- Payroll
- Cash and Banking

- Accounts Payable
- Accounts Receivable

50. Despite this, we noted a number of areas for improvement:

- The design of the process in place to remove access to the General Ledger system for staff leaving NHS Western Isles should be improved.
- The process to evidence checks made on changes to supplier details did not operate as intended on the one example we discussed with management.
- A prior year agreed action on the implementation of employee verification checks has not been implemented.

There are assurance gaps in the general IT controls for eFinancials and PECOS systems

51. Across the NHS in Scotland a number of shared services exist and therefore NHS Western Isles' control environment includes externally provided services from:

- NHS National Services Scotland (NSS) provision of primary care payments and the national IT controls
- NHS Ayrshire and Arran provision of the National Single Instance eFinancials service
- Elcom who provide Professional Electronic Commerce Online System (PECOS) the eProcurement system used by NHS Boards across Scotland.

52. The NHS in Scotland procures service audits each year to provide assurance on the controls operating within the shared systems. As part of our overall audit approach we consider the evidence from service auditors of NHS NSS and NHS Ayrshire and Arran to inform our risk assessment procedures.

53. For Practitioner and Counter Fraud Services, the Type II service audit resulted in an unqualified opinion, i.e. the controls tested operated effectively during 2024/25.

54. The national IT services contract the Type II service audit also resulted in a qualified opinion on the controls relating to access to the systems as the controls associated with the objective: "*Controls provide reasonable assurance that logical access to applications, operating systems and databases is restricted to authorised individuals*" did not operate effectively during the year.

55. NHS Ayrshire and Arran procures a Type II service audit of the National Single Instance (NSI) eFinancials services. The service auditor assurance reporting in relation to the NSI eFinancials was unqualified. The assurance gap identified in previous years for the IT general controls, system backup and disaster recovery remains. Although this assurance gap did not impact on NHS Western Isles' systems this year, there remains a risk for future years. All boards should ensure that going forward they are satisfied that controls over the NSI eFinancials system are adequate in the absence of these service auditor assurances. NHS Ayrshire and Arran are working with NHS National Services Scotland to expand the service audit scope to cover this assurance gap for 2025/26

56. Having considered these qualifications in context of other mitigating controls at both NHS National Services Scotland and NHS Western Isles, and our assessment of materiality, we are content that no change in our audit approach was required.

57. NHS Western Isles use the PECOS purchase to pay application. The PECOS application is available to all Scottish public sector bodies under the Scottish Government eCommerce shared service license agreement. In November 2024, the hosting arrangements of the PECOS application changed from being held at the Scottish Government's Saughton House data centre to being held and managed externally from the Scottish Government by third-party provider, Elcom.

58. While the Scottish Government own the contractual arrangement with Elcom, it is for individual bodies to ensure themselves that there are appropriate application and hosting controls in place at Elcom. NHS Western Isles has not received any assurances around the operation of these controls at the third-party provider.

59. NHS Western Isles is satisfied that there have been no issues around service performance or availability of information to support the preparation of the financial statements and there are no adverse impact on the Board's system of internal control or governance arrangements in respect of the use of the PECOS application.

NHS Western Isles should formalise arrangements for services with other public sector bodies

60. As is common across the public sector, NHS Western Isles both provides to and receives services from, other public sector bodies. Our audit work highlighted two instances where services had been provided for a number of years on an annual basis, however there was no underlying agreement in place. These informal arrangements create risks to financial planning and make it more challenging for management to demonstrate value for money.

Recommendation 3

Formalisation of arrangements for services with other public sector bodies

NHS Western Isles should stake steps to formalise the two service arrangements highlighted by our audit work and also carry out a review of income and expenditure to identify any similar informal arrangements.

Standards of conduct for prevention and detection of fraud and error are appropriate

61. NHS Western Isles is responsible for having arrangements to prevent and detect fraud, error and irregularities, bribery and corruption. It is also responsible for ensuring that its affairs are managed in accordance with proper standards of conduct by putting effective arrangements in place. Our conclusion is that NHS Western Isles has adequate arrangements in place to prevent and detect fraud or other irregularities.

Financial Sustainability

Conclusion

NHS Western Isles is facing unprecedented financial challenges and while there are plans in place to deliver a break-even position there remains a need to consider transformational change.

Health boards across Scotland face substantial affordability challenges despite increases in funding

62. Health remains the single biggest area of government spending with a planned increase to £19.4 billion in the 2024/25 Budget Bill. The Scottish Government continued to distribute funding throughout the year which increased the final budgets provided to NHS Boards and reflects the long-term trend of annual increases in health expenditure.

63. Despite increases in health spending much of the additional funding was consumed by pay deals and inflation leaving little room to invest in transformation or service improvement.

64. In their three-year financial plans submitted to the Scottish Government, for 2024/25, NHS Boards continued to forecast increases in spending. Boards are also increasingly citing a reliance on non-recurring savings, and therefore carrying forward underlying deficits into future years, which poses a significant risk to long term financial sustainability.

65. Audit Scotland's NHS in Scotland 2024 Finance and Performance highlights that the affordability of healthcare spending is now an urgent issue that the Scottish Government must address. Difficult decisions need to be made about transforming services potentially identifying areas of limited clinical value and considering how services can be provided more efficiently or withdrawn. Boards should work with the Scottish Government to focus on longer term reform. This will be essential for managing the demands placed on the healthcare system and ensuring its future sustainability.

NHS Western Isles set a balanced budget for 2025/26

66. The Board approved its budget for 2025/26 on 24 April 2025, forecasting a breakeven position for the year. Savings of £1.893 million are required to achieve this. The Board has set out its savings plan for the year, with recurring staffing vacancies being a significant component.

A strategic transformational approach will likely be needed to ensure long term financial sustainability

67. The Board has also considered a financial plan for 2026/27 and 2027/28, which projects savings requirements of £4.457 million and £5.342 million respectively.

68. Management have identified a number of longer-term financial risks to the health board, including:

- Costs arising from an ageing population.
- Pressures on the Cùram is Slàinte nan Eilean Siar (Western Isles IJB) that require additional funding contributions from the Health Board.
- Medical recruitment challenges.
- Changes to island travel arrangements.

69. We previously recommended that NHS Western Isles develop a transformation plan to reduce the reliance annually developed savings. Following the agreement of the IJB Strategic Framework, NHS Western Isles should work with partners to develop a longer-term savings strategy to ensure the long-term financial sustainability of the Board and to enable it to meet its own strategic objectives.

Vision, Leadership and Governance

Conclusion

Overall effective governance arrangements are in place that support good governance and accountability. Board members provide adequate scrutiny and challenge at meetings to ensure the board's performance is effectively reviewed.

Governance arrangements are effective and appropriate

70. NHS Western Isles governance arrangements have been set out in the Governance Statement in the annual report and accounts. The arrangements have been reviewed and we concluded that they are effective and appropriate.

71. Our assessment included consideration of the:

- Board and committee structure
- conduct of non-executive members and officers at Board and committee meetings, including the openness of the Board and committees
- public access to information via the NHS Western Isles website
- reporting of performance and whether this is fair, balanced and understandable.

72. We attended all Audit and Risk Committee meetings during 2024/25 and observed good scrutiny, challenge and deep dives by the members into risk register items of significance. The committees and Board are well attended by all members.

73. The format of the management information allows those charged with governance to have oversight of key issues facing NHS Western Isles, such as staffing levels, funding, and achieving savings targets.

74. All members are afforded an opportunity to participate and share views. Members are engaged and operate in an open and transparent manner. Agenda and papers are provided in a timely fashion well in advance of each meeting.

NHS Wester Isles has a clear vision and strategy

75. NHS Western Isles has a strategy The Best at What We Do which covers the period from 2023-2025. The strategy clearly sets out the corporate values and objectives. As it is due for review next year, we will consider actions for developing the new strategy as part of our 2025/26 audit.

76. The strategy is supported by an Annual Delivery Plan, which was submitted to the Scottish Government in March 2024 and prepared alongside a 2024-2027 Medium Term Plan in line with NHS Scotland guidance.

Cyber security and risks around use of IT

77. There continues to be a significant risk of cyber-attacks to public bodies. The real-life experience and impact of the November 2023 CNES cyber-attack and its continued impact on NHS Western Isles in 2024/25 is a continual reminder of this.

78. As part of our risk assessment work and following up of prior year recommendations we reviewed IT and identified a number of weaknesses in the general IT environment and in cyber security arrangements. Specific weaknesses identified included the lack of a digital strategy, as well as risk management and business continuity processes being out of date.

79. On a more positive note, NHS Western Isles were subject to an annual audit in March 2025 by Cyber Security Scotland to assess compliance regarding 427 cyber security related controls which. The outcome of this was continued improvement over the prior year, up 18% to a 77% compliance rate. The report did note however that development areas remain, including regarding business continuity,

80. There has been improvement in the board's cyber security arrangements, however NHS Western Isles should continue to invest in their cyber security environment, prioritising Cyber Security Scotland urgent recommendations and developing a digital strategy.

The Code of Corporate Governance should be updated

81. Audit work highlighted that the current Code of Corporate Governance was last reviewed in 2022 and is past the agreed due date for update. As this review is due per local policy, and a new committee structure was implemented in 2024, the board should prioritise review and update of its Code of Corporate Governance.

Recommendation 4

NHS Western Isles should update its Code of Corporate Governance

Use of Resources to Improve Outcomes

Conclusion

NHS Western Isles has appropriate arrangements for performance monitoring and reporting

NHS Western Isles' performance against key waiting time standards has improved in some areas, however many areas are still behind target.

NHS Western Isles has appropriate arrangements for performance monitoring and reporting

82. Performance reports have been considered by the NHS Western Isles board regularly throughout 2024/45. Performance reports that detailed achievement of national HEAT targets were discussed at the October 2024 and March 2025 board meetings. The performance reports are publicly available

83. The reports include details of the key performance indicators which are not meet however reporting of planned action to improve services below targets should be strengthened in these reports.

Service performance against some national waiting time standards has improved since 2023/24, but many areas are still behind target

84. The 2024/25 annual report and accounts include the position at the end of March 2025 on the board's performance against its national waiting time standards. While these are not currently the board's only focus for performance monitoring, they provide context for the scale of the impact of the pandemic of the delivery of health services.

85. As shown in Exhibit 6 NHS Western Isles activity is approaching pre-pandemic levels, however demand for services remains very high and is increasing. As a consequence, the number of people waiting a long time for diagnostic tests, admissions or outpatient appointments is far higher than in 2020.

86. These trends are also reflected in NHS Western Isles performance against key waiting times standards (Exhibit 7). Performance in some areas has improved year on year and is similar or better than the NHS Scotland average. However, there are still a number of areas where the standards are not being met.

Exhibit 6

NHS Western Isles Trends in demand and activity per acute services

Demand	Quarterly trend Mar 2020 to Mar 2025	Change (%)
Ongoing waits for diagnostic tests		577.9%
Ongoing waits for an inpatient or day case admission		36.4%
Ongoing waits for a new outpatient appointment		75.9%
Activity	**Quarterly trend Mar 2020 to Mar 2025**	**Change (%)**
Number of scheduled elective operations in theatre system		-16.4%
Number of inpatient and day case admissions		-11.6%
Number of new outpatient appointments		-23.7%
Length of waits	**Quarterly trend Mar 2020 to Mar 2025**	**Change (%)**
Ongoing waits longer than 6 weeks for diagnostic tests		626.3%
Ongoing waits longer than 12 weeks for an inpatient or day case admission		6150.0%
Ongoing waits longer than 12 weeks for a new outpatient appointment		292.1%

Source: Public Health Scotland / NHS Western Isles

Exhibit 7

Performance against key waiting time standards

Target/standard	NHS Western Isles performance			NHS Scotland performance
	March 2023	March 2024	March 2025	March 2025
Cancer 62 Day Referral to Treatment target Proportion of patients that started treatment within 62 days of referral.	58%	68%	72%	74%
Cancer 31 Days Referral to Treatment target Proportion of patients who started treatment within 31 days of decision to treat.	100%	100%	100%	95%
Patient Treatment Time Guarantee Proportion of inpatients or day cases that were seen within 12 weeks.	55%	67%	73%	57%
Outpatients waiting less than 12 weeks Proportion of patients on the waiting list at month end who have been waiting less than 12 weeks since referral.	81%	64%	74%	61%
A & E attendees Proportion of A & E attendees who were admitted, transferred or discharged within 4 hours.	99%	97%	94%	71%
Drug and Alcohol 21 days Proportion of drug and alcohol patients that started treatment within 21 days.	92%	100%	82%	96%
Children and Adolescent Mental Health Services Waiting Times Proportion of patients seen within 18 weeks of referral.	100%	100%	100%	90%
Psychological therapies Proportion of patients that started treatment within 18 weeks of referral.	84%	94%	69%	81%

Source: Public Health Scotland / NHS Western Isles

A formal review is underway to demonstrate how NHS Western Isles is achieving Best Value

87. The audit work performed on the arrangements NHS Western Isles has in place for securing Best Value found these were generally effective and appropriate. This judgement is evidenced by the arrangements NHS Western Isles has in place around the four wider scope audit areas which contribute to it being able to secure Best Value.

88. We reported and recommended in our 2022/23 Annual Audit Report that the mechanism for formally reviewing and reporting on arrangements to secure best value should be formalised and published. As of June 2025, this action has not been completed as detailed in Appendix 1.

Appendix 1

Action plan 2024/25

2024/25 recommendations

Matter giving rise to recommendation	Recommendation	Agreed action, officer and timing
1. Mapping of transactions within notes to the financial statements Our audit work highlighted issues regarding the presentation of a number of transactions and balances across the accounts. Items were correctly identified as, for example, “expenditure” in the Statement of Comprehensive Net Expenditure. However, were misclassified within the notes to the accounts, for example being listed as “primary care” rather than “secondary” in Note 3b. Other classification issues were noted within liabilities and IJB transactions. Risk: Increased likelihood of transactions and balances being presented incorrectly.	Management should review and update processes for mapping of transactions and balances in advance of preparing the 2025/26 annual accounts	**Agreed Action:** A full review of the mapping of codes to the annual accounts classification lines will be undertaken during 25/26. **Responsible officer:** Principal Finance Accountant **Agreed date:** 31 March 2026

Matter giving rise to recommendation	Recommendation	Agreed action, officer and timing
2. Clarity over the reporting of recurring and non-recurring savings NHS Western Isles reported achieving a mixture of both recurring and non-recurring savings in 2024/25, however from discussion with management it was clear that some of the recurring savings achieved were non-recurring in nature. Risk – There is a lack of clarity regarding the impact of savings on the longer term financial position of the board.	NHS Western Isles should improve reporting in this area, ensuring that savings are classified only as recurring when appropriate and that these recurring savings clearly reduce the financial challenge in future periods.	**Agreed Action:** Director of Finance will clarify with Scottish Government Finance Team, as for the last 10 years or more Vacancy Savings have been classed as recurring as they always occur due to poor workforce demographics, but they would not have been the same post. DOF will keep Audit Scotland informed and adjust clarifications as required. **Responsible officer:** Director of Finance **Agreed date:** 31st December 2025
3. Formalisation of arrangements for services with other public sector bodies NHS Western Isles both provides to and receives services from, other public sector bodies. Our audit work highlighted two instances where services had been provided for a number of years on an annual basis, however there was no underlying agreement in place. Risk - These informal arrangements create risks to financial planning and make it more challenging for management to demonstrate value for money.	NHS Western Isles should stake steps to formalise the two service arrangements highlighted by our audit work and also carry out a review of income and expenditure to identify any similar informal arrangements.	**Agreed Action:** The Service arrangements are for the Occupational Therapy Team whereby NHS Western Isles provide the adaption and reviews service for Comhairle Nan Eilean Siar. The Chief Officer together with Finance Support will look to finalising an SLA for this service. The Finance Manager will analyse income budgets to ascertain whether there is any other formal arrangement required. **Responsible officer:** Director of Finance **Agreed date:** 31st December 2025

Matter giving rise to recommendation	Recommendation	Agreed action, officer and timing
4. Update of the Code of Corporate Governance The current Code of Corporate Governance was last reviewed in 2022 and is past the agreed due date for update. Risk – The existing Code of Corporate Governance does provide appropriate guidance, particularly as the governance structure of the Board has since changed.	The Board should prioritise review and update of its Code of Corporate Governance.	**Agreed Action:** The Code of Corporate Governance has been reviewed and amended to take account of governance structures by officers and will shortly be signed off by accountable officer before going to 9th December Governance Committee. **Responsible officer:** Director of Finance **Agreed date:** 30th November 2025

Follow-up of prior year recommendations

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update
1. Performance Report and Governance Statement disclosures (2023/24) The Performance Report and Governance Statement should be reviewed to ensure there is a clear and concise narrative. Risk – the board does not comply with FReM disclosure requirements and key messages are lost due to irrelevant information.	**Recommendation:** Items surplus to reporting requirements should be removed for example the membership of committees overall in one table in the Governance Statement thus, removing the need for multiple lists of individuals. **Agreed Action:** The Board will review again the Performance Report and Governance statement in line with advice from Audit Scotland and ensure the 24/25 report is cross referenced with FreM disclosure **Responsible officer:** Director of Finance **Agreed date:** May 2025	Work in progress **Recommendation:** While there has been some improvement, there remains scope to remove surplus information from the Performance Report and Governance statement. **Revised Action:** For the 24/25 Annual Accounts large amounts of information previously in the Performance Report and Governance statement has been removed. This statement will form part of the 25/26 annual accounts process. NHS Western Isles will continue to review other Boards published Performance Report and Governance Statement for best practice to improve the 25/26 statements. **Responsible officer:** Director of Finance **Agreed date:** May 2026

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update
2. Workforce sustainability (2023/24) Reliance on temporary staff is not financially sustainable. The Board needs to look at alternative models for service delivery as a matter of priority and limit tis use of off framework Risk – Reliance on agency and locum staff particularly those working off the national frameworks is financially sustainably with the increasing cost pressures.	**Recommendation:** NHS Western Isles should look to reduce its reliance on locum staff and work with the Scottish Government to encourage those operating off the national frameworks to use the agreed frameworks. **Agreed Action:** NHS Western Isles has always tried to reduce our reliance on Consultant Locum staff, and we monitor agency and direct engagement costs as well as national framework spend. A lot of work has gone into consultant and GP recruitment recently to attract medical staff to the islands with media coverage throughout the world with some excellent results. Work on substantive recruitment is continuing through out 2024/25 together with a drive to increase direct engagement appointments instead of agency locums. **Responsible officer:** Director of HR/Medical Director **Agreed date:** Work continuous to ensure workforce sustainability	Work in progress **Updated Recommendation:** NHS Western Isles has made progress in this area, however agency costs remain high. **Revised Action:** Remote and rural NHS Boards consultant vacancies per 100,000 people are significantly higher than other NHS Boards. This is together with a significant shortage of mental health consultants, particularly psychiatrists, in Scotland. This position has worsened in the last 5 years and together with the need for 1-2 or 1-3 on call cover means NHS Western Isles is unlikely to resolve the need for agency Locums. See Agreed Action for ongoing work to reduce costs and improve recruitment. To note the actions taken around Direct Engagement model has resulted in the medical pay spend (excluding psychiatry) being within budget for 24/25. **Responsible officer:** Director of HR/Medical Director **Agreed date:** Work continuous to ensure workforce sustainability

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update
3. Capital investment strategy (2022/23) The capital plan is overcommitted and deferral of capital projects increases the risk of asset deterioration and the need for urgent works to be undertaken. Risk: Failing to carry out repairs and invest in modern equipment and technology puts at risk the quality of patient care and is likely to undermine ambitions to transform the health service in the Western Isles.	**Recommendation:** NHS Western Isles should prepare a capital investment strategy that has a plausible plan for investing in each priority area together with clarity on what the priorities for investment will be. **Agreed Action:** A 5 year capital plan will be approved. **Responsible officer:** Director of Finance & Procurement **Agreed date:** 31 March 2025	Implemented
4. Employee verification (2022/23) Permanent staff are shown in budget monitoring reports submitted to budget holders but there is no positive verification to confirm staff are genuine current employees of the board. Risk: Fraudulent “ghost” employees may not be identified, or staff leaving the board may not be notified to HR and Payroll teams on a timely basis, resulting in overpayments being made.	**Recommendation:** Budget holders should confirm the validity and accuracy of employee details in budget monitoring reports, to confirm their staff are genuine current employees. This confirmation should be documented to demonstrate that the control operated effectively throughout the year. **Agreed Action:** The email that is sent to budget holders monthly to advise them of the staffing costs for that month will request a sign off by return that they agree all staffing on their salary spread are presently working for them. **Responsible officer:** Finance Manager **Agreed date:** 31 July 2024	**Updated status:** This specific action has not been implemented. **Management Response:** NHS Western have other strict controls in place to avoid “Ghost” Employees including thorough monthly monitoring of all staff on every cost centre by finance team together with relevant budget holders. This is together with a similar process at budget setting so base staffing is correct A payroll verification exercise is undertaken monthly between payroll interface and ledger including clearing suspense of any employees not given a cost centre after ascertaining this are genuine new employees. Closed.

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update
5. Transformational plan (2022/23) Reliance continues to be placed on the Annual Operational Plan for identifying services that can be re-designed in order to achieve efficiency savings. Risk: There is a risk that transformational change for Board services does not progress as planned.	**Recommendation:** NHS Western Isles should develop a transformational plan for the redesign of services. This should be developed alongside the medium to longer term financial plan and consistent with the IJB Transformational Plan for the delivery of IJB services **Agreed Action:** The development of a transformational plan is linked to the development of the IJB Strategic plan and national plans. As part of the IJB Strategic Plan we will be looking at some transformation work but this is tied up into central changes within Scottish Government which are yet to be fully implemented. As a small Board we would not be undertaking any major transformation change but would be part of either the Northern Boards plans, or the SG centralisation plans and the National Care Service Plans. These transformational plans will also include the Sponsorship Framework, Centres of Excellence and any further changes with the National Care Service. **Responsible officer:** Chief Officer **Revised date:** 30 September 2024	Work in progress **Updated Recommendation:** NHS Western Isles should work with partners to develop a longer-term savings strategy to ensure the long-term financial sustainability of the Board. **Revised Action:** Action is as agreed initially in column 2. National work is underway. It is very difficult to undertake any form of planned transformational change with such poor workforce demographics and achieve longer-term savings with an ever-increasing aging population which means need is growing but the workforce needed to deliver services is reducing. As a Health Board, where possible, digital means of appointments will be assessed but for hands on care of patients and care of social care clients' digital is not appropriate and the Western Isles Health and Social Partnership is dependent on an ever-reducing workforce. **Responsible officer:** Chief Executive (working with Chief Officer of Cùram is Slàinte nan Eilean Siar). **Agreed date:** 31st March 2026

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update
6. Cyber security and IT (2022/23) NHS Western Isles has not progressed its cyber security arrangements. Effective processes must be in place to ensure the secure management of the NHS Western Isles' IT network and identify and address cyber security risks associated with existing technology and processes. **Risk:** Cyber security arrangements are not adequate to prevent or recover from a cyber-attack, resulting in loss of service delivery.	**Recommendation:** As a matter of urgency, NHS Western Isles should strengthen its IT governance and cyber security arrangements to address the critical and urgent NIS audit recommendations, improve risk management, disaster recovery and business continuity arrangements. As of June 2024, the latest NIS audit showed an improvement in NHS Western Isles compliance however there are still some urgent recommendations that NHS Western Isles should prioritise implementing. **Agreed Action:** A Cyber Officer has been employed within NHS Western Isles and the Head of IT together with his relevant team have set up a NIS Audit working group and there is a live tracking document with all recommendations with a responsible officer which will be updated at each group meeting. The first meeting was 24th May 2024 and will be held monthly. **Responsible officer:** Director of Public Health/Head of IT **Revised date:** Continuous action to ensure our compliance is as high as possible	Work in progress **Updated Recommendation:** There has been improvement, however a number of critical and urgent recommendations are still to be addressed. A digital strategy should be developed and implemented. **Revised Action:** The Head of IT is writing the Digital Strategy and will go through the Governance Committees late Summer for approval. There are three priority areas for improvement which came from the NIS Audit: Supplier Management, specifically Security in Cloud Services – Documentation regarding Microsoft Azure Tenancy to be provided by NSS. Incident Management – Cyber Incident Response Plans development and testing will improve compliance. Business Continuity—BCP and DR plans and capabilities need to be established, documented, and tested. Assistance from the wider organisation is required and will require a significant effort. The Head of IT will update the Finance and Performance Committee quarterly. **Responsible officer:** Head of IT **Agreed date:** 31st March 2026

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update
7. Best Value arrangements (2022/23) The mechanism for formally reviewing and reporting on arrangements to secure best value should be formalised and published. **Risk:** The Board does not comply with its best value responsibilities. Opportunities for improvement through Best Value review may be missed.	**Recommendation:** A formal review of the Best Value assurance framework, and an assessment of the Board's Best Value arrangements should be completed in 2023/24. The outcome of the assessment should be reported to the Board. As of June 2024, the latest NIS audit showed an improvement in NHS Western Isles compliance however there are still some urgent recommendations that NHS Western Isles should prioritise implementing. **Agreed Action:** Best value review currently underway and due to be reported to the Audit and Risk Committee in August 2024. **Responsible officer:** Corporate Business Manager **Revised date:** August 2024	Not implemented. **Revised Action:** This will be undertaken in 25/26 and reported up through the Governance Committee. **Responsible officer:** Corporate Business Manager **Revised date:** 31st March 2026

Appendix 2

Summary of misstatements

Details	Financial statements lines impacted	Statement of Comprehensive Net Expenditure (SoCNE)		Statement of Financial Position (SoFP)	
Adjusted misstatements		**Dr**	**Cr**	**Dr**	**Cr**
		£000	**£000**	**£000**	**£000**
Classification of primary and secondary care expenditure					
	Primary care	919			
	Secondary care		(919)		
Classification of other operating expenditure					
	Resource transfer	1,455			
	Other operating expenditure		(1,455)		
Net impact on financial statements		**2,374**	**(2,374)**		
Audit adjustments in disclosures					
Capital creditors totalling £1.766m were incorrectly excluded from the Statement of Cashflows. To amend this both the Movements in Working Capital and Purchase of Property Plant and Equipment have been updated.					

Appendix 3

Supporting national and performance audit reports

Report name	Date published
Local government budgets 2024/25	15 May 2024
Scotland's colleges 2024	19 September 2024
Integration Joint Boards: Finance and performance 2024	25 July 2024
The National Fraud Initiative in Scotland 2024	15 August 2024
Transformation in councils	1 October 2024
Alcohol and drug services	31 October 2024
Fiscal sustainability and reform in Scotland	21 November 2024
Public service reform in Scotland: how do we turn rhetoric into reality?	26 November 2024
NHS in Scotland 2024: Finance and performance	3 December 2024
Auditing climate change	7 January 2025
Local government in Scotland: Financial bulletin 2023/24	28 January 2025
Transparency, transformation and the sustainability of council services	28 January 2025
Sustainable transport	30 January 2025
A review of Housing Benefit overpayments 2018/19 to 2021/22: A thematic study	20 February 2025
Additional support for learning	27 February 2025
Integration Joint Boards: Finance bulletin 2023/24	6 March 2025
Integration Joint Boards finances continue to be precarious	6 March 2025
General practise: Progress since the 2018 General Medical Services contract	27 March 2025
Council Tax rises in Scotland	28 March 2025

NHS Western Isles

2024/25 Annual Audit Report

Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN
Phone: 0131 625 1500 **Email: info@audit.scot**
www.audit.scot

AS.5.0