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News release

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Auditor General reports on issues raised in audits of three NHS boards

The Auditor General for Scotland, Caroline Gardner, has issued reports to the Scottish Parliament on matters raised in the audits of the 2014/15 accounts for NHS 24, NHS Tayside and NHS Highland.

The reports draw Parliament's attention to:

- Problems and delays with NHS 24 implementing a major new IT system
- NHS Tayside's need for a Scottish Government loan to break even - for the third successive year
- Improvements at NHS Highland following a critical report last year.

The report on NHS 24 is a follow up to one carried out last year. Delays in implementing a new IT system have brought substantial additional costs and risks to the board's ability to meet its financial targets in future years. The implementation date for the new system has been delayed from June 2013 to October 2015. The estimated cost of the new system is £117.4 million, £41.6 million (55 per cent) higher than the original estimate of £75.8 million.

NHS Tayside's continued reliance on loans (brokerage) to balance its budget largely stems from overspends on workforce and primary care prescribing, retrospective enhancements to holiday pay, and difficulties in selling surplus properties. It received £14.2 million from the Scottish Government in 2014/15 to break even. As well as repaying this loan and meeting continued workforce and primary prescribing spending pressures, NHS Tayside needs to make £27 million in savings in 2015/16.

The NHS Highland report provides an update on progress since a critical report last year on its 2013/14 accounts and responds to a number of issues raised by the Public Audit Committee in its own report in June 2015. The board has strengthened its financial management arrangements but more needs to be done to develop longer-term financial planning and reduce reliance on non-recurring savings.

The reports can be viewed [here](#).

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Notes to editors

1. The auditors have given an unqualified opinion on the accounts of NHS 24, NHS Tayside and NHS Highland, for the year ended 31 March 2015. The Scottish Government laid these accounts with the Scottish Parliament on 8 October 2015.

2. These reports have been made under section 22 of the Public Finance and Accountability (Scotland) Act 2000, which allows the Auditor General to draw the Scottish Parliament's attention to matters of concern arising from an audit of accounts. The Auditor General will present these reports to the Scottish Parliament's Public Audit Committee. The committee will then decide what further steps it may wish to take.

3. Audit Scotland will publish "NHS in Scotland 2015" on 22 October 2015, reporting on the performance of the NHS in 2014/15 and its future plans. The issues raised in the reports published today will feature in it.

4. Audit Scotland has prepared this report for the Auditor General for Scotland. All Audit Scotland reports published since 2000 are available at www.audit-scotland.gov.uk

- The Auditor General appoints auditors to Scotland's central government and NHS bodies; examines how public bodies spend public money; helps them to manage their finances to the highest standards; and checks whether they achieve value for money. The Auditor General is independent and is not subject to the control of the Scottish Government or the Scottish Parliament
- Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act, 2000. It provides services to the Auditor General for Scotland and the Accounts Commission for Scotland.