STATUTORY INSTRUMENTS

1974 No. 541

NATIONAL HEALTH SERVICE, ENGLAND AND WALES

The National Health Service Financial (No. 2) Regulations 1974

Made - - - -	*25th March* 1974
Laid before Parliament	*29th March* 1974
Coming into Operation	*1st April* 1974

The Secretary of State for Social Services as respects England, and the Secretary of State for Wales as respects Wales, in exercise with the approval of the Treasury of powers conferred by section 54(6) of the National Health Service Act 1946(**a**) (as amended by section 57 of, and paragraph 30 of Schedule 4 to, the National Health Service Reorganisation Act 1973(**b**)), and in exercise of powers conferred by section 40(2) of the said Act of 1946 (as amended by paragraphs 25(3) and (4) of the said Schedule), sections 28(2) and 29(1) of the Health Services and Public Health Act 1968(**c**) (as amended by paragraphs 114 and 115 respectively of the said Schedule), and now vested in them(**d**), and of powers conferred on them by sections 7(4), 9(6) and 47(1) and (2) of the said Act of 1973, and of all other powers enabling them in that behalf hereby make the following regulations : —

Citation and commencement

1. These regulations may be cited as the National Health Service Financial (No. 2) Regulations 1974 and shall come into operation on 1st April 1974.

Interpretation

2.—(1) In these regulations, unless the context otherwise requires—

" the Act " means the National Health Service Act 1946 ;

" the Reorganisation Act " means the National Health Service Reorganisation Act 1973 ;

" auditor " means an auditor appointed by the Secretary of State under section 55(2) of the Act ;

" enactment " includes a provision in a Statutory Instrument ;

" Health Authority " means a Regional or Area Health Authority ;

" Prescription Pricing Authority " means the special health authority constituted by the Prescription Pricing Authority (Establishment and Constitution) Order 1974(**e**) ;

" Welsh Health Technical Services Organisation " means the special health authority constituted by the Welsh Health Technical Services Organisation (Establishment and Constitution) Order 1973(**f**).

(a) 1946 c. 81. **(b)** 1973 c. 32. **(c)** 1968 c. 46.
(d) *See* Secretary of State for Social Services Order 1968 (S.I.1968/1699 (1968 III, p.4585)) Article 2, and Transfer of Functions (Wales) Order 1969 (S.I. 1969/388 (1969 I, p.1070)) Article 2.
(e) S.I. 1974/9 (1974 I, p. 14).
(f) S.I. 1973/1624 (1973 III, p. 5070).

(2) Unless the context otherwise requires, references in these regulations to an enactment shall be construed as references to that enactment as amended by any subsequent enactment.

(3) Unless the context otherwise requires, any reference in these regulations to a numbered regulation is a reference to the regulation bearing that number in these regulations, and any reference in a regulation to a numbered paragraph is a reference to the paragraph bearing that number in that regulation.

(4) References in any other regulations to the regulations revoked by these regulations or to any provision thereof shall be construed as references to these regulations or to the corresponding provision hereof, as the case may be.

(5) The rules for the construction of Acts of Parliament contained in the Interpretation Act 1889(**a**) shall apply for the purposes of the interpretation of these regulations as they apply for the purposes of the interpretation of an Act of Parliament.

Estimates

3.—(1) Subject to paragraph (5), each Regional Health Authority shall submit to the Secretary of State such estimates of such expenditure, income and capital receipts in such form, by such dates, for such financial years and accompanied by such relevant information as he may specify.

(2) The Secretary of State may approve any such estimates with or without modification and subject to such conditions as he thinks fit and may at any time vary such approval or conditions.

(3) Subject to paragraph (5), each Area Health Authority in England shall submit to the Regional Health Authority in whose region it is included, and each Area Health Authority in Wales shall submit to the Secretary of State, such estimates of such expenditure, income and capital receipts in such form, by such dates, for such financial years and accompanied by such relevant information as the Regional Health Authority or the Secretary of State may specify.

(4) Subject to regulation 4, the Regional Health Authority or the Secretary of State may approve any such estimates with or without modification and subject to such conditions as the Regional Health Authority or the Secretary of State thinks fit and may at any time vary such approval or conditions.

(5) A Regional Health Authority shall not be required to submit to the Secretary of State, an Area Health Authority in England shall not be required to submit to a Regional Health Authority, and in Wales shall not be required to submit to the Secretary of State, estimates of payments to be made by a Family Practitioner Committee to persons for the provision of services under Part IV of the Act or estimates of any sums which may be due from such persons in respect of that provision.

Community Health Councils

4. Modification under regulation 3(4) by a Regional Health Authority or the Secretary of State of the estimates of an Area Health Authority may include modification by the incorporation in or addition to those estimates

(**a**) 1889 c. 63.

of the approved estimates of such Community Health Council as they may respectively specify; and may incorporate arrangements with that Area Health Authority for the payment of sums equal to such expenses of that Community Health Council as are included in such approved estimates.

Standing Financial Instructions

5.—(1) Each Health Authority shall make and may from time to time vary Standing Financial Instructions for the regulation of the conduct of its members and officers in relation to all financial matters with which it is concerned including those relating to the provision of services to a Family Practitioner Committee.

(2) Each Health Authority shall incorporate in such Standing Financial Instructions such requirements as the Secretary of State may direct and may not vary such requirements otherwise than as such directions may provide.

Annual Accounts

6.—(1) Each Health Authority and body of Special Trustees shall transmit its annual accounts (including in the case of a Health Authority accounts in respect of any property held on trust, and in the case of an Area Health Authority the annual accounts of any Family Practitioner Committee which it has established and the annual accounts of any Community Health Council whose approved estimates were the subject of a modification under regulation 4 of the estimates of that Area Health Authority) to the Secretary of State by such date after the end of each financial year and in such form as he, with the approval of the Treasury, may direct and each Area Health Authority and each body of Special Trustees in England shall send a copy of such accounts to the Regional Health Authority in whose region it is included.

(2) Each Health Authority and body of Special Trustees shall maintain such records relating to its accounts and shall comply with such conditions as to certificates relating to such accounts as the Secretary of State may direct.

Audit of accounts

7.—(1) Each Health Authority and body of Special Trustees shall make available to an auditor at all reasonable times such books, accounts, vouchers and other documents of the Health Authority or body and their officers as the auditor may require on giving reasonable notice thereof in writing to the Health Authority or body.

(2) Each Health Authority shall require such member or officer (including an officer whose services are placed at the disposal of a Family Practitioner Committee or Community Health Council), each body of Special Trustees shall require such Special Trustee, and each Family Practitioner Committee shall require such member to attend before the auditor to give such information relating to the affairs of such Authority, body or Committee for the purpose of an audit as he may require on giving reasonable notice thereof in writing to such Authority, body or Committee.

Losses and damages

8. Where a loss occurs or a claim for damages or compensation is made against a Health Authority that Authority shall follow such procedures,

maintain such records and make such reports in relation thereto as the Secretary of State may require.

Treasurer

9.—(1) Each Regional Health Authority shall appoint an officer as Regional Treasurer and each Area Health Authority shall appoint an officer as Area Treasurer.

(2) Without prejudice to the generality of the functions of officers of Health Authorities, the duties of the Regional Treasurer and the Area Treasurer shall include the provision of financial advice to the Health Authority and its officers, supervision of the implementation of the Health Authority's financial policies, the design, implementation and supervision of systems of financial control and the preparation and maintenance of such accounts, certificates, estimates, records and reports as the Health Authority may require for the purpose of carrying out its duties under these regulations, and in the case of an Area Treasurer the like provision to the Family Practitioner Committee established by the Health Authority of which he is the Area Treasurer.

Dental Estimates Board

10.—(1) The Dental Estimates Board shall appoint as Finance Officer such person as may be approved by the Secretary of State.

(2) Without prejudice to the generality of the functions of officers of the Dental Estimates Board, the duties of the Finance Officer shall include the provision of financial advice to the Dental Estimates Board or any of its committees, the design, implementation and supervision of systems of financial control, and the preparation and maintenance of such accounts, certificates, estimates, records and reports as the Board may require for the purpose of carrying out its duties under these regulations.

(3) Regulations 3, 5, 6, 7 and 8 shall apply to the Dental Estimates Board as if it were a Regional Health Authority.

Prescription Pricing Authority

11. Regulation 10 shall apply to the Prescription Pricing Authority with the substitution of the words " Prescription Pricing Authority " for the words " Dental Estimates Board ".

Welsh Health Technical Services Organisation

12.—(1) The Welsh Health Technical Services Organisation shall appoint its Chief Administrator as its Chief Financial Officer.

(2) Regulation 9(2) shall apply to the Chief Financial Officer as if he were the Area Treasurer of an Area Health Authority in Wales.

(3) Regulations 3, 5, 6, 7 and 8 shall apply to the Welsh Health Technical Services Organisation as they apply to an Area Health Authority in Wales.

Revocation

13. Part III of the National Health Service (Executive Councils and Dental Estimates Board) Financial Regulations 1969(**a**) and the National Health Service Financial Regulations 1974(**b**) are hereby revoked.

Barbara Castle,

Secretary of State for Social Services.

21st March 1974.

John Morris,

Secretary of State for Wales.

21st March 1974.

We approve these regulations.

T. Pendry,

James Hamilton,

Two of the Lords Commissioners of Her Majesty's Treasury.

25th March 1974.

EXPLANATORY NOTE

(*This Note is not part of the Regulations.*)

These Regulations supersede with corrections the National Health Service Financial Regulations 1974 which have not yet come into operation. They provide for the preparation, the submission for approval and the approval of estimates of income and expenditure by Area Health Authorities and Regional Health Authorities. They also provide for any approvals to be subject to conditions and modifications ; require annual accounts to be kept and audited and standing financial instructions to be prepared to govern the conduct of members and staff of those authorities. Provision is also made to apply the Regulations as appropriate to Special Trustees, the Prescription Pricing Authority and the Welsh Health Technical Services Organisation as well as to the Dental Estimates Board. The Health Authorities are also required to appoint a Treasurer whose duties are set out and to keep such accounts of losses or claims for damages as they may be required to do.

(**a**) S.I. 1969/1581 (1969 III, p. 5047). (**b**) S.I. 1974/282.(1974 I, p.972).

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