

1969 No. 1611 (S.135)

NATIONAL HEALTH SERVICE, SCOTLAND
**The National Health Service (Hospital Accounts and
Financial Provisions) (Scotland) Regulations 1969**

<i>Made</i> - - - -	14th November 1969
<i>Laid before Parliament</i>	24th November 1969
<i>Coming into Operation</i>	1st December 1969

In exercise of the powers conferred upon me by sections 54 and 55 of, and Schedule 4 to, the National Health Service (Scotland) Act 1947(a) (as amended by sections 27 and 28 of the Health Services and Public Health Act 1968(b)) and by section 29 of the said Act of 1968, and of all other powers enabling me in that behalf and with the approval of the Treasury I hereby make the following regulations:—

Citation and commencement

1. These regulations may be cited as the National Health Service (Hospital Accounts and Financial Provisions) (Scotland) Regulations 1969 and shall come into operation on 1st December 1969.

Interpretation

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

“the Act” means the National Health Service (Scotland) Act 1947;

“the Act of 1968” means the Health Services and Public Health Act 1968;

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

“Board” means a Regional Hospital Board or Board of Management constituted under section 11 of the Act;

“capital expenditure” means expenditure of a Board on works of construction, reconstruction or alteration and associated purchases of furniture and equipment after the deduction of direct credits;

“chief financial officer” means, in the case of a Regional Hospital Board, the Regional Treasurer; and in the case of a Board of Management, the Secretary and Treasurer;

“direct credit” means an item of income of a class determined by the Secretary of State with the approval of the Treasury as proper to be offset against the expenditure of a hospital authority;

“financial year” means the period of twelve months ending on 31st March;

“revenue expenditure” means the expenditure, other than capital expenditure, of a Board after the deduction of direct credits.

(2) The Interpretation Act 1889(c) applies for the interpretation of these regulations as it applies for the interpretation of an Act of Parliament.

 (a) 1947 c. 27.

(b) 1968 c. 46.

(c) 1889 c. 63.

Finance Committee

3.—(1) For the supervision and control of their financial affairs each Board shall appoint a finance committee which, notwithstanding anything contained in regulation 10 of the National Health Service (Regional Hospital Boards and Boards of Management) (Scotland) Regulations 1947(a) shall consist wholly of members of the appointing body.

(2) The functions of the Finance Committee shall include:—

- (a) advising the Board on the financial aspects of all matters which are within the scope of the functions of that Board;
- (b) ensuring that proper financial control is maintained in all matters for which the Board are responsible, and that standing financial instructions are issued;
- (c) ensuring the proper maintenance of such financial records as the Secretary of State may specify;
- (d) submitting of financial estimates required by the Board.

Duties of the Chief Financial Officer

4. The duties of the chief financial officer of a Board shall include:—

- (a) giving information and advice on financial matters to the Board and to their Finance Committee;
- (b) the continuous oversight and review of the arrangements for financial control;
- (c) the preparation and completion of all financial estimates and returns required by his Board;
- (d) the maintenance of a system of balancing double entry ledger accounts for recording the income and expenditure of the Board, of a system of cost accounts integrated therewith, and of such other financial records as the Secretary of State may specify;
- (e) the proper collection of all moneys due to, the safe custody and the prompt payment into the bank of all moneys received by, and the prompt disbursement of all payments due by the Board.

Control of Capital Expenditure

5.—(1) Each Regional Hospital Board shall submit to the Secretary of State in such form and by such dates in each financial year as the Secretary of State may specify:—

- (a) an estimate of capital expenditure for the next succeeding financial year and a revised estimate of capital expenditure for the current financial year;
- (b) annual programmes showing capital schemes for which the Board propose the start of works on site in such financial years as the Secretary of State may specify.

(2) The Secretary of State may approve the estimates and, for such financial years as he may specify, annual programmes of proposed capital schemes with or without modification or subject to conditions and may at any time prior to or during any financial year approve variations of an approved estimate or programme, but any such approval shall be without prejudice to any requirement for the consent of the Secretary of State to a specific scheme under the National Health Service (Functions of Regional Hospital Boards) (Scotland) Regulations 1948(a) as amended(b).

Control of Revenue Expenditure

6.—(1) Each Board of Management shall submit to the appropriate Regional Hospital Board, in such form and by such date in each financial year as the Regional Hospital Board may specify, forecasts of revenue expenditure for such subsequent financial years as the Regional Hospital Board may specify.

(2) The Regional Hospital Board shall examine the forecasts of revenue expenditure submitted to them as aforesaid and after making such modification as they think fit shall submit to the Secretary of State, in such form and by such date as he may specify in respect of the area of the Regional Hospital Board as a whole, forecasts of revenue expenditure for such subsequent financial years as he may specify.

(3) As soon as possible before the beginning of each financial year the Secretary of State shall notify each Regional Hospital Board of the total revenue expenditure which may be incurred by the Board in that year; and may subsequently revise the amounts so approved.

(4) A Regional Hospital Board shall notify each Board of Management in their area of the total revenue expenditure which may be incurred by that Board in each financial year, and may subsequently revise the amounts so approved.

Cash requirements

7.—(1) A Regional Hospital Board shall furnish to the Secretary of State such periodic estimates of cash requirements arising from expenditure approved by the Secretary of State for the purposes of section 54(1) of the Act and such additional information in connection therewith as he may specify, and the Secretary of State shall advance to each Board at such times and in such manner as the Treasury under section 54(4) of the Act may direct such amounts as appear to him to be necessary to meet the expenses of the Board.

(2) A Board of Management shall furnish to the Regional Hospital Board concerned such periodic estimates of cash requirements arising from expenditure approved by the Regional Hospital Board and such additional information in connection therewith as the Regional Hospital Board may specify and the Regional Hospital Board shall advance to the Board of Management at such intervals as they think fit such amounts as appear to them to be necessary to meet the expenses of the Board of Management.

Authorisation of Payments

8. No payments shall be made by or on behalf of a Board unless authorised in such manner as the Secretary of State may direct.

(a) S.I. 1948 No. 594 (Rev. XV p. 841; 1948 I p. 2449).

(b) The relevant amending instruments are S.I. 1963/993 (1963 II p. 1633) and S.I. 1969/437 (1969 I, p. 1290).

Auditors

9. An auditor shall have the right of access at all reasonable times to all books, accounts and other records of a Board. He may require their production before him and shall be entitled to require from any member or officer, or former member or officer of the Board such information relating to the affairs of the Board as he may deem necessary for the purpose of his audit.

Annual Accounts

10.—(1) As soon as may be after the close of a financial year the chief financial officer shall prepare annual accounts in such form as the Secretary of State, with the approval of the Treasury may direct. After certifying them as correct the chief financial officer shall submit them to the Board for approval. The Board shall thereafter transmit them to the auditor and, in the case of a Board of Management, shall also transmit a copy to the Regional Hospital Board, by such date as the Secretary of State may specify.

(2) The annual accounts shall be audited by the auditor who shall certify them with or without reservation. The auditor shall thereafter transmit them with his report thereon to the Secretary of State and shall also transmit a copy of each to the Regional Hospital Board.

Losses and Claims

11. Where a Board suffer a loss of public cash or property or where a claim which may result in the payment of damages or compensation is made against a Board, that Board shall follow such procedure, maintain such records and make such returns as the Secretary of State may specify.

Application of Regulations

12. These regulations shall apply to all accounts kept by a Board under section 55(2) of the Act, as amended by Section 28(3) of the Act of 1968.

Revocation of Regulations

13.—(1) The National Health Service (Hospital Accounts and Financial Provisions) (Scotland) Regulations 1948(a), are hereby revoked.

(2) Section 38 of the Interpretation Act 1889 shall apply as if these regulations were an Act of Parliament and as if any regulations revoked by these regulations were Acts of Parliament repealed by an Act of Parliament.

William Ross,

One of Her Majesty's Principal
Secretaries of State.

St. Andrew's House,
Edinburgh, 1.
12th November 1969.

We approve.

*E. S. Perry,
Joseph Harper,*

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

14th November 1969.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations which supersede the National Health Service (Hospital Accounts and Financial Provisions (Scotland) Regulations 1948) govern the internal financial arrangements and systems of financial control of the hospital service and make provisions for the audit of Hospital Board accounts.

The principal matters dealt with in the Regulations include—

- (a) the appointment of finance committees and the responsibility of a Board for proper financial control (regulation 3) and the role of the chief financial officer in this respect (regulation 4);
- (b) the control and approval of expenditure (regulations 5 and 6);
- (c) the making of cash advances to Boards in respect of approved expenditure (regulation 7);
- (d) the authorisation of payments by Boards (regulation 8);
- (e) the rights of auditors of access to, and production of, records (regulation 9);
- (f) annual accounts (regulation 10);
- (g) losses and claims (regulation 11).

The Regulations also prescribe some of the circumstances in which the Secretary of State may issue directions under Sections 28(3) and 29(2) of the Health Services and Public Health Act 1968.