

SCHEDULES

SCHEDULE 4

Section 20.

AMENDMENTS OF PART III OF THE LOCAL GOVERNMENT FINANCE ACT 1982

- 1 (1) In section 11 (establishment of Audit Commission), in subsection (1) after the words “Local Authorities” there shall be inserted “and the National Health Service”.
- (2) In subsection (2) of that section,—
 - (a) for the word “thirteen” there shall be substituted “fifteen”;
 - (b) for the word “seventeen” there shall be substituted “twenty”; and
 - (c) for paragraphs (a) and (b) there shall be substituted the words “such organisations and other bodies as appear to him to be appropriate”.
- 2 (1) In section 12 (accounts subject to audit), in subsection (2) after paragraph (e) there shall be inserted—

“(ea) a body specified in section 98(1) of the National Health Service Act 1977”.
- (2) After subsection (3) of that section there shall be inserted the following subsections—
 - “(3A) This section also applies to the accounts of the members of a recognised fund-holding practice so far as they relate to allotted sums paid to them, and subject to subsection (3B) and section 16(1A) below, any reference in this Part of this Act to the accounts of a body shall be construed, in relation to the members of a fund-holding practice, as a reference to such of their accounts as relate to allotted sums so paid.
 - (3B) In such circumstances and to such extent as regulations made by the Secretary of State so provide, this Part of this Act shall not apply to the accounts for any year of the members of a recognised fund-holding practice if those accounts are submitted to a Family Health Services Authority and summarised in that Authority’s accounts.
 - (3C) In subsection (3A) above “allotted sums” has the same meaning as in section 15 of the National Health Service and Community Care Act 1990.”
- (3) After subsection (4) of that section there shall be inserted the following subsection—

“(5) Any reference in this Part of this Act to a health service body is a reference to a body specified in section 98(1) of the National Health Service Act 1977 or to the members of a recognised fund-holding practice as mentioned in subsection (3A) above.”
- 3 (1) In section 13 (appointment of auditors), in each of subsections (3) and (4), after the word “body”, in the first place where it occurs, there shall be inserted “other than a health service body”.

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- (2) In subsection (5) of that section after the words “Secretary of State” there shall be inserted “or is a person for the time being approved by the Secretary of State, acting on the recommendation of the Commission”.
- (3) After subsection (5) of that section there shall be inserted the following subsection—
- “(5A) The Secretary of State shall not approve any person for the purposes of subsection (5) above after 31st March 1996 but, subject to the withdrawal of his approval after that date, any person who is so approved immediately before that date shall continue to be so approved after that date.”
- 4 (1) In section 14 (code of audit practice), at the end of subsection (1) there shall be added “and a different code may be prepared with respect to the audit of the accounts of health service bodies as compared with the code applicable to the accounts of other bodies”.
- (2) At the end of the section there shall be added the following subsection—
- “(7) In the application of subsection (6) above to a code which relates to the accounts of health services bodies,—
- (a) if the code relates only to those accounts, the reference to associations of local authorities shall be construed as a reference to organisations connected with the health service, within the meaning of the National Health Service Act 1977; and
- (b) if the code relates also to the accounts of other bodies, that reference shall be construed as including a reference to such organisations.”
- 5 In section 15 (general duties of auditors), in subsection (1)(a) after the words “section 23 below” there shall be inserted “or, in the case of a health service body, directions under subsection (2) or subsection (2B) of section 98 of the National Health Service Act 1977”.
- 6 In section 16 (auditor’s rights to obtain documents and information) after subsection (1) there shall be inserted the following subsection—
- “(1A) In the case of a recognised fund-holding practice the reference in subsection (1) above to documents includes a reference to documents relating to all the accounts and records of the members of the practice, whether or not relating to the allotted sum, within the meaning of that section.”
- 7 In section 17 (public inspection of accounts and right of challenge), in subsection (1) after the words “Part of this Act” there shall be inserted “other than the audit of the accounts of a health service body”.
- 8 In section 18 (auditor’s reports), in subsection (4) after the word “Commission” there shall be inserted “and, in the case of a health service body, to the Secretary of State”.
- 9 In section 19 (declaration that item of account is unlawful), in subsection (1) after the words “Part of this Act” there shall be inserted “other than the audit of the accounts of a health service body”.
- 10 In section 20 (recovery of amount not accounted for etc.), in subsection (1) after the words “Part of this Act” there shall be inserted “other than the audit of the accounts of a health service body”.

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- 11 In section 21 (fees for audit), after subsection (2) there shall be inserted the following subsection—
- “(2A) In the application of subsection (2) above to the audit of the accounts of a health service body, the reference to associations of local authorities shall be construed as a reference to organisations connected with the health service.”
- 12 (1) In section 22 (extraordinary audit), at the beginning of each of subsections (1) and (3) there shall be inserted “Subject to subsection (4A) below”.
- (2) After subsection (4) of that section there shall be inserted the following subsection—
- “(4A) Subsection (1)(a) above does not apply in relation to the accounts of a health service body; and in the application of subsection (3) above to an extraordinary audit of any such accounts for the words “15 to 20 above, except subsections (1) and (2) of section 17” there shall be substituted “15, 16, and 18 above”.”
- 13 In section 23 (regulations as to accounts), in subsection (1) after the words “this Part of this Act” there shall be inserted “other than health service bodies”.
- 14 In section 24 (right of local government elector to inspect accounts etc.), in subsection (1) after the words “Part of this Act” there shall be inserted “other than a health service body”.
- 15 At the end of section 25 (audit of accounts of officers) there shall be inserted the following subsection —
- “(2) In the application of subsection (1) above to an officer of a health service body for the words “15 to 24” there shall be substituted “15, 16, 18, 21 and 22”.”
- 16 In section 25A (power of auditor to issue prohibition order), in subsection (1) after the words “Part of this Act”, in the first place where they occur, there shall be inserted “other than a health service body”.
- 17 In section 25D (power of auditor to apply for judicial review), in subsection (1) after the word “body”, in the first place where it occurs, there shall be inserted “other than a health service body”.
- 18 (1) In section 26 (studies for improving economy etc. in services), at the end of subsection (3) there shall be added “and, in the case of studies relating to a health service body, shall, on request, furnish to the Comptroller and Auditor General, all material relevant to the studies”.
- (2) At the end of subsection (4) of that section there shall be added “and, in the case of any health service bodies, the Commission shall also consult the Secretary of State and the Comptroller and Auditor General”.
- 19 (1) In section 27 (reports on impact of statutory provisions etc.), in subsection (1) after the words “Part of this Act” there shall be inserted “other than health service bodies”.
- (2) At the end of that section there shall be added the following subsection—
- “(6) Notwithstanding that the services provided by health service bodies are excluded from the scope of studies under this section, in undertaking or promoting studies under section 26(1) above relating to a health service body, the Commission may take into account the implementation by the body of—

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- (a) any particular statutory provision or provisions, and
 - (b) any directions or guidance given by the Secretary of State (whether pursuant to any such provision or otherwise),
- but the power conferred by this subsection shall not be construed as entitling the Commission to question the merits of the policy objectives of the Secretary of State.”
- 20 (1) In section 29 (miscellaneous functions of Commission), at the end of subsection (2) there shall be added “or, in the case of a health service body, such other organisations as appear to the body to be appropriate”.
- (2) At the end of subsection (3) of that section there shall be added “or the National Health Service”.
- 21 In section 30 (restriction on disclosure of information), in subsection (1)(b) after the words “Part of this Act” there shall be inserted “or, in the case of a health service body, for the purposes of the functions of the Secretary of State and the Comptroller and Auditor General under the National Health Service Act 1977”.
- 22 (1) In section 33 (commencement and transitional provisions) after subsection (4) there shall be inserted the following subsection—
- “(4A) The Secretary of State may by regulations provide for any statutory provision not contained in this Part of this Act to continue to apply on and after the day appointed for the coming into force of paragraph 22 of Schedule 4 to the National Health Service and Community Care Act 1990 in relation to accounts for any period beginning before that day of health service bodies, with such modifications, additions and omissions as may be prescribed by the regulations; and different provision may be made by such regulations in relation to the accounts of bodies of different descriptions and in relation to the accounts for different periods.
- (2) In subsection (5) of that section (provision of working capital to the Commission) for the words “second appointed day”, in the second place where they occur, there shall be substituted “day appointed for the coming into force of paragraph 22 of Schedule 4 to the National Health Service and Community Care Act 1990” and at the end of the subsection there shall be added the words “with respect to its functions in relation to health service bodies”.
- 23 In section 36 (interpretation), in subsection (1),—
- (a) in the definition of “the Commission” after the words “Local Authorities” there shall be inserted “and the National Health Service”; and
 - (b) after that definition there shall be inserted—
 - “health service body” has the meaning assigned by section 12(5) above;
 - “recognised fund-holding practice” shall be construed in accordance with section 14 of the National Health Service and Community Care Act 1990”.
- 24 (1) In Schedule 3 (provisions as to the Commission), in paragraph 3(3) for the word “and”, in the last place where it occurs, there shall be substituted “or, as the case may require, such organisations connected with the health service as appear to him to be appropriate and (in either case)”.

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(2) At the beginning of paragraph 9 there shall be inserted “Subject to sub-paragraph (2) below” and at the end of the paragraph there shall be inserted—

“(2) Sub-paragraph (1) above shall apply separately with respect to the functions of the Commission in relation to health service bodies and its functions in relation to other bodies.”