

# HIGHER EDUCATION (WALES) ACT 2015

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## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS OF THE ACT

#### **Part 4 – Financial Affairs of Regulated Institutions**

##### *Section 27 – HEFCW’s duty to prepare and publish a Code*

81. This section requires HEFCW to prepare, publish and keep under review a Code relating to the organisation and management of the financial affairs of regulated institutions.
82. Subsection (2) gives examples of matters that the Code may deal with. These may be similar to the requirements found in HEFCW’s Financial Memorandum with institutions they fund and the Audit Code of Practice that HEFCW currently publishes. They include:
  - circumstances in which HEFCW’s consent is required before an institution enters into specified transactions;
  - audit and accounting arrangements; and
  - the provision of information to HEFCW (for example, copies of accounts).
83. The Code may impose requirements with which regulated institutions must comply and give guidance which regulated institutions must take into account in managing their financial affairs.
84. Whilst it will be for HEFCW to prepare the Code it is anticipated that the Code will seek to achieve a similar framework of control in respect of a regulated institution’s financial affairs to that currently imposed by terms and conditions of funding on institutions that receive HEFCW funding.