

SCHEDULES

SCHEDULE 7

THE HIGHER EDUCATION CORPORATIONS

Accounts

- 18 (1) It shall be the duty of each corporation—
- (a) to keep proper accounts and proper records in relation to the accounts; and
 - (b) to prepare in respect of each financial year of the corporation a statement of accounts.
- (2) The statement shall—
- (a) give a true and fair account of the state of the corporation's affairs at the end of the financial year and of the corporation's income and expenditure in the financial year; and
 - (b) comply with any directions given by the Polytechnics and Colleges Funding Council as to the information to be contained in the statement, the manner in which the information is to be presented or the methods and principles according to which the statement is to be prepared.
- (3) The accounts (including any statement prepared under this paragraph) shall be audited by persons appointed in respect of each financial year by the corporation.
- (4) The corporation shall consult, and take into account any advice given by, the Audit Commission for Local Authorities in England and Wales before appointing any auditor under sub-paragraph (3) above in respect of their first financial year.
- (5) No person shall be qualified to be appointed auditor under that sub-paragraph unless he is—
- (a) a member of a body of accountants established in the United Kingdom and for the time being recognised for the purposes of section 389(1)(a) of the Companies Act 1985; or
 - (b) a member of the Chartered Institute of Public Finance and Accountancy;
- but a firm may be so appointed if each of its members is qualified to be so appointed.
- (6) In this paragraph, in relation to a corporation—
- “the first financial year” means the period commencing with the date on which the corporation is established and ending with the second 31st March following that date; and
 - “financial year” means that period and each successive period of twelve months.