



Owner:	Finance Director
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POLICY REGARDING NON-AUDIT FEES PAYABLE TO INTERNAL OR EXTERNAL AUDITORS

- 1.1 Significant non-audit fee engagements contracted with either BU's internal or external auditors may be deemed an inducement and may, in reality or by perception, impact the independence of the counterparty and therefore the integrity of any outputs.
- 1.2 Under ISAs (UK) and the FRC's Ethical Standard BU's external auditors are required to confirm their independence.
- 1.3 The notification of non-audit work undertaken by either BU's internal or external auditors ('auditors') was introduced to ensure ARG are notified of any additional non-audit work undertaken by either the auditors.
- 1.4 For routine annual or low value ad hoc engagements, where the threat to independence is considered low, and the fee is not significant in the context of the audit fee, pre-approval is not required but ARG should still be notified of the engagement.

Examples of such services include:

- Certification of EU and government funded research grant claims;
- Certification under the US Federal Student Loans Programme;
- Provision of Corporation Tax Services;
- Audit of Teachers' Pension Scheme
- Specialised VAT advice

- 1.5 Specific approval shall be sought from ARG before inviting the auditor to engage for any non-audit services which, because of their nature or because of special terms or conditions, may give rise to threats to the auditor's independence. Examples of such services would include:

- Consultancy projects relating to non-financial systems; and
- Consultancy projects relating to tax planning, transaction support or corporate finance activities.

- 1.5.1 Specific approval shall be sought from ARG before inviting the auditor to engage for any non-audit services which, because of their size, may give rise to threats to the auditor's independence. For services more than £30,000 (net of VAT), approval may be given by the Chair of ARG. For services above £50,000 (net of VAT), the Chair of ARG would be required to consult with fellow members of the Committee.

- 1.5.2 Specific approval shall be sought from ARG before inviting the auditor to engage for any non-audit services where the aggregated annual spend (based on timing of commitment of fees i.e. purchase order value raised in one reporting period) of non-audit services to an auditor exceeds £50,000 (net of VAT).