12 FINANCIAL POLICY: NON AUDIT SERVICES

Reviewed by:  Head of Finance
Authorised by:  Audit Committee
Review date:  September 2017
Next review date:  September 2018

Statement of Policy
ICAS will use the external auditors to provide non-audit services only in circumstances where those services do not conflict with the auditor’s independence. ICAS is not a public interest entity (PIE) and therefore the restrictions over non-audit services for PIEs do not apply.

Prohibited Services
The external auditor will not provide the following services to ICAS :-
- Bookkeeping services or preparation of accounting records or statements
- Design and implementation of financial information systems or controls
- Internal audit services
- Information Technology services
- Actuarial functions
- Valuation functions
- Secondments where the secondee performs decision making or executive management functions
- Any service whereby the auditor would take on the role of management
- Legal & litigation services
- Corporate Finance services
- Recruitment, remuneration or restructuring services

Pre-Approval of Non Audit Services
Non audit services, which are not perceived to be in conflict with the role of the external auditor, may be provided by the external auditor, subject to pre-approval by the Audit Committee. The external auditor does not have preferred status in relation to these services, and such services may therefore also be subject to tender in accordance with the ICAS Purchasing Policy.

Services from the following list of non audit services may be provided by the External Auditor, provided that where the value of the assignment or engagement is over £2,000 this has been pre-approved by the Audit Committee. Below £2,000 individual assignments may be approved by the Chief Operating Officer and must be reported to the next Audit Committee.

- Advice and assurance on the interpretation and implementation of accounting standards, financial reporting, legislation, tax and governance
- Advice and assurance in relation to direct and indirect tax matters
- Scrutineer duties in relation to ICAS governance procedures
- Audit related assurance work, eg: reports required by third parties, for example, joint venture partners
- Project assurance or business process improvement reviews

Any new engagement for non audit services which falls outwith the list above but is not prohibited, must be pre-approved the Audit Committee. Appendix 1 lists services which the Audit Committee has pre-approved for the duration of the term.

Proposals to use the external auditor to provide non-audit services should be made in writing by the Chief Operating Officer to the Audit Committee. In approving non audit services to be provided by the
external auditor, the Audit Committee should have regard to the integrity, objectivity and independence of the auditor including the proportion of non audit services to audit services and whether the individuals concerned would be involved in the provision of both audit and non audit services.

If approval is urgently required services between Audit Committee meetings approval may be given by the Chair of the Audit Committee, who shall report to the next Audit Committee of the decision made.

**Reporting**
Details of non audit services will be provided to the Audit Committee at every meeting. Details of any approvals made by the Chair under the emergency procedure, or by the Chief Operating Officer if below £2,000 will be reported to each Audit Committee meeting.
Appendix 1

The following services are currently pre-approved by the Audit Committee and may be awarded to the External Auditor for the duration of their term:-

- Provision of audit services for ICAS and the ICAS Foundation
- Provision of tax and vat services and advice **
- Certification of financial statements or extracts to Joint Venture partners
- Scrutineer for AGM and SGM
- Consultation on accounting or disclosure requirements of events or changes in accounting standards
- Preparation and submission of iXBRL returns

**Any tax and vat services must be provided by a separate partner and staff team who have no involvement in the audit. If the tax figures became material to the accounts and audit, then this service would need to be reviewed.