



**POLICY ON AUDITOR INDEPENDENCE:  
RETENTION OF EXTERNAL AUDITORS  
FOR AUDIT, TAX AND OTHER NON-  
AUDIT SERVICES**

**University Policy No.:** GV0230  
**Classification:** Governance  
**Approving Authority:** Board of Governors  
**Effective Date:** June 2016  
**Supersedes:** January 2008  
**Last Editorial Change:**  
**Mandated Review:** June 2023

**PURPOSE**

- 1.00 The main purpose of this policy is to ensure procurement of audit, tax and other non-audit services does not compromise the university's external auditor's independence and their ability to serve the Audit Committee and the Board of Governors.

**DEFINITIONS**

- 2.00 For the purposes of this policy:

“**independence**” means where the auditor and members of the auditor's firm remain free of any influence, interest or relationship which, in respect of their engagement as university auditor, impairs or in the view of a reasonable observer, would impair their professional judgment or objectivity.

**POLICY**

- 3.00 During the course of the business of the university, audit, tax and other non-audit issues arising may require the advice of external consultants. Such services may not be covered by the external audit fee approved by the Board of Governors. Before arranging for such services, it is necessary for those employees of the university requesting the services to consult with the Executive Director, Financial Services on university-related business.
- 4.00 The university will not engage its external auditor to carry out any Prohibited Service as noted in the by-laws of the Institute of Chartered Accountants of British Columbia as amended from time to time.
- 5.00 The Audit Committee will approve a list of pre-approved auditor services. The university's external auditors may complete these services. Periodically (e.g. annually), the Audit Committee will update the Auditor Services Pre-Approved List and pre-approve services that are recurring or otherwise reasonably expected to be provided. See Appendix 1.

**IMPLEMENTATION OF THE POLICY**

- 6.00 The Vice-President Finance and Operations is responsible for the development of procedures for the approval of the Audit Committee. See [Procedures for Retention of External Auditors for Audit, Tax and Other Non-Audit Services](#).

- 7.00 The Executive Officers of the university are responsible for the implementation of the policy and procedures in their areas and shall coordinate with the Executive Director, Financial Services.
- 8.00 Responsibility for implementing the policy is delegated by the Board of Governors to the Executive Officers of the university, subject to regular reporting to the Board through the Vice-President Finance and Operations on services provided by the university's external auditors.

#### **AUTHORITIES AND OFFICERS**

- i) Approving Authority: Board of Governors
- ii) Designated Executive Officer: Vice President Finance and Operations
- iii) Procedural Authority: Vice President Finance and Operations
- iv) Procedural Officer: Vice President Finance and Operations

#### **RELATED POLICIES AND DOCUMENTS**

[Appendix 1 – Auditor Services Pre Approved List](#)

[Procedures for Retention of External Auditors for Audit, Tax and Other Non-Audit Services](#)

[Signing Authority Policy \(FM5100\)](#)

[Purchasing Services Policy \(FM5105\)](#)



**POLICY ON AUDITOR INDEPENDENCE  
APPENDIX 1:  
AUDITOR SERVICES PRE-APPROVED LIST**

This list contains the services that the university's external auditors can provide without further approval from the Audit Committee, providing the aggregate of fees is not more than \$50,000.

**Audit-Related:**

- Audits required by governments in connection to funds they have provided to the university;
- Audits required by governments in connection to student enrolment; and
- Discussion and confirmation regarding appropriateness of new accounting policies.

**Tax Services:**

- Advice relating to sales tax – GST and PST;
- Advice relating to tax issues relating to employment relationships; and
- Advice relating to the tax issues for donations except for donations involving substantial corporate, business, or real estate assets.

## **Procedures for Retention of External Auditors for Audit, Tax and Other Non-Audit Services**

**Procedural Authority:** Vice President Finance and Operations      **Effective Date:** January 2018  
**Procedural Officer:** Vice President Finance and Operations      **Supersedes:** January 2008  
**Last Editorial Change:**

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- 1.00 If external advice is required and the work should be performed by the external auditor as appointed by the Board of Governors, the requestor will be responsible for outlining the nature and scope of the service to be performed, the estimated fee, a statement that the service is not a Prohibited Service and the reason the external auditor is being engaged.
- 2.00 The individual seeking the service (“requestor”) must first consult with the Executive Director, Financial Services.
- 3.00 If the service required is on the Auditor Services Pre-Approved List and the estimated value is less than or equal to \$50,000 then a purchase requisition must be prepared with details as to the estimates and particulars.
- 4.00 If the service required is on the Pre-Approved List but estimated fees are greater than \$50,000 then the proposal will be submitted to the Vice-President Finance and Operations who will present it to the Chair of the Audit Committee for consideration and approval. The full Audit Committee will subsequently be informed of the service at their next regularly scheduled meeting. The engagement may not commence until approved by the Chair of the Audit Committee.
- 5.00 If the service requested is not on the Auditor Services Pre-Approved List and the estimated value is less than or equal to \$10,000 then a purchase requisition must be prepared with details as to the estimates and particulars.
- 6.00 If the service requested is not on the Auditor Pre-Approval List and the estimated value is greater than \$10,000 then the proposal will be submitted to the Vice-President Finance and Operations who will present it to the Chair of the Audit Committee for consideration and approval. The full Audit Committee will subsequently be informed of the service, no later than at the next regularly scheduled meeting. The engagement may not commence until approved by the Chair of the Audit Committee.
- 7.00 For services requiring approval of the Chair of the Audit Committee: the requestor will submit the proposal for service to the Vice-President, Finance and Operations.
- 8.00 Upon approval, the requester must prepare a purchase requisition, with details as to the estimates and particulars. For an extended consultation project, use of a 'standing' purchase order can be considered.

9.00 The Vice-President Finance and Operations will report at the next regularly scheduled meeting to the Audit Committee a running total of the audit and non-audit services provided by the external auditors to the university.

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