Universities UK/Guild HE Code of Practice for the Management of Student Housing

Guidance for Internal Auditors
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Background

The Housing Act 2004 introduced licensing for houses in multiple occupation in England and Wales. Higher education institutions are exempted from licensing providing they sign up to one of the three codes of practice approved by the Department of Communities and Local Government (DCLG):

- The Universities UK/Guild HE Code of Practice for the Management of Student Housing ('the Code');
- The ANUK/Unipol Code of Standards for Larger Residential Developments (student accommodation managed and controlled by educational establishments); and
- The ANUK/Unipol Code of Standards for Larger Developments (student accommodation not managed and controlled by educational establishments).

The Code was introduced in 2006 and updated in 2010 and also most recently, in May 2019. It is designed to protect students' rights to safe, good quality university accommodation. It outlines everything students should expect from their university-managed accommodation, and their responsibilities as tenants.

The Code Administrator maintains a list of all institutions who have signed up to the Code and details of individuals buildings that are registered. This, and the Code Administrator's contact details, can be accessed via:

https://www.universitiesuk.ac.uk/accommodationcodeofpractice

Although not a specific Code requirement, good practice is for internal auditors to identify any residences not registered under the Code and confirm whether they are registered under one of the ANUK codes or licenced with the local authority.
Internal audit’s role

Section 8 of the Code requires an institution’s internal audit service to carry out an audit every three years. The timing of individual institution audits can also be obtained via the link above. The three year cycle is a minimum requirement and some institutions may choose to undertake annual audits, especially where they have large residential estates. This is a decision entirely for an institution’s management and Audit Committee; the Code National Administrator will only require the audit report to be submitted relating to the year it is due within the three year cycle.

Final versions of the internal audit report should be submitted by institution management to the Code Administrator by 30 April in the relevant year.

Institution audit committees should receive a final version of the internal audit report. It is preferable that this takes place at a meeting before 30 April, but can be afterwards if the cycle of meetings precludes this.

Internal auditors are expected to follow up the implementation of agreed recommendations as part of their normal follow up routines, and report accordingly to their respective audit committees. However, it is institution management’s responsibility to confirm completion of agreed action plans to the Code Administrator.
Internal audit planning

Heads of Internal Audit should ensure that annual internal audit planning takes account of any Code audit requirements at their institution(s). The audit can take place at any time between 1 May and 30 April, which means that the Code operating year cuts across two academic years (assuming a standard August to July academic year). The table below sets out possible audit planning timescales, assuming planning takes place in the previous academic year.

<table>
<thead>
<tr>
<th>Final audit report due</th>
<th>Completion period</th>
<th>Audit planning</th>
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<td>Option 2 – Summer 2020 for audit between August 2020 – April 2021</td>
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Heads of Internal Audit, institutional management and audit committees need to take due regard of the audit requirements as set out below and the Auditor Checklist (available via the link above), in ensuring sufficient resource is allocated for the successful completion of the audit.

Heads of Internal Audit should also consider the timing of the audit. For example, it may be sensible to plan fieldwork outside term to ensure easier access to halls for fieldwork purposes.
Internal audit fieldwork

Internal auditors should use the Auditor’s Checklist as the basis for their fieldwork. It is good practice to send the checklist in advance to auditees, so that relevant evidence can be gathered and key contacts identified. Some specific points to note when planning the individual internal audit assignment are:

- All sections of the Code should be subject to audit (apart from Section 8).
- All mandatory elements of the Code should be subject to audit. These are highlighted in the Auditor Checklist and denoted as ‘musts’ within the Code. Non-mandatory elements should be considered if time and resources permit.
- **Buildings selection** -
  - Internal auditors can take account of management’s opinion/advice, but should have due regard to independence and objectivity.
  - Internal auditors are not expected to cover all buildings in one audit. They should seek to cover all buildings within a reasonable period, for example, over a cycle of three to four audits.
  - Take account of previous internal auditor coverage e.g. where an institution has recently changed internal audit service provider.
  - Take account of the age of buildings e.g. a spread of older halls and new builds.
  - Take account of buildings size i.e. bed spaces, to ensure sufficient coverage (materiality).
  - Do not restrict coverage due to geographic location and distance to travel.

Some tests within the Auditor Checklist require inspections of individual study bedrooms and kitchens etc. There is no specific percentage of audit coverage required and auditors should exercise their professional judgment. However, inspection of between three and five study bedrooms and two communal areas/kitchens per hall should be sufficient. If any compliance issues are identified, auditors may wish to expand their sample testing to confirm any trends.
Internal audit reporting

Code internal audits are **not** undertaken under the OfS Audit Code of Practice, although internal auditors should have due regard to the Code of Ethics and International Standards for the Professional Practice of Internal Auditing. The minimum reporting requirements under the Code are:

- Confirmation that all mandatory elements of the Code have been reviewed and the buildings that have been subject to audit.
- Findings in relation to any non-compliances identified, with associated recommendations, actions plans, time frames for completion and officer(s) responsible.
- Findings should clearly set out which element of the Code they refer to i.e. quote the Code reference.
- The date the internal audit report was finalised.
- Internal audit firm, consortia or in-house team name.

Areas of good practice are also useful to include (if these are included in the service’s standard internal audit reports).

Internal auditors should note that it is not necessary, for Code administration purposes, to provide a formal internal audit opinion in respect of the overall control framework or RAG rate recommendations. However, these can be included if required by institution management and the Audit Committee.