

South Tees Hospitals

NHS Foundation Trust

Meeting / Committee:	Council of Governors Meeting	Meeting Date:	Tuesday 20 January 2015
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Title:	Report of the Council of Governors External Audit Working Group
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Purpose:	To inform the Council of Governors (CoG) that the process of the appointment of external auditors is now underway.
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Summary:	
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Prepared by:	David Kirby Non-Executive Director	Presented by:	David Kirby Non-Executive Director
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Recommendation:	The Council of Governors is asked to note the contents of the paper.
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Implications (Please mark an X)	Legal	Financial	Clinical	Strategic	Risk & Assurance
	X	X	X	X	X

Report of the Council of Governors External Audit Working Group

1. Purpose of the Report

To inform the Council of Governors (CoG) that the process of the appointment of external auditors is now underway.

2. Background

It is the responsibility of the CoG to appoint the Trust external auditors.

The current external auditors are PriceWaterhouseCooper (PwC) and were appointed by the CoG in March 2011 for a contract period of three years plus the ability to extend for two further years. This period was in line with accepted practice. At the meeting of 14th October 2014, following the recommendation of the CoG External Audit Working Group, the CoG agreed that the external audit contract should be retendered at the same time as the internal audit contract.

At the time of the meeting on 14th October as the position regarding the internal audit service had not been resolved in terms of when a tender process for that service would be appropriate.

The CoG External Audit Working Group had agreed that there was a real benefit to the whole Trust in tendering both internal and external audit services at the same time and agreed with the Audit Committee Chair's proposal that; should the position regarding internal audit be resolved in time for a tender exercise to be completed before 1st April 2015 for the 2015/16 year onwards, that the external audit service be tendered at the same time, in the event that the internal audit position could not be resolved to allow a tender exercise to be completed before 1st April 2015, PwC be re-appointed for a further and final year within the existing contract with a view to a dual tender taking place for the 2016/17 year.

3 Current position

The position regarding the internal audit service has been resolved, therefore, in accordance with the Council of Governors decision on 14th October, the process has commenced to retender the external audit contract. The timetable is set to provide the CoG with a recommendation regarding appointment from the CoG External Audit Working Group at the CoG meeting on 3rd March 2015.

4 Recommendations

The CoG is asked to note this update.

Council of Governors External Audit working group:

Jonathon Broughton

Jean Herbert

Elaine Lewis

Peter Race

Chair of the Audit Committee:

David Kirby