

Meeting Title	Council of Governors		
Date	16 January 2020	Agenda item	CGo.1.20.11

External Auditor Appointment Progress Report

Presented by	David Wilmshurst, Public Governor / AAWG Chair		
Author	Aubrey Sitch, Corporate Compliance Manager		
Governance responsibility	John Holden, Director of Strategy and Integration		
Purpose of the paper	The Council of Governors is required to approve the appointment of the External Auditor. This paper provides a report on the progress of the Auditor Appointment Working Group.		
Action required	To note		
Previously discussed at/informed by			
Previously approved at:	Committee/Group	Date	

Background

As previously advised, the Foundation Trust's current external auditor is Deloitte LLP whose contract will end on 31 May 2020.

At the Council of Governors meeting held on 18 May 2019, the Council approved the establishment of the Auditor Appointment Working Group (AAWG) and tasked them to present a recommendation on the appointment of the external auditor to the Council of Governors meeting scheduled for 16 April 2020. This is in accordance with one of the Council's statutory duties as defined by the NHS Act 2006 "To appoint or remove the Trust's auditor".

The AAWG Membership comprises:

- David Wilmshurst, Public Governor, AAWG Chair
- Alan Edmonds, Public Governor
- Barrie Senior, Non-Executive Director, AAC Chair
- Selina Ulla, Non-Executive Director
- Jon Prashar, Non-Executive Director
- Matthew Horner, Director of Finance

With support from;

- Michael Quinlan, Deputy Director of Finance
- Jacqui Maurice, Head of Corporate Governance
- Aubrey Sitch, Corporate Compliance Manager
- Shahid Nazir, Strategic Head of Procurement
- Adele Hartley-Spencer, Associate Director of Nursing

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At the Council of Governors meeting held on 17 October 2019, the Council approved the process for appointing the external auditor. The process has been subject to further detailed review by the AAWG and adapted into a schedule of required actions and is attached at Appendix 1.

The AAWG's progress so far has included the following significant steps:

- The North of England Commercial Procurement Collaborative was chosen as the most suitable procurement framework from three proposals on 12 November 2019
- Market testing was undertaken with three responses received by 12 November 2019 from the five expression-of-interest requests sent.
- An evaluation team has been agreed by the AAWG which will shortlist the applicants and interview them. The team consists of David Wilmshurst, Public Governor; Barrie Senior, Non-Executive Director; Matthew Horner, Director of Finance and Adele Hartley-Spencer, Associate Director of Nursing who will represent Karen Dawber, Chief Nurse to provide a Quality perspective.
- The tender document was produced by Shahid Nazir, Strategic Head of Procurement, and approved virtually before being published live on 19 December 2019.
- The deadline for receipt of the tenders is 20 January and shortlisting will take place on 27 January in line with the established schedule.

Recommendation

The Council of Governors is asked to note the progress made with regard to the appointment of an external auditor.

Regulation, Legislation and Compliance relevance

NHS Improvement: (please tick those that are relevant)

- | | |
|--|---|
| <input type="checkbox"/> Risk Assessment Framework | <input type="checkbox"/> Quality Governance Framework |
| <input checked="" type="checkbox"/> Code of Governance | <input checked="" type="checkbox"/> Annual Reporting Manual |

Care Quality Commission Domain: Well Led

Care Quality Commission Fundamental Standard: Good Governance

NHS Improvement Effective Use of Resources:

Other (please state):

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Appendix 1

External Auditor Appointment Process: Schedule of required actions

1.	Inaugural AAWG meeting to review last appointment process, agree new process and appoint a Chair.	27 Sep 19
2.	Council of Governors to approve the External Auditor Appointment Process	17 Oct 19
3.	Procurement framework to be agreed with the AAWG	12 Nov 19
4.	Market Testing exercise to be undertaken	12 Nov 19
5.	Evaluation Team to be agreed by the AAWG	12 Nov 19
6.	Tender documentation to be approved by the AAWG	13 Dec 19
7.	Invitation to tender published	20 Dec 19
8.	Receipt of tenders	20 Jan 20
9.	Evaluation of tenders and short listing by a team appointed by the AAWG	27 Jan 20
10.	Presentation of their offer by short-listed suppliers to the Evaluation Team	11 Feb 20
11.	Final evaluation of short-listed suppliers by the Evaluation Team	11 Feb 20
12.	All bidders to be notified of the outcome of the tender evaluation	21 Feb 20
13.	Commencement of 10 day standstill period	21 Feb 20
14.	Outcome of tender evaluation to be presented to the AAWG to agree the recommendation regarding the appointment of the External Auditor	T.B.C.
15.	The appointment of the External Auditor recommendation to be formally considered and confirmed at the Audit and Assurance Committee	Provisionally 7 Apr 20
16.	The recommendation regarding the appointment of the External Auditor to be presented to the Council of Governors by the Chair of the Audit and Assurance Committee for approval	16 Apr 20
17.	Contract to be awarded	17 Apr 20
18.	Full process undertaken for the appointment of the External Auditor to be set out in Annual Report 2019/20	17 Apr 20