Ashford and St. Peter's Hospitals NHS
NHS Trust

TRUST BOARD
28th October 2010

TITLE	**Council of Governors: Appointment of Initial Auditor**
SUMMARY	A proposal has to be put to the initial Council of Governors meeting (Date of authorisation) on the appointment of the external auditor.
BOARD ASSURANCE (Risk) / IMPLICATIONS	Appropriate and clear arrangements must be in place for the auditor
STAKEHOLDER / PATIENT IMPACT AND VIEWS	Discussed at Audit Committee
EQUALITY AND DIVERSITY ISSUES	None known
LEGAL ISSUES	Conforms with the requirements of the NHS Act 2006
The Board is asked to:	To agree the approach
Submitted by:	John Headley Director of Finance and Information
Date:	20 October 2010
Decision:	For Approving

Ashford and St. Peter's Hospitals NHS
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28th October 2010

Council of Governors- Appointment of Initial Auditor

1 Introduction

A proposal has to be put to the inaugural Council of Governors meeting (Date of authorisation; provisionally 1 December 2010) on the appointment of the external auditor.

2 Proposal

The current auditor is KPMG and is appointed by the Audit Commission.

The current arrangements have been in place for a number of years and work well. The Trust has a good history of working with KPMG, and the current partner, Greg McIntosh, provides strong support and advice to the Trust.

Becoming established as a Foundation Trust will be a period of change for the organisation and having continuity of auditor will offer assurance to the Board. Procuring a change in auditor would require a detailed tendering process and considerable management focus at a time of change for the organisation.

It is therefore recommended that the existing audit arrangements are maintained for a period of up to one-year post authorisation. In agreeing a letter of engagement, the Director of Finance and Information will seek to renegotiate the auditor's fee.

Once established as a Foundation Trust the formal responsibility for appointing the auditor rests with the Council and discussions will take place with Governors on arrangements for their future involvement.

3 Recommendation

A proposal needs to be put to the first meeting of the Council. The Audit Committee has considered the proposal and recommends the approach outlined to the Board