Ashford and St. Peter's Hospitals NHS
NHS Foundation Trust

COUNCIL OF GOVERNORS
8th March 2017

AGENDA ITEM NUMBER	**Paper 6.1**	
TITLE OF PAPER	**External Auditors**	
Confidential		
Suitable for public access	√	
PLEASE DETAIL BELOW THE OTHER SUB-COMMITTEE(S), MEETINGS THIS PAPER HAS BEEN VIEWED		
None		
STRATEGIC OBJECTIVE(S):		
Best outcomes	√	
Excellent experience	√	
Skilled & motivated teams	√	
Top productivity	√	
EXECUTIVE SUMMARY	The contract for external audit with KPMG expires after the current financial year is audited. The original contract was for three years and two on-year extensions have since been exercised. The NAO Code is mute on the subject of auditor appointments / reappointments. The FT Code of Governance includes a section on auditor appointments and reappointments. That states that the Trust should appoint an external auditor for a period of time which allows the auditor to develop a strong understanding of the finances, operations and forward plans of the NHS foundation trust. The current best practice is for a three- to five-year period of appointment From this, and other parts of the Code, there is nothing that can be seen that prohibits the reappointment of the external auditor without a competition; rather, it simply sets out the role of the Council of Governors to agree the policy and process for appointing or reappointing the external auditor and their involvement in assessing the effectiveness of the external auditor At previous Council of Governors meetings satisfaction had been expressed with KPMG's performance and it was suggested that the Trust continue to extend their contract. The Audit Committee meeting in October 2016 also reached the same conclusion, especially as it committed to tendering the internal audit service with effect from 1st April 2017. Running two tenders for auditors at the same time was not considered appropriate. On this basis it is recommended that the Trust approach KPMG to extend their contract.	
RECOMMENDATION	Approve the extension of KPMG's contract by one year	

SPECIFIC ISSUES CHECKLIST:	
Quality and safety	
Patient impact	
Employee	
Other stakeholder	
Equality & diversity	
Finance	
Legal	Contract will have ended at the end of the 2016/17 financial year so appropriate advice will be sought on the extension
Link to relevant Board Assurance Framework Principle Risk	
AUTHOR NAME/ROLE	Paul Doyle, Deputy Director of Finance Please approach for any further information required.
PRESENTED BY DIRECTOR NAME/ROLE	Simon Marshall, Director of Finance and Information
DATE	16th February 2017
COUNCIL OF GOVERNORS ACTION	Approve