



MEETING TITLE Trust Board		MEETING DATE 26/07/2016	
TITLE of PAPER	For Approval: Draft Terms of Reference of the Auditor Panel	PAPER REF	5.1
STRATEGIC OBJECTIVE	Provide a safe and caring service which demonstrates an efficient use of resources Ensure continuous service improvement and innovation		
PURPOSE OF THE PAPER	That the Trust Board approves the Terms of Reference of the Auditor Panel.		
For Approval	<input checked="" type="checkbox"/>	For Assurance	<input type="checkbox"/>
For Decision	<input type="checkbox"/>	Discussion/Information	<input type="checkbox"/>
AUTHOR / LEAD	Anne Allen, Trust Secretary	ACCOUNTABLE DIRECTOR	Rod Barnes, Chief Executive
DISCUSSED AT / INFORMED BY – include date(s) as appropriate (free text – i.e. please provide an audit trail of the development(s)/proposal(s) subject of this paper): The Audit Committee, 7 July 2016 reviewed and recommended the draft Terms of Reference of the Auditor Panel, for approval of the Trust Board.			
PREVIOUSLY AGREED AT:	Committee/Group: Audit Committee	Date: 07/07/2016	
RECOMMENDATION	That the Trust Board approves the Terms of Reference of the Auditor Panel.		
RISK ASSESSMENT		Yes	No
Corporate Risk Register and/or Board Assurance Framework amended <i>If 'Yes' – expand in Section 4. / attached paper</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Resource Implications (Financial, Workforce, other - specify) <i>If 'Yes' – expand in Section 2. / attached paper</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Legal implications/Regulatory requirements <i>If 'Yes' – expand in Section 2. / attached paper</i>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
Equality and Diversity Implications <i>If 'Yes' – please attach to the back of this paper</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
ASSURANCE/COMPLIANCE			
Care Quality Commission Choose a DOMAIN	5: Well led		
Monitor Quality Governance Framework Choose a DOMAIN	3: Planning and driving continuous improvement 5: Identifying and managing risks to quality of care		

Draft Terms of Reference of the Auditor Panel

1. PURPOSE/AIM

- 1.1 That the Trust Board approves the Terms of Reference of the Auditor Panel.

2. BACKGROUND/CONTEXT

- 2.1 The Local Audit and Accountability Act 2014 (the Act) requires every 'relevant authority' to appoint an auditor panel to exercise functions set out in the Act (part 3, section 9). In the NHS, relevant authorities are NHS trusts and clinical commissioning groups (CCGs). Schedule 4 paragraph 1 of the Act states that:

“The auditor panel MUST be appointed either by the organisation OR by the organisation and one or more other relevant authority¹. The auditor panel MUST be either a specially established panel OR an existing committee, sub-committee or panel. It is for the organisation’s board/ governing body to decide how it appoints its auditor panel. The auditor panel must be in place in time to advise on the appointment of external auditors for 2017/18. In practice this means that the panel needs to be established early in 2016. These terms of reference assume that an NHS trust board or CCG governing body has decided to nominate its existing audit committee to act as its auditor panel. No other relevant authorities are involved. It is important to remember that even when this approach is followed (i.e. the existing audit committee is nominated as the auditor panel), the statutory requirements set for auditor panels must be followed. This means that the panel must have its own terms of reference and discharge its duties separately from the audit committee.”

3. PROPOSALS/NEXT STEPS

- 3.1 That, in accordance with its Terms of Reference, the Auditor Panel keeps its Terms of Reference under regular review and submits them for Trust Board approval at least annually.

4. RISK ASSESSMENT

- 4.1 If the Trust Board is to be assured by the reports received from its key Committees, it is essential that the relevant Terms of Reference are kept under review to ensure their validity and effectiveness.

5. RECOMMENDATIONS

- 5.1 That the Trust Board approves the Terms of Reference of the Auditor Panel.

6. APPENDICES

Draft Terms of Reference of the Auditor Panel.