

Council of Governor Meeting

Report Title:	EXTERNAL AUDITOR APPOINTMENT RECOMMENDATION
Executive/NED Lead:	Richard Youngs, Chair of Audit Committee
Report author(s):	Andy Lehain, Deputy Director of Finance
Previously considered by:	Audit and Risk Committee

Approval
 Discussion
 Information
 Assurance

Executive summary

Background

In 2017 the Council of Governors approved the appointment of BDO as external auditors for the period 1 April 2017 to 31 March 2020. In 2020 this contract was extended for a further year, up to and including 2020/21.

Planning and Governor Engagement

In October and as agreed with the Audit and Risk Committee, the Trust commenced an appointment process for external auditors using a mini-competition process through the Statutory Audit and Multi-Specialty Audit Services & Advisory Consultancy Services Framework with the East of England NHS Collaborative procurement hub.

The Council of Governors are responsible for appointing the external auditors and while they may be supported by the Audit & Risk Assurance Committee in running the process to appoint the external auditor, they must have ultimate oversight of the appointment process.

An evaluation process was therefore agreed in line with best practice and which the governors were strongly engaged. An evaluation panel was set up made up of two governors, David Welbourn and Jane Young, Helen Taylor, Chair and two Non-Executive Directors Richard Spencer and Eddie Bloomfield. The Chair of the Audit & Risk Assurance Committee, Richard Youngs led with Andy Lehain, Deputy Director of Finance the entire process and coordinated the evaluation panel.

Helen Taylor and David Welbourn also played a key role in reviewing and adapting the invitation to tender documentation with the Deputy Director of Finance, including agreeing scoring ratios and questions.

Tender Responses

Tender responses were received on 26 November and the tender evaluation panel met on 2 December and reviewed whether the submissions met minimum requirements.

After a thorough review of the BDO submission was undertaken by the panel, it was agreed that the BDO bid offered good value for money and met expectations in terms of quality.

The tender response was considered to be above minimum requirements. A small number of shortcomings were noted but these would not prevent appointment. It was agreed that these would be raised with BDO upon re-appointment, should it be approved.

With regards to BDO performance, as the Trust's current auditors overall performance was considered good. It was noted that BDO had been open to working with the Trust to improve any weaknesses and that there was a strong and healthy dialogue between BDO and the Trust.

Recommendation of Panel and Audit & Risk Assurance Committee to the Council of Governors

It was therefore agreed by the Audit & Risk Assurance Committee to recommend to the Council of Governors that due diligence and process had been followed and that BDO should be re-appointed as the Trust's external auditor from 1 April 2021 for a period of three years.

Action Required of the Council of Governors

The Council of governors is asked to approve the recommendation of the Audit & Risk Assurance Committee that BDO be reappointed for a period of three years.

Link to Strategic Objectives (SO)

Please tick

SO1	Keep people in control of their health	<input checked="" type="checkbox"/>
SO2	Lead the integration of care	<input checked="" type="checkbox"/>
SO3	Develop our centres of excellence	<input checked="" type="checkbox"/>
SO4	Support and develop our staff	<input checked="" type="checkbox"/>
SO4	Drive technology enabled care	<input checked="" type="checkbox"/>
Risk Implications for the Trust (<i>including any clinical and financial consequences</i>)		None
Trust Risk Appetite		Financial: the board has a flexible view of financial risk in the medium to long-term and is prepared to be bold but not reckless. Otherwise its position is cautious, with VFM as a primary concern.
Legal and regulatory implications (<i>including links to CQC outcomes, Monitor, inspections, audits, etc</i>)		The recommendations complies with procurement legislation.
Financial Implications		Given that the last contract was awarded 4 years ago there may be a funding pressure caused by this tender. It is therefore important that the tender is awarded following a competitive process which considers costs and quality.
Equality and Diversity		n/k