

## Governors External Audit Panel

### Terms of Reference

#### 1. Introduction

- 1.1 The Governors Audit Panel is established by the Council of Governors. Its role is to support the Council of Governors to discharge its statutory duty of appointing and/or removing the External Audit, as set out in the Trust's constitution.
- 1.2 The panel shall have no executive powers.

#### 2. Membership

- 2.1 The Panel shall be appointed by the Council of Governors and shall comprise of not less than three public governors and two staff governors of the Trust. Ideally, at least one member of the Panel shall have relevant experience in finance, accounting or audit.
- 2.2 The Panel shall appoint the Chair from among its members.

#### 3. Attendance

- 3.1 Only members of the Panel and the Chair of Audit Committee shall be entitled to attend meetings.
- 3.2 The Executive Director of Finance and Deputy Director of Finance and representatives from the Trust's External Auditors and Internal Auditors shall normally attend all meetings of the Panel.
- 3.3. The Panel are authorised to request the attendance of any other relevant individual at any meeting.

#### 4. Secretary

- 4.1 The Trust Secretary or his/her nominee shall act as secretary to the Panel.

#### 5. Quorum

- 5.1 No discussion shall be transacted at meetings of the Panel unless at least three members are present.

#### 6. Frequency of Meeting

- 6.1 The Panel shall meet periodically throughout the year at a location that the Panel may determine.

## **7. Minutes of Meetings**

- 7.1 The Secretary, or nominated deputy, shall minute the proceedings of all meetings of the Panel and ascertain the existence of any conflicts of interest and minute them accordingly.

## **8. Scope of the Panel**

The scope of the Panel shall be to:

- 8.1 Establish and oversee the process for the appointment and removal of the Trust's External Auditors.
- 8.2 Advise the Council of Governors at a general meeting on the appointment and removal of the External Auditors and make appropriate recommendations to the Council of Governors to enable and support informed decision making.
- 8.3 Receive information on the process to test and provide assurance on internal control from members of the Internal Audit team.
- 8.4 Receive information from the External Auditor, on the scope of their work.
- 8.5 Receive information from the Local Counter Fraud Service (LCFS) including assurance that issues are being addressed/managed appropriately by the LCFS team.
- 8.6 Receive an overview of the Trust's Annual Accounts and the report from the External Auditors thereon and the Head of Internal Audit Opinion.
- 8.7 Receive an overview of the Trust's Quality Account and the independent External Audit opinion thereon.
- 8.8 Receive the Audit Committee Annual Report and their annual priorities/objectives.
- 8.9 Receive periodic updates on the Trust's Assurance Framework.

## **9. Authority**

- 9.1 The Panel is authorized by the Council of Governors to act within its terms of reference.

## **10. Reporting**

- 10.1 The Chair of the Panel shall provide a statement to the Council of Governors at the Annual Members Meeting/Annual General Meeting on:
- any recommendation to appoint External Auditors and details of the process undertaken

- any recommendation to remove the External Auditors and details of the process undertaken

## **11. Review and Revision**

11.1 These terms of reference will be reviewed every three years. Proposed variations will require the approval of the Audit Committee.

Last revised by the panel:

26<sup>th</sup> June 2019

Last approved by the Council of Governors

17<sup>th</sup> July 2019