

## **Auditor Panel – terms of reference**

### **Role**

The role of the Auditor Panel is to advise the Board on the selection and appointment of the external auditor.

### **Alignment with Trust Priorities:**

Value for money

Leadership / governance

### **Definitions**

“the Trust” means Central London Community Healthcare NHS Trust

“the Panel” means the Auditor Panel, a sub-set of the Audit Committee

### **1 Membership**

- 1.1 Members of the Committee shall be appointed by the Board of Directors. The Panel shall be made up of at least three Non-executive Directors, the majority of which must be independent. The Chairman of the Trust must not be a member of the Panel. Members may appoint an appropriate Deputy which must be another Non-executive Director to represent them at a Panel meeting.
- 1.2 Only members of the Committee have the right to attend and vote at Panel meetings. The Panel may require other officers of the Trust and other individuals to attend all or any part of its meetings.
- 1.3 The Chair of the Panel will be the Audit Committee Chair. In the absence of the Panel Chair and/or an appointed Deputy, the remaining members present shall elect another member to Chair the meeting.
- 1.4 The Panel’s Chairperson may invite Executive Directors and others to attend depending on the requirements of each meeting’s agenda. These invitees are not members of the Panel.

### **2 Secretary**

- 2.1 The Trust Secretary or their nominee shall act as the Secretary of the Committee.

### **3 Quorum**

- 3.1 The quorum necessary for the transaction of business shall be two independent Non-executive Directors.

### **4 Frequency of meetings**

- 4.1 The Panel shall consider the frequency and timing of meetings needed to allow it to discharge its responsibilities but as a general rule will meet on the same day as the Audit Committee.
- 4.2 Panel business shall be identified clearly and separately on the agenda and Audit Committee members shall deal with these matters as Panel members NOT as Audit Committee members.
- 4.3 The Panel’s Chairperson shall formally state at the start of each meeting that the Panel is meeting in that capacity and NOT as the Audit Committee.

### **5 Notice of meetings**

- 5.1 Meetings of the Panel may be called by the Trust Secretary at the request of any of its members or where necessary.

- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Panel, any other person required to attend and all other Non-executive Directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to Panel members and to other attendees as appropriate, at the same time.

## **6 Minutes of meetings and reporting**

- 6.1 The Secretary shall minute the proceedings of all meetings of the Panel, including recording the names of those present and in attendance.
- 6.2 Members and those present should state any conflicts of interest and the Secretary should minute them accordingly.
- 6.3 Minutes of Panel meetings should be circulated promptly to all members and, once agreed, to all members of the Board of Directors unless a conflict of interest exists.
- 6.4 The chairperson of the Panel must report to the board/ governing body on how the Panel discharges its responsibilities, separate from any Audit Committee report.

## **7 Duties**

- 7.1 The Panel should advise the Board on the selection and appointment of the external auditor. This includes:
- 7.1.1 agreeing and overseeing a robust process for selecting the external auditors in line with the organisation's normal procurement rules
  - 7.1.2 making a recommendation to the Board as to who should be appointed
  - 7.1.3 ensuring that any conflicts of interest are dealt with effectively
  - 7.1.4 Advise the Board on the maintenance of an independent relationship with the appointed external auditor
  - 7.1.5 Advise (if asked) the Board on whether or not any proposal from the external auditor to enter into a liability limitation agreement as part of the procurement process is fair and reasonable
  - 7.1.6 Advise on (and approve) the purchase of non-audit services from the appointed external auditor
  - 7.1.7 Advise the Board on any decision about the removal or resignation of the external auditor.

## **8 Authority**

- 8.1 The Board has nominated its Audit Committee to act as its Panel in line with schedule 4, paragraph 1 of the 2014 Act. The Panel is a Non-executive panel of the Board and has no executive powers, other than those specifically delegated in these terms of reference.
- 8.2 The Panel is authorised by the Board to carry out the functions specified below and can seek any information it requires from any employees/relevant third parties. All employees are directed to cooperate with any request made by the Panel.
- 8.3 The Panel is authorised by the Board to obtain outside legal or other independent professional advice (for example, from procurement specialists) and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. Any such 'outside advice' must be obtained in line with the Trust's procurement rules.

## **9 Monitoring and Review:**

- 9.1 The Board will monitor the effectiveness of the Panel through the Panel's minutes and such written or verbal reports that the Chair of the Panel might provide.

- 9.2 The Secretary will assess agenda items to ensure they comply with the Panel's responsibilities.
- 9.3 Reviewed, 19.12.19 – no amendments required.
- 9.4 Terms of reference approved by the Board of Directors on 24.02.16 and 30.01.20.