

EXECUTIVE SUMMARY**REPORT TO THE GOVERNORS' COUNCIL****HELD ON 13th SEPTEMBER 2011**

Subject	Appointment of External Auditor
Supporting TEG Member	Neil Priestley
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Status¹	A

PURPOSE OF THE REPORT

To recommend the appointment of the Trust's External Auditor for a three year period from 2011/12.

KEY POINTS

1. Full tender process undertaken.
2. Shortlisted providers interviewed and assessed by a panel and its recommendations agreed by the Audit Committee.
3. Following interview, Audit Commission excluded from further consideration due to uncertainties about its future and its ability to deliver a three year contract.
4. KPMG and PWC equal on scoring assessment but KPMG significantly cheaper and, therefore, better overall value for money.

IMPLICATIONS²

Achieve Clinical Excellence	-
Be Patient Focused	-
Engaged Staff	-

RECOMMENDATIONS

1. That KPMG should be selected as the Trust's External Auditor for the 3 years from 2011/12.
2. Note that there is an option for the 3 Year contract to be extended by a further 2 years.
3. Pass on thanks to the Audit Commission for its work as the Trust's External Auditor over many years.

APPROVAL PROCESS

Meeting	Presented	Approved	Date

¹ Status: A = Approval
A* = Approval & Requiring Board Approval
D = Debate
N = Note

² Against the three pillars (aims) of the STH Corporate Strategy 2008-2012