

**NHS Wolverhampton
Clinical Commissioning Group
Constitution
Annex to Appendix H1**

**Governing Body's
Audit and Governance Committee –
Auditor Panel**

Terms of Reference

1. Introduction

The Governing Body has appointed the Audit and Governance Committee to act as its Auditor Panel in accordance with Schedule 4, Paragraph 1 of the Local Audit and Accountability Act 2014. These terms of reference set out the membership, remit, responsibilities and reporting arrangements of the AGC when it is acting as the Auditor Panel and shall have effect as if incorporated into the constitution and standing orders.

The Auditor Panel is a non-Executive Committee of the Governing Body and has no executive powers, other than those specifically delegated in these terms of reference. The terms of reference will be published on the group's website (www.wolverhamptonccg.nhs.uk) and available by post or email, if requested.

2. Membership

The Auditor Panel shall comprise the entire membership of the Audit and Governance Committee. This means that all members of the Auditor Panel are independent, non-executives in line with legislative requirements.

In line with the requirements of the Local Audit (Health Service Bodies Auditor Panel and Independence) Regulations 2015 (regulation 6) each member's independence has been reviewed against the criteria laid down in the regulations.

3. Chair

The Chair of the Audit and Governance Committee will be appointed as Chair of the Auditor Panel. If the Chair is unable to be present, the Panel will nominate a Member to act in their place during a meeting.

4. In Attendance

The auditor 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 auditor panel.

5. Secretary

A named individual (or his/her nominee) shall be responsible for supporting the Chair in the management of the Panel's business and for drawing members' attention to best practice, national guidance and other relevant documents as appropriate.

6. Quorum

A meeting of the Auditor Panel will be quorate provided that two members are present of whom at least one is a member of the governing body.

6. Voting

Should a vote need to be taken, only the members of the Auditor Panel shall be allowed to vote. In the event of a tied vote, the Chair shall have a second and casting vote.

7. Frequency and notice of meetings

The Auditor 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 and Governance Committee.

A separate agenda for Auditor Panel business shall be circulated and Audit Committee members shall deal with these matters as Auditor Panel members NOT as audit committee members.

The Chair shall formally state at the start of each meeting that the auditor panel is meeting in that capacity and NOT as the Audit and Governance Committee.

8. Conflicts of Interest

In line with the CCG's Policy for Declaring and Managing Interests and conflicts of interests must be declared and recorded at the start of each meeting of the Auditor Panel. If a conflict of interest arises, the chair may require the affected auditor panel member to withdraw at the relevant discussion or voting point.

As members of the Audit and Governance Committee, Auditor Panel members' interests will be recorded in the CCG's Register of Interests.

9. Remit, duties and responsibilities

The auditor panel is authorised by the Governing Body to carry out the following functions:-

- Advise the organisation's board/ governing body on the selection and appointment of the external auditor. This includes:
 - agreeing and overseeing a robust process for selecting the external auditors in line with the organisation's normal procurement rules;
 - making a recommendation to the Governing Body as to who should be appointed;
 - ensuring that any conflicts of interest are dealt with effectively
- Advise the Governing Body on the maintenance of an independent relationship with the appointed external auditor
- Advise the Governing Body (if required) 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
- Advise on (and approve) the contents of the organisation's policy on the purchase of non-audit services from the appointed external auditor
- Advise the Governing Body on any decision about the removal or resignation of the external auditor.

10. Relationship with the governing body

The Chair of the Auditor Panel must report to the Governing Body on how the auditor panel discharges its responsibilities following each meeting. The Chair must draw to the attention of the Governing Body any issues that require disclosure to the full Governing Body, or require executive action.

The minutes of the panel's meetings must be formally recorded and submitted to the Governing Body by the Chair following approval at a panel meeting.

11. Policy and best practice

In seeking to apply best practice in the decision-making process, the Auditor Panel has full authority can seek any information it requires from any employees/ relevant third parties. All employees are directed to cooperate with any request made by the Auditor Panel.

The auditor panel is authorised by the Governing Body 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 organisation's existing rules.