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26 February 2024

To: All Members of the Alexandra Palace and Park Board

Dear Member,

Alexandra Palace and Park Board - Monday, 26th February, 2024

I attach a copy of the following reports for the above-mentioned meeting which were not available at the time of collation of the agenda:

**9. FEEDBACK FROM, RESOURCE, RISK AND AUDIT COMMITTEE (FRRAC) (PAGES 1 - 4)**

To consider the report of the Chair of FRRAC and approve any recommendations from the 19 February FRRAC meeting.

**10. FRRAC TERMS OF REFERENCE (PAGES 5 - 10)**

To approve the reviewed terms of reference for adoption.

**18. EXEMPT TRADING SUBSIDIARY CHAIR'S REPORT (PAGES 11 - 12)**

To note the update from the Chair of APTL.

Yours sincerely

Boshra Begum, Senior Democratic Services Officer

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## ALEXANDRA PARK AND PALACE CHARITABLE TRUST BOARD

**26 FEBRUARY 2024**

**Report Title:** Finance, Resource, Risk and Audit Committee (FRRAC)  
Chair's Feedback report

**Report of:** Cllr Sean O'Donovan, FRRAC Chair.

**Local Government (Access to Information) Act 1985** N/A

### 1. Introduction

- 1.1 FRRAC is a non-decision-making committee established by the Trustee Board to support the Board in delivering its finance, resource, risk and audit responsibilities.
- 1.2 This report highlights relevant considerations of the FRRAC at its meeting held on 19 February 2024 and makes recommendations to the Trustee Board. The meeting was attended by Cllr Sean O'Donovan (Chair), Cllr Sarah Elliott, Claire Pape, Emma Dagnes (CEO), Richard Paterson (FD), Catherine Solomon (HRD) and Natalie Layton. Apologies were received from Cllr Anne Stennett.

### 2. Recommendation

- i. To note the feedback from FRRAC including that the Trustee Board:
- ii. approves and adopts the amended Terms of Reference for the Finance, Resource, Risk and Audit Committee (FRRAC) subject to the inclusion of the recommendations in 3.4 of this report.
- iii. approves the Risk Register and agree the two areas for deep dive in 2024/25 as: Fundraising Approach and Security.
- iv. notes the 2024/25 draft budget information and the proposal to review the APTL Licence Fee.

### 3. Review of FRRAC Terms of Reference (pages 5-12)

- 3.1 FRRAC considered its Terms of Reference which had been subject to an internal review with suggested updates in line with custom and best practice guidance.
- 3.2 We were informed of the recommendation by an APTL non-executive director that the quorum should include one independent member. We supported this but noted the risk (of a meeting being considered inquorate) presented by FRRAC having only one independent member.

3.3 We were also informed of the Council's Head of Risk and Audit advice for FRRAC to have two independent members and, in principle, we supported this as an aspiration but acknowledged the challenges of resourcing and managing this at the current time.

3.4 **FRRAC RESOLVED to recommend that the Trustee Board approves and adopts the amended Terms of Reference for the Finance, Resource, Risk and Audit Committee (FRRAC), subject to the inclusion of wording around:**

- Best endeavours being made for quorum to be one trustee and the independent member or two trustees should the independent not be able to attend.
- The trustee board appointing the FRRAC Chair and that the independent member may be appointed to chair in the absence of the FRRAC Chair or another trustee should both the Chair and Independent not be available to attend;
- and any other recommendations from the APTL Board that the Trustees resolve to approve at its meeting on 26 February 2024.
- That the suggestion of two independents be added to the governance improvement action plan for consideration in the future.

#### 4. Financial Position and 2024/25 Budgets

##### 4.1 Current Positions

We were presented with the current position for the Group and sought further detail around Trust's *other admin expenses* which had a variance of -£263,076. We noted the areas of additional costs under this budget line such as legal and procurement fees paid to the Council for completion and signing of the Northeast Office Building contract, increases in cleaning and facilities costs and the general day to day running of the Charity.

##### 4.2 Licence Fee Review

We noted that the APTL Licence Fee assisted the Trust's budgeting process by providing funds before the end of the previous financial year. In addition to the Licence Fee, APTL's contribution includes Operating Profit which is transferred as Gift Aid, and Restoration Levy.

We generally supported the proposed review of the trading subsidiary licence fee but agreed:

- The review should be kept simple.
- Risks should not be taken that could result in loss of income.
- The timescale the Trustee Board to consider the outcome of the review before the new financial year might be tight.

4.3 2024/25 Budget

- 4.3.1 We considered the outline budgets for the Group and noted the proportion dedicated to salaries and the plans to recruit additional staff to deliver the vision and goals, and associated strategic projects, some of which would produce a financial benefit such as the clean energy packages.
- 4.4.3 We acknowledged the continuing increase in costs and lack of investment in the site and looked forward to a medium-term financial plan that would provide a clearer picture of the variables.
- 4.4.4 We noted the APTL forecasts and requested that the Trustee Board be provided with the APTL cashflows when presented with the budgets.

**FRRAC resolved to recommend that the Trustee Board:**

- i. note the full year forecast and that there was further work to be undertaken to reduce the deficit;
- ii. note the outline Budget position with the above caveat;
- iii. note the Trust's intention to undertake an internal review of the APTL Licence Fee and Cost Sharing agreements.

**5. Other matters considered**

- 5.1 We noted the update on Human Resources activity for the year to date including:
- the Leadership Development Programme for Heads of Services, an all-staff communication workshop and the People Strategy development.
  - Staff e-learning module completion rates ranged between 60%-67% and we noted that completion was lower among casuals and that a breakdown of completion across permanent and casual staff would be provided for FRRAC's consideration.
- 5.2 We considered the Q3 Health and Safety update report including that a review of the increased number of Ice Rink accidents reported in Q2 had taken place as requested by FRRAC previously. This raised no direct areas of concern and we noted that the upward trend was likely the result of it being the busier festive skate season and greater awareness around reporting following recent training and refresher training.
- 5.3 We were informed that the draft bill for Terrorism (Protection of Premises / Martyn's Law), published in May 2023, continued to be considered in Parliament but the team continued to be proactive in developing a terrorism risk strategy and management plan.

5.4 Strategic Risk Register

We noted the updates to the Strategic Risk Register included on the Trustee Board exempt agenda and **resolved to recommend that**

- i. that the Trustee Board approve the Risk Register;
- ii. that the specific deep dive risk areas for the Trustee Board in 2024/25 be agreed as: Fundraising Approach and Security.

**6. Legal Implications**

The Council's Head of Legal & Governance has been provided with a copy of this information report.

**7. Financial Implications**

The Council's Chief Financial Officer has been provided with a copy of this information report.

**8. Appendices** – None (the minutes of the FRRAC meeting will be made available to the Trustee Board)



**ALEXANDRA PARK AND PALACE CHARITABLE TRUST  
FINANCE, RESOURCE, RISK AND AUDIT COMMITTEE (FRRAC)**

**TERMS OF REFERENCE**

**1. Constitution**

The Board of Alexandra Park and Palace Charitable Trust hereby resolves to establish a FRRAC , to be known as the “Finance, Resource, Risk and Audit Committee” (“the FRRAC”), to assist the **Trustee and APTL Boards** in fulfilling **their** responsibilities.

**2. Membership**

2.1 Members of the committee shall be appointed by the trustee board comprising at least three trustees and at **least one (but no more than two) any other** independent and suitably skilled individuals deemed by the trustee board to be in the best interests of the charity;

2.2.1 The independent member(s):

- i. shall be appointed through a formal open recruitment process;
- ii. have all the rights of a trustee member of the committee;
- iii. may hold the position of chair of the committee;
- iv. may not sit on any of the Trust’s stakeholder committees or be a member or employee of Haringey Council;
- v. **shall have a relevant accountancy qualification or relevant financial experience.**

2.2 **The Trustee Board shall appoint the chair of FRRAC.** To ensure independence, the chairs of the trustee and trading company boards may not be chair of the committee;

2.3 The quorum shall be two **trustees who are** members of the committee;

2.4 In the absence of the chair and/or a duly appointed deputy, the remaining members **(including independent members)** present shall elect one of themselves to chair the meeting;

2.5 The charity secretary shall act as the secretary of the committee and will ensure that the committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

### 3. Meetings

- 3.1 The committee shall meet at least three times a year at appropriate intervals in the reporting and audit cycle and otherwise as required at the request of a member of the committee or trustee board. Meetings may be virtual or in-person.
- 3.2 Only members of the committee shall be entitled to attend committee meetings but the CEO, the Director of Finance, other directors and the auditors will be invited to attend meetings on a regular basis and other individuals may be invited to attend all or part of any meeting as and when appropriate.
- 3.3 The secretary shall minute the proceedings, including recording the names of those present and in attendance, and once approved by the committee, the minute shall be circulated to all members of the trustee board.
- 3.4 The external or internal auditors may request a meeting with the committee and this may be without the presence of executive management;

### 4. Authority

The committee has no executive powers and is authorised by the trustee and APTL boards to:-

- 4.1 Review any activity relating to the Trust and Alexandra Palace Trading Ltd (APTL) within its terms of reference;
- 4.2 Seek any information that it requires from any employee of the Charity and its subsidiaries and all employees will be directed to co-operate with any reasonable request made by the committee;
- 4.3 Obtain outside legal or independent professional advice as it considers necessary;
- 4.4 Make recommendations to the trustee and trading subsidiary boards as it considers necessary.
- 4.5 In executing its functions relating to APTL, the Committee shall report its findings to the APTL Board, prior to any recommendations being made to the Trustee Board.

### 5. Financial and Risk Responsibilities

Financial reporting



- 5.1 Monitor the integrity of the financial statements including the regulatory returns and statements relating to the Group's financial performance and position, in discussion with management and the external auditors, and report to the trustee and APTL boards on significant issues arising from those statements.
- 5.2 Review and challenge where necessary: the application of, and changes to, accounting policies and practices and financial reporting disclosures, decisions requiring a significant element of judgement, the clarity of disclosures, the going concern assumption, compliance (with relevant financial and governance reporting standards and requirements).
- 5.3 Review of the external auditor's letter of representation, the management letter and audit findings letter raised by the external auditor to management in respect of the accounting records, financial accounts or systems of control together with management's responses on such issues.
- 5.4 Review the content of the trustees' annual report and group accounts including the APTL Directors' strategic report and advise the APTL and Trustee boards on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for members and other stakeholders to assess trust's performance, business model and strategy.

### Use of resources

- 5.5 Oversee the use of the financial resources including:
  - i. Balance sheet review;
  - ii. The financial aspects of the pay remit process;
  - iii. Pensions liabilities;
  - iv. Mismanagement of funds/fraud;
- 5.6 Advise the trustee and APTL boards with regard to significant financial decisions;
- 5.7 Review the budget and business planning process and management accounts reports.

### Internal controls and risk management

- 5.5 To periodically review the Strategic Risk Register and, in accordance with the Risk Management Policy including:
  - i. the assessment of fraud, bribery and corruption risks and potential harm;
  - ii. the adequacy and effectiveness of the overall arrangements put in place by management to identify, assess, manage and monitor financial and non-financial risk;
  - iii. Review the statements in the annual report on internal control and risk management (including the assessment of principle and emerging risks);

- iv. monitoring the effectiveness of risk assessment, risk management strategies and internal control processes;
- v. make recommendations and provide assurance to the trustee board on the level of residual risk and effectiveness of the risk management framework.

5.6 To keep under review the internal controls systems and monitor the implementation of agreed actions and to periodically review the Alexandra Palace Financial Regulations, in discussion with management as necessary.

## 6. Audit Responsibilities

- 6.1 To receive and review: the internal audit overview letter, internal audit plans, reports on progress of internal audit recommendations and consider any other reports relating to internal audit performance and effectiveness of policies and, to discuss with the external auditor, before the internal audit commences, the nature and scope of the internal audit and reporting obligations;
- 6.2 To make recommendations to the trustee and APTL boards in respect of the appointment, re-appointment and removal of the external and, if any, internal auditors; to review the remuneration and terms of engagement of such auditors; and to report on the circumstances of the resignation of such auditors, and; oversee the relationship with the external auditor and their independence, objectivity and the effectiveness of the audit process in accordance with the applicable standards.
- 6.3 To advise the trustee and APTL boards on the benefits, or otherwise, of arrangements for audit functions, insurance and/or any other assurance processes or topics referred by the trustee board.

## 7. Human Resource Functions

- 7.1 To act as the human resource committee to:
  - i. establish and review pay policy and structure;
  - ii. consider matters of staffing and remuneration referred to the committee;
  - iii. assess the human resource capacity and capability of the executive team to deliver the requirements of the organisation;
  - iv. assess any people related risks.
  - v. review HR Strategy and related policies and the benefits package from time to time as appropriate;
  - vi. Review HR data and reporting
  - vii. commission and consider any organisational reviews.

- 7.2 To ensure that appropriate whistleblowing arrangements are in place for employees or other parties to raise concerns, in confidence and that procedures are in place for investigating such matters.

### 8. Investment

In relation to the prudential management of any surplus funds available for investment pending their application in the activities of the charity, the committee shall:

- 8.1 propose an investment strategy when applicable;
- 8.2 oversee execution of the agreed investment strategy; 8.3 make recommendations in relation to the appointment and remuneration of any fund manager(s) and the removal of such fund manager(s) from office; 8.4 monitor the performance and suitability of any fund manager(s) appointed to manage the investment portfolio;
- 8.5 consider the implications of economic events on the investment strategy;
- 8.6 consider any other matter referred to the committee by the trustee board.

### 9. Governance

The committee shall:

- 9.1 advise the APTL and Trustee Boards periodically with respect to significant developments in the law and practice of corporate governance as well as the Charity's compliance with the UK Corporate Governance Code and related guidance and applicable laws and regulations.
- 9.2 make recommendations to the APTL and Trustee Boards on matters of corporate governance and on any corrective action to be taken, as deemed appropriate.
- 9.3 periodically review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the trustee board.

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By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is exempt

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