



## 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 of the Board, to be known as the "Finance, Resource, Risk and Audit Committee" ("the FRRAC"), to assist the Board in fulfilling its responsibilities.

#### 2. Membership

2.1 ~~The FRRAC shall be appointed by the board from amongst the members of the Board;~~ Members of the committee shall be appointed by the trustee board comprising at least three trustees and 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.

2.2 ~~The FRRAC shall consist of not fewer than three members~~The chairs of the trustee and trading company boards may not be chair of the committee;

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

2.4 ~~The chairman of the FRRAC shall be appointed by the Board~~In the absence of the FRRAC Chairman chair and/or a duly appointed deputy, the remaining members present shall elect one of themselves to chair the meeting;

2.5 The charity secretary shall ~~be act as~~ the secretary of the FRRAC 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 four 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 FRRAC-members of the committee shall be entitled to attend FRRAC committee meetings but the CEO, the Director of Finance, other directors -and the auditors ~~(for every other meeting) would~~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. ~~also normally be in attendance: others may attend by invitation.~~
- 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 FRRAC committee or the Chair of the Committee ~~if they consider one necessary and part of every meeting should be made available for the FRRAC to meet with external or internal auditors~~ and this may be without the presence of executive management;
- ~~3.5 The FRRAC shall meet not less than three times per calendar year in accordance with the cycle of Board meetings. Further meetings may be convened as necessary either at the request of a member of the FRRAC or the Board.~~

### 4. Authority

The FRRAC committee has no executive powers and is authorised by the trustee board to:-

- 4.1 Investigate any activity 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 ~~The FRRAC has no executive powers with regard to its findings and~~ Make recommendations to the trustee and trading subsidiary boards as it considers necessary.

## 5. Financial and Risk Responsibilities

### Financial reporting

- 5.1 ~~To monitor~~ Monitor the integrity of the ~~annual~~ financial statements including the trust's regulatory returns and statements relating to the Group's financial performance and position, in discussion with management and the external auditors, ~~before submission and report~~ to the ~~trustee board~~ on significant issues arising from those statements, ~~focusing on~~
- 5.2 Review and challenge where necessary: ~~The quality and acceptability~~ 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 annual report and accounts and advise the board 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 ~~Advising~~ the ~~Board trustee board~~ with regard to significant financial decisions;
- ~~6.2—Overseeing the preparation of the financial statements;~~
- 5.7 ~~Reviewing the annual financial calendar~~, the budget and business planning process and ~~management accounts~~ financial reports.

### Internal controls and risk management

- 5.5 To periodically review the Strategic Risk Register on behalf of the trustee board and, in accordance with the Risk Management Policy, including:
- i. ~~To review the assessment of fraud risks and potential harm from fraud and corruption;~~

- ii. ~~Reviews~~ the adequacy and effectiveness of the overall arrangements put in place by management to identify, assess, manage fraud and monitor financial and non-financial risk;
- iii. ~~Reviews~~ the ~~annual~~ statements in the annual report on internal control and risk management (including the assessment of principle and emerging risks) in the Annual Accounts;
- iv. ~~Monitors monitoring~~ the effectiveness of risk assessment, risk management strategies and internal control processes;
- v. ~~Makes~~ recommendations and provides assurance to the ~~Trustee~~ board on the level of residual risk and effectiveness of the risk management framework.

5.6 To ~~consider reports on~~ keep under review the ~~effectiveness of~~ internal controls systems and monitor the implementation of agreed actions and to annually periodically review the Alexandra Palace Financial Regulations, ~~which are the Charity's financial controls, internal control and risk management systems~~ in discussion with management as necessary.

### Anti Fraud and Corruption

5.7 To consider the assessment of fraud, bribery and corruption risks and potential harm.

5.8 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 dealing with "whistleblowing" and for investigating such matters, ~~where earlier resolution has not proved possible or where the matter has been specifically referred to the FRRAC by the Board, a Board member or a member of the effective management team;~~

## **6. Audit Responsibilities**

6.1 To receive and review: the internal audit ~~overview annual report 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~~ Board 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; ~~to monitor~~ oversee the relationship with the external auditor and their's independence, ~~and~~ objectivity and the effectiveness of the audit process in accordance with the applicable standards;

6.3 To advise the trustee board 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

To consider and make recommendations regarding: ~~To act as the human resource and remuneration committee to:~~

- 7.1 ~~establish and review amendments to the~~ pay policy and structure and make recommendations to the trustee board;  
~~consider issues of staffing and remuneration policy;~~  
~~establish and review pay policy and structure;~~
- 7.2 assessment of the human resource capacity and capability of the executive team to deliver the requirements of the organisation;
- 7.3 assessment of any people related risks.
- 7.4 Review of HR Strategy and related policies~~staff salaries~~ and the benefits package from time to time as appropriate;
- 7.5 Review of HR data and reporting
- 7.6 ~~commission and consider~~ any organisational reviews.

## 8. Investment

In relation to the prudential management of any surplus funds available for investment pending their application in the activities of the cCharity, ~~In its Investment FRRAC role, the FRRAC's Terms of Reference shall be:~~ the committee shall:

- 8.1 ~~To~~ propose an investment strategy ~~to the Board~~ when applicable;
- 8.2 ~~To~~ oversee ~~APPCT management's~~ execution of the agreed investment strategy
- 8.3 ~~To~~ 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 ~~To~~ monitor the performance and suitability of any fund manager(s) appointed to manage ~~APPCT's~~ the investment portfolio;
- 8.5 ~~To~~ consider the implications of economic events on the investment ~~policy~~ strategy;
- 8.6 ~~To~~ consider any other matter referred to the ~~FRRAC~~ committee by the ~~Trustee~~ board.

## 9. Governance

The committee shall:

- 9.1 ~~To~~ advise the Board periodically with respect to significant developments in the law and practice of corporate governance as well as the Charity's compliance with the UK and local codes of Corporate Governance ~~Code,~~ and related guidance and applicable laws and regulations.
- 9.2 ~~To~~ make recommendations to the Board on ~~all~~ matters of corporate governance and on any corrective action to be taken, as ~~the FRRAC may~~ deemed appropriate.

- 9.3 ~~The FRRAC shall, at least once a year, 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 for approval.

## **9.—— Reporting**

~~The secretary shall circulate the minutes of meetings of the FRRAC to all members of the Board and to the executive team.~~

~~The FRRAC shall annually review its terms of reference and its own effectiveness and shall recommend any necessary changes to the Governing Body;~~

~~The FRRAC shall prepare a report on its role and responsibilities for inclusion in the annual report and accounts, the report to include—~~

~~A summary of the role of the FRRAC~~

~~The names and qualifications of all members of the FRRAC during the period~~

~~The number of FRRAC meetings and attendance by each member, and~~

~~The way the FRRAC has discharged its responsibilities.~~

~~The FRRAC shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.~~