



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.