

The Place (Contemporary Dance Trust Limited)

Audit Committee Terms of Reference

November 2024

1. Membership

The Audit Committee is a Committee of the Board, consisting of at least three independent members of the governing body.

In accordance with the Committee of University Chairs (CUC) Higher Education Audit Committees Code of Practice its membership is separate to that of the Finance and General Purposes Committee. The Secretary to the Audit Committee is the clerk to the board of Governors.

The quorum for a valid meeting is two Governors.

The Chief Executive and Chief Financial Officer will attend all meetings. Other members of The Place staff may be invited to attend relevant sections of the meeting. The Chair of the Finance and General Purposes Committee is invited to attend Audit Committee meetings as an observer.

2. Meetings

The Committee will usually meet three times a year. Minutes of each meeting will be sent to the Board meetings accompanied by a verbal report by the Chair. The role of the Audit Committee and its membership will be reviewed annually. The Audit Committee will report the frequency of, and attendance by members at meetings in the annual report.

3. Remit

The Audit Committee's principal duties include:

Internal audit

1. Consider the arrangements for the provision of **internal audit services**.
2. Recommend to the Board the **appointment of the Internal Auditors**, to approve their related fees and to commission advice on the provision of any non-audit services by the Internal Auditors.
3. Consider and approve annually the **Internal Auditors' Internal Audit Plan** for the forthcoming year.
4. Receive **periodic and annual reports from the Internal Auditors** on, inter alia, any major internal control weaknesses arising from internal audit investigations; progress

in the completion of planned audits and Management's response thereon; and subsequent internal audit follow-ups.

External audit

5. Consider the arrangements for the provision of **external audit services**.
6. **Recommend to the Board** the appointment of the External Auditors, to approve the annual audit fee and to commission advice on the provision of any non-audit services by the External Auditors.
7. In line with good practice, **ensure the audit retender process is scheduled at least every 10 years** [next due 2030]. The retendering should be scheduled in advance in order to take account of internal and external factors including changes of key personnel such as the Chair of the Audit Committee, Chair of the Board, Senior Leadership Team members alongside the renewal cycle and notice period of the appointed auditors.
8. Consider the **nature and scope of the annual audit** by the External Auditors; review and approve both audit and non-audit work carried out by the External Auditors

Audit monitoring

9. Receive and consider regular reports on The Place's progress in implementing the "**schedule of audit recommendations**", as provided by the External Auditors in their Management Letter.
10. Monitor the **performance and effectiveness** of External Audit and Internal Audit, including co-ordination between the two audit functions.

Annual Report and Financial Statements

11. Consider the **External Auditors' Management Letter** on the draft Annual Financial Statements, prior to their submission to the Board, and Management's response to any significant accounting, auditing or internal control issues included within it.
12. Review the **draft Annual Financial Statements** and **draft Annual Report**. In its review, the Audit Committee will be primarily concerned with the process of drawing up the financial statements. This will include control and accounting issues, including the accounting policies, with particular interest in the following elements: the **External Audit Report** and Opinion; any relevant issue raised in the **External Auditors' Management Letter**; the **Corporate Governance Statement** and the **Statement of Board Members' Responsibilities**; and any other audit-related matters.

(Matters of primary concern to the Finance and General Purposes Committee will include accounting principles and their application, financial disclosure and accounts adjustments, as well as financial strategy, planning, and performance.)

Risk Management, compliance and assurance

13. Consider, on advice from the Internal Auditors, whether satisfactory arrangements are in place for the **adequacy and effectiveness of risk management**, control and governance and to promote economy, efficiency and effectiveness (Value for Money) in The Place.
14. Monitor other relevant sources of assurance as applicable, for example other external reviews
15. Consider reports from the Chief Financial Officer completion of **investigations involving fraud**, to provide assurance that: all significant losses have been properly investigated; the police have been notified (in appropriate circumstances); and the Accountable Officer or the Chief Financial Officer has notified all relevant external and internal stakeholders (such as Office for Students, Arts Council England, Charity Commission) of attempted, suspected or actual frauds or irregularities in excess of £25,000.
16. Maintain an overview of **concerns raised in confidence** about alleged improprieties, misconduct or wrongdoing in order to identify trends and manage risk. This includes concerns raised by 'whistle blowing' and arrangements for appropriate and independent investigation and follow-up action.
17. Monitor the strategy for implementing **The Place's Risk Register** on a quarterly basis alongside regular progress reports from Management on its implementation and to review annually the risk policy and appetite statement.
18. Monitor **adherence to legal and regulatory requirements**, together with the Finance and General Purposes Committee, including reviewing, as appropriate, any relevant reports from the National Audit Office; the Office for Students; Arts Council England; the Charity Commission for England and Wales; the University of the Arts, London; or any other source.
19. Review **documentation required by other organisations** with which The Place works, as appropriate.
20. Satisfy itself that suitable arrangements are in place to ensure **sustainability and promote economy, efficiency, effectiveness and value for money** in line with audit recommendations and stakeholder guidance (including Arts Council England Investment Principles).

Reporting to the Board of Governors

21. Submit **minutes of each of its meetings to the Board**.
22. Approve an **annual report to the Board**, which will include a review of:
 - (i) the External Auditor's Management Letter
 - (ii) the Internal Auditor's Annual Report

- (iii) The Place's risk appetite statement, management strategy and process, and its pursuit of value for money
- (iv) any key issues considered by the Committee in the preceding year
- (v) any significant issues arising since the year-end up to the date of preparing the Committee's Annual Report
- (vi) the management and quality assurance of data submitted to funding bodies
- (vii) the Committee's opinion on The Place's governance arrangements, internal control systems, the effectiveness of the risk management strategy, the arrangements for promoting economy, efficiency and effectiveness and data quality.

Caroline Busby and Lise Smith

November 2024