



**Board of Trustees and its sub-Committees
Terms of Reference and Financial Regulations
Supplemental Charter and Bye-Laws 2008**

A charity registered in England and Wales No 312826

Board of Trustees and its sub-Committees Terms of Reference and Financial Regulations

Contents

1	Board of Trustees	3
2	Management Structure	8
3	sub-Committees	9
	Finance sub-Committee	10
	Artistic sub-Committee	12
	Education sub-Committee	14
	Trading sub-Committee	16
	Benesh sub-Committee	18
	Regional sub-Committee	20
4	Code of Conduct	22
5	Financial Regulations	24

SECTION 1
BOARD OF TRUSTEES

Terms of Reference

Title: Board of Trustees
Role: As determined by the Responsibilities
Status: Trustees of the Royal Academy of Dance

Governing document

The Supplemental Charter and Bye-Laws granted 19th November 1996 and amended 10th December 2008.

Responsibilities

The Board of Trustees is responsible for:

1. determining the Academy's mission and vision;
2. engaging in strategic planning;
3. formulating policies;
4. approving and monitoring the Academy's programmes and services;
5. ensuring adequate financial resources;
6. providing effective fiscal oversight and ensure sound risk management;
7. enhancing the Academy's public image;
8. selecting and inducting new Board members;
9. carrying out board business efficiently;
10. selecting and supporting the chief executive and reviewing his/her performance;
11. creating a Disciplinary Board to hear complaints against members;
12. creating an Appeal Board to hear appeals against disciplinary matters;
13. acting as a responsible employer; and
14. understanding and respecting the roles of the Board and the management staff.

Duties

The duty of a Trustee is to:

1. ensure that the Academy complies with its governing document; charity law, company law and other relevant legislation;
2. ensure that the Academy pursues its objects as defined in its governing document;
3. ensure that the Academy applies its resources exclusively in pursuance of its objects;
4. contribute to the Board's role in giving strategic direction to the Academy, approving overall policy, defining goals and setting targets and evaluating performance against targets;
5. safeguard the name and values of the Academy;
6. ensure effective and efficient administration of the Academy;
7. ensure the financial stability of the Academy;
8. protect and manage the property of the Academy;
9. ensure the proper investment of the Academy's funds;
10. appoint the Chief Executive and monitor his/her performance; and
11. use any specific skills or expertise to help the Board to reach sound decisions

Delegation of Board of Trustees powers

The Board of Trustees is ultimately responsible for the Academy, but due to the size of the Academy, the Board of Trustees has delegated certain powers to sub-Committees and to the Chief Executive.

It is the duty of the Board of Trustees to approve strategic policy, to monitor management by the executive and to give advice.

Sub Boards

The Board of Trustees has appointed sub-Committees under Bye-Law 40 for the purposes defined in the Terms of Reference for sub-Committees. It is the role of the sub-Committees to offer advice on policy and strategy that come within their area of consideration to the Board of Trustees.

In advance of meetings, the Chief Executive and relevant directors will discuss an agenda with the Chairman or with the chairmen of the sub-Committees. Most items will be no more than reports on current topics, but matters of policy will arise, which will need detailed discussion.

No significant policy matters should normally be brought forward for approval by the Board of Trustees unless they have been explained in a paper which has been circulated previously with the agenda and which should usually include a recommendation.

Chief Executive

The Board of Trustees appoints a Chief Executive under Bye-Law 54. The Chief Executive is responsible for advising on policy, devising strategy, the day-to-day management of the Academy, and for the appointment of staff.

The Chief Executive will consult with the Chairman of the Board of Trustees or a designated review Panel on the appointment of Directors.

Appointment

Membership

The Board of Trustees may have up to 20 members. Under Bye-Law 33 the Board shall consist of:

- (1) the President
- (2) up to 10 positions which shall be held by full Members of the Academy;
- (3) up to 10 positions which shall be held by persons (who may or may not be full Members) who are recommended by the Board as persons likely to bring skills or experience to the Board other than dance or education; and

Vacancies

Vacancies may be filled on an annual basis or at the next Annual General Meeting whichever is earlier by co-opting persons subject to (2) and (3) above where the Board of Trustees has less than 20 members.

Eligibility

A person is eligible under Bye-Laws 34 and 35 to stand as a candidate for election, appointment, or co-option providing they:

1. if they are, at the time of election or co-option, over 18 years or under 70 years of age; or
2. if, at any time during the twelve years immediately preceding the date when the election or co-option would (or may) have taken effect, they have not been a Trustee for nine or more consecutive years.

And

3. they are retiring as a Trustee in accordance with Bye-Law 36 below provided that they are not ineligible by reason of 1 and 2 above; or
4. they are recommended by the Board; or
5. their nomination as a candidate has been received by the Chief Executive not less than fifty-six clear days before the meeting at which they are to stand for election accompanied by the signatures of at least twenty full Members who support the nomination.

Retirement

Bye-Law 36 provides that one-third of the Trustees shall retire each year, and may offer themselves for re-election providing they are under 70 years of age; and have not been a member of the Board for the preceding nine or more consecutive years.

Trustees' remuneration

The Academy may, under its Charter, offer reimbursement of reasonable expenses payment of reasonable and proper remuneration, fees or royalties in return for any goods or services provided by any Trustee (or Connected Party) to the Academy: provided that the conditions set out below are satisfied.

That at no time during any one Financial Year, shall more than one half of the Trustees (as from time to time constituted) have received payment of an emolument from the Academy; and for the purposes of determining whether one half of the Board as from time to time constituted have received payment of an emolument, any period not exceeding three months shall be disregarded where, by reason of a casual vacancy, the proportion of the Board who have received payment of an emolument is greater than one half.

The conditions are:

1. the goods or services are actually required by the Academy;
2. the nature and level of remuneration is no more than is reasonable in relation to the value of the goods or services;
3. that no Trustee shall take part in a discussion or vote at a meeting of the Board considering emoluments (whether generally or in specific cases), if during the twelve months preceding the date of that meeting, he has received payment of an emolument from the Academy;
4. that no Trustee shall be present at a meeting during discussion of or vote on a resolution relating to emoluments payable to him or his appointment to a position for which he may receive emoluments; and
5. that, at the time that a Trustee is appointed to a position for which he may receive emoluments, the Board is satisfied that his appointment is advantageous to the charitable purposes of the Academy.

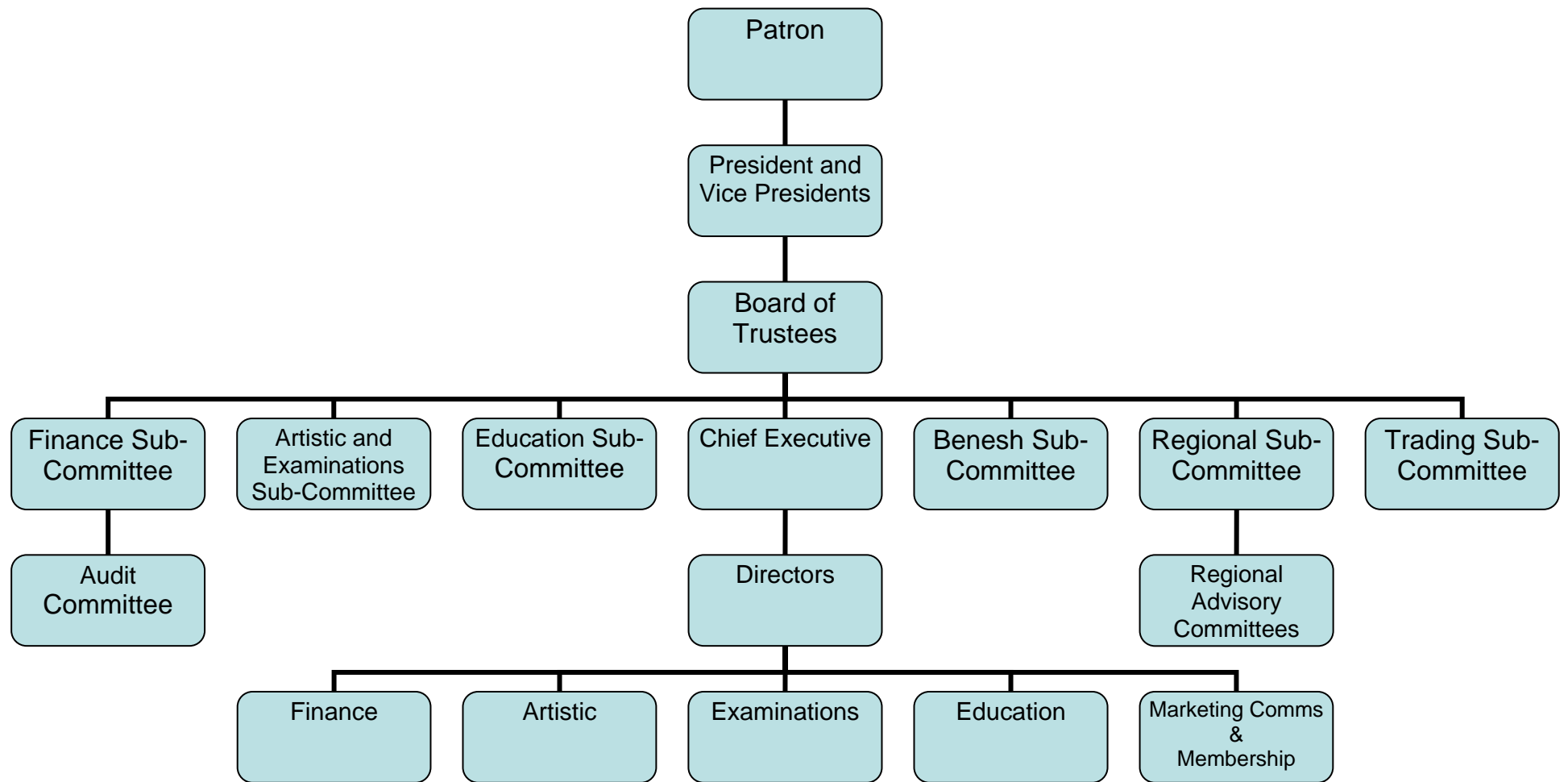
Trustee Liability Insurance

The Academy will insure Trustees, officers and employees against personal liability for acts or omissions properly done or made in connection with the administration or management of the Academy or done or made in breach of trust but under an honest mistake.

Trustees should be aware that they could be personally liable in the following circumstances:

1. breach of trust under charity law;
2. acting as a trustee when disqualified;
3. failure to comply with relevant statutory requirements in areas such as health and safety, trade descriptions and financial services; and
4. failure to deduct employee's PAYE.

SECTION 2
MANAGEMENT STRUCTURE



SECTION 3 SUB-COMMITTEES

Terms of Reference for all sub-Committees

Role: As determined by the individual Terms of Reference

Terms of Reference:

With a membership of 20, the Board of Trustees is too large to deal with any but broad policy matters. The Board of Trustees deposes its authority to the sub-Committees subject to the following terms of reference:

Each sub-Committee will:

1. have no less than three members but no more than ten members;
2. draw their membership from the Board of Trustees at the invitation of Chairman of the Board of Trustees in consultation with the Chief Executive and the Chairman of the relevant sub-Committee;
3. have members whose skills and expertise are of benefit to the Academy, subject to the maximum number per sub-Committee;
4. have co-opted members whose skill and expertise or experience is required by the sub-Committee but is not represented among the existing members of the Board of Trustees;
5. have their membership approved by the Board of Trustees;
6. be attended by the President and the Chairman of the Board of Trustees as “ex officio”;
7. be attended by the Chief Executive and the relevant Director(s) as “ex officio”;
8. elect its own chairman annually from among the members who are members of the Board of Trustees;
9. have its own specific terms of reference;
10. normally meet three times a year;
11. be quorate when at least three members are present, and at least two of those are members of the Board of Trustees;
12. report any decisions to the Board of Trustees at the next meeting through the Chairman of the sub-Committee, or through the relevant Director;
13. discuss matters of policy, either at the request of the Board of Trustees, or arising as part of the normal business of the sub-Committee, and make recommendations to the Board of Trustees at the next meeting through the Chairman of the sub-Committee, or through the relevant Director.

Finance Sub-Committee

Terms of Reference:

The Finance Sub-Committee of the Board of Trustees is appointed:

1. to uphold the aims and objectives laid down in the Academy's Royal Charter;
2. to consider all financial, statutory and legal matters to ensure that the Academy's finances are run on a sound and businesslike basis;
3. to advise the Board of Trustees on all financial matters;
4. to ensure that the delegation of the Trustees' financial authority is properly followed by the Chief Executive and Directors;
5. to ensure that proper and accurate accounting records are kept;
6. to receive and approve annual budgets and quarterly management accounts, and take action over variances as appropriate;
7. to receive and approve the annual Financial Statements and ensure that they comply with relevant statutory bodies; and ensure that they have been audited;
8. to be assured that the financial resources of the Academy meet its present and future needs;
9. to ensure that appropriate accounting procedures and controls are in place;
10. to receive and approve capital expenditure requests of £20,000+;
11. to receive and note additions to staff numbers;
12. to receive and approve all contracts, leases, bank authorisations and any legal documents that bind the Academy in whatsoever jurisdiction;
13. to ensure that the assets are properly maintained and insured;
14. to ensure compliance with accounting legislation;
15. to ensure that a proper risk assessment takes place at regular intervals, and any weaknesses identified and dealt with;
16. act as a Remuneration Committee for the Directors of the Academy, with the Chairman of the Board of Trustees, Chairman Finance sub-Committee as members and the Chief Executive as Ex-Officio; and
17. act as and select members to sit on an Audit Committee to receive any Audit recommendations or to review from time to time any other aspect of the Academy's activities; and to ensure that recommendations are implemented.

Membership:

Membership:	Up to four members of the Board of Trustees Up to six members reflecting the financial nature of the committee
Ex-officio:	President of the Royal Academy of Dance Chairman of the Board of Trustees of the Royal Academy of Dance
In attendance:	Chief Executive of the Royal Academy of Dance Artistic Director of the Royal Academy of Dance Director of Finance and Administration of the Royal Academy of Dance Director of Education of the Royal Academy of Dance Director of Examinations Director of Marketing Communications and Membership of the Royal Academy of Dance
Chair:	shall be a Member of the Board of Trustees and appointed by the members of the sub-Committee
Servicing Officer:	shall be the Assistant to the Director of Finance and Administration
Quoracy:	A quorum shall consist of three members, of which two must be Trustees, and at least one must be the Chairman or one another Trustee designated to stand in his place
Agendas:	Reserved Unreserved

**Artistic Sub-Committee
Terms of Reference:**

The Artistic Sub-Committee of the Board of Trustees is appointed:

1. to uphold the aims and objectives laid down in the Academy's Royal Charter;
2. to advise the Artistic Director on all matters pertaining to her role as Artistic Director and those matters relevant to her role as a Director of the Academy;
3. to ensure that the Academy, as an awarding body, is fully accountable and maintains the highest standards;
4. to advise and support the Artistic Director on advances and changes in the arts, music and education that may have an impact on the work and policies of the Examinations Board and the Academy more broadly;
5. to support the Artistic Director in ensuring that the Training Department, as a department of the Royal Academy of Dance, is financially viable and, where this is not the case to advise on ways in which corrective action may be taken.
6. to support the Artistic Director in ensuring that Community and Outreach programmes are financially viable and, where this is not the case to advise on ways in which corrective action may be taken.

Membership:

Membership:	Up to four members of the Board of Trustees Up to six members from the arts and education professions
Ex-officio:	President of the Royal Academy of Dance Chairman of the Board of Trustees of the Royal Academy of Dance
In attendance:	Chief Executive of the Royal Academy of Dance Artistic Director of the Royal Academy of Dance Director of Finance and Administration of the Royal Academy of Dance Director of Education of the Royal Academy of Dance Director of Examinations Director of Marketing Communications and Membership of the Royal Academy of Dance Examinations Manager Chair of the Board of Examiners Director, Benesh Institute Two representatives from the staff (as appropriate to the agenda of the meeting)
Chair:	The Chair of the Sub-Committee who must be a Trustee shall be appointed after consultation with fellow Trustees by the Chair of the Board of Trustees
Servicing Officer:	shall be the Assistant to the Artistic Director
Quoracy:	A quorum shall consist of three members, of which two must be Trustees, and at least one must be the Chairman or one another Trustee designated to stand in his place
Agendas:	Reserved Unreserved

**Education Sub-Committee
Terms of Reference**

The Education Sub-Committee of the Executive Committee is appointed:

1. to uphold the aims and objectives laid down in the Academy's Royal Charter;
2. to advise the Director of Education on all matters pertaining to her role as Dean of the Faculty of Education and those matters relevant to her role as a Director of the Academy;
3. to ensure that all programmes of study, whether validated by the validating university or the Royal Academy of Dance, are fully accountable and are developed and maintained to the highest standards;
4. to advise the Director of Education on ways of attracting new students;
5. to advise and support the Director of Education on advances and changes in education that may have an impact on the work and policies of the Faculty of Education and the Academy more broadly;
6. to support the Director of Education in ensuring that the Faculty of Education, as a department of the Royal Academy of Dance, is financially viable and, where this is not the case, to advise on ways in which corrective action may be taken.

Membership:

Membership:	Up to four members of the Board of Trustees Up to six members from the arts and education professions
Ex-officio:	President of the Royal Academy of Dance Chairman of the Board of Trustees of the Royal Academy of Dance
In attendance:	Chief Executive of the Royal Academy of Dance Artistic Director of the Royal Academy of Dance Director of Finance and Administration of the Royal Academy of Dance Director and Dean of the Faculty of Education of the Royal Academy of Dance Director of Marketing Communications and Membership of the Royal Academy of Dance Two representatives of the Faculty of Education staff Two student representatives from Faculty of Education programmes
Chair:	The Chair of the Sub-Committee who must be a Trustee shall be appointed after consultation with fellow Trustees by the Chair of the Board of Trustees
Servicing Officer:	shall be the Assistant to the Director of Education
Quoracy:	A quorum shall consist of three members, of which two must be Trustees, and at least one must be the Chairman or one another Trustee designated to stand in his place
Agendas:	Reserved Unreserved

**Board of Directors
of Royal Academy of Dance Enterprises Ltd
Terms of Reference**

The Royal Academy of Dance owns 100% of the issued shareholding of the Company. The Board of Directors of the Royal Academy of Dance Enterprises Ltd. acts in an advisory capacity to the Board of Trustees of the Royal Academy of Dance. It will advise and assist the Chief Executive and the Director of Finance and Administration on all financial, statutory and legal matters, and to ensure Royal Academy of Dance Enterprises Ltd's finances are on a sound and profitable basis.

The Directors will:

1. ensure that the delegation of the company's financial authority is properly followed by the Directors and staff of the company;
2. ensure that proper and accurate accounting records are kept;
3. receive and approve annual budgets and monthly management accounts, and take action over variances as appropriate;
4. receive and approve the annual Statutory Accounts; to ensure that they comply with relevant statutory bodies; and to ensure that they have been audited;
5. be assured that the financial resources of the company meet its present and future need;
6. ensure that appropriate accounting procedures and controls are in place;
7. receive and approve capital and stock expenditure requests of £20,000+;
8. ensure that the stocks are properly maintained and insured;
9. ensure compliance with current legislation;
10. ensure that a proper risk assessment takes place at regular intervals, and any weaknesses rectified and improved;

Membership of the Board:

Members:	Up to four members of the Board of Trustees appointed as Directors of the company Chief Executive appointed as Director Director of Finance and Administration appointed as Director and Company Secretary
Ex-officio:	President of the Royal Academy of Dance Chairman of the Board of Trustees
In attendance:	Artistic Director of the Royal Academy of Dance Director of Education of the Royal Academy of Dance Examinations Director Director of Marketing Communications and Membership
Chair:	shall be a Member of the Board of Trustees and Director of the Company
Servicing Officer:	shall be the Assistant to the Director of Finance and Administration
Quoracy:	A quorum shall consist of three members, of which two must be Directors, and at least one must be the Chairman or one another Director designated to stand in his place

**Benesh Sub-Committee
Terms of Reference**

The Board of Trustees delegates the Benesh sub-Committee of the Royal Academy of Dance to monitor the integration of the Benesh Institute within the Academy to ensure that the potential benefits of merger are realised for the benefit of both the Academy, and the Benesh Institute.

The sub-Committee will:

1. advise the Board of Trustees of actions needed and of the resources required to fulfil this purpose;

To advise and assist the Chief Executive and his Directors to:

2. extend the use of Benesh movement notation in all aspects of dance both in education and performance, amateur and professional;
3. ensure the continuation of the Professional Notators Course (or its successor) and maintaining the standards required for qualification;
4. develop the language of notation to meet new needs in dance and ensuring, through the work of the Benesh Director, the maintenance of uniform practice by all users;
5. maintain contacts with users of the notation in other fields so as to benefit from shared experience with aim of maintaining and extending Benesh movement notation as a common and universal system of movement notation;
6. ensure that, through the use of Benesh movement notation an authoritative record of as many choreographic works as possible is compiled and available on a worldwide basis;
7. identify and exploit opportunities to derive revenue from the use of Benesh movement notation; and
8. act as a professional centre for qualified Benesh notators, working in all fields, providing them, and other users, with support services and facilities.

Membership:

Membership:	Up to four members of the Board of Trustees Up to six members from the arts, notation and/or Artistic professions
Ex-officio:	President Chairman of the Board of Trustees
In attendance:	Chief Executive Artistic Director Benesh Institute, Director Director of Finance and Administration Director of Education Examinations Director Director of Marketing Communications and Membership
Chair:	shall be a Member of the Board of Trustees
Servicing Officer:	shall be the BI Director
Quoracy:	A quorum shall consist of three members, of which two must be Trustees, and at least one must be the Chairman or one another Trustee designated to stand in his place
Agendas:	Reserved Unreserved

**Regional Sub-Committee
Terms of Reference**

The Regional sub-Committee of the Board of Trustees is appointed:

1. to uphold the aims and objectives laid down in the Academy's Royal Charter;
2. to advise the Director of Marketing Communications and Membership on all matters pertaining to her role as Director of Marketing Communications and Membership and those matters relevant to her role as a Director of the Royal Academy of Dance;
3. to ensure that the Academy as a membership body, awarding body and higher education provider is fully accountable and maintains the highest standards;
4. to advise and support the Director of Marketing Communications and Membership on membership and regional matters that may have an impact on the work and the policies of the Royal Academy of Dance;
5. to support the Director of Marketing Communications and Membership in ensuring that the Membership Department, as a department of the Royal Academy of Dance, is financially viable and, where this is not the case to advise on ways in which corrective action may be taken.

Membership:

The Chairman of the Regional sub-Committee shall be co-opted to the Board of Trustees.

Membership: Up to four members of the Board of Trustees
The Chairs of the Regional Advisory Committees of Great Britain and Ireland

Ex-officio: President of the Royal Academy of Dance
Chairman of the Board of Trustees of the Royal Academy of Dance

In attendance: Chief Executive of the Royal Academy of Dance
Artistic Director of the Royal Academy of Dance
Director of Finance and Administration of the Royal Academy of Dance
Director of Education of the Royal Academy of Dance
Examinations Director
Director of Marketing Communications and Membership of the Royal Academy of Dance
Regional Administrators for the UK
National Administrator for Ireland
including Training Officer representing London and Middlesex
Chair of the Panel of Examiners
Examinations Manager
Head of Trading
Representatives of staff (as appropriate to agenda)

Chair: The Chair of the Sub-Committee who must be a Trustee shall be appointed by the Chair of the Board of Trustees following a recommendation by the Sub-Committee and after consultation with fellow Trustees

Servicing Officer: shall be the Assistant to the Director of Marketing Communication and Membership

Quoracy: A quorum shall consist of three members, of which two must be Trustees, and at least one must be the Chairman or one another Trustee designated to stand in his place

Agendas: Reserved
Unreserved

SECTION 4 CODE OF CONDUCT FOR TRUSTEES

A Trustee of the Royal Academy of Dance must abide by the fundamental values that underpin all the activities of the organisation. These are:

1 Objectivity, Transparency and Openness

The Royal Academy of Dance strives to maintain an atmosphere of transparency and openness throughout the organisation and its business to gain the support, trust and confidence of the membership, key stakeholders, funders, staff, the public, charity regulators, and the Privy Council.

In carrying out her/his role (including making appointments, awarding of contracts, recommending individuals for rewards and benefits or transacting other business) a Trustee should ensure that decisions are made on merit and with due attention to equal opportunities and fair-trading.

2 Accountability

The Royal Academy of Dance must be able to stand up to the test of public scrutiny by the charity regulators, the Privy Council, funders, stakeholders, members, media and the courts. A Trustee:

- has a duty to comply with constitutional and legal requirements and to adhere to best practice in such a way as to preserve confidence in the Royal Academy of Dance;
- is accountable to the organisation, members and other stakeholders for their decisions, for the effectiveness of the Board of Trustees and for the performance of the Royal Academy of Dance.

3 Integrity and honesty

Integrity and honesty are the hallmarks of all conduct when dealing with colleagues within the Royal Academy of Dance and equally when dealing with individuals and institutions outside it.

3.1 Integrity

A Trustee of the Royal Academy of Dance must conduct her/himself with integrity and in a manner which does not damage or undermine the reputation of the organisation, or its staff. More specifically s/he:

- should not place her/himself under any financial or other obligation to outside individuals or organisations that might seek to influence her/him in the performance of her/his role;
- must avoid actual impropriety and any appearance of improper behaviour;
- must avoid accepting gifts and or hospitality that might reasonably be thought to influence her/his judgement.

3.2 Honesty

A Trustee has a duty to avoid any conflict of interest so far as is reasonably practicable. In particular s/he must make known any interest in any matter under discussion which:

- creates either a real danger of bias (that is, the interest affects her/him, or a member of her/his household more than the generality affected by the decision); or
- which might reasonably cause others to think it could influence the decision

S/he should declare the nature of any interest and withdraw from the meeting, unless the remaining Trustees agree otherwise.

4 Confidentiality

A Trustee must ensure that confidential information and sensitive material, including material about individuals, is handled with due care and in full compliance of the Data Protection Act.

In addition s/he should be as open in her/his decisions and the actions that s/he takes. Reasons should be given for decisions taken and information restricted only when the wider interest clearly demands.

5 Leadership

A Trustee must:

- promote and support the principles of leadership by example;
- strive to attend meetings regularly, ensuring that s/he prepare for and contribute to such meetings appropriately and effectively;
- bring a fair and open minded view to all discussions of the Board and should ensure that all decisions are made in the Academy's best interests;
- respect the role of staff;
- accept and respect the difference in role between the Board and staff, ensuring that the Board, Management and any staff work effectively and cohesively for the benefit of the Royal Academy of Dance, and that a mutually supportive and loyal relationship can be developed;
- having delegated authority to any of their number or to Management, is careful - individually and collectively - not to undermine it by word or action.

6 Selflessness

A Trustee has a general duty to act with probity and prudence in the best interest of the Royal Academy of Dance as a whole. S/he should not act in order to gain financial or other material benefits for her/himself, her/his family, her/his friends, her/his own business or any other organisation that they may represent.

SECTION 5

FINANCIAL REGULATIONS

[The following section has been extracted from the Academy's Control Manual]

1. General Principles

It is a fundamental duty of the Academy's Trustees to protect the property of the Academy and to secure its application for the objects of the Academy. In order to discharge this duty it is essential that there are adequate internal financial controls over the Academy's assets and their use.

Controls are a necessary feature of any well-run organisation. Because of the special characteristics of the charitable sector, they play an essential part in helping to show members, supporters, donors and beneficiaries that the Academy's property is safeguarded, and that its management is efficient.

The fundamental responsibility for control of the Academy's activities and funds is that of the Trustees themselves. It is therefore crucial that where they delegate administrative duties to employees proper segregation of duties and additional controls are in place to ensure the delegated duties are being properly discharged.

2. Duty of Care

2.1 Accounting Requirements

The Trustees of the Academy are under a duty to ensure that the Academy keeps proper books and records, and that annual Accounts are prepared. The Trustees must also prepare an Annual Report.

The Report and Accounts should conform to any relevant reporting requirements, particularly Part VI of the Charities Act 1993, the Charities (Accounts and Reports) Regulations 1995 and 2000; and Accounting and Reporting by Charities – Statement of Recommended Practice (SORP 2000).

The Reports and Accounts should also conform to any additional statutory requirements, or where necessary separate reporting requirements such as those imposed under Financial Memorandum with the Academy, such as the Teacher Development Agency for Schools (TDA); and the Higher Education Funding Council for England (HEFCE); or such as those imposed under any Mortgage, Debenture or Facility such as HSBC Bank Plc.

The Trustees must ensure that the Accounts are subjected to external scrutiny, as required by legislation and by the Academy's Charter.

The Trustees need to formally approve the Academy's annual report and accounts.

2.2 Organisational Structure

All internal control systems need to be based on a recognised plan of the Academy's organisational structure, which clearly shows:

- 2.2.1 Areas of responsibility;
- 2.2.2 Lines of authority; and
- 2.2.3 Lines of reporting.

A good control system will cover all of the individual elements of the Academy's financial administration. Where the size of the Academy prevents any particular control being implemented, the Trustees need to ensure that compensatory controls are in place. In the case of the Academy

where the Finance function has a small number of employees and it is not possible for instance, to segregate all duties, the compensatory controls in place are even more important.

2.3 Trustees' Liabilities

No system of controls can guarantee that the Academy will be totally protected against abuse. Trustees often express concern about the extent of their personal liability in the event of any loss to the Academy through misappropriation or misapplication of its funds.

Having sufficiently rigorous controls provides not only protection for the Academy but also the best defence against a charge of failing to protect the Academy's funds and thereby being in breach of trust. If funds are lost through Trustees neglecting their duty of care they could be held personally liable to repay to the Academy the funds lost. However, if reasonable controls are in place then Trustees are unlikely to find themselves in the position of having to make good any such loss.

2.4 Delegation of Financial Duties

Academy Trustees have a general duty to ensure that all property of the Academy is brought under their joint controls as soon as is reasonably practicable, and that it remains under their joint control, until it is applied for the purposes of the Academy.

This does not mean that every single step is taken by the Trustees themselves, as the Academy is of such a size that it is impractical for the Trustees to undertake personally some of the checks and controls mentioned herein. Therefore day-to-day management has been delegated to the Chief Executive and through him the Directors of the Academy and their staff as allowed under the Academy's Charter.

Trustees retain their duty to exercise such care and skill as is reasonable in the circumstances when discharging these review duties. If they fail to exercise reasonable care and skill when appointing delegates and reviewing their performance they may be personally liable for losses resulting to the charity from the acts of the delegate.

It is the responsibility of the Academy's Trustees to consider what is appropriate in the particular circumstances of the Academy.

2.5 Segregation of Duties

One of the prime means of control is the separation of those responsibilities of duties, which if combined would enable one person to record and process a complete transaction. If duties are segregated, this reduces significantly the scope for errors and oversights, as well as deliberate manipulation or abuse, and builds in additional checks. The principle of segregation is important with regard to both income and expenditure, and capital transactions.

2.6 Budgetary Controls

Trustees should work within an agreed budget and full financial planning. Proper and realistic estimates of expected income and expenditure need to be made for each financial year.

Budgets and accounts should be approved after discussion at Trustee meetings. The discussions need to be fully minuted. It is important that Trustees understand the financial information, which is given to them.

Budgetary work is normally delegated, but the Trustees still have the overall responsibilities.

3. Review and Reporting

3.1 Planning

The Academy's planning calendar is as follows:

Financial year	1 st August to 31 st July
Membership year	1 st September to 31 st August
Academic year	1 st September to 30 th June
Examination year	1 st January to 31 st December

The Trustees approved a Strategic Review in 1999. A five-year Business Plan will be approved for 2010 – 2015 replacing the ten-year Business Plan covering the years 1999/0 – 2009/10.

The Business Plan covers the activities in the United Kingdom and the cash flows arising from international activities as remittances, dividends and management charges. Individual Business Plans for each international entity will be drawn up to complement the UK Plan.

The Business Plan is updated each year in line with actual results and annual budgets.

3.2 Budgeting

- 3.2.1 **Annual budgets** are prepared each February by the Group entities and Budget holders. These are consolidated into a Group Budget, and approved by Senior Management prior to submission to the Finance sub-Committee.
- 3.2.2 The Finance sub-Committee approves the Group Budget at their meeting in June.
- 3.2.3 The Trustees approve the Group Budget on the Finance sub-Committee's recommendation at their meeting in June.
- 3.2.4 Any amendments are presented to the Finance sub-Committee and Executive at their meetings in September
- 3.2.5 **Revised Budgets** are prepared at the half year, taking into account activity and results to date.

3.3 Reporting

- 3.3.1 **Monthly Management Reports** are prepared showing performance against actual, prior year and budget. This includes an analytical report detailing variances against budget, action taken and risk associated with shortfalls. These are distributed to Senior Management and Department Heads.

3.3.2 **Quarterly Management Reports** are prepared showing performance against actual, prior year and budget. This includes an analytical report summarising variances against budget, and action taken and risk associated with shortfalls. These are distributed to members of the Finance sub-Committee and all other Trustees, as well as Senior Management.

3.3.3 The Chief Executive makes a Report to the Trustees for each meeting, as do all other Directors.

3.3.3 **Cashflow** is monitored using HSBC's HSBCnet system and against budget, and against the overall facility. A Cashflow Report is included in the monthly and quarterly Management Reports.

4. Financial authorisation

4.1 Monetary instruments and documents

The Trustees have delegated the following levels of authorisation to staff. The same levels apply to the Royal Academy of Dance Enterprises Ltd.

4.1.1 United Kingdom accounts

- (a) All cheques, bank transfers, electronic transfers, direct debits up to value of £10,000 must be signed by any two signatories, from either List A or List B;
- (b) All cheques, bank transfers, electronic transfers, direct debits over £10,000 must be signed by two signatories, one of which must be from List B;
- (c) Inter-account transfers of any value may be signed by one signatory from either List A or List B;

List A signatories: Directors of the Royal Academy of Dance

List B signatories: (designated) Trustees of the Royal Academy of Dance

4.1.2 International accounts

- (a) All cheques, bank transfers, electronic transfers, direct debits up to an equivalent value of £5,000 must be signed by any two signatories from either List A or List B;
- (b) All cheques, bank transfers, electronic transfers, direct debits over an equivalent of £5,000 must be signed by two signatories, one of which must be from List B;

List A signatories: Local representative of the Royal Academy of Dance, and a professional businessperson

List B signatories: Chief Executive and Director of Finance and Administration

4.2 Banking Facilities

The Royal Academy of Dance and Royal Academy of Dance Enterprises Ltd have an agreed facility with the HSBC Bank Plc. The facilities can only be amended or changed with the consent of the Trustees.

4.3 General expenditure

The general level of authorisation within the Academy is set out below.

Finance sub-Committee	Over £20,000+
Chief Executive and Director of Finance and Administration	£10,001 - £19,999
Directors and Financial Controller	£2,001 - £10,000
Heads of Department	Up to £2,000

All expenditure is subject to coding, authorisation and budgeted limits.

Department staff may order goods and Services ordered up to a value of £2,000 where such expenditure is a normal part of their responsibility. Purchase invoices must be counter-signed by their Heads of Department.

Expenditure over £2,000 must be counter-signed by the relevant Director.

Expenditure over £5,000 must be counter-signed by the Chief Executive.

Expenditure over £20,000 must be counter-signed by a (designated) Trustee, unless waived as part of controls (Refer to Controls Manual).

4.4 Capital Expenditure

Capital expenditure requests that have been approved in the annual budget may be purchased and approved as if for general expenditure, but must be signed off by all three parties below:

Chief Executive
Director of Finance and Administration
Heads of Department

4.5 Petty Cash Expenditure

Individual Petty Cash expenditure cannot exceed £100, unless prior approval from the Director of Finance and Administration has been received. This includes all expenditure related to the normal activities other than travel, accommodation and entertainment. All petty cash must have two signatures submitted on the required form, and countersigned by either the Head of Department.

4.6 Travel Accommodation and Entertainment

All travel, accommodation and entertainment must be pre-approved and countersigned by the Manager or Line Director of the department, and if for the Line Manager, must be approved by the Line Director.

All travel and entertainment claims must be within the Travel and Entertainment guidelines published by the Academy.

Expense claims on the prescribed forms must be signed by the person seeking reimbursement, and countersigned by their Head of Department or Director prior to reimbursement.

4.7 Binding Contracts

All contracts that bind the Academy and have a financial impact, irrespective of the jurisdiction, must be approved by the Finance Board. These include, *inter alia*, rental leases, capital expenditure, projects, Memorandum of Association etc.