

# Audit Committee Regulations

Hotelschool The Hague

Board of Trustees



## Article 1. Purpose of the Audit Committee

The Audit Committee aims to assist the Board of Trustees in its function as supervisory body, focusing on the following specific issues:

- a. The internal risk management and control systems (including the Enterprise Risk Management system);
- b. The provision of financial information by the Hotelschool;
- c. The financial performance of the Hotelschool (including the performance of the external auditor);
- d. Information security to maintain confidentiality, integrity, and availability of information within Hotelschool The Hague.

## Article 2. Composition, Appointment and Responsibility

1. The Audit Committee consists of members of the Board of Trustees and has at least two members. Members of the Audit Committee are appointed by the Board of Trustees.
2. At least one of the members of the Audit Committee is a financial expert, which means that this member has gained relevant knowledge and experience in the financial management of legal entities of comparable size.
3. The Board of Trustees appoints one of the members of the Audit Committee as chair. The chairmanship of the Audit Committee shall not be filled by a former member of the Board of Directors of the Hotelschool.
4. The Board of Trustees remains responsible for decisions, also when these have been prepared by the Audit Committee.

## Article 3. The Committee's Authority and Tasks

1. The Audit Committee can only exercise those duties and powers specifically assigned to it by the Board of Trustees, and it can never exercise powers exceeding those that the Board of Trustees as a whole can perform. The Board of Trustees can at all times adjust these regulations and/or revoke the powers granted to the Audit Committee.
2. The Audit Committee is entitled to:
  - a. enter into discussions with the Board of Directors, the manager Finance & Control and the external auditor;
  - b. provide advice to the Board of Trustees on the work plan of the manager Finance & Control. If so wished, the Audit Committee can involve the external auditor in this;
  - c. acquaint itself with the findings of the manager Finance & Control and the external auditor, and with the financial decisions taken by or on behalf of the Board of Directors.
3. The Audit Committee has the following duties:
  - a. supervising the functioning of the risk management and internal control systems of the Hotelschool The Hague Foundation and entities directly affiliated to the Foundation, including the supervision of the compliance with the relevant laws and regulations and the supervision of the operation of the codes of conduct;
  - b. supervising the provision of financial information by the Hotelschool, including the supervision of funding rules, supervision of the application of (new) accounting principles and the supervision of specific items in the annual accounts;
  - c. supervising the way in which financial decisions are taken by or on behalf of the Board of Directors;
  - d. advising the Board of Trustees with regard to the appointment of the external auditor;
  - e. periodical discussion of the principal audit findings of the manager Finance & Control and of the external auditor;
  - f. supervising the compliance with recommendations and follow-up on comments received from the manager Finance & Control or the external auditor. The Audit Committee is the first point of contact for the external auditor if he/she observes irregularities in the content of the financial reports;



- g. evaluating, together with the Board of Directors, the performance of the external auditor, assessing the fee invoiced by the external auditor as well as supervising the independence of the external auditor. The Audit Committee is the first point of contact for the external auditor in case of conflicting interests affecting his/her ability to function. At least once every four years, a thorough assessment of the external auditor is made.

## **Article 4. Committee Meetings**

1. The Audit Committee meets with the external auditor as often as it considers necessary, but at least once a year, in the absence of the Board of Directors.
2. The Audit Committee decides whether and when the Board of Directors, the external auditor and/or the manager Finance & Control are present at the meeting of the Committee.
3. When the need arises, the external auditor may request the chair of the Audit Committee for permission to attend a meeting of the Committee.
4. The manager Finance & Control may, if appropriate, without prior approval from the Board of Directors, request the chair of the Audit Committee for permission to attend a meeting of the Committee.
5. The secretary of the Board of Trustees is responsible for preparing the reports of the meetings of the Audit Committee. The secretary of the Board of Trustees is not a member of the Audit Committee.

## **Article 5. Reporting to the Board of Trustees**

1. The Audit Committee reports to the Board of Trustees on its deliberations, findings and recommendations.
2. The Audit Committee reports annually, and if necessary more frequently - in any event when there is evidence of irregularities as referred to in article 3, third paragraph, under f - to the Board of Trustees on the developments in its dealings with the external auditor, and in particular on the perception of the Audit Committee of the external auditor's independence (including the desirability of rotating the responsible partners of an external audit firm responsible for audit services, and the desirability of the external auditor charged with auditing also providing non-audit services to the Hotelschool).
3. For the purpose of the annual report, the Audit Committee provides the Board of Trustees with a report indicating the composition of the Committee, the number of meetings of the Committee and the issues raised at those meetings.

Adopted by the Board of Trustees on 25 March 2014. Modified on 19 October 2021