

**AUDIT AND RISK MANAGEMENT COMMITTEE OF THE BOARD OF
GOVERNORS OF THE GUILDHALL SCHOOL OF MUSIC & DRAMA**

Wednesday, 31 January 2018

Minutes of the meeting of the Audit and Risk Management Committee of the Board of Governors of the Guildhall School of Music & Drama held at Committee Room - 2nd Floor West Wing, Guildhall on Wednesday, 31 January 2018 at 11.30 am

Present

Members:

Christina Coker O.B.E. (Chairman)	Alderman David Graves
Marianne Fredericks (Deputy Chairman)	Graham Packham
Neil Constable	

In Attendance

Vivienne Littlechild

Officers:

Lynne Williams	-	Principal, Guildhall School of Music and Drama
Sarah Wall	-	Chamberlain's Department
Pat Stothard	-	Head of Internal Audit and Risk Management
Martin Newton	-	Town Clerk's Department

1. IN CAMERA SESSION

The first 25 minutes of the meeting took the form of an 'in camera' session with only Members of the Committee, the Head of Audit and Risk Management and the Town Clerk present.

2. APOLOGIES

Apologies were received from Deputy John Bennett.

3. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

There were no declarations.

4. PUBLIC MINUTES

RESOLVED – That the public minutes of the meeting held on 8 November 2017 be approved.

Matters Arising:

Additional Meeting

The Town Clerk undertook to inform Vivienne Littlechild of the date of the additional meeting of the Committee.

5. **PUBLIC MINUTES OF FINANCE AND RESOURCES COMMITTEE OF THE GUILDHALL SCHOOL OF MUSIC AND DRAMA**

The public minutes of the Finance and Resources Committee of the Guildhall School of Music and Drama held on 8 January 2018 were noted.

RECEIVED.

6. **OUTSTANDING ACTIONS**

The Committee considered a report of the Town Clerk on outstanding actions and it was noted that the dates of 3 and 4 should both read 08/11/17. The following matters were raised:-

Student Representative

Vivienne Littlechild reported that she hoped to arrange a firm date soon to meet with the student representative.

Development of IT Pedagogy fails to keep pace with competition

The Principal informed the meeting that this area could still be regarded as 'work in progress'.

Disaster Recovery and Cloud Backup

Noted that discussion on this matter would take place later in the meeting.

Risk Register

The Director of Operations and Buildings reported that appropriate documentation had been reviewed in line with the Guildhall School and Barbican 'Common Platform' approach, and also in consultation with the City of London, and that it was considered to be in line with best practice and training. However, he added that the next step was to check the operational detail, to ensure that 'what we say we do is indeed what we actually do' (quality assurance versus quality control). Therefore, it was noted that the scoring of such risk would remain higher until such assumptions had been fully checked and confirmed as implemented and completed by the operations team in consultation with the City of London.

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7. **COMMITTEE TERMS OF REFERENCE**

The Committee considered the current terms of reference and the following matters were raised.

- The Principal said that it would be appropriate for the terms of reference to be updated to include the attendance at future meetings by the new Vice Principal, Director of Advancement on behalf of the Principal and Members also noted that revisions to wording were also needed to update required officer attendance.
- The Chairman stated that consideration should be given by the Board to more formal liaison with the Risk Committee of the Barbican Board with regard to the common platform.

RESOLVED – That the Board of Governors of the Guildhall School of Music and Drama be informed that the Committee considers that their terms of reference should be amended as set out below:-

“4. The Vice Principal, Director of Advancement on behalf of the Principal of the Guildhall School of Music & Drama, along with the Head of Finance and Business Administration (Chamberlain’s Department), the Head of Internal Audit and Risk Management (Chamberlain’s Department) and such other representatives of the Guildhall School of Music & Drama and the City of London Corporation as appropriate, shall normally attend or be represented at meetings.....

6. ...The external auditors or The Head of Internal Audit and Risk Management may request a meeting if they consider it necessary.”

8. **INTERNAL AUDIT UPDATE REPORT**

The Committee considered the report of the Head of Internal Audit and Risk Management on the internal audit update and the following matters were raised.

- It was noted that the number of live amber priority recommendations had been reduced from ten to seven.
- The Head of Internal Audit and Risk Management undertook to circulate appendix 3 containing the live recommendation details.
- On the disaster recovery and cloud backup, the IT Network Manager reported that it is considered sufficient for the server information to be ‘dumped’ twice a day on weekdays to the cloud, with weekend cloud data backup taking place. It was noted that the weekend process takes around 22 hours to complete. Tape and master backup takes place with data replicated to a site across the road. The IT Network Manager informed the meeting that it was proposed to investigate moving the backup data from Barbican to the City of London Girls’ School with the cost of laying the required fibre optic cable expected to be in the region of £8,000. The Committee were informed that the City of London use the Microsoft cloud, whilst the Guildhall School use Amazon.

Discussion continued and a Member made the point that it would be possible for an adequate system to be in place that, although less than perfect ensured a sensible regime for data recovery, including appropriate testing to check the procedures.

A Member asked that the explained process be documented and the subject of a report to the next Committee meeting, including details of what testing takes place to ascertain if data is recoverable. The Member undertook to provide details of information for report back in a ‘bullet point’ form to the IT Network Manager.

- The Chairman noted that details of the 2018/19 Audit Plan and proposals to 2021 would be presented to the next meeting. The Principal confirmed that senior management team meetings would feed into that process with the next scheduled for mid-February.
- In response to a question from a Member regarding confirmation of FTE data and risk of funding 'clawback', the Principal confirmed that the report should state that the previous discrepancies in data 'could' have impacted upon funding, although it was not believed this was the case.
- Members were informed that summary audit outcomes on corporate waivers and tenders under £100,000 that relate to the School would be reported to a future meeting.
- The Principal undertook to confirm whether the audit for the Baxter Storey contract for the School included the catering services to the Barbican Centre Green Room and Artists Café (page 24 of agenda pack).
- The Head of Internal Audit and Risk Management said that the annual and strategic audit planning process had been delayed pending finalisation of the School's Strategic Plan. The Principal confirmed that the forthcoming 'away day' would provide further opportunity for discussion and updating Board Members on the Strategic Plan. She further stated that Jeremy Newton, new Vice Principal and Director of Advancement, would develop income and sponsorship initiatives.
- With regard to the income generation audit, currently indicated as carried forward to 2018/19, the Chairman suggested it might be more useful to conduct the audit in 2019/20 though planning might commence in 2018/19.
- Within the data quality audit, the Chairman requested the Head of Internal and Risk Management includes some reflection on managing types of work in a small organisation in respect of the appropriate level of controls. A Member commented that smaller organisations might have advantages in this area.
- The Head of Internal Audit and Risk Management confirmed that a comprehensive picture of the previous two years' audits and outcomes, along with information on the following three years, would be provided at the next meeting.

RECEIVED.

9. **RISK MANAGEMENT HEALTH CHECK - EXTERNAL REVIEW OF RISK MANAGEMENT IN THE CITY CORPORATION**

The Committee considered a report of the Head of Internal Audit and Risk Management on risk management health check – an external review of risk

management in the City of London Corporation. The following matters were raised:-

- The review's online survey was anonymous therefore it was not known which individuals did or did not respond. The School had not been involved in the review consultant's interviews.
- Risk management training (review recommendation) was being delivered. It was noted that, amongst others, senior officers at the Barbican and at the City of London Freemans School had received this.
- The Principal indicated a strengthening risk management culture in the School and confirmed that further training would be welcome, possibly in six months, and that this topic would remain with the senior management team for discussion. It was noted that the School would have a slightly different 'risk appetite' than the Corporation in areas such as safeguarding, but that there would not be significant differences. The Head of Internal Audit and Risk Management said that these issues required consideration and would need to be discussed at the Risk Management Group chaired by the Chamberlain.
- With reference to risk no. CR22 (page 32) – "Barbican fire safety risk" - a Member commented that fire safety and information security had been measured and found to be compliant. In response to a question from the Chairman on this, the Head of Internal Audit and Risk Management confirmed that this reference could be amended by agreement of the chief officer if it should reflect the common platform arrangements.
- The Head of Internal Audit and Risk Management then spoke about how risk becomes 'corporate' with examples of 'top down' and 'bottom up' generated risks, feeding through the process to the Summit Group and then the Corporation's Audit and Risk Management Committee. He confirmed that senior officers should identify risks that were 'Corporation wide'. The Principal put forward the view, agreed by the Director of Operations and Buildings, that the Barbican Centre and School working on the common platform was an example of this.
- It was noted that pertinent corporate risks/lead department should be indicated on the School's risk register. It was also noted that 'deep dive' reviews were part of the framework, giving opportunity for further scrutiny and challenge.
- The Head of Internal Audit and Risk Management would provide the Committee with a future paper on risk appetite and said that the risk or register would be amended to include an additional field in future on this.

RECEIVED.

10. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE AUDIT & RISK MANAGEMENT COMMITTEE**

There were no questions.

11. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There were no urgent items.

12. **EXCLUSION OF THE PUBLIC**

RESOLVED – That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for items 13 to 18 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A of the Local Government Act.

13. **NON PUBLIC MINUTES**

RESOLVED – That the non-public minutes of the meeting held on 8 November 2017 be approved, subject to an amendment.

14. **NON PUBLIC MINUTES OF THE FINANCE AND RESOURCES COMMITTEE OF THE GUILDHALL SCHOOL OF MUSIC AND DRAMA**

The non-public minutes of the Finance and Resources Committee meeting on 8 January 2018 were noted.

RECEIVED.

15. **ANNUAL TRANSPARENT APPROACH TO COSTING (TRAC) RETURN REPORTING FOR ACADEMIC YEAR 2016/17**

The Committee received the report of the Principal on the Annual Transparent Approach to Costing (TRAC) return reporting for the academic year 2016/17.

RECEIVED.

16. **SCHOOL RISK REGISTER**

With the agreement of the Chairman, the Committee considered a late report of the Principal on the school risk register.

RECEIVED.

17. **GUILDHALL SCHOOL FINANCE REVIEW 2017/18- PERIOD 8**

The Committee received the report of the Principal on the School finance review 2017/18, period 8.

RECEIVED.

18. **NON PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE AUDIT & RISK MANAGEMENT COMMITTEE**

There were no questions.

19. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There were no urgent items.

The meeting ended at 1.30 pm

Chairman

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