



The Committee received a report of the Town Clerk on the public actions of the previous meeting.

The Town Clerk informed the Committee that a draft Role Profile and Application Form for the co-opted Members for the Guildhall School of Music and Drama's Audit & Risk Management Committee had been produced. The Principle added comments from the Guildhall School of Music and Drama had been incorporated and that both the documents were on course to be ready by the end of November. The Chairman commented that these co-opted Members needed to be appointment for the next meeting of the Audit and Risk Committee and requested that the Town Clerk arrange interview dates in January 2020. In addition, the Committee agreed to delegate authority to the Town Clerk, in consultation with the Chairman and Deputy Chairman, to agree the Role Profile and Application Form. The Deputy Chairman commented that the advertisement of the position needed to be sufficiently diverse in order that individuals with the required experience are identified and highlighted the recent appointment of an external member to the City of London Corporation's Audit and Risk Management Committee as an example of best practice.

The Deputy Chairman commented on the political context and the impact this may have on the Augar report. The Principle noted that while this was a consideration the School was taking a wait and see approach given the uncertainly political context.

**RESOLVED-** That the report be noted.

5. **INTERNAL AUDIT ANNUAL REPORT**

The Committee received a report of the Head of Audit and Risk Management which provided the Internal Audit Annual Report and Opinion.

The Head of Audit introduced the report and noted the improved position from last year's report. The Chairman thanked staff for their work in achieving the improved position. In addition, the Head of Audit provided the Committee with an update on the actioning of the recommendations listed within the report and a summary of the Internal Audit work delivered.

Deputy Chairman questioned if the GDPR Readiness risk was specific to the School or was a City of London Corporation wide risk. The Head of confirmed that the risk was across the City of London Corporation and that the two red risks listed would be further clarified. The Principle added that the School would be completing a GDPR self-assessment to mitigate this risk.

Further to a request from the Chairman the Principle provided an update on the High Priority Recommendations as listed at Annex three of the report. The Deputy Chairman commented the use of petty cash for providing students with funds for the Student Arts Production and suggested the School utilise P-Cards. The Principle agreed confirmed that the School would be moving away from the use of petty cash for this service.

Replying to a request from the Chairman the Head of Audit explained that an improved methodology for managing the implementation was due to be established across the City of London Corporation. It was explained that the new method would focus more on assurances regarding system controls to improve identified risks rather than specific details on actions and would be more efficient than the current method. Furthermore, the Head of Audit confirmed that meetings between Internal Audit and School Staff would be established to discuss risk reviews.

**RESOLVED-** That the report be noted.

6. **DEEP DIVE SCHEDULE**

The Committee considered a report of the Principle on the proposed Deep Dive Schedule. The Principle noted the ongoing risk regarding risk GSMD SUS 004: Failure to mitigate against a potential fall in EU student numbers as a result of Brexit and GSMD SUS 001: Inability to Invest in Infrastructure and teaching spaces. In addition, the Principle informed the Committee that the Office for Students five year would also impact the audit reporting risks for the School.

The Chairman noted the potential fall in EU student numbers as a result of Brexit. The Principle explained that a census of students would be taken in December and an analysis against the 2015 pre-referendum numbers would be completed.

**RESOLVED-** That the proposed deep dive schedule be approved.

7. **DEEP DIVE INTO THE CONTINUING REGISTRATION CONDITIONS FOR REGISTRATION WITH THE OFFICE FOR STUDENTS**

The Board received a report of the Principle on the Deep dive into the continuing registration conditions for registration with the Office for Students. The report provided a description of how the School meets the ongoing conditions of registration referencing Part V of the Regulatory framework for Higher Education in England. The Principle commented that the deep dive on registration had been a helpful exercise but suggested that a separate risk on registration was no longer required. Replying to a question from the Deputy Chairman the Principle explained that the timing of the guidance by the Office for Students was deeply unhelpful as it significantly limited the time for Officers to implement the new guidance. The Deputy Chairman observed that a risk on compliance with these conditions should be considered.

The Principle further noted that the guidance did not adequately appreciate issues of scale in terms organisation size and included metric inappropriate for the School. The Board commented on the poor performance of the Office for Students and asked Officers if there was any formal manner in which Members displeasure could be noted. The Principle explained that the School Officers were in constant contact with the Office for Students and that the Academic Registrars Council had raised issues of performance previously.

**RESOLVED-** That the report be noted.

**8. INTERPRETATION OF OFFICE FOR STUDENTS GUIDANCE CONCERNING THE INDEPENDENCE OF MEMBERS**

The Committee received a joint report of the Comptroller and City Solicitor and Head of Audit and Risk Management on the Interpretation of Office for Students Guidance Concerning the Independence of Members. The Head of Audit confirmed that there was no reason from the criteria provided by the Office for Students that the Common Councillors serving on the Board of Governors of the Guildhall School of Music and Drama would not be considered independent. Furthermore, it was clarified that the report only related to Office for Students guidance as the Committee of University Chairs guidance was already clear and it was noted that it was best practice to co-opt external Members onto the Committee.

The Principle commented that the report was produced as a measure to manage the relationship with the Office of Students and highlighted the Committee's terms of reference in which it clarifies that the Chairman would normally be a co-opted member. In addition, it was observed that it was important that the Chairman of the Board of Governors of the Guildhall School of Music & Drama and the Principle be consulted on the report.

The Chairman requested that the report be received by the Board of Governors of the Guildhall School of Music and Drama for information.

**RESOLVED-** That the report be noted.

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

There were no questions.

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

There were no urgent items.

**11. EXCLUSION OF THE PUBLIC**

**RESOLVED** – That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business 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 as follows:-

Item	Paragraph
12-21	3

**12. NON PUBLIC MINUTES**

The Committee considered the non-public minutes of the meeting held on 11 September 2019.

**RESOLVED-** That the non-public minutes of the meeting on the 11 September 2019.

13. **RISK REGISTER**

The Committee considered a report of the Principle on the Guildhall School of Music & Drama's Risk Register.

**RESOLVED-** That the report be agreed.

14. **AUDIT AND RISK MANAGEMENT COMMITTEE ANNUAL REPORT**

The Committee considered a report of the Chairman on the Annual Report to the Board of Governors and the Principal for the year ended 31 July 2019.

**RESOLVED-** That the report be agreed.

15. **OFFICE FOR STUDENTS ACCOUNTS DIRECTION FOR 2018/19**

The Committee considered a report of the Principle on the Office for Students Accounts Direction for 2018/19.

**RESOLVED-** That the report be agreed.

16. **DRAFT REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019**

The Committee received a report of the Principle on the Reports and Financial Statements for the year ended 31 July 2019.

**RESOLVED-** That the report be noted.

17. **ANNUAL ACCOUNTABILITY RETURN**

The Committee considered a report of the Principle on the Annual Accountability Return.

**RESOLVED-** That the report be agreed.

18. **OFFICE FOR STUDENTS (OFS) ANNUAL ACCOUNTABILITY RETURN 2019 - FINANCIAL COMMENTARY**

The Committee received a report of the Principle on the Office for Students Annual Accountability Return 2019 – Financial commentary.

**RESOLVED-** That the report be agreed.

19. **GUILDHALL SCHOOL BUDGET REPORT - 2020/21**

The Committee received a report of the Principle on the Guildhall School Budget Report – 2020/2.

**Resolved-** That the report be noted.

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

There was one question received in the non-public session.

21. **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 12.57 pm**

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Chairman

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