

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

Wednesday, 13 November 2019

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 2 - 2nd Floor West Wing, Guildhall on Wednesday, 13 November 2019 at 11.00 am

Present

Members:

Marianne Fredericks (Chairman)

John Chapman

Randall Anderson (Deputy Chairman)

In Attendance

Vivienne Littlechild

Officers:

Lynne Williams

- Principal, Guildhall School of Music and Drama

Katharine Lewis

- Guildhall School of Music and Drama

Jeremy Newton

- Guildhall School of Music and Drama

Graeme Hood

- Guildhall School of Music and Drama

Niki Cornwell

- Chamberlain's Department

Matthew Lock

- Chamberlain's Department

Cirla Peall

- Chamberlain's Department

Jonathon Poyner

- Guildhall School of Music and Drama and Barbican Centre

Gemma Stokley

- Town Clerk's Department

Richard Holt

- Town Clerk's Department

1. APOLOGIES

Apologies were received from Ann Holmes.

Replying to a query from the Chairman the Town Clerk confirmed that the quorum for the Committee was two Members.

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

There were no declarations.

3. PUBLIC MINUTES

The public minutes and non-public summary of the meeting held on 11 September 2019 were approved.

RESOLVED- That the public minutes and non-public summary of the meeting on 11 September 2019 be approved as an accurate record.

4. **OUTSTANDING ACTIONS**

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 of the Guildhall School of Music and Drama's Audit & Risk Management Committee had been produced. The Principal informed that she had added comments from the Guildhall School of Music and Drama which 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 appointed 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 Principal noted that while this was a consideration the School was taking a wait and see approach given the uncertain 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 and Risk Management 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 and Risk Management 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.

The 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 Audit and Risk Management confirmed that the risk was across the City of London Corporation and that the two red risks listed would be investigated further. The Principal added that the School would be completing a GDPR self-assessment to mitigate this risk.

Further to a request from the Chairman the Principal provided an update on the High Priority Recommendations as listed at Annex three of the report. The Deputy Chairman commented on the use of petty cash for providing students

with funds for the Student Arts Production and suggested the School utilise P-Cards. The Principal 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 and Risk Management explained that an improved methodology for managing the implementation of actions identified in audits 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 and Risk Management confirmed that meetings between Internal Audit and School Staff would be established to discuss the audit plan and scoping of reviews.

RESOLVED- That the report be noted.

6. DEEP DIVE SCHEDULE

The Committee considered a report of the Principal on the proposed Deep Dive Schedule. The Principal 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 Principal informed the Committee that the Office for Students Five year Report 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 Principal 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 Principal 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 Principal 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 Principal 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 Principal further noted that the guidance did not adequately appreciate issues of scale in terms of organisation size and included metrics 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 Principal 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 The Head of Audit and Risk Management on the Interpretation of Office for Students Guidance Concerning the Independence of Members. The Head of Audit and Risk Management 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 Audit & Risk Management Committee.

The Principal highlighted the Committee's recently revised terms of reference in which it stated that the Chairman would normally be a co-opted member. In addition, she suggested that it was important that the Chairman of the Board of Governors of the Guildhall School of Music & Drama and the Principal be consulted on such reports in future.

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 Principal 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 Principal 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 Principal 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 Principal 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 Principal 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 Principal 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

Chairman

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