

<b>Committee(s)</b>	<b>Dated:</b>
<b>Board of Governors of the Guildhall School of Music &amp; Drama</b>	<b>15 February 2021</b>
<b>Subject: Annual Financial Statements of the guildhall School of Music &amp; Drama</b>	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>N/A</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N/A</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of: The Principal</b>	<b>For Decision</b>
<b>Report author: Group Accountant</b>	

### **Summary**

The Guildhall School is required to prepare an Annual Report and Financial Statements for the Office for Students (OfS) as part of the ongoing conditions of registration as a higher education provider. The attached statements for the year ended 31 July 2020 and accompanying independent accountants report are due to be submitted to the OfS by 28 February pending approval by the Board.

### **Recommendation(s)**

Members are asked to formally approve the Annual Report & Financial Statements and authorise the Chairman of the Board and Principal of the School to sign the report and accounts and updated assurance engagement letter from the independent accountants on behalf of the Board prior to submission of the Financial Statements to the OfS by the Group Accountant.

### **Main Report**

#### **Background**

1. The Guildhall School is required to prepare an Annual Report and Financial Statements for the Office for Students (OfS) as part of the ongoing conditions of registration as a higher education provider. The attached statements for the year ended 31 July 2020 and accompanying independent accountants report are due to be submitted to the OfS by 28 February pending approval by the Board.
2. This report and financial statements were received by the Finance & Resources Committee of the School at its meeting on 19 January and by the Audit & Risk Committee of the School on 22 January alongside the Annual Financial Return to the OfS (reported on as a separate item on the agenda for this meeting) and has been endorsed for approval by both committees,

subject to the correction of a few minor typos and changes to the wording of a section on anti-racism on page 4 of the report.

3. The updated version of the report and accounts is attached as Appendix 1 to this paper. The Independent Accountants Report is attached as Appendix 2.
4. The independent accountant BDO have provided a copy of their updated assurance engagement letter and terms of business and these are attached as Appendices 3 and 4. The letter incorporates changes due to the inclusion of the new opinions that BDO are required to give on the Tuition fee and grant note and the disclosure of expenditure on APP.

The other changes mainly follow from the updated quality and ethical standards that we as a regulated firm are required to follow.

The key changes are:

- Explicit agreement for the School to notify BDO of any correspondence received from regulators that might concern our financial statements, internal controls or affairs;
- Agreement to inform BDO of changes to the School's directors/key management and affiliates;
- Agreement to consult with the RI prior to committing to any non-audit services for the entity or affiliates; and
- Agreement to notify BDO of employing any member of staff or partners who have worked at BDO in last 5 years.

## **Conclusion**

5. The Report and Accounts have already been endorsed for approval by both the Finance & Resources Committee and Audit & risk Committee of the School. Members are asked to formally approve the Annual Report & Financial Statements and authorise the Chairman of the Board and Principal of the School to sign the report and accounts on behalf of the Board prior to submission to the OfS by the Group Accountant. Members are also asked to authorise the Chairman to sign the updated engagement letter from BDO.

## **Appendices:**

Appendix 1: Annual Report and Financial Statements of the Guildhall School of Music & Drama

Appendix 2: Independent Accountants Report

Appendix 3: updated assurance engagement letter from BDO

Appendix 4: updated terms of business from BDO

## **Report author**

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