

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

Monday, 26 April 2021

Minutes of the meeting streamed to You Tube at 10.00 am
Please note that the recording will be available for one year from the date of the meeting
https://youtu.be/DovSaw_CMdw

Present

Members:

Professor Geoffrey Crossick (Chairman)	Christopher Costigan
Randall Anderson (Deputy Chairman)	Michael Herington
John Chapman	

In Attendance

Vivienne Littlechild
Graham Packham

Officers:

Lynne Williams	- Principal, Guildhall School of Music and Drama
Jonathan Vaughan	- Guildhall School of Music & Drama
Katharine Lewis	- Guildhall School of Music and Drama
Graeme Hood	- Guildhall School of Music and Drama/Barbican Centre
Jonathon Poyner	- Guildhall School of Music and Drama/Barbican Centre
Matthew Lock	- Chamberlain's Department
Julie Mayer	- Town Clerk's Department

1. APOLOGIES

Apologies were received from Paula Haynes.

Before commencing the business on the agenda, the Town Clerk explained that this was a meeting of the '*past*' Audit and Risk Management Committee of the Board of Governors of the Guildhall School of Music and Drama, as it fell between the Annual Meeting of the Court and the first meeting of the Board of Governors for 2021/22.

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 of the meeting held on 22nd January 2021 were approved.

Matters arising

At the last meeting, the Chairman had requested an update on internationalisation, as this is a key objective of the recovery plan. The Finance Officer advised that the School had been running a series of workshops, including internationalisation, looking at the KPIs that would be used to deliver targets. The Committee noted that a report was being prepared on the outcome of the workshops, and this would be shared with Internal Audit, in order to determine further actions required to review the strategy. The Principal strongly recommended, and the Committee agreed, that a full review should be delayed until there was clarity in respect of the numbers of students expected to return.

4. INTERNAL AUDIT UPDATE

During the discussion and questions, the following points were noted:

- a) In respect of the final joint report of the Guildhall School and Barbican on Facilities Management and Maintenance, the Chairman advised that whilst '13 Amber' appeared high, management had agreed to all but 3 of the recommendations in full, and those 3 partially, and there were no significant issues. The officer confirmed good progress in the transition to City contracts and that interim arrangements were in place, pending the new system. A performance management issue in respect of the Engineering Team related to a risk exercise and not a HR process.
- b) A report had recently been presented to the Senior Management Team in respect of the detailed revised budget for 2021/22, and this had included the first year of the Medium Term Financial Plan (MTFP). The Committee noted that the recommendations made had been accepted. The Chairman asked if future reports' management responses could indicate this clearly and, if a recommendation was partially or not accepted, then it should state the reasons.
- c) The Officer explained that the School was aiming to implement 12% savings, alongside seeking investments in new areas to generate income. The Committee noted the observation in the report that weightings towards new income against cost reduction would increase risk. The Committee nonetheless viewed the income-led approach as appropriate notwithstanding the level of risk.
- d) The report on Guildhall Young Artists would be ready to report to the next Committee meeting. The officer advised that the audit report had been finalised recently and there had been a positive response from the School.

Audit Plan for 2021/22

- e) The committee noted that, whilst this was somewhat fluid, the main components were Data Quality, Governance and the Medium Term Financial Plan (MTFP). The Head of Audit and Risk Management explained that the next stage of the work on the MTFP would look at how

the plan was being implemented, and if it was possible to test some of the assumptions.

Governance

- f) Whilst Governance was linked to the City of London Corporation's Lisvane Review, the Head of Audit and Risk Management would need to provide independent assurance that governance arrangements in the School adhered to the relevant codes for higher education. The Chairman expressed concern that, given the current fluidity in governance within the City of London Corporation, any review was likely to go out of date very quickly. The Head of Audit and Risk Management explained that it would not be possible to give an opinion on the adequacy of arrangements and the internal control environment if work had not taken place. However, the Committee noted that some of the work within the main Audit Plan for the City of London Corporation related to key financial controls and the wider IT aspects, and assurance from this work could be carried across to inform the basis of the Head of Audit's Annual Opinion for the School.
- g) The Dean and Secretary confirmed that an internal academic review of governance was underway, looking at quality assurance. The Chairman suggested that the Head of Audit and Risk Management and the School give further consideration as to how long it might be acceptable to delay the planned Internal Audit Review. The Principal advised that the OfS is fully aware of the School's situation, and the on-going discussions in respect of the Target Operating Model (TOM) and the Governance Review. The Committee concluded that, given the state of flux, it would not be practical to conduct a review at this time.
- h) The Chairman suggested that the next meeting should receive the Office for Students' Conditions of Registration, so that it could briefly review them and identify any conditions that might cause concern and where further information was needed.

Data quality

- i) The Head of Audit and Risk Management advised that the Kingston City Group had been approached to carry out this work, given their specialism in higher education, but they only had capacity for a specific period. The Head of Audit and Risk Management suggested a rolling programme of work in relation to Data Quality, looking at specific returns within each review, rather than samples across a range of different returns. This approach could have a fairly narrow scope but would be sufficient to provide assurance of integrity in terms of process and systems used to capture and prepare the data for submission, and accommodate availability of staff at the School. The Dean and Secretary agreed to work with the Head of Audit and Risk Management to set a timetable for starting the process, looking at a single area every year, and the possibility of engaging KCG this year. The Chairman suggested that, once an area had been agreed and ready to take

forward, it could be approved under delegated authority, thereby avoiding further delays.

RESOLVED, that – authority be delegated to the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Audit and Risk Management Committee (of the Board of Governors of the GSMD), to approve internal audits undertaken in respect of Data Quality, on a rolling programme.

- j) The Finance Officer advised that the School was now producing 31st March accounts for the Office for Students but the 6 - 7 month reporting deadlines still applied. Therefore, the Annual Returns would be due at the of October, which was slightly earlier than usual. The Head of Audit and Risk Management advised that there wouldn't be an issue with a small gap in the workflow, and a note could be added to the accounts in respect of the need to synchronise the audit work.

Data Futures

- k) The Dean and Secretary advised that this was still on the deferred list, as a result of government and OfS delays. The Committee noted that Data Futures would replace the student record return, with effect from August 2022, but the filing requirements would apply later. It was suggested that the best time for a review would be after the in-year trial, as this would determine whether the School was ready. It was also noted that there could be further delays, and that Jan 2023 was likely to be the best time for an audit.

The Two Live High Priority Recommendations

- l) The Committee noted that one of these now had a revised timescale, and the other, '*Review of Student Affairs Service Provision*', had been under considerable pressure, and would justify a revised implementation timetable. The Dean and Secretary suggested October 2021, when Student Affairs were due to present their Annual Report for 2020/21. The Committee noted that the 2019/20 Review had been cancelled due to the pandemic. The Head of Audit and Risk Management agreed to the revised timetable, as it would only be possible to demonstrate implementation once the review had been reported.

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

There were no questions.

6. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no urgent items.

7. 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
8-11	3

8. **NON PUBLIC MINUTES**
The non-public minutes of the meeting held on 22nd January 2021 were approved.
9. **RISK REGISTER**
The Committee received a report of the Principal.
10. **NON PUBLIC 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 AND WHICH THE SUB COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
There were no urgent items.

The meeting ended at 12 noon.

Chairman

Contact Officer: Julie.mayer@cityoflondon.gov.uk