

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

Tuesday, 9 November 2021

Minutes of the virtual meeting held at 10 am and streamed to You Tube:

https://youtu.be/shH3_rAiTwA

please note the public recording will be available for 12 months from the date of the meeting

Present

Members:

Professor Geoffrey Crossick (Chairman)	Michael Herington
Randall Anderson (Deputy Chairman)	Dr Paula Haynes
Christopher Costigan	Andrew Mayer

In Attendance

Officers:

Jonathan Vaughan	- Interim Principal, Guildhall School of Music and Drama
Graeme Hood	- Group Accountant, Guildhall School of Music and Drama/Barbican Centre
Katharine Lewis	- Dean and Secretary, Guildhall School of Music and Drama
Jonathon Poyner	- Director of Building and Operations, Guildhall School of Music and Drama/Barbican Centre
Matthew Lock	- Head of Audit and Risk Management, Chamberlain's Department
Julie Mayer	- Town Clerk's Department

1. APOLOGIES

There were no apologies.

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

There were no declarations.

3. PUBLIC MINUTES

The following were approved:

4. Public minutes and non-public summary of the Meeting held on 15th July 2021.

5. **Public minutes of the Special Meeting held on 7th September 2021.**

Matters arising:

Members noted that the School's External Auditors were relying on the outcome of the Audit of the City of London Corporation's City's Cash Statements to complete their opinion. The Head of Audit and Risk Management advised that this was due for completion next month and an extension had been granted to 14th January 2022, by the Office for Students, which would still be in good time for the ISTA Review.

6. **WORK PLAN**

The Chair advised that this agenda was busier than usual, and that it was encouraging that all of the items had been requested by the Committee during its previous meetings.

Members noted that, as a decision was pending on the investment from the City Corporation, together with number of other matters critical to the implementation of the Medium Term Financial Plan (MTFP), a progress report on the MTFP would be presented to the Committee on 1st February 2022.

Two issues arising from the City Corporation's Risk Protocol had originally been scheduled for this Committee but, as they were not urgent, they too would be deferred to the February Meeting.

There was an item later on the agenda in respect of 'future deep dives' and the Chairman suggested that one of them was likely to arise from the discussion on the deep dives on today's agenda.

Members noted that two of the deep dives on the agenda had touched on staffing/HR matters and were 'confidential' in accordance with the City Corporation's Protocol. The Town Clerk explained that this was an extra level of exemption, whereby only those officers directly involved in the drafting of such reports can be present when they are discussed at Committee.

7. **INTERNAL AUDIT UPDATE REPORT**

The Committee considered the Internal Audit Update report of the Head of Internal Audit and Risk Management.

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

- a) Sector Guidance relates to the Higher Education Sector, the CUC Code of Practice and other relevant Office for Students Guidance. Internal Governance is specific to the School's management structure and its internal committees and boards.
- b) The Head of Audit and Risk Management agreed to define the split between mandatory and non-mandatory recommendations in student housing and circulate this to Members. Members noted that all but 2 of the

green recommendations in the Code of Compliance Review related to mandatory elements of the Code.

- c) Members noted an update since the publication of the report in that the School had sufficient capacity to cover two data quality reviews in respect of financial returns and research. The research data quality review would cover: (a) the process in respect of the recent REF submission, together with lessons learnt and preparations for what might be the data requirements of the next REF cycle; and (2) HESA's Business and Community Interaction survey, how the School might improve the potential income return. The Chair and Members welcomed this approach as both the Committee and the School need assurance in both areas.
- d) In respect of facilities management, it has been necessary to prioritise a number of matters; i.e. – those categorised in terms of risk to life, business critical and other variables, over the implementation of some recommendations. However, the Director of Operations and Buildings gave assurance that none were critical. Members noted that evidence had been produced and was being validated by Internal Audit. The Principal advised that the Director had inherited a lot of issues on the estate, presenting high risks to health and safety, and had managed a restructure through a very difficult time. The Director further advised that the alignment with city processes had required standardisation of processes, but this work was progressing well.
- e) Student Affairs would be completed by 19th November. Members noted that, although this had been categorised as 'amber', it was likely that the rating resulted from the way in which the information had initially been recorded and presented, rather than being due to an area of specific concern.
- f) Whilst noting the delay in the Medium Term Financial Plan (MTFP), it was suggested that it might be helpful for the Committee to gain assurance of a structured and systematic approach to its progression, setting out a timetable of objectives and any conditional arrangements which might vary it. The Principal agreed to provide a skeletal framework in his report to the Board on 22nd November. Internal Audit would then be able to give assurance as to the correct control environment being in place to deliver it.
- g) There are a number of vacancies in key areas of the school, with Registry currently running at 1/3 vacancies; 1/3 new in post and a further recent resignation. Members noted that the resignations had been for different and valid reasons, and most staff were required to give one month's notice. Furthermore, re-evaluating job descriptions also took about a month. As a consequence it was not easy to get replacements in place and the consequent vacancies has a serious impact on the Registry's work.
- h) The volume of work across the School had grown very substantially and it was recognised that it needs to build capacity and resilience. As an outcome of the pandemic, there had been an increase in mental health

issues and case work, which can have a severe impact on a small institution. Furthermore, the regulatory framework continues to generate a lot of additional work. It was suggested that this should be a risk in its own right and the Chair suggested discussing this further under the report on the Risk Register.

The Committee fully accepted the above issues and, given that similar problems might occur in the future, suggested that future target dates be scheduled to ensure that they were realistic.

RESOLVED, that – the report be noted.

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

There were no questions.

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

There were no urgent items.

10. **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
12-15	3
18-19	2
20	-

11. **NON-PUBLIC MINUTES**

The non-public minutes of the meeting held on 15th July 2021 were approved.

12. **UPDATE ON THE TARGET OPERATING MODEL (TOM) AND LISVANE GOVERNANCE REVIEW**

The Principal was heard.

13. **OVERVIEW OF SCHOOL STATUTORY RETURNS - 2020/21 CYCLE**

The Committee received a report of the Principal.

14. **ONGOING CONDITIONS OF REGISTRATION WITH THE OFFICE FOR STUDENTS (OFS)**

The Committee received a report of the Principal.

15. **GUILDHALL SCHOOL OF MUSIC & DRAMA RISK REGISTER**

The Committee received a report of the Principal.

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

There were no questions.

17. 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.

18. EQUALITY DIVERSION AND INCLUSION (EDI)

The Committee received a report of the Principal,

19. HUMAN RESOURCES

The Committee received a report of the Principal.

20. FUTURE DEEP DIVES FOR CONSIDERATION BY THE COMMITTEE

The Chairman and Principal were heard.

The meeting ended at 12.15 pm

Chairman

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