

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

Tuesday, 1 February 2022

Minutes of the Virtual meeting held at 2.00 pm

Present

Members:

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

In Attendance

Officers:

Matthew Lock	- Chamberlain's Department
Cirla Peall	- Chamberlain's Department
Jonathan Vaughan	- Interim Principal, Guildhall School of Music & Drama
Julie Mayer	- Town Clerk's Department
Jonathan Poyner	- Guildhall School/Barbican Centre
Graham Hood	- Guildhall School/Barbican Centre

1. APOLOGIES

Apologies were received from Christopher Costigan.

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 9th November 2021 were approved.

Matters arising

1. A decision on the City Corporation's investment was expected shortly.
2. The Registry Team had appointed its most senior vacancy and appointments to the second and third vacancies were imminent.
3. There was a deep dive report on Equality, Diversity and Inclusion on the Confidential part of today's agenda. The Town Clerk advised Members of the City of London Corporation's additional layer of exemption, which applied when conversations were likely to stray into HR matters. Officers were reminded that, if they had not been involved in the preparation of this report, then they would need to withdraw when it is considered.

4. **WORKPLAN**

Members noted the Committee's workplan and updates, specifically the following :

- a) At the June meeting there would be an update on the Medium Term Financial Plan.
- b) The Chair suggested, and Members agreed, that the next Deep Dive should consider the Office for Students' new proposals on minimal threshold student outcomes, which might lead to significant penalties for institutions not meeting these outcomes and might also have implications for student recruitment. He also suggested that the proposed changes to the Teaching Excellence Framework should be included as there were clear overlaps.
- c) Members discussed the proposed timing for allocating one meeting a year to looking at the Risk Register in its totality. This would ensure that it captures the challenges facing the School and gives Members an opportunity to consider those risks which had been on the register for a while. Members noted the Committee had succeeded in raising physical infrastructure from a service to a departmental risk. The Chair emphasised how all Members' suggestions, particularly those of the External Members in presenting an independent perspective, were essential when escalating matters to the Board. Members agreed that, given a new Principal as well as a new Chair of the Committee would be in place in September, that meeting would be a good time to consider the register in its totality.
- d) The Interim Principal explained that he is re-engineering how the School's strategies align, which should allow the relationship between space problems and student numbers to be resolved. This exercise will need to be undertaken, including reporting, so that the Audit and Risk Management Committee can add value to managing the risks associated with the longer-term objectives. The Chair and Members agreed with this approach and acknowledged interdependencies with other deep dives, such as the Medium Term Financial Plan.

5. **CITY CORPORATION RISK MANAGEMENT POLICY AND STRATEGY**

As set out in the workplan, Members considered the two highlighted action points in respect of :

1. **Effective arrangements for managing risks with partners.** *NB. This is not specifically directed at the School but applies across all areas of the City of London Corporation.*

The Principal explained that the School has clear contractual arrangements in place for teaching partnerships. However, one arrangement, where the risk of financial losses would be borne entirely by the School, had been paused. Members suggested that it would be prudent to review all partnership contracts to ensure their clarity particularly in relation to financial risks. An External

Member, with experience in corporate law, endorsed this approach and the Principal agreed that an external legal review would be timely.

2. How does RM contribute to achieving successful school outcomes?

Whilst this was difficult to evaluate, Members agreed that effective risk management had provided helpful leverage in making the case for investment from the City Corporation, improving the fabric of the buildings and health and safety aspects. Furthermore, the City Corporation had additional assurance from the School having its own Audit and Risk Management Committee. The Director of Buildings and Operations endorsed this, as the Committee sets a framework for drafting policies and the scrutiny they receive. The Head of Audit and Risk Management further advised that the Committee and Senior Leadership team carry out periodic tests to check that the risks align with the School's strategic objectives, which is a useful way of assessing the contribution of risk management to achieving successful outcomes. The Chairman welcomed this helpful discussion and agreed that, when the Committee takes an annual look at its Risk Register in totality, it will be able to compile a set of conclusions for the year about successful outcomes.

6. COMMITTEE'S TERMS OF REFERENCE

The Committee reviewed the Terms of Reference, which they had considered in detail and revised just over a year ago and agreed that they needed no further updates at this time. The Town Clerk advised that the Board reviews its Committees' Terms of Reference annually, in time for its first meeting after the Annual Meeting of the Court of Common Council in April 2022.

7. INTERNAL AUDIT UPDATE

The Committee received a report of the Head of Audit and Risk Management, which provided Members with an update in respect of Internal Audit activity since the November meeting of the Committee. Members noted that Audit Plan delivery for 2021-22 is in progress and, as of mid-January 2022, there are no live red priority recommendations and 15 live amber priority recommendations open and requiring action from management, arising from 4 audits. Members also noted details of the planned audit coverage for 2022-23.

During the discussion on this item, the following points were noted:

The UUK work - was now complete, with the second follow up undertaken. UUK are fully satisfied with the School's Compliance with the Code.

Data Quality - was nearing completion, with just a couple of queries outstanding, and likely to receive an amber rating. The Internal Audit Team would like to see a more systematic approach to collecting and compiling data, with less reliance on data owners in terms of integrity of the data. The Head of Audit and Risk Management agreed to circulate a summary of the findings from this Audit ahead of the next meeting. Members noted that the REF framework was in its last stages and the results will be announced in May 2022. In

response to a question from the Chair assurance was given that none of the problems identified with respect to research data had implications for the quality of the data submitted to REF 2021. The Group Accountant confirmed that one of the issues leading to the amber recommendation was the absence of a central database for recording research activity at the School. However, this was being addressed and commercial packages are available.

The Governance Audit - might not be completed by the end of March and would be carried over into next year's plan.

The Data Quality Finance Audit - had been pushed back to allow for the completion of the Research Data Quality Audit but was now underway.

The Medium Term Financial Plan - This is the follow-up audit looking at the implementation of the plan and, therefore, can only be undertaken when certain milestones have been reached by the Finance Team.

Programme for 22/23 - The Head of Audit and Risk Management explained that there had been some fluidity in priorities over the past year, due to the pandemic and preferences of the Committee. Furthermore, it can be difficult to plan 15 months ahead and the Internal Audit Profession is moving away from annual plans, as it is proving more effective to manage smaller subsets of work between Committee meetings. Suggestions from the Committee as to new areas of coverage are always welcomed but they should be influenced by the Risk Register, and the assurances which would be helpful to the Committee and Senior Leadership Team.

Safeguarding and Cyber Security - The Committee discussed the raised threat of cyber-attacks and the Principal confirmed that this had just been reviewed with the City Corporation, tailored to higher education. However, the Committee agreed that it might be timely to revisit the risk.

Whilst the Annual Review of the Risk Register in September would present an ideal opportunity to consider the future work programme, Members agreed that core assurance work must be undertaken, and the first two areas of work should be Cyber Security and Safeguarding. The September meeting would then determine the other 2 areas, noting that this was likely to include space planning, which would require external expertise.

Student Affairs – The completion of this item had long been delayed and was most recently expected in November 2021. The Principal explained that the delay had been compounded by the School's resourcing and capacity issues, which were being addressed. The Principal, Dean and Secretary and Head of Audit and Risk Management agreed to meet outside of this meeting in order to discuss an achievable way of delivering this that might need some reconfiguration of what was expected to make it achievable and to take into account the passage of time since the recommendation was made.

Guildhall Young Artists Recommendations (accounts receivable controls)
- A new database had been in the last stages of testing when the Head of

Business Systems and Data left in the Autumn. However, the work had been re-allocated, and invoices were being input by local staff in each regional centre.

Regular financial reporting - was underway.

Facilities Management – The timescale has been ambitious, given the disruption from the pandemic but was now progressing.

In concluding the Chair thanked officers and noted that the June meeting should see one new proposal, with a realistic timetable, and the others showing as completed.

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
12-14	3
18	2

11. **NON PUBLIC MINUTES**

The non-public minutes of the meeting held on 9th November 2021 were approved.

Equality Diversity and inclusion not diversity.

12. **RISK REGISTER**

The Committee received a report of the Principal, Guildhall School of Music and Drama

13. **MANAGEMENT DASHBOARD**

The Committee received a report of the Principal, Guildhall School of Music and Drama.

14. **DEEP DIVE: MEDIUM TERM FINANCIAL PLAN**

The Committee received a report of the Principal, Guildhall School of Music and Drama.

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

There were no questions.

16. 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.

17. UPDATE ON TARGET OPERATING MODEL AND LISVANE GOVERNANCE REVIEW

This item was deferred as the Principal would provide an update at the Board on 21 February 202s.

18. DEEP DIVE: EQUALITY, DIVERSITY AND INCLUSION UPDATE

The Committee received a confidential report of the Principal

The meeting ended at 4.15 pm

Chairman

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