

TO: **AUDIT AND RISK MANAGEMENT COMMITTEE**
13TH March 2023

FROM: **BOARD OF THE GUILDHALL SCHOOL OF MUSIC AND DRAMA**
20th February 2023

SCHOOL'S RISK REGISTER

The Board received a report of the Head of Finance in respect of the School's Risk Register, which had been considered in detail at the Guildhall School's Audit and Risk Management Committee on 30th January 2023.

The Board noted with great concern that the continued failure of the Library environmental control systems (since early November 2022) was a reportable event to the Office for Students (OfS), which had been duly notified. The Board was informed that the engineering support team is not confident that the system is now repairable because of the obsolescence of its components. This situation has serious implications for the School, not least potentially financial sanctions from the OfS, and claims for compensation from students. Staff at the library have also notified their Union which is now investigating the situation.

The Committee noted the increase in risk GSMD SUS 001 and the addition of new risk, GSMD CROSCH 012, as set out below. Since the meeting, the Head of Finance had met with the City Surveyor and the City's Corporate Risk Team to ensure that both risks are properly reflected on the City's Corporate Risk Register.

- **GSMD SUS 001 Inability to Invest in Infrastructure and teaching spaces** has increased from a score of 16 to a score of 32 (the maximum possible score) since the last review, as a result of the increasing risk that the School will not have access to suitable spaces of the required standard to deliver teaching to our students.
- **GSMD CROSCH 012 Failure to invest in the renewal of buildings and estates infrastructure has been added as a new risk** to reflect the clear and obvious impact of not investing sufficient resources to maintain our buildings as a result of the pause in the city's capital programmes. Following discussion at the Audit & Risk Committee the score for this risk has been increased to 32, and discussions have taken place regarding how best to reflect this risk on the city's corporate risk register. A discussion paper on the subject will be presented to CORM Group and ELB at the end of this month.

The Head of Finance further advised that the City Corporation's Risk Team would be drafting a report, to the next meeting of the City's Audit and Risk Management Committee, seeking to review the City's buildings' risks generally and to consider adding the above as corporate risks, or as part of a wider corporate risk around the City's buildings. Specifically, consideration is to be given as to whether the School's risks should be reclassified as corporate risks, or whether the issues can be adequately reflected within CR37 – Maintenance and renewal of physical assets, and CR09 – Health, Safety and Wellbeing. Governors strongly supported this proposal, given their high score and the School's limited control in managing the risks. Governors also asked for a report to the next Board meeting, giving assurance as to how the risks were being managed and an update on progress in improving the situation, noting that the reputational risk would reach beyond Guildhall.

The Deputy Chair suggested that a resolution be sent to the City Corporation's Audit and Risk Committee, setting out Governors concerns, and noting their support for the above risks being added to the City's Corporate Risk Register.

RESOLVED, that – the Audit and Risk Management Committee of the City of London Corporation, be asked to note the above concerns of the Board of Governors of the Guildhall School of Music and Drama and to consider adding the above as Corporate Risks, or as part of a wider corporate risk around the City's buildings, in light of the high scores of the risks, the School's limited ability to manage them, the reputational and financial risks to both the City Corporation and the School, and the Board's need for assurance in that they are being managed properly.