

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

Wednesday, 23 July 2014

Minutes of the meeting of the Audit and Risk Management Committee of the Board
of Governors of the Guildhall School of Music & Drama held at Committee Room,
2nd Floor, West Wing, Guildhall on Wednesday, 23 July 2014 at 1.45 pm

Present

Members:

Jeremy Simons (Chairman)
Christina Coker

Neil Constable
Angela Starling

In Attendance

Alderman David Graves

Officers:

Rakesh Hira
Sandeep Dwesar
Paul Nagle
Sarah Wall

Town Clerk's Department
Guildhall School of Music & Drama
Chamberlain's Department
Chamberlain'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. ELECTION OF DEPUTY CHAIRMAN

The Committee proceeded to elect a Deputy Chairman in accordance with
Standing Order No. 30.

Christina Coker, being the only Governor indicating her willingness to serve
was duly elected Deputy Chairman for the ensuing year.

RESOLVED – That Christina Coker be elected to serve as Deputy Chairman
for the ensuing year.

4. PUBLIC MINUTES

The public minutes of the meeting held on 20 January 2014 were approved
subject to 'music hub areas' in the third paragraph relating to the Internal Audit
Update being amended to read 'music centres'.

Matters Arising

Fraud Awareness Training

It was noted that the School had achieved 90% compliance in relation to completing the fraud awareness training and that the School would look to ensure that new starters completed the training once they were in post.

5. TUITION FEE PAYMENT, ENROLMENT & DEBT COLLECTION POLICY 2014/15

A report of the Head of Finance set out the amendments being proposed to the Tuition fee payment policy in light of a recent Office of Fair Trading report in respect of non-tuition fee debt. Essentially, progression (or the ability to progress) and confirmation of award cannot be withheld for non-tuition fee debt, neither can students be excluded from their studies for non-tuition fee debt; this affects Library and Sundial Court. The report explained that the amendments had been considered by the School's Operations Board.

A discussion took place with reference being made to the following points:-

- In relation to Paragraph 7.5 of Part A, the possibility of an alternative sanction for Technical Theatre Students would be looked at, which would be a parallel sanction to suspending access to the Library and practice rooms for Music Students.
- Paragraph 7.1 would be amended to remove the reference to the 'Criminal Records Bureau' and replace the wording with the 'Disclosure and Barring Service'.
- With regard to paragraphs 8.3 and 8.5 (under Part A) and 4.3, 4.5 (under Part B) the number of days for arranging a meeting and when letters would be sent out would be inserted for clarity.
- There was no explanation for the grey shaded text in the policy.

Governors agreed that the amendments should be incorporated and dealt with under delegated authority procedures.

RESOLVED – That the policy be amended and considered under delegated authority procedures by the Town Clerk in consultation with the Chairman and Deputy Chairman.

6. INTERNAL AUDIT UPDATE

A report of the Chamberlain provided Governors with an update on the progress of Internal Audit reviews undertaken within the Guildhall School since the last report made in January 2014. The report set out that one full audit review had been fully completed since the last internal audit update report. The review of Professor Contracts concluded there were satisfactory controls being operated by the School over the management of the contracts. One amber priority recommendation was agreed to enhance the control of the authorisation

process for changes made to the data in the VT system which was used to record all the hours worked by each professor and calculate payments of salary for the Chamberlain's Payroll Section to process. A further lower priority recommendation was also agreed. Both recommendations had been agreed for implementation by the end of August 2014.

The report set out that the internal audit section had re-prioritised completion of the overall City of London 2013/14 audit programme as a result of internal audit staff vacancies and significant unscheduled investigation work in other Departments during the year. Audit resources were in place so that audit work at the school would be completed over the next three months so that audit outcomes were available to inform the School's Annual Accountability Return for the School's 2013/14 reporting year (1st August 2013 to 31st July 2014).

The Head of Audit and Risk Management explained that the major review undertaken and completed related to the Professors' contracts. There was an amber recommendation which had been agreed to enhance the control of the authorisation process for changes made to the data in the VT system which was used to record all hours worked by each professor and calculate payments of salary for the Chamberlain's Payroll Section to process.

In response to a question by a Governor it was pointed out that the Spot Check Reviews would take place between now and September 2014 and that going forward the reviews for the next academic year would look at the Milton Court Income, Student Awards, Bursaries and Scholarships and Mini Assurance Reviews.

Governors were pleased that the review of Professors' Contracts were completed and thanked all officers who were involved in bringing this piece of work to a successful conclusion.

RESOLVED – That Governors note:-

- the outcome from internal audit work completed since the last update report; and
- the current progress against the internal audit plan and offer any observations on future planned audit work.

7. **RISK MANAGEMENT STRATEGY**

A report of the Chamberlain explained that a new Risk Management Strategy had been approved by the City Corporation's Audit & Risk Management Committee and provided an update on plans to implement a new risk management information system.

It was planned for the changes arising from the risk management strategy to be implemented within City of London departments and Institutions alongside the phased rollout of the risk management information system. This would be done on a phased approach working with each department, beginning with the Chamberlain's department.

It was noted that, as for all City Corporation Departments, the Chairman of the School's Audit & Risk Management Committee will be asked, in a timely manner, to attend a meeting of the City Corporation's Audit & Risk Management Committee at which a progress report on the School's implementation of the new risk management strategy would be given.

The Head of Audit & Risk Management explained that the Strategy had been approved by the City Corporation's Audit & Risk Management Committee and aimed to improve the consistency in how risks were escalated.

A discussion took place with reference being made to the following points:-

- This Committee would have an overview of the risk management framework.
- The new 4x4 risk matrix was designed to be less complicated than the previous 5x5 matrix and to be able to assess risks with more precision.
- Page 58 of the report provided clear guidance on the impact of scoring risks.
- Key Individuals would be named with regard to who specifically has the responsibility for the risk.
- This Committee will receive the complete risk register and a hierarchy of the most material items.

RESOLVED – That Governors note the new Risk Management Strategy and plans for the phased roll-out of the strategy within Departments and City of London Institutions.

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

Committee Vacancy

The one vacancy on the Committee would be discussed at the next main Board meeting in September 2014.

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
11-13	3
14-15	-

11. NON PUBLIC MINUTES

The non-public minutes of the meeting held on 20 January 2014 were approved.

12. **GUILDHALL SCHOOL OF MUSIC & DRAMA RISK REGISTER**
A report of the Head of Estates and Facilities Management was received.
13. **FINANCE REVIEW**
A report of the Chief Operating and Financial Officer was received.
14. **NON PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE AUDIT & RISK MANAGEMENT COMMITTEE**
There was one question which was raised.
15. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE BOARD AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
There were no urgent items.

The meeting ended at 2.47 pm

Chairman

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