

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

**Friday, 24 July 2015**

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 1 -  
2nd Floor West Wing, Guildhall on Friday, 24 July 2015 at 1.45 pm

**Present**

**Members:**

Christina Coker (Chairman)  
Neil Constable

Jeremy Simons

**Officers:**

Professor Barry Ife  
Gemma Stokley  
Michael Dick  
Chris Harris  
Scott Morgan  
Dipo Udonsi

Principal, Guildhall School of Music and Drama  
Town Clerk's Department  
Guildhall School of Music & Drama  
Chamberlain's Department  
Town Clerk's Department  
Guildhall School of Music and Drama

**1. APOLOGIES**

There were no apologies for absence.

**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.

The Town Clerk reported that, in accordance with Standing Order No. 30. (3) (a), the immediate past Chairman had chosen to exercise his right to serve as Deputy Chairman for the ensuing year.

**RESOLVED** – That Jeremy Simons be elected to serve as Deputy Chairman for the ensuing year.

**4. PUBLIC MINUTES**

The public minutes of the meeting held on 23 January 2015 were considered and approved as a correct record.

**MATTERS ARISING**

**Public Performance Programme at Milton Court (page 3)** – In response to a question from the Chairman, the Principal reported that the Director of Music at

the Guildhall School of Music and Drama and the Head of Music at the Barbican Centre were well aware of the issues relating to this matter and that they were working to try and progress this. In response to a further question, the Principal confirmed that the Barbican Centre currently made a net contribution to the Guildhall School for the use of Milton Court but that that this contribution was less than had been anticipated.

## 5. **INTERNAL AUDIT UPDATE REPORT**

The Committee received a report of the Chamberlain providing Members with an update on the progress of Internal Audit reviews undertaken within the Guildhall School since the last report made in January 2015.

The Head of Audit and Risk Management introduced the report by stating that he felt there had been many positive outcomes from recent reviews and was pleased to report that no systems currently in place were inadequate. With regard to the amber recommendations within the report, the Committee were informed that the School's management team had responded well to these and were currently progressing them.

The Head of Audit and Risk Management went on to reassure the Committee that all outstanding audit fieldwork from 2013/14 and 2014/15 had now been completed as of 31 March 2015. Dates had also now been confirmed for all future audits and no future delays were therefore anticipated.

With regard to the 'Indicative Audit Plan 2015/16 – 2019/20' set out as an appendix to the report, the Committee were informed that years 2,3, 4 and 5 were very much subject to review at this stage. Following a conversation with the Chairman it had also been suggested that the number of days currently assigned to 'Satellite Operations' in 2015/16 be reduced.

In response to a question regarding temporary staff and professional fees, the Principal confirmed that the type of temporary agency staff being brought in were largely to cover administrative roles. However, he stated that the School's latest show had involved a staff Director but an external Designer and Music Director. He added that this was normal practice and that these costs were budgeted for as part of the costs associated with each production.

With regards to the Student Bar, the Director of Operations & Buildings stated that the stock referred to at paragraph 17 of the report were not "free issues" but were at sale price with a less than usual mark up. In response to questions regarding stock control the Head of Audit and Risk Management stated that this could be 'spot checked' in order to determine if there were still ongoing issues. The Director of Operations & Buildings added that management had plans to look at the systems used to record stock takes going forwards.

In response to further questions regarding the Student Bar, the Director of Operations & Buildings confirmed that the School did not have a new Catering Director as referred to in the report. He suggested that this might actually be a reference to the new Senior Manager for Baxter Storey. The Chairman questioned the current contract arrangements. The Head of Audit and Risk

Management stated that Internal Audit felt a formal contract should be entered into but it was for the School to look at this and either formalise the current arrangements or make a decision that what was already in place was sufficient if any future dispute were to arise.

In response to a question from the Deputy Chairman, the Principal reported that the School often let out their premises and that bar facilities were therefore required for this purpose. The Committee were also informed that the bar facilities were important in terms of reputation. The Director went on to state that the School's Student Union often hosted inter-collegiate events using the bar facilities. He added that there would also be pricing issues for students wanting to use outside bars in the local area.

With regards to Student Awards, Bursaries and Scholarships, the Chairman questioned if there were any underlying weaknesses in this area. The Head of Audit and Risk Management confirmed that there were no particular problems with the systems in place and that, overall, just one amber recommendation had been made. The Principal confirmed that whilst, in a small minority of cases, the arrangements for the administration of funding for students were not fully evidenced in the required format, the School were content that all scholarships had been correctly awarded. The Principal went on to state that he believed that the recommendation around more regular checks regarding the calculation, payment and reconciliation of maintenance scholarships to students would be implemented. He agreed that the recommendation was a sensible one going forwards.

The Committee went on to discuss the Strategic Information Technology System (SITS) and recognised that, whilst this system worked well operationally, there seemed to be a secondary issue regarding 'back up' arrangements.

In response to a question, the Principal undertook to report back to the Committee as to current backup arrangements. The Principal recognised that the recommendations arising from the SITS review were helpful warnings and stated that he was keen to see these implemented as soon as possible.

Following some comments received from students in a recent Student Survey, the Principal questioned whether it would be possible to audit the delivery of principal studies in the future. The Head of Audit and Risk Management stated that this could be factored in to future plans at the Principal's request, particularly if the number of hours assigned to other areas were reduced for reasons of efficiency.

In response to questions around the 'Schedule of Internal Audit Projects 2015/16' the Head of Audit and Risk Management reported that the Procurement of Goods and Services review would take place in August 2015 but that a start date was still to be confirmed for the review of Satellite Operations.

**RESOLVED** – That Members:

- Note the outcome from internal audit work completed since the last update report; and
- Note current progress against the internal audit plan.

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

There were no questions.

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

There were no urgent items of business for consideration.

8. **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
9-11	3

9. **NON PUBLIC MINUTES**

The non-public minutes of the meeting held on 23 January 2015 were considered and approved as a correct record.

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

The Committee received a report of the Chief Operating & Financial Officer providing Members with assurance that risk management procedures in place within the School are satisfactory and that they meet the requirements of the corporate Risk Management Framework.

11. **FINANCE REVIEW**

The Committee received a report of the Chief Operating & Financial Officer setting out the Period 12 review for 2014/15 and the Period 2 review for 2015/16.

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

A member raised a question regarding the future governance of the School.

13. **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 of business for consideration in the non-public session.

**The meeting ended at 3.05 pm**

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Chairman

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