

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

Friday, 22 January 2016

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 the Guildhall EC2 at 1.45 pm

Present

Members:

Christina Coker (Chairman)
Neil Constable

Jeremy Simons (Deputy Chairman)
Angela Starling

Officers:

Professor Barry Ife	- Principal, Guildhall School of Music and Drama
Julie Mayer	- Town Clerk's Department
Michael Dick	- Director of Operations and Buildings, Guildhall School of Music and Drama
Nikki Cornwell	- Chamberlain's Department
Anna Simmonds	- Senior Audit Manager, Chamberlain's Department

1. APOLOGIES

Apologies were received from Deputy John Bennett and Alderman David Graves.

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 summary of the meeting held on 6 November 2015 were approved.

4. MATTERS ARISING NOT COVERED ELSEWHERE

In respect of the Student Union Bar, Members noted that this was run by Baxter Storey. Officers advised that a report on the Student Union Bar would be presented to the next Board meeting.

5. INTERNAL AUDIT UPDATE REPORT

The Committee received a report of the Chamberlain, which provided Members with an update on the progress of Internal Audit reviews undertaken within the Guildhall School since the last report in November 2015. Members noted a summary of the status of all Audit Reviews in Appendix 1 (2015/16 Audit Plan). It was noted that there were no live red priority recommendations and work was on track for finalisation by 31 July 2016, as previously advised.

Members were invited to share their observations and during the discussion, the following matters were raised/noted:

2015/16 Internal Audit Plan

Procurement of Supplies and Services

- There were currently 4 amber recommendations outstanding. Officers advised that they were expected to clear in February, April and July 2016.
- In respect of sample testing purchases, only one supplier had been used/no alternative quotations obtained in eight of the twelve cases sampled, given the specialist nature of the School's requirements; e.g. oboe reeds. Officers agreed to provide a more detailed response to Members, in order to give further assurance of value for money.
- The smart forms and e-catalogues introduced by City Procurement had been designed to assist users and reduce the risk of mis-codings.

Milton Court

- In respect of Milton Court rental income, the Barbican had been offering advice on this matter, given their vast experience and contacts with regard to letting business space. Officers agreed to check that other hirer fees were being compared, like-for-like.

2016/17 – 2018/19 Internal Audit Strategy

- There had been a general restructure of Internal Audit Plans in order to align with risk registers, business plans and organisational priorities. The School had been consulted on these changes and were content. The Internal Audit Manager had been working with the School to identify potential areas for audit coverage, as part of the Comprehensive Review of Internal Audit.
- With regard to the 3-year strategy, the Chairman invited the Committee to consider if the right issues were being reviewed and if any different and/or alternative items should be included. Following discussion, the Chairman requested two additions - (i) TDAP processes and (ii) enhancement of student offer/quality of teaching and learning. The Committee agreed the strategy with these additions, both to be scheduled for review in 2018/19. The Principal reflected that, by then, the School would have operated three cycles of TDAP and the Teaching Excellence Framework (covering issues in ii) would have been in place from the 2016/17 academic year.

2016/17 Internal Audit Plan

- The Committee agreed the four items to be reviewed. The rationale for two of the items was expanded as follows:
 - Strategic Planning - in addition to scrutiny and approval, the governance arrangements should also cover monitoring and appropriately supporting execution of the School's Strategic Plan.
 - Succession Planning - to include identifying and nurturing talent/ professional development. It will also take account of related actions and controls that appear in the risk register.
 - In response to a question about remuneration concerns, the Principal indicated that the City was reviewing its recruitment and retention policies in order to give Chief Officers more flexibility in rewarding exceptional performance, within budgetary provisions.
- With regard to "Satellite Site Operations" it was noted that two further CYM satellites were planned for 2016/17 and it was agreed that, once a total of five or six were in place, then an Internal Audit review would be appropriate.

RESOLVED – That the Internal Audit Plan 2016-19 be agreed, giving due regard to the comments set out above.

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.

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:-

Items	Paragraph(s)
9-16	3

9. **NON PUBLIC MINUTES**

The non-public minutes of the meeting held on 6th November 2015 were approved.

10. **MATTERS ARISING NOT COVERED ELSEWHERE**

The Sub Committee noted some matters arising from the Minutes in respect of the last report on the Risk Register.

11. **ANNUAL TRANSPARENT APPROACH FOR COSTING (TRAC) - RETURN FOR ACADEMIC YEAR 2014-2015**

The Sub Committee received the Annual TRAC return, reporting for the Academic Year 2014-15.

12. **GUILDHALL SCHOOL OF MUSIC AND DRAMA RISK REGISTER**

The Sub Committee received a report of the Chief Operating and Financial Officer, which provided members with assurance that the risk management procedures in place within the School are satisfactory and meet the requirements of the Corporate Risk Management Framework.

13. **FINANCE REVIEW**

The Sub Committee received the Period 8 Finance Review for the 2015/16 Financial Year.
be noted.

14. **EXTERNAL AUDITORS**

In accordance with CIPFA Guidelines, all officers, with the exception of the Town Clerk, left the room in order for the External Auditor to hold a private meeting with the Members of the Sub Committee.

The Chairman asked that the External Auditors be invited back to the 7 November 2016 Meeting of the Sub Committee.

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.

The meeting closed at 3.55 pm

Chairman

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