

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

**Thursday, 28 July 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 11.45 am**

**Present**

**Members:**

Christina Coker (Chairman)  
Marianne Fredericks

Lucy Frew  
Jeremy Simons

**In Attendance:**

Deputy John Bennett

**Officers:**

Philippa Sewell	-	Town Clerk's Department
Sarah Wall	-	Chamberlain's Department
Professor Barry Ife	-	Principal, Guildhall School of Music and Drama
Pat Stothard	-	Head of Internal Audit and Risk Management

**\*\* THE FORMAL MEETING COMMENCED AT 12.05PM – AHEAD OF THIS,  
COMMITTEE MEMBERS AND THE TOWN CLERK WERE PRESENT FOR  
AN 'IN-CAMERA' MEETING WITH THE INTERNAL AUDITOR WHICH  
COMMENCED AT 11.45AM \*\***

**1. APOLOGIES**

Apologies for lateness were received from Deputy John Bennett, Lucy Frew and Jeremy Simons.

**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. As no one expressed an interest to serve as Deputy Chairman at this time, the item was deferred until the next meeting.

**RESOLVED** – That the item be deferred.

**4. APPOINTMENT OF CO-OPTED MEMBER**

The Committee considered the Chairman's proposal to co-opt Neil Constable to the Committee.

**RESOLVED** – That Neil Constable be co-opted to the Committee for the ensuing year.

5. **PUBLIC MINUTES**

The public minutes of the meeting held on 22 January 2016 were approved, subject to one amendment.

6. **MATTERS ARISING NOT COVERED ELSEWHERE**

Student Union Bar

Members noted that the report on the Student Union Bar, which was due to come to a previous Board meeting, had yet to be presented. Officers provided reassurance that the audit review of the bar was continuing alongside a review of student catering across the campus due to finish in summer 2017.

Procurement of Supplies and Services

Members noted the further detail regarding sample test purchases requested at the previous meeting had not been circulated. Officers confirmed that all had signed waiver forms, and undertook to provide details of the 3 highest in value from the 2015/16 financial year.

7. **INTERNAL AUDIT UPDATE REPORT**

The Committee received a report of the Chamberlain produced to provide Members with an update on Internal Audit activity undertaken in the Guildhall School since the last report in January 2016.

Delivery of the 2015-16 Audit Plan was completed by 31 March 2016, with two pieces of audit work finalised: Principal Studies (moderate assurance) and Milton Court (moderate assurance). Members noted that there were no outstanding red priority recommendations and there were twelve live amber priority recommendations (including two relating to Principal Studies).

Principal Studies

In response to a Member's question, officers advised that students swiped access cards to get into the buildings, but not into lessons. Stronger controls were needed regarding contractual arrangements regarding delivery of principal studies, but these needed to be proportionate and appropriate to the ethos of the school. As such, a green recommendation was made for the School to encourage Professors to make accurate and detailed entries in the booking system. With regard to teaching allocation spreadsheets, no recommendation was being made as, although multiple users had access, few had more than 'reader' privileges, and financial information was calculated through automatic formulas and was therefore very difficult to tamper with. The two amber recommendations focused on addressing weaknesses in the content of Professors' contracts and strengthening monitoring and management information mechanisms relating to delivery of allocated hours.

Milton Court

A business case was originally produced in March 2010 to support the building of Milton Court. No similar business case has been produced since, although a model of approaches to generate income from both conferencing hire and artistic rentals was produced in 2013, followed by a plan that mainly covered marketing and sales activities in 2015-16 for Milton Court as a commercial hire

venue. An amber priority recommendation was made in this respect and had been agreed by the School.

The Principal reported that he did not think a separate business plan was needed for Milton Court, as it was primarily a teaching space and should be considered alongside the rest of the campus. Members noted that commercial hires had consistently underperformed, and profit from artistic hires was marginal. The Principal advised that commercial expectations needed to be scaled back, although he agreed that there was a need for a review to take place.

Members noted an amber priority recommendation to set rental/hire costs at the start of the financial year; officers advised these 'rack rates' had been implemented and undertook to provide more detail regarding how these compared to competitors' rates.

#### Internal Audit Recommendations Implementation Dates

Members noted the target dates (and revisions, where made) and implementation status for the live amber recommendations. It was reported further that trials regarding migration of disaster recovery systems to the cloud had been successful.

#### 2016/17 Internal Audit Plan

With regard to the status of the four reviews agreed for 2016/17, it was noted that two (i.e. Strategic Planning; Succession Planning) were at audit planning stage and two (Income Generation; Satellite Centres) were yet to be initiated.

#### Other Relevant Assurance Work

A schedule of corporate and key systems reviews in the 2015-16 internal audit plan was noted. It was noted that such reviews across the City's departments are on-going and provide assurance over a range of arrangements relevant to the Guildhall School. It was also noted that, on this occasion, there were no audit recommendations made directly in respect of the School.

**RESOLVED** – That the final delivery position for the 2015-16 Internal Audit Plan, including audit review outcomes since the last Internal Audit Update Report in January 2016, and details of the 2016-17 delivery position and corporate 2015-16 reviews, 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
11-15	3
16-17	-

11. **NON PUBLIC MINUTES**

The non-public minutes of the meeting held on 22 January 2016 were approved subject to two amendments.

12. **MATTERS ARISING NOT COVERED ELSEWHERE**

There were no items not covered elsewhere on the agenda.

13. **HEFCE ASSURANCE REVIEW**

The Committee considered the HEFCE Assurance Review.

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

The Committee considered a report of the Chief Operating and Financial Officer.

15. **FINANCE REVIEW**

The Committee received a report of the Chief Operating and Financial Officer.

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

There were no questions.

17. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There was no other business.

**The meeting closed at 1.30 pm**

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Chairman

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