

Committee:	Date:
Audit and Risk Management Committee of the Board of Governors of the Guildhall School of Music and Drama	7th November 2016
Board of Governors of the Guildhall School of Music and Drama	14 November 2016
Subject: Internal Audit Update Report	Public
Report of: Head of Internal Audit and Risk Management	For Information
Report Author: Pat Stothard	
<p style="text-align: center;">Summary</p> <p>This report provides an update on Internal Audit activity undertaken at the Guildhall School since the last report made in June 2016.</p> <p>Delivery of 2016-17 planned audits has been timed to await the outcome of the Guildhall School Operating Model Review (the Review); consequently all audit work is at planning stage, as shown at Appendix 1. There has been liaison between Internal Audit and Guildhall School management to develop the terms of reference for an audit of Succession Planning, Talent Management and Staff Development and fieldwork initiation is planned for this quarter. The scope of planned work in respect of Income Generation and Strategic Planning is under active consideration, taking into account the Review outcomes.</p> <p>Since the last Committee update a formal follow-up exercise has been completed to confirm the progress of implementation of all (seven) high priority (red and amber) recommendations related to the Guildhall School which were due for implementation by 30th September 2016. Full implementation was confirmed for four recommendations, two were found to be partially implemented and one had not been implemented. Revised target dates for full implementation have been agreed with recommendation owners for the three outstanding Issues.</p> <p>A schedule of live amber priority recommendations is shown at Appendix 2 and demonstrates a reduction from nine at the time of the last Committee to five as at mid-October 2016. This schedule takes into account two recommendations which were not subject to recent follow up as they were not yet due for implementation. There are no outstanding red priority recommendations as at mid-October 2016.</p> <p>Recommendation(s)</p> <p>Members are asked to note the status of planned audit work for 2016-17 and the outcome of formal recommendations follow-up activity since the</p>	

Main Report

Background

1. This report provides an update on audit work progressed since 28th July 2016 Committee. The Internal Audit Plan for 2016-17 is attached at Appendix 1 and outlines the status of reviews. Liaison is ongoing with Guildhall School management to agree the scope of planned audits, taking into account the outcome of the recent Guildhall School Operating Model Review.
2. A formal follow-up exercise has recently been completed in respect of all seven live high priority (red and amber) recommendations due for implementation by 30th September 2016. Status updates were sought from recommendation owners and evidence was requested where Internal Audit were advised that issues had been addressed in full.
3. As at mid-October 2016 there are no live red priority recommendations and there are five live amber priority recommendations, two partially implemented and three awaiting implementation.

Delivery of Internal Audit Work

4. Detailed planning for delivery of some 2016-17 audits was deferred pending the outcome of the Guildhall School Operating Model Review. Audits of Income Generation, Strategic Planning and Satellite Site Operations have not been initiated. Internal Audit will liaise with Guildhall School management to agree the scope of these audits, taking into account recommendations arising from the Operating Model Review.
5. Draft terms of reference have been prepared in respect of the audit of Succession Planning, Talent Management and Staff Development and fieldwork initiation is planned for this quarter. Talent Management, defined by the Chartered Institute of Personnel and Development, as being the “systematic attraction, identification, development, engagement, retention and deployment of those individuals who are of particular value to an organisation, either in view of their ‘high potential’ for the future or because they are fulfilling business / operation-critical roles.”

Other Relevant Assurance Work

6. Delivery of the plan of corporate and key systems reviews across the City’s departments is on-going, providing assurance over a range of arrangements relevant to the Guildhall School. No corporate audits have been finalised since the last meeting of this Committee. In future summary audit outcomes will be reported to this Committee where appropriate, including the detail of any recommendations made directly in respect of the Guildhall School.

Implementation of Audit Recommendations

7. As at mid-October 2016, there are no live red priority recommendations and a recent corporate follow-up exercise confirmed the implementation of four amber priority recommendations. Total live amber priority recommendations have reduced from nine at the time of the last Committee to five as at mid-October 2016: two partially implemented and three not implemented. Revised timescales for implementation have been agreed for four of these outstanding recommendations. Internal Audit will liaise with the recommendation owner to agree the progress of the remaining recommendation which was expected to be impacted by the Operating Model Review. An update will be provided to the next meeting of this Committee.

Internal Audit Plan 2016-17

8. The Internal Audit Plan 2016-17 (Appendix 1) is aligned to the Guildhall School's strategic objectives. Liaison with Guildhall School management is ongoing to determine suitable timing for reviews and to support detailing planning. There is a strong focus on finalisation by the end of the 2016-17 academic year. Comment and suggestions for consideration in the reviews shown in Appendix 1 are sought from your Committee Members.

Conclusion

9. Planning is in progress for 2016-17 audits, having awaited the outcome of the Guildhall School Operating Model Review. Internal Audit will liaise with Guildhall School management to progress the audits outlined in Appendix 1 with a focus on finalisation within the academic year.
12. There are no live red priority recommendations at as mid-October 2016 and there are five live amber priority recommendations. Revised target dates have been agreed with recommendation owners in four cases. Internal Audit will liaise with Guildhall School management to confirm the implementation timescale for the remaining amber priority recommendation.

Appendices

Appendix 1 Internal Audit Plan Status 2016-17

Appendix 2 Live Amber Priority Recommendations as at mid-October 2016

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