

Appendix A

Audit & Risk Management Committee – Terms of Reference

The Audit and Risk Management Committee must:

- be independent
- have sufficient authority and resources to form an opinion and report on the risk management, control and governance arrangements of the Guildhall School to the Board of Governors
- be able to satisfy itself that the institution has adequate arrangements for ensuring economy, efficiency and effectiveness.

These terms of reference have been formally approved by the Board of Governors.

Constitution

1. The Board of Governors has established a committee of the Board of Governors known as the Audit and Risk Management Committee.

Membership

2. The Committee and its chair shall be appointed by the Board of Governors, from among its own members, and must consist of governors with no executive responsibility for the management of the Guildhall School. There shall be no fewer than three members; a quorum shall be at least two members. The Chairman of the Board of Governors shall not be a member of the Committee. Members shall not have significant interests in the Guildhall School.
3. At least one member should have recent and relevant experience in finance, accounting or auditing. The Committee may, if it considers it necessary or desirable, co-opt members with particular expertise. No member of the Committee may also be a member of a Finance or Resources Committee (or equivalent) of the Board of Governors of the Guildhall School.

Attendance at meetings

4. ***The Vice Principal, Director of Advancement on behalf of the Principal of the Guildhall School of Music & Drama, along with the Head of Finance and Business Administration (Chamberlain's Department) and the Head of Internal Audit and Risk Management (Chamberlain's Department) shall normally attend or be represented at meetings. When appropriate, such other representatives of the Guildhall School of Music & Drama and the City of London Corporation shall also attend*** where business relevant to them is to be discussed.

5. At its discretion, the Committee may also convene a meeting, or part of a meeting, without any officers present (save for the clerk who shall attend to take a record of the meeting, unless otherwise instructed by the Committee), or with the external and/or internal auditors without any other officers present (save for the clerk, as previously noted).

Frequency of meetings

6. Meetings shall normally be held at least three times in each financial year. ***The external auditors or The Head of Internal Audit and Risk Management may request a meeting if they consider it necessary.***

Authority

7. The Committee is authorised by the Board of Governors to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee, and all employees are directed to co-operate with any request made by the Committee.
8. The Committee is authorised by the Board of Governors to obtain outside legal or other independent professional advice and to secure the attendance of non-members with relevant experience and expertise if it considers this necessary, normally in consultation with the Principal of the Guildhall School and/or Chairman of the Board of Governors. However, it may not incur direct expenditure in this respect in excess of £5,000, without the prior approval of the Board of Governors.
9. The Audit and Risk Management Committee will review the audit aspects of the Guildhall School's draft Income & Expenditure Account for the year ending 31 July. These aspects will include the external audit opinion, the statement of Governors' responsibilities, the statement of internal control and any relevant issue raised by the external auditors. The Committee should, where appropriate, confirm with the internal and external auditors that the effectiveness of the internal control systems has been reviewed, and comment on this in its annual report to the Board of Governors.

Duties

10. The duties of the Committee shall be:
 - a. To discuss if necessary with the external auditors, before the audit begins, the nature and scope of their audit as it relates to the Guildhall School.
 - b. To discuss if necessary with the external auditors problems and reservations arising from their audit, including a review of the external auditors' report to the Audit and Risk Management Committee, and any other matters the external auditors may wish to discuss (in the absence of officers where necessary).

- c. To review the internal auditors' audit risk assessment and strategy, and to consider major findings of internal audit investigations and management's response.
- d. To keep under review the effectiveness of the risk management, control and governance arrangements, and in particular to review the external auditors' report, the internal auditors' annual report, and management responses.
- e. To monitor the implementation of agreed audit-based recommendations, from whatever source.
- f. To ensure that all significant losses have been properly investigated and that the internal and external auditors, and where appropriate the HEFCE accounting officer, have been informed.
- g. To oversee the Guildhall School's compliance with the City of London's policy on fraud and irregularity, including being notified of any action taken under that policy.
- h. To satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness.
- i. To receive any relevant reports from the National Audit Office, HEFCE and other organisations.
- j. To consider elements of the Guildhall School's draft Income & Expenditure Account for the year ending 31 July in the presence of the external auditors if necessary, including the auditors' formal opinion, the statement of Governors' responsibilities and the statement of internal control, in accordance with HEFCE's Accounts Directions.
- k. To receive the Guildhall School's management accounts.

Reporting procedures

11. The minutes of meetings of the Committee will be circulated to all members of the Board of Governors.
12. The Committee will prepare an annual report covering the year to 31 July and any significant issues up to the date of preparing the report. The report will be addressed to the Board of Governors and the Principal, summarising the activity for the year. It will give the Committee's opinion on the adequacy and effectiveness of the Guildhall School's arrangements for the following:
 - risk management, control and governance (the risk management element includes the adequacy of the statement of internal control accompanying the Income & Expenditure account for the year ending 31 July)

- economy, efficiency and effectiveness (value for money).

This opinion should be based on the information presented to the Committee. The Audit and Risk Management Committee's annual report should normally be submitted to the Board of Governors before the Governors' responsibility statement accompanying the Income & Expenditure account for the year ending 31 July is signed.

In line with the Higher Education Code of Governance, the Audit Committee will ensure that the annual corporate governance statement includes a description of the work of the Remuneration Committee.

Clerking arrangements

13. The clerk to the Audit and Risk Management Committee shall be the clerk to the Board of Governors.

Remuneration Committee – Terms of Reference

The Remuneration Committee provides advice to the Board of Governors of the Guildhall School of Music & Drama. It is recognised that all matters relating to employment of staff are within the purview of the City Corporation's Establishment Committee.

Constitution

- The Chairman of the Board of Governors of the Guildhall School of Music & Drama
- The Deputy Chairman of the Board of Governors of the Guildhall School of Music & Drama
- At least three non-Common Council Governors
- Two Common Council Governors
- May include up to three other lay/independent members (who are not necessarily members of the governing body)

Quorum

- At least three Governors

In attendance (but not a member of the Committee)

- ***The Principal of the Guildhall School of Music & Drama (except when the Committee discusses his or her remuneration)***

Terms of Reference

- To take note of staff remuneration, the pay structure and benchmark the School against the rest of the higher education sector.
- ***To consider all characteristics protected under the Equality Act 2010 and to flag any significant discrepancies within the School.***
- To satisfy itself with the procedures in place at the School to allow staff to make representations about their pay.
- To satisfy itself that any ad hoc or personalised payments that might distort the basic remuneration structure are made according to transparent and justifiable rules.
- To benchmark the salary of the Principal ***and Vice-Principals (the senior post holders)*** against sector comparators and is (or is not) content with the outcome of the benchmarking.
- To make recommendations to the Board of Governors and the Establishment Committee in respect of overall staffing pay structure, having regard to equal opportunities.

Nominations Committee – Terms of Reference

Membership

- Chairman and Deputy Chairman of the Board shall serve as Chairman and Deputy Chairman of the Nominations Committee.
- Quorum of any three Committee Members.
- All Members are entitled to vote.
- Members should include three co-opted Governors, three Common Council Members and one senior Member of the Academic Staff.

Remit

- To consider any application(s) for nominations for Fellowships and/or Honorary Fellowships and;
 - To make recommendations to the Board of Governors of the Guildhall School of Music & Drama on any applications, as and when required.
 - To seek out and recommend the appointment of new lay/independent/co-opted members to the Governing Body
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Reference Sub Committee – Terms of Reference

Membership

- Chairman and Deputy Chairman of the Board shall serve as Chairman and Deputy Chairman of the Reference Sub Committee.
- Quorum of any three Governors.
- All Members are entitled to vote.

Remit

- To consider any matter(s) referred to it by the Board of Governors of the Guildhall School of Music & Drama.

Authority

- The Sub Committee does not have power to act; it will report its findings and recommendations to the Board of Governors for approval.

Finance & Resources Committee – Terms of Reference

Membership

- Chairman and Deputy Chairman of the Board shall serve as Chairman and Deputy Chairman of the Finance and Resources Committee.
- Quorum of any three Committee Members.
- All Members are entitled to vote.
- Members of the Audit & Risk Management Committee are not eligible to serve as Members of the Finance and Resources Committee and vice versa.

Remit

- To consider the management accounts providing advice to the Board, without delegated powers to act; except for those specific matters delegated to it by the Board
- To consider the setting of the financial priorities for the School through the consideration of the proposed fees and charges, business plan and budget prior to submission to the Main Board, without delegated powers to act; except for those specific matters delegated to it by the Board
- To monitor all capital cap and premises matters, providing advice to the Chairman and Deputy Chairman of the Board who retain their delegated powers to act in these matters
- To review any matters that may affect the finances of the Guildhall School reporting to the Main Board

Note:-

- In parallel, the Audit & Risk Management Committee will scrutinise the adequacy and effectiveness of risk management, internal controls and arrangements for promoting value for money.

Governance and Effectiveness Committee - Terms of Reference

Introduction

- The role of the Governance and Effectiveness Committee is to consider improvements to the effectiveness of the Board of Governors of the Guildhall School.
- The Committee shall utilise guidance from appropriate sources, including HEFCE and the Leadership Foundation in undertaking its work
- The Committee shall report its findings and recommendations to the Board of Governors.

Membership

- The Membership shall include the Chairman and Deputy Chairman of the Board of Governors, the Chairman of the Audit & Risk Management Committee, the Principal of the Guildhall School and two Members of the Board of Governors
- A Chairman shall be appointed from amongst the membership
- The quorum consists of three Members

Attendance at meetings

- A representative of the Town Clerk shall attend meetings

Frequency of meetings

- Full reviews shall be held every three years
- When a full review is being undertaken, the committee shall determine the frequency of its meetings
- In those years when a full review is not being undertaken, the committee shall meet at least once a year to consider progress on implementation

Authority

- The Committee does not have power to act, it will report its findings and recommendations to the Board of Governors for approval

Duties

- The duties of the Committee shall be:
 - To undertake a formal and rigorous evaluation of the effectiveness of the Board of Governors of the Guildhall School and its committees, in line with guidance from HEFCE and the Leadership Foundation;
 - To report and make recommendations to the Board
 - To consider the success of the Board of Governors in meeting long term strategic objectives and Key Performance Indicators
 - To facilitate the benchmarking of the performance of the Guildhall School against other comparable Higher Education Institutions
 - To monitor progress of the implementation of the recommendations of efficiency reviews

Academic Assurance Working Group – Terms of Reference

Membership

- Co-opted member of the Board with HE experience (in the Chair)
- Further member of the Board (not staff)
- Principal
- Students' Union President
- Option to co-opt a HE specialist from outside the Board of Governors

Officers in attendance:

- Secretary & Dean of Students
- Quality Assurance Officer (Programme Development) - clerk to the meeting

Brief:

To meet once a year, early in the Autumn term, for report to the November Board of Governors.

The Academic Assurance Working Group will review the Academic Board annual report, and all other matters reported to the Board during the previous academic year on higher education matters, to assist the Board in coming to a view whether the academic assurances have been met sufficiently.

The Working Group will have the authority to seek clarification on any matter relating to academic assurance and ask for additional information.
