



Risk Committee of the Barbican Centre Board

Date: TUESDAY, 15 JANUARY 2013
Time: 2.00pm
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

Members: John Tomlinson (Chairman)
Deputy Catherine McGuinness (Deputy Chairman)
Nick Kenyon
Vivienne Littlechild
Brian McMaster
Keith Salway

Enquiries: Julie Mayer
tel. no.: 020 7332 1410
julie.mayer@cityoflondon.gov.uk

Lunch will be served in the Guildhall Club at 1pm

John Barradell
Town Clerk and Chief Executive

AGENDA

1. **APOLOGIES**

2. **MEMBER DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THIS AGENDA**

3. **MINUTES**

To approve the public minutes and summary of the Barbican Risk Committee of 21 May 2012 and the inquorate meeting of 11 October 2012.

(Pages 1 - 8)

4. **OUTSTANDING ACTIONS**

Report of the Town Clerk

For Information

(Pages 9 - 10)

5. **INTERNAL AUDIT UPDATE**

Report of the Chamberlain

For information

(Pages 11 - 24)

6. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

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

8. **EXCLUSION OF THE PUBLIC**

MOTION, That, under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3, Part 1 of Schedule 12A of the Local Government Act.

9. **MINUTES**

To approve the non-public minutes of the Barbican Risk Committee of 21 May 2012 and the inquorate meeting of 11 October 2012.

(Pages 25 - 32)

10. **RISK UPDATE**

Report of the Chief Operating and Financial Officer, Barbican Centre

For information

(Pages 33 - 64)

11. **CONCERT HALL GOODS LIFT**
Report of the Buildings Director, Barbican Centre

For information

(Pages 65 - 68)

12. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

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

This page is intentionally left blank

RISK COMMITTEE OF THE BARBICAN CENTRE BOARD
21 May 2012

Minutes of the meeting of the RISK COMMITTEE OF THE BARBICAN CENTRE BOARD held in The Managing Director's Office at the Barbican Centre on MONDAY, 21 MAY 2012 at 9.30 am.

Present

Members:

Jeremy Mayhew (**Chairman**)
Deputy Catherine McGuinness (**Deputy Chairman**)
Keith Salway
John Tomlinson

Officers

Julie Mayer	- Town Clerk's Department
Paul Nagle	- Chamberlain's
Aden Lisman	- Chamberlain's
Caroline Al-Beyerty	- Chamberlain's
Peter Martin	- Barbican Centre
Sandeep Dwesar	- Barbican Centre
Nick Kenyon	- Barbican Centre

1. APOLOGIES

Mr Brian McMaster submitted apologies

2. DECLARATIONS BY MEMBERS OF ANY PERSONAL AND PREJUDICIAL INTERESTS IN RESPECT OF ITEMS ON THIS AGENDA

There were no declarations.

3. MINUTES

The public minutes and summary of the meeting held on 6 February 2012 were approved as a correct record.

4. INTERNAL AUDIT UPDATE

This report provided the Committee with an update on the progress of Internal Audit reviews undertaken within the Barbican Centre since the last report in February 2012. Members noted that all items listed on the '*Outstanding Actions*' list, at item 9 on the Non-Public Agenda, in respect of Internal Audit, had been discharged in this report.

In the course of questions from Members, the following issues were raised:

1. Delayed redundancies – the Chamberlain's representative would confirm, as soon as possible, with both the Chairman of the Board and the Risk Committee, that this had been completed.

2. Virtual Private Networks connections – Members noted that the audit of the new Firewall systems had highlighted some new, relatively minor issues, in respect of one or two connections to rarely used organisations. The Internal Auditor explained that there had been no problems at the point of the review. Implementation of the green recommendation was due for completion by June 2012. Officers assured Members of stronger lines of communication between the Centre and Corporate IT.
3. Annual IS Strategy – Members noted that the IS Strategy had been informed by the findings from IT audits and updates from the industry press. The City IS Security Strategy would be presented to the Information Systems Sub Committee on an annual basis. The Chief Operating and Financial Officer assured Members that the Barbican Centre IT team meets regularly with the Corporate IT team.
4. Green Assurance Audit Reports - Members would like to receive copies of previous audit report summaries, circulated prior to the current practice of circulating the summaries to all Members and not just the Chairman and Deputy Chairman. The Head of Audit agreed to circulate the Trade Waste Audit Summary to Members.
5. Appendix 1 (Securities and Facilities Management) – the Head of Internal Audit confirmed that the audit follow-up is going ahead as planned. The Chairman asked to be informed if the follow-up indicated that the two recommendations had or had not been implemented.
6. Appendix 2 (Old Contracts) – the Chamberlains’ representative advised that proportionality was being taken into account in the review of when to ‘draw a line’ in particular cases and this exercise would be concluded shortly.

The Managing Director commended the joint working between Chamberlains and the Barbican Centre, which had produced a very positive review.

RECEIVED

6. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

There were no questions

7. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no items.

8. EXCLUSION OF THE PUBLIC

RESOLVED – That under Section 100A of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act.

**SUMMARY OF THE MATTERS CONSIDERED WHILST
THE PUBLIC WERE EXCLUDED**

9. MINUTES

The non-public minutes and summary of the meeting held on 19 October 2011 were approved as a correct record.

10. OUTSTANDING ACTIONS

Received

11. CAPITAL CAP 3

Withdrawn

12. RISK REGISTER UPDATE

Received

13. FIRE SAFETY BRIEFING

Received

At 11.25 am Members agreed to suspend standing orders, to conclude the business on the Agenda

14. INSURANCE ARRANGEMENTS

Received

15. QUESTIONS RELATING TO THE WORK OF THE COMMITTEE

There were no questions

**16. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT
AND WHICH THE COMMITTEE AGREED SHOULD BE CONSIDERED
WHILST THE PUBLIC WERE EXCLUDED**

There were no urgent items.

The meeting finished at 11.50 am

CHAIRMAN

**Contact Officer: Julie Mayer
tel. no. 020 7332 1410
e-mail: Julie.mayer@cityoflondon.gov.uk**

This page is intentionally left blank

RISK COMMITTEE OF THE BARBICAN CENTRE BOARD
Thursday, 11 October 2012

Minutes of an **inquorate** meeting of the Risk Committee of the Barbican Centre Board held at Guildhall on Thursday, 11 October 2012 at 2.00 pm

Present

Members:

John Tomlinson (Chairman)
Deputy Catherine McGuinness (Deputy Chairman) - via telephone conference
Keith Salway (External Member)

Officers:

Sir Nicholas Kenyon	- Managing Director, Barbican Centre
Sandeep Dwesar	- Barbican Centre
Shaun Kerfoot	- Barbican Centre
Peter Martin	- Barbican Centre
Julie Mayer	- Town Clerk's
Paul Nagle	- Chamberlain's
Dan Doherty	- Chamberlain's

1. APOLOGIES

Apologies were received from Brian McMaster and Deputy Catherine McGuinness (Deputy Chairman).

The Town Clerk advised that, due to the absence of the above Members, the Committee was inquorate. However, Deputy McGuinness (Deputy Chairman) was available to join the meeting via telephone conference. Prior to the meeting, the Town Clerk had sought the following legal advice:

Para 39(1) of the Local Government Act states that "...all questions shall be decided by a majority of memberspresent and... voting thereon at a meeting...."

Para 40 requires that "the names of all members present shall be recorded".

Therefore, in the absence of specific legislation extending the definition of "present" to virtual presence, then the normal interpretation i.e. physical presence must apply.

Members also noted that there is specific provision under Companies Act legislation to allow for video conferencing arrangements at Board and Directors' meetings, but that it does not extend to local authority meetings.

Members were reminded that the Barbican Risk Committee had advisory powers to the Board and the reports on this agenda were for information.

However, the Minutes from this inquorate meeting would be reported to the Barbican Finance Committee and the Board, as is usual practice.

The Town Clerk reminded Members that the Risk Committee was carrying a vacancy the Deputy Chairman suggested that this be filled at the next Board Meeting. Members agreed and recommended that the Board appoint two Members and that one of these might be the Finance Committee's ex-officio Member of the Board. This would mitigate future risks of the Risk Committee being inquorate.

2. **DECLARATIONS BY MEMBERS OF ANY PERSONAL AND PREJUDICIAL INTERESTS IN RESPECT OF ITEMS ON THIS AGENDA**

There were no declarations.

3. **MINUTES**

The public minutes and summary of the Risk Committee of the 21 May 2012 were approved, subject to their confirmation by a quorate meeting of the Committee.

The Chairman took Members and Officers through matters arising, some of which would also be cross-referenced under the Outstanding Actions list at item 9. The Chairman suggested and Members agreed that, in future, the list should be split into public and non-public sections.

In respect of 'old contracts', Members noted that the Finance Committee receives this as a regular update and it should therefore be removed from the Risk Committee agenda.

4. **INTERNAL AUDIT UPDATE- SEPTEMBER 2012**

This report provided Members with an update on the progress of Internal Audit reviews undertaken within the Barbican Centre since the last report in May 2012

An External Member asked that the committee be given an update in respect of the Health and Safety audit review concerned with the Construction Design and Management (CDM) legislation of 2007. Internal Audit explained that there were a number of difference between this and earlier legislation and that these required various changes in respect of departmental project management. This review of the Barbican Centre's practices was the most recent of those carried out in co-ordination with the City's various technical departments, and was done to increase compliance with the legislation, help reduce the likelihood of accidents, and thereby mitigate the risks of fines and/or prosecutions."

Internal Audit commended the Barbican for their co-operation and confirmed that all recommendations had been accepted. The Chairman suggested that CDM be considered for inclusion in the Barbican's Risk Register. The Head of Internal Audit and Risk Management confirmed that the most significant areas of the City where CDM applies had been targeted and offered to provide an information summary for all chief officers. The Chairman suggested that this should also be reported to the central Audit and Risk Management Committee.

The External Member suggested that, as the recommendations had been formulated by 26 July, a final report could have been produced sooner. Officers explained that the usual 4 week response time had been extended to 8 weeks, due to the Olympics.

In response to a further question on the Events Expenditure and Income review, the Head of Audit and Risk Management explained that generic user ID's were kept to a minimum on the Artifax System and this system is not used for authorising payments.

The Chief Operating and Financial Officer explained that closing down accounts for events can take several months following complex theatre productions, given the number of different suppliers, but all transactions are tracked and well documented.

With regard to the forward internal audit programme, in some instances, i.e. a review of box office process and applications, the technical upgrades might impact on audit timetables but not to a significant degree.

RECEIVED

5. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions

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

There were no items of urgent business.

7. **EXCLUSION OF THE PUBLIC**

That, under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12 A (paragraph 3) of the Local Government Act .

8. **MINUTES**

The non-public minutes of 21 May were approved, subject to formal confirmation by a quorate meeting of the Committee.

9. **OUTSTANDING ACTIONS**

The Chairman suggested that future outstanding action lists include the dates on which the action became live. As requested earlier, future lists should also be split into public and non-public sections. The Chairman and Members were pleased to note that all outstanding actions from the meeting of 21 May had been discharged.

RECEIVED

10. **LOSS OF HEATING AND HOT WATER**

This report explained the arrangements for heating and cooling services in place at the Barbican Centre/GSMD.

11. **THEATRE FLYING SYSTEM (A VERBAL UPDATE)**

The Interim Buildings Director provided a verbal update on the project

12. **INSURANCE UPDATE**

This report briefly summarised the City's insurance arrangements for the Barbican Centre.

RECEIVED

13. **FIRE SAFETY UPDATE**

The Interim Buildings Director provided an update.

RECEIVED

14. **GOODS LIFT (A VERBAL UPDATE)**

The Interim Building Director provided a verbal update.

15. **RISK REGISTER UPDATE**

This report advised Members of the risk management systems in place at the Barbican, the significant risks that have been identified and measures for mitigating them.

RECEIVED

16. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

17. **ANY ITEMS OF BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

The meeting ended at 3.45pm

Chairman

Contact Officer: Julie Mayer
tel. no.: 020 7332 1410
julie.mayer@cityoflondon.gov.uk

Risk Committee of the Barbican Centre Board – Outstanding Actions List

ITEMS ADDED ON 11 OCTOBER 2012	Action	Officer responsible and Timescale	Progress to date
Vacancy on the Risk Committee	Members recommended that the Board appoint two Members and that one of these might be the Finance Committee's ex-officio Member of the Board. This would mitigate against future risks of the Risk Committee being inquorate.	Town Clerk (Refer to Board on 28 November)	Appointed Vivienne Littlechild at the Barbican Centre Board in November. A further appointment was recommended by the Chairman.
CDM – Construction Design Management Legislation 2007	<ol style="list-style-type: none"> 1. The Chairman suggested that CDM be considered for inclusion in the Barbican's Risk Register. 2. The Chairman suggested that this also be reported to the central Audit and Risk Management Committee. 	Nigel Walker/ Paul Nagle/ Sabir Ali	<ol style="list-style-type: none"> 1. Complete. 2. CDM audit report was reported to Audit & Risk management Committee on 12th Dec.
Hot Water and Heating	<ol style="list-style-type: none"> 1. Update to the next meeting 	Sandeep Dwesar	

Risk Committee of the Barbican Centre Board – Outstanding Actions List

Goods lift	<p>Next Risk Committee to receive a report on the life expectancy of the lift.</p> <p>Ensure that Orchestras etc are using the loading bays</p>	<p>Michael Dick</p>	<p>Discharged on Agenda for 15 January 2013.</p>
Risk Register	<p>Members asked to see the report to the Central Audit and Risk Management on the City's response to a terrorist attack or major incident so that its content can be discussed at the next Barbican Risk Committee</p>	<p>Paul Nagle/ Sabir Ali</p>	<p>Report circulated.</p>
Frequency of reporting the Risk Register	<p>Full risk register to be included on the Risk Committee agenda annually from now on (next time in Oct 13), but a risk update report will continue to be submitted to each meeting showing red 'significant risks' in this report, plus details of any new or changed risks.</p>	<p>N Walker/ Sandeep Dwesar</p>	<p>Copies of previous risk report to be tabled at the meeting.</p>
Air handling units in the new cinemas	<p>A resident had queried the means by which the air-handling units were fixed to the structure.</p>	<p>Michael Dick</p>	<p>City Surveyors investigated and there are no problems.</p> <p>RECOMMENDED TO CLOSE</p>

Agenda Item 5

Committee(s):	Date(s):	Item no.
Risk Committee of the Barbican Centre Board	15 th January 2013	
Subject: Internal Audit Update Report – January 2013		Public
Report of: The Chamberlain		For Information
<u>Summary</u>		
<p>The purpose of this report is to provide your committee with an update on the progress of Internal Audit reviews undertaken at the Barbican Centre since the last report made in September 2012. There are six Internal Audit reviews included within the 2012/13 Internal Audit Plan – one in respect of Retail Outlets is now fully completed and three further review of Stocks and Stores, Box Office Processes and Cost Monitoring are in progress.</p> <p>Two of the remaining three reviews in the 2012/13 Plan have been delayed due to the recent departure of the ICT Senior Auditor. An appointment to this post has recently been made and work in this area will be initiated in January 2013. The remaining review which is a detailed Box Office IT application review has been cancelled because this application is planned for replacement in 2013/14. An update on the progress in implementing the recommendations for the Construction Design Management (Health & Safety) Review started in 2012/13 is also included. Whilst internal audit have been informed that the two red priority recommendations have been implemented, the remaining three amber and five green priority recommendations have been rescheduled from November 2012 to the end of January 2013 for implementation. (See Appendix 2 for analysis).</p> <p>In addition to planned work there has been a special investigation resulting to a recent spate of losses of cash and physical assets from the Theatre Department. With the exception of this matter, there have been no other significant control weaknesses identified.</p> <p>This report also includes details of the draft Internal Audit Plan for the five year period 2013/18 which has been discussed with the Chief Operating Officer and Head of Finance.</p>		
Recommendations		
<ul style="list-style-type: none">• That this report be noted and• That Members comment on the content of the draft Internal Audit Plan 2013/18.		

Main Report

Background

1. This report provides an update on progress being made against the 2012/13 Internal Audit Plan and sets out the draft Internal Audit Plan for 2013 to 2018.

Internal Audit Plan 2011/12 completion – carried out in 2012/13

Control Self-Assessment - Construction (Design & Management) Regulations 2007 (Health & Safety) - Moderate Assurance - Amber 🚩

2. The findings from this review gave rise to significant risk issues so the key audit findings were presented orally and discussed with this committee at its meeting on the 11th October 2012.
3. The requirements and role of the Client in construction are seen as major factors in the level and prevention, of accidents. Changes in Health & Safety legislation have placed greater responsibility upon the Client and it can no longer transfer on responsibilities and liabilities to an agent or contractor. Past fines for failure to discharge duties under the previous regulations have been in the region of £200,000 and future failures could therefore represent significant risk to the City of London.
4. City of London Departments, including the Barbican Centre, which have teams responsible for construction work must therefore ensure that suitable controls are in place and maintained to mitigate and manage those risks in an acceptable manner. The Construction (Design and Management) Regulations 2007 (CDM Regs) give details of the legislative requirements, and the Approved Code of Practice (ACoP) provides official guidance to assist in determining whether processes are compliant with the statutory requirements. The associated risks in respect of this area of the City's operations are
 - i. the Death or injury of construction workers, consultants and/or officers,
 - ii. loss of reputation through failure to comply with legislative requirements, and
 - iii. liability to prosecutions and/or subsequent fines under Criminal Law.
5. This review found that there had been a failure to correctly identify the New Security Control Room project as a project requiring notification

to the Health and Safety Executive prior to work commencing on site. This failure to notify the Health and Safety Executive subsequently caused delay and additional cost to the project whilst the required notification was made. Two red priority recommendations have therefore been made to require management authorisation of the appropriate notification to HSE and to maintain adequate records showing such authorisation. Three further amber priority recommendations were made to update and improve current staff guidance documents, in light of the changes and new requirements of the 2007 CDM Regulations as follows:

- a. Ensure staff guidance documents address officer responsibility to allow sufficient time for each stage of the project from concept onwards;
 - b. Ensure officers supply individual leaseholders with health and safety information relating to their property;
 - c. Obtaining assurance that project managers have the know-how to assess the competence of the CDM Co-ordinators being employed.
6. Five further green priority recommendations have been made to address control improvements in respect of the training log maintained by the Barbican Centre, and in the storage and accessibility of Health and Safety Files.
7. The fieldwork for this review was completed in July 2012 and a draft report issued to the Managing Director of the Barbican Centre later in that month. Following confirmation of the Management response a final report was issued in October 2012. Management implemented the two red priority recommendations in September 2012, with the remaining three amber and five green priority recommendations originally agreed for implementation by the end of November 2012.
8. Due to workload pressures, revised implementation dates for these eight recommendations have been agreed for the end of January 2013. Until these recommendations are fully implemented there continues to be a risk that the knowledge of Barbican Centre project officers in their responsibilities under CDM 2007 is insufficient, resulting in a further violation of these requirements, which could potentially result in HSE action against the City of London.

Implementation of Agreed Audit Recommendations




9. Other than the implementation of the recommendation resulting from the Construction (Design & Management) Regulations 2007 - Health & Safety – review, there are no other recommendations from 2011/12 reviews which have yet to be implemented.

Internal Audit Plan 2012/13

10. There are seven planned reviews within the 2012/13 internal audit plan for the Barbican Centre. A final report has recently been issued in respect of the Retail Outlet review. An unplanned review resulting from Theatre Department cash and physical assets losses has also been undertaken in the period September to December 2012. Details of both reviews are given in the next section.
11. The Contract Audit - Cost Monitoring review report is currently being drafted. Two reviews are currently at fieldwork stage, with one review at planning stage. The IS/IT review of the Box Office application has been cancelled, with final remaining IS/IT Security/Strategy/Operations Review planned to commence in the final quarter.

Barbican Centre Retail Outlets (Amber Assurance)

12. The Barbican Centre internally manages three permanent retail outlets and this year introduced a temporary retail outlet (the Bond shop) which is an initiative the Barbican Centre is looking to continue. The review concentrated on the Foyer, Gallery and Bond Shop. The Foyer shop received £55k in income with a surplus of £11k for 2011/12 and is predicted to make a surplus of £40-60k for 2012/13. The Gallery shop received £125k for the same period and made a surplus of £50k, it is predicted to make a surplus of £88k for the financial year 2012/13. The Bond shop took £203k income and made a surplus of £60k.
13. The purpose of this review was to establish and evaluate the control arrangements for the purchasing and invoice processes across the three outlets: reviewing whether there are appropriate and consistent pricing strategies across the three outlets: ensuring there are efficient stock control processes in place; that all income is collected and banked promptly.

AREA	Red Recommendations 	Amber Recommendations 	Green Recommendations 
Procurement	0	1	1
Pricing Strategies	0	1	0
Stock Control	0	2	1
TOTAL	0	4	2

14. Audit testing established that there are sufficient processes in place across income collection as this is undertaken independently by the Box office or house management staff and the systems are independent to their own income collection systems. A full review has been undertaken of all income collection at the Barbican Centre this financial year that gave green assurance for the income collection processes in place.
15. All procurement activity across the three retail outlets had been appropriately authorised and all invoices have been processed through CBIS.
16. There were issues identified reconciling the stock to the management information for the Foyer shop and the Gallery shop, an amber priority recommendation was agreed to resolve these discrepancies. The stock could not be reviewed for the Bond shop as the management information was not available at the time of the audit review. An amber priority recommendation was agreed for the finance section to complete the final stock assessment and write-off stock following the closure of the outlet at the end of the exhibition.
17. Across the three retail outlets there were inconsistencies identified with the procurement approach, pricing strategies, and stock control. An amber recommendation was agreed whereby the Head of Commercial Development and the Art Galleries Manager are going to look to introduce a co-ordinated approach across the outlets to ensure a consistent strategic approach is adopted for these retail outlets by agreeing a pricing policy, adopting a co-ordinated procurement and stock management approach and by introducing a new EPOS system.
18. The co-ordinated approach will be considered by 31st December 2012; however the implementation of the new approach and EPOS system will not be until 31st March 2013. The fieldwork for this review was completed in August 2012 and a draft report issued to the Managing Director of the Barbican Centre later in October 2012. Following confirmation of the Management response a final report was issued in November 2012.

Theatre Department Cash and Physical Asset Losses

19. On 25th October 2012 Internal Audit was notified of the loss of the Theatre Production Office petty cash float (cash in the region of £430) which occurred during the period 10th -17th July 2012. Whilst the Centre failed to inform Internal Audit of the theft as soon as it was discovered, the incident had been reported internally within the Barbican Centre to the Security Manager on the 17th July and was subsequently reported to the police.

20. An internal audit investigation was undertaken to establish whether the control environment had improved and to establish whether there had been any further losses experienced.
21. Since July there have been a series of losses experienced within the Theatre Department. The items lost and assumed stolen include: cash, both Centre funds and personal; a laptop belonging to a visiting company member; a laptop belonging to the Centre; audio equipment (a pair of speakers); two electric drills; and a pen knife belonging to a member of staff. It is not possible to determine whether these are all related incidents and the City Police have not pursued their investigations due to lack of evidence.
22. At the time of the incidents there was a number of security failings within the department which meant that expected controls were not in operation. Such as locked doors, limited access to the safe and care taken over personal belongings. This allowed access to Barbican cash and assets as well as staff and visiting companies' assets and staff personal belongings. These failings have now been rectified in accordance with Internal Audit recommendations.
23. The Barbican Centre failed to comply with the City's Financial Regulations since Internal Audit was not notified of the losses and the Town Clerk was not consulted before a report was made to the City Police. In addition, the Chamberlain's Insurance Section was not provided with details of these losses, with the exception of the audio equipment.
24. The Barbican Centre has now installed CCTV cameras in the Theatre Department as a deterrent and the last incident reported was at the start of November.

Five Year Draft Internal Audit Plan 2013/18

25. The Draft Internal Audit Plan covering the five year period 1st April 2013 to 31st March 2018 (Appendix 3) has been prepared in consultation with the Barbican Centre's Chief Financial Operating Officer and Head of Finance. A risk-based approach has been adopted in preparing this plan and has been informed by the Centre's Business Plan Objectives and Risk Register.
26. The IS audit plan is currently under review as a result of plans to outsource aspects of the City of London IS function in 2013. Future IS audit plans for the Barbican Centre are currently based on an annual ICT Strategy, Security and Operation review with a cyclical review of Disaster Recovery arrangements and the Box Office application. Further collaboration and merger of strategy and operations between the Barbican Centre and GSMD

IS Teams is also a consideration, and therefore long term planning for IS Audit reviews is not appropriate.

Appendices

- Appendix 1 – Schedule of Internal Audit Projects 2011/12
- Appendix 2 – Schedule of Internal Audit Projects 2012/13
- Appendix 3 – Draft Internal Audit Plan 2013/18

Contact:

Jeremy Mullins, Audit Manager

jeremy.mullins@cityoflondon.gov.uk telephone: 020 7332 1279

Schedule of Internal Audit Projects 2011/12

2011/12 Internal Audit reviews where recommendations remaining to be implemented

Project	Planned Days	Audit Stage	Assurance Level	Recommendations				Recommendation Implementation Progress
				Total Red	Total Amber	Total Green	Total	
Construction (Design and Management) Regulations 2007 (Health & Safety in Construction)	15	Final Report issued on 18 th October 2012	Amber	2	3	5	10	A follow up review will be carried out by Internal Audit in due course but at this time Barbican Centre staff have confirmed that the two red recommendations were implemented on the 27 th September 2012. Although the initial intention was to implement the remaining eight recommendations by the 30 th November 2012 this was not achieved and a revised implementation date of the 31 st January 2013 agreed.

Schedule of Internal Audit Projects 2012/13

Project	Planned Days	Planned Completion Date	Current Stage	Recommendations			
				Total Red	Total Amber	Total Green	Total
<p><u>Retail Outlets</u></p> <p>The Barbican Centre has a number of retail outlets and has recently taken back in-house the management of the bookshop. The procurement, pricing, stock control, and income collection and banking controls will be examined.</p>	25	30 th June 2012	Completed	-	4	2	6
<p><u>Stocks and Stores</u></p> <p>There are a number of stores operating across the Centre, for example set and scenery materials, technical equipment, and tools and machinery. This review will examine the arrangements for the</p>	20	31 st March 2013	In Progress	-	-	-	-

purchase, recording, security and disposal of items held within stores. It will also consider how appropriate the current level of stocks are, given the Centre's level of activity.							
<p><u>Box Offices Process</u></p> <p>The Box Office is the event booking and ticketing outlet for the Barbican Centre catering for on-line, telephone and face-to-face customers. The collection and recording of income will be reviewed, as well as controls over complimentary and refunded tickets. This review will not examine e-ticketing or the software application which it is planned to review separately.</p>	10	31 st March 2013	In Progress	-	-	-	-
<p><u>Annual IS Strategy & Security</u></p> <p>This being an annual review as requested by the Barbican Committee following the 2011/12 review. The objectives of the audit exercise are to establish and assess: -</p> <ul style="list-style-type: none"> • Adequacy of the strategy in providing the operational service required. • Responsibility to ensure that tasks have been properly assigned. • Configuration to ensure it provides a sound operational and secure setting. • Logical access controls to ensure a secure management framework. • Operational and housekeeping procedures • Resilience. <p>Additionally to incorporate a second follow-up on</p>	5	31 st May 2013	Work to commence Feb 2013	-	-	-	-

ICT review (department request). "							
<u>E-commerce – Box Office Application (ENTA)</u> Standard application/system review, objectives being to establishing and evaluating the strategy, responsibility, logical security, physical & environmental controls, housekeeping and resilience.	10		Cancelled- as Application due to be replaced in 2013/14	-	-	-	-
<u>Business Continuity (Including disaster recovery)</u> Will assess Barbican DR plans being based on Barbican strategic objectives and stated need compared to benchmark leading practice.	15	30 th April 2013	Planning	-	-	-	-
<u>Projects – Cost Monitoring</u> This review will examine the Barbican Centre’s procedures for monitoring and control of the cost of projects, the process of updating of budgets and cost reports, and the governance arrangements in place to ensure adequate reporting and authorisation of cost overruns.	15	31 st January 2012	Fieldwork Completed				

Draft Internal Five Year Audit Plan 2013/18

AUDIT	DATE OF LAST AUDIT	YEAR 1 2013/14	YEAR 2 2014/15	YEAR 3 2015/16	YEAR 4 2016/17	YEAR 5 2017/18	COVERAGE IN FIVE YEARS
<u>BARBICAN CENTRE</u>							
MARKETING DATA COLLECTION (SOFTWARE/TECNIQUES/ANALYSIS AND REPORTING)	NEW	0	5	0	0	0	5
VALUE FRAMEWORK – EVENT PROGRAMMING (TECHNIQUES AND SCORING)	NEW	20	0	0	0	0	20
BOX OFFICE (INCOME TARGET SETTING AND MONITORING)	NEW	0	20	0	0	0	20
STAFF RECRUITMENT & TRAINING (BUDGETARY CONTROL/CAPTURE OF BENEFITS/OUTCOMES/TEMP STAFF)	NEW	0	0	0	0	20	20
BUSINESS EVENTS (INCOME TARGET SETTING AND MONITORING)	NEW	20	0	0	0	0	20
CATERING (STRATEGY/STRUCTURE/CONTRACTS/CINEMA CATERING)	NEW	0	0	15	0	0	15
SPONSORSHIPS/DONATIONS/GRANTS (TARGET MANAGEMENT/COLLECTION/REPORTING)	NEW	0	0	0	15	0	15
BUSINESS PLANNING (DEVELOPMENT AND MONITORING AGAINST PERFORMACE)	NEW	0	0	5	0	0	5
MEMBERSHIP SCHEME (TARGET SETTING/COLLECTION/REPORTING & MONITORING)	NEW	0	0	0	5	0	5
INCOME COLLECTION & BANKING	2012.08	0	20	0	20	0	40
PROCUREMENT (COMPLIANCE WITH STANDING ORDERS/CBIS PO&AP/PURCHASE CARDS)	NEW	0	0	20	0	20	40
BUDGET SETTING/FINANCIAL MANAGEMENT	NEW	0	10	0	10	0	20
CONTRACT AUDIT - VARIATION ORDERS AND CHANGE CONTROL PROCEDURES	NEW	20	0	0	0	0	20
CONTRACT AUDIT - CSA – INTERIM VALUATIONS	NEW	15	0	0	0	0	15
CONTRACT AUDIT - CSA EXTENSIONS OF TIME	NEW	0	15	0	0	0	15
CONTRACT AUDIT - SMALL WORKS OF REPAIRS AND MAINTENANCE	2005.09	0	15	0	0	0	15
CONTRACT AUDIT - COST ESTIMATING & COST PLANNING	2009.08	0	0	25	0	0	25
CONTRACT AUDIT - CONSULTANT SERVICES	2004.08	0	0	15	0	0	15
CONTRACT DOCUMENTATION	2009.04	0	0	0	20	0	20
COMPLETION AND DEFECTS	NEW	0	0	0	0	15	15
<u>SPOTCHECKS</u>							
DEBT MANAGEMENT (INCLUDING CBIS AR)		5	0	5	0	5	15
EXPENSE CLAIMS (INCLUDING HOSPITALITY/STAFF EXPENSES)		5	0	5	0	5	15
CASH & SECURITY(PETTY CASH/FLOATS/SAFES)		5	0	5	0	5	15
SYSTEM CONTROLS (ARITFAX/ENTAVINS)		0	0	0	5	0	5

Page 2

FOLLOW-UPS								0
INCOME COLLECTION AND BANKING (ALL SOURCES)		1	0	0	0	0	0	1
RETAIL OUTLETS		1	0	0	0	0	0	1
COMMERCIAL - INCOME, EXPENDITURE (INCLUDING ARTIFAX)		1	0	0	0	0	0	1
STOCKS AND STORES		1	0	0	0	0	0	1
BOX OFFICE PROCESSES		1	0	0	0	0	0	1
CDM 2007 (Health & Safety)		2	0	0	0	0	0	2
FOLLOW-UP CONTINGENCY		0	5	5	5	5	5	20
TOTAL		95	90	100	80	75		440

This page is intentionally left blank

Agenda Item 9

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Agenda Item 10

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

Agenda Item 11

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank