



Risk Committee of the Barbican Centre Board

- Date:** WEDNESDAY, 28 JUNE 2017
- Time:** At the rising of the Finance Committee of the Barbican Centre Board
(approx. 3.00 pm)
- Venue:** COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL
- Members:** Deputy John Tomlinson (Chairman)
Deputy Dr Giles Shilson (Deputy Chairman)
Russ Carr
Deputy Wendy Hyde
Deputy Edward Lord
Judith Pleasance
Deputy Tom Sleigh
- Enquiries:** Gregory Moore
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N.B. Part of this meeting could be the subject of audio or visual recording

John Barradell
Town Clerk and Chief Executive

AGENDA

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES**
To agree the public minutes and summary of the meeting held on 25 January 2017.
For Decision
(Pages 1 - 4)
4. **OUTSTANDING ACTIONS**
Report of the Town Clerk.
For Information
(Pages 5 - 6)
5. **MODERN SLAVERY POLICY**
Report of the Director of Arts.
For Decision
(Pages 7 - 10)
6. **ETHICS POLICY**
Report of the Director of Arts.
For Decision
(Pages 11 - 20)
7. **INTERNAL AUDIT UPDATE**
Report of the Head of Internal Audit and Risk Management.
For Information
(Pages 21 - 30)
8. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
9. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
10. **EXCLUSION OF THE PUBLIC**
MOTION – 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
For Decision
11. **NON PUBLIC MINUTES**
To agree the non-public minutes of the meeting held on 25 January 2017.
For Decision
(Pages 31 - 34)

12. **RISK REGISTER**
Report of the Director of Operations & Buildings.
For Information
(Pages 35 - 84)
13. **SECURITY UPDATE**
City Surveyor and Director of Operations & Buildings to be heard.
For Information
14. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
15. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

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RISK COMMITTEE OF THE BARBICAN CENTRE BOARD

Wednesday, 25 January 2017

Minutes of the meeting of the Risk Committee of the Barbican Centre Board held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Wednesday, 25 January 2017 at 9.30 am

Present

Members:

Deputy John Tomlinson (Deputy Chairman), in the Chair
Russ Carr
Sir Brian McMaster
Keith Salway
Wendy Hyde

In Attendance

Officers:

| | | |
|---------------------|---|---|
| Sir Nicholas Kenyon | - | Managing Director, Barbican Centre |
| Sandeep Dwesar | - | Chief Operating & Financial Officer, Barbican Centre |
| Sean Gregory | - | Director of Learning & Engagement, Barbican Centre |
| Louise Jeffreys | - | Director of Arts, Barbican Centre |
| Jonathon Poyner | - | Director of Operations & Buildings, Barbican Centre |
| David Duncan | - | Head of Customer Experience, Barbican Centre |
| Steve Eddy | - | Head of HR, Barbican Centre |
| Sheree Miller | - | Customer Experience Manager, Barbican Centre |
| Nigel Walker | - | Head of Security, Barbican Centre |
| Debbie Hackney | - | Financial Controller, Barbican Centre |
| Pat Stothard | - | Head of Internal Audit and Risk Management, Chamberlain's Department |
| Mark Lowman | - | City Surveyor's Department |
| Gregory Moore | - | Town Clerk's Department |

1. APOLOGIES

Apologies were received from Judith Pleasance and Deputy Dr Giles Shilson.

2. DECLARATIONS BY MEMBERS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THIS AGENDA

There were none.

3. MINUTES

The public minutes of the meeting held on 8 November 2016 were approved.

4. **OUTSTANDING ACTIONS**

The schedule of outstanding actions was received and the various updates noted.

RECEIVED.

5. **INTERNAL AUDIT UPDATE**

The Committee received a report of the Head of Internal Audit & Risk Management providing an update on Internal Audit activity undertaken at the Barbican Centre between November 2016 and January 2017, as well as a status update in respect of the schedule of planned work for 2016-17. Members' views were also sought on the proposed coverage and timing set out in the Draft Internal Audit Plan 2017-20.

A Member queried the scheduled "Customer Experience" review, suggesting that this and other similar areas might not represent the best use of Audit officers' particular skills or expertise. He observed that Internal Audit's expertise would be more appropriately applied in respect of issues related to financial controls and assurance, rather than on these more subjective or specialist areas.

The Head of Internal Audit noted the point but advised that Public Sector internal audit standards required them to look at a range of areas, not just financial controls. Accordingly, they tried to ensure comprehensive coverage across a number of areas which, whilst always including financial aspects, also scrutinised other management issues. He reassured the Committee that the audit team did not engage in work outside of its areas of expertise and that audits in areas such as customer experience would focus on the governance and internal controls within these areas. By way of example, he highlighted that in this specific instance the focus would be on data management related to customer satisfaction and the verification of relevant processes and statistics, rather than suggestions as to improving customer satisfaction itself.

In response to further queries, it was confirmed that the audit time allocated to the Barbican would be approximately 45 days, which was the same as the past year. It was also clarified that items such as payroll would be captured as part of wider corporate audits and that any Barbican-specific recommendations would be highlighted to the Risk Committee whenever they arose.

RESOLVED: That the status of planned audit work for 2016-17, the live high priority recommendations position, and audit plan proposals for 2017-20 all be noted.

6. **HEALTH & SAFETY: ANNUAL UPDATE**

The Committee received a report of the Director of Operations & Buildings providing an update on the Centre's Health and Safety activities and provision over the last year.

It was advised that the matter of risk assessments associated with Chamberlain's staff at the Barbican was not yet resolved and Members asked that the Committee be updated when progress was made in this area.

RECEIVED.

7. **DIVERSITY & INCLUSION**

The Committee received a report of the Head of HR presenting the Diversity & Inclusion plan for the Barbican and highlighting the key areas of focus for the next six months.

The Committee noted that this was potential area of risk, particularly in terms of any implementation failures, and that an informal meeting had been scheduled for 13 February to discuss this. Further updates would be brought to the Committee in due course.

RECEIVED.

8. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE 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 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.

Item No.

11 - 16

Paragraph No.

3

11. **NON-PUBLIC MINUTES**

The non-public minutes of the meeting held on 8 November 2016 were approved.

12. **RISK REGISTER**

The Committee received a report of the Chief Operating & Financial Officer advising Members of the risk management system in place at the Barbican, updating on the significant risks that had been identified and outlining measures for mitigation of these risks.

13. **PROGRAMMING RISK UPDATE**

The Committee received a report of the Director of Arts concerning forthcoming programmed activities which might potentially pose reputational risks.

14. **CARBON MONOXIDE INCIDENT: LESSONS LEARNT**

The Committee received a report of the Chief Operating & Financial Officer providing an analysis and lessons learnt from an incident involving a carbon monoxide alert at the Barbican Centre.

15. **NON PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There was one question.

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

There were no urgent items.

The meeting ended at 10.30 am

Chairman

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Risk Committee of the Barbican Centre Board
Outstanding actions 2017

| Action | Notes/Description | Officer responsible | Date added | Status |
|----------------------------------|---|--------------------------------------|--------------|---|
| Citigen | To follow up on a report in the <i>Financial Times</i> , which highlighted potential difficulties in respect of energy subsidies and smaller power plants and which might be relevant to Citigen. | Director of Operations & Buildings | January 2017 | Ofgem confirmed in March 2017 that they will be proposing a reduction in subsidies to small power plants; officers are exploring what the level and impact of these might be for Citigen and consequently what impact there may be on the Barbican. |
| New Ticketing System | Report on the plans for the future of the ticketing system to be produced. | Head of Business Systems | January 2017 | Report on agenda for July Board meeting. |
| European Data Legislation | Impact of new EU Data Legislation on development activity to be captured by risk register. | Chief Operating & Financial Officer. | May 2017 | Complete (on Register for 28/7/17 Risk Committee meeting). |

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| Committee(s): | Date(s): |
| Risk Committee of the Barbican Centre Board Barbican Centre Board | 28 June 2017 12 July 2017 |
| Subject: Modern Slavery Policy – Barbican Centre | Public |
| Report of: Louise Jeffreys, Director of Arts Report Author: Nick Adams, Senior Communications Manager | For Decision |
| Summary | |
| <p>In 2015 Parliament passed The Modern Slavery Act, a piece of legislation setting out a range of measures on how modern slavery and human trafficking is dealt with in the UK, including trafficking of people, forced labour, servitude and slavery.</p> <p>This paper asks the Risk Committee to take a decision on whether the Barbican should develop an annual Modern Slavery statement in response to this legislation.</p> <p>A link to the Modern Slavery Act is included as an Appendix.</p> <p>Recommendation: Members are asked to consider whether the Barbican should develop an annual Modern Slavery statement.</p> | |

Main Report

Background

1. In 2015 Parliament passed [The Modern Slavery Act](#), a piece of legislation setting out a range of measures on how modern slavery and human trafficking is dealt with in the UK, including trafficking of people, forced labour, servitude and slavery.
2. One area the act covers is transparency in supply chains, which makes the following provision:

‘The Act requires that any commercial organisation in any sector, which supplies goods or services, and carries on a business or part of a business in the UK, and is above a specified total turnover, must produce a slavery and human trafficking statement for each financial year of the organisation.

Regulations have set the total turnover threshold at £36m. The statement must set out what steps they have taken during the financial year to ensure that modern slavery is not occurring in their supply chains and in their own organisation.’
3. Regarding the turnover threshold of £36m mentioned above, the Barbican’s income/expenditure in the past three years is as follows:

- 15/16 - Income - £41.6m (of which earned income £23.3m) / Expenditure - £40.9m
- 14/15 – Income - £37.7m (of which earned income £20.8m) / Expenditure - £37.6m
- 13/14 – Income - £33.5m (of which earned income £15.9m) / Expenditure - £33.8m

Current Position

4. Currently the Barbican does not write or publish an annual Modern Slavery statement.
5. The Barbican has recently been in touch with the City of London Corporation’s solicitors asking for guidance on this. The solicitors had previously researched whether the City of London Corporation met the definition of a ‘commercial organisation’ and would therefore be required to meet this legislation and regarded the crucial point to be whether the City is carrying on a business, or part of a business. They concluded that the City of London Corporation was not carrying on a business or a commercial organisation and was therefore not required to prepare a slavery and human trafficking statement under s54 of the 2015 Act.
6. The Barbican also contacted the Arts Council to seek their advice. The Arts Council had also previously looked into whether they were subject to the Act but had also been advised that the Arts Council would not be regarded as a commercial organisation and therefore would not be subject to the act.
7. Alongside this advice the Barbican has undertaken research to look into how other large-scale arts organisations have responded to the Act. This research has shown that organisations including English National Opera, National Theatre, the Royal Opera House and the British Council have all published modern slavery statements in the past year in line with the responsibilities set out in the Act:
 - [English National Opera statement](#)
 - [National Theatre statement](#)
 - [Royal Opera House statement](#)
 - [British Council statement](#)

Options

8. Following the advice and research received, the Barbican Board Risk Committee is asked to make a decision about how the Barbican should approach its response to this Act.
9. The option recommended to us by the City Solicitors is that the Barbican, as a department of the City of London Corporation, is not a commercial organisation and is therefore not required to publish an annual modern slavery statement.

Proposals

10. The Barbican is not making any specific recommendation on which policy approach to adopt.

Corporate & Strategic Implications

11. If the decision is made to publish a Modern Slavery statement the Barbican would write an annual statement which would be published on the organisation's website. The Barbican would also need to review its current policies and procedures, in particular reviewing current HR practices, contracts with current suppliers and future wording of contracts. This would need to be done in collaboration with the City of London Corporation's HR and procurement departments.
12. If we decide not to adopt an annual statement the organisation would continue to operate as it currently does. There is a potential level of reputational risk if the Barbican is compared unfavourably to other large arts organisations who have published a modern slavery statement.

Implications

13. If adopted, the level of impact would depend on the eventual wording of the statement and the policies adopted. Potential implications include reviewing HR practices to ensure we have appropriate measures in place to safeguard employees from any abuse or coercion once in our employment and changing the wording of contracts to commit suppliers to meeting their responsibilities in this area.
14. The City Solicitors department has been consulted with the advice given summarised in the Current Position section of the paper.

Conclusion

15. In 2015 Parliament passed The Modern Slavery Act, a piece of legislation setting out a range of measures on how modern slavery and human trafficking is dealt with in the UK, including trafficking of people, forced labour, servitude and slavery.
16. This Act requires organisations with a turnover above £36m to publish an annual statement setting out steps they have taken to tackle modern slavery.
17. Legal advice received suggests the Barbican may not be classified as a commercial organisation, however a number of arts organisations of similar scale have published a modern slavery statement.
18. Following the advice and research received, the Barbican Board Risk Committee is asked to make a decision about how the Barbican should approach its response to this Act.

Appendices

Appendix 1 - [Link to Modern Slavery Act 2015](#)

Nick Adams

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| Committee(s): | Date(s): |
| Risk Committee of the Barbican Centre Board Barbican Centre Board | 28 June 2017 12 July 2017 |
| Subject: Ethics Policy – Barbican Centre | Public |
| Report of: Louise Jeffreys, Director of Arts Report Author: Nick Adams, Senior Communications Manager | For Decision |
| <p>Summary</p> <p>Arts organisations are increasingly face ethical and reputational challenges in areas including contentious programming, fundraising and potential partnerships. It was identified in the Barbican’s strategic plan (approved by the Board) that the organisation would develop a clear, publicly available ethics policy that sets out its position and approach to making decisions of this kind.</p> <p>This policy, submitted in draft to the Risk Committee for review and approval, aims to ensure the Barbican has a clearly defined process and framework for making ethical decisions and that it is consistent and accountable in the choices it makes.</p> <p>This plan follows the recent arts sector guidance - published by the What Next? group and endorsed by Arts Council England - on meeting Ethical and Reputational challenges.</p> <p>If approved, the policy would be published on the Barbican website and used as a framework for decision making across the organisation.</p> <p>A copy of the Ethics Policy is included in the Appendix.</p> <p>Recommendation: That Members approve the adoption of an Ethics Policy, as set out at Appendix 1.</p> | |

Main Report

Background

1. Arts organisations regularly need to make decisions that have potential ethical and reputational implications. Whether taking decisions to work with artists who are contentious figures, presenting work that tackles potentially controversial subjects or choosing which organisations to partner with or accepting funding from, there has been an increase in public and media scrutiny around how organisations make choices of this kind.

2. This situation has led to What Next?, a group that brings together arts and cultural organisations and includes representatives from the Barbican, to produce guidance on how organisations can meet ethical and reputational challenges. This guidance, endorsed by Arts Council England, describes the benefits of organisations adopting an ethics policy for the following reasons:

- Acts as a useful checking tool when it comes to making a nuanced decision
 - Demonstrates thought has been given to ethical questions
 - Communicates the organisation's ethical position and its relation to vision, mission and values
 - Declares responsibilities and/ or obligations held
 - States pitfalls to avoid
3. Based on this guidance many arts organisation have, or are in the process of developing, ethics policies to inform their decision making and to ensure they are consistent and accountable in the choices they make.

Current Position

4. Currently the Barbican does not have any framework for making ethical decisions with decisions on matters described in the policy made on an ad hoc basis. The potential issues this raises include a lack of clarity on procedures for who is responsible for taking decisions of this kind. This situation leaves the organisation open to potential inconsistency and lack of accountability in its decision making.

Options

5. We are asking that the Risk Committee agrees to adopt the current draft of the ethics policy with the option of suggesting any amendments.
6. There are no estimated costs associated with this option. If not adopted, there are potential reputational risks due to lack of accountability, potential inconsistency in decision making and accusations that the Barbican is not taking its responsibilities in this area seriously.
7. If approved by Risk Committee the policy would be submitted to the Barbican Board for approval. The Barbican Centre Trust will also be asked for approval of the fundraising sections that directly relate to its work.
8. Should the policy gain this approval, it would be published on the Barbican website and used as a framework for decision making across the organisation.

Proposals

9. The current draft of the Ethics policy has been approved by the Barbican Directorate with the recommendation that the organisation adopts it, subject to approval of the Barbican Board. This would ensure we are following arts sector best practice in how we make ethical decisions. It would also help mitigate the risk of the Barbican making potentially controversial decisions without fully assessing the potential implications or following an agreed decision making process.

Corporate & Strategic Implications

10. Adopting an ethics policy is one of the projects outlined in the Board approved Barbican strategic plan. The proposal is that, if adopted, the policy would be reviewed periodically to ensure its continued relevance.

11. The policy references existing City of London Corporation policies such as the employee code of conduct and is compliant with existing City of London Corporation governance procedures.

Implications

12. The draft text of the policy has been agreed with the City Solicitors department who have ensured the text will have no legal implications and is in line with current City of London Corporation governance procedures.
13. The text has also been approved by the Town Clerk's department.
14. The policy will be used in conjunction with the existing Barbican Risk register and will help inform risk assessments in future.

Conclusion

15. Arts organisations increasingly face ethical and reputational challenges in areas including contentious programming, fundraising and potential partnerships.
16. Recent arts sector guidance describes the benefits of organisations adopting an ethics policy with these policies increasingly prevalent in the arts sector.
17. The policy aims to ensure the Barbican has a clearly defined process and framework for making ethical decisions and that we are consistent and accountable in the choices we make.
18. Should the policy gain approval, it would be published on the Barbican website and used as a framework for decision making across the organisation.

Appendices

- Appendix 1 – Draft Barbican Ethics Policy
- Appendix 2 – [What Next? – Meeting Ethical and Reputational Challenges guidance](#)

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Barbican Ethics Policy
DRAFT MAY 2017

This ethics policy was first initiated and approved in (add month) 2017 by the Barbican Board which is responsible for the strategic direction, management and operation of the Barbican Centre. The policy is to be adhered to by all employees.

The City of London Corporation is the founder and principal funder of the Barbican Centre and this policy is supplemental to all other corporate policies and procedures, including the City of London Corporation's Employee Code of Conduct.

a) Barbican vision

The Barbican's vision is *Arts without boundaries*.

Our mission is to:

- inspire people to discover and love the arts
- work with outstanding artists to create an innovative international programme that crosses art forms
- celebrate the artists of today and invest in those of tomorrow

b) Our guiding principles for programming and partnership decisions

Guiding principles

Our vision of arts without boundaries means that, in line with the Barbican and City of London Corporation's diversity and inclusion plan, we believe that the work we present on our stages, in our galleries and on our screens should represent the widest possible range of human experience across a wide diversity of age, ethnicity, nationality, sexuality and gender.

One of our core values is to be brave and sometimes provocative. Our programme is international in scope and, as an organisation that enables artists to showcase their work, we believe it's our responsibility to sometimes programme work that responds to our fast changing world, that engages in the debates that define our age and that is relevant to the issues that affect people's lives.

We're proud of our international outlook but recognise this can occasionally put us at the centre of difficult, nuanced and sometimes controversial debates. As a recipient of public funding, we see the Barbican as a civic space that can foster this kind of discussion and debate. Our aim is to strike a balance between being confident in the work we present but also being open to engaging in discussion.

Our approach to programming controversial work

All work the Barbican presents is programmed in the context of our international, cross-arts programme. We do not set out to offend or provoke controversy, however we do recognise sometimes individuals and/or communities may find some of the work we present provocative.

In line with [What Next's? arts sector guidance](#) on meeting ethical and reputational challenges, when making a decision whether to programme a potentially controversial artwork we use the following criteria:

- Is the decision we're making consistent with our vision, mission, guiding principles and ethical policy?
- Does the work contribute to our international, cross-arts programme?
- Have we undertaken a risk assessment and sufficiently weighed up the risks and benefits?
- Has the course of action been discussed internally to an appropriate extent?
- Have we done enough research and taken the necessary advice from relevant experts and communities outside the organisation?
- Has the Barbican's Board and/or Barbican Board Risk Sub-Committee been informed where appropriate?
- Is the decision publicly defensible and do we have a clear articulation for the reasons for the decision being made and the process used for reaching this conclusion?

Programming decisions will be based on the criteria set out above, with the final decision made as per the below:

- For work where risk is rated as *Minor* the decision whether to programme will be made by the Head of the relevant artform.
- For work where risk is rated as *Serious* the decision whether to programme will be made by the Director of Arts in consultation with the Head of the relevant artform.
- For work where risk is rated as *Major* the decision whether to programme will be made by the Managing Director in consultation with the Head of the relevant artform and the Director of Arts.
- For work where risk is rated as *Extreme* the decision whether to programme will be made by the Managing Director in consultation with the Chairman and Deputy Chairman of the Barbican Board, the Head of the relevant artform and the Director of Arts-

In cases where risk is rated as Major or Extreme, the Town Clerk of the City of London Corporation will be informed. The City of London Police will also be informed if relevant.

Our political position and relationship with artists

As a department of the City of London Corporation the Barbican is apolitical. Our aim is to give the best artists from around the world a platform to showcase their work.

While apolitical, the Barbican does not shy away from presenting work that invites discussion and debate. However, all artists/organisations who appear in the Barbican programme are there as a result of their exceptional artistic work and our relationship with them does not extend to political issues, or imply sympathy with their personal views or those of anyone associated with them.

Artistic hire

Alongside the arts and learning events that the Barbican programmes, the Barbican's artistic venues are available for hire by third party promoters. In hiring out our spaces we aim to work with promoters and organisations that share our values and artistic ambitions. While

we are selective about the projects we can accommodate, including where appropriate assessing using our criteria for programming potentially controversial work, we cannot be held fully accountable for the artistic content of these events. We identify the promoter of all events on the relevant event page of the Barbican website and direct customer comments back to them.

Commercial hire

The Barbican regularly hosts business events across our spaces, the income from which directly supports the Barbican's arts and learning programme. These are private and corporate events and do not form part of our public programme. While we are not responsible for the business practices of any organisation that hires our spaces, we undertake a risk assessment procedure to ensure any risk these events may cause to the City of London Corporation's and the Barbican's reputations, policies, and working practices are mitigated and/or prevented.

c) Our code of conduct for staff

Guiding principles

All staff have an obligation to adhere to and represent the Barbican's vision and principles as set out in this document. Our continued success relies on the trust and confidence of the public and therefore all Barbican staff are expected to uphold the highest standards of personal conduct and integrity.

As a department of the City of London Corporation, Barbican employees must adhere to the [City of London's employee Code of Conduct](#). This incorporates requirements to abide by City of London financial procedures, restrictions on receiving hospitality/gifts and anti-corruption/anti-bribery measures.

The Code also includes a requirement for all Barbican staff to uphold the [Nolan Principles on standards in public life](#) which are:

1. Selflessness

Holders of public office should act solely in terms of the public interest.

2. Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

3. Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

4. Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

5. Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

6.Honesty

Holders of public office should be truthful.

7.Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

d) Our approach to fundraising

The Barbican delivers its world-class arts and learning programme through a mixed-funding model consisting of: core support from the City of London Corporation which is the Barbican's principal funder; revenue generated from audience attendances; commercial income from sales, events etc.; as well as raised income including from grants, donations, sponsorship and membership income from individuals and organisations.

The Barbican is supported by The Barbican Centre Trust Limited, a charity registered in England and Wales (Charity No. 294282; Company No. 01962950). The Trust is a separate company with charitable purposes, and its objectives are: To foster and promote the maintenance, improvement, and development of artistic taste and the knowledge, understanding, education, and appreciation of the arts amongst the inhabitants of the City and generally. In support of those objects, the Trustees are dedicated to raising funds to support the Barbican's world-class arts and creative learning programmes.

The Barbican and the Barbican Centre Trust are separate legal entities, and while the Trust Board includes two *ex officio* Trustees (the Managing Director and the Chairman of the Barbican Centre Board), elected Members and employees of the City of London Corporation may not form the majority on the Trustees. The Trust has no employees and the Barbican Centre provides support to the work of the Trust. The Barbican Centre Trust has also agreed to follow the Approach to Fundraising and Gift Acceptance Process guidance and principles set out in this policy in support of their charitable purposes.

The Barbican recognises that individuals, the grant making community and private sector businesses have an important role to play in advancing our vision and mission. Funds raised by the Barbican and the Barbican Centre Trust provide vital support towards these goals, and we are grateful to those who contribute to making the Barbican's programmes possible.

When the Barbican and the Barbican Centre Trust seek the support of external organisations and individuals to work together to help achieve our respective goals we each aim to ensure that:

- We have honest relationships with our donors.
- We retain our independence and avoid over-reliance on one or more key donors.
- We have consistent processes for making decisions about who we accept money from.
- We seek to be as cost effective as possible in developing sustainable fundraising streams.

The Barbican's Development team are members of the Institute of Fundraising and have agreed to adhere to the Fundraising Regulator's Codes of Practice to ensure best practice, transparency and accountability.

Accepting grants, donations and sponsorship can bring with it an element of risk. When deciding whether to accept a donation the Barbican and the Barbican Centre Trust each have a duty to:

- weigh the benefits of the donations against the level of risk this will or might bring (and to identify if and how risks might be mitigated).
- demonstrate that they have acted in the best interests, as relevant, of the Barbican Centre Trust (and its beneficiaries in furtherance of its charitable purposes for the public benefit) or the Barbican (and, the City of London, in provision of a public service).
- demonstrate that the association with any particular donor does not unduly compromise each organisation in any way, and further the Barbican's position and artistic integrity, harm its reputation or put future funding at significant risk.

The main criteria for accepting partnerships or donations will be where there are grounds for believing that it will benefit the Barbican's mission. The Barbican and Barbican Centre Trust will not accept funding where the donation:

- was known to be associated with criminal sources.
- would help further a donor's personal or business objectives when these are in conflict with the objectives of the Barbican or the Barbican Centre Trust.
- would lead to long-term and / or irreparable decline in support of the Barbican or in the resources available to fund our work.
- would cause long-term and / or irreparable damage our respective reputations.

e) **Gift Acceptance – process and assessment**

We assess potential donations to ensure they meet our standards for accepting such gifts and to ensure they do not conflict the values stated above, or otherwise would cause us to breach any legal obligations. This process starts with an informal review, moving into formal review and / or escalation for those deemed at higher risk, using a standardised assessment criteria. For those gifts under formal review and rated as *Serious*, *Major* or *Extreme*, a Gift Advisory Committee will be formed from key personnel which shall include the Barbican's Chief Operating & Financial Officer (CO&FO) (and may include the Chairman of the Barbican Centre Trust) in order to make a recommendation about whether the gift should be accepted or not.

Taking into account the recommendation made by the Gift Advisory Committee a final decision on *Major* and *Extreme* risk-rated gifts to the Barbican will be made as per the below:

- the Managing Director (MD) in the case of gifts of up to £1,000,000 per annum in consultation with the Chair of the Barbican Centre Trust.
- the Managing Director in consultation with the Chairman and Deputy Chairman of the Barbican Centre Board and the Chair of the Barbican Centre Trust for gifts £1,000,001+ per annum.

Accepting or otherwise gifts rated as *Serious* will be made by the Chief Operating & Financial Officer in consultation with the Head of Development, following consultation with other key colleagues, as deemed necessary. Accepting or otherwise gifts rated *Minor* will be made by the Head of Development.

Individuals involved in making any decision will be asked to declare any conflicts of interest that might prevent them from making an unbiased and objective assessment of the gift under review. Any individual deemed too closely connected to the donor or donation under review will be excluded from the advisory and decision-making process and an alternative individual approached.

The Gift Advisory Committee will meet in person or by secure correspondence to consider the matters referred to it. Minutes will be kept of its discussions and key points from the minutes which inform the decision-makers in taking their decisions (as noted above) will be presented to next subsequent meeting of the Barbican Centre Trust and Board, as relevant, together with the research material and reports and supporting documents, as required.

More information about the Barbican and the Barbican Centre Trust's approach to assessing potential donors is available in our Gift acceptance policy. A copy of our Gift acceptance policy is available on request by emailing development@barbican.org.uk

| | |
|---|------------------------|
| Committee: | Date: |
| Risk Committee of the Barbican Centre Board | 28 June 2017 |
| Subject: Internal Audit Update Report | Public |
| Report of: Head of Audit and Risk Management | For Information |
| Summary <p>This report provides an update on Internal Audit activity undertaken at the Barbican Centre since the last report made in January 2017. All planned work for 2016-17 has been concluded with the exception of the review of Customer Experience which was, as reported previously to this Committee, deferred to 2017-18. Delivery of 2016-17 reviews, including outcomes, is analysed at Appendix 1.</p> <p>Since the last Committee update report two pieces of audit work have been progressed to completion: Major Incident Plan (substantial assurance) and Car Parking System (substantial assurance). These reviews have resulted in one amber priority and two green priority recommendations being raised and all have been agreed by Barbican management.</p> <p>There are no outstanding red priority recommendations as at mid-May 2017; there are two live amber priority recommendations as set out in Appendix 2.</p> <p>There has been liaison between Internal Audit and Barbican management to determine suitable timing and potential areas of focus for planned 2017-18 audit reviews. The 2017-18 plan is shown in Appendix 3.</p> Recommendation(s) <p>Members are asked to note: the final delivery position for the 2016-17 Internal Audit Plan including audit review outcomes since the last Internal Audit Update Report in January 2017, live high priority recommendation details and the planned audits for 2017-18.</p> | |

Main Report

Background

1. This report provides an update on audit work progressed since the January 2017 Committee meeting and includes a final summary of the status of all 2016-17 reviews (Appendix 1). Two audits have been finalised since the last meeting of this Committee, resulting in one amber priority and three green priority recommendations being raised. As at the end of May 2017 there are no live red priority recommendations and two live amber priority recommendations as set out in Appendix 2.

Delivery of Internal Audit Work

Major Incident Plan – **Substantial Assurance**

2. The audit noted that the Barbican Centre has a documented major incident plan, which has been made widely available to staff. Staff training is provided at induction, and there is a detailed training programme for staff directly involved in the management of incidents. Regular evacuation exercises are performed to test the readiness of the Centre in the event of an incident. Lessons learned from these tests are evidenced in writing and used to inform any changes to the plan, or additional staff training. It was determined that the recording of test results could be improved by introducing an action plan for any improvements identified as a result of tests; a green priority recommendation was made in this respect and was agreed by Barbican management.
3. The major incident plan includes post event recovery guidance and this is supported by the integral IT system controls, which were subject to Internal Audit review in December 2013 and found to be satisfactory.

Car Parks – **Substantial Assurance**

4. Audit testing confirmed the presence of key contract monitoring controls relating to income collection, recording, banking and reconciliation, car park use (authorised access and issue of tickets / permits etc.), budgetary control and management information. Activity in these areas was found to be regulated by both the contract specification and a local (Barbican) documented contract monitoring process ('Season Tickets and Contract Monitoring').
5. Various measures in operation to prevent unauthorised access to / use of the car parks, including patrol, were confirmed by observation. Arrangements for physical security of the car parks and control of use are defined clearly within the contract and monitoring arrangements have been developed to evaluate compliance. In some cases independent assurance could not be provided that monitoring activities had been carried out in accordance with these documented procedures; records had not been maintained to demonstrate checks undertaken. An amber priority recommendation was made to address this.
6. Evidence was supplied of clear, documented arrangements for the administration of ticket / pass / permit issue and management of disabled parking. Live user data was produced for audit purposes to demonstrate that reconciliation was possible between the parking management system and local records maintained by the Commercial Development Department. A green priority recommendation was made to consider that periodic reconciliations be carried out between these two datasets to provide assurance that all live tickets are accounted for and relate to authorised users of the car parks.
7. Sample testing of car park income records confirmed timely, accurate and complete collection, recording, banking and reconciliation; no anomalies were identified. Procedures for the local processing of banking information and

supporting documentation received from the contractor were not documented, however, and a green priority recommendation was made to address this.

8. Relevant Key Performance Indicators were found to be in use to inform contract monitoring and evidence was obtained of regular performance review. It was noted that no significant performance issues had been flagged for 2016-17. Monthly budget position statements and associated correspondence were made available for audit examination and demonstrated discussion of variances and adjustments to forecasts where appropriate.

Implementation of Audit Recommendations

9. As at the end of May 2017 there are no live red priority recommendations outstanding, although there are two outstanding live amber priority recommendations, one of which arose from a review finalised since the last Internal Audit Update Report.

Internal Audit Plan 2017-18

10. The Internal Audit Plan 2017-18 (Appendix 3) has been prepared using a risk-focused approach and is aligned to the Barbican's strategic objectives. There has been consultation with Barbican senior management since the last meeting of this Committee to determine suitable timing for reviews and to support detailing planning. Comment and suggestions for consideration in the reviews shown in Appendix 3 are sought from your Committee Members.

Conclusion

11. Delivery of the Internal Audit Plan 2016-17 (Appendix 1) has concluded with one audit, Customer Experience, deferred until 2017-18. Delivery of the Internal Audit Plan 2017-18 is underway following discussion with Barbican management regarding the scope and timing of individual reviews.
12. There are no live red priority recommendations at as the end of May 2017 and there are two live high priority recommendations, one of which arose from a review finalised since the last Internal Audit Update Report.

Appendices

Appendix 1 Summary of Internal Audit Plan Delivery 2016-17
Appendix 2 Live High Priority Recommendations
Appendix 3 Audit Plan 2017-18 and Three Year Strategy

Pat Stothard, Head of Audit and Risk Management
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Scheduled Work Internal Audit Plan 2016-17

| Project and Rationale | Planned Days | Current Stage | Assurance Rating | Recommendations | | | |
|--|--------------|---------------|---------------------|-----------------|-------------|-------------|-------|
| | | | | Total Red | Total Amber | Total Green | Total |
| <u>Major Incident Plan</u> This is a key risk area and the audit examined the Major Incident, Security and Safety arrangements for the Centre as documented within the Major Incident Plan. | 15 | Complete | Substantial (Green) | - | - | 1 | 1 |
| <u>Car Parking System</u> A new system was introduced in summer 2015 and this audit review has evaluated whether appropriate key controls have been implemented. | 10 | Complete | Substantial (Green) | - | 1 | 2 | 3 |
| <u>Catering</u> An examination of arrangements for management of the catering contract to ensure that services are delivered as per requirements and that appropriate financial monitoring controls are in place. | 10 | Complete | Moderate (Amber) | - | 3 | 2 | 5 |

| Project and Rationale | Planned Days | Current Stage | Assurance Rating | Recommendations | | | |
|--|--------------|---------------------|------------------|-----------------|-------------|-------------|----------|
| | | | | Total Red | Total Amber | Total Green | Total |
| | | | | | | | |
| <u>Customer Experience</u> This is a strategic goal to enable delivery of a great experience to Barbican Centre Visitors. The audit review will examine arrangements to ensure delivery of the supporting work strand: 'a seamless, real-time and consistently high standard customer experience across all touch points and channels, digital and physical. There will be a focus on data management related to customer satisfaction. | 10 | Deferred to 2017-18 | - | - | - | - | - |
| TOTAL | 45 | | | 0 | 4 | 5 | 9 |

Schedule of Barbican Centre Live Red and Amber Priority Recommendations – 08/06/17

| Recommendation Area | Priority | Status | Original Target Date | Revised Target Date | Comment |
|---|----------|-----------------|----------------------|---------------------|---|
| Catering: Use of objective and SMART key performance requirements within similar type contracts to facilitate effective measurement of contractor performance. | Amber | Not implemented | 01/04/17 | March 2019 | This is to be implemented for the next contract as it would be difficult to get any contractually binding agreement in respect of the current arrangement. The current contract is for 5 years from Sept 2015 and the recommendation will be incorporated in the new contract from September 2020. The target implementation date of March 2018 relates to contract specification stage for the new arrangements. |
| Car Parks: Key local contract monitoring activities should be logged to demonstrate complete and timely undertaking of checks; this will facilitate independent review. | Amber | Not implemented | 31/05/17 | June 2017 | A car park audit checklist will be completed on a weekly basis from the week commencing 12 th June and all completed forms will be saved onto the department drive. |

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Internal Audit Plan 2017-18

| Audit Title | Rationale |
|------------------------|---|
| Customer Experience | This is a strategic goal to 'create timely, relevant and memorable experiences for our customers, exceeding their expectations in everything we do'. It will review arrangements to ensure delivery of the supporting work strands. |
| Equality and Diversity | Examination of key controls related to equality and diversity objectives to include arrangements for review of strategy and associated delivery plans, training and data collection processes. |
| Retail and Bars | Examination of key controls over income collection, stock management, and associated management information. |
| Cash Handling | Examination of key controls to ensure that all cash income is identified and accounted for at the point of receipt, handled securely, banked on a timely and complete basis and reconciled in full to source data. |

Internal Audit 3 Year Strategy

| Audit Title | 2017-18 | 2018-19 | 2019-20 |
|---|----------------|----------------|----------------|
| Strategic Planning, Monitoring and Implementation | | ✓ | |
| Customer Experience | ✓ | | |
| IT Projects (CRM, Agile Working, Ticketing System) | | ✓ | |
| Event Contracts (including cancellation arrangements) | | ✓ | |
| Equality and Diversity | ✓ | | |
| Financial Monitoring and Income Generation | | ✓ | |
| Cash Handling | ✓ | | |
| Repairs and Maintenance | | | ✓ |
| Progression and Professional Development (Artistic Offering/Supporting Artists) | | | ✓ |
| Target Setting and Performance Monitoring | | | ✓ |
| Sponsorship and Donations | | | ✓ |
| Retail and Bars | ✓ | | |

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