



Risk Committee of the Barbican Centre Board

- Date:** WEDNESDAY, 8 NOVEMBER 2017
- Time:** At the rising of the Finance Committee of the Barbican Centre Board
(approx. 2.45pm)
- 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
tel. no.: 020 7332 1399
gregory.moore@cityoflondon.gov.uk

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. **DECLARATIONS BY MEMBERS OF ANY PERSONAL AND PREJUDICIAL INTERESTS IN RESPECT OF ITEMS ON THIS AGENDA**
3. **MINUTES**
To agree the public minutes and summary of the meeting held on 28 June 2017.
For Decision
(Pages 1 - 4)
4. **OUTSTANDING ACTIONS**
Report of the Town Clerk.
For Information
(Pages 5 - 6)
5. **INTERNAL AUDIT UPDATE**
Report of the Head of Audit & Risk Management.
For Information
(Pages 7 - 14)
6. **GENERAL DATA PROTECTION REGULATION (GDPR) UPDATE**
Report of the Director of Learning & Engagement.
For Information
(Pages 15 - 18)
7. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
8. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
9. **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
10. **NON-PUBLIC MINUTES**
To agree the non-public minutes of the meeting held on 28 June 2017.
For Decision
(Pages 19 - 20)
11. **RISK REGISTER**
Report of the Director of Operations & Buildings.
For Information
(Pages 21 - 70)

12. **FIRE SAFETY UPDATE**
Report of the Director of Operations & Buildings.

For Information
(Pages 71 - 72)

13. **PROGRAMMING RISK UPDATE**
Report of the Director of Arts.

For Information
(Pages 73 - 76)

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, 28 June 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, 28 June 2017 at 3.15 pm

Present

Members:

Deputy John Tomlinson (Chairman)
Deputy Dr Giles Shilson (Deputy Chairman)
Russ Carr
Deputy Wendy Hyde
Deputy Edward Lord
Deputy Tom Sleigh

Officers:

Sir Nicholas Kenyon	- Managing Director, Barbican Centre
Sandeep Dwesar	- Chief Operating & Financial Officer, Barbican Centre
Louise Jeffreys	- Director of Arts, Barbican Centre
Jonathon Poyner	- Director of Operations & Buildings, Barbican Centre
Niki Cornwell	- Head of Finance & IT, Barbican Centre
Jim Turner	- Head of Projects, Barbican Centre
Nick Adams	- Senior Communications Manager, Barbican Centre
Mona Lewis	- Chamberlain's Department
Greg Moore	- Town Clerk's Department

1. APOLOGIES

Apologies were received from Judith Pleasance.

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

There were none.

3. MINUTES

The public minutes of the meeting held on 25 January 2017 were approved.

4. OUTSTANDING ACTIONS

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

RECEIVED.

5. MODERN SLAVERY POLICY

The Committee considered a report of the Director of Arts which sought Members' views as to whether the Barbican should produce a Modern Slavery

policy and annual statements, in response to the introduction of the Modern Slavery Act.

Whilst noting the Barbican's position as a department of the City Corporation and the Comptroller & City Solicitor's advice that there was therefore no legal requirement on the Barbican to produce an annual modern slavery statement, the Committee agreed that to not produce a statement would represent a potential reputational risk. Observing that each of the Barbican's competitors would be required to produce such statements, to not do so would seem incongruous, particularly given the limited resource required to do so; Members consequently recommended that the Barbican begin producing an annual modern slavery statement. The Director of Arts was consequently asked to begin producing annual statements for the Board to consider, which would be published on the Barbican website.

It was noted that there was an outstanding question concerning the control that the Barbican would have over certain items, which were procured centrally for all departments by the City Corporation. A Member expressed surprise that the City Corporation was not developing a statement of its own in response to this matter, suggesting that those on the Committee who also served on the Policy and Resources Committee might wish to raise the possibility in that forum.

RESOLVED: That the Director of Arts be asked to develop Modern Slavery statements, with the Board being recommended to approve their adoption.

6. **ETHICS POLICY**

The Committee considered a report of the Director of Arts proposing the adoption of an Ethics Policy, which would be designed to ensure the Barbican had a clearly defined process and framework for making ethical decisions and that it was consistent and accountable in the choices it made.

Members supported the adoption of an ethics policy, noting that it would be beneficial to have a robust framework in place to ensure decisions were taken consistently and transparently.

RESOLVED: That the Board be recommended to approve the adoption of an ethics policy.

7. **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 since January 2017, as well as a status update in respect of the schedule of planned work for 2017/18.

It was noted that the amber recommendation set out at Appendix 2, concerning car parks, had now been resolved. Consequently there remained only one live amber recommendation and no red recommendations.

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 - 13

Paragraph No.

3

11. **NON-PUBLIC MINUTES**

The non-public minutes of the meeting held on 25 January 2017 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. **SECURITY UPDATE**

The Committee received an oral update on security matters.

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

There were no questions.

15. **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 3.45 pm

Chairman

Contact Officer: Gregory Moore
tel. no.: 020 7332 1399
gregory.moore@cityoflondon.gov.uk

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Risk Committee of the Barbican Centre Board
Outstanding actions 2017

Action	Notes/Description	Officer responsible	Date added	Status
European Data Legislation (GDPR)	a) Impact of new EU Data Legislation (GDPR) on development activity to be captured by risk register.	Chief Operating & Financial Officer.	May 2017	Complete (on Register from 28/7/17 Risk meeting).
	b) Lead officer to be appointed to report to Board.		June 2017	Complete - Head of Business Systems & Data appointed.
	c) Update report to be produced to keep Committee		June 2017	Complete – on agenda for November meeting.
Fire Risk	a) Updated documentation ref: CR22 to be signed off by September b) Summary report on new Fire Strategy being produced through this to be presented.	Director of Operations & Buildings	June 2017	Complete – update report on agenda for November meeting.
Risk Register	Oral update to be provided to Board in respect of <i>Basquiat</i> risks.	Director of Operations & Buildings	June 2017	Complete – update provided to July Board.

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Committee:	Date:
Risk Committee of the Barbican Centre Board	8 November 2017
Subject: Internal Audit Update Report	Public
Report of: Head of Audit and Risk Management	For Information

Summary

This report provides an update on Internal Audit activity undertaken at the Barbican Centre since the last report made in June 2017. The status of 2017-18 planned audits is shown at Appendix 1: one audit is at fieldwork stage and nearing completion (Cash Handling), two audits are at detailed planning stage (Equalities & Inclusion, and Retail and Bars) and the remaining audit (Customer Experience) has been scheduled for quarter four of the audit plan year.

A corporate audit of VAT Management has been finalised in 2017-18 and provides assurance over central systems which are relevant to the Barbican Centre. The audit resulted in a moderate assurance opinion with four amber priority and seven green priority recommendations raised. One amber priority recommendation related directly to the Barbican Centre and the miscoding of car park income. This recommendation is understood to have been implemented prior to audit report finalisation. In addition, an audit of the Corporation's Project Management process was undertaken, resulting in a moderate assurance opinion with two amber priority recommendations raised. There were no specific recommendations raised in relation to the Barbican Centre.

There are no outstanding red priority recommendations as at mid-October 2017 and there is one live amber priority recommendation which is not due for implementation until March 2019; Appendix 2 contains the recommendation detail.

Recommendation(s)

Members are asked to note: the delivery position for the Barbican Centre's 2017-18 Internal Audit Plan, the outcome of a recent relevant corporate audit, and the live high priority recommendation detail as at mid-October 2017.

Main Report

Background

1. This report provides an update on audit work progressed since the June 2017 Committee meeting. Appendix 1 outlines the status of planned 2017-18 audits: Cash Handling is at audit fieldwork stage, nearing completion. Detailed planning is underway in respect of two audits: Equalities and Inclusion, and Retail and Bars. An audit of Customer Experience has been scheduled for quarter four of the plan year and planning will commence in November 2017.

2. A corporate audit of VAT Management has been finalised within 2017-18 and resulted in an amber priority recommendation related to the treatment of Barbican Car Park income; the recommendation status was 'completed' in the final audit report.
3. As at the end of May 2017 there are no live red priority recommendations and one live amber priority recommendation which is the responsibility of Barbican to implement. Appendix 2 provides the recommendation detail and reflects that the target implementation date is March 2019.

Delivery of Internal Audit Work

VAT Management – **Moderate Assurance**

4. The audit objective for this VAT Management review was to examine the adequacy of arrangements for ensuring that:
 - VAT is correctly levied on goods and services provided by the City Corporation; and
 - Regular, timely and accurate VAT returns are submitted to HMRC;
 - The City Corporation has protected its position in respect of common areas of claim or at least considered the opportunities.
5. The audit provided a moderate assurance opinion with four amber priority and seven green priority recommendations made, one of which related directly to the Barbican Centre. It is noted that this recommendation in respect of the miscoding of car park income was implemented prior to audit report finalisation. The management response to this recommendation indicated that the VAT Accountant had liaised with the Barbican Finance Team to confirm that a journal had been posted to account for output tax on the car park income.

Corporate Project Management – **Moderate Assurance**

6. This audit sought to obtain assurance in respect of the mechanisms for ensure that projects were being undertaken in accordance with the City's Project Management Procedures to:
 - Confirm that projects were following the appropriate route through the gateway approval process, and
 - Where appropriate, confirm that significant changes to project scope or increases in project budgets (once work has commenced on site) were being dealt with in accordance with the City's Project Management Procedure.
 - In relation to sourcing works, the Contract Letting and Responsible Procurement requirements of the Procurement Code 2015 (or predecessor regulations, as appropriate) were being adhered to.
7. On the basis of audit testing performed on ten projects (all projects completed in 2015 and 2016), the audit confirmed that;

Based on sample testing, generally projects are being undertaken in accordance with the City's Project Management Procedure; a high level of compliance with the Project Procedure was noted. In particular;

- The audit was able to confirm that projects in the main are following the appropriate route through the gateway approval process. Two issues were noted in relation to Gateway 6 and Gateway 7 reporting requirements.
- The audit was able to confirm that, where appropriate, significant changes to project scope or increases in project budgets (once work has commenced on site) are being dealt with in accordance with the City's Project Management Procedure.
- In relation to sourcing works, the audit obtained assurance the requirements of the Procurement Code 2015 (or predecessor regulations as appropriate) are being adhered to.

Barbican Cash Handling

8. Audit fieldwork in this area is nearing completion and the draft report is expected to be circulated for management comment in November 2017. The scope of this audit has covered the following:
 - Processes in operation for the timely identification, collection, recording, banking and reconciliation of cash income;
 - Arrangements for the safe custody and security of processing of cash income received; and
 - Separation of duties in respect of the above areas and the arrangements for management review.
9. Internal Audit has also examined the arrangements for the administration of cash floats and cash advances, for example in respect of Artist fees and per diems, at the request of Barbican management. A summary of the audit findings will be reported to this Committee post report finalisation.

Forward Plan

10. Detailed planning is underway in respect of the audits of Equalities & Inclusion, and Retail & Bars. Draft terms of reference have been produced for the Equalities & Inclusion Audit and fieldwork is expected to commence in November 2017. For Retail & Bars, the Terms of Reference and start date are to be agreed. Internal Audit will continue to liaise with Barbican management to agree the terms of reference for both audits and detailed arrangements for audit delivery. Planning for the Customer Experience audit will be initiated to support the delivery in quarter four of the 2017-18 Audit Plan year.

Implementation of Audit Recommendations

11. As at mid-October 2017 there are no live red priority recommendations outstanding and only one live amber priority recommendation with a target implementation date of March 2019 (Appendix 2). This extended

implementation timescale reflects that the recommendation will be applied to strengthen the control framework in respect of future contract management.

Conclusion

12. Delivery of the Internal Audit Plan 2017-18 is underway following discussion with Barbican management regarding the scope and timing of individual reviews. One audit is at fieldwork stage, two are at detailed planning stage with fieldwork initiation expected shortly and planning is to commence for the remaining audit to support delivery by the end of the 2017-18 Audit Plan year.
13. A corporate audit finalised in 2017-18 has provided assurance over arrangements for VAT management. A recommendation made in relation to the treatment of Barbican Centre income is understood to have been implemented prior to audit report finalisation.
14. There are no live red priority recommendations as at mid-October 2017 and there is one live amber priority recommendation due for implementation by March 2019.

Appendices

Appendix 1 Status of Internal Audit Plan 2017-18

Appendix 2 Live High Priority Recommendation

Pat Stothard, Head of Audit and Risk Management

E: Pat.Stothard@cityoflondon.gov.uk

Scheduled Work Internal Audit Plan 2017-18

Project and Rationale	Planned Days	Current Stage	Assurance Rating	Recommendations			
				Total Red	Total Amber	Total Green	Total
<u>Cash Handling</u> 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.	10	Fieldwork nearing completion	-	-	-	-	-
<u>Equalities & Inclusion</u> Examination of key controls related to equality and inclusion objectives to include arrangements for review of strategy and associated delivery plans, training and data collection processes.	10	Fieldwork commencement Nov 2017	-	-	-	-	-
<u>Retail & Bars</u> Examination of key controls over income collection, stock management, and associated management information. The Bars element is intended to focus on the pop-up offer.	15	Detailed planning	-	-	-	-	-

Project and Rationale	Planned Days	Current Stage	Assurance Rating	Recommendations			
				Total Red	Total Amber	Total Green	Total
<u>Customer Experience</u> There is a strategic goal to ‘create timely, relevant and memorable experiences for our customers, exceeding their expectations in everything we do.’ This high level audit is expected to examine the control framework in relation to delivery of the supporting work strands. The audit will also consider arrangements for data management related to customer satisfaction.	15	Not initiated	-	-	-	-	-
TOTAL	50			-	-	-	-

Schedule of Barbican Centre Live Red and Amber Priority Recommendations – 20/10/17

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.

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Committee(s):	Date:
Risk Committee of the Barbican Centre Board	8 November 2017
Subject:	Public
General Data Protection Regulation (GDPR) update	
Report of:	For Information
Sean Gregory – Director of Learning and Engagement	
Report author:	
Nicholas Triantafyllou – Head of Business Systems and Data	
<p><u>Summary</u></p> <p>This report outlines the work that has been undertaken so far by the Barbican Centre in collaboration with the Comptroller & City Solicitor’s department to assess risk, audit data and processes in order to comply with forthcoming changes in Data Protection law coming into force in May 2018.</p> <p><u>Recommendation</u></p> <p>It is recommended that Members note the contents of this report.</p>	

Main Report

Background

1. The European Union's General Data Protection Regulation (GDPR) is the result of four years of work by the EU to bring data protection legislation into line with new, previously unforeseen ways that data is now used by organisations such as the Barbican.
2. Currently, the UK relies on the Data Protection Act 1998, which was enacted following the 1995 EU Data Protection Directive, but this will be superseded by the new legislation. It introduces tougher fines for non-compliance and breaches, and gives people more say over what companies can do with their data. It also makes data protection rules more or less identical throughout the EU.
3. Despite the UK potentially leaving the EU in 2019, the government has indicated that this legislation will be written into UK law as part of the Data Protection Bill that is currently going through its second reading in Parliament/House of Lords. It will come into force from 25 May 2018.
4. The Barbican does not have a separate registration under the Data Protection Act with the Information Commissioner’s Office (ICO), given that it is classed as a department of the CoL. Any work undertaken from November 2017 will be aligned with the GDPR project that has just been started by the Comptroller & City Solicitor’s department who have now appointed Michael Cogher as the Data Protection Officer (DPO).

5. The Barbican has, however, been leading on preparing for the implementation since May 2017, given the significance of the project and the amount of data that we store and process.

Preparation for the Implementation of the GDPR

6. Actions taken so far to prepare include:
 - Appointing an external consultant from Marts & Lundy to advise with setting the appropriate priorities, focus and guidance on specific aspects such as consent, compliance and fundraising
 - Setting up a GDPR working group with key Senior Management stakeholders from departments (Head of Marketing, Development, Finance, Creative Learning and Audience Experience) that hold and process personal and sensitive data. This group will also be working with the Guildhall School of Music & Drama and the LSO where appropriate
 - Attending seminars and workshops run by law firms such as DLA Piper, the Audience Agency and ACE (Arts Council England)
 - Contacting other large arts institutions such as the South Bank Centre to exchange information and to align our approach particularly in areas such as consent and fundraising
 - Consulting with the Comptroller & City Solicitor & Information Officers
 - Training additional Barbican staff as Access to Information Network Representatives to assist to the Comptroller & City Solicitors department
7. More specifically the work that is currently being undertaken is led by the following 12 recommendations for preparing for GDPR from the ICO - <https://ico.org.uk/media/1624219/preparing-for-the-gdpr-12-steps.pdf>
 - i. **Awareness** – we have made key senior decision makers aware of the upcoming changes. This includes updates to Management Team/Directorate/Board and we also added GDPR as a risk into the risk register - **Completed**
 - ii. **Audit information we hold** – all internal departments completed a data audit to assess the type of data that we collect and process in **October 2017** – the outputs are currently being reviewed by our consultant who will be drawing up any recommendations / actions as a result, this includes privacy impact assessments to identify and mitigate potential risks.
 - iii. **Communicating privacy information/policy:** we have engaged with DLA Piper and reviewed our Privacy Policy. It was published on our website in **August 2017** and customers were made aware of the update via e-mail and a banner on the Barbican website. It is likely that this will have to be fine-tuned again **prior to May 2018**.
 - iv. **Individuals' rights** - we are in the process of auditing systems and processes to ensure that we will comply with the additional rights that data subjects will

have (such as the right to be forgotten) – work on this will be ongoing and expected to be completed **by March 2018**.

- v. **Subject access requests** – these are handled centrally by the City of London Corporation – we have trained additional staff as Access to Information Network Representatives – **Completed**.
- vi. **Lawful basis for processing data** – the work on this is conducted in parallel to work in point 2.
- vii. **Consent** – as for any organisation that holds customer information and other data, a detailed understanding of consent attached to that data is required. We are working towards establishing a position with external specialist assistant.
- viii. **Children / age verification** – The Creative Learning Team are working on establishing the amount of data that will require action – the Young Barbican Scheme (open to 14-26 year olds) is not in scope as the additional verification requirements only apply to Children under the age of 13 – **February 2018**.
- ix. **Process for Data breaches** – we already have a robust process in place to address this under the existing Data Protection Act (the Risk Committee of the Barbican Centre Board was updated in November 2016) and we are reviewing processes to ensure that any additional requirements are incorporated – **January 2018**.
- x. **Data Protection by Design** – our ticketing system and website will be updated in **March 2018** with the additional preference/data protection options.
- xi. **Data Protection Officers** – the City Corporation has a Data Protection Officer and two assistants. The Barbican considered appointing their own Data Protection Officer, however this was felt to be unnecessary by the Comptroller & City Solicitor as support and compliance will be provided within the existing structure.
- xii. **International** – this does not apply to the Barbican as we do not operate an office in other EU countries.

Conclusion

- 8. The Barbican will continue working in partnership with the Comptroller & City Solicitor's department as part of the wider GDPR organisation-wide compliance project and aims to be fully GDPR compliant by 25 May 2018.

Contact:

Nicholas Triantafyllou
Head of Business Systems and Data
0207 382 2363
nicholas.triantafyllou@barbican.org.uk

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