



## **Risk Committee of the Barbican Centre Board**

**Date:** WEDNESDAY, 4 JULY 2018  
**Time:** 2.30 pm  
**Venue:** COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

**Members:** Deputy Tom Sleigh (Chairman)  
Deputy Dr Giles Shilson (Deputy Chairman)  
Russ Carr (External Member)  
Alderman David Graves  
Deputy Wendy Hyde  
Alisdair Nisbett (External Member)  
Judith Pleasance  
Deputy John Tomlinson

**Enquiries:** Leanne Murphy  
tel. no.: 020 7332 3008  
leanne.murphy@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 of the meeting held on 17 January 2018.

**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 Internal Audit & Risk Management.

**For Information**  
(Pages 7 - 26)

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 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**

9. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the meeting held on 17 January 2018.

**For Decision**  
(Pages 27 - 28)

10. **RISK UPDATE (INC. RISK REGISTER AND RISK MATRIX)**

Report of the Director of Operations & Buildings.

**For Information**  
(Pages 29 - 90)

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

**For Information**  
(Pages 91 - 96)

12. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
13. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

This page is intentionally left blank

## RISK COMMITTEE OF THE BARBICAN CENTRE BOARD

**Wednesday, 17 January 2018**

Minutes of the meeting of the Risk Committee of the Barbican Centre Board held at  
Committee Rooms, 2nd Floor, West Wing, Guildhall on Wednesday, 17 January  
2018 at 10.00 am

### **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
Sean Gregory	-	Director of Learning & Engagement, Barbican Centre
Louise Jeffrey	-	Director of Arts, Barbican Centre
Jonathon Poyner	-	Director of Operations & Buildings, Barbican Centre
Niki Cornwell	-	Head of Finance & IT, Barbican Centre
Steve Eddy	-	Head of HR, Barbican Centre
Nigel Walker	-	Safety & Security Manager, Barbican Centre
Pat Stothard	-	Audit Manager, Chamberlain'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 20 November 2017 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 providing an update on Internal Audit activity undertaken at the Barbican Centre since

November 2017, as well as a status update in respect of planned work for the remainder of 2017/18.

With reference to the three-year audit plan outlined at Appendix 2, a Member observed that it was difficult to get a sense of what other areas might have been considered and discounted in identifying the selected audit areas. It was asked if there was a more comprehensive background document which Members might see which would facilitate a broader understanding and scrutiny of the selection process. It was also asked to what extent Internal Audit were involved with scrutinising the Risk Register and the various controls in place.

The Head of Internal Audit outlined the way in which the three-year plan was compiled and confirmed that further information about the broader range of potential audits that had been considered could be provided. Members were also reassured that there was flexibility built into the system to facilitate ad hoc requests from management for audit work on emerging areas of importance. Whilst the three-year plan set out in the report was prepared specifically for the Barbican, there were also a number of corporate audits across the entire City Corporation which took place, many of which would involve and impact the Barbican.

The Chairman noted that the Committee had previously requested sight of the completed audit reports for Barbican-based reviews and asked the Head of Internal Audit to ensure that these were provided to Members, through the Clerk, in future.

RECEIVED.

**6. HEALTH & SAFETY 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.

RECEIVED.

**7. GENERAL DATA PROTECTION REGULATION (GDPR) UPDATE**

The Committee received a report of the Director of Learning & Engagement outlining activity that had been undertaken so far to assess risk and audit data and processes, in order to comply with forthcoming changes in Data Protection law coming into force in May 2018.

In response to a Member's queries concerning references to profiling and automated decision-making, as well as the likely scale of impact of GDPR, the Director of Learning & Engagement undertook to provide responses outside the meeting once he had had the opportunity to check with the report author.

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 - 15

**Paragraph No.**

3

11. **NON-PUBLIC MINUTES**

The non-public minutes of the meeting held on 20 November 2017 were approved.

12. **CITIGEN UPDATE**

The Committee received a report of the Director of Operations & Buildings providing an update on the Citigen system, including an assessment of the likelihood of any failure and outlining steps to mitigate against this risk.

13. **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.

14. **PROGRAMMING RISK**

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

15. **CROSS-CUTTING SECURITY ENHANCEMENTS UPDATE**

The Committee received a report of the Director of Operations & Buildings providing an update on the various security enhancements being implemented at the Barbican.

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

There were no questions.

17. **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 10.52 am**

-----  
Chairman

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



## Risk Committee of the Barbican Centre Board

### Outstanding actions 2018

Action	Notes/Description	Officer responsible	Date added	Status
<b>Internal Audit update</b>	The Board to receive ongoing sight of the completed audit reports for Barbican-based reviews.	Head of Internal Audit / Town Clerk	Jan 2018	Complete
<b>GDPR update</b>	Updates to be provided re: Member's queries concerning references to profiling and automated decision-making, as well as the likely scale of impact of GDPR following discussion with the report author.	Director of Learning & Engagement	Jan 2018	Complete
<b>Risk Register</b>	Members discussed Barbican International Enterprise's activities abroad and noted that there were a number of potential risks associated with exhibiting items in certain countries. It was suggested that the risk register would need to be updated to reflect these realities.	Director of Operations & Buildings	Jan 2018	Complete

This page is intentionally left blank

<b>Committee:</b>	<b>Date:</b>
Risk Committee of the Barbican Centre Board	4 <sup>th</sup> July 2018
<b>Subject:</b> Internal Audit Update Report	<b>Public</b>
<b>Report of:</b> Head of Audit and Risk Management	<b>For Information</b>
<p><b>Summary</b></p> <p>This report provides an update on Internal Audit activity undertaken at the Barbican Centre since the last report made in January 2018. All planned work for 2017-18 has been delivered, as well as an additional piece of assurance work related to management of a contract spanning both the Barbican Centre and the Guildhall School of Music and Drama. Delivery of 2017-18 audits is analysed at Appendix 1.</p> <p>Since the last Committee update report four pieces of audit work have been finalised: Cash Handling (moderate assurance), Visitor Experience (moderate assurance), Retail and Bars (limited assurance) and Contract Management – Baxter Storey (limited assurance); the scope of these audits is outlined in Appendix 2. These reviews have resulted in three red priority, twenty-one amber priority and eight green priority recommendations being raised. Additionally, the draft report has been circulated in respect of the audit of Equalities and Inclusion.</p> <p>A number of corporate audits have been finalised since January 2018, some of which relate to key systems and processes which are relevant to the Barbican Centre. Audit scope information is provided at Appendix 3. None of the recommendations arising from these audits are the responsibility of Barbican management to progress.</p> <p>There are twenty live high priority (red and amber) recommendations as at mid-June 2018, as set out in Appendix 4, all but one of which arose as part of the four Barbican audits finalised since the last meeting of this Committee. Internal Audit has evidenced implementation of some of the recommendations arising from these audits and will continue to liaise with Barbican management to determine the progress of implementation of the remainder.</p> <p>Internal Audit and Barbican management have now determined suitable timings and potential areas of focus for planned 2018-19 audit reviews. The 2018-19 plan is shown in Appendix 5.</p> <p><b>Recommendation(s)</b></p> <p><b>Members are asked to note:</b></p> <ul style="list-style-type: none"> <li>- the delivery position for the 2017-18 Internal Audit Plan, including audit review outcomes since the last Internal Audit Update Report in January 2018,</li> </ul>	

- |   |
|---|
| <ul style="list-style-type: none"><li>- live high priority recommendation details and</li><li>- planned audits for 2018-19.</li></ul> |
|---|

## **Main Report**

### **Background**

1. This report provides an update on audit work progressed since the January 2018 Committee meeting and includes a final summary of the status of all 2017-18 reviews (Appendix 1), including an additional piece of assurance work. Four audits have been finalised since the last meeting of this Committee, resulting in three red priority, twenty one amber priority and eight green priority recommendations being raised. Details of the scope of these audits are shown in Appendix 2. A further audit report has been issued in draft form.
2. Three corporate audits have been finalised since the last meeting of this Committee and scope information is contained within Appendix 3.
3. As at mid-June 2018 there are three live red priority recommendations and seventeen live amber priority recommendations related to Barbican Centre audits, as set out in Appendix 4.
4. Internal Audit have liaised with Barbican Management to agree audit coverage for 2018-19, including the scope and timing of planned audits. The three-year audit strategy is included at Appendix 5.

### **Delivery of Internal Audit Work**

5. Four Barbican audits have been finalised since the last meeting of this Committee and Member Briefings have been circulated in respect of each. Summary outcomes for these audits are shown below, with detailed scope information contained in Appendix 2.

#### **Cash Handling – Moderate Assurance**

<b>Recommendations</b>	<b>Red</b>	<b>Amber</b>	<b>Green</b>	<b>Total</b>
Number Made:	0	4	1	5

6. Amber priority recommendations were made in the following areas to strengthen the control environment and for Barbican management to obtain on-going assurance that agreed procedures are operating as intended:
  - Updating procedural guidance to reflect all cash operations;
  - Promotion of agreed procedures and associated checking to confirm compliance;
  - Introducing a register and sign-off arrangements for Bars income deposited in the Cash Counting Office (CCO) safe, and
  - Enforcement of counter-signing in respect of income reconciliation forms.

7. Internal Audit has obtained evidence of implementation of all four high-priority (amber, in this case) recommendations arising from this audit.

Visitor Experience – **Moderate Assurance**

Recommendations	Red	Amber	Green	Total
Number Made:	0	5	5	10

8. Amber priority recommendations were made in respect of the following areas:

- To promote a common understanding of the definition of It a 'visitor' and what constitutes a 'visitor experience' an amber priority recommendation was made to encourage a common understanding in this respect.
- Improving the 'line of sight' between strategic aims, associated plans, projects and operational activity to help ensure goal congruence and consideration of 'Visitor Experience' within every aspect of the Barbican Centre's operations.
- Inclusion of SMART objectives and refining the success measures relating to the Visitor Experience goal within the supporting detail that sits below the Business Plan which is, in line with the corporate framework, a high-level document.
- Development of a consistent format for surveying, collating and disseminating 'Visitor Experience' data and information across the organisation, supporting the Audience Experience Department in refining feedback analysis.
- Strengthening Business Plan delivery monitoring relative to the Visitor Experience Strategic Goal, bridging the gap between Board level updates and project team discussion.

9. Barbican management agreed all recommendations. Target implementation timescales for the five high priority recommendations range between August 2018 to May 2019 and as such have not yet been subject to Internal Audit follow-up.

Retail and Bars – **Limited Assurance**

Recommendations	Red	Amber	Green	Total
Number Made:	1	9	1	11

10. In respect of the Retail operation, four amber priority recommendations were made to strengthen control in relation to use of the Revel (EPOS) system by addressing the following:

- A 'replenishment spreadsheet', incorporating manual input, is compiled for the purposes of ordering stock as the Revel system does not have the facility to produce the necessary management information reports.
- The online sale system does not interface with the Revel system and consequently individual sales orders must be manually recorded. Additionally,

as no 'establishment' has been created on Revel for the online shop, sales are recorded as 'wastage' on the EPOS system.

- The stock take process for Retail is understood to be very resource intensive, requiring manual input and data manipulation which carries an increased risk of error compared to automated reporting. Additionally, stock is counted manually as the Revel system does not support the use of scanners.
- Cross-charges i.e. stock 'sold' internally to other Barbican departments is recorded as wastage on Revel, reducing the quality of management information held on the system.

11. A further amber priority recommendation was made to strengthen control over the stock used for the online shop as this was held within the Retail staff office. Internal Audit has confirmed that this recommendation has been implemented.
12. An opportunity was identified to strengthen control through the introduction of a separation of duties for stock ordering and receipting and a red priority recommendation was raised. An amber priority recommendation was also made to improve stock cost information on Revel to facilitate management monitoring.
13. Unlike the retail operation, the Bars' tills are not within the range of the CCTV cameras and an amber priority recommendation was made to strengthen security arrangements in this respect. Further amber priority recommendations were made in respect of the procedures for monitoring action taken in respect of high levels of wastage and to facilitate reconciliation between external stocktake reports and data on Revel.
14. Barbican management agreed all recommendations. Target implementation timescales for the high priority recommendations ranged between April and July 2018; Internal Audit follow-up is in progress.

#### Baxter Storey Contract Management – **Limited Assurance**

<b>Recommendations</b>	<b>Red</b>	<b>Amber</b>	<b>Green</b>	<b>Total</b>
Number Made:	2	3	1	6

15. As reported to the last meeting of this Committee, an additional piece of assurance work has been undertaken as a result of a planned audit of Catering (including Student Bar) in respect of the Guildhall School of Music and Drama. The School's services are managed under a contract with Baxter Storey Limited which includes catering for The Green Room and the Artists Café, based at the Barbican Centre, and as such the audit outcome is relevant to both sites.
16. On the basis of evidence provided to Internal Audit, assurance could not be provided that arrangements in operation ensure that service provision and payment mechanisms comply with those laid down in the contract for supply; a red priority recommendation was made accordingly for future contracts.
17. Amber priority recommendations were made in respect of the following:

- Ensuring that KPI monitoring, including discussion at contract management meetings, is more clearly documented to reflect performance against contractual requirements.
- Formalisation of increased subsidy and profit share arrangements, as these were not reflected in the contractual document supplied for audit purposes.
- Use of sanctions in the event of poor contractual performance.
- Prompt resolution of any disagreements over the prioritisation of improvements recommended by the health and safety consultant and improved tracking of actions taken in respect of identified issues.

18. Barbican management agreed all recommendations. Target implementation timescales for the high priority recommendations ranged between May and September 2018; the latter due to commencement of the new corporate contract at that time.

### **Other Relevant Assurance Work**

19. A number of corporate audits have been finalised since the last meeting of this Committee, some of which are relevant to the Barbican Centre in terms of corporate policy and procedures. Audits have been undertaken in respect of: Starters and Leavers, Medium Term Financial Planning, and Business Travel. Scope and assurance level information in respect of relevant corporate audits is shown in Appendix 3. No recommendations have been made directly in respect of the Barbican Centre.

### **Implementation of Audit Recommendations**

20. As at mid-June 2018 there are three live red priority recommendations related to Barbican Centre audits, and seventeen live amber priority recommendations, of which three and sixteen respectively, arose from audits finalised since the last Internal Audit Update Report. A breakdown of these recommendations is shown at Appendix 4.

21. One of the three red priority recommendations is not yet due for implementation and Internal Audit follow-up in respect of the remaining two will take place once circumstances arise which enable full roll-out of the agreed management actions to be demonstrated.

22. Of the seventeen live amber priority recommendations, thirteen have not yet reached their target implementation dates. Internal Audit follow-up is in progress in respect of two recommendations and will be undertaken in respect of the remaining two once circumstances arise which enable full roll-out of the agreed management actions to be demonstrated.

### **Internal Audit Plan 2018-19**

23. The Internal Audit Plan 2018-19 (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 detailed planning. Comment and suggestions for consideration in the reviews shown in

Appendix 5 are sought from your Committee Members. Proposed audit coverage in 2019-20 and 2020-21 is indicative and will be subject to review as part of the annual high-level planning process.

## **Conclusion**

24. Delivery of the Internal Audit Plan 2017-18 (Appendix 1) has progressed with four finalised audits and one audit, Equalities and Inclusion, currently at draft report stage. Internal Audit coverage has exceeded that originally planned due to an audit in respect of a contract which spans both the Barbican Centre and the Guildhall School of Music and Drama.
12. There are three live red priority recommendations at as mid-June 2018 and there are seventeen live amber priority recommendations which are the responsibility of Barbican management to progress, all but one of which arose from audits finalised since the last Internal Audit Update Report.
13. Internal Audit coverage has been agreed for 2018-19, with feedback obtained from Barbican management in respect of scope and timing, and audit assignment planning is underway.

## **Appendices**

Appendix 1 Summary of Internal Audit Plan Delivery 2017-18

Appendix 2 Barbican Finalised Audits – July 2018: Scope Information

Appendix 3 Corporate Finalised Audits – July 2018: Scope Information

Appendix 4 Live High Priority Recommendations

Appendix 5 Audit Plan 2018-19 and Three-Year Strategy

Pat Stothard, Head of Audit and Risk Management

E: [Pat.Stothard@cityoflondon.gov.uk](mailto: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>  This audit examined the following in recognition of the inherent risks associated with cash income collection and processing: <ul style="list-style-type: none"> <li>Processes in operation for the timely identification, collection, recording, banking and reconciliation of cash income;</li> <li>Arrangements for the safe custody and security of processing of cash income received; and</li> <li>Separation of duties in respect of the above areas and the arrangements for management review.</li> </ul>	10	Complete	Moderate	-	4	1	5
<u>Visitor Experience</u>  This audit is focused on examination of the control framework related to delivery of the 'Visitor Experience' strategic goal, including arrangements for data management in respect of visitor feedback.	15	Complete	Moderate	-	5	5	10

Project and Rationale	Planned Days	Current Stage	Assurance Rating	Recommendations			
				Total Red	Total Amber	Total Green	Total
<u>Retail &amp; Bars</u>  This audit focused on examination of retail and bars management information and performance reporting arrangements, and key controls related to stock management.	15	Complete	Limited	1	9	1	11
<u>Equalities &amp; Inclusion</u>  This audit is focused on examination of the control framework related to delivery of the Barbican's Equality and Inclusion objectives, to include arrangements for review of strategy and associated delivery plans, training and data collection processes.	10	Draft Report	-	-	-	-	-
<u>Contract Management (Baxter Storey)</u>  The Baxter Storey Contract for catering and bar services, originally for the Guildhall School cafes and SUBar, includes the provision of catering services to the Barbican Centre Green Room and Artists Café. This audit focused on examination of the arrangements for contract management to ensure that services are delivered as per requirements and that appropriate financial monitoring controls are in place.	15	Complete	Limited	2	3	1	6
<b>TOTAL</b>	<b>65</b>			<b>3</b>	<b>21</b>	<b>8</b>	<b>32</b>



This page is intentionally left blank

## **Barbican Centre Finalised Audits July 2018 – Audit Scope Details**

### **Cash Handling – Moderate Assurance**

1. This audit examined 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.
2. The arrangements for the administration of cash floats and cash advances (e.g. in respect of Artists fees and per diems) was included in this review, at the request of Barbican management. Contract management arrangements in respect of the G4S cash collection service were excluded from this review as this is being covered as part of a corporate audit.

### **Visitor Experience – Moderate Assurance**

3. This audit was an examination of the control framework related to delivery of the 'Visitor Experience' strategic goal, including arrangements for data management in respect of visitor feedback. Testing focused on arrangements for the following:
  - Identifying the Barbican Centre's aspirations in relation to 'visitor experience' and translating these into tangible goals and objectives;
  - Collecting data and information in relation to visitor experience;
  - Measuring and analysing 'visitor experience';
  - Identifying and implementing actions to improve visitor experience, where appropriate;
  - Monitoring implementation of the strategic projects underpinning the 'Visitor Experience' goal.

### **Retail and Bars – Limited Assurance**

4. This audit focussed on management information, reporting and stock control for the above-mentioned outlets. All other aspects of retail and bars management were outside the scope of the audit. This review examined the adequacy of arrangements in place for Retail and Bars to ensure that:
  - Stock management processes enable stock to be maintained at an appropriate level, stored properly and securely, and with all movements (purchases and sales) accounted for in full.
  - Timely, relevant and accurate management information is available to facilitate monitoring in respect of income, performance and stock management.

Baxter Storey Contract Management – **Limited Assurance**

5. The scope of this audit covered arrangements for the following aspects of the catering and bar services contract:
- Arrangements for monitoring performance to ensure that services provided comply with those laid down in the contract for supply;
  - Mechanisms for ensuring that financial transactions are made in accordance with contractual agreements and are subject to monitoring against budget;
  - Key management information such as contractor performance and budget position is reported to senior management and Members, as required, and
  - Procedures in operation for taking appropriate corrective action where poor performance or variances are identified.

**Corporate Finalised Audits July 2018 – Audit Scope Details**

Corporate: Starters and Leavers – **Moderate Assurance**

1. The purpose of this Internal Audit was to obtain assurance that arrangements are in place in respect of the following:
  - Procedures to inform the starters and leavers process within the organisation;
  - Recording new employees' information on City People, verifying that information held on the system agrees with details held on personnel files;
  - Ensuring that salary payments made to new employees are in accordance with the terms agreed in their contracts;
  - Ensuring that information about employees leaving the organisation (including those retiring) are recorded on City People, and acted upon, soon after their leaving notice is received; and that leavers are not paid beyond their leaving date;
  - The interface between HR and Payroll to help ensure accuracy and efficiency of data transfer, data sharing, as well as, clarity around respective roles and responsibilities regarding starters and leavers; and
  - Processes in place to help ensure that employees leaving the City have repaid any outstanding sums owed by them.

Corporate: Medium Term Financial Planning – **Substantial Assurance**

2. The objectives of this Internal Audit review were to provide assurance that:
  - Responsibilities for the creation, review and sign off-of the City's medium term financial plan are clearly defined discharged effectively.
  - An informed medium term financial plan, which is aligned to key strategic objectives and priorities of the City, is in place to ensure that a comprehensive review of the City's financial position for the current and future years is undertaken.
  - Appropriate assumptions are made as part of the medium term financial planning process and these are clearly documented within the plan.
  - Efficiency savings are incorporated into the medium term financial plan and these savings are monitored on a regular basis.

Corporate: Business Travel – **Moderate Assurance**

3. The objectives of this Internal Audit review were to provide assurance that:
  - An up to date Business Travel Policy is in place and available to Members and Officers which clearly defines the processes to be followed including appropriate classes of travel and expenditure limits.
  - Members and Officers act in compliance with the City's Business Travel Scheme for claiming travel expenses.
  - Business travel is appropriately approved in line with the City's Business Travel Scheme and a segregation of duties is present in the process.

- Sufficient supporting evidence is retained to guarantee the integrity and accuracy of business travel arrangements.
- Value for money is obtained through the use of third party providers for the arrangement and booking of business travel.

### Corporate: Sub £100K Tenders – Moderate Assurance

4. The objectives of this Internal Audit review were to:

- Obtain assurance that adequate arrangements were in place for ensuring that the City complies with the requirements of the Code in relation to procuring supplies & services of values between £10,000 and £100,000;
- Review the adequacy of the arrangements in place to ensure that quotations are fairly assessed and evaluated in determining the most economically advantageous quotations;
- Review the adequacy of the arrangements in place to prevent staff from circumventing the City's Code.



## Schedule of Barbican Centre Live Red and Amber Priority Recommendations - July 2018

Recommendation Area	Priority	Status	Original Target Date	Revised Target Date	Comment
<u>Catering</u> : Use of objective and SMART key performance requirements within similar type contracts to facilitate effective measurement of contractor performance.	Amber	Not Yet Due	01/04/17	March 2019	Barbican management: 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 2019 relates to contract specification stage for the new arrangements.
<u>Visitor Experience</u> : Common understanding of 'visitor experience'.	Amber	Not Yet Due	31/08/18	N/A	
<u>Visitor Experience</u> : Improved 'Line of sight' between strategic aims and operational activities to embed 'visitor experience' within the organisational culture.	Amber	Not Yet Due	31/01/19	N/A	
<u>Visitor Experience</u> : Business Plan content update to reflect SMART objectives supporting delivery of strategic goals.	Amber	Not Yet Due	30/11/18	N/A	

Recommendation Area	Priority	Status	Original Target Date	Revised Target Date	Comment
<u>Visitor Experience</u> : Data measurement, analysis and dissemination to interested parties to facilitate monitoring of delivery against the Strategic Goal.	Amber	Not Yet Due	31/05/19	N/A	
<u>Visitor Experience</u> : Business Plan progress monitoring to obtain assurance that all the projects / activities relating to the Visitor Experience Strategic Goal are being delivered as anticipated, and performance measures achieved.	Amber	Not Yet Due	30/11/18	N/A	
<u>Barbican Retail and Bars</u> : Retail stock ordering – increased automation.	Amber	Not Yet Due	31/07/18	N/A	Barbican management: system developed to be confirmed as possible by 31 <sup>st</sup> July 2018.
<u>Barbican Retail and Bars</u> : Retail - online sale system interface with the EPOS system.	Amber	Not Yet Due	31/07/18	N/A	As above.
<u>Barbican Retail and Bars</u> : Retail – streamlining of stocktake arrangements.	Amber	Not Yet Due	31/07/18	N/A	As above.
<u>Barbican Retail and Bars</u> : Retail – information capture in respect of internal sales.	Amber	Not Yet Due	31/07/18	N/A	As above.

Recommendation Area	Priority	Status	Original Target Date	Revised Target Date	Comment
<u>Barbican Retail and Bars</u> : Bars – enforcement of a separation of duties between key aspects of stock management.	Red	Agreed by Management	01/05/18	N/A	Internal Audit: part of the agreed management actions includes bi-monthly spot checks in respect of Bars stock deliveries. Internal Audit will evaluate implementation after at least one check cycle.
<u>Barbican Retail and Bars</u> : Bars – accurate capture of stock cost information on the EPOS system.	Amber	Agreed by Management	30/04/18	N/A	Internal Audit: part of the agreed management actions includes update of cost price information in April and September each year. Internal Audit will evaluate implementation after a full check cycle.
<u>Barbican Retail and Bars</u> : Bars – inclusion of till points within CCTV coverage.	Amber	In Progress	31/05/18	TBC	Internal Audit: follow-up in progress.
<u>Barbican Retail and Bars</u> : Bars – recording of action taken in respect of significant Bars operation variances.	Amber	Agreed by Management	14/05/18	N/A	Internal Audit: evidence to be obtained when significant variances arise.
<u>Barbican Retail and Bars</u> : Bars – consideration of the potential for reconciliation of independent stocktake information (adjustments and allowances) to EPOS system data.	Amber	Agreed by Management	31/05/18	N/A	Internal Audit: follow-up in progress.
<u>Baxter Storey</u> : Retention of Contract Documentation	Red	Not Yet Due	03/09/18	N/A	Barbican management: This contract is part of a CoL-wide catering re-tender that has been in progress for 18 months and due to be awarded end of May 2018. All the recommendations in this audit have been considered as best practice by City

Recommendation Area	Priority	Status	Original Target Date	Revised Target Date	Comment
					Procurement and City Legal departments and are being addressed in the new contract commencing 03/09/18.
<u>Baxter Storey</u> : Contractual KPI Monitoring and Reporting	Amber	Not Yet Due	03/09/18	N/A	
<u>Baxter Storey</u> : Formalisation of Service Subsidy and Profit Share Arrangements	Amber	Not Yet Due	03/09/18	N/A	
<u>Baxter Storey</u> : Introduction of Sanctions for Poor Contractual Performance	Amber	Not Yet Due	03/09/18	N/A	
<u>Baxter Storey</u> : Management of External Health & Safety Inspection Reports	Red	Agreed by Management	22/05/18	N/A	Internal Audit: evidence to be obtained when any 'Priority 1' issues are raised by the Health and Safety consultant.

Live red priority recommendations	3
Live amber priority recommendations	17
TOTAL live high priority recommendations	20

**Internal Audit 3 Year Strategy 2018 - 2021**

<b>Audit Title</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
Strategic Planning, Monitoring and Implementation	✓		
IT Projects (CRM, Agile Working, Ticketing System)	✓		
Event Contracts (including cancellation arrangements)	✓		
Financial Monitoring and Income Generation	✓		
Fraud Risk Management	✓		
Repairs and Maintenance		✓	
Progression and Professional Development (Artistic Offering/Supporting Artists)			✓
Target Setting and Performance Monitoring		✓	
Sponsorship and Donations		✓	
Safeguarding		✓	
Health and Safety			✓
Security			✓

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

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



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