



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

**Date:** MONDAY, 5 NOVEMBER 2018  
**Time:** 3.00 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 Nesbitt (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 4 July 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 4 July 2018.

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

10. **STOCK MANAGEMENT FOR BARBICAN RETAIL AND BARS**

Report of the Chief Operating & Financial Officer.

**For Decision**  
(Pages 29 - 36)

11. **RISK UPDATE**  
Report of the Director of Operations & Buildings.

**For Information**  
(Pages 37 - 90)

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

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

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

14. **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, 4 July 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, 4 July 2018 at 2.30 pm

### Present

#### Members:

Deputy Dr Giles Shilson (Deputy Chairman), in the Chair  
Russ Carr (External Member)  
Alderman David Graves  
Deputy Wendy Hyde

#### Officers:

Sir Nicholas Kenyon	- Managing Director, Barbican Centre
Sandeep Dwesar	- Chief Operating & Financial Officer, Barbican Centre
Louise Jeffreys	- Artistic Director, Barbican Centre
Jonathon Poyner	- Director of Operations & Buildings, Barbican Centre
Sarah Wall	- Interim Head of Finance, Barbican Centre
Renu Randhawa	- Group Accountant, Barbican Centre
Greg Moore	- Town Clerk's Department

#### 1. APOLOGIES

Apologies were received from Deputy Tom Sleigh and Deputy John Tomlinson.

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

There were none.

#### 3. MINUTES

The public minutes of the meeting held on 17 January 2018 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 January 2018, as well as an analysis of the delivery of 2017-18 audits at Appendix 1.

Members were informed that, since the publication of the report, the Equalities & Inclusion audit report had now been finalised with an Amber rating; all recommendations had been accepted.

Members discussed the limited assurance rating provided in respect of the Bars and Retail arrangements, with specific reference to stock management issues. Concern was expressed with regard to the lack of controls currently in place pending the introduction of a new IT-based system, as well as with regard to the timescales for the implementation of any new system. The Chief Operating & Financial Officer outlined a number of manual controls and assurance checks which had been implemented in the interim to mitigate the risk which were believed to be sufficient to address the concerns of Internal Audit; notwithstanding this, he agreed to produce a report for the next meeting providing more detail on the issues, the interim controls in place, and the timeline for the implementation of a permanent solution.

Noting discussions at previous meetings relating to the process by which audit review areas were determined and scheduled, it was asked that the Committee be provided with the strategy or planning document which was used by Internal Audit and Barbican Management to set out the joint understanding of the risks and inform the selection of audits for the coming period. It was also asked that a list of all audits undertaken at the Centre over the past three years be provided, to show the wider picture of the areas which had been the subject of review.

RESOLVED: That Members:-

- Note the delivery position for the 2017-18 Internal Audit Plan, including audit review outcomes since the last Internal Audit Update Report in January 2018;
- Note live high priority recommendation details and;
- Note planned audits for 2018-19.

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

There were no questions.

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

There were no urgent items.

**8. 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.**

9 - 11

**Paragraph No.**

3

9. **NON-PUBLIC MINUTES**

The non-public minutes of the meeting held on 17 January 2018 were approved.

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

The Committee received a report of the Director of Operations and Buildings 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.

11. **PROGRAMMING RISK UPDATE**

The Committee received a report of the Artistic Director concerning potential risks associated with forthcoming programmed activities at the Barbican Centre.

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

There were no questions.

13. **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 3.00 pm**

-----  
Chairman

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

This page is intentionally left blank



## Risk Committee of the Barbican Centre Board

### Outstanding actions

	Action	Notes/Description	Officer responsible	Date added	Status
1.	Internal Audit update	The Committee to be provided with the strategy/planning document which was used by Internal Audit and Barbican Management to set out the joint understanding of the risks and inform the selection of audits for the coming period.	Head of Audit and Risk Management	July 2018	Nov 2018
2.	Internal Audit update	The Committee to be provided with a list of all audits undertaken at the Centre over the past three years to show the wider picture of the areas which had been the subject of review.	Head of Audit and Risk Management	July 2018	Nov 2018
3.	Risk Register	Update the risk register to reflect the risks previously identified in respect of Barbican International Enterprises and international touring.	Director of Operations & Buildings	July 2018	Nov 2018

This page is intentionally left blank

<b>Committee:</b>	<b>Date:</b>
Risk Committee of the Barbican Centre Board	5th November 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 July 2018. The audit of Equalities and Inclusion has been finalised since the last meeting of this Committee and represents completion of all audit work for 2017-18. A summary of outcomes for the 2017-18 audits is set out at <b>Appendix 1</b>.</p> <p>A number of 2017-18 corporate audits have been finalised recently, some of which relate to key systems and processes which are relevant to the Barbican Centre. None of the recommendations arising from these audits are made directly of Barbican management. Summary outcomes are shown in <b>Appendix 2</b>.</p> <p>This report also provides an update on the outcome of a recent corporate follow-up exercise focused on red and amber priority recommendations due for implementation by 31<sup>st</sup> July 2018. There were nine such recommendations relating to the Barbican Centre and the follow-up outcome, as reported to the September 2018 meeting of the City's Audit and Risk Management Committee, is detailed in this report and in <b>Appendix 3</b>.</p> <p>Each meeting of this Committee receives a breakdown of the Barbican's live (not implemented or partially implemented) high priority recommendations which have been agreed by management. Internal Audit enquiries have confirmed that there are twenty-four such recommendations as at mid-October 2018, compared to twenty agreed recommendations at the time of the last report to this Committee in July 2018. <b>Appendix 4</b> gives a breakdown of recommendations, original target dates, revised target dates and the management comment to explain the delay in implementation.</p> <p>Delivery of the 2018-19 Audit Plan is underway and the status of assignments is as set out in <b>Appendix 5</b>. The terms of reference for the audit of Strategic Planning have been finalised and fieldwork is in progress.</p> <p><b>Recommendation(s)</b></p> <p><b>Members are asked to note: the delivery position for the 2017-18 Internal Audit Plan, including audit review outcomes since the last Internal Audit Update Report in July 2018, the number of outstanding high priority recommendations, and 2018-19 Audit Plan progress.</b></p>	

## **Main Report**

### **Background**

1. This report provides an update on audit work progressed since the July 2018 Committee meeting and includes a final summary of the status of all 2017-18 audits (Appendix 1). One Barbican audit has been finalised since the last meeting of this Committee, representing completion of 2017-18 Plan delivery. Details of recently finalised corporate 2017-18 audits are shown in Appendix 2.
2. A recent corporate follow-up exercise has recently been completed in respect of all live red and amber priority recommendations due for implementation by 31st July 2018. This corporate exercise is undertaken approximately quarterly, in line with the City's Audit and Risk Management Committee reporting cycle, and there were nine such Barbican recommendations which were within scope. The corporate follow-up outcome is detailed below and in Appendix 3.
3. This Committee receives an update on the Barbican live high priority recommendation position at each meeting. Appendix 4 provides a breakdown of recommendation statuses, original target dates, revised target dates and Barbican Management comments in respect of progress, where supplied.
4. Internal Audit have liaised with Barbican Management to agree audit coverage for 2018-19, including the scope and timing of planned audits. Terms of reference have been finalised for one planned audit since the last meeting of this Committee and planning is underway for the remaining audits. Details of 2018-19 planned audits are included at Appendix 5.

### **Delivery of Internal Audit Work 2017-18**

5. Delivery of the Barbican's 2017-18 Audit Plan is now complete, the outcome of all audits having been finalised. One Barbican audit has been finalised since the last meeting of this Committee and a Member Briefing has been circulated in this respect. Audit scope and summary outcome information are shown below.

#### Equality and Inclusion Strategy – Moderate Assurance

<b>Recommendations</b>	<b>Red</b>	<b>Amber</b>	<b>Green</b>	<b>Total</b>
Number Made:	0	10	4	14

6. The scope of the audit was an 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. Amber priority recommendations were made in respect of:
  - Improving guidance provided to departments for the purposes of developing local Equality and Inclusion plans;
  - Enhancement of local plan content;
  - Sign-off of local Equality and Inclusion plans by Heads of Department;

- Dissemination of local plans across Departments;
  - Roll-out of arrangements for monitoring implementation of local Equality and Inclusion plans, identify and monitoring the implementation of corrective actions, as required;
  - Mapping local plan objectives against the Equality and Inclusion Strategic Objectives and assessing the extent to which the Strategic Objectives are being achieved;
  - Reporting on progress in implementing the overall Equality and Inclusion Strategy to the Management Team and Directorate;
  - Determining whether annual monitoring reports are sufficient to enable the Board to exercise effective oversight over implementation of the Equality and Inclusion Strategy;
  - Review of the adequacy of third parties' equality and inclusion practices; and
  - Review of the scope for increasing diversity targets in respect of the Barbican Centre's workforce, artists and audiences, with the aim of obtaining greater engagement.
7. Barbican management agreed all recommendations. The target implementation timescale for the high priority recommendations was September 2018 for nine recommendations and January 2019 for the remaining recommendation.

#### **Other Relevant Assurance Work**

8. The outcomes of the following finalised 2017-18 corporate audits, relevant to the Barbican Centre in terms of corporate policy and procedures, have not been reported previously to this Committee: GDPR Gap Analysis, Member and Officer Declarations of Interest, Waivers, and Procurement Consultation with Stakeholders. Scope and assurance level information in respect of these corporate audits is shown in Appendix 2. No recommendations have been made directly in respect of the Barbican Centre.

#### **Corporate Follow-Up Exercise**

9. The corporate high priority (red and amber) recommendation monitoring process is operating on an approximately quarterly basis. Recommendations are assessed as "implemented" only where suitable evidence has been provided to Internal Audit, rather than advised by management / recommendation owners. Where evidence is not provided, recommendations are assessed as either partially or not implemented and a revised target is agreed, recognising the Audit and Risk Management Committee view that there should be only one extension to implementation deadlines.
10. The corporate follow-up exercise has recently been completed in respect of all live red and amber priority recommendations due for implementation by 31st July 2018 and there were nine such recommendations related to the Barbican. Status updates were sought from recommendation owners and evidence was requested of progress in implementation. The Barbican follow-up outcome for reporting to the September 2018 meeting of the City's Audit and Risk Management Committee was that seven recommendations were not implemented by the agreed target date, as follows:

<b>Implementation Evidenced</b>	<b>Partially Implemented</b>	<b>Not Implemented</b>	<b>Total</b>
2	4	3	9
Revised target timescales are required in respect of four partially implemented recommendations and two recommendations which have not been implemented.			

11. Details of these seven live high priority recommendations (i.e. not implemented or only partially implemented) were summarised for the City's Audit and Risk Management Committee in September 2018 and this information is shown at Appendix 3. This analysis includes a comparison of revised target dates for recommendation implementation against original target dates. The City's Audit and Risk Management Committee has previously stated its position that revised timescales should be set only in exceptional circumstances and this was reiterated at the September meeting.

### **Implementation of Audit Recommendations**

12. At the time of the last update to this Committee (July 2018), there were twenty live high priority recommendations. Since that time, 10 further high priority recommendations have arisen from the finalised audit of Equality and Inclusion, two recommendations (one amber priority, one red) have been closed down following the corporate follow-up exercise, and a further four amber priority recommendations have been closed down since that time upon receipt of implementation evidence.
13. As at mid-October 2018 there are two live red priority recommendations related to Barbican Centre audits, and twenty-two live amber priority recommendations. A breakdown of these recommendations is shown at Appendix 4 and reflects where revised target dates have been supplied since the last meeting of this Committee; there are fourteen such recommendations where implementation has not progressed in accordance with planned timescales.
14. Revised target dates have been supplied in respect of the two live red priority recommendations, both of which arose as part of the Baxter Storey Contract Management audit requested by the Audit and Risk Management Committee of the Guildhall School. This catering contract has been superseded by corporate arrangements which commenced on 3<sup>rd</sup> September 2018, the contract for which has not been signed as at mid-October 2018. Implementation of one of these recommendations is dependent upon signing of the contract and the other cannot be assessed until December 2018.
15. Of the twenty-four live amber priority recommendations, four recommendations are overdue and twenty have not yet reached their target (including revised target) implementation dates. Internal Audit continues to liaise with recommendation owners to determine the implementation status, closing down recommendations upon receipt of sufficient evidence.

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

16. The Internal Audit Plan 2018-19 (Appendix 5) was prepared using a risk-focused approach and is aligned to the Barbican's strategic objectives. Plan delivery is

underway and since the last meeting of this Committee, the terms of reference for the audit of Strategic Planning, Monitoring and Implementation have been finalised. Audit fieldwork is in progress and its focus is on obtaining assurance that adequate arrangements are in place in respect of the following:

- Establishment of a strategic planning framework enabling identification of long-term objectives and prioritisation of activities to achieve these;
- Stakeholder engagement in Plan formulation and arrangements for communication of Plan developments, to promote buy-in;
- Development of specific strategies and plans to enable Plan implementation;
- Development of SMART objectives and related KPIs to facilitate delivery evaluation;
- Monitoring implementation of the Strategic Plan and related plans/projects through appropriate forums; and
- Mechanisms for review and update of the Strategic Plan to ensure it remains relevant and up to date.

17. Detailed planning is underway in respect of planned 2018-19 audit assignments, liaising with Barbican management to inform the scope of work and agree suitable timing.

## **Conclusion**

18. Delivery of the Internal Audit Plan 2017-18 has been completed (Appendix 1), the Equality & Inclusion audit having been finalised since the last meeting of this Committee. A number of finalised Corporate 2017-18 audits are relevant to the Barbican Centre (Appendix 2).

19. The scope of a recent corporate follow-up exercise included Barbican high priority recommendations due for implementation by 31<sup>st</sup> July 2018 and the outcome was reported to the September 2018 meeting of the Audit and Risk Management Committee. Appendix 3 gives the detail of recommendations not implemented.

12. Appendix 4 sets out the live high priority recommendations position. There are two live red priority recommendations at as mid-October 2018 and there are twenty-two live amber priority recommendations which are the responsibility of Barbican management to progress. Internal Audit follow-up activity will continue to confirm the status of recommendations implementation, closing down recommendations upon receipt of sufficient evidence.

13. Delivery of the Audit Plan 2018-19 is underway, as set out in Appendix 5.

## **Appendices**

Appendix 1 Summary of Internal Audit Plan Delivery 2017-18

Appendix 2 Corporate Finalised Audits

Appendix 3 Corporate Follow-Up Outcome – September 2018

Appendix 4 Live Barbican High Priority Recommendations

Appendix 5 Audit Plan 2018-19 - Status

Pat Stothard, Head of Audit and Risk Management

E: Pat.Stothard@cityoflondon.gov.uk

This page is intentionally left blank



## Scheduled Work Internal Audit Plan 2017-18

*Delivery position as at mid-October 2018*

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>Equality &amp; Inclusion Strategy</u>  This audit focused on examination of the control framework related to delivery of the Barbican's Equality and Inclusion objectives, including arrangements for review of strategy and associated delivery plans, training and data collection processes.	10	Complete	Moderate	0	10	4	14
<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>31</b>	<b>12</b>	<b>46</b>

### Finalised 2017-18 Audits – Outcomes

#### Corporate: GDPR Gap Analysis – Substantial Assurance

1. The scope of this audit was examination of the City Corporation's GDPR project plan, review of project progress to date, and an evaluation of the appropriateness of plans for the project's completion in advance of May 2018. Internal Audit's overall assessment was that there was a medium degree of adequate safeguards for the implementation of policies with respect to corporate GDPR compliance, including a clear GDPR compliance programme plan with detailed reference to specific goals. Five amber priority recommendations were raised.

#### Corporate: Member and Officer Declarations of Interest – Limited Assurance

2. The purpose of the audit was to determine the controls in operation for ensuring that declarations of interest are made in accordance with the Member and Staff Codes of Conduct. High priority recommendations have been made in respect of:
  - Greater engagement with Members in respect of training where legal obligations, such as declarations of interest, exist, to ensure that all Members are aware of their duties and to enhance compliance.
  - Dissemination of clear guidance to Staff in respect of the submission of annual declarations of interest, use of annual reminders and improving the accessibility of forms.
  - Effective communication of the policy for Staff declarations of interest.
  - Establishment of central directives, guidance and monitoring arrangements in respect of Staff declarations of interest by Human Resources.
  - Formalisation of local (departmental) processes for recording, monitoring and safe-keeping of declarations information.
  - Maintenance and publishing of Member (elected and co-sponsored) interest information.
  - Maintenance of records of co-opted Members by Committee and Members Services.
  - Prompt publishing of declarations of interest on the CoL Website.
3. All high priority recommendations were accepted by management and are subject to formal Internal Audit follow-up to confirm the implementation status.

#### Corporate: Waivers – Moderate Assurance

4. Based on a review of the Procurement Code 2015 and subsequent sample testing, the audit confirmed that adequate controls are in place to ensure that waivers are appropriately authorised before they are processed. An opportunity was identified to revise current arrangements to ensure that Senior Management are fully consulted on waivers over £50k in value, as per established arrangements.
5. On the basis of discussions with the Procurement Operations Manager and the Procurement Policy and Compliance Officer, together with review of waiver logs, forms and relevant committee reports, there is scope to enhance existing controls to ensure that only valid waivers are processed through: addressing miscategorisation of waivers, identifying and managing waivers issued to make

use of preferred suppliers or as a result of poor operational planning; and recording waiver information.

6. Whilst arrangements were confirmed as being in place to manage the use of retrospective waivers, control improvements were proposed in the following areas: providing management information to senior management and Members, and taking disciplinary action, where appropriate, against staff who repeatedly request approval of retrospective waivers.
7. All high priority recommendations were accepted by management and are subject to formal Internal Audit follow-up to confirm the implementation status.

### Corporate: Procurement Consultation with Stakeholders – Moderate Assurance

8. Audit testing identified that City Procurement have issued policies and guidance in respect of procurement consultation with stakeholders where there are legislative requirements for the CoL, as Local Authority, to do so. Internal Audit confirmed that these are outlined in the Procurement Code and are accessible to internal and external stakeholders. Scope exists to include other aspects of consultation based on the Gunning Principles of Consultation and the Consultation Principles 2016, as issued by the Cabinet Office.
9. Audit testing established that the City of London's Procurement Code 2015 is reviewed on an annual basis in consultation with the Court of Common Council to ensure it remains relevant and up to date. Both, Parts, 1 (Rules) and 2 (Guidance) of the Code of Conduct are available to internal stakeholders through the Intranet (CoLNet) and to external stakeholders on the City of London Website. No recommendations have been made in respect of the accessibility of such information.
10. Audit testing established that City Procurement have designed a number of forms relevant to the scope of this audit and which are used by Procurement Officers in the Sourcing Team. It was noted that these forms guide the procurement process, include stakeholder consultation, and support open and transparent decision-making. No recommendation has been made in this area.
11. Discussions with relevant City Procurement staff and sample audit testing performed confirmed that there is a process in place to obtain, record and report feedback from internal and external stakeholders. Internal Audit did not receive evidence to demonstrate that feedback received is actioned and reflected in strategy and operations.
12. All high priority recommendations were accepted by management and are subject to formal Internal Audit follow-up to confirm the implementation status.

## Corporate Follow-Up Exercise: High Priority Recommendations Partially Implemented / Not Implemented

*Barbican high priority recommendations outstanding at time of August 2018 Follow-Up (implementation due by 31<sup>st</sup> July 2018)*

Department & Audit Area	Original Target Date	Revised Target Date (pre follow-up)	New Target Date (post follow-up)	Implementation Status		Management Comment
				Not	Partial	
<b>Barbican</b>						
Retail & Bars – Revel System Functionality for Ordering Retail Stock	31/07/18	N/A	TBC	0	1	For all four recommendations related to Revel: Numerous talks to work with Revel to solve our issues have taken place but it doesn't look like it will deliver what we need. Retail are working with IT on requirements for a new system and we are going to the market in the next few months. Some system testing on what is out there has already been done and we feel comfortable a new system will meet all our needs. Revised timescale for a procurement decision to be confirmed.
Retail & Bars – Stock Cost Information on Revel	31/05/18	N/A	TBC	0	1	
Retail & Bars – Integration of Revel and Shopify Online Shop System	31/07/18	N/A	TBC	0	1	
Retail & Bars – Retail Stocktake Revel System Functionality	31/07/18	N/A	TBC	0	1	
Retail & Bars – CCTV Installation	31/05/18	N/A	31/12/19	1	0	This is being tied in to the larger Barbican wide CCTV project. As this is being procured centrally for all City departments this project has seen a delay to 2019. New deadline - 31st December 2019.
Retail & Bars – Wastage Information on Stocktake Reports	31/05/18	N/A	TBC	1	0	No status update received. Evidence awaited of the Stocktaker being asked to report wastage at cost.
Retail & Bars – Recording of Cross Charges on Revel	31/07/18	N/A	TBC	1	0	No status update received. Evidence awaited of revised arrangements for recording of internal sales to Barbican departments.
<b>TOTAL</b>				<b>3</b>	<b>4</b>	

This page is intentionally left blank

## Schedule of Barbican Centre Live Red and Amber Priority Recommendations - November 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	31/03/19	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	31/12/18*	No management comment provided. Revised target timescale supplied.
<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	31/03/19*	Management comment: Numerous talks to work with Revel to solve our issues have taken place but it doesn't look like it will deliver what we need. Retail are working with IT on requirements for a new system and we are going to the market in the next few months. Some system testing on what is out there has already been done and we feel comfortable a new system will meet all our needs. Revised timescale for a procurement decision is 31/03/19.
<u>Barbican Retail and Bars</u> : Retail - online sale system interface with the EPOS system.	Amber	Not Yet Due	31/07/18	31/03/19*	
<u>Barbican Retail and Bars</u> : Retail – streamlining of stocktake arrangements.	Amber	Not Yet Due	31/07/18	31/03/19*	
<u>Barbican Retail and Bars</u> : Retail – information capture in respect of internal sales.	Amber	Not Yet Due	31/07/18	31/03/19*	
<u>Barbican Retail and Bars</u> : Bars – accurate capture of stock cost information on the EPOS system.	Amber	Not Yet Due	30/04/18	31/03/19*	



Recommendation Area	Priority	Status	Original Target Date	Revised Target Date	Comment
<u>Barbican Retail and Bars</u> : Bars – inclusion of till points within CCTV coverage.	Amber	Not Yet Due	31/05/18	31/12/19*	This is being tied in to the larger Barbican wide CCTV project. As this is being procured centrally for all City departments this project has seen a delay to 2019. New deadline - 31st December 2019.
<u>Barbican Retail and Bars</u> : Bars – recording of action taken in respect of significant Bars operation variances.	Amber	Overdue	14/05/18	N/A	Information supplied to Internal Audit does not demonstrate regular analysis of wastage.
<u>Baxter Storey</u> : Contract Documentation	Red	Not Yet Due	03/09/18	31/10/18*	Revised target date agreed as the contract, in respect of the service which commenced at the beginning of September 2018, has not yet been signed.
<u>Baxter Storey</u> : Contractual KPI Monitoring and Reporting	Amber	Not Yet Due	03/09/18	31/12/18*	The new contract specifies KPIs and arrangements for monitoring. Revised target date supplied for full implementation to enable 3 months of monitoring activity to be demonstrated.
<u>Baxter Storey</u> : Formalisation of Service Subsidy and Profit Share Arrangements	Amber	Not Yet Due	03/09/18	31/10/18*	The contract, for the service that commenced in September 2018, has been drafted but not yet been signed. Revised target date supplied for full implementation.
<u>Baxter Storey</u> : Introduction of Sanctions for Poor Contractual Performance	Amber	Not Yet Due	03/09/18	31/10/18*	Internal Audit comment: The new contract specifies sanctions for poor performance. Revised target date supplied for full implementation i.e. signing of the contract.

Recommendation Area	Priority	Status	Original Target Date	Revised Target Date	Comment
Baxter Storey: Management of External Health & Safety Inspection Reports	Red	Not Yet Due	22/05/18	31/12/18*	Internal Audit comment: Disagreement over the H&S inspection report examined at the time of audit fieldwork has been resolved. Management comment: As this audit takes place annually and will take place in Autumn term, proof of monthly review cannot take place until this happens.
<u>Equality &amp; Inclusion:</u> Reporting to Management	Amber	Overdue	30/09/18	-	Partially implemented as the arrangements for provision of updates on the strategy to Management Team / Directorate have been agreed. Evidence is required of application in practice and a revised timescale is required for full implementation.
<u>Equality &amp; Inclusion:</u> Formulating Departmental Plans	Amber	Overdue	30/09/18	-	Partially Implemented. Evidence supplied to Internal Audit to demonstrate progress of implementation. Revised timescale required for full implementation.
<u>Equality &amp; Inclusion:</u> Performing Artists – Use of Third Parties	Amber	Not Yet Due	31/01/19	-	
<u>Equality &amp; Inclusion:</u> Reporting to Members	Amber	Not Yet Due	30/09/18	22/11/18*	Revised target date supplied to reflect intended reporting to the Board in November 2018.
<u>Equality &amp; Inclusion:</u> Monitoring Strategy Delivery	Amber	Overdue	30/09/18	-	Partially implemented as a mapping document has been created. Revised target timescale required to demonstrate full implementation i.e. presentation as part of the agreed schedule of Equality & Inclusion reporting.
<u>Equality &amp; Inclusion:</u> Approval of Departmental Equality & Inclusion Plans	Amber	Not Yet Due	30/09/18	30/11/18*	Management comment: We are awaiting sign-off of these.

‘\*’ Denotes revised target date supplied since the July 2018 meeting of the Barbican Risk Committee

Recommendation Status		Overdue	Not Yet Due	Target Date Revised Since July 2018 Committee
Live red priority recommendations	2	-	2	2
Live amber priority recommendations	22	4	18	12
TOTAL live high priority recommendations	24	4	20	14

This page is intentionally left blank

## Scheduled Work Internal Audit Plan 2018-19

Project and Rationale	Planned Days	Current Stage	Assurance Rating	Recommendations			
				Total Red	Total Amber	Total Green	Total
<u>Strategic Planning, Monitoring and Implementation</u>  An examination of the Barbican Centre's strategic planning framework, to include arrangements for stakeholder input, formulation of plans/projects to facilitate Plan implementation, development of SMART objectives and related KPIs, and communication. This audit will also look at mechanisms for monitoring of delivery and on-going review.	15	Fieldwork	-	-	-	-	-
<u>Events</u>  This audit is focused on the controls surrounding events decision-making, contract management and cancellation arrangements. To include the mechanisms in operation to ensure that event activity is aligned with strategic aims.	15	Planning	-	-	-	-	-
<u>Financial Monitoring and Income Generation</u>  An examination of the adequacy and effectiveness of the control framework for financial monitoring and generation of income.	15	Planning	-	-	-	-	-

Project and Rationale	Planned Days	Current Stage	Assurance Rating	Recommendations			
				Total Red	Total Amber	Total Green	Total
<u>IT Projects</u>  An examination of the control framework related to a sample of IT projects, for example CRM, Agile Working, Ticketing System, in support of the Barbican's strategic objectives.	15	Not Initiated	-	-	-	-	-
<u>Fraud Risk Management</u>  A high-level examination of fraud risk management arrangements in operation, focusing on internal fraud areas such as asset misappropriation & corruption.	10	Not Initiated	-	-	-	-	-
<b>TOTAL</b>	<b>70</b>			-	-	-	-

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

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

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

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