



## Risk Committee of the Barbican Centre Board

**Date:** WEDNESDAY, 22 JANUARY 2020  
**Time:** 9.30 am  
**Venue:** COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

**Members:** Deputy Tom Sleigh (Chairman)  
Deputy Dr Giles Shilson (Deputy Chairman)  
Russ Carr  
Alderman David Graves  
Deputy Wendy Hyde  
Alasdair Nisbet  
Judith Pleasance

**Enquiries:** Leanne Murphy  
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**N.B. Part of this meeting could be the subject of audio or visual recording**

**John Barradell  
Town Clerk and Chief Executive**

# AGENDA

1. **APOLOGIES**
2. **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 4 November 2019.  

**For Decision**  
(Pages 1 - 4)
4. **HEALTH AND SAFETY ANNUAL UPDATE**  
Report of the Director of Operations and Buildings.  

**For Information**  
(Pages 5 - 12)
5. **INTERNAL AUDIT UPDATE**  
Report of the Head of Audit and Risk Management.  

**For Information**  
(Pages 13 - 28)
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 November 2019.  

**For Decision**  
(Pages 29 - 32)
10. **PROGRAMMING RISK REGISTER**  
Report of the Artistic Director.  

**For Information**  
(Pages 33 - 44)
11. **RISK UPDATE**  
Report of the Director of Operations and Buildings.  

**For Information**  
(Pages 45 - 116)

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**

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## RISK COMMITTEE OF THE BARBICAN CENTRE BOARD

Monday, 4 November 2019

Minutes of the meeting of the Risk Committee of the Barbican Centre Board held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Monday, 4 November 2019 at 10.30 am

### Present

#### Members:

Deputy Dr Giles Shilson (Deputy Chairman) Alderman David Graves  
Russ Carr (External Member) Alasdair Nisbet (External Member)  
Deputy Wendy Hyde

#### Officers:

Sir Nicholas Kenyon - Managing Director, Barbican Centre  
Sandeep Dwesar - Chief Operating & Financial Officer, Barbican Centre  
Jonathon Poyner - Director of Operations and Buildings, Barbican Centre  
Louise Jeffreys - Artistic Director, Barbican Centre  
Matthew Lock - Head of Internal Audit and Risk Management  
Sarah Wall - Group Accountant, Barbican Centre  
Niki Cornwell - Head of Finance and Business Administration, Barbican Centre  
Nick Adams - Senior Policy & Communications Manager, Barbican Centre  
Cirila Peall - Audit Manager, Chamberlain's Department  
Leanne Murphy - Town Clerk's Department

#### 1. APOLOGIES

Apologies were received from Judith Pleasance.

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

There were no declarations.

#### 3. MINUTES

The public minutes of the meeting held on 24 July 2019 were approved as a correct record.

In response to a query concerning the green priority recommendations, Members were advised that these would be circulated via email.

#### 4. INTERNAL AUDIT UPDATE - IMPLEMENTATION OF AUDIT RECOMMENDATIONS

The Committee received a report of the Head of Audit and Risk Management providing a status update on the implementation of high priority Internal Audit Recommendations made relating to the Barbican Centre.

Members received a verbal update on current and recent work and were advised that the Financial Monitoring review of the Barbican Centre had been finalised since papers were circulated. A further draft audit report had been issued in relation to IT Projects and three reviews were at fieldwork stage.

The Head of Audit and Risk Management confirmed that the Team was broadly on track to deliver the audit plan for the year, but a slow start incurred by carry over from the previous year had caused delays. It was noted that there had been a high instance of implementation slippage in relation to Internal Audit recommendations made, with revised implementation dates provided by management for all live recommendations. The Chairman highlighted the importance of setting accurate, honest timescales in response to the work of Internal Audit.

A Member voiced disappointment at the lack of information in the management response to the recommendations in relation to the retail service and argued the importance of Members having the full picture.

In response to concerns from Members with regards to the lack of progress concerning the implementation of the new system, Members were advised that finding an appropriate system had been challenging but a suitable system from New Zealand had been found. The Centre was working with Procurement and the supplier to implement the new system which needed to be demonstrated. In the meantime, the old system was being used but improvements had been made including controls providing better oversight. It was noted that the new system was being looked at through the Fundamental Review process as a potential City-wide system. Members agreed it was important to get the system right rather than rush it but urged the Team to keep up the pressure.

A Member noted that the report gave no quantitative feedback/data and felt that this should be categorised on a summary sheet. Members were advised that the data existed and could be provided in an email update but that such an update was within the remit of Barbican Officers rather than Internal Audit and so not relevant for this update report.

In response to a query regarding what was being audited, Members were advised that a longer-term Audit Plan was in place looking at key priorities and objectives. The Director of Operations and Buildings clarified that there was a difference between Quality Assurance (QA) and Quality Control (QC), QA forming part of the remit of Internal Audit and QC part of the management remit including KPIs as part of the new process

The Chairman stated that more work was needed and recommended a meeting between Senior Officers and Members to clarify roles and responsibilities and address the audit concerns.

RECEIVED.

5. **SOCIAL MEDIA POLICY UPDATE**

The Committee received a report of the Managing Director concerning the updated Barbican social media policy.

A Member suggested editing the wording of a sentence in the Policy to read: "Transparent: if we do something embarrassing, our policy is to rectify it and to learn from experience."

**RESOLVED** – That Members note the updated social media policy.

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.**

**Paragraph No.**

9-13

3

9. **NON-PUBLIC MINUTES**

The non-public minutes of the meeting held on 24 July 2019 were approved subject to a typo under Item 12.

10. **PROGRAMMING RISK REGISTER**

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

11. **RISK UPDATE**

The Committee received a report of the Director of Operations and Buildings advising Members of the risk management system in place at the Barbican and updating on the significant risks that have been identified and outlining measures for mitigation of these risks.

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 was one item.

**The meeting ended at 11.29 am**

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Chairman

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<b>Committee(s):</b>	<b>Date(s):</b>
Risk Committee of the Barbican Centre Board	22 January 2020
Barbican Centre Board	22 January 2020
<b>Subject:</b> Health and Safety Update	<b>Public</b>
<b>Report of:</b> Director of Operations and Buildings <b>Report Author:</b> Jonathon Poyner, Director of Operations and Buildings	<b>For Information</b>
<p><b><u>Summary</u></b></p> <p>This report provides an update on the Centre’s Health and Safety activities and provision over the last year and agenda items for 2020.</p> <p>For ease of reference, as per previous years, the paper is divided into the following sections, with accompanying information:</p> <ul style="list-style-type: none"> <li>• Background/Current Position</li> <li>• Certificate of Assurance</li> <li>• Audit</li> <li>• Health and Safety Committee Meetings</li> <li>• Accident Reporting Procedures</li> <li>• DSE</li> <li>• Top X – Pentana System</li> <li>• Health, Safety and Wellbeing Plan and Policy</li> <li>• Asbestos Management</li> <li>• Water Systems Management</li> </ul> <p><b>Recommendation(s)</b> It is recommended that Members note the contents of this report</p>	

## **Main Report**

### **Background**

1. The purpose of this paper is to advise Members of all Health and Safety (H&S) processes, audits and actions during 2018 and progress items for 2019.

## Current Position

2. The Directorate of the Barbican Centre recognises that they have a responsibility to ensure that all reasonable precautions are taken to provide and maintain working conditions that are safe, healthy and comply with all statutory requirements and codes of practice.
3. The Barbican Centre (including its 'Alliance' work with the Guildhall School) has continued to work to ensure ever closer alignment and co-working with the City Surveyor's Department and other departments across the City as appropriate. Members have agreed that we will 'create an environment that enables and inspires others to achieve their best'. It was agreed that this would be achieved through the delivery of services that are prioritised as a) compliant, b) efficient and c) appropriate. It was also agreed that we would use a 'ground-up' review plus the 'Kaizen' approach to continual improvement to identify and prioritise our work load over the years until we reached standards that we felt were appropriate for one of the world's most iconic buildings in one of the most famous cities in the world.
4. This will be achieved by:
  - Adopting a Safety Management Strategy that includes the provision of safe working systems, the provision and maintenance of safe plant and equipment, and appropriate procedures to cater for all significant risks arising from our work activities.
  - A policy supported by the provision of documents outlining safety rules and general procedures for employees' information. These will be subjected to review by management, in conjunction with the Health and Safety Committee as necessary. The safety, organisation and arrangements for implementing the policy will be publicised to all employees.
  - Accepting that the responsibility for achieving and maintaining acceptable standards of safety rests not only with management but also with employees, contractors and suppliers of materials to be used at work.
  - This statement of policy being reviewed and revised as appropriate, to take into account future changes in 'circumstance or legal requirements'.
  - Provision of information, instruction, training and supervision to ensure the health and safety at work of employees and visitors to the Centre.
  - Consultation with our employees on matters affecting their Health and Safety.
  - Maintaining safe conditions in the workplace through risk management procedures.
  - The provision of a safe means of access to and egress from the place of work.
  - Providing a work environment which is appropriately maintained, safe and without risk to health, with adequate facilities and arrangements for welfare at work.

5. With the support of our City colleagues we have continued to prioritise and invest in our assets. We have moved to the City's CWP process, which benefits from a peer review process, and have been successful in our applications to the City for investment, including much investment in risk mitigation and Health & Safety. We have also recently adopted the City's new capital process and again Members and the City have shown their support and commitment through ongoing additional investment. The areas of security and fire safety plus the higher risks identified using our risk matrix have received welcome additional funding as we continue to address our legacy issues and deliver more consistent standards.
6. We have worked with the City to align with and renew many contracts including fire, pest control, cleaning, security, energy supply, asbestos and legionella and other areas that will further improve and professionalise our services and reduce risk. We continue to work with our residents and other partners to ensure the wider safety of our estate and community.
7. We continue to work with the City's Health, Safety and Wellbeing Committee, CORMG and our Boards to ensure agreed priorities and awareness of progress. In addition, we have been proactive in wellbeing, with management training in Mental Health First Aid and Wellbeing seminars for staff, in conjunction with the City.
8. We continue to work with the City on the next phase of the SBR, notably with the Operational Property Board, ensuring further alignment and professionalisation across all areas of the City, sharing best practice both ways where appropriate. We have continued our restructure and have provided training to raise standards and build our 'one team approach'. The overall standard and awareness of and engagement with health and safety have improved greatly and the Health and Safety Committee continues to be well attended and engagement remains high amongst staff.
9. Our Fire Strategy Management Group has taken on an Alliance approach and this is proving to be very successful, with a closer alignment in standard and attitude to safety across our campus of the two organisations (Barbican and Guildhall School). We have also hosted the London Fire Brigade City of London presentation, for which the LFB commander commended us. We have also held the HSE's Battery Technology presentation, attended by City departments and local business. We have also hosted specialist security seminars and briefings plus hosted a day with a security organisation.
10. Our new policies have been subject to an annual review, including any changes to UK legislation and to ensure ever closer alignment with the City and its policies.

### **Certificate of Assurance**

In line with City of London procedures, the Centre will submit the Annual Certificate of Assurance signed off by the Managing Director in January 2020.

11. In 2019, along with all generic aspects for the Centre's compliance, the Engineering Team were duly audited and subject of the assurance programme.

12. Having completed much work across our alliance and the Barbican over the past few years, we will this year be auditing all departments for the 2020 Certificate of Assurance. This will demonstrate and recognise the progress that everybody has made across the organisation to build 'one team'.

### **Audit**

13. We have continued to work closely with our City colleagues including Health & Safety and Wellbeing, CORMG, Pentana and external specialists. We have continued to deliver against audit lists including for example fire risk assessments (FRAs) and asbestos and legionella audits. Our Fire Strategy Management Group has gone from strength to strength following the inclusion of the School to make it an Alliance group. Recent new members from the School with external experience have ensured that we have been able to increase the pace of change as regards health and safety and are therefore delivering ever more professional standards across our Alliance estate.

During the year we have delivered much training including fire, security, business continuity planning (BCP) and major incident (MI) planning and improved general awareness as to how we work as an Alliance across our venues. We are seeing more consistent standards, and further improved engagement and the benefits of this approach were demonstrated in the recent attack on London Bridge and the actions taken by our teams in the immediate hours and days following. We have also conducted a full test evacuation of the Centre which went very well and was a great reassurance demonstrating the benefit of our investment and focus over the years.

### **Health and Safety Committee Meetings**

14. The primary legislation covering occupational Health and Safety in the UK is the Health and Safety at Work Act 1974. It imposes general duties for health and safety on employers. The main responsibilities are:
  - Ensure the health, safety and welfare of all their employees
  - Produce a written policy statement explaining how they intend to do this
  - Consult with union reps
  - Protect others such as their contractors and visitors.
15. Employers have a duty to consult with their employees, or their representatives, on health and safety matters. There are two different regulations that require employers to consult with their work force about health and safety:
  - The Safety Representatives and Safety Committee Regulations 1977 (as amended); and
  - The Health and Safety (Consultation with Employees) Regulations 1996 (as amended).

16. The Centre has a fully active and functioning Health and Safety Committee that meets regularly and is chaired by the Director of Operations and Buildings. Representatives from all Departments, resident Contractor Organisations and Barbican Centre Directorate attend and participate in meetings.
17. These meetings allow information including any risks arising from employee work activities, the measures in place or proposals to control these risks, and what they should do if they are exposed to a risk, including emergency procedures. The last meeting was held on 9<sup>th</sup> January 2020 and the next meeting will be on 2nd April 2020.

### **Accident Reporting**

18. The Barbican Centre continues to use 'Reportline', (locally known as SANTIA), for the reporting and tracking accidents/incidents. Feedback on our use of the system and performance has been encouraging.
19. This system is an electronic web-based system supported by a contact centre, enabling reports to ring through incidents or report them on line. Centralised reporting and monitoring have been further enabled by this system.
20. The *Reportline* contact centre is operated by appropriately trained professionals. This ensures the Centre's Management that reportable events are immediately brought to the attention of the HSE Executive in the correct way.

### **DSE**

21. There is a legal requirement to provide all users of Display Screen Equipment (DSE), i.e. staff who use computers on a regular basis, with appropriate training and to ensure they have a risk assessment of their computer workstations. The City of London Corporation hosts an E-Learning training and assessment software system called *WorkRite*. The overall administration of the software is by Corporate Health and Safety, and access to the software is through licensed agreement with the supplier.
22. We currently have 18 trained assessors for the WorkRite system. Members of staff who regularly use DSE continue to be assessed. A small number of staff members have had or have ongoing issues which have been identified and are being managed as part of routine procedures.

### **Top X-Pentana Reporting System**

23. The City of London Corporation is required by law to have effective health and safety arrangements. To help achieve this, the Corporation utilises a health and safety management system. As part of this system the most significant (Top X) risks are prioritised and effectively controlled.

24. The aim of “Top X” is for significant risks, including health and safety risks, to be identified and escalated up through department structures, from the basic section level of each department to the Directors/Chief Officer, where risks can be acknowledged and action plans put in place to minimise their impact on the department. Their impact can be manifested through injury, loss or damage to equipment or, in some circumstances, death.
25. X is simply a number. It is not a defined figure as it is dependent on the number of significant risks any department may have.
26. The City of London Corporation requires returns every October/November of any Red Risk/Threat.
27. We have continued to work on our departmental red risk ‘Failure to deliver the fire-related projects. We have continued to work with our City colleagues, notably Town Clerk and City Surveyor’s Department via our Fire Management Strategy Group. We have also continued to work with our insurers RSA and the City’s insurance team. We review our risk register regularly, and risks, (e.g. Ex Halls), are added when identified. The Centre’s fire and other safety issues continue to be managed via the mitigation approach of:
  - Reduce
  - Transfer
  - Avoid
  - Accept

### **Health, Safety and Wellbeing Plan and Policy**

28. The Directorate of the Barbican Centre recognises that they have a responsibility to ensure that all reasonable precautions are taken to provide and maintain working conditions that are safe, healthy and comply with all statutory requirements and codes of practice. The Directorate recognises that the Centre’s Health, Safety and Wellbeing Plan and Policy are critical in terms of the expectations set by the City Corporation on how it expects Health and Safety to be managed locally.
29. A copy of the Centre’s Health, Safety and Wellbeing Plan and Policy is displayed on all departmental notice boards, sent out to all Directors and Heads of Department and can be accessed by all staff on the internal IT system.
30. The Barbican Centre’s Policy clearly outlines the roles and responsibilities of all staff from the Managing Director down to departmental staff and the H&S Committee. It is reviewed as a minimum annually and whenever a change of legislation affects the Centre. The annual review was conducted and is due to be signed off by the Managing Director on 1<sup>st</sup> February 2020.

## **Asbestos Management**

31. The Barbican was built at a time when asbestos was a widely used material in many elements of the building fabric. It is therefore not surprising that the management of asbestos is an important element of our Health and Safety at the Centre, not only to protect staff and the public, but also those who are likely to do work that intrudes upon the building fabric, where the dangers are most present.
32. The removal of asbestos prior to buildings works has been taking place on a regular basis. Asbestos Surveys of all areas are in place and updated annually. The information on the location of any asbestos containing material is now accessible to contractors, building surveyors and installation designers who are planning to carry out intrusive work to the building fabric, on a web-based database, using an outside specialist contractor.
33. We have introduced and trained in a new Asbestos Management Plan. Much additional work has been undertaken and signed off. Our Head of Engineering has continued to ensure that asbestos and other compliance register type issues remain a priority for the team.

## **Water Systems Management**

34. The monitoring of the Centre's water systems is being managed to meet both our statutory compliance obligations and to ensure that at all times we are providing safe drinking and domestic water supplies to our public, staff and catering contractors. The control of Legionella and other water-borne pathogens is a key element of this compliance and safety area. This programme is carried out in conjunction with the City of London H&S Manager, who has oversight of the project.
35. The periodic water hygiene monitoring is done through the BRM2 contract arrangements, with Skanska providing this service. We have conducted a fixed test and inspection programme. Electronic copies of test results are being added and maintained on the centralised corporate database system.
36. All the water system risk assessments from our specialist water systems contractor are saved and accessible via the City Surveyor's shared building information software, (our 'Micad' CAFM System).
37. Further to a change in the legislation regarding responsibility for HV rooms, we have raised this issue with the Health, Safety and Wellbeing Committee and the City is bringing in a suitable system following legal advice.

### **Jonathon Poyner**

Director of Operations and Buildings

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<b>Committee(s):</b> Risk Committee of the Barbican Centre Board Barbican Centre Board	<b>Date(s):</b> 22/01/2020 22/01/2020
<b>Subject:</b> Internal Audit Update	<b>Public</b>
<b>Report of:</b> Head of Audit and Risk Management	<b>For Information</b>
<b>Report author:</b> Cirila Peall, Audit Manager - Chamberlain's Department	

## Summary

This report has been prepared to provide Members with an update in respect of Internal Audit activity related to the Barbican Centre. Audit Plan delivery is progressing, with two reports recently finalised, and there has been recent follow-up activity in respect of live high priority (red and amber) recommendations as part of a regular corporate exercise.

Since the November meeting of this Committee, one amber priority recommendation has been closed down upon receipt of implementation evidence. There are no live red priority recommendations and, including those that are not yet due, 18 live amber priority recommendations.

Green priority recommendations are not subject to formal follow up. It is good practice for management to keep implementation progress under review and to seek assurance that the control weaknesses identified at the time of audit have been addressed. Internal Audit has received status updates in respect of live green priority recommendations, enabling closure of the majority.

## Recommendation(s)

Members are asked to:

- Note the report.
- Consider the appropriateness of the delays in high priority recommendations implementation.

## Main Report

### Background

1. The Barbican Risk Committee receives regular updates in respect of delivery of Internal Audit work and the status of high priority recommendations.
2. A summary of outcomes is reported for finalised audit work, i.e. where full management responses have been received and agreed, and there is a reminder of the scope of audit for those audits where draft reports have been issued and management responses are awaited.

3. In terms of high priority recommendations, this report provides Members with the latest implementation position, based upon information received from the Barbican Centre and audit testing undertaken.
4. Green priority recommendations are not routinely subject to formal follow-up and reporting, although Internal Audit has received updates from Barbican Management which has reduced the total live recommendations in this area.

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

5. Two Barbican audits have been finalised since the last update report and summary outcomes are reported in **Appendix 1**:

#### Financial Monitoring and Income Generation – **Substantial Assurance**

6. Scope: to examine the financial monitoring arrangements, including reporting on financial performance to senior management and Members, and the strategy used to ensure that income is maximised.

<b>Recommendations</b>	<b>Red</b>	<b>Amber</b>	<b>Green</b>	<b>Total</b>
Number Made:	0	0	2	2

7. Both recommendations were agreed by Barbican Management for implementation by November and December 2019 respectively. Internal Audit has recently been advised that one of these recommendations has been implemented and remaining recommendation will be addressed by March 2020.

#### IT Projects – **Moderate Assurance**

8. Scope: to obtain assurance that the framework for delivery of IT Projects supports the achievement of the Barbican's strategic objectives

<b>Recommendations</b>	<b>Red</b>	<b>Amber</b>	<b>Green</b>	<b>Total</b>
Number Made:	0	2	3	5

9. All recommendations were accepted by Barbican Management with implementation timescales of January 2020 and December 2020 for the amber priority recommendations. Implementation of one of the green priority recommendations is dependent upon the current recruitment freeze being lifted and as such the target timescale is not yet known. Barbican Management have undertaken to implement the remaining green priority recommendations by March 2020 at the latest.

#### Work in Progress

10. The status of 2019-20 Plan delivery is outlined in **Appendix 2**.

11. Completion of Internal Audit work in 2019-20 has been impacted by extended Internal Audit staff absence. Draft reports have been prepared, but not yet issued, in respect of the following two audits:

- Artistic Events Contracts and Cancellation Arrangements – an examination of the arrangements for management of event contracts to ensure that contractual requirements are met.
- Corporate Memberships and Sponsorship – an examination of controls over the income generated in respect of Corporate Sponsorship and Corporate Memberships, consideration of value for money in the administration of these fundraising schemes, and controls for ensuring that such fundraising activities are in line with the Barbican’s Strategic Plan and the Corporate Plan.

12. These audit reports are undergoing quality assurance review prior to formal circulation. There are also two further reports being prepared in respect of Barbican Events audit activity: Commercial Events Contracts and Cancellation Arrangements, and Event Decision-Making and Evaluation (Artistic and Commercial). Finalised outcomes will be reported to this Committee.

13. The terms of reference have been finalised in respect of an audit of Data Security which is focused on obtaining assurance that adequate mechanisms are in operation for the following:

- A data security strategy is in place with supporting policies and procedures to help regulate activity and manage cyber incidents
- Protection of the Barbican’s network with a range of measures such as firewalls to monitor and control network traffic, anti-virus software to protect from malware, and the use of penetration testing to identify weaknesses and appropriate mitigations.
- Network access is controlled with restriction based on business need.
- Secure configuration practices are in operation which include routine patching.
- Staff are made aware of cyber threats and the arrangements for cyber incident reporting.

14. Audit assignment planning is underway in respect of the remaining audits within the 2019-20 Plan to ensure completion by year-end.

### **Recommendations Implementation**

15. Live high priority recommendations are summarised at **Appendix 3** and a comparison of latest revised target dates to original agreed dates is shown. There are no live red priority recommendations and 18 amber priority recommendations, representing an increase of one recommendation since the last update to this Committee - two new recommendations having arisen from a recently finalised audit and one separate recommendation having been confirmed as implemented.

16. A recent corporate follow-up exercise has confirmed the status of all high priority recommendations due for implementation by 31st December 2019. Of the twelve Barbican recommendations within the scope of this exercise, there has been

slippage in implementation in respect of ten with revised target timescales provided to Internal Audit. Internal Audit are liaising with Barbican Management to obtain a revised target date for demonstration of implementation in respect of one further recommendation and follow-up testing has been scheduled in respect of the remaining recommendation.

17. Internal Audit has reiterated the importance of setting realistic timescales for demonstrating recommendations implementation. Management continue to be reminded that any implementation actions which are extended beyond the revised target date will likely be subject to challenge by the Audit and Risk Management Committee, whose expectation is that there should only be one extension to implementation timescales unless the circumstances are exceptional.
18. Green priority recommendations are not subject to Internal Audit follow-up although it is recommended that Management review these periodically to determine the risk presented to operations. Barbican Management have recently provided status updates in respect of live green priority recommendations which has reduced the overall position from 36 at the time of the last update to this Committee to nine as at January 2020.

### **Forward Planning**

19. The Internal Audit Strategy 2018-2021 has been subject to annual review to ensure that resources are targeted appropriately. Internal Audit are reviewing proposed audit coverage for 2020-21 in conjunction with Barbican Management and the updated Plan will be circulated to members of this Committee upon agreement.

### **Conclusion**

20. Audit Plan delivery is ongoing but has been impacted by Internal Audit staff absence. Reports recently finalised have resulted in one moderate and one substantial assurance opinion.
21. Internal Audit follow-up activity has identified further slippage in the implementation of high priority recommendations, with ten out of twelve recommendations due by 31<sup>st</sup> December 2019 subject to revised target dates. There has been a significant reduction in the number of live green priority recommendations following the submission of status updates to Internal Audit by Barbican management.
22. Proposed audit coverage for 2020-21 is under discussion with Barbican Management.

## **Appendices**

- Appendix 1 – Finalised Audit Outcomes
- Appendix 2 - Internal Audit Plan Delivery
- Appendix 3 – Live High Priority Recommendations as at January 2020

### **Matt Lock**

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## Outcomes of Finalised Audits

### Financial Monitoring and Income Generation – **Substantial Assurance**

<b>Recommendations</b>	<b>Red</b>	<b>Amber</b>	<b>Green</b>	<b>Total</b>
Number Made:	0	0	2	2

1. The Strategic Plan contains a goal related to Mixed Income Generation to support the Barbican's attempts to create sustainable growth through innovation across arts, learning and commercial activities. There are six change objectives and a series of projects that have been identified to aid achievement of the strategic goals and these are supported by a high-level business plan. Current year budgets are monitored as well as following year budgets, as planned activity is firmed up; there is a rolling process and anticipated income / expenditure is added as projects are confirmed.
2. The budget setting process covering 2018/19 and 2019/20 was found to involve officers at various levels of seniority, the Finance Committee and the Board. The budget was confirmed to take account of the previous year's financial performance, developments, and efficiency targets. Budget holders had been assigned to each budget and there was clearly defined accountability over financial performance.
3. Sales performance across key income streams was monitored regularly. Regular reports were being produced for box office income, retail sales and catering, and these had been reviewed by the officers responsible for these operations and those with oversight responsibilities.
4. Management accountants were found to have been assigned responsibility for specific budget areas. Meetings had been held between the management accountants and budget holders to discuss budget variances and forecasts. A Full Business Review Report had been produced every two months and this was found to contain a breakdown of the budget into various income streams and expenditure categories, variance analysis, corrective actions and additional narratives to provide a detailed picture of the financial position of the Centre.
5. Finance was a standard agenda item at monthly Director's meetings and finance related matters were confirmed to have been reported to the Director's meeting. The Full Business Review Reports had also been presented to the Finance Committee and the Board every two months.

### IT Projects – **Moderate Assurance**

<b>Recommendations</b>	<b>Red</b>	<b>Amber</b>	<b>Green</b>	<b>Total</b>
Number Made:	0	2	3	5

6. The Barbican's Strategic Plan is used to direct activities to ensure alignment with strategic goals. IT projects are generally considered by the Digital Strategy Team

to facilitate improvement in respect of Visitor Experience (Goal 1) and Audience Development (Goal 5), and to a lesser extent support delivery of the remaining goals: Connecting Learning and Arts (Goal 2), Mixed Income Generation (Goal 3) and Culture Mile (Goal 4). Non-strategic IT projects may not identify which strategic goal they seek to address as their focus is on enabling other areas of the Barbican to achieve particular goals.

7. The Digital Strategy provides the overarching framework for IT-related projects. The Strategy is principle-led and is intended, amongst other things, to inform decision-making related to the five digital domains: infrastructure, communications, content, partnerships, and arts, learning and commercial. Audit testing confirmed that processes have been established for IT project management, with amber priority recommendations made to further strengthen the control framework through the following:
  - Clarification as to what constitutes a strategic IT project.
  - Documentation of project initiation steps for non-strategic IT projects, including Project Initiation Form (PIF) requirements and demonstration of the link between project objectives and strategic goal delivery.
8. Roles and Responsibilities have been defined to facilitate IT project delivery. The Technology Programme Oversight Group, consisting of senior stakeholders from several departments, is responsible for monitoring its delivery progress. The Strategy document is owned by the Director of Learning and Engagement, and it was confirmed that the duties for management of IT projects throughout their life cycle are assigned to two teams: The Business Systems Projects Team and the IT Infrastructure Projects Team.
9. Various tools are used to capture relevant management information to facilitate IT project progress monitoring. Audit testing in respect of the Website and Intranet projects confirmed that regular monitoring has been performed as a routine part of the IT project life cycle. The Barbican has adopted the Agile project management methodology and JIRA project management software which provides project progress visibility through an activity dashboard. Where projects do not lend themselves to the Agile approach, Microsoft Planner is utilised.
10. Audit testing in respect of reporting arrangements confirmed that several layers are in operation, from monthly Directors' meetings to updates to the Board, with senior management reporting focused primarily on strategic projects. Strategic project reporting sets out the impact of project delivery on operations, for example a rise in visitor numbers or increase in engagement with website content.



## Internal Audit Work 2019-20

Project	Current Stage	Assurance Rating	Recommendations			
			Total Red	Total Amber	Total Green	Total
<u>Financial Monitoring</u> An examination of the arrangements in operation to seek opportunities to maximise income and manage the financial performance of the Centre.	Complete	Substantial	0	0	2	2
<u>IT Projects</u> An examination of the framework for delivery of IT Projects to support the achievement of the Barbican's strategic objectives.	Complete	Moderate	0	2	3	5
<u>Artistic Events: Contracting</u> An examination of the arrangements for management of artistic event contracts, including cancellation arrangements, to ensure that contractual requirements are met.	Fieldwork Complete	-	-	-	-	-
<u>Artistic Events: Decision-Making &amp; Evaluation</u> An examination of the: <ul style="list-style-type: none"> <li>Decision-making processes related to event programming, including risk assessment, approval arrangements and demonstration of alignment with the strategic vision and associated goals.</li> </ul>	Fieldwork Complete	-	-	-	-	-

Project	Current Stage	Assurance Rating	Recommendations			
			Total Red	Total Amber	Total Green	Total
<ul style="list-style-type: none"> <li>Monitoring and reporting of event activity to senior management to enable evaluation of outcomes, including financial performance, against the Barbican's strategic goals.</li> </ul>						
<u>Commercial Events: Decision-Making, Contracting &amp; Evaluation</u>  As above in respect of the two Artistic Events audits.	Fieldwork Complete	-	-	-	-	-
<u>Sponsorship &amp; Donations</u>  An examination of the control framework in respect of: the income generated in respect of Corporate Sponsorship and Corporate Memberships, consideration of value for money in the administration of these fundraising schemes, and controls for ensuring that activities are in line with the Barbican's Strategic Plan and the Corporate Plan.	Fieldwork Complete	-	-	-	-	-
<u>Data Security</u>  An examination of arrangements in operation for mitigating the risk of cyber security breach to obtain assurance that arrangements are in place to manage both current and emerging issues.	Fieldwork in Progress	-	-	-	-	-

Project	Current Stage	Assurance Rating	Recommendations			
			Total Red	Total Amber	Total Green	Total
<u>Facilities Management &amp; Maintenance</u>  An examination of the Facilities Management arrangements, including structures, contracts and policies, and the maintenance arrangements to ensure that we provide suitable facilities that are safe, compliant and well-managed.	Not Initiated	-	-	-	-	-
<u>Security</u>  An examination of the arrangements in operation for management of physical security of the Barbican Centre.	Not Initiated	-	-	-	-	-
		<b>TOTAL</b>	-	-	-	-

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## Schedule of Barbican Centre Live Red and Amber Priority Recommendations as at January 2020

Recommendation Area	Priority	Status	Original Target Date	Revised Target Date	Comment
1. <u>Visitor Experience (MK 2702):</u> Common understanding of 'visitor experience'.	Amber	Overdue	31/08/18	31/12/19	<p><u>Management Comment:</u> We have recently conducted an audience segmentation exercise and associated review which has led to a closer definition of the different types of visitors. The following phase is to roll out training to departments. This has in progress. This is joined up with the wider audience experience training which will ensure a further one team approach to our customer experience and understanding.</p> <p><u>Internal Audit Comment:</u> Partial implementation has been confirmed. A revised target timescale of 31/07/2020 has been supplied for rollout of the training to promote consistency.</p>
2. <u>Visitor Experience (MK 2704)</u> Improved 'Line of sight' between strategic aims and operational activities to embed 'visitor experience' within the organisational culture.	Amber	Overdue	31/01/19	31/12/19	<p><u>Management Comment:</u> The new Strategic Plan and business plan aid this. These are on the work plan for both the Board and MT to gain regular updates.</p> <p><u>Internal Audit Comment:</u> Evidence of implementation is awaited. A revised target timescale of 31/07/2020 has been supplied for demonstration of implementation.</p>

Recommendation Area	Priority	Status	Original Target Date	Revised Target Date	Comment
3. <u>Visitor Experience</u> (MK 2705) Business Plan content update to reflect SMART objectives supporting delivery of strategic goals.	Amber	Overdue	30/11/18	31/12/19	<u>Management Comment:</u> Draft KPI areas went to the Board in November 2019. As work develops on the business plan these will be fleshed out and finalised in the new year – Revised date – 31/05/2020.
4. <u>Visitor Experience</u> (MK2708): Data measurement, analysis and dissemination to interested parties to facilitate monitoring of delivery against the Strategic Goal.	Amber	Overdue	31/05/19	31/12/19	<u>Management Comment:</u> This is linked to recommendation 2702. A revised target timescale of 31/07/2020 has been supplied for demonstration of full implementation.
5. <u>Visitor Experience</u> (MK2706): Business Plan progress monitoring to obtain assurance that all the projects / activities relating to the Visitor Experience Strategic Goal are being delivered.	Amber	Overdue	30/11/18	31/12/19	<u>Management Comment:</u> Updates are on the work plan for both the Board and Management Team.  <u>Internal Audit Comment:</u> A revised target timescale of 31/07/2020 has been supplied for demonstration of full implementation.
6. <u>Barbican Retail and Bars</u> (MK 2582) Retail stock ordering – increased automation.	Amber	Overdue (Partially Implemented)	31/07/18	31/12/19	<u>Management Comment:</u> The tender is being published after the Christmas period. Depending on the implementation period we would have a new system in place at the earliest of March 20 and the latest July 20. A revised target timescale of 31/07/2020 has been supplied for demonstration of full implementation of these recommendations.
7. <u>Barbican Retail and Bars</u> (MK 2585) Retail - online sale system interface with the EPOS system.	Amber	Overdue (Partially Implemented)	31/07/18	31/12/19	

Recommendation Area	Priority	Status	Original Target Date	Revised Target Date	Comment
8. <u>Barbican Retail and Bars (MK 2588):</u> Retail – streamlining of stocktake arrangements.	Amber	Overdue (Partially Implemented)	31/07/18	31/12/19	
9. <u>Barbican Retail and Bars (MK 2591):</u> Retail – information capture in respect of internal sales.	Amber	Overdue	31/07/18	31/12/19	
10. <u>Barbican Retail and Bars (MK 2587):</u> Bars – inclusion of till points within CCTV coverage.	Amber	Overdue	31/05/18	31/12/19	<p><u>Management Comment:</u> The larger Barbican wide CCTV project which has been procured centrally for all City departments has seen further delay to 2020. This is due to planning and procurement.</p> <p><u>Internal Audit Comment:</u> A revised target timescale of 31/07/2020 has been supplied.</p>
11. <u>Barbican Retail and Bars (MK 2584):</u> Bars – accurate capture of stock cost information on the EPOS system.	Amber	Overdue (Partially Implemented)	30/04/18	31/12/19	<p><u>Internal Audit Comment:</u> Barbican Management have advised that this control is in operation and are liaising with Internal Audit to complete follow-up testing.</p>
12. <u>Strategic Planning (MK 2968):</u> Development of SMART KPIs	Amber	Not Yet Due	30/09/19	31/03/20	<p><u>Internal Audit Comment:</u> Recommendation is already partially implemented.</p>

Recommendation Area	Priority	Status	Original Target Date	Revised Target Date	Comment
13. Strategic Planning (MK 2967): Completeness of Project Initiation Forms	Amber	Not Yet Due	30/09/19	31/03/20	
14. Fraud Risk Management (MK 3174): Engineering Stock Procedures	Amber	Not Yet Due	31/08/19	31/01/20	
15. Fraud Risk Management (MK 3168): Fraud Awareness Training	Amber	Not Yet Due	20/03/20	-	
16. Fraud Risk Management (MK 3169): Approval for Use of Consultants	Amber	Overdue	31/07/19	31/12/19	Internal Audit Comment: Revised target date for demonstration of full implementation to be confirmed.
17. Barbican IT Projects (MK 3111): Strategic Project Definition	Amber	Not Yet Due	31/12/20	-	
18. Barbican IT Projects (MK 3150): Project Initiation Forms for Non-Strategic Projects	Amber	Not Yet Due	31/01/20	-	

Recommendation Status		Partially Implemented	Not Implemented	Revised Target Date To Be Confirmed	Target Date Revised Since November 2019 Committee
Live red priority recommendations	0	0	0	0	0
Live amber priority recommendations	16	6	10	1	10
<b>TOTAL</b>	<b>18</b>	<b>6</b>	<b>12</b>	<b>1</b>	<b>10</b>



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