

<b>Committee(s):</b> Barbican Risk Committee – For Information	<b>Date(s):</b> 04/11/2019
<b>Subject:</b> Internal Audit Recommendations Follow-up	<b>Public</b>
<b>Report of:</b> Head of Audit and Risk Management	<b>For Information</b>
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### Summary

This report has been prepared to provide Members with a status update on the implementation of high priority Internal Audit Recommendations made relating to the Barbican Centre.

The number of live high priority recommendations has reduced from eighteen to seventeen since the last update to this Committee in July 2019. Revised target dates have recently been supplied in respect of five of these recommendations as a result of implementation slippage, and one of these is now overdue with a further revised target timescale required for demonstration of full implementation.

As at the end of October 2019 there are thirty-six live low (green) priority recommendations; this category of recommendation is not currently subject to formal Internal Audit follow-up activity.

### Recommendation(s)

Members are asked to:

- Note the report.

### Main Report

#### Background

1. The Barbican Risk Committee receives regular status updates on the implementation of high priority (Red and Amber) Internal Audit recommendations made in respect of the Barbican Centre. This report provides Members with the latest position, based upon information received from the Barbican Centre Audit Liaison and audit examination of implementation evidence.

#### Current Position

2. Internal Audit follow-up activity has determined that at the end of October 2019 there are no live red priority recommendations and seventeen live amber priority recommendations related to Barbican Centre audits. This position presents a reduction of one recommendation since the July 2019 report to this Committee.

3. A summary of live high priority recommendations is provided at **Appendix 1** and a comparison of revised target dates to original agreed dates is shown where available. Internal Audit follow-up work has confirmed the following:
  - There has been implementation timescale slippage in respect of five high priority recommendations since the July 2019 Update Report.
  - Revised target timescales and explanations for delay have been supplied to Internal Audit in respect of the implementation slippage since July 2019.
  - One of these revised target timescales - 25/10/19 - has not been met and a further revised target date is required for demonstration of full implementation. This recommendation is now overdue. An explanation has not been supplied in respect of the second (recent) instance slippage for this overdue recommendation.
  - Of the seventeen live high priority recommendations, only one is understood to be progressing in line with its original implementation date.
  - Partial implementation has been demonstrated since the July 2019 Update Report in respect of two of the seventeen live high priority recommendations.
4. A corporate follow-up exercise is underway in respect of high priority recommendations due for implementation by 31/10/19 and there are four Barbican Centre recommendations which fall within the scope of this activity. The follow-up outcome will be reported to the November meeting of the Audit and Risk Management Committee and will reflect the following in respect of the Barbican Centre:
  - Audit testing has confirmed that two recommendations have been partially implemented and two have not been implemented i.e. no progress demonstrated.
  - Revised target timescales for demonstration of full implementation have been supplied in respect of three recommendations.
  - The recent revised target date for implementation of one recommendation has not been met and the recommendation is now overdue.
5. 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 may 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.
6. Internal Audit will continue to work with the Barbican Centre Audit Liaison to determine the progress of implementation of outstanding high priority recommendations, closing down the recommendations upon receipt of appropriate evidence. As at the end of October 2019, there are thirty-six live green priority recommendations; this category of recommendation is not subject to Internal Audit follow-up although it is recommended that Management review these periodically to determine the risk presented to operations.

## **Conclusion**

7. Limited evidence has been supplied to Internal Audit in respect of recommendations implementation progress since the last report made; one recommendation has been closed down and partial implementation has been demonstrated in respect of two.
8. There is a high instance of implementation slippage for the Barbican Centre with sixteen of the seventeen live high priority recommendations subject to a revised target date.
9. Internal Audit work is ongoing to confirm implementation progress and to obtain a revised target date for the overdue high priority recommendation.

## **Appendices**

- Appendix 1 – Summary of Live High Priority Recommendations

## **Background Papers**

- Report to Barbican Risk Committee: Internal Audit Update Report (July 2019)

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