

RISK COMMITTEE OF THE BARBICAN CENTRE BOARD

Tuesday, 20 January 2015

Minutes of the meeting of the Risk Committee of the Barbican Centre Board held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Tuesday, 20 January 2015 at 1.45 pm

Present

Members:

Deputy Catherine McGuinness (Chairman)
Deputy John Tomlinson (Deputy Chairman)
Brian McMaster
Keith Salway

In Attendance

Officers:

Paul Nagle	Head of Internal Audit, Chamberlain's Department
Sir Nicholas Kenyon	Managing Director, Barbican Centre
Michael Dick	Director of Operations & Buildings, Barbican Centre
Niki Cornwell	Head of Barbican Finance, Chamberlain's Department
Gregory Moore	Town Clerk's Department

1. APOLOGIES

Apologies for absence were received from Lucy Frew and Jeremy Simons.

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

There were none.

3. MINUTES

The public minutes and summary of the meeting held on 14 October 2014 were approved.

4. INTERNAL AUDIT UPDATE

The Committee received a report of the Head of Audit & Risk Management providing an update on the internal audit reviews undertaken between November 2014 and January 2015 as well as further information on the progress being made on the completion of the 2013/14 internal audit plan. An update was also provided in respect of the schedule of planned work for 2014/15, and the draft internal audit plan 2015/20 was also presented for Members' comments.

The Head of Internal Audit prefaced the report by advising that he had now taken up a secondment within the Chamberlain's department, leading on

projects associated with realising Service Based Review savings. As such, he has vacated the post of Head of Internal Audit for the next twelve months. He has been replaced for this period by Chris Harris of Baker Tilly, who due to other prior commitments could not attend this meeting. Members thanked the out-going Head of Internal Audit for his contributions to date and wished him well in his new role.

The Head of Internal Audit subsequently introduced his report, advising that four pieces of work had been completed since the last meeting. He also took the opportunity to highlight the review in to PBX fraud, which had been added to the plan in recognition of a potential threat.

A Member noted the reference in the report to planned work being rescheduled as a result of emerging priorities, seeking confirmation that this reprioritisation was solely as a result of emerging high priority issues and not a result of insufficient resource. The Head of Internal Audit advised that an element of prioritisation and flexibility in responding to unanticipated issues always existed, but conceded that the recent resignation of one auditor would add some additional pressures until their replacement was in post. He advised that the general resource level this year was broadly the same as the previous year, which he was comfortable with; however, 2016/17 would be more challenging as savings within the team would need to be made. As a result, the team would be looking to improve the efficiency of how it worked so that it could deliver the same service with a lower level of resource.

A Member also noted a reference in the report to the internal audit team's focus on the delivery of savings, cautioning that the key focus of internal audit should be on the quality of internal controls. The Head of Internal Audit clarified that the comment on savings referred to the team's internal focus on delivering its own savings and apologised for the ambiguous wording, reassuring Members that internal audit's primary focus would continue to be the effectiveness of internal controls in the management of risk.

The Deputy Chairman observed that the international enterprise review had been deferred until 2015/16, asking why this was the case and cautioning that the overseas nature of this element of the business meant that there were inherently more risks associated with it. The Head of Internal Audit explained the rationale behind the delay, advising that the Barbican were currently in the process of reviewing their own arrangements in this area and also wanted to factor the learning from the Digital Revolution exhibit in to any review. Accordingly, the proposed delay was only for a few months until the start of 2015/16, which would facilitate the inclusion of this learning and give greater meaning to the review.

The Committee noted that it would be helpful to be informed where there were overdue recommendations for implementation stemming from audits, consequently requesting that a schedule of overdue recommendations for implementation be included within this paper in future.

Discussion subsequently turned to the proposed draft audit plan 2015/20, with Members suggesting that some of the items did not seem to be areas where one would naturally expect internal audit to play a role or where a disproportionate amount of time seemed to be allocated, for instance, budget setting and cost estimates/cost plans. It was also suggested that ICT security could benefit from an additional review on top of the extensive penetration internal testing already performed by the team given the increasing importance of this area. The Head of Internal Audit explained that there had been regular coverage of IS/IT areas over the last 2 to 3 years, and recent audit work in this area had concluded controls were strong and no recommendation were made. As a result no internal audit coverage had been planned for 2015/16.

The Head of Internal Audit thanked Members for their comments. At this point, Members' feedback would be incorporated and used to refine or revise the planned audits accordingly.

RESOLVED: That the progress of the current internal audit plan be noted.

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

There were no questions.

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

There were no urgent items.

7. **EXCLUSION OF THE PUBLIC**

RESOLVED – That under Section 100(A) 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 paragraph 3 of Part I of the Schedule 12A of the Local Government Act.

8. **NON-PUBLIC MINUTES**

The non-public minutes of the meeting held on 14 October 2014 were approved, subject to one amendment.

9. **OUTSTANDING ACTIONS**

The Board noted the outstanding actions list and received updates on the items thereon.

RECEIVED.

10. **RISK REGISTER**

The Committee received a report of the Chief Operating & Financial Officer advising Members of the risk management system in place at the Barbican, updating on the significant risks that had been identified and outlining measures for mitigation of these risks.

RESOLVED: That the report be received and its content noted.

11. **BAD DEBTS AND WRITE-OFFS**

The Committee received a report of the Chief Operating & Financial Officer detailing the Barbican debts incurred over a three year period from 2010 to 2013 and advising of those which it was proposed be written off.

RESOLVED: That the Committee

- note that the Managing Director intends to approve, under delegated authority, the write off of sixty items, each below £5,000, and
- note that further approval would be sought to write off eight items in excess of £5,000.

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

There was one question.

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 3.05 pm

Chairman

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