

RISK COMMITTEE OF THE BARBICAN CENTRE BOARD

Tuesday, 13 October 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, 13 October 2015 at 11.00 am

Present

Members:

Deputy Dr Giles Shilson (Chairman)
Deputy John Tomlinson (Deputy Chairman)
Lucy Frew
Sir Brian McMaster
Keith Salway

In Attendance

Officers:

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|---------------------|--------------------------------------------------------|
| Sir Nicholas Kenyon | - Managing Director, Barbican Centre |
| Sandeep Dwesar | - Chief Operating & Financial Officer, Barbican Centre |
| Michael Dick | - Director of Operations & Buildings, Barbican Centre |
| Leo Thomson | - Director of Audiences & Development, Barbican Centre |
| Nigel Walker | - Head of Security, Barbican Centre |
| Niki Cornwell | - Head of Finance (Barbican), Chamberlain's Department |
| Anna Simmonds | - Senior Audit Manager, Chamberlain's Department |
| Gregory Moore | - Town Clerk's Department |

1. APOLOGIES

Apologies were received from Deputy Catherine McGuinness and Judith Pleasance.

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

There were none.

3. MINUTES

The public minutes and summary of the meeting held on 9 June 2015 were approved.

4. OUTSTANDING ACTIONS

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

Whistleblowing: The Managing Director was asked to report back to the next meeting on the steps being taken to promulgate the policy to staff across the

Barbican Centre, with the Town Clerk asked to ascertain the arrangements for staff at Guildhall.

Artist Cancellations: The Director of Audiences & Development clarified that monetary refunds were only available when shows were fully cancelled, with exchanges or credit notes otherwise offered in lieu and with a validity of six months. It was noted that the vast majority of customers preferred to use this to see the same show on a different date.

Oracle Update: The Head of Finance confirmed that Drum Works and other such third party organisations linked to the Centre did not use the Oracle system and therefore there were no licensing concerns.

Security Costs: The Director of Audiences & Development advised that basic security costs were included in all contracts, with additional fees built in to the contracts if extra security was anticipated to be necessary in advance of the event. However, if it only became apparent that additional security was necessary late in the day, the Barbican tended to cover the cost and seek to negotiate back a proportion of the associated fee; such instances were rare and the costs low.

A Member suggested that it would be sensible to build in to contracts a clause reserving the right to charge the artist a limited additional amount of money for any extra security required, based on professional or police advice. Including a clause placing a duty of disclosure on artists if they were aware of a likely need for additional security was also suggested.

The Director thanked Members for the helpful points made and undertook to follow up on the suggestions.

RECEIVED.

5. **INTERNAL AUDIT UPDATE**

The Committee received a report of the Head of Internal Audit and Risk Management providing an update on Internal Audit activity undertaken at the Barbican Centre since June 2015 and analysing the delivery of planned reviews in 2015-16.

The ongoing Barbican International Enterprise review was discussed, with it asked if any there were issues emerging which would be of interest to the Committee. The Senior Audit Manager advised that, whilst there were two amber recommendations, the majority of areas had been rated as “green” to date, with overall assurance level of “green” so far.

The budget-setting review was also referenced, with it confirmed that the review would include a look at aspects of the timing and profiling of budgets and how variances were dealt with. It was also suggested that the statement on commitments to repay various internal loans to the City Corporation should form part of this review.

Discussion took place on the subject of how revenue accruing from productions which fell across financial years was allocated. Whilst Members were cognisant that rules around this were in place, they felt it would be beneficial to obtain an internal audit critique on the processes to gauge whether they were fully appropriate. The Head of Finance reassured Members that this issue was monitored closely by the Barbican's external auditors, with the agreement in place such that all revenue was allocated within one financial year only.

The longer term audit plan for the Barbican was tabled, which covered those audits scheduled for the next five year period. However, it was cautioned that re-planning took place each year and, as such, amendments would be made in response to emerging or changing areas of need.

A Member observed that a number of audits, all concerning contracts, were proposed to be split out and undertaken separately; given that they all effectively comprised the same process, it was asked if it would not be more sensible to undertake them concurrently as a single review. The Senior Audit Manager noted the comment and advised that she would look at this when revising the forward plan in the coming months, adding that changes would be made so that the plan presented in 2016 was more aligned to the Barbican's business plan.

The issue of information technology (IT) security was discussed, with it suggested that further reassurance should be provided in this area given its growing importance. It was advised that the Barbican's arrangements were audited as part of the City Corporation's general IT audit each year, but that in addition the Barbican employed experts to undertake its own more specific penetration tests to provide extra assurance. It was observed that it would be helpful to include the outcomes of such tests within the risk register and provide a summary of conclusions or an update to the Risk Committee in future, so as to provide additional confidence.

RESOLVED: That the delivery position for the 2015-16 Internal Audit Plan, the outcome of reviews completed to date and the proposed areas of coverage for forthcoming reviews be noted.

6. BRIBERY ACT 2010

The Committee received a report of the Head of Internal Audit and Risk Management providing information on the Bribery Act 2010.

It was asked if the City Corporation had an anti-bribery policy in place and if Barbican staff would be covered by this policy; the Town Clerk undertook to look in to the issue and report back.

A Member cautioned that the Act placed very strict duties and responsibilities upon organisations, such that they were liable even if any bribery was undertaken by individual sub-contractors without the organisation's knowledge. In the Barbican's case, this could lead to particular difficulties with touring exhibitions in countries where additional payments were a cultural norm or expected as part of regular transactions, as people on the ground were left in

difficult positions. It was urged that clear guidance around escalation procedures in such cases be prepared and distributed, and that back to back provisions be placed in to contracts with sub-contractors to make clear the Barbican's expectations.

The Head of Finance undertook to discuss the provisions within current contracts with the Comptroller and to speak with the Head of Barbican International Enterprises to get a sense of the existing guidance and reality on the ground; it was subsequently requested that a report be prepared for the next meeting setting out the guidance in place for staff, clarifying the policies currently in place and setting out the Barbican's position.

It was noted that this information could also be useful for other committees, and Internal Audit were asked to highlight the issue to others as appropriate.

RECEIVED.

7. PROCESS FOR CONTRACTING COMMERCIAL CLIENTS

The Committee received a report of the Chief Operating & Financial Officer setting out the processes in place for contracting Commercial events.

RECEIVED.

8. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

There were none.

9. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were none.

10. 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.

11. NON PUBLIC MINUTES

The non-public minutes of the meeting held on 9 June 2015 were approved.

12. 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.

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

There was one question.

14. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There was one urgent item, providing an update on the Centre for Music feasibility study.

At the conclusion of the meeting, the Chairman also took the opportunity to thank the **Director of Audiences & Development**, noting that this would be her last Risk Committee meeting before her departure to take up post as the new Managing Director of the Welsh National Opera. He took the opportunity to express his sincere gratitude on behalf of the Committee for the outstanding work she had delivered during her tenure and wished her good luck in her new role.

The meeting ended at 12.15 pm

Chairman

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