

Committee(s)	Dated:
Barbican Finance and Risk Committee	06/09/2021
Subject: Internal Audit Planning for 2022/23	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Head of Audit and Risk Management	For Information
Report author: Matt Lock	

Summary

The Internal Audit Planning approach includes consultation with the Internal Audit professional network, Senior Leadership and Members. Audit planning is largely undertaken in the Autumn period, with a view to securing an agreed Internal Audit plan before the end of March each year. Members of this Committee will be invited to feed into the Audit planning process for the Barbican Centre in November each year.

Recommendation(s)

Members are asked to:

- Note the Internal Audit planning approach
- Propose any potential areas where the Committee would value Internal Audit coverage

Main Report

Background

1. Internal Audit work is delivered against an annual plan. Recognising the Barbican Centre as an Institution of the City of London Corporation, a subset of the wider Audit plan is maintained and delivered, aligned to the requirements of the Barbican Centre and assurance requirements of this Committee and the Board.

Current Position

2. This report has been prepared at the request of the Chair of the Committee to inform Members of the process and timetable for preparation of the forward programme of Internal Audit work. The Barbican Centre Internal Audit Plan usually comprises 4 Audit reviews each year.

Planning Approach and Timeline

3. There are 4 key elements to preparing an Internal Audit Plan:
 - Identification of key systems of internal control
 - Horizon scanning/consultation across the Internal Audit professional network
 - Consultation with Senior Leadership
 - Consultation with Members
4. The first element relates to the rolling programme of work, usually part of a 3 year programme of activity comprising key financial audits and probity work. This will largely be determined by the Head of Audit and Risk Management as this is the basis on which an annual opinion is formed on the adequacy of the City of London Corporation's internal control environment.
5. Horizon scanning takes place throughout the year although there are some specific publications from professional institutions such as the Chartered Institute of Internal Auditors that are published each Autumn. This information provides details of key and emerging risks that are identified from a survey of many organisations across many sectors, there is a consideration as to whether there are similar assurance requirements for the City Corporation and any of its services. This may result in suggested areas of Audit coverage.
6. Consultation with Senior Leadership usually takes place during October or November and will consider areas of previous Audit coverage, new areas proposed by the Head of Audit and Risk Management and key areas of risk identified by management. The outcome of this process is a draft Audit Plan for Member consideration, the Finance and Risk Committee can therefore expect to receive the 2022/23 Draft Internal Audit Plan at its November meeting.
7. As part of the Member consultation, the Committee will be invited to comment on and feed into the proposed Audit Plan, the finalised Audit Plan will be reported to the March Committee meeting. This report presents an early opportunity for Members to feed into this process and comments are welcome at this stage, a summary of current and previous Internal Audit coverage is included as Appendix 1.
8. It should be noted, however, that while we refer to a final Audit Plan, the plan will always remain open to amendment throughout the year to enable this to flex to meet emerging priorities and risks. Any changes to the plan will be reported to the Committee.

Changes to the Internal Audit Plan in Relation to the Target Operating Model

9. In response to the wider organisational change currently taking place within the City of London Corporation the Internal Audit approach is being reviewed. The primary purpose of this review is to ensure that we are making the best use of the limited resources available and achieving an appropriate balance between providing assurance in relation to the key control environment and other areas of strategic significance. Initial thinking in this area is that we will introduce a corporate wide programme of activity that looks at the effectiveness of key financial controls across the wider organisation, sample testing will incorporate all Institutions of the City Corporation. This work would, in effect, largely form the element of the Barbican

Internal Audit plan developed from “identification of key systems of internal control” described above, the relevant findings will continue to be reported to this Committee. Some examples of the systems that will fall into this category are; Payroll, Accounts Payable/Expenditure, Purchase Cards, the wider Audit planning process may identify further compliance based activity.

Corporate & Strategic Implications

10. The Internal Audit Plan is designed to provide assurance as to the adequacy of the City of London Corporation’s systems of internal control and governance. A subset of the Internal Audit Plan is aligned with the priorities and requirements of the Barbican Centre as an Institution of the City Corporation.

Conclusion

11. The Internal Audit Planning approach includes consultation with the professional network, Senior Leadership and Members. Members of this Committee will be invited to feed into the Audit planning process in November each year although comments and suggestions are welcome in response to this report, or indeed at any other point in the year.

Appendices

- Appendix 1 – Summary of Current and Previous Internal Audit Coverage

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Current and Previous Internal Audit Coverage:

2021/22 Planned Audit Reviews	2020/21 Completed Audit Reviews	2019/20 Completed Audit Reviews	2018/19 Completed Audit Reviews
Fire Safety	Health and Safety	Financial Monitoring	Strategic Planning, Monitoring & Implementation
Retail - Online Shop and Branded Merchandise	Ticketing System	Data Security	Fraud Risk Management
Ticketing - Re-issue, Re-sale and Refund (spot-check)	Bars	Artistic Events Decision Making and Evaluation	IT Projects (CRM, Agile Working, Ticketing System)
Spektrix - revisited	Facilities Management	Corporate Membership and Sponsorship	Commercial Events
	Security		Events Contracting