

<b>Committee(s)</b> Finance & Risk Committee of the Barbican Centre Board	<b>Dated:</b> 08/01/2025
<b>Subject:</b> Internal Audit Update	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	N/A
<b>Does this proposal require extra revenue and/or capital spending?</b>	N
<b>If so, how much?</b>	N/A
<b>What is the source of Funding?</b>	
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	N/A
<b>Report of:</b> Head of Internal Audit	<b>For Information</b>
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### Summary

This report provides Members with an update on Internal Audit activity related to the Barbican Centre since the report to the November 2024 meeting of this Committee. Assurance work progressed since the last update includes finalisation of a Contract Management audit and finalisation of an audit brief in respect of Health and Safety, and commencement of audit fieldwork in respect of Safeguarding.

As at mid-December 2024 there are eight live high (red) priority and eighteen live medium (amber) priority recommendations, four and five of which arose in the recently finalised audit.

Details of indicative high-level audit coverage for 2025-26 are provided for comment.

### Recommendation(s)

Members are asked to note the report and provide feedback in respect of the forward programme of assurance work.

### Main Report

#### Background

1. Internal Audit provides assurance on the effectiveness of internal controls through delivery of its risk-focused audit programme, developed in consultation with Barbican Centre Management, and incorporating timely follow-up activity to confirm the resolution of issues identified during audit testing.
2. The Internal Audit Section operates in accordance with the Public Sector Internal Audit Standards and its Charter reflects that the remit of audit work covers the entire control environment of the City of London Corporation (the Corporation), of which the Barbican Centre is an institutional department.
3. This Committee receives updates in respect of the delivery of relevant Internal Audit work i.e. Barbican Centre audits and corporate audits incorporating testing of Barbican Centre controls, and the implementation of high (red) and medium (amber) priority audit recommendations.

## Delivery of Internal Audit Work

4. A breakdown of assurance work delivery between the last Internal Audit update and mid-December 2024 is set out in **Appendix 1**. Detailed progress is set out under relevant headings below but key developments since the last update to this Committee can be summarised as follows:
  - The report in respect of the Contract Management audit has been finalised.
  - Finalisation of audit briefs for Health and Safety, and Safeguarding.
  - Commencement of audit fieldwork in respect of Safeguarding.
5. Audit fieldwork is underway in respect of a corporate review of P Cards, which is analysing usage to determine whether this is in line with the objectives of the Scheme and to evaluate the overall effectiveness of controls as applied in each department to ensure compliance. The outcome and detailed findings in respect of the Barbican Centre will be reported to this Committee post report finalisation.

### *Contract Management*

6. This audit formed part of a rolling programme evaluating local application of contract management activities, focusing on supplier performance and service delivery, internal contract management performance, and forward planning for contract review. The outcome was a limited assurance opinion, highlighting several opportunities to strengthen the control environment and ensure compliance with corporate expectations and the principles of effective contract management. The breakdown of recommendations raised is as follows:

High Priority	Medium Priority	Low Priority	Total
4	5	0	9

7. An executive summary is provided at **Appendix 2** and details of high and medium priority recommendations raised are included in **Appendix 3**.

### *Health and Safety*

8. This audit has been included in the agreed programme of Internal Audit assurance work to build upon the findings of a series of Health and Safety-related risk reviews in early 2024, which focused on administration of this risk as captured on Ideagen and resulted in moderate to limited assurance outcomes as set out below.

Risk Ref and Title	Date	Assurance
H&S 006 – Failure to Comply with Current Legislation	Feb 24	Limited
H&S 005 – Non-Compliance with Fire Regulations	Feb 24	Limited
H&S 008 - Fire Leading to Major Incident	Feb 24	Moderate

9. The key focus of the audit is providing an assurance opinion on the adequacy of the overall framework for ensuring appropriate Health and Safety practices throughout the Barbican Centre. Audit testing will also evaluate the extent to which the issues highlighted during the risk reviews have been satisfactorily addressed. Audit coverage and timescales have been agreed, with fieldwork commencing in January 2025 and concluding in February 2025.

## *Safeguarding*

10. Fieldwork is underway in respect of this audit, programmed to build upon the findings of the (May) 2024 safeguarding risk review\*, which focused on administration of this risk as captured on Ideagen and resulted in a limited assurance outcome. The key focus of this audit is providing an assurance opinion on the adequacy of the overall framework for ensuring appropriate safeguarding practices throughout the Barbican Centre.

*\*' BBC CL 02: "Failure of Safeguarding Procedures", score: 12, target score: 4.*

11. The audit is evaluating the extent to which:

- There are mechanisms in operation for the implementation and maintenance of policies and procedures which align with relevant safeguarding requirements.
- There is adequate dispensation of training, guidance and comms to ensure that staff and contractors are aware of safeguarding requirements.
- There are monitoring arrangements established to ensure adherence to safeguarding practices.
- There is clear accountability, supported by appropriate escalation and reporting arrangements to facilitate oversight of safeguarding activities, including a clear line of sight to relevant committees.

12. Audit testing is also incorporating validation of BBC CL 02 Safeguarding risk mitigation actions insofar as they relate to the above control objectives. Audit fieldwork completion is anticipated in January 2025 with report finalisation by the end of the month, subject to timely receipt of the management response.

## Recommendations Implementation

13. As at mid-October 2024, there are eight live high (red) and eighteen medium (amber) priority recommendations, four and five of which were raised as part of the recently finalised audit. Details of the live recommendations are set out in **Appendix 3**.

14. Formal follow-up exercises will be undertaken in 2025-26 in respect of Business Continuity, Financial Controls and Contract Management, in line with implementation target dates. The timing of follow-ups in respect of Health and Safety, and Safeguarding, will be determined upon audit report finalisation.

## Forward Programme

15. High level proposals for audit coverage in 2025-26 comprise a review of Barbican Renewal Project Governance and examination of the following areas as part of a rolling programme, with the precise scope to be confirmed:

- Facilities Management
- Contract Management
- Income Controls
- Risk Management

16. Planned corporate reviews may also directly involve / impact the Barbican Centre – for example Procurement.

17. The input of this Committee is sought in terms of the forward programme. Internal Audit assurance activity is expected to comprise four or five reviews, depending on the scale and depth of coverage, supplemented by follow-up work.

### **Corporate & Strategic Implications**

18. The overall programme of Internal Audit work is designed to provide assurance as to the adequacy of the City of London Corporation's systems of internal control and governance. This programme of activity is aligned with the Corporate Plan, Corporate Risk Register and Departmental Top Risks. The Barbican, as an institutional department of the Corporation, has a sub-programme of Internal Audit work that includes audit assignments specific to the activity of the Barbican and regular follow-up activity in respect of recommendations implementation.

### **Conclusion**

19. Members are asked to note the delivery position in respect of the ongoing programme of assurance work, the outcome of finalised reviews, the live recommendations position and proposals for the forward programme of assurance work.

### **Appendices**

- **Appendix 1: Internal Audit Assurance Work (Non-Public)**
- **Appendix 2: Outcomes of Recently Finalised Reviews (Non-Public)**
- **Appendix 3: Live High and Medium Priority Recommendations (Non-Public)**

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