

Committee(s)	Dated:
Finance & Risk Committee of the Barbican Centre Board	23/06/2025
Subject: Internal Audit Update	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?	
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Head of Internal Audit	For Information
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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 January 2025 meeting of this Committee and a cumulative summary of work for the 2024-25 year. Assurance work progressed since the last update includes finalisation of a 2024-25 Safeguarding audit, completion of audit fieldwork in respect of Health and Safety and two follow-up exercises in respect of 2024-25 audits.

As at early June 2025 there are 8 live high (red) priority and 22 live medium (amber) priority recommendations, 5 (medium - amber) of which arose in the recently finalised audit. One recommendation was closed down during a recent follow-up.

A delivery update is provided in respect of relevant 2025-26 assurance work.

Recommendation(s)

Members are asked to note the report.

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 Global 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.

Assurance Outcomes 2024-25

6. **Appendix 1** provides an overview of assurance work outcomes within 2024-25, summarised as:
 - A risk review with a limited assurance outcome.
 - Four audits: two limited assurance and two moderate assurance outcomes.
 - A compliance check with a moderate assurance outcome.
 - A fourth round follow-up exercise which confirmed resolution of 5 issues from a 2020-21 audit.
7. Internal Audit is rolling out monthly dashboard reporting to share audit delivery updates, details of live issues and emerging themes from assurance work, with Chief Officers. An annual summary document has been prepared and is shown at **Appendix 2**.
8. Detailed progress is set out under relevant headings below, key developments since the last update to this Committee can be summarised as follows:
 - The 2024-25 Safeguarding audit has been finalised.
 - Audit fieldwork in respect of Health and Safety has been completed.
 - Two follow-up exercises have been carried out in respect of 2024-25 audits: Financial Controls and Business Continuity.

Safeguarding

9. This audit was included in the agreed programme of Internal Audit assurance work to build upon the findings of the (May) 2024 safeguarding risk review (BBC CL 02: "Failure of Safeguarding Procedures), which focused on administration of this risk as captured on Ideagen and resulted in a limited assurance outcome. The overall audit objective was to provide assurance over the adequacy of the control framework to ensure compliant safeguarding practices throughout the Barbican Centre. An executive summary is provided at **Appendix 3**.
10. A Moderate assurance opinion was given which was proportionate to the level of inherent risk in relation to safeguarding matters rather than fundamental weaknesses within arrangements at the Barbican - this coupled with the fact that there had been only one reported safeguarding incident within the previous 6 months which limited our ability to assess the effectiveness of arrangements in operation.
11. In total, 7 recommendations were made which colleagues responded positively to and prompt action was planned to resolve the issues identified during the audit. Follow-up is scheduled for September 2025 and will seek to evaluate the effectiveness of control improvements in practice.

Recommendations Implementation

12. As at mid-early June 2025, there are 8 live high (red) and 22 medium (amber) priority recommendations, 5 (medium – amber) of which were raised as part of

the recently finalised audit. Details of the live recommendations are set out in **Appendix 4**.

13. Formal follow-up activity has identified that target timescales for making necessary improvements have been over-optimistic in some cases, resulting in recommendations implementation slippage, and delaying closure. In other cases (Business Continuity), corrective action has been impacted by wider (corporate) developments. Follow-up information is set out below:

- Financial Controls, original audit finalised November 2024, Moderate assurance outcome. Follow-up May 2025:

	High Priority	Medium Priority	Low Priority	Total
Issues Raised	1	6	1	8
Issues Closed	0	1	0	1
Live Issues	1	5	1	7

- Business Continuity, original audit finalised July 2024, Limited assurance outcome. Follow-up May 2025:

	High Priority	Medium Priority	Low Priority	Total
Issues Raised	3	7	0	10
Issues Closed	0	0	0	0
Live Issues	3	7	0	10

14. Revised target timescales for implementation have been provided in some cases, as set out in Appendix 4), and Internal Audit will continue to liaise with recommendation owners to obtain assurance in respect of the necessary internal control improvements.

2025-26 Delivery Update

15. **Appendix 5** sets out the delivery position in respect of 2025-26 audit work and reflects fieldwork completion in respect of Health and Safety and the two recent follow-ups of 2024-25 audits, as set out above.

16. High level proposals for remaining audit coverage comprise reviews of Barbican Renewal Project Governance and rolling programme coverage in respect of Ticket Income, and Facilities Management and Maintenance. Scoping discussions will be held with Barbican Centre management to agree the approach and timing.

Corporate & Strategic Implications

17. 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

18. Members are asked to note the outcome of 2024-25 assurance work, the Internal Audit annual dashboard, the delivery position in respect of the ongoing programme of assurance work, the outcome of a recently finalised review and the live high and medium priority recommendations position.

Appendices

- **Appendix 1: 2024-25 Assurance Work Outcomes**
- **Appendix 2: Internal Audit Dashboard 2024-25**
- **Appendix 3: Outcome of Recently Finalised Review: Safeguarding**
- **Appendix 4: Live High and Medium Priority Recommendations**
- **Appendix 5: 2025-26 Assurance Work Delivery**

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