

<b>Committee(s)</b> Finance & Risk Committee of the Barbican Centre Board	<b>Dated:</b> 30/09/2025
<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>	No
<b>If so, how much?</b>	N/A
<b>What is the source of Funding?</b>	N/A
<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>
<b>Report author:</b> Cirila Peall, Audit Manager	

### Summary

This report provides Members with an update on Internal Audit activity related to the Barbican Centre since the report to the June 2025 meeting of this Committee.

The update incorporates the delivery status of relevant Internal Audit work i.e. Barbican Centre audits and follow-up exercises, the outcome of corporate audits incorporating testing of Barbican Centre controls, and a breakdown of live high (red) and medium (amber) priority audit recommendations.

### 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.
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.

#### Key Developments

3. Key developments since the last update to this Committee are summarised as:
  - Finalisation of the audit of Barbican Centre Health and Safety.
  - Completion of the 2024-25 Financial Controls audit second round follow-up.
  - Initiation of the audit of Renewal Programme Governance and two follow-up exercises: 2024-25 Business Continuity (second round) and 2024-25 Safeguarding (first round).
4. Detailed information on progress is set out under relevant headings below.

## Delivery of Internal Audit Work

5. The Barbican Centre 2025-26 assurance programme delivery status is as follows:

Assurance Work	Status	Rating	Recommendations Raised			
<u>Audits</u>			Low	Medium	High	Total
Health & Safety	Complete	Limited	0	3	4	7
Renewal Programme Governance	Fieldwork in Progress	N/A	-	-	-	-
Ticket Income	Not Initiated	-	-	-	-	-
Facilities Management & Maintenance	Not Initiated	-	-	-	-	-
Total			0	3	4	7
<u>Follow-Ups</u>			Low	Medium	High	Total
Original Audit	Stage	Outcome	Recommendations Implemented			
Business Continuity 2024-25	Second Round	Initiated	0	-/7	-/3	-/10
Financial Controls 2024-25	Second Round	Further Action req	0/1	1/6	0/1	1/8
Safeguarding 2024-25	First Round	Initiated	-/2	/5	0	-/7
Total Implemented			0/3	1/18	0/4	1/25

6. The executive summary and management action plan in respect of the finalised Health and Safety audit are provided at **Appendix 1**. The scope of the recently initiated Renewal Programme Governance audit is set out at **Appendix 2**. High level outcomes of the completed items are set out below. Internal Audit will liaise with Barbican Centre management to agree the timing of the uninitiated audits.
7. The status of corporate assurance work delivery relevant to the Barbican Centre is as follows:

Assurance Work	Status	Rating	Recommendations Raised			
<u>Audits</u>			Low	Medium	High	Total
Procurement Authorisation Reports (PARs): Commercial Service Checks	Complete	Substantial	0	0	0	0
Total			0	0	0	0

8. Substantial assurance was provided in respect of checks undertaken with the Commercial Service remit, but responsibility for ensuring compliance with the Procurement Code rests with the local (departmental) authoriser of the PAR form. Audit sample testing of PARs highlighted poor departmental process application, indicating that further work is required to embed a compliant corporate culture.

## Summary of Assurance Work Outcomes

9. The two recently completed Barbican-specific reviews have highlighted key areas for improvement within the control frameworks, offering insights to support enhanced operational effectiveness:
- **Barbican Centre Health and Safety:** limited assurance in respect of the overall framework for ensuring appropriate practices through the Barbican Centre. Issues from the 2024 risk reviews had also not been fully resolved (**Appendix 1**).
  - **Financial Controls Second Round Follow-Up:** seven of the eight original issues remain live, with progress demonstrated in some instances. A further round of follow-up will be carried out in November 2025 to evaluate the impact of action being taken to strengthen the control framework.

## Recommendations Implementation

10. As at early September 2025, there are twelve live high (red) and twenty-five medium (amber) priority recommendations, four and three of which were raised as part of the recently finalised Health and Safety audit. Details of the live recommendations are set out in **Appendix 3**. Follow-up of the Safeguarding (first round) and Business Continuity (second round) audits are in progress; all issues are assessed by Internal Audit as live pending receipt of implementation evidence

## **Corporate & Strategic Implications**

11. 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**

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

## **Appendices**

- **Appendix 1: Outcome of Recently Finalised Review (Non-Public)**
- **Appendix 2: Live Audit Assignment Scope Information (Non-Public)**
- **Appendix 3: Live High and Medium Priority Recommendations (Non-Public)**

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