



Internal Audit Dashboard: Quarter 2 – 2025/26

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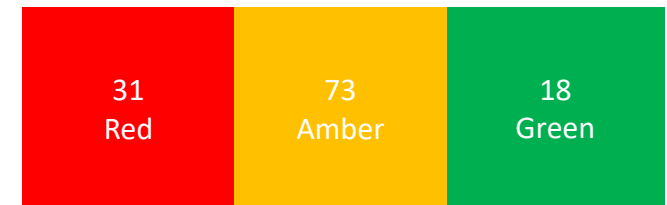
Quarter 2 – 2025/26 - Overview

Work completed in period

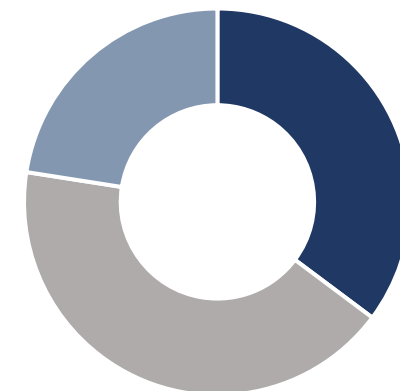
Final Audit Reports Issued

Chamberlain's	Contract Management	Substantial
Corporate Wide	Use of Consultants	Limited
City Bridge Foundation	Grants	Substantial
Environment	Natural Environment Risk Management	Substantial
City Surveyor's	Tower Bridge Mud Tanks Consultant Appointments	Substantial
Guildhall School of Music and Drama	Contract Management	Limited
Guildhall School of Music and Drama	Non-Substantive Workforce	Limited
Barbican	Health and Safety	Limited
Chamberlain's	Procurement Authorisation Report Checks	Substantial
Environment	Natural Environment - Fees and Charges	Substantial
Corporate Wide	Climate Action Programme	Substantial

All Open Recommendations: **122**



Overall Plan Delivery Status



■ Completed Audits ■ Not Yet Started ■ Work in Progress

Note: Insight reports follow for Limited Assurance outcomes

SCOPE AND OBJECTIVES

The purpose of this audit was to assess how consultancy deliverables are defined and managed, whether the use of consultancy is reasonable and proportionate and if services are delivered on time and within budget and to form an opinion on value for money. The audit also sought to evaluate the corporate and departmental frameworks in place to ensure compliance with off-payroll working rules governing the engagement of consultants.

SUMMARY OF AUDIT FINDINGS

It was not possible to complete this audit review as intended, owing to the absence of a structured and well governed framework of control over the use of consultants.

Supporting data is inconsistent and is of poor quality, which further undermines the ability to manage the overall use of consultants across the organisation.

It was not possible to form an opinion in relation to value for money or the extent to which compliance with IR35 is maintained.

KEY INSIGHTS

- Estimated spend in 2024/25 ranges from £18m-£64m
- There is no governance framework in place to ensure effective and efficient use of consultants
- No function within Corporate Departments has taken responsibility for oversight of the use of consultants

This is a significant Corporate level Internal Audit observation.

NEXT STEPS AND REQUIRED ACTION

- Create a standard definition of "Consultancy"
- Rationalise the range of budget codes that could be applied to consultancy spend
- Establish 2nd line oversight and governance of use of consultants.

Actions were agreed for completion by 30/10/2025, Internal Audit follow-up will take place in November.

SCOPE AND OBJECTIVES

In addition to the core establishment of staff, The Guildhall School engages a significant number of workers via various arrangements and working to different terms and conditions.

Our review evaluated the accessibility of complete and accurate data regarding non-substantive workers (fixed term and self-employed workers) and the availability of Institutional level guidance to ensure consistent terms and conditions for workers in similar roles. The overall objective was to provide assurance as to the adequacy and effectiveness of arrangements in place to ensure consistency and equality in respect of the terms and conditions of engagements of non-substantive workers.

SUMMARY OF AUDIT FINDINGS

There is insufficient management information regarding the scale and distribution of the non-substantive workforce at GSMD and no formal, organisation-wide criteria for categorising such workers. Testing focused on the Guildhall Young Artists Department, inconsistencies were found in pay rates and role classifications across different datasets and audit analysis was hampered by limitations to the available data.

KEY INSIGHTS

- The inconsistency of terms and conditions and basis for engagement creates a potential inherent risk to pay equality.
- If institutional parameters and expectations are not defined, it will be impossible to ensure consistency across the organisation.
- The financial implications of harmonising terms and conditions is unquantified.

A key contributing factor to the current position is the incorporation of various “satellite” organisations under the GSMD umbrella, with existing workers remaining on originally agreed terms and conditions. At present, this is an Institutional issue.

NEXT STEPS AND REQUIRED ACTION

- The GSMD leadership team are reflecting on the findings of this audit and seeking to develop an action plan to address the fundamental issue raised.
- The Audit and Risk Management Committee of the GSMD will monitor progress.

SCOPE AND OBJECTIVES

Part of a wider rolling programme of contract management checks across City of London Corporation departments, this audit examined arrangements for local contract management and monitoring. The Contracts Register included 18 contracts under GSMD with a combined annual value of approximately £1.6m.

The key objective of this audit was to evaluate local application of contract management activities, focusing on supplier performance and service delivery and forward planning for contract review.

SUMMARY OF AUDIT FINDINGS

The audit provided limited assurance over contract management controls, highlighting inaccuracies in the contract register, lack of awareness among contract managers and inconsistent application of corporate contract management principles. There was limited evidence of performance monitoring and forward planning for contract reviews, raising concerns about oversight, value for money, and the achievement of contractual obligations.

KEY INSIGHTS

While Limited assurance is given, this is in relation to the effectiveness of the control framework for contract management at the Institutional level.

- Financial materiality, particularly in relation to potential gains from adopting a more robust approach, is relatively low.
- Implementation of Internal Audit recommendations will support better outcomes from the operation of contracts.

NEXT STEPS AND REQUIRED ACTION

- A management action plan was agreed to address the 5 recommendations made by Internal Audit by 31/03/2026.
- The Audit and Risk Management Committee of the GSMD is monitoring progress against this action plan.

SCOPE AND OBJECTIVES

This audit was delivered following creation of the Barbican Centre's dedicated Health and Safety team and building upon findings from previous Internal Audit work. The key focus was to provide assurance on the adequacy of the overall framework for ensuring appropriate Health and Safety practices throughout the Barbican Centre. Audit testing also evaluated safety risk management administration and alignment with respective corporate Policy.

SUMMARY OF AUDIT FINDINGS

The audit found that while there has been significant progress in embedding the dedicated H&S Team and identifying gaps in the Centre's H&S framework, the internal control system remains incomplete and the improvement programme is still in its early stages. A limited assurance opinion was given due to ongoing gaps in safety management, with recommendations made to strengthen arrangements, improve incident recording, and ensure compliant practices, including the rollout of a strategic H&S plan and recruitment to key roles.

KEY INSIGHTS

The issues reported in this audit are being managed at an Institutional level, albeit in collaboration with the Corporate Health and Safety team.

- H&S maturity assessment is low: 35% against a corporate target of 65%
- Local procedure is incomplete
- H&S risk assessment is inconsistent across the Barbican Centre

NEXT STEPS AND REQUIRED ACTION

- A comprehensive management action plan has been agreed, with many resolutions planned within 3 months, there are some longer-term issues.
- The Finance and Risk Sub-Committee of the Barbican Centre Board are monitoring and tracking progress in delivery of the management action plan.
- Internal Audit will complete an interim follow-up review in January 2025.

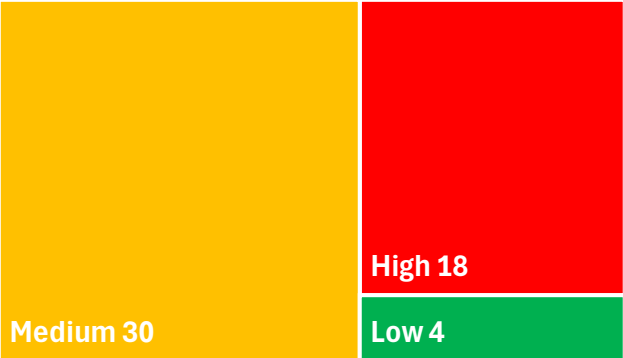


Cumulative Outcomes Dashboard (from 01/04/2025 – 30/09/2025)

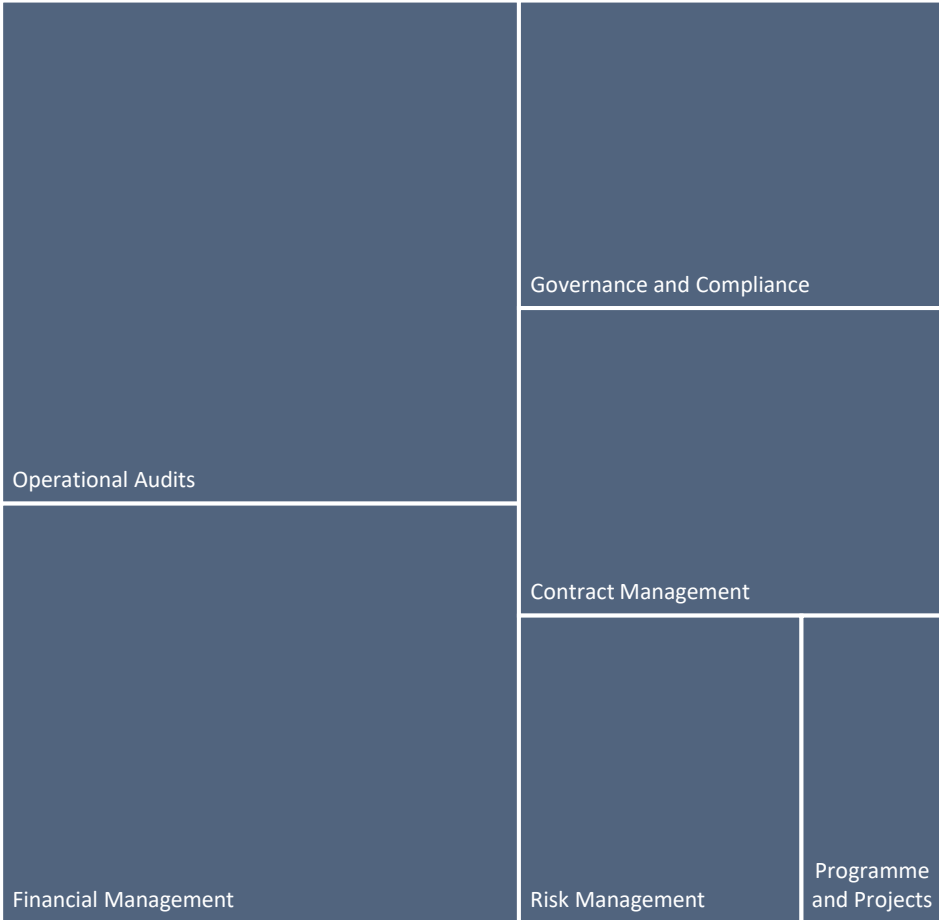
Assurance Ratings Provided



Recommendations Raised



Distribution of Assurance Work





Audit Reviews Completed in 2025/26 (cumulative report)

Final Reports

Recommendations Made

Department	Audit Title	Assurance Rating	Red	Amber	Green
Comptroller & City Solicitor's	Risk Management	Moderate	0	2	0
Town Clerk's	Contract Management	Moderate	0	4	0
City of London School	Tuition Income	Limited	2	1	0
City of London Police	Information and Data Handling	Moderate	0	7	1
City of London Police	Income Collection and Cost Recovery	Substantial	0	0	0
Community and Children's Services	Direct Payments (Adults)	Substantial	0	3	1
City Bridge Foundation	Tower Bridge Contract Management	Limited	3	2	0
Community and Children's Services	Direct Payments (Children)	Substantial	0	0	1
City of London School for Girls	Income	Moderate	2	1	0
City of London Junior School	Income	Moderate	1	0	0
Chamberlain's	Contract Management	Substantial	0	1	0
Environment	Natural Environment Risk Management	Substantial	0	1	0
	Tower Bridge Mud Tanks Consultant				
City Surveyor's	Appointments	Substantial	0	0	1
Guildhall School of Music and Drama	Contract Management	Limited	3	2	0
Corporate Wide	Use of Consultants	Limited	2	1	0
City Bridge Foundation	Grants	Substantial	0	2	0
Guildhall School of Music and Drama	Non-Substantive Workforce	Limited	1	0	0
Barbican	Health and Safety	Limited	4	3	0
Chamberlain's	Procurement Authorisation Report	Substantial			
	Checks		0	0	0
Environment	Natural Environment - Fees and Charges	Substantial	0	2	0
Corporate Wide	Climate Action Programme	Substantial	0	2	0
Total			18	34	4



Internal Audit Resource Analysis for 2025/26

**Baseline
Target:
600 Audit
Days**

**Growth
Target:
1000 Audit
Days**

**Current
Capability:
1015 Audit
Days**

Timeline to meet Growth Target: 31/03/2026

Notes:

- A full time Senior Auditor equates to 180 “Audit days”.
- 1 team member currently long-term sickness absence
- Recruitment of 2 Senior Auditors completed in October, to fill 1 vacancy and maternity cover for 1 post
- Provision of Internal Audit Services to London Councils and Museum of London totals 100 Audit days (55% of 1 FTE)

Additional Resources:

- Partnered with Gartner UK for Assurance Leaders, providing access to extensive specialist support and advisory services and reference and training materials to support the development of the Internal Audit function
- Discussion in progress with 3rd party providers for the buy in of additional resources to meet specialist requirements and off-set sickness absence and vacancy factors – anticipated up to 100 audit days



Amendments to Internal Audit Plan for 2025/26

Audits Added

Department	Audit Title
Environment	Setting of fees and Charges
Environment	Food Hygiene
Environment	Heathrow Animal Reception Centre
Barbican Centre	Facilities Management and Maintenance
Environment	Charities Review
People	Employee Relations Casework Management
Corporate/Chamberlain's	P-Cards – Approvals and Proper Use

Audits Removed

People	Recruitment and Retention (deferred)
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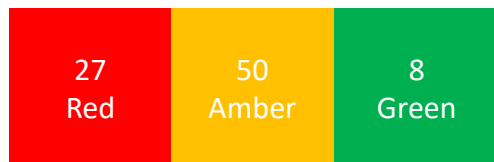


Internal Audit Recommendation Analysis

147 Open Recommendations compared to 122 open recommendations at 30/06/2025 62 recommendations not yet due for follow-up

25 recommendations have been raised in Quarter 2 2025/26, 27 raised in Q1, 20 recommendations closed Q2, 100 recommendations closed year to date

Recommendations past their due date: 85



Current Aged Analysis of overdue recommendations:

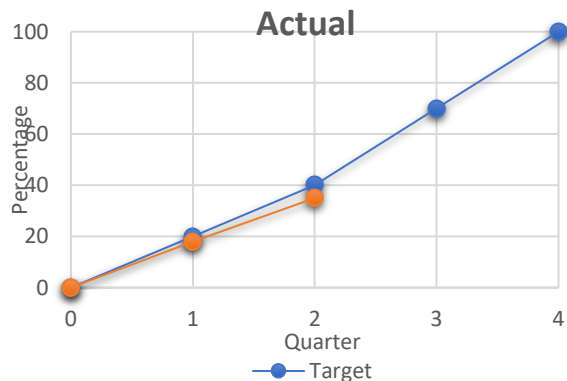
Time past original due date	Number of Recommendations
< 6 months	45
6-9 months	14
9-12 months	1
12-24 months	8
24-36 months	17
Total	85

Aged Analysis of overdue recommendations at 33/06/2025:

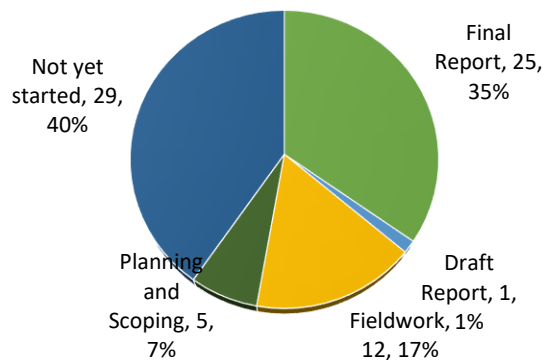
Time past original due date	Number of Recommendations
< 6 months	36
6-9 months	12
9-12 months	3
12-24 months	14
24-36 months	0
Total	65

Internal Audit Scorecard Year to Date (31 October 2025)

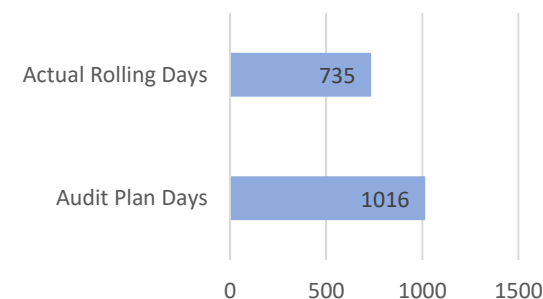
Audit Delivery(%) -Target v/s



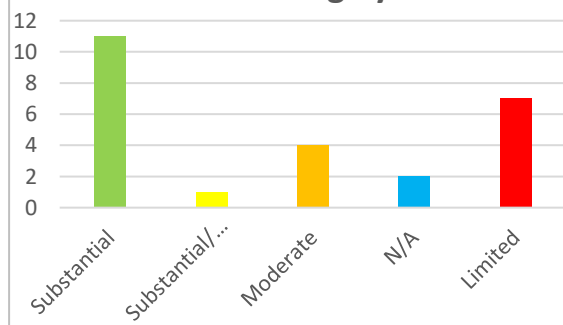
Audit by Status



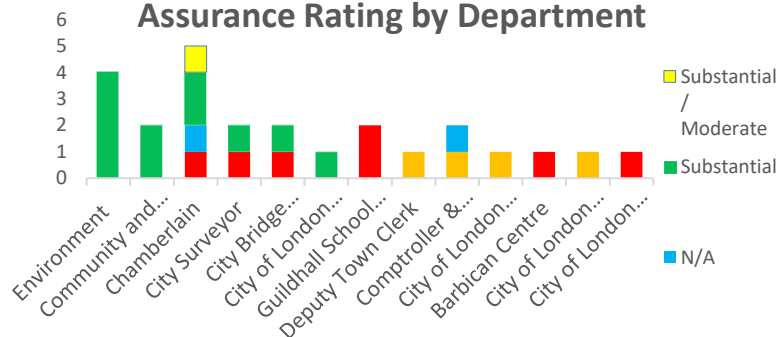
Audit Days Delivered



Assurance Rating by Audits



Assurance Rating by Department



Internal Audit KPI – Draft Report → Management Responses

