TRINITY HOUSE

Minutes of Trinity House Audit and Risk Assurance Committee – 9 September 2025

Present:

Curtis Juman (ARAC Chair) (CJ)

Captain Lance Batchelor (LHB Chair) (LB) By Webex

Valerie Owen (NED) (VO) By Webex

Alan Moore (NED) (AMo) By Webex

In attendance:

Rear Admiral Iain Lower (Chief Executive/ Accounting Officer) (IL) By Webex

John Kanes (GIAA) (AH) By Webex

Lisa Gilmour (DfT) (LG) By Webex

Barry Nunn (Head of Finance & Risk) (BN)

Alex MacNab (NAO) (AMac) By Webex

Rachel Farnsworth (NAO) (RF) By Webex

Rebecca Roberts (Audit & Performance Manager) (RR)

Gavin Race (IT Network and Security Manager) (GR) (for item 3.4) By Webex

Russell Dunham (Minute Secretary/Senior Advisor – Legal & Data Protection)   (RD)

1. PRELIMINARIES

1.1 Apologies

Michael Barnett (Interim Director of Business Services) (MB).

Thomas Arculus (A&RAC Secretary/Head of Legal & Estates) (TA) – AOD IALA.

Kevin Dace (Head of Information Technology) – KD.

1.2 Declarations of Interest

None.

1.3 Minutes of ARAC Meeting 30 June 2025

Approved as an accurate record.

1.4 Log of Actions

The ARAC reviewed and updated the log of actions.

Action 1: *BN to conduct a benchmarking exercise on fees ahead of the 2026-27 internal audit plan*.

Status (Ongoing). It was noted that work on the action was ongoing and that an update would be provided to the ARAC at its next meeting.

Action 2: *BN – Review the possible effects of a trade war and tariffs on key suppliers*.

Status (Closed). BN reported that the research undertaken into this potential scenario had concluded that the impact on TH from a general procurement perspective, and the supply of goods in support of TH operations, was likely to be limited.

Whilst volatility in price and supply chain availability could impact TH due to the effects of tariffs, particularly in relation to steel products and buoy chain, the overall risk position was stable and not of undue concern at present. The position would, however, continue to be monitored as part of routine business and ongoing market/supplier assessment processes.

The ARAC concluded that it had been appropriately informed on the issue and agreed that the action would be closed out accordingly.

Action 3: *GIAA -Add depot contingency planning to the Internal Audit Plan*.

Status (Ongoing) - It was noted that work on this matter was ongoing.

Action 4: *GIAA - Update Internal Audit Plans to separate GLA financing risk from ALB review*.

Status (Ongoing) – It was noted that this aspect was in hand and expected to be completed shortly.

Action 7: *TH NEDs to complete cyber awareness training*.

Status (Ongoing) – It was noted that the NEDs had yet to receive the requisite online cyber awareness training materials. RD confirmed that he would discuss this with IT Department to facilitate close out of the action.

1.5 Matters Arising

There were no matters arising.

2. AUDIT

2.1 Report on Outstanding Audit Recommendations

RR presented a report further updating on progress with the implementation of the audit issues identified from the respective GIAA internal audits, TH Management System audits and third-party certification audits. Pertinent aspects identified had included the status of the ongoing actions, observations and non-conformances arising from the programme and project management follow-up audit, the tri-GLA fleet management audit and Vessel ISM/ISPS/MLC verification audits. Appropriate measures in respect of which were continuing to be progressed by the respective Departmental teams and internal stakeholders.

RR also reported on the internal audit that would be undertaken on travel and purchase cards usage. This audit would examine the potential additional controls required to mitigate the potential for cards to be misused and/or to preclude non-compliant spend by employees.

▪ **Project Categorisation Tool (Programme and Project Management follow up audit)**

AM enquired as to the timeline for the implementation of the new project categorisation/project tiering tool, noting that this was not expected to be fully rolled out until 2026/27. In response, RR explained that some further refinements had been made to the tool, in conjunction with the Portfolio Progress and Assurance Committee and internal stakeholders, and that work was progressing well in this regard. The implementation of the tool remained on target for 2026/27, along with the provision of a project documentation matrix *[the latter being to signpost project documentation required for approval]*. The substantive part of the actions, and which had been identified as part of the programme and project management follow up audit, were on target for completion by financial year end 2025/26.

CJ observed that the initiatives represented a further strengthening of TH's project management processes and that the direction of travel in this regard was encouraging.

2.1.1 Schedule of all open NCNs and overdue PINs arising from the TH Management Systems Quality Audit programme (Annex A)

Noted.

2.1.2 Summary of Open NCNs and Overdue PINs by Directorate (Annex B)

Noted.

2.2 Report on Integrated Internal Audit Plans (IAP) 2024/25 and 2025-26

RR presented a report updating the ARAC on the progress of the 2024/25 and 2025/26 Integrated Audit Plans (IAP). One audit from the 2024/25 IAP currently remained outstanding, albeit it had been progressed in part with fieldwork completed and the draft audit report was being prepared. In quarter one (April to June) of 2025/26, one audit had been completed, one was near completion, and the remaining two were underway. In quarter two (July to September), one audit had been completed and three were underway.

The ARAC discussed related aspects regarding the delivery of the IAP, noting that the update reports submitted to it in this regard were well focused and comprehensive. It concluded that this assisted its visibility on the effectiveness of the Management System and the level of engagement across the Service with the audit process.

2.2.1 Progress on delivery against planned assignments by the GIAA audit team (Annex A)

Noted.

2.2.2 Fully integrated audit plan 2025-26 (Annex B)

Noted.

2.2.3 Timeline on delivery of the TH in-house resourced internal audits and GIAA resourced internal audits 2025-26 (Annex C)

Noted.

2.3 Lighthouse Board Governance Review Report

CJ thanked JK for the audit undertaken by the GIAA in respect of TH's Corporate Governance, noting the *substantial* audit opinion that had been given and the associated final report issued by the GIAA in this regard.

CJ invited JK to summarise the key findings of the GIAA's high level Governance review. This would further assist the ARAC's understanding of the follow up actions arising.

JK explained that the Management Action Plan developed from the audit focused on the Terms of Reference for the Executive, Examiners and Health and Safety Committees. It being noted that whilst ToRs for each committee were in place and that no significant areas of concern had been identified it would be timely to refresh/update the documents due to recent organisational changes. Work in respect of which was underway.

LG highlighted that the DfT would have preferred to have had opportunity to input into the GIAA's audit due to TH's status as a ALB. JK acknowledged this point and confirmed that DfT would be added as a relevant stakeholder in future in consultation with TH as the client. The ARAC confirmed that it was supportive of such an approach.

The ARAC Noted the Lighthouse Board Governance Review Report.

TH Court

In noting the role of the Lighthouse Board *[as discussed in the context of the Governance Review under item 2.3]*, LG requested clarification as to the status of the TH Court and its overarching authority in respect of the conduct of TH's activities as a GLA. This being a relatively complex aspect of TH's constitution to which there were various legal aspects having regard to the Corporation's incorporation by Royal Charter in 1514, and the subsequent Royal Charters, that further extended its functions and powers across a period spanning more than five hundred years.

LB, IL and CJ provided further insight into the Lighthouse Board's accountability to the Court in accordance with the provisions of the various Royal Charters granted to TH. The Lighthouse Board had effective day to day control of TH's statutory functions as a GLA including, *inter alia,* in relation to procurement activity as applicable.

IL cited that there were appropriate procedures in place to manage potential conflict of interest arising with Members of the Court. For instance, such as might arise in connection with high value procurement where a Member of the Court had an outside interest. Measures might include, amongst others, a Member of the Court recusing themselves from the proceedings and/or Court papers being appropriately redacted.

CJ cited that the Court had an important and unique function in the furtherance of TH's activities as a GLA, and drew upon a considerable wealth of maritime, business and commercial experience/acumen amongst its Members.

LB further highlighted that the Court also provided an additional assurance safeguard/backstop from a governance perspective and effectively acted as a risk mitigator. Including, for instance, in relation to high value procurement activity together with the broader areas of TH's delivery in discharge of the UK Government's obligation under SOLAS Chapter 5 Reg. 13. However, the Court did not routinely intercede in the decisions of the Lighthouse Board or in the day to day conduct of TH's operations as a GLA.

The position was noted accordingly.

2.4 Update on Interim Audit

It was noted that the audit remained on track.

2.5 Update on GLF Financial Statements Audit

AMac updated the ARAC on the progress of the GLF Audit. The fieldwork on this was progressing and the intention was to issue an Audit Completion Report ahead of the next meeting of the ARAC in December.

3. Internal Control

3.1 Review of Risk Registers

3.1. Review of Corporate Risk Register (CRR) and CRR Dashboard

BN presented a report setting out the proposed changes to the Corporate Risks and the proposed new layout of the Corporate Risk Register (CRR) Dashboard. He further amplified the various changes and refinements to the CRR Dashboard that had been made.

In response to an enquiry by CJ, BN confirmed that the proposed changes to the risk management methodology and processes would be consistent with the Government Finance Function and HM Treasury Orange Book.

CRR Dashboard

CJ suggested that where a risk included on the Dashboard was outside of its target risk position, the visibility of this on the Dashboard could be assisted by using colour coding/highlighting to differentiate it from the target risk position. BN concurred that this was a good idea and confirmed that he would arrange for the requisite change to be made as part of the next routine update of the Dashboard.

CJ stated that the risk workshop conducted during the Lighthouse Board Strategy Away Day in July had been highly beneficial and well received. A view endorsed by the NEDS.

[Action - BN – risks outside of target risk position to be coloured coded/highlighting to assist visibility]

3.2 DPO Update on TH Data Protection Compliance

The DPO reported that there were no significant matters of note regarding TH's compliance with Data Protection requirements during the period under review. He highlighted that the number of Subject Access Requests received from employees since the last meeting in June had been relatively low, in comparison to other periods. Albeit this was, in part, likely considered to be attributable to summer leave periods rather than being indicative of a downward trend more generally.

The DPO reported on a minor data breach involving one of its marine suppliers. Only a small amount of personal data was believed to have been breached, for which the supplier was the Data Controller. This comprised business names and contact details. TH was continuing to engage with the supplier in relation to the mitigating actions it was taking in response to the incident.

The ARAC Noted the DPO's Update Report on Data Protection Compliance.

3.3 Data Protection Compliance Dashboard

Noted.

3.4 Report on IT Security and Compliance Dashboard

GR presented a report on TH's IT Security and Compliance Dashboard. The report covered a range of topics and aspects related to cyber security as follows:-

▪ **IT Security and Compliance Dashboard**

GR explained that several refinements had been made to the Dashboard and the respective metrics detailed therein. The Dashboard also now aligned to the Business Services standard reporting format to aid consistency and transparency.

▪ **Progress Update on Cyber Essentials**

GR reported on progress in respect of TH's journey towards Cyber Essentials accreditation. Following the identification of TH's existing arrangements and those required for Cyber Essentials accreditation, it had become apparent that the planned target date of March 2026 for the remedial work would not be achieved. This being due to the better understanding of what was required to be undertaken and capacity within the IT Department. It was now anticipated that the remedial work would not be completed until later in 2026, albeit it was possible that a revised deadline of June 2026 might be achievable.

VO enquired as to the potential implications of this and whether this represented an increased risk for TH from a cyber security perspective. GR confirmed that the risk would not rise exponentially consequent to this, albeit it was desirable for the work to be completed as soon as possible.

▪ **Third party supplier minor data breach**

GR reported that the minor data breach involving a marine supplier to TH *[as reported separately under item 3.2 above]* had been logged. In responding to the incident, the IT Department had liaised closely with TH's DPO.

▪ **General Cyber Security Update**

GR reported that, to date, the countermeasures implemented by TH had continued to remain effective in protecting TH's IT systems and infrastructure from cyber-attacks. Albeit, that the threat landscape in this regard was such that the risk remained prevalent and necessitated strong protective measures; these having been further strengthened by a range of additional solutions during the period under review.

Following discussion on the topic, it was noted that a further briefing would be provided to the ARAC in December to inform its understanding of the assurance position as regard the effectiveness of TH's cyber-security counter measures and risk mitigation in the event of a cyber-attack on TH systems.

[Action – KT – assurance overview on effectiveness of TH's cyber-security countermeasures and risk mitigation to be provided to the ARAC in December]

CJ highlighted the cyber threat presented in the context of the Operational Technology (O/T) landscape and enquired as to how TH was managing this type of threat scenario. For instance, in relation to its floating marine buoy assets. In the discussion arising on the topic, the ARAC concluded that it would be useful for it to gain further insight as to the assurance position in this regard. A paper would be requested from the appropriate technical specialists within TH for submission to the ARAC in December.

[Action – Director of Operations/KD – Paper to be submitted to ARAC in December outlining the cyber security risks associated with Operational Technology O/T]

3.5 Draft Annual Report and Accounts

BN presented the draft Annual Report and Accounts 2024/25 (AR&A) and briefed the ARAC on its salient aspects. IL and LB provided an overview of further planned enhancements to the document to further amplify performance delivery aspects. Such as those relating to health & safety, sustainability, spend and recruitment and retention.

CJ commended the work undertaken by the respective teams in preparing the AR&A, stating that it helped to illustrate the good progress made by TH over the last 18 months in tackling challenging issues and driving cultural change.

The ARAC received a covering report on the AR&A, which made a number of recommendations. These were endorsed by the ARAC.

3.6 Management System Annual Management Review Summary Report

RR reported on the outcome of the Annual Management Review held on 24 July in respect of the TH Management System for the period 1 April 2024 to 31 March 2025. She explained that a new approach had been adopted this year to the format of the review to enhance its value and the outputs from the process. A number of improvement opportunities had been identified and captured in an actions log.

The Executive Directors and Senior Managers confirmed that the TH Management System had continued to be suitable, adequate and effective and aligned to the strategic direction of the organisation.

The ARAC noted the Annual Management Review Summary Report.

4. ARAC GOVERNANCE

4.1 Fraud, Whistleblowing, Anti-Bribery Return

BN confirmed that there had been no instances of fraud, whistleblowing or bribery reported or otherwise identified during the period under review.

4.2 Matters to Escalate

There were no matters to be escalated to the Lighthouse Board.

4.3 Any other Business

- **Shoreside Staff Turnover**

IL reported briefly on the general improvement seen with the level of shoreside staff turnover. The trend was broadly stable at present. IL formally stated a note of thanks to the DfT (LG) for its assistance in the resolution of the Pay Business Case 2024/25 in respect of TH shoreside staff.

- **Middle Managers' Annual Strategy/Development Day**

IL reported on the second Middle Managers Strategy/Development Day held at Trinity House, London on 4 September. THVs Patricia, Galatea and Alert also joined remotely. The event was divided into two separate, but related sessions, with the Executive and Senior Leadership team joining in the afternoon.

The event provided an opportunity for staff to provide feedback on their experiences and insight on the successes within TH, as well as the challenges. A guest speaker, an experienced high level healthcare professional, was arranged to deliver a presentation on human factors and health and safety. The feedback received from attendees to that session was also extremely positive. With many remarking that the speaker had provided a valuable and unique external perspective, together with a range of learning insights, that they would be able to apply in the workplace. The outputs and outcomes from the Strategy/Development Day would continue to be assimilated in conjunction with relevant stakeholders.

- **Status of DfT/GLA Framework Agreement**

In response to an enquiry by CJ, LG provided an informative update on the anticipated timeline for the conclusion of the new DfT/GLA Framework Agreement. This was not currently expected to be for circa 12 to 18 months. There were various factors that could impact on this including, *inter-alia*, the ALB review process together with ongoing discussions between the DfT and the DoT in the RoI in relation to the Irish Lights.

The position was noted accordingly.

- **NED Retirement**

CJ reported that it was Valerie Owen's last meeting of the ARAC who was retiring from her role of NED. He was joined by other Members of the ARAC in stating a note of thanks and appreciation to Valerie for her invaluable contribution and support to the work of TH, as Deputy Chair of the ARAC, during a period of significant cultural evolution, advancement and organisational delivery.

Date of next meeting.

16 December 2025 at 1030.