



TRINITY HOUSE

## **Minutes of Trinity House Audit and Risk Assurance Committee – 30 June 2025**

### **Present:**

Curtis Juman (ARAC Chair) (CJ)

Alan Moore (NED) (AMo) (Items 1.5- 4.7)

Valerie Owen (NED) (VO) By Webex (Items 1-3.2)

### **In attendance:**

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

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

Andrew Harrold (GIAA) (AH)

Lisa Gilmour (DfT) (LG) By Webex

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

Alex MacNab (NAO) (AMac)

Rachel Farnsworth (NAO) (RF)

Thomas Arculus (ARAC Secretary/Head of Legal and Estates) (TA)

Rebecca Roberts (Audit & Performance Manager) (RR)

Jessica Willan (Head of Safety & Environment) (JW)

### **1. PRELIMINARIES**

#### **1.1 Apologies**

Captain Lance Batchelor (LHB Chair) (LB)

John Kanes (Head of Internal Audit) (GIAA) (JK)

Ton Damen (Director of Business Services) (TD)

## **1.2 Declarations of Interest**

None, other than previously declared.

## **1.3 Minutes of ARAC Meeting 13 March 2025**

Approved as an accurate record, subject to minor adjustments

## **1.4 Log of Actions**

The ARAC reviewed and updated the log of actions.

## **1.5 Matters Arising**

AMac confirmed that the external audit of the GLA Financial Statements had commenced.

## **2. AUDIT**

### **2.1 Report on Outstanding Audit Recommendations**

The Committee received a report on progress with regard to implementation of the audit issues arising from the Government Internal Audit Agency (GIAA) internal audits, Trinity House (TH) Management System audits and Third-Party certification audits and noted:

- a) There remains a delay to the progress against the two actions that are still open from the Programme & Project Management follow up audit, primarily due to resourcing. The current focus remains on embedding organisation-wide project management processes to facilitate the effective governance and assurance through the Portfolio Progress & Assurance Committee (PPAC). The development of the Project Categorisation Tool continues.
- b) The last outstanding recommendations (one low level and one medium level) from the Cyber Security Design audit are complete.
- c) The Tri-GLA Coordinated Fleet Management audit raised two low level findings. The Inter Ship Support Memorandum of Understanding (MoU) has been reviewed and signed by the Chief Executive Committee (CEC). The terms of reference for the review of the Risk Response Criteria have been drafted.
- d) The one low level finding that remained open from the Key Financial Controls audit is complete with the documented procedure now in place for access control on the Light Dues (ALDIS) system.
- e) The agreed actions to address the low priority recommendation from the Futures Afloat Programme real time assurance work have now been implemented.
- f) The one minor conformity from THV Patricia's International Safety Management (ISM) Code Safety Management System (SMS) / International Ship and Port Facility Security Code (ISPS) /

Maritime Labour Convention (MLC) intermediate verification audit was actioned and closed out by the Maritime and Coastguard Agency (MCA) in accordance with the deadline.

## **2.2 Internal Audit Plan 2024-25 Progress Report**

The Committee received an update on the current year's internal audit plan and noted:

- a) The report covers progress on both the 2024/2025 integrated audit plan and the 2025/2026 integrated audit plan.
- b) Government Internal Audit Agency (GIAA) audits for quarter 1 of 2025/2026 were agreed as Business Continuity and Corporate Governance.
- c) The Potential Conflict of Interest audit has been carried forward from quarter 2 to quarter 3. This relates to the potential for conflict between the regulatory function of Trinity House and commercial work.
- d) The Work Planning audit has been carried forward to quarter 4.
- e) The Third-Party Equipment Checks under Lifting Operations and Lifting Equipment Regulations (LOLER) and Provision and Use of Work Equipment Regulations (PUWER) audit has been brought forward from quarter 3 to quarter 2.
- f) The International Safety Management (ISM) Code Document of Compliance Third Annual Verification Audit will take place in Harwich on 23 July 2025.

## **2.3 GIAA Internal Audit Plan 2025-26**

Trinity House and GIAA had met to agree the content of the current year's plan. The plan is now appropriately sized and helpfully sets out the ways in which it will address the risk assurance areas described in the Orange Book (HM Treasury "Management of Risk – Principles and Concepts").

CJ requested some work to be done on contingency planning in the event of losing the Harwich or the Swansea depot to flood or fire. This will be added to the plan.

**[Action GIAA – Add depot contingency planning to the Internal Audit Plan]**

AM asked for confirmation that the plan is flexible in case an audit is required to address a particular area of health and safety.

LG noted that in the plan the GLA financing risk has been conflated with the ALB review. RR agreed to adjust this part of the plan to separate this item.

**[Action GIAA – Update Internal Audit Plans to separate GLA financing risk from ALB review]**

## **2.4 Internal Audit Risk Appetite Report**

The Committee noted that Trinity House's general risk appetite is of an adverse nature and the risk appetites obtained during the audits, except in one case, matched the affirmed risk appetites.

This is positive reassurance that the organisation works within the levels of risk the Board finds acceptable and not outside the tolerances set.

The Committee agreed with the conclusions in the report and noted that the risk workshop in July would look deeply into the question of risk appetite.

## **2.5 Head of Internal Audit's Opinion for year ended 31 March 2025**

The Committee noted the 'moderate' opinion.

AH confirmed that the organisation appeared to be making progress in the right direction and that from that they had seen there was evidence of a good control framework being in place.

CJ noted that there were a couple of areas of degradation which will need to be addressed but the Committee is generally content with the direction of travel.

The Committee recorded its thanks to the Finance and Management Systems teams for the good work they had done to achieve this outcome.

## **2.6 Head of Internal Audit's Performance Report.**

Noted, in draft.

MB was asked to address the items marked 'not achieved' on page 7 of the report:

Customer response to the draft report within 10 days,

Final report within 5 days of customer response,

Rolling average of 80% from customer service questionnaires.

**[Action- MB – MB was asked to address the lack of achieving the required service standard of the customer responding to the draft report within 10 days]**

## **2.7 GIAA Futures Afloat Audit Report**

The Committee noted the 'substantial' opinion on the process but at the same time noted that there still exist substantial risks to the project wholly outside of TH's control, such as the effects of global geopolitical events.

## **2.8 Review of Spend on Trinity House Purchase and Travel Cards**

The Committee discussed the report in which the controls are detective rather than preventative and noted the report's conclusions that there are no concerns around fraud but there is a need to make updates to some documentation and to continue to look at reducing the number of procurement and T&S cards in circulation in line with Central Government aspirations.

TH Internal Auditors will conduct an audit of procurement cards which will look at exactly these areas and the deliverables from the introduction of the new T&S booking portal. This will be added to the cyclical plan.

**[Action -RR – Add review of Procurement and T&S Cards to cyclical internal audit plan]**

## **2.9 Update on Interim Audit**

RF reported that the audit is on track. They have completed interim work on expenditure and payroll which did not identify any significant issues. Final fieldwork will take place w/c 8th and 15th September and TH staff have been highly cooperative.

## **2.10 GLF Financial Statements Audit**

AMac confirmed that fieldwork for the GLF Financial Statements Audit would be progressed shortly.

CJ requested that all efforts be made to achieve sign-off in a timely fashion.

AMac said that he understood the request.

## INTERNAL CONTROL

### 3.1 Review of Risk Registers

#### 3.1.1 Corporate Risk Register

The Committee received a report on the current status of the Corporate Risk Register, noting the addition of the ALB Review. The Committee also noted that geopolitical turmoil impacts are showing an upward trend.

Regarding staff recruitment and retention, a lot of work is being done in terms of pay progression and SVS terms and conditions with the objective of stabilising and reversing the trend.

The Committee discussed the cyber risk and was concerned that while it remained high some of the mitigation actions had been postponed. IL explained that the risk was being actively addressed but accepted that some aspects of it, such as completion of cyber awareness training, were lagging and needed fresh impetus.

**[Action – TH NEDs to complete cyber awareness training]**

MB confirmed the imminent introduction of Cyber Essentials.

#### 3.1.2 CRR Dashboard

Noted.

### 3.2 IT Security and Compliance Dashboard

Noted.

**[Action – MB – Ensure that the result and target for Cyber Awareness Training are aligned on the Dashboard]**

### 3.3 DPO Update on TH Data Protection Compliance

The Committee received a report from the Data Protection Officer to provide a summary on (i) TH's compliance with data protection legislation and (ii) significant legal developments on data protection matters of importance to TH.

A dashboard illustrating the current status of GDPR / Data Protection compliance activity and significant Data Protection risks was also attached.

Report noted.

The ARAC Secretary was asked to summarise for the Committee what the ICO's expectations are in relation to data security in the context of cyber.

**[Actions – TA – (1) summarise for the ARAC the ICO's expectations in relation to data security in the context of cyber; (2) Add to the DP Steering Group agenda an exercise to look at TH's performance against the ICO Compliance Framework; (3) Note on the next report that the risk of financial penalties for data breaches exists but the ICO's recent custom has been to name and shame; (4) Add the numbers of erasure requests and data breaches to the compliance overview in the report]**

## 4. ARAC GOVERNANCE

#### **4.1 Review of ARAC Effectiveness**

The Committee received a report summarising the results of the ARAC Annual Effectiveness Survey for the year 2024-25 and noted that the results were mainly in the Standard Met range with the exception of one Above Standard and two of Improvement Needed.

**[Action – TA – Prepare ARAC Annual Review Report 2024-25 using the results of the Review of Effectiveness]**

#### **4.2 Initial and Supplementary Fee Letters**

Noted.

#### **4.3 MoU for Internal Audit Services**

Signed MoU noted.

#### **4.4 Data sharing Agreement between TH and GIAA**

Signed data sharing agreement noted.

#### **4.5 Internal Audit Charter.**

Signed Internal Audit Charter noted.

#### **4.6 ARAC Pack Supplement (GIAA) (April)**

Noted.

#### **4.7 Matters to Escalate**

None.

#### **4.8 Any other Business**

CJ wished to put on record the Committee's appreciation of all the good work done throughout the organisation in the previous year.

**[Action – TA – Summarise for the Committee the organisation's approach to handling Parliamentary Questions].**

**Date of next meeting.**

9 September 2026 at 1030.

**[Action – TA – invite LG to September ARAC]**