Approved by ARAC on 17 June 2026

TRINITY HOUSE

# Minutes of Trinity House Audit and Risk Assurance Committee – 12th March 2026 – Trinity House, Tower Hill

**Present:**

Curtis Juman (NED, ARAC Chair) (CJ)
Lance Batchelor (NED, Lighthouse Board Chair) (LB) By Webex
Garrett Copeland (NED) (GC) By Webex
Alan Moore (NED) (AM) By Webex

**In attendance:**

Iain Lower (Chief Executive/ Accounting Officer) (IL)
Michael Barnett (Interim Director of Business Services) (MB)
John Kanes (Head of Internal Audit, GIAA) (AH)
Lisa Gilmour (DfT Sponsorship Team) (LG)
Rachel Farnsworth (NAO) (RF)
Rebecca Roberts (Audit & Performance Manager) (RR) By Webex
Kevin Dace (Head of Information Technology) – KD By Webex for items 3.3 & 3.4
Sarah Ché (NAO) (SC)
Linda Flint – (Interim H&S Delivery Consultant) (LF)
Russell Dunham (Minute Secretary/Senior Advisor – Legal & Data Protection) (RD)

## 1. PRELIMINARIES

### 1.1 Apologies

Thomas Arculus (ARAC Secretary/Head of Legal & Estates).

### 1.2 Declarations of Interest

None, other than as previously declared.

### 1.3 Minutes of ARAC Meeting 16 December 2025

Approved as an accurate record.

### 1.4 Log of Actions

The ARAC reviewed and updated the log of actions.

### 1.5 Matters Arising

There were no matters arising.

## 2. AUDIT

### 2.1 Report on Outstanding Audit Recommendations

The ARAC received a report on the progress made in implementing the audit issues arising from the Government Internal Audit Agency (GIAA) internal audits, Trinity House (TH) Management Systems audits and third-party certification audits.

The ARAC noted that there had been a small increase in the number of Open NCNs and PINs since December. The reasons for this were further discussed by the ARAC. Noting that, in some instances, the delay in closing out NCNS and PINs had been due to staff absences. However, in general, there were no underlying causative factors of concern in this regard. RR explained that regular reports had continued to be submitted to the Exec. Directors on the status of NCNs/PINs and progress followed up in respect thereto.

CJ cited (as a pertinent example) the status of the fire safety checks at TH Swansea and the non-conformances relating to the servicing of fire extinguishers at the location. He further enquired in this regard as to the risk prioritisation of matters that had a health & safety impact.

It was noted that the Internal Audit Plan aims to address safety issues while ensuring that resource allocation is realistic and to reflect the layers of assurance in place including internal audits and ISO 45001 assessment.

The ARAC noted that it would be beneficial for it to have further assurance as to the extent of alignment between safety actions and internal audit priorities.

It was agreed that this would be a prudent aspect for the Health & Safety Committee to examine, in conjunction with LF, and to report back to the ARAC on.

**[Action: AM: Health & Safety Committee to examine the risk prioritisation of NCNs and PINs that have a health & safety implication].**

It was further noted that the fire safety management process had been scheduled for Q1 in the 2026/27 Internal Audit Plan. Illustrating the importance that TH placed on such aspects.

RR further reported on the progress that had continued to be made in completing the actions from the GIAA audits on Programme & Project Management Follow Up, Tri-GLA Coordinated Fleet Management and Corporate Governance.

### 2.2 Report on Integrated Internal Audit Plans (IAP) 2025-26

RR presented the report in respect of the Integrated Internal Audit Plan (IAP) 2025-26.

It was noted that:-

The first draft of the report in respect of Key Financial Controls had been received and was being reviewed by the Finance team.

The mandatory ISM audits (OP57) for the THVs Galatea and Alert had been completed in February. The fieldwork for the ISM Code safety ashore was in the process of being completed within the twelve months period required under the Code.

Work was progressing well to complete the outstanding Q4 audits.

<u>Internal Audit of Key Financial Controls</u>

It was noted that TH was expected to achieve a *moderate* assurance rating again for 2025/26 in respect of Key Financial Controls rather than *substantial* as had been the case up until 2024/25. The GIAA explained that *substantial* assurance ratings were generally becoming more difficult to achieve. This was principally due to a more robust and consistent application of standards by the GIAA and a deliberate focus on areas of suspected concern.

LB cited the importance of TH having a clear roadmap towards regaining a *substantia*l assurance rating in respect of Key Financial Controls. This had been, up until relatively recently, a consistently strong area for TH. MB highlighted that this would, in part, be contingent upon technological factors, including the integration of TH's Finance system with other elements, which would take some time to work through. The ARAC concurred as to the importance of THs ongoing work in that regard towards regaining a *substancial* assurance rating in this area in future years.

**2.3 In-House Internal Audit Plans 2026/27**

RR presented a Report in respect of the In-House Internal Audit Plan (IAP) 2026/27.

In response to an enquiry from GC, RR confirmed that the IAP was considered to be realistic and achievable.

AM highlighted the focus in the 2026/27 IAP on the delivery of safety and the separate organisational safety improvement plan currently being progressed through the Health & Safety Committee. Noting in this regard the importance for these two elements to read across to each other. This being an aspect that LF would provide input into to help inform the process. It was noted that there were various layers of external and internal audit assurance mechanisms in that regard.

**[Action: AM: the Health & Safety Committee to examine the various layers of assurance in place across TH to ensure that they map appropriately to the areas of priority for TH, having regard to risk, and to report back to the ARAC].**

The ARAC <u>Approved</u> the proposed areas for audit by the Internal Audit Team for 2026/27.

<u>New Cascade HR Management System</u>

In response to an enquiry from CJ, IL and MB updated the ARAC on the successful implementation of TH's new HR System – Cascade – and the various measures that had been taken during this process to mitigate risk and ensure a smooth transition.

Including, *inter alia*, parallel payroll running up to end March. Feedback from users of the system had been very positive. Learning Management and onboarding systems would be added to Cascade during 2026/27.

**2.4 GIAA Internal Audit Plan for 2026/27**

JK presented the GIAA Internal Audit Plan (GIAA-IAP) for 2026/27. He highlighted the key areas of focus including, for example, the tri-GLA Risk Response Criteria, the Futures Afloat Programme, and Cyber Essentials Plus Readiness.

In noting Annex 1 (Risk Assessment) to the GIAA-IAP, and the areas where no specific GIAA audit work was planned, CJ suggested that it would be helpful to the ARAC if the various other assurance mechanisms across the organisation could be added to assist the Committee's visibility on these aspects.

**[Action RR. The Internal Audit team to include the various other lines of assurance across TH in Annex 1 (to the IAP) to assist the ARAC's line of sight on this aspect for its meeting in June].**

The ARAC **Approved** the GIAA Internal Audit Plan for 2026/27.

**2.5 GLF Accounts 2025/2026 Audit Planning and looking ahead to 2026/27**

RF presented the proposed Audit Planning Report on the 2025-26 General Lighthouse Fund (GLF) Financial Statement Audit. Explaining that no new significant risks in relation to the GLF had been identified that would affect the audit for TH.

RF highlighted that the payroll system change was not considered to be a significant risk. Primarily as this would not impact across the financial statements together with the other risk mitigations implemented by TH including parallel running.

Other areas of coverage highlighted in the Report in relation to the audit statements, included PPE Valuations and Inventory Valuations, the Vessel Replacement Programme [Futures Afloat].

The ARAC welcomed the Audit Planning Report. Amplifying in that regard the various multi-layered financial risk controls embedded within TH and the various measures to further mitigate potential financial exposure to the GLF.

The ARAC confirmed that it was not aware of any fraud issues impacting on the financial statements, that it was content that the NAO's assessment of the risks of material misstatement to the financial statements was complete and the plan to address the risk identified was reasonable and appropriate.

**2026/27**

The ARAC discussed and explored with the NAO the potential arrangements for the 2026/27 Financial Statement Audit. Noting in this regard that rather than undertaking a consolidated audit of the GLF, there would potentially need to be separate individual audits for TH and the other GLAs. With TH having, for the first time, its own external audit opinion in relation to its financial accounts.

Some of the initial considerations on this aspect would include whether the NAO would wish to undertake the 2026/27 audit and (if so) whether TH would consider the cost and the timing of that audit to be appropriate. In addition, the question would arise as to the potential need to audit TH's 2025/26 accounts, at the time the 2026/27 figures are published. Alternatively, as to whether the comparatives for the income statement for 2025/26 are to be left unaudited.

SC explained that there were various aspects from a legal and accounting standards perspective that were currently being examined by the NAO team as regards the potential format and approach that could be adopted in relation to the 2026/27 audit. There were also some internal approval steps that would need to be reconciled and to ensure that DfT and HM Treasury were content with the approach. On the matter of auditing the 2025/26 comparatives, the decision would principally be for TH, albeit it might be prudent to do so to avoid the Comptroller and Auditor General from potentially limiting his audit opinion.

On the question of timing, it was not considered feasible for the 2026/27 audit to be published pre-Parliamentary recess. As there would need to be a significant amount of work to be undertaken by the NAO, including understanding the scope of what needed to be done for this audit.

The NAO is, however, working towards bringing an increasing number of audits pre-recess. As a medium-term objective looking to 2027/28 and beyond, this might be feasible. Albeit that this could involve some resourcing considerations from both a NAO and TH perspective.

LG clarified that the timing aspect in relation to the 2026/27 audit would not impact on the DfT Framework Document for the GLAs.

CJ observed that the discussion on this aspect had been informative. It would be useful for a Paper to be submitted to the ARAC on the topic, at its meeting in June, examining the various issues from a TH, NAO and DfT perspective and to help inform any decisions that needed to be made in respect of timings.

**[Action MB: Paper on the various considerations associated with the 2026/27 financial audit of TH's accounts to be submitted to the ARAC in June].**

**2.6 GLF Management Letter 2024/2025**

RF reported that some follow up aspects and recommendations arising from the GLF Management Letter were currently being discussed between the NAO and the GLF Accountant and would be promulgated in due course. The ARAC noted the position.

**2.7 Business Continuity Testing Report**

JK presented the GIAA Final Engagement Report in respect of Business Continuity Testing for TH, explaining that this had achieved a *moderate* assurance rating. He further summarised and provided insight to the ARAC on the main findings of the Report and its recommendations to TH in that regard.

MB and IL highlighted the importance that TH placed in having robust Business Continuity Plans. Including the training of key individuals as part of the onboarding process for new entrants and once more established in their respective roles.

MB reported that an externally facilitated Business Continuity Exercise had been planned for Q1 2026/27 involving a TH Vessel in a maritime scenario. The intention was to conduct a similar exercise in Q3 to enable a broader range of participation across TH. A desktop IT BCP exercise would also be undertaken.

It was agreed that an update on BCP Planning would be added as a standing Agenda item for the ARAC once a year to further inform its understanding of the continued effectiveness of the arrangements in place and TH's ability to respond to new and emerging threats in an emergency or business continuity context.

LG highlighted that there was a resilience team embedded within DfT Maritime and that this might comprise a useful additional resource, and source of knowledge, that TH could consider utilising in relation to future BCP exercises.

**[Action TA: BCP Planning to be added as a standing agenda item for the ARAC once a year].**

## 3. Internal Control

### 3.1 Review of Current Status of Risk Registers

The ARAC discussed the Report in respect of the status of the Corporate Risk Register and the associated risk dashboard. It further explored various themes on the presentation and articulation of the risk descriptors to the ARAC.

It was noted that the risk descriptors were broadly generic in nature. Following a discussion on this, the ARAC concluded that it would be useful to expand, in the information submitted to it, on the categories and aspects described by the various overarching descriptions. This would help enhance its visibility of the overall risk position and the underlying trends.

As an example, the Delivery of Projects risk could be augmented with a description of the current major projects covered by that descriptor, including Futures Afloat.

It would also be useful for the ARAC to have further visibility on the respective lower level/underlying risks, by risk owner, to help its understanding of the interaction of these with the strategic level risks.

It was noted that the Exec. team would consider this collectively as part of the further evolution and development of the Corporate Risk Dashboard and the presentation of this to the ARAC. As distinct from the top-level strategic overview of the Corporate risks provided to the Lighthouse Board.

It was noted that the Exec. team were currently examining, with the Health & Safety Committee, the effectiveness status of the Health & Safety risk on the dashboard. With a view to uplifting this to *partial* effectiveness, if the evidence supported that.

**[Action MB: ARAC to have visibility on the underlying, next level down risks, by risk owner, in the Report on the Corporate Risks submitted to it in June].**

The ARAC briefly noted the ongoing risk mitigations being taken by TH in relation to its procurement supply chain, and in relation to the supply of marine gas oil, consequent to recent geopolitical events and emerging threats. This being an aspect on which close dialogue was being maintained between TH and DfT.

### 3.2. Risk Deep Dive on Offshore Infrastructure

It was noted that that the Report in respect of the Risk Deep Dive on Offshore Infrastructure would be taken by the ARAC at its meeting in June. Captain Andy Holt (Director of Operations) would be invited to attend the meeting.

### 3.3 Data Protection Officer's Update on TH Data Protection Compliance

RD summarised the headline themes covered in the DPO's update Report on Data Protection. Broadly no significant issues had arisen in relation to TH's compliance with Data Protection legislation during 2025/26. No ICO reportable data breaches had arisen and the small number of minor (non-reportable), data breaches had been dealt with in an appropriate and expedient manner.

The ARAC observed that it was important for TH to maintain continued awareness and appropriate risk controls for the protection of special category (sensitive personal data) in relation to data subjects. This being especially necessary in the context of (sensitive) employee personal data processed by the organisation.

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

**[Action: RD. reminder to be issued to Information Asset Owners on the importance of the protection of special category personal data].**

### 3.4 IT Security Countermeasure Effectiveness and Compliance Dashboard, Cyber Essentials

KD presented a report in respect of IT Security Countermeasure Effectiveness and Compliance Dashboard. Including an update on the Cyber Essentials certification project.

KD explained the work towards Cyber Essentials certification had continued to progress well, with more than 95% on target for completion by end March. He highlighted that there was an aspect regarding TH's Document Management System that needs to be rectified as part of the certification process. This was being examined in parallel to the significant work being undertaken on the Digital Data and Transformation (DDaT) project and its associated roadmap.

A multi-layered approach was maintained in respect of TH's IT security and cyber protection and countermeasures in place.

The ARAC **Noted** the Report in respect of IT Security Countermeasure Effectiveness and Compliance Dashboard, Cyber Essentials.

### 3.5 Review of Management Assurance Return 2025/26

RR presented a report in respect of the draft Management Assurance Return 2025/26. She explained that the MAR was completed on an annual basis for the DfT.

The proposed responses had been circulated to the SMT and with the Exec. Directors for their endorsement. A summary of the MAR responses had been included at Appendix 1 to the Report.

The ARAC **Noted** the Annual Management Review Summary Report and responses.

**4. ARAC GOVERNANCE**

**4.1 Fraud, Whistleblowing, Anti-Bribery Return**

The ARAC **Noted** that there were no matters to report.

**4.2 Draft Governance Statement 2025/2026**

This item would be taken by the ARAC at is meeting in June.

**4.3 Internal Review of ARAC Effectiveness**

The ARAC **Noted** **that this** was in the process of being completed.

**4.4 Internal Audit Charter 2026/27**

The Internal Audit Charter for 2026/27 was **Approved** and signed by CJ, IL and JK. RR would be requested to sign the Internal Audit Charter at the next available opportunity.

**4.5 Fee Letter and Internal Audit MoU**

The ARAC **Approved** the GIAA Fee Letter dated 12.03.2026 and Internal Audit MoU.

**4.6 GIAA ARAC Report (Pack) Supplement**

The ARAC **Noted** the GIAA Audit and Risk Assurance Report (Pack) Supplement.

**4.7 Matters to Escalate**

To examine and report on NCN/PIN risk prioritisation (Item 2.1) - Health & Safety Committee.

To examine and report on the layers of assurance and whether these are mapped appropriately to the areas of priority (Item 2.3) – Health & Safety Committee.

**4.8 AOB**

In noting KD's forthcoming retirement, the ARAC recorded a note of thanks and appreciation for his excellent leadership, insight and support on Information Technology and cyber security matters to the Committee, and to TH more widely, for over 35 years.

**4.9 Date of next meeting.**

17 June 2026.

**Part II**

Due to time constraints, it was noted that Part II of the ARAC would be held over to coincide with the next meeting of the Lighthouse Board on 25 March.

Approved by ARAC on 17 June 2026