

**MINUTES OF AUDIT AND RISK ASSURANCE COMMITTEE (ARAC) MEETING  
HELD AT TRINITY HOUSE LONDON ON 7 DECEMBER 2017**

**Present:** Mrs M Amos (Chair)  
Professor P Matthews  
Mr D J Ring

**In attendance:** Captain I McNaught - Executive Chairman (EC)  
Mr A Damen – Director of Business Services (DBS)  
Ms R Gill-Williams – National Audit Office (NAO)  
Ms C. Vercnocke- – National Audit Office (NAO)  
  
Mr J Baldwin – Internal Audit (GIAA)  
Mrs R Roberts – Audit & Performance Manager (APM)  
Mr N Saunders – Legal Advisor (LA) (acting Clerk)

**1. Apologies for Absence**

Mr T. Arculus (Clerk)

**2. Declarations of Interest**

There were no declarations of interest beyond those already declared in the Register of Interests.

**3. Minutes of Meeting – 27 September 2017**

Approved.

**4. Log of Actions**

4.1

**Action 2:** Update provided: DBS informed the Committee that this was an ongoing matter and the accounting paper for ToTo would be shared once completed.

**Action 3:** Update provided: DBS Informed the Committee that a retrospective request had been sent to the Cabinet Office for approval, which is consistent with Guidance on the matter. He further noted that he understood that the Trades Unions would support their members with respect to health and retirement settlements.

**Action 8:** Update provided: To be considered in line with 2018/2019 plan. The Committee to consider the development of an 'Audit Heat Map'.

**Action 10:** Update provided: DBS noted the inclusion of the Research and Radio Navigation paper. This paper provides an update to the ARAC in relation to ICG5, proposed greater levels of scrutiny for projects and research, the paper further proposes amendments to reporting and governance.

**Action 11:** Complete.

**Action 12:** Update provided: Trinity House has responded well to the business needs for cyber security, it was noted that investment has a taken time, log file checking requires more thought and firewalls are to be re-evaluated in 2018. It was further noted that training would be taking place in November 2018. TH needs to ensure that any CS Dashboard is fit for purpose and understood by staff.

**5. Matters Arising**

**5.1 Considerations on non-bio degradable plastic**

Mr Saunders provided a brief update in relation to non-biodegradable plastics. It was noted that this had been raised at the Environmental Working Group (EWG) for consideration, in December and EWG attendees were invited to consider Trinity House's position.

It was further noted that Trinity House is committed to lowering their environmental impact and this could extend to requesting suppliers to provide similar levels of commitment.

## **5.2 Audit Planning Workshop Feedback.**

The Committee noted the inclusion of the paper provided to the Committee. EC, DBS and APM to meet to “flesh-out” the finding of the feedback. TH to ensure movement in the right direction without double-work and more streamlined process.

## **6. NAO Audit Strategy for 2017-2018 Audit**

The Committee noted the above document.

The Committee agreed that moving testing around would allow for better and thorough testing and with a more uniform approach. It was further noted that this approach would drive TH assurance costs down whilst improving efficiency.

It was noted that the date of the final audit visit had yet to be confirmed. This has been delayed for 2017-18 due to the NAO needing confirmation of the dates for the revaluation work to be completed by all three GLAs.

Future Account Standards central government to provide guidance for 2018-2019 contracts.

## **7. Integrated Internal Audit Plan – Progress Report**

The Committee noted and approved the ‘Progress Report’, provided by APM.

APM provided a verbal summary of the content of the report including an update in relation to the Tri-GLA helicopter agreement and Financial Controls needing minor amendments regarding the dates due to the balancing-out the audit plan.

## **8. Internal Audit Report on Risk Appetite**

The Committee noted the Internal Audit Report on Risk Appetite paper, together with the Discussion Framework included.

The risk report was discussed and it was agreed that there would be no deviation between Audit and the Risk Audit.

The Committee agreed to complete the plan by March 2018 and this item will be added to the June Agenda.

## **9. Report on Internal Communications Benchmarking Exercise**

The Committee noted the above report, provided by James Baldwin (GIAA). Who also provided a brief verbal summary.

He informed the Committee that, in brief, the findings evidenced that there was very little that TH was not doing. He added Trinity House has a strong plan in place which received very positive feedback and that there was little room for criticism of Trinity House’s process.

The Committee further discussed the importance of team meetings to provide uniformed understanding of the needs of the organisation. Trinity House has regular departmental team meetings, where high-level matters are raised and discussed with all staff members.

## **10. Report on Audit of Superintendence and Management of Aids to Navigation**

The Committee noted and approved the above report, provided by James Baldwin (GIAA).

## **11. Report on Audit of Core Financial and Commercial Controls**

The Committee noted and approved the above report, provided by James Baldwin (GIAA).

## **12. Follow up Review of Tri-GLA Helicopter Contract Review: Benefits realisation**

The Committee noted and approved the contract review update, provided by James Baldwin (GIAA).

The Committee noted that the audit of the Tri-GLA Helicopter contract provided positive findings identifying the work done in order to make cost savings.

DBS noted that work had been done to ensure that time was managed optimally, this had a positive effect on costs and utilisation of the asset. However, further work was still required.

EC noted further work will continue to tighten the terms of the agreement, where possible.

### **13. Review of Matters Arising from Audit Reports.**

The Committee noted and approved the paper provided by APM.

The Committee noted that January was to be busy with the upcoming ISO and OHSAS recertification and (in the case of ISO) transition audits. It was further noted that since the last meeting of the ARAC the new HRM, Stuart Brian, had started at Trinity House and CMCS Manual had now been completed.

*Action: To provide a high-level plan to the Executive Committee for approval. DBS*

### **14. Cyber Security Dashboard**

Discussed under 4.1 above.

### **15. Review of Internal Arrangements**

*Action: To remove this as a standing item. Clerk*

### **16. Report on Corporate & Organisational Risk Registers**

The Committee noted and approved the report provided by the Clerk.

DBS provided a brief verbal update in relation to amendments that need to be made, which will be amended in the New Year, to coincide with further consideration to the development and inclusion of the Risk Reporting Heat map.

### **17. Audit and Risk Assurance Committee Terms of Reference**

The Committee approved the Terms of Reference for the Audit and Risk Assurance Committee.

The Committee agreed that Tri GLA reports commissioned through TH should not be issued in draft to the other GLAs until TH's Audit and Risk Assurance Committee has agreed the report.

*Action: To provide guidance, to Trinity House, in relation to ARAC Effectiveness. NAO*

*Action: Once received; share guidance with all members of the Committee. Clerk*

### **18. Any Other Business**

EC informed the Committee that the Management Systems quarterly update report will be provided to the Executive Committee in January 2018.

### **19. Date of Next Meeting**

21 March 2018 at 1000.