



Minutes of Trinity House Audit and Risk Assurance Committee – 1 July 2021

Held via Remote Media

Present:

Dr Margaret Amos (NED) (ARAC Chair)

Mr Alan Moore (NED)

Mrs Valerie Owen (NED)

In attendance:

Captain Ian McNaught (Chief Executive/ Accounting Officer)

Mr Ton Damen (Director of Business Services)

Mr Marc Chang (NAO)

Mrs Rebecca Roberts (Audit and Performance Manager)

Mr James Baldwin (GIAA)

Mr Kevin Dace (Head of IT)

Mr Thomas Arculus (Head of Legal and Risk) (ARAC Secretary)

1. Welcome

Dr Amos welcomed the members and attendees to the meeting.

2. Apologies

Vice Admiral Sir Alan Massey (Non-Executive Chair)

3. Declarations of Interest

None, other than already declared.

4. Minutes ARAC - 8 March 2021

The minutes of the meeting on 8 March 2021 were approved.

5. Log of Actions

Mr Damen questioned a previous action relating to contingencies, cost savings and efficiencies. Asking for clarification on what is required from him.

Dr Amos offered to share a cost-efficiency tracker for a not for profit company for consideration.

[Action: Dr Amos to share a cost-efficiency tracker for a not for profit company with Mr Damen.]

6. GIAA Internal Audit Reports

Presented by Mr Baldwin.

Completed in Q4 of 2020/21:

6.1 Management of Major Projects

The major action will be a workshop with GIAA & TH to go through the actions. Mr Baldwin suggested providing an update to the ARAC in September.

[Action: Mr Baldwin to provide an update to the September ARAC on the Management of Major Projects Audit.]

Mr Damen expressed concern that the report and recommendations seemed to relate to an organisation much larger than TH. Mr Baldwin accepted this and said that the purpose of the workshop will be to distil the outcomes to make them proportionate for TH.

The Committee considered that overall it is a positive report and believes that once the work is done there will be long-term improvements.

6.2 Core Financial & Commercial Controls Audit

This audit focussed particularly on the impact of COVID and Travel and Subsistence.

A 'substantial' rating was awarded.

An outstanding question about travel cards has been resolved.

6.3 Cyber Security Risk

This is an annual report.

A 'moderate' rating was awarded.

6.4 Software Licensing

A 'substantial' rating was awarded.

7. Assurance that the 2021/22 Audit Plan can be achieved

Presented by Mrs Roberts.

The plan is running according to its timelines generally.

The TH in-house resourced audits already have auditors allocated to them with the exception of two audits. One of these is the Environmental Planning Audit scheduled for quarter 3 which requires an auditor who has received environmental auditor training. However, the second of the two ISO 14001 and ISO 45001 overview courses which had to be postponed in March 2020 due to COVID-19 has now been rearranged for 16 September 2021. Therefore, an auditor will become available.

The Health & Safety Manager had requested two of the H&S Audits to be deferred from quarter 2 to quarter 3 and quarter 4 respectively. The Committee agreed to the deferment of these, with the COSHH audit to be undertaken early October so that it can be completed before the ISO 45001 audit in November.

[Action: Mr Damen, Captain McNaught, Mr Dorey to look at alternative ways of getting assurance of safety across the estate.]

Two new audits have been identified;-

- Light Dues direct debit system.
- Maintenance Works: Environmental and Heritage Compliance: Helicopter flying over protected sites.

Mr Moore requested sight of the potential Conflict of Interest internal audit.

[Action: Mrs Roberts to provide this to Mr Moore for information. Noting that internal audit reports completed by the TH in-house audit team do not usually go before the ARAC.]

Mr Moore also asked about the context of the SMS audit. Captain McNaught clarified that the SMS audit does look at culture and operation of a vessel and its crew.

Report noted.

7.1 Annex A – Fully Integrated Audit Plan

Noted.

8. Head of Internal Audit's Annual Opinion

Presented by Mr Baldwin.

A 'substantial' opinion was awarded.

Report noted.

9. Risk Appetite Summary Report

Presented by Mrs Roberts.

During 2020/21 the Committee looked at the appropriateness of the organisation's risk appetite and agreed it was appropriate.

This will be looked at again at the risk workshop on 29 November 2021.

The Committee noted that there are areas in which TH is more open/hungry in its risk appetite, such as new technology and commercial.

[Action: Mrs Roberts to circulate the full risk appetite list to the ARAC for pre-reading prior to discussion at the September ARAC.]

10. Cyber Security Risk Discussion

Mr Dace presented a discussion paper.

Whilst the Committee is aware of the perceived shortcomings of the cyber insurance policies currently on the market, Mr Dace believes that there would be value in looking further at cyber insurance which would give access to experts to help in the event of a major hack.

IGC6 & IGC9 are looking at the subject of cyber insurance.

The Committee agreed that work should continue via IGC6 & IGC9 and the Triennial Risk Review. The risk needs to be fully considered and the question of whether the GLAs can be considered as critical national infrastructure which might benefit from the protections available from government should be reconsidered.

An update will be provided to the ARAC in September and a final report and recommendations in December.

[Action: Mr Dace to provide an update to the ARAC in September and a final report and recommendations in December.]

A discussion followed about the resilience of aids to navigation and monitoring systems.

11. Environmental Risk Discussion

Deferred until the July Lighthouse Board Strategy session at which there will be a paper addressing this subject, presented by the Executive Directors.

12. Data Protection Officer's Update Report

The Data Protection Officer's Update Report was noted.

[Action: ARAC Secretary to add a very short table at the top of the report, showing number of SARs, FOIA requests, EIR requests.]

12.1 Data Protection Dashboard – Noted.

12.2 Data Protection Accountability Tracker – Noted.

13. Risk Register Dashboard

The Committee noted the reducing COVID risk following improvements in the national COVID rules.

In addition, the Committee noted the level trend of the recruitment/retention risk following submission of the TH2040 Business Case.

The Committee discussed the risks relating to the VRP, which will reduce as the project progresses, and the Royal Sovereign decommissioning risk, which will reduce now that approval of the OBC has been granted by DfT.

14. Whistleblowing

Nil Return.

15. Date of Next Meeting

The next meeting of the ARAC Committee will be held on 14 September 2021.

16. Dates for 2022

The proposed dates for ARAC meetings in 2022 were circulated.

[Action: Committee to confirm availability.]

17. Any Other Business

The Head of Maritime Sponsorship and Appointments (DfT) will attend the next ARAC meeting in September.

[Action: ARAC Chair to invite the Head of Maritime Sponsorship and Appointments (DfT) to the September ARAC.]

#261343