



TRINITY HOUSE

Minutes of Trinity House Audit and Risk Assurance Committee – 16 December 2024

Present:

Mr Curtis Juman (ARAC Chair) (CJ)
Captain Lance Batchelor (LHB Chair) (LB) (via Webex)
Mrs Valerie Owen (NED) (VO) (via Webex)
Mr Alan Moore (NED) (AM) (via Webex)

In attendance:

Rear Admiral Iain Lower (Chief Executive/ Accounting Officer) (IL)
Mr Ton Damen (Director of Business Services) (TD)
Mr John Kanes (Head of Internal Audit; GIAA) (JK)
Mr Alex MacNab (NAO) (AMac) (via Webex)
Ms Rachel Farnsworth (NAO) (RF) (via Webex)
Mrs Lisa Gilmour (DfT) (LG) (via Webex)
Thomas Arculus (ARAC Secretary/Head of Legal and Estates) (TA)
Mr Rebecca Roberts (Audit & Performance Manager) (RR)
Ms Jessica Willan (Head of Safety & Environment) (JW) Items 1-3.3.1 (via Webex)
Mr Stephen Cocks (Health & Safety Manager) (SC) Items 1-3.3.1

1. ARAC MEMBERS MEET WITH AUDITORS, AND APM – WITHOUT ARAC SECRETARY OR MEMBERS OF EXECUTIVE COMMITTEE.

ARAC Members met *in camera* with Auditors and the Audit and Performance Manager.

The feedback from the Committee to the GIAA and NAO was generally positive. The NAO and GIAA wished to record their appreciation to staff across TH for their willing and open approach to audit.

1.1 Apologies

None.

1.2 Declarations of Interest

None other than already noted.

1.3 Minutes of ARAC Meeting 13 October 2024

Approved for signature.

1.4 Log of Actions

The Committee asked TA and CJ to review the actions log and streamline it where possible.

[Action: CJ/TA review actions log]

2. AUDIT

2.1 GLF Financial Statements Audit

The Audit is being finalised. TH has fully contributed.

The DfT ARAC Chair is reviewing the GLF Accounts. The projected timeline is for the GLF Accounts 23/24 to be laid before Parliament early in the New Year.

TH will monitor the situation and will stand ready to address any post balance sheet events.

The Letter of Representation will need to be re-dated to match the date at which the GLF Accounts are signed-off by the DfT Permanent Secretary (aimed to be first week of 2025).

2.2 Report on Outstanding Audit Recommendations

In respect of the Programme & Project Management follow-up audit, the Portfolio Progress and Assurance Committee (PPAC) is now established which closes out one of the actions.

Cyber security by design is a separate agenda item (below), but the low level finding in respect of providing management information over the assessment of

new products and suppliers to raise awareness of progress is complete. A section has been added to the ARAC dashboard.

Of the four minor non-conformities raised during THV Alert's ISM Code / SMS / ISPS / MLC Intermediate Verification Audit, two have been formally closed-out by the MCA in accordance with the November 2024 deadline. However, the MCA Surveyor has provided a 3-month extension to address NCN 01 (no clear evidence of investigation, analysis or implementation of corrective action for reported incidents) and NCN 04 (some discrepancies in seafarers' employment agreements relating to compliance with the MLC requirement).

2.2.1 Schedule of Open NCNs and Overdue PINs Annex 1

Noted.

2.3 Internal audit plan 2024-25 Progress Report

The Committee noted that resources have now been assigned within the HSE team to the two health & safety themed audits with the facilities management audit currently underway. The control of contractors' audit will follow. The additional health & safety audit (topic to be confirmed) has been put on hold due to priority over resources to complete the above health & safety-themed audits. The buoy maintenance audit was scheduled for early December 2024 so that buoy maintenance operations could be observed at sea. However, it has had to be deferred to the New Year due to THV GALATEA's casualty attendances and the OP.57 audit taking priority. The Time On / Time Off audit has been added to the Plan for March 2025. The new Head of Marine Assets requested for the current arrangements of an annual audit rather than the change to biennial to remain whilst the process is under review. Therefore, the annual audit has been reinstated.

ISO 9001 / ISO 14001 / ISO 45001 and SSiP surveillance visit 01 took place in Harwich on 9 to 13 December 2024 with no new NCNs or Opportunities for Improvement (OFIs) resulting. The feedback was very positive.

CJ requested that the ExCo look at how the ESG work in progress fits into the ISO14001 standard.

2.3.1 Internal audit plan 2024-25 Progress Report Annex A

Noted.

2.3.2 Fully integrated audit plan 2024-25 Annex B

Noted.

2.3.3 Timeline Annex C

Noted.

The Key Financial Controls Audit report is nearly complete.

The Futures Afloat assurance work is continuing. LG confirmed that from the DfT perspective, the project looks as if it is moving in the right direction. The ARAC welcomed this news.

The Aviation Services Project (ASP) Audit has been deferred to 2025/26 due to delays in the project following withdrawal of Irish Lights.

The DfT CAB and Tier 2 Boards at DfT have both given green ratings to the ASP.

2.4 Tri GLA Coordinated Fleet Management Audit Report

GIAA awarded a '*substantial*' rating with just two low-level recommendations, now in-hand. A very positive outcome. The co-ordination side is working well.

The ARAC noted the report will approval.

2.5 Cyber by Design Final report

A '*moderate*' award. JK advised that it is extremely rare to get a '*substantial*' award so this is a good outcome.

JK said that TH was performing well in comparison with other comparable organisations with which he is familiar.

TH is doing all it is expected to do but the risk environment is very aggressive and ever-changing.

[Action: TD to renew and develop a digital strategy for the next five years]

TD outlined work in progress on ways to resource the organisation to be ready for cyber threats.

GIAA has recently facilitated some meetings with the GLAs and GRAD to outline the use GIAA is making of AI Data Analytics.

The Cyber IGC is developing a Tri-GLA AI policy.

2.6 GIAA Internal Draft Audit Plan 2025-26

JK outlined the context of the Plan.

The potential audits for years beyond 2025/26 were noted, which include risk management by enterprise. Business continuity planning has also now been added but the ARAC noted that this matter will be looked at during *all* audits.

JK will reflect on applicability of Government Functional Standards.

Regarding the outstanding NCNs and PINs from the Consents to Discharge audit, Estates is working on a work instruction to close out the findings. The reputational risk surrounding this was noted.

3 INTERNAL CONTROL

3.1 Review of Risk Registers

Reviewed recently at Lighthouse Board.

Presented by TD. The register reflects the centrality of cyber risk mitigation to the organisation.

TD was invited by the ARAC to research the market for a proprietary software product to base the CRR on.

The CRR is comprehensive. The ARAC is content with it.

3.1.1 Corporate Risk Register

On the Human Resourcing Risk – CJ asked whether the mitigation and reduction of the risk to 16 would ever be achievable. IL felt that the solution was to improve pay and conditions. TH is clear on its approach and is trying to achieve this through its pay business case.

LG reported that the pay business case is with Cabinet Office at the moment and a decision is expected in January 2025.

3.1.2 CRR Dashboard

Noted.

3.1.3 Organisational Risk Register

On the ORR there is a 'failure to recover from a cyber incident' risk. TD outlined the ongoing battle against this.

The reference to RPI-X needs to be removed.

[Action: TD - Replace reference on ORR to RPI-X with efficiency]

3.2 DPO Report on TH Data Protection Compliance

3.2.1 Data Protection Dashboard

Noted.

One SAR, closed out.

No breaches.

Collaboration with GLAs continues.

CJ requested that retention of records procedures are checked as being up to date.

[Action: TA - DPO report to include information to ARAC on retention of records arrangements]

3.3 IT Security and Compliance Report

3.3.1 IT Security and Compliance Dashboard

Noted.

(At this point SC and JW departed.)

3.4 Letter of Representation

Noted.

4. ARAC GOVERNANCE

The GIAA had provided several guidance publications amounting to a great many pages (items 4.4, 4.6-4.9). These will be distributed in a different way in future and not included in the main Board Pack.

The ARAC Supplements however will remain on the agenda.

The Government Audit Committee Handbook has been updated.

[Action: TA to review the government Audit Committee Handbook against ARAC TORs and report to the next ARAC on any necessary updates]

The Committee noted the ARAC events and the value of attending.

4.2 Fraud, Bribery, Whistleblowing Reports

No reports received.

4.3 Matters to escalate

None.

4.4 GIAA Insight Report – Assurance Mapping

Noted.

4.5 ARAC Pack Supplement – Sept 2024

Noted.

4.6 GIAA Insight Report – Sponsorship of ALBs

Noted.

4.7 GIAA Insight Report – MOG-July 2024

Noted.

4.8 Cross Government Insights – Oct 2024 – Maintaining Control and Assurance in an Environment of Efficiency

Noted.

4.9 GIAA Leaders Insight – Business Critical Models – August 2024

Noted.

4.10 ARAC Pack Supplement – Nov 2024

Noted.

4.11 AOB

None.

4.12 Date of next meeting

13 March 2025

5. MEETING OF ARAC MEMBERS AND ATTENDEES WITHOUT NAO OR GIAA PRESENT

TD explained at how the Audit Plan for 2025/26 was oriented towards areas in which we suspect weaknesses exist. Therefore, it is expected that there will be adverse findings.

The biggest challenge that we face with NAO is that we are such a low priority for them due to our small size. CJ will hold NAO to account over sticking to planned audit dates.