

TRUSTEES' AUDIT AND RISK COMMITTEE

Meeting No 105

Paper No 36

THE NATURAL HISTORY MUSEUM

AT A MEETING

ON 25 JUNE 2024

AT 02.00 P.M.

Present

Shahpur Kabraji (Chair)
Professor Dame Jane Francis DBE FRS
Robert Noel
Colin Hudson – independent member
Luke Fairless – independent member

In Attendance

Helen Whitehouse (Chief Operating Officer)
Melissa Clifford-Turner (Head of Finance)
Kevin Coughlan (Internal Audit Manager)

External representatives

Sir Patrick Vallance (Chair of the Board of Trustees)
Alex Macnab (Director, DCMS audit, National Audit Office)
Shannon Holmes (Audit Manager, National Audit Office) via Teams
Anita Raj (Head of Finance Business Partners - Culture & Media, DCMS) via Teams
Anjali Kothari (Partner & Head of Education, Moore Kingston Smith LLP)
James Cross (Partner, Moore Kingston Smith LLP)
Claire Ashby (IIA External Quality Assurance Reviewer)

Secretariat

Rosalind Glass (Chief of Staff)

Apologies

Dr Douglas Gurr (Director)
Colin McInnes (Deputy Director of Finance, DCMS)

1 MEMBERS' REGISTER OF INTERESTS (PN27)

Declarations of Interest and changes to the Register of Interests were made and recorded by the Board Secretary.

1a MINUTES OF THE MEETING HELD ON 1 MAY 2024 (PN28) AND MATTERS ARISING (PN29)

The minutes of the meeting of the Trustees held on 1 May 2024 were confirmed as a true record and signed off by the Chair.

All matters arising were noted as completed or scheduled for a later date.

2 DIRECTOR'S REPORT

The Chief Operating Officer (COO) confirmed there were no updates on major strategic risks as part of the Q4 Operating Plan Quarterly Review since the last meeting, as the next quarterly review was due to take place in July.

Key business items since the last meeting were summarised, including the appointment and start of the new Chief Financial Officer in September, recent opening of the Birds Exhibition, the opening of the Urban Nature Project in July, extra funding from Bloomberg and The National Lottery Heritage Fund, and the Final Business Case for NHM Unlocked due to be submitted to DCMS in early July, subject to Board approval.

3 RISK AND ASSURANCE PROGRESS REPORT (PN30)

The Internal Audit Manager summarised the Risk and Assurance Progress Report. The Committee had some questions around process in venue hire, staff training and building security passes, which were answered and resolved.

4 FINANCIAL REPORT FOR PERIOD 2 (PN31)

The Head of Finance summarised the Financial Report for Period 2, with a focus on visitor numbers and admissions income. The group discussed targets, grant in aid, utilities, staffing costs and rates appeals. Action for secretariat to add Adult/High-end Retail Offering to future deep dive topics for the committee and to add item to committee agenda after Q3 on Staffing Costs reported by REMCO.

5 MOORE KINGSTON SMITH POST-AUDIT MANAGEMENT REPORT FOR NHM TRADING COMPANY LIMITED FY2023-24 (PN32)

Anjali Kothari, (Partner & Head of Education, Moore Kingston Smith LLP) summarised the Management Report for NHM Trading Company Limited FY2023-24. Highlights included NHM's contract with Benugo and increased agency staff costs. It was advised that the museum had the ability to request more detail on Benugo's accounts and the team agreed to take this into consideration. It was suggested that NHM consider teaming up with neighbouring museums to share agency staff in a bid to decrease costs.

6 NATIONAL AUDIT OFFICE AUDIT COMPLETION REPORT (INCL. MANAGEMENT LETTER) FOR NHM FY2023-24 (PN33)

Alex McNab, representative of the National Audit Office summarised the Audit Completion Report and Management Letter for NHM FY2023-24. Key points to note were the Going Concern item, the balance review, a remuneration report update to say civil service pension figures (via MyCSP) not available through no fault of the museum, and outstanding clearance of property valuation. Payment for the NHM Unlocked Lease would be discussed as an exceptional item.

7 ANNUAL ACCOUNTS 2023/24 (PN34)

The Head of Finance explained the various components making up the Annual Accounts 2023/24, having already conducted a detailed review of the accounts with several members of the committee. Action for Head of Finance to amend wording on Thames Valley Science Park on the post balance sheet, and removal of Robert Noel as non-exec director of trading company (error).

Following discussion, the committee approved the Annual Accounts 2023/24.

8 ANNUAL REPORT OF DIRECTOR/TRUSTEE EXPENSES AND DIRECTOR GIFTS & HOSPITALITY (PN35)

The Head of Finance described the requirements around Director and Trustee Expenses and Director Gifts & Hospitality for NHM. Action for Head of Finance to understand where these items are stored and shared.

Having reviewed the documents thoroughly, the committee approved them.

9 AUDIT & RISK COMMITTEE EFFECTIVENESS REVIEW

The Chief Operating Officer introduced and summarised Claire Ashby's review on NHM's Audit & Risk Committee Effectiveness, completed in 2024.

Claire Ashby clarified the audit function that NHM is obligated to provide according to its funding agreement.

Following the report and having joined as Chair of the committee just recently, Shahpur Kabraji was in the process of developing a more effective committee by tightening agendas, providing clarity and requirements of agenda items, creating opportunities for committee deep dives on key sections, and providing more engagement on broader topics.

The committee thanked Claire Ashby for a very clear report and discussed next steps to ensure the museum is complying with functional standards. The Chief Operating Officer would report back to the committee on progress at the October meeting (action for Secretariat to add to agenda).

10 ANY OTHER BUSINESS

The Secretariat tabled an item on future deep dives for Audit & Risk Committee agendas. Action for Secretariat to add 'People' section to the NHM Unlocked item, add Digital Data Cyber as a future deep dive, add annual review/reflection of Technology Solutions as deep dive.

Sir Patrick Vallance suggested the Chair discuss Yadvinder Malhi's (Chair of Science Advisory Committee) plans for agenda items and meeting format for that committee to compare.

DATES OF NEXT MEETINGS

- 30 Oct 2024
- 29 January 2025