

TRUSTEES' AUDIT AND RISK COMMITTEE

Meeting No 106

Paper No 1b

THE NATURAL HISTORY MUSEUM

AT A MEETING

ON 30 OCTOBER 2024

AT 02.00 P.M.

Present

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

In Attendance

Helen Whitehouse (Chief Operating Officer)
Siobhan Tighe (Chief Financial Officer)
Melissa Clifford-Turner (Head of Finance)
Dr Tim Littlewood (Executive Director of Science) for item 6
Keith Jennings (Director of Estates, Projects and Masterplanning) for item 6
Emma Hayes (Programme Director, NHM Unlocked) for item 6 via Teams

External representatives

Alex Macnab (Director, DCMS audit, National Audit Office) via Teams
Shannon Holmes (Audit Manager, National Audit Office)
Anita Raj (Head of Finance Business Partners - Culture & Media, DCMS) via Teams

Secretariat

Stacey Frier (Head of Government Relations and Secretariat)

Apologies

Rosalind Glass (Secretariat)
Kevin Coughlan (Internal Audit Manager)
Colin McInnes (Deputy Director of Finance, DCMS)

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MEMBERS' REGISTER OF INTERESTS (PN1a)

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

MINUTES OF THE MEETING HELD ON 25 JUNE 2024 (PN1b) AND MATTERS ARISING (PN1c)

The minutes of the meeting of the Trustees held on 25 June 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. The Committee discussed measures of cyber security including a clear audit plan (covered under item 4).

2 DIRECTOR'S REPORT

The Chief Operating Officer updated the group on major strategic risks since the last meeting on behalf of the Museum Director, as part of the Q2 Operating Plan Quarterly Review. No paper had been circulated as the most recent OPQR meeting took place less than one week prior.

Key business items since the last meeting were summarised, including strike action by security guards against their employer Wilson James (a shared consortium supplier with V&A and Science Museum), the potential impact of the Autumn Budget, the NHM Unlocked Final Business Case being signed off by DCMS ministers and the National Gallery banning liquids and introducing 100% bag searches due to further protest action from Just Stop Oil. Trustees asked questions about security and vandalism risks in the new Gardens.

3 CHIEF FINANCIAL OFFICER'S REPORT (PN30)

The Chief Financial Officer summarised the Report. The Committee had some questions around the variance on unrestricted income, year-on-year movement, and income from science and venue hire which were answered and resolved. The CFO confirmed that a deep dive on corporate development is taking place to better understand under-performance, and a more detailed session on venue hire would be brought to a future Trustee meeting.

4 RISK & ASSURANCE PROGRESS REPORT UPDATE (PN31)

The Chief Operating Officer updated the committee on Risk & Assurance since the last meeting. It was noted that the Internal Audit Manager was currently away from the museum on long term special leave.

Prior to their leave, the Internal Audit Manager had conducted audits on how our science labs operate and Venue Hire's Due Diligence policy. No anomalies were found. For the latter, the escalation process and Ethics Committee are working well with recommendations made about the museum more formally recording the audit trail when matters are escalated. Additional audits are being undertaken by KGS our current supplier including an IT audit, focusing on cyber security and likely a further audit in Q4 on finance. Finally, the HR Director is overseeing a review on safeguarding and will come to the January meeting to present on review findings of safeguarding measures in the NHM.

Trustees asked questions about the future of the internal audit function. The COO said it was unclear how long the Internal Audit Manager would be away. That said, the Director and COO felt a sufficient number of audits (to meet compliance) would be undertaken for 24/25. A clear future process needs to be in place for 25/26. The COO said she would update further.

Trustees asked further questions on health and safety audits.

5 NATIONAL AUDIT OFFICE UPDATE

Shannon Holmes, representative of the National Audit Office gave an update on national audit observations including an emerging trend on voided transactions within the wider cultural sector.

6 NHM UNLOCKED DEEP DIVE (PN34)

The Programme Director for NHM Unlocked summarised the museum's approach to main contract award and full business case. The Director recapped on why the project came about, gave an overview of the project plans and progress to date, highlighted major challenges within the project,

and outlined major risks associated with the project. The committee had some questions around progress since the last infrastructure committee on the financial case as well as land lease, the risks regarding the level of contingency, what account had been made for wastage/damage during the move, insurance, security at Thames Valley site, staff buy-in, allocation of roles, project management and the consequences of the changing the type of furniture which were answered and resolved. The Executive confirmed that the updated Final Business Case was being submitted to HMG for HMT ministerial approval and the land lease with University of Reading had been completed.

7 ANY OTHER BUSINESS

The Chair noted topics for future meeting deep dives including the South Kensington site's capability to expand as part of NHM150.

The Chief Financial Officer noted that the Government had delivered its Autumn Budget shortly before the ARC meeting and that the Museum had profiled figures for how it would be impacted by the employer's national insurance contributions being raised. The COO confirmed that she would send the committee a further Budget update following a DCMS update call.

There being no other business, the meeting was closed.

DATES OF NEXT MEETINGS (2025)

Tuesday 11 February

Tuesday 13 May

Wednesday 18 June

Tuesday 4 November