

TRUSTEES' AUDIT AND RISK COMMITTEE

Meeting No 110

Paper No XX

THE NATURAL HISTORY MUSEUM

AT A MEETING

ON 4 NOVEMBER 2025

AT 02.00 P.M.

Present

Shahpur Kabraji (Chair)
Robert Noel (Trustee)
David Snell – independent member
Luke Fairless – independent member

In Attendance

Dr Douglas Gurr (Director) for item 2
Helen Whitehouse (Chief Operating Officer)
Siobhán Tighe (Chief Financial Officer)
Melissa Clifford-Turner (Head of Finance)
Stephanie Wilson (Financial Controller)
Clare Laws (Head of Strategic Planning) for item 4
Jessica Bradford (Director of Collections) for item 5
Sarah Long (Head of Registry) for item 5
James Downs (Head of Security) for item 6
Alison Lodge (Director of Human Resources) for item 8
Melanie Cockton (CEO, KCG) for item 10

External representatives

Shannon Holmes (Senior Audit Manager, National Audit Office)
Anita Raj (Head of Finance Business Partners, DCMS) (online)

Secretariat

Julia Evans (Chief of Staff)

Apologies

Lord Tony Hall (Chair of the Board of Trustees)

Professor Dame Jane Francis DBE FRS (Trustee)

1 MEMBERS' REGISTER OF INTERESTS (PN1a)

The Chair welcomed David Snell as a new member to the committee, replacing the role that Colin Hudson previously fulfilled.

Declarations of Interest and changes to the Register of Interests were made and recorded by the Secretariat. As a new member David Snell's Interests will be added to the register.

MINUTES OF THE MEETING HELD ON 18 June 2025 (PN1b) AND MATTERS ARISING (PN1c)

The minutes of the meeting of the Committee held on 18 June 2025 were confirmed as a true record and signed off by the Chair.

All matters arising were noted as completed and closed. The Chair raised that any matters arising will aim to be closed after two consecutive meetings.

2 DIRECTOR'S REPORT (PN2)

The Director gave an update on the updated Strategic Risk Register, drawing reference to the revised Risk Management process and noted on the challenges around people and staff satisfaction, physical security and terrorism prevention as a public site and visitor attraction. Incidents such as the Paris, Louvre robbery in October 2025 raise security challenges for the museum sector.

Items addressed for the committee included progress on the NHM Unlocked and Masterplanning programmes and challenges for Finances and staffing costs. The commercial portfolio was also discussed including the September full building closure for venue hire by the Clooney Foundation and retail highlights with a Pokémon pop-shop retail shop opening in January 26.

3 CHIEF FINANCIAL OFFICER'S REPORT

The Chief Finance Officer (ST) shared the Q2 Reforecast update with the committee, presenting key factors driving change from the original Budget. Change was represented through a mix of increased income, cost savings and timing of capital expenditure within the portfolio. The spend against capital was moving back into later years in most cases so whilst showing as a saving, there were no significant budget reductions to note against the capital portfolio.

The Chief Operating Officer (HW) provided further detail on the noted change drivers around retail with the forthcoming Pokémon pop up shop and the reviews of Venue Hire and Global Touring activity that are being undertaken by the Management Board.

Mitigations to risks included high contingency provisions made across the Q2 Reforecast, which will be managed with a view not to draw down on them, thereby creating an underspend for this financial year. The COO noted that financial planning with DCMS for the Public Bodies Infrastructure Fund (PBIF) has moved into February 2026, considered late in the planning cycle. It was flagged with the committee as meant that decisions are being made at risk and require close management on progress and spending against profile. NHM teams will be going into business planning cycle now so this will be further refined.

4 RISK MANAGEMENT (PN4)

The Head of Strategic Planning (CL) shared an update on the management response to the KCG risk management audit. Key actions included a revised Risk Management Policy. The new policy pulls all risk governance into one place and ensures clarity on roles, responsibilities, management processes and includes an updated risk template to be rolled out across the organisation. The Strategic Risk Register has also been updated using the new format and consolidating the strategic risks with updates including clarity on inherent vs residual risk scores and a more comprehensive look at active vs planned mitigations. The Executive Board have already signed off the Risk Management Policy and a dedicated communication and implementation plan will be put in place across senior and middle management. Templates will be shared Museum-wide and a discussion with HR on appropriate training mechanisms is planned.

The COO noted that this process had been conducted in line with the Orange Book principles and based on recommendations from KCG Audit and good practice shared by Science Museum Group and other peer organisations.

Committee member Luke Fairless recommended that clearer impact definitions could be included in the scoring guidance to ensure that the practical impact is translatable at an operational level. He also recommended that in the Cyber Security Risk the organisation update the description to include personal data. Committee member Rob Noel queried whether the impact criteria e.g. £1m is too low, although COO felt that this aligned to statutory accountability around managing public money. The Chair asked how NHM teams will stay engaged with risk management, and how we will embed a renewed risk management culture, and it was acknowledged that training and incorporating risk into regular Management Board discussions, in addition to the Operating Plan Quarterly Review review would help.

The Committee queried how and when risks are reviewed, and it was noted that discussions will take place at OPQR and Management Board meetings to ensure that the appropriate attention is given to risks during the year. Our Annual Business planning session will include also have specific risk horizon scanning session.

The committee requested that an update on this item to be brought back to committee in 6 months' time for May 2026, to discuss progress on culture / behaviour change outside of the usual strategic risk updates.

The committee approved the Risk Management Policy.

5 COLLECTIONS RISK OVERVIEW (PN5)

Head of Registry (SL) presented on the Collections Risk Overview and shared the draft Collections Risk Register for discussion with request for recommendations.

The committee noted that there were several high risks registered and recommended that grading and ranking from 'worst to least bad', may be a helpful guide with a more holistic Register. Several risks were noted to have common features and challenges and could be merged into a single risk. For example, a number appear to indicate challenges with moving collection items, which will have a similar mitigation. This was noted by SL and Director of Collections (JB). It was also recommended that any unmitigated risks

should be reviewed and ownership and responsibility assigned to each risk along with a timeline.

The committee noted that the team are perhaps trying to meet ideal standards, which will challenge the risk appetite and recommended that reviewing the actual actions around mitigations may reduce scores and increase confidence levels. An example was the risks associated with the legal and ethical frameworks which govern collections – including Access and Benefits Sharing. Committee members noted that the NHM has significant in-house expertise and a robust policy framework and should therefore be more confident in the ability to manage this risk to an acceptable level.

6 LOUVRE ROBBERY SECURITY (PN6-6.4)

Head of Security (JD) presented on the latest updates following sharing report with committee members. The Paris, Louvre robbery in October 2025 has been suspected to be conducted by petty criminals rather than organised crime syndicates and JD noted statements in the media that the Louvre had underequipped security protocols. JD conducted an immediate robust review following the robbery of our protocols and security measures for high value objects on display and galleries. This included actioned pauses to display of high value collection items planned for re-display; and CCTV, Alarms and Display cases are all being reviewed.

JD has been working closely with the Head of Registry and Collections teams so that additional work to ensure documentation is updated as well as ensuring that continued training and awareness around insider robbery risk. Contractors working on site are all robustly vetted, and new Staff ID cards are due for rollout within the financial year.

JD also noted close collaboration and working relationship with MET Police on evidence preservation to ensure and leading best practise within the museum sector and continual monitoring of incidents across Europe.

7 INVESTMENT PERFORMANCE REVIEW & STRATEGY (PN7)

The Financial Controller (SW) shared a review of the Investment Performance split into short, medium and long term with recommendations to maximise interest. RN noted

that benchmarking against 3 -5 years of performance might guide papers to be reviewed and SW noted that this is 'snapshot view' is perhaps a better descriptor. SW highlighted that the Rathbones investment started in Q2 but CCLA investment performance could be reviewed over those time periods given an agreed benchmark comparator.

Investment policy reviewed and RN noted that £20m cap should be taken out as we have now exceeded this. Prohibited investments were added to the policy to consider. Committee noted some of the list was subjective around investing ethically. Red line and/or summary changes version of the policy to be presented in next meeting, approvals will now be put forward for February 2026 ARC meeting.

8 DEFINED CONTRIBUTION PENSION PAPER (PN8)

Director of HR (AL) shared a paper on the Pension Advisory Committee's recommendation to change the Defined Contribution default pension scheme to a better performing scheme. This has come after careful monitoring over the last two years, advice from our pension advisors and a review of the new default scheme which had good ESG credentials. Following discussions with Aviva, the provider will aim to implement the change from April 2026. AL confirmed that staff will receive direct comms in advance on the changes and with plenty of notice to opt out if they wish to do so. This item was noted by the committee.

9 ARC TERMS OF REFERENCE AND ANNUAL CYCLE OF INFORMATION (PN9)

The ARC terms of reference were reviewed by the Committee with clarity on timings for review. This was the finalisation of the fuller review which happened in August ARC.

For future committee meetings, comparative version to be added to show changes. Committee approved Terms of Reference with small changes recommended of information flow between ARC and Board of Trustees.

10 INTERNAL AUDIT CHARTER (PN10)

Melanie Cockton, KCG audit shared papers including an Internal Audit Charter, Plan and Progress report.

The Charter was approved by Audit and Risk Committee and will be shared with the Board of Trustees for approval.

Scope of the Plan was reviewed by the Committee. Committee member David Snell expressed interest in being involved in any reviews and revisions to future internal audit annual plans. The COO said she would be very happy to involve David, as his predecessor had been too.

Committee member Luke Fairless noted that Cyber Security review has only a short amount of time assigned and said he would be keen to be involved in the development of terms of references for both cyber audits, which the COO welcomed. She also commented that 20 days was a standard period for a more comprehensive audit.

All assignment reports are expected to be completed by May 2026 with good current progress against the plan reported to date. The February 2026 ARC meeting will further review progress against the Audit Plan.

11 ANY OTHER BUSINESS / FUTURE TOPICS

The Chair recommended that an update and review of Museum Infrastructure proposals from the Estates team be brought to the February 2026 meeting. COO noted that this will be timely with new Head of Estates Masterplanning Stephanie Hall, joining the Museum.

DATES OF NEXT MEETINGS (2025/2026)

12 FEBRUARY 2026