

TRUSTEES' AUDIT AND RISK COMMITTEE

Meeting No 109

Paper No 1a

THE NATURAL HISTORY MUSEUM

AT A MEETING

ON 18 JUNE 2025

AT 02.00 P.M.

Present

Shahpur Kabraji (Chair)
Robert Noel (Trustee) (online)
Colin Hudson – independent member
Luke Fairless – independent member

In Attendance

Helen Whitehouse (Chief Operating Officer)
Siobhán Tighe (Chief Financial Officer)
Melissa Clifford-Turner (Head of Finance)
Stephanie Wilson (Financial Controller)
David Jones (Senior Manager, KCG) (online)
Bethan Parry (Director of Strategy and Innovation) for item 5
Harry Rousham (Head of Innovation Unit) for item 5
Robyn Fryer (Innovation and Translation Lead) for item 5
Sarah Long (Head of Registry) for item 10

External representatives

Shannon Holmes (Senior Audit Manager, National Audit Office)
Anita Raj (Head of Finance Business Partners, DCMS) (online)
James Cross (Partner, Moore Kingston Smith LLP)

Secretariat

Rosalind Glass (Chief of Staff)

Apologies

Lord Tony Hall (Chair of the Board of Trustees)
Professor Dame Jane Francis DBE FRS (Trustee)
Dr Douglas Gurr (Director)
Melanie Cockton (Audit Director, KCG)
Martin Burgess (Director, DCMS audit, UK National Audit Office)

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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 13 MAY 2025 (PN1b) AND MATTERS ARISING (PN1c)

The minutes of the meeting of the Committee held on 13 May 2025 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 (PN2)

The Chief Operating Officer confirmed there had been no Operating Plan reviews since the last meeting of the committee which meant that there was no update on this. However, the key strategic risks report for the last meeting had been re-circulated for reference.

Key items highlighted were the recent Spending Review announcement, final settlement on Urban Nature Park contract sum with Walter Lilly, and Public Body Infrastructure Fund spending profile for 26/27 subject to DCMS business planning (and confirmation on overall PBIF allocation through the SR process). Since the last meeting the museum has signed the build contract with Mace for the build of the new collections storage site at Thames Valley Science Park and groundbreaking was due to commence in September. The outline business case for the digitisation project in collaboration with AHRC for DiSSCo UK had been agreed allowing us to proceed with the Full Business Case process.

Anita Raj reported no further information on spending news from DCMS at that time.

3 CHIEF FINANCIAL OFFICER'S REPORT

The Chief Financial Officer gave a verbal overview of Period 2. Variances to date are mostly timing but the team continued to look for in year opportunities to take back savings and reduce spend.

4 INTERNAL AUDIT PLAN (PN4)

The Chief Operating Officer (HW) introduced the updated Internal Audit Plan 25-28 since it was presented at the last meeting. This version incorporated committee comments and gave an overview of the audit schedule in detail for the next year (25/26).

The committee questioned why Health & Safety was not on the plan, perhaps not for the first year but in the overall three year plan. HW explained that technical Health & Safety audits were carried out separately e.g. we had just passed a recent ISO 450001 audit, but agreed it made sense to do a broader one within this timescale and she would work with KCG to build it into the next three years. Action for COO to add Health & Safety to Internal Audit plan in next three years.

The committee questioned why collections care was not being prioritised in the first year of the plan given its score in Appendix A (risk assessment) of the paper. HW explained that because the museum was going through the museum (re)accreditation process this year. It was a lengthy and thorough assurance process looking at many aspects of governance, care, use and security the collection. Therefore a collections audit was proposed for year 2 (26/27) in the internal audit plan. It was also added that the Board receive a detailed collections audit report quarterly. The committee were satisfied with the response and approved the plan.

5 INNOVATION UNIT UPDATE (PN5)

The Director of Innovation and Strategy introduced the team who presented to the committee on the inception of this unit, its work to date, future plans and mission: to create scalable solutions for and from nature with real-world impact & generate revenue/investment.

The team were keen to discuss measuring success, risks and opportunities, tolerance for failure, readiness for an innovation seed fund, and fast versus incremental growth.

The team thanked the Chair for his assistance in securing pro bono legal advice to assist them with their work.

The committee gave much advice and lookouts when involving other parties and reminded the team that the Board of Trustees could provide a wide range of advice and assistance to them should they ask for it.

The committee expressed their support for the Innovation Unit which is clearly very much a part of the museum's mission.

The Chair asked that the team present to the Board of Trustees on this topic in future, with the addition of the scientists working on those projects presented. Action for Secretariat.

6 ANNUAL REPORTS 24/25 (PN6-6.4)

The Chief Financial Officer (ST) introduced the Annual Report Summary Paper 24/25 and highlighted key items. Ahead of this meeting, the committee had met informal to review the annual accounts in detail.

The committee had questions on minimum reserve for cash, trading company consulting income, and overall trading growth and profit, all of which were answered and resolved.

The committee endorsed the accounts, noting that the NAO report was a summary draft report and a more complete final version would be needed prior to the Chair's recommendation to the Board, as noted below.

7 NAO ANNUAL AUDIT PROGRESS REPORT FOR NHM ANNUAL REPORT & ACCOUNTS 24/25 (PN7)

Shannon Holmes (SH) gave apologies for Martin Burgess. The NAO Annual Audit Draft Progress Report had been issued and circulated in the meeting papers for review. The report highlighted no financial errors or impact on the annual accounts which could go ahead for sign off. In the process the NAO and NHM finance team had a lot of discussion around the valuation of fixed assets with the museum taking the approach to value via an indexation method rather than the NAO's proposed desk top exercise. The ARC were content with this being the pragmatic approach to take.

The committee expressed concerns that nearly every item in the report was open but NAO assured all that they expected these to be closed off to the original timeline set. The committee asked for assurance that that would be the case ahead of the Board meeting on 2nd July. Subject to that assurance the ARC would endorse the annual accounts to the Board.

8 POST AUDIT MANAGEMENT REPORT (PN8)

James Cross introduced the post management report which presented the completed audit of the museum's trading companies and other charitable funds. There were no areas of concern. Two minor points had been discussed with management who had agreed to review those areas. A management response will be complete following this.

9 ANNUAL REPORT OF DIRECTOR'S AND TRUSTEES' EXPENSES AND DIRECTOR'S GIFTS AND HOSPITALITY (PN9)

The Head of Finance summarised the papers and asked for questions. The reports were noted.

10 MUSEUM ACCREDITATION VISIT UPDATE (PN10)

The Head of Registry (SL) reported on the recent museum accreditation visit for which the team had recently seen preliminary recommendations. These were very positive giving just three areas of proposed (but not mandatory) development. The panel were meeting on 7 August to consider the assessor's recommendation on re-accreditation which would then be communicated to the museum. The team had asked to meet with the assessor after that process to discuss in more details his assessment including of what things the museum did well as well as where we could learn lessons from others.

The committee thanked SL on her considerate work to undertake the accreditation process.

11 ANY OTHER BUSINESS

The Chair noted topics for future meeting deep dives.

It was also noted that the committee secretary would be going on maternity leave before the next meeting, and their one-year cover would be introduced to the group via email before the next meeting in November.

The committee thanked Colin Hudson for his service to the committee over the last nine years as this would be his last meeting.

There being no other business, the meeting was closed.

DATES OF NEXT MEETINGS (2025)

Tuesday 4 November