

TRUSTEES' AUDIT AND RISK COMMITTEE

Meeting No 112

Paper No XX

THE NATURAL HISTORY MUSEUM

AT A MEETING

ON 7 MAY 2026

AT 01.30 P.M.

Present

Shahpur Kabraji (Chair)
David Craig – independent member (Online)
David Snell – independent member
Kate Robson Brown – independent member (Online)
Luke Fairless – independent member

In Attendance

Dr Douglas Gurr (Director)
Helen Whitehouse (Chief Operating Officer)
Siobhán Tighe (Chief Financial Officer)
Melissa Clifford-Turner (Head of Finance)
Vince Smith (Head of Digital, Data and Informatics) (Item 4)
Tim Littlewood (Executive Director of Science) (Item 4)
Anja Coffey (Programme Manager, Data and Informatics) (Item 4)
Jessica Bradford (Director of Collections) (Item 9)
Sarah Long (Head of Registry) (Item 9)
James Downs (Head of Security) (Item 10)
Chris Sleep (Information Security Manager) (Item 10)
Richard Hinton (Chief Information Officer) (Item 10)

External representatives

Anita Raj (Head of Finance Business Partners, DCMS) (online)
Martin Burgess (Director, DCMS audit, UK National Audit Office)
David Jones (Associate Director, KCG) (Online)

Secretariat

Molly Harrison-Edge (Development & Director's Office Project Officer)

Apologies

Lord Tony Hall (Chair of the Board of Trustees)
Stephanie Wilson (Financial Controller)
Eleanor Pirie (Head of Health and Safety)
Esme Chapman (Data Protection Officer)
Melanie Cockton (CEO, KCG)

Jyoti Makkar (Audit Manager, National Audit Office)

1 CHAIR'S WELCOME

The Chair welcomed David Craig and Kate Robson Brown as new members to the committee, replacing the roles that Jane Francis and Robert Noel previously fulfilled.

It was noted that there will be a transition from KCG to BDO as the new internal auditors, noting that BDO's contract is pending due to internal changes, and outlined plans for BDO to present a draft audit plan at the June meeting, which will be reviewed in advance to ensure alignment with committee priorities.

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 12 FEBRUARY 2026 (PN1b) AND MATTERS ARISING (PN1c)

The minutes of the meeting of the Committee held on 12 February 2026 were confirmed as a true record and signed off by the Chair.

All matters arising were noted as nearing completion and will be closed by the next meeting in June.

2 DIRECTOR'S REPORT (PN2)

The Director updated the group on major strategic risks since the last meeting as part of the Q4 Operating Plan Quarterly Review. Since the February meeting, the overall risk profile has increased, with three risk ratings rising and no reductions recorded. The likelihood ratings for Financial Sustainability, External Scrutiny/Reputation, and Supply Chain Failure, have all increased due to factors including reduced funding (real term), global economic pressures, upcoming UNESCO restitution committee, international charging discussions, procurement challenges, fluctuating energy prices, and food inflation. All other risks have remained broadly stable during the reporting period.

The committee discussed the government's considerations around introducing international visitor charges at national museums, the complexities of policy implementation, sector engagement with DCMS, and the financial modelling of potential impacts. Concerns were raised about the operational complexity of implementing a universal charging policy, the risk of inconsistent adoption and impact across institutions, and the potential for reputational outcomes if not managed carefully. DCMS sponsored museums are part of a working group with DCMS to consider the issue. DCMS is aiming to provide a policy position by the end of the calendar year.

3 CHIEF FINANCIAL OFFICER'S REPORT

The Chief Finance Officer (ST) gave an overview of the final FY25-26 position versus actuals and the original budget. This showed a better surplus position than budgeted attributed to increased grant-in-aid, improved operational performance, and delayed capital expenditure.

The proposed FY26-27 budget was revised downward by £1.3 million after the FY25-26 year end close, reflecting the carry forwards of (FY25-26) project costs and provisions, partially offset by expected improved interest income. The focus continued to be to maintaining a prudent approach amid economic uncertainty.

The committee raised concerns about high inflation and its impact on costs and visitor numbers. ST explained that some buffer is built into the budget, with reserves available to address unforeseen cost increases, and ongoing monitoring of business rates and energy costs.

4 DRAFT ANNUAL GOVERNANCE STATEMENT (PN4)

The Chief Operating Officer (HW) introduced the Draft Annual Governance Statement 25/26. Minor drafting points would be sent to HW out of committee, no other comments were raised, and the committee approved the draft for inclusion in the Annual Reports & Accounts.

The committee highlighted the challenges of managing a large number of stakeholders, the need for digital expertise in governance, and the importance of simplifying reporting and decision-making processes to avoid overburdening the delivery team.

Vincent agreed to extract and share the one-page milestone plan for the DiSSCo programme with independent member David Craig for clarity on deliverables and timelines.

5 DEEP DIVE: DiSSCo (PN5)

Vincent Smith (Head of Digital, Data and Informatics), Anja Coffey (Programme Manager, Data and Informatics), and Tim Littlewood (Executive Director of Science) provided an in-depth overview of the DISSCO UK digitisation programme, focusing specifically on key delivery risks and assurances under the governance structure for this complex national infrastructure project.

Members queried if there were measures in place to mitigate cyber security risks, and Vincent confirmed that risks such as corruption, ransom, and denial of service are addressed in detail, with technical assurance provided by the NHM's external tech assurance expert, and a dedicated head of engineering focused on cyber resilience.

There was discussion regarding the importance of commercialising digitised data, the use of GBIF and the Creative Content Exchange as distribution channels and associated restrictions, and the need to track data usage to support future revenue models and ensure sustainability.

6 ANNUAL ASSURANCE (PN6)

David Jones (Associate Director, KCG) reported that the internal audit work for the year 25/26 provided satisfactory assurance on risk management, internal control, governance, and value for money, with all work completed and compliance with public sector internal audit standards.

7a CYBER SECURITY REPORT (PN7a)

Overall, the Cyber Security audit highlighted satisfactory assurance, highlighting there is a sound system of control designed to achieve system objectives, and overall, the controls are being consistently applied. However, there are some weaknesses in control and/or evidence of non-compliance, which are placing some system objectives at risk, and which, could have some impact on the institution's strategic aims and objectives.

The committee discussed the outcomes of a scenario-based cyber security audit focused on the museum's response to a ransomware attack, with findings informing enhancements to cyber resilience and disaster recovery planning.

Richard Hinton (Chief Information Officer) reported on the implementation of phishing simulation and associated training activity. The Committee noted that results will be used to target awareness activity and improve organisational resilience, with benchmarking against peer organisations where appropriate.

The committee also considered issues relating to legacy hardware and shadow IT, noting that a technology debt register is maintained to support prioritisation of hardware replacement.

All audit recommendations have been accepted by management.

7b PROCUREMENT REPORT (PN7b)

Overall, the Procurement audit highlighted limited assurance, highlighting that whilst there are some areas of good control design and operation, there are a number of significant weaknesses in control design, and/or their consistent operation and compliance that, within the areas subject to review, are placing the institution at risk of failing to meet its strategic aims and objectives.

The COO noted that whilst the audit was helpful, it was of limited benefit. The audit was carried out following the government's implementation of the new Procurement Regulations which has been a complicated and protracted process. As such guidance is still evolving and at the time of the audit, the museum only had five contracts tendered under the new regs all from the same business area.

In particular, the procurement audit revealed the absence of a central contract register, which was already recognised as a risk by the heads of procurement and legal; steps are being taken to implement the register in the next quarter.

It was noted that a new senior procurement officer is joining the team, and the procurement function is moving towards a business partnering model to improve oversight, compliance, and best practice implementation.

All audit recommendations have been accepted by management.

7c DISASTER RECOVERY REPORT (PN7c)

Overall, the Disaster Recovery audit highlighted satisfactory assurance, again highlighting there is a sound system of control designed to achieve system objectives, and overall, the controls are being consistently applied. However, there are some weaknesses in control and/or evidence of non-compliance.

In particular, there are concerns around the risk of data loss. This is being addressed and plans are progressing to implement data loss prevention tools within Office 365, initially across HR and finance functions, to strengthen the protection and monitoring of sensitive data; as well as through O365, identity and device configuration backups.

In addition, a critical risk relating to the absence of an immutable backup solution for research data infrastructure was identified, with work ongoing to secure an appropriate solution and interim mitigations put in place for new data.

All audit recommendations have been accepted by management.

8 ANNUAL COLLECTIONS ASSURANCE REPORT (PN8)

Jessica Bradford (Director of Collections) and Sarah Long (Head of Registry) provided updates on collections governance activity, including the recent return of remains to Japan, ongoing governance reviews, development of a new Collections Development Board, and current risk management priorities relating to collections care, transport, and regulatory compliance.

It was noted that work is ongoing to strengthen collections governance arrangements. This includes the establishment of a Collections Development Board to oversee acquisitions and disposals, and a broader review of governance policies and procedures. Jessica and Sarah agreed to finalise the revised collections governance framework and present the finished piece to committee next year.

The Committee discussed ongoing monitoring of risks associated with collections care, transportation, and changing regulatory requirements, including with CITES and Biology Beyond National Jurisdiction.

It was reiterated that risk and assurance will be reported to ARC, whereas broader strategic discussions about collection use, impact and transformational programmes (e.g. Unlocked) will be discussed at the joint Science and Collections Advisory Committee.

It was agreed that external audit will occur in proportion to need and was recognised that NHM does not have many national comparators in terms of the scale and complexity of the collection, for example in the domain of repatriation. We regularly draw on peer support and sector best practice.

It was noted that the highest risk to the collection - poor physical environmental conditions - will not be reduced until the move to TVSP and the vacation of the worst performing spaces in South Kensington and Wandsworth.

9 ANNUAL SECURITY REPORT (PN9)

James Downs (Head of Security) provided an update on current security risks, including potential protest group activity and the threat of burglaries targeting cultural property. The Committee noted the continued focus on strengthening security measures across all sites, including Tring and the new Unlocked building, and ensuring compliance with Martyn's Law requirements.

The Committee received an update on the ongoing security contract tender process. Expert leads are overseeing the procurement exercise, with positive engagement reported from preferred suppliers.

The topic of ransomware was revisited, and it was agreed the briefing paper on the IBM research data backup issue would be sent to independent members for review and escalation to IBM UK Chair.

10 ANNUAL HEALTH AND SAFETY REPORT (PN10)

Helen Whitehouse (Chief Operating Officer) provided the committee with an update on health and safety management, including improvements to incident reporting, radiation and fire safety arrangements, and procedures relating to travel and contractor safety.

The Committee noted the appointment of a new external Radiation Protection Officer and the Museum's new fire strategy.

Members questioned the increase of reporting rates for both staff and visitor incidents, but it was noted the museum are confident the shift is due to reporting improvements to incident reporting through the Assure system including near misses, opposed to an actual increase of incidences.

The Committee received assurance that procedures are in place to manage travel to high-risk areas and to ensure contractors are safe to work on site. This includes the use of permits to work and close monitoring of incidents and contractor activity.

11 ANY OTHER BUSINESS / FUTURE TOPICS

No other business

DATES OF NEXT MEETINGS (2025/2026)

17 June

5 November