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Minutes

Meeting name: **Board of Trustees**
Date of meeting: **Monday 17 June 2019**
Location: **Conference Rooms A&B, the Tower of London**

Attendees: Rupert Gavin (Chairman)
Zeinab Badawi (by phone)
Ajay Chowdhury (by phone)
Jane Kennedy (by phone)
Sir Michael Stevens
Sue Wilkinson

In attendance: John Barnes, Rachael Gilleard, Sue Hall, Dominique Phipp

Apologies: Bruce Carnegie-Brown, Lord Houghton, Tim Knox, Carole Souter, Professor Michael Wood

1. **Opening business**
 - 1.1 The Chairman welcomed Trustees to the meeting.
 - 1.2 The Chairman of the Audit and Risk Committee (ARC), Sir Michael Stevens, provided a verbal report from ARC, which had discussed the National Audit Office (NAO) audit completion report, the HRP Financial Statements, the Head of Audit and Risk (HAR) annual report and opinion and ARC annual report.
 - 1.3 Sir Michael Stevens explained to the Board that whilst the NAO had produced a final audit completion report they had since informed HRP that they had not completed their final quality assurance checks so could not recommend that the accounts were to be sent to the Comptroller and Auditor General for certification. . This was acknowledged by all parties to be the fault of the NAO, not HRP. Sir Michael Stevens will be speaking to the Director responsible for HRP's audit at the NAO to express HRP's concern about late delivery of the audit completion report.
 - 1.4 Therefore, in this meeting, the Board would be asked to approve the financial statements in principle, on the basis that there are no material changes to the recommendations in the existing audit completion report, and no recommendations for changes to the financial statements. The Board would be reconvened to approve



the Financial Statements once the final audit report had been received¹.

The Board agreed this approach.

2. NAO report

- 2.1 Sir Michael Stevens ran through the current completion report provided by the NAO. There were no comments from the Board.

3. Financial Statements

- 3.1 Sir Michael Stevens explained that the HRP Enterprises Ltd Financial Statements had been approved by the Directors of HRPE, on the assurance by the NAO that no further work was required. Given the recent comments by the NAO about the further work that they have chosen to do, the approval may be re-visited.

Sir Michael Stevens reported that the ARC had been through the HRP financial statements. Some minor changes had been suggested, but nothing that indicated that the statements were misleading or inaccurate. Subject to the NAO having no further comments of substance, the ARC recommended approval of the financial statements. Trustees accepted this recommendation and approved the financial statements, subject to the caveats already noted.

4. HAR annual report and opinion

- 4.1 Sir Michael Stevens explained that the overall assessment of the HAR was that HRP's framework of governance, risk management and control was 'good'. The ARC considered that this was a good overall result. The HAR opinion was based on:

Internal Audit – satisfactory

Risk Management – good

Security Adviser's opinion – good

Health, Safety and Environment Adviser's opinion – satisfactory

Fire and Emergency Planning Adviser's opinion – good

Zeinab Badawi asked why the Risk Management opinion had improved since last year. Sir Michael Stevens explained that there had been an external review of risk management processes in 2019, and that the HAR may have been a little conservative in the past. However, it was recognised that further work was required on HRP's risk appetite, and that this would be discussed with the ARC in the autumn.

¹ The detail of this process was agreed after the meeting between the Chairman of the ARC and the Finance Director, having spoken with the NAO. In the meeting, the Board agreed to approve the Financial Statements in principle, and confirm their approval thereafter.



Jane Kennedy asked whether the health and safety issues identified in the report were ones of practice, or recording. John Barnes explained that they were a mixture, and that all priorities had been addressed, with the exception of updating the asbestos register. The Executive Board has approved the appointment of an asbestos surveyor to work on the register.

5. ARC annual report

- 5.1 Sir Michael Stevens explained that the report summarises the ARC's opinion on governance, risk management and control effectiveness, which is judged to be 'good'. The ARC found no issues relevant to the governance statement, subject to the findings of the final audit completion report. On receipt of this, the ARC annual report will be finalised.

6. Any other business

- 6.1 The Chairman gave Trustees a verbal update on the current status of various Trustee appointments. This had previously been reported via email.

The next meeting will be at 9.30am on 17 July at Hampton Court Palace.

