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## Success Guides

### Successful Governance in Independent Museums





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*Adrian Babbidge*

# Successful Governance in Independent Museums

Proportionate and thoughtful approaches to the essentials of governance have the potential to enhance both performance and sustainability.

**Governance is not an optional extra. It is the hub around which everything turns – and whose strength ultimately determines success or failure. It is not only about what organisations might expect of themselves, but what society might expect of them.**

Increasing recognition of the need for good governance has seen it moving up the agenda of the not-for-profit organisations during recent years in much the same way as it has in commerce and the public sector.

Good governance:

- enables compliance with statutory rules and guidance, and the recommendations of regulatory bodies;
- encourages the people responsible for the organisation to meet their personal legal duties and the public's expectations of them;
- creates a framework for building confidence and establishing strong relationships with stakeholders (funding bodies, employees, volunteers and the general public), especially those that provide capital investment for development;
- stimulates strategic thinking through the access to a range of skills, experience and perspectives that encourage new ideas; and
- provides the capacity to assess organisational risks and to assure the quality of how those risks are managed.

Notwithstanding these benefits, it has to be recognised that, while business failure is ultimately always the consequence of poor governance, good governance is not a prerequisite for short-term success.

Charismatic, politically-attuned and media-savvy leadership can often deliver results and create an aura of achievement.

In such an environment the belief can be cultivated that 'governance' is merely a theoretical concept that has no effect on performance, but which

adds bureaucracy (and so costs) and slows down decision-making.

Additionally, some believe that the small scale of their operation excuses them from considering how their organisation is governed.

Yet the reality is that all museums – big or small, private and public, embryonic or established – operate in a world where long-term survival depends on maintaining public confidence and reputation as well as financial achievement. Good governance underpins all of these.

While the diversity of the sector means there is not a single model that fits all circumstances, and there can be no general body of 'best practice', proportionate and thoughtful approaches to the essentials of governance have the potential to enhance both performance and sustainability.

The purpose of this guide is to suggest areas where care and thought can lead to improvement.

## What is Governance?

Governance is the system by which something is directed and controlled. A useful definition of corporate governance in the museums sector is that it is the means of ensuring long-term sustainability by the collective direction of the museum's affairs, while meeting public needs and complying with interests of key stakeholders.



"OK, all those in favour of delegating decision-making, shrug your shoulders."

This definition incorporates some key concepts:

- as museums are generally founded with the intention of being enduring institutions rather than as business opportunities with a limited life-horizon, the strategic view to be taken is always long-term, rather than being only concerned with short-term expediency;
- control and direction of the museum is never in the hands of an individual, but always under the direction of a group sharing a common purpose;
- the museum is for the benefit of a wider constituency than those who govern it; and
- there is a wide range of 'stakeholder' interests that have to be balanced one against the other - these may be external to the organisation (regulators, funders, donors, visitors/users, local residents etc) or internal (members, employees, volunteers etc).
- Governance has four main components, which follow on, one from the other:
  - Foresight - defining the overall direction of the organisation, its vision and mission, and values and culture;
  - Strategy - identifying key performance areas and targets, and the business model (the approach to generating income defined by customer needs) that is to be adopted;
  - Management - establishing overall structures, delegation schemes for those responsible for managing the organisation (whether staff or volunteers), and monitoring performance; and
  - Accountability - to stakeholders, including reporting on the Museum's activities and carrying ultimate responsibility for its fortunes.

The people who oversee this process (generally called trustees, though sometimes they carry alternative titles) are responsible for the museum. That responsibility extends to everything that the organisation does.

Where the museum is subject to statutory regulation (such as when it is a company and/or a charity) 'being responsible' includes operating in line with obligations imposed by statute and regulation, and each trustee must ensure that they are aware of those duties.

**While it is possible to mitigate the disadvantages of a larger governing body, it is unlikely that it can ever replicate the effective working relationships and team spirit that can be developed in a smaller group of people.**

## The Structure of Governing Bodies

Museum boards of trustees (like those of other not-for-profit organisations) tend to differ from those of their commercial counterparts.

Boards of directors in the commercial world tend to be small in size – between eight and twelve members – with their non-executive membership appointed for their experience in similar businesses, or knowledge of relevant technologies, or useful political contacts.

Often museum governing bodies are larger because, besides the need to include a range of relevant skills, they feel they have to represent the many constituencies that have a stake in the organisation – funding bodies, support groups, learned societies, education bodies, and (usually local) government.

Such voices can enhance connections with, and be a source of accountability to, the communities of interest served by the museum.

Creativity can be enhanced as a result of range of different perspective inventiveness.

Yet this benefit can often be counter-balanced by other factors. Their size can discourage candid debate, are more prone to internal conflict and, when making decisions, larger size can reduce the likelihood of reaching a quick consensus. There is also a higher risk of potentially-damaging leaks when difficult issues or sensitive topics are discussed.

One of the most common means of tackling these difficulties has been the creation of an 'executive committee' – a small number of experienced trustees empowered to deal with business between trustees' meetings, or to take key decisions.

Legally the whole board of trustees is responsible for the governance of the organisation, and the 'executive committee' approach risks the creation of a 'them and us' situation, with the executive committee members heavily involved and in the know, but the remainder of the board of trustees uninformed and marginalised.

In such a situation trustees' meetings can be little more than a opportunity for the executive committee's decisions to be reported and rubber-stamped. Other trustees can feel their active participation is discouraged.

Such misgivings may be regarded as threats; and the louder they are expressed, the greater the likelihood that those voicing them will be shut out in fear of a challenge for control.

Introversion, secrecy and distrust can be the consequence. These problems are exacerbated when trustees meet less than frequently, and there is little opportunity for them to develop working together as a team.

Another much-used alternative has been to create a structure of supporting committees of trustees, each reporting to the full board.

Overseeing key development and operational areas can be a useful means of engaging trustees in a museum's work, and improving their knowledge of its activities.

Yet the benefits of increased participation can sometimes be offset by fragmentation of effort or, unless there is regular rotation of committee membership, committee members losing their perspective and becoming champions for a single area of activity. In any case, the successful operation of a committee structure inevitably increases the proportion of resources deployed in administration rather than delivering programmes.

The disadvantages associated with both executive and standing sub-committees, and particularly their tendency to infringe on the exercise of authority that should lie with the board of trustees, will always make a small board the preferable option.

While it is possible to mitigate the disadvantages of a larger governing body, it is unlikely that it can ever replicate the effective working relationships and team spirit that can be developed in a smaller group of people.

And if that group can meet frequently, in a way that facilitates their development as a team, then so much the better.



This is not to say that there is not a role for committees of the board of trustees. All organisations larger than the smallest should have an audit committee to oversee or administer an internal audit process, monitor the performance of the external auditors and (where there is no other means) undertake periodic checks both on the museum's financial systems and assets (including the collection).

Similarly, a nominations panel can be a useful means of ensuring continuing effort to seek new blood for the board of trustees. 'Task and finish' groups can also be helpful in supervising one-off projects, or addressing an issue of immediate concern. All such committees or working groups should have written terms of reference, delegations and/or budgets set by the board of trustees, to which they should report back at the earliest opportunity. Where the governing document permits, appointments to such committees need not be limited to trustees, and in such a situation they can often provide the 'nursery slopes' for potential trustees.

Some museum charities have wholly-owned trading companies to undertake commercial activities that fall outside the charity's primary purpose.

They have their own, separate boards of directors and, lacking the need to represent different constituencies, rarely have more than a handful of members. Invariably they include a trustee or two, and a similar number of senior employees. However, as the trading company is a separate legal entity, the legal duties that fall on its directors can, in some circumstances, conflict with the interests of the parent charity.

The risk of conflicts of interest can be mitigated through some of the directors of the trading company being independent of the parent charity, especially if they bring skills and experience directly relevant to the operations of the trading company. If, as a matter of course, one of these non-conflicted directors chairs the board of the subsidiary, this can also be helpful in assuring that independent decisions are being made correctly.

In some circumstances, there may be other entities, companies or otherwise, with which the museum charity has a formal relationship – these include

collections, property and endowment trusts, linked charities or vehicles created to conduct a specific activity. In some cases the museum may act in its own name as a corporate trustee, whether by itself or with others; or its trustees may act as the board of other entities; or the museum may appoint nominees to the boards of trustees of other entities. In each case the precise nature of the arrangement needs to be defined, and arrangements for dealing with conflicts of interest put in place, with any financial transactions between the related parties reported in their respective accounts.

While such arrangements are important, they should not mask the primary purpose and strategy of the parent charity. This can be achieved by systems and processes – especially those relating to strategic/business planning – involving the boards of subsidiary/linked entities, and there being both formal and informal opportunities for members of all boards/committees to come together to confer on the museum charity's strategic direction.

## Trustees' Duties

In whatever legal form a museum is constituted, there is always a 'governing instrument' (ie its constitution) that describes the museum's purpose, and the rules and regulations as to how it operates.

Charity law says very little about the structure and composition of a board of trustees, but the key responsibilities and duties of members of boards of trustees are commonly held to be:

- ensuring that the organisation has a clear vision, mission and strategic direction, and is focused on achieving these;
- maximising the overall performance of the organisation, its conduct and reputation;
- protecting the organisation's assets (and in the case of museum and like organisations) especially heritage assets, taking all due care over their security, deployment and appropriate application; and
- ensuring high standards of governance.

**There should be both formal and informal opportunities for members of all boards/committees to come together to confer on the museum charity's strategic direction.**

"It's important to remember that we now have *aspirations*, not targets. So that gives us all something to aim for."

roystoncartoons.com



These responsibilities fall individually and collectively on all members of the board of trustees. In undertaking them, each of the trustees must always act in the best interests of the organisation, and with reasonable care and skill, to ensure that

- it carries out its purposes for the public benefit;
- complies with its governing document and the law;
- manage its resources responsibly; and is accountable.

The legal requirement always to act in the museum's best interests can cause difficulties where trustees are nominated by another body, especially if that organisation provides funding. In these circumstances, the perception can arise that what is beneficial to the nominating body must be in the best interests of the charity. This is not necessarily so. Thus nominated trustees cannot use their seat on a board of trustees to rehearse the views or policies of the body that nominated them, or act as a delegate of that body. Their primary motivation must always be to act in a way that a reasonable person would see as being in the best interests of the charity.

There are codes of practice that amplify these responsibilities, and all museum trustees should be aware of their content. In England and Wales the Charity Commission publishes The

Essential Trustee CC3), its Scottish counterpart OSCR produces Guidance and Good Practice for Charity Trustees, and the Charity Commission of Northern Ireland Running your Charity. The Charity Governance Code, produced by a consortium of civil society sector umbrella organisations, is the touchstones for good governance in independent museums.

AIM's Ten Golden Rules for Good Governance provides some useful principles on governance practice.

## Board Character

Boards of trustees require not only frameworks and rules (essential as they are), but also effective ways of working together. This can be difficult to achieve, as trustees often meet each other infrequently, may come from different social circles, and have different levels of skills and experience.

Many museums - especially those that are smaller charities - tend to find it harder to recruit new trustees. Often this is because trustees are seeking to replicate the status quo, rather than to reflect changing circumstance. It is not surprising, therefore, that word of mouth and networking continues to be the most common method of recruitment, rather than casting the net more widely and, through advertising and other means, trawling a larger pool of potential interest.

Good governance means making the right strategic decisions, and it is often difficult to achieve this without trustees who debate and challenge each other. Achieving this, and creating a team from a group of people with disparate backgrounds, and with differing perspectives and experience, is more than a 'tick box' exercise. It requires existing trustees to step outside the networks associated with their employment and their social circle.

Yet a more considered approach to board recruitment is vital. While no effective board will ever be large enough to incorporate all the skills, experience, personalities and backgrounds that it might wish to see represented amongst its number, the aim should be to achieve a balance in the following areas:

- Skills – while there will always be a need for people with some knowledge and experience of the subjects to which the collections relate, and their value to existing and potential audiences, will there will be scope for expertise in core areas such as financial management, marketing, fundraising, human resources, and ICT; future plans might suggest that (for example) legal, architectural and building and project management skills would be desirable. These would never be a substitute for an appropriately-skilled workforce (whether employee or volunteer) or diminish the need to take external advice. The perceived skills of trustees should never be relied on. For example, a local solicitor specialising in family or property law is unlikely also be an expert in charity or intellectual property law, or an architect may have little experience of the conservation of historic buildings of the type in which the museum is housed. Sometimes a trustee's experience is not of the recent past. Their expertise is to contribute to the board's ability to plan and to challenge, by identifying opportunities and pitfalls.
- Personality - boards are weaker without a mix of personality types - entrepreneurs, risk takers, regulatory compliance champions, strategists, user champions, fixers,

peacemakers – all these attributes strengthen a board of trustees. A board that reflects the social mix of the community on which it is based (whether that be place or of interest) is also highly desirable.

Most organisations tend to wait until a vacancy arises before taking action, and even where board appointments are for a fixed term they tend to be renewed automatically unless the individual wishes to stand down. Recruitment in these circumstances is always more difficult, and keeping the issue to the front of the trustees' collective mind means that the process can be less stressful, and a process in place that identifies a pool of candidates at an early stage removes a major barrier to prompt appointments.

A lack of turnover in trustees can lead to a board of trustees appearing to the outside world as a clique, thereby discouraging people from putting themselves forward, especially where there are particularly dominant members who appear to be unwilling to consider change. To address this issue, terms of appointment should be time-limited, and perhaps similar to the existing recommendation for company directors, where nine years (three consecutive terms) is increasingly regarded as a ceiling. Where a trustee serves longer than the maximum term, the trustees' annual report should explain why this should be the case. The membership of boards of trustees needs to change on a regular base if it is to avoid being perceived as being closed to change.

Membership of a 'committee of honour' or 'advisory council' is a good means of acknowledging a long-serving trustee. Such arrangements, which play no role in the museum's governance, can provide a formal means for keeping in touch with supporters, and include invitations to participate in the museum's private views and events, and consultation on reviews of the museum's strategic direction. Membership of such a group should be distinguished from honorifics such as 'President or Vice-President' which carry connotations of external endorsement by people of distinction. The term 'Patron' can also be used in this way, or to acknowledge the major financial gift of an individual.

**A board that reflects the social mix of the community on which it is based (whether that be place or of interest) is also highly desirable.**



**It is important that systems distinguish between governance and management roles, even in all-volunteer organisations.**

### The Relationship between Governance and Management

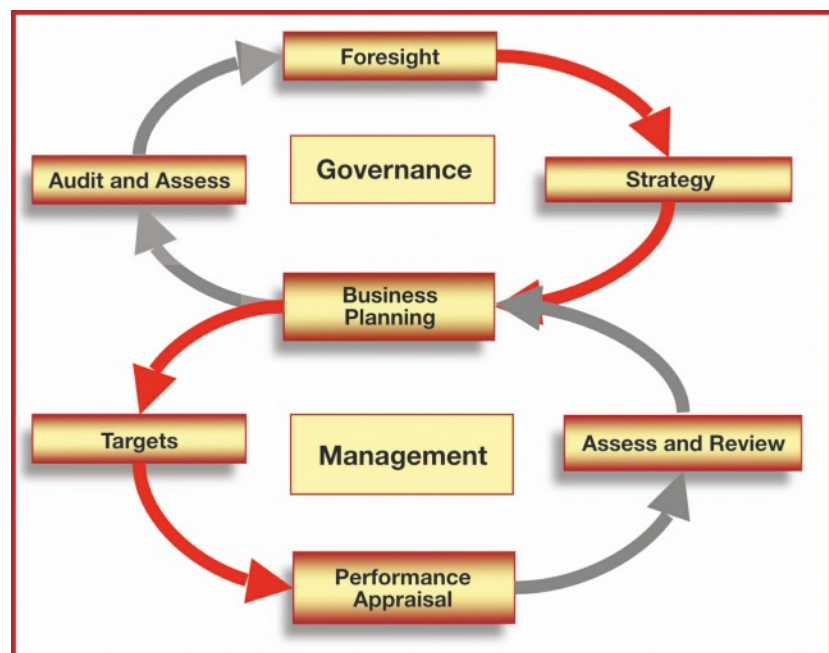
While staff and volunteers may come and go, the board of trustees goes on and on. Though its membership changes over time, it provides the continuum throughout a museum's history. The board is always in charge, and where there is a falling out between trustees and management, it should always be the case that board of trustees has its way.

Nonetheless, the responsibility for managing the museum rests with management, not with the board of trustees. Trustees are responsible for ensuring that there is an appropriate management structure, making the key appointments to that structure, and delegating to it powers sufficient to enable the successful day-to-day operation of the museum. These need to be sufficient to achieve the objectives set by the trustees, solve any operational problems that arise, and remedy any functional failures.

It is important that systems distinguish between governance and management roles, even in all-volunteer organisations. Where there are no staff, and management is in the hands of volunteers, this can be achieved by having a person designated 'managing trustee' or perhaps 'honorary curator' on the board of trustees, who is in overall

charge for day-to-day operations, supported perhaps by a 'management group' of volunteers with specific responsibilities. This individual acts as the conduit for reporting on management issues to the trustees. Without such separation, the tendency is always for trustees to focus on matters related to day-to-day management rather than foresight and strategy. The executive responsibility for operations, whether paid or voluntary, should always be separate from that of chair, lest the organisation become over-reliant on a single individual. The chair lead the board with an eye to the museum's long-term interest while senior management leads the employees and volunteers, develops and implements strategy and reports to the trustees. Likewise, meetings of the trustees should always be distinct from those of the management group.

The diagram below illustrates the interaction between governance and management. It shows that the annual business plan brings together, in words and numbers, how the museum's strategy is to be applied in the coming year, what is to be achieved, and the means of doing so. The reporting of performance against that business plan provides part of the business of trustees' meetings, and where circumstances vary materially from those expected, trustees may have to re-think the way ahead and adjust its strategy accordingly.



Larger museums with small boards of trustees, employing a number of staff led by a 'chief executive' or 'director' often operate on different basis to smaller organisations. In these larger, museums trustees are often highly reliant on the chief executive and senior staff. Often the assumption is that management should be given room to implement a strategy that, although approved by the trustees, is predominantly of its own making.

Trustees will challenge and intervene only in the case of management failure. This approach is predicated on the belief that failure only arises out of incompetence. That is not so. Most crises arise not from ineptitude, but from the failures of judgement that are the inevitable realities of human decision-making and organisational behaviour.

Factors contributing to crisis and failure include:

- people, being people, make mistakes;
- individuals are biased towards decisions and strategies that reflect personal strengths, which may not reflect the current needs of the organisation;
- individuals and groups do not like to admit to mistakes – indeed, psychologists expound the theory of 'cognitive dissonance', that tells us the more evidence there is to demonstrate a bad decision, the more firmly its authors become committed to it – simply put, when in a hole, people rarely stop digging;
- senior managers filter bad news before it arrives at trustees' meetings;
- interpersonal chemistry can influence decision-making; and
- any organisation is subject to a cyclical effect – decision makers get tired, managers get set in their ways, people who were once innovators run out of ideas.

These issues are near to those found in business. But museum trustees are more vulnerable as:

- they tend to meet less frequently;
- many trustees will be less well-informed about their organisation and its context than non-executive directors would be in the world of business; and

- trustees, with little evidence on which to work, are reluctant to speak up about their concerns. This can discourage informed challenge, and trustees runs the risk of 'being asleep at the wheel' – where responsibility for the museum's control is impaired to the extent it can come off the road and risk suffering catastrophic financial or reputational loss.

To mitigate these factors it is important that:

- trustees are given sufficient time and explanations to digest information they are given in advance of key decisions;
- sufficient information should be provided to enable informed challenge of management's assumptions;
- trustees ask questions and challenge management and don't just 'rubber-stamp' management's recommendations.
- trustees should always establish the 'museum's appetite for risk' and develop a framework for managing risk that includes clear accountabilities and makes provision for regular reviews of the adequacy of the systems to identify, assess, mitigate and monitor risk and the adequacy of its reporting; and
- trustees are expected to allow time for their development and training beyond induction and 'board away days'.

The approach of museums that are 'volunteer-run' (rather than 'volunteer-supported'), even when there is a single paid curator/manager and less than a handful of employees, is often somewhat different. Typically trustees' experience and expertise is used in place of, or to complement paid staff, and this brings issues additional to those found in larger museums. In particular, trustees often perform roles in the day-to-day management of the museum, with the risk that the available time is spent dealing with the exigencies of the moment rather than thinking for the longer term. Indeed, many may find greater enjoyment and fulfilment from discussing minor (and easily resolved) issues, and/or the excitement that comes from short-term crisis management, than strategic thinking where the questions are harder to resolve and often bring no immediate results.

**Trustees should be given sufficient time and explanations to digest information they are given in advance of key decisions.**

**A good chair will seek consensus, ensure that every trustee feels they are able to make a useful contribution (including constructive challenge), and that all views are respected equally.**

## The Chair

The role of chair is key to successful governance. Although most governing documents only refer to presiding over formal meetings, in practice the role is somewhat wider. In general, the duties of the chair also include:

- managing the board of trustees, creating a team rather than a group of individuals by promoting a strong sense of mutual commitment, while ensuring that individual members contribute regularly and effectively;
- acting as a figurehead and ambassador, by representing the museum to the outside world; and
- acting as the conduit between the trustees and senior staff and acting as a sounding board for both sets.

The first of these is the most significant, and primarily relates to ensuring that all trustees fulfil their obligations towards the proper governance of the museum. This includes ensuring that appropriate policies and processes are in place, the risks to which the museum is exposed are reviewed and mitigated on a regular basis, and that trustees' meetings are successful.

A good chair will seek consensus, ensure that every trustee feels they are able to make a useful contribution (including constructive challenge), and that all views are respected equally. Board factions or cliques are not allowed to grow up, and the chair is careful not to be unjustifiably selective in sharing privileged information with fellow trustees.

The chair should also police non-attendance, taking prompt action when a trustee is a regular absentee from meetings, by establishing why that person is not attending, and taking remedial action appropriate to the circumstances.

One of the key means of ensuring that trustees know what is expected of them is the induction process for new trustees. This involves the co-ordination of a number of people, and however this is organised, the chair should exercise quality control over the process, making sure that it is undertaken promptly and comprehensively, and giving time to welcome the new trustee at the start of the process that should include an

informal briefing on the workings of the board of trustees and its relationship with management. The chair should also take the lead in ensuring that there are opportunities for the trustees to come together outside the formality of board meetings, such as by visits to other organisations can provide the board with opportunities to build working relationships as well as widen their experience.

Recent years have seen an increase in examples of reputational risk caused by conflicts of interest. The public expects, irrespective of an individual's status and commitment to a charity, that person should not only be unaffected by any actual or potential financial, personal, political or other external interest, but that they should also be seen to be 'unconflicted' by such influences. While the chair should ensure that individual trustees do not pursue their own agendas or interests, there should also be clear a Conflicts of Interest Policy monitored by the whole board.

As the board of trustees is an exercise in collective governance, the office of chair carries no decision-making responsibilities other than those specified in the governing instrument or expressly delegated by the trustees. Sometimes the need arises for decisions to be taken between board meetings. Any decisions taken in this way should always be with the grain of the museum's current direction, and never represent a change of policy or a new or novel departure.

Today, where there is any uncertainty, electronic communications make it easier for the chair to take soundings about such decisions, and a growing number of governing documents enable formal meetings to be conducted through the use of communications technology. In these situations all trustees need to be able to participate and receive full and complete information about the matter(s) to be discussed, and the technology to be used should enable full and equal discussion by all trustees.

The chair's role is also to ensure that the board of trustees as a whole works with senior management, whether paid or volunteer. This includes an obligation to support – and challenge – the head of paid staff, whether director, chief executive, curator or manager. This is a critical relationship, requiring careful attention and regular communication (both formal and informal), with both individuals respecting the boundaries of their roles. Care should be taken to ensure that the relationship does not become so close that it is perceived as an alliance that makes the trustees' scrutiny and challenge function too difficult to exercise.

The chair's role in managing the board of trustees is beyond the purview of any senior manager, who should not become involved in matters concerning board membership, conduct of its business nor (other than in administering the administrative process of recruitment, such as hosting a familiarisation visit for potential trustees) in the recruitment or appointment of trustees - even when there is an invitation from the chair or trustees so to do. This not only maintains the board's status but safeguards against the risks associated with over-reliance on a chief executive and marginalisation of trustees.

Some organisations appoint a vice- or deputy chair to act when the chair is not available. If the chair performs their role well, there may well be little purpose to having this appointment 'in case' – and should there be a need for a locum trustees usually have it in their powers to make an appropriate appointment from within their number. The vice-chair is sometimes regarded as the 'chair apparent', yet that person may not be that best-suited for the needs of the organisation when the vacancy arises. So unless there are special circumstances, a chair alone is likely to be sufficient.

## Board Evaluation

Experience suggests that organisations with a strong sense of accountability have boards that regularly evaluate their collective performance and appraise the contribution made by their members as individuals. But such

boards are probably in a minority. The reason for this may be the necessity for all board members to participate to make the exercise worthwhile - the unwillingness to participate by only a few of their number (perhaps believing that their status in society makes such a process unnecessary in their case, or due to an evident lack of commitment) will compromise the exercise as a whole, as other trustees are likely to feel unable to criticise a colleague who is, in any case, a volunteer. Nor is this an activity that can be spearheaded by senior management, as so to do runs the risk of creating unwelcome tensions.

It follows that successful evaluation requires both the leadership of the chair and implanting the expectation of assessment and appraisal into trustee recruitment and induction. Making the process straightforward, non-threatening and speedy, perhaps by the use of self-evaluation questionnaires, can help achieve this.

## The Secretary

Most charities have a person - whether a trustee, volunteer or member of paid staff - who provides the administrative support necessary for it to function. Sometimes the requirements for such a person exist in the museum's governing instrument, but even when this is not the case the need remains. The key role of the Secretary is

- ensuring that meetings are effectively organized and decisions are recorded;
- maintaining the administrative records of the board of trustees;
- ensuring the organisation operates as required by its governing instrument and meets its legal obligations;
- guiding trustees on technical matters relating to its governance.

None of these are tasks that can be carried out lightly, and although they may fall within the scope of the Secretary, responsibility for seeing they are discharged falls on the board of trustees as a whole. It is important, therefore, that the Secretary is appropriately experienced or trained to carry out that role.

**Organisations with a strong sense of accountability have boards that regularly evaluate their collective performance.**

"We did put aside money for a rainy day, but we were thinking less torrential downpour and more scattered showers with a chance of some sunshine."

roystoncartoons.com



In particular, the minutes need to be a clear record of the meeting, indicating date, time and venue, who was present (and in what capacity), the declaration of any interests, and stating precisely the decisions reached, and, where appropriate, a summary of issues raised in discussion (rather than a summary of the discussion); significant decisions with potential legal consequences should also give a full record of the reasons. All major decisions, and especially contractual commitments, should be recorded in the minutes.

The Secretary also has a key role in the induction process for new trustees, particularly by providing an information pack that includes copies of the governing document, annual report and accounts, strategic/business plans and key policies, short biographies of other trustees, and recent minutes as well as generic documents such as the code of governance for the voluntary and community sector and guidance issues by the appropriate regulators.

### Executive Responsibilities Performed by Trustees

Some museum boards appoint individual trustees to take on additional

responsibilities, such as acting as secretary to the board, or honorary treasurer. Such appointments can be hugely valuable, though it is important that the board does not believe that it is absolved from oversight of those issues within such delegations (for which there should always be formal terms of reference), or that it can relax scrutiny in those areas. As the board always has overall responsibility, the persons undertaking those roles should seek trustees' engagement and challenge.

### Delegations

The museum's governing document is a legal document that provides the basic set of rules for the organisation. All trustees must have a personal copy. While trustees always have the ultimate legal responsibility for the management and administration, and some matters are reserved only be dealt with them, it is usually impractical or undesirable to make every decision collectively, so usually their authority to undertake certain tasks is delegated to sub-committees, individual trustees or employees. The extent of that delegation is subject to the powers specified in the governing document.



As responsibility for the exercise of the delegated authority remains with the board of trustees, it should ensure that they are documented and circulated to all trustees, to ensure that use of that authority is reported to the trustees, to monitor their use, and to periodically review their content, and revoke those delegations if necessary.

The scope and levels of any delegated authority should also be identified in any role descriptions for trustees (including those for honorary officers) and in documents relating to the museum's financial controls.

## Clarity in Action

The common strand that runs through all aspects of successful governance is clear and open communication. Debate and discussion, both within the organisation and with its external stakeholders, should be regular activities. Without this, museums can lose sight of their mission, misuse the funds for which they are responsible, or focus on issues tangential to their core business.

Some of the means of achieving clarity and enhancing communication are:

- training and induction programmes to ensure that all trustees understand the museum's traditions, mission, goals and values;
- pairing a new trustee with a more experienced member who can act as mentor;
- evaluating the board's performance (both collectively and individually) to see how well it carries out its operations;
- developing a social theme outside of board meetings to enable trustees to meet informally;
- an annual session attended by trustees, directors, committee members and senior staff to confer on the strategic direction for the coming period; and
- basing decisions on evidence rather than hearsay, consulting externally, and having an internal mechanism for critical evaluation of all significant decisions.

## Successful and Unsuccessful Boards of Trustees

Successful boards of trustees demonstrate a culture characterised by trust, candour, challenge, open dispute, good humour and flexibility. Their members are prepared to evaluate their contribution, both as individuals and collectively.

These characteristics are connected with:

- a clear understanding of the roles and responsibilities of the board of trustees;
- the right mix of skills, experience and personality within the board of trustees;
- time to do the job well;
- a common vision (shared between trustees and managers) of how goals should be achieved; and
- periodic reviews (with managers) of how well trustees and managers work together.

The following good practice facilitates this process:

- the board of trustees meets regularly with a formal agenda;
- there are objective/transparent processes for the appointment of new trustees, led (in the case of larger organisations) by a nominations committee;
- trustees receive adequate induction training, and participate in appropriate development thereafter;
- trustee appointments are for limited (three-year) terms, with renewals for one further term (or two where a trustee is appointed as chair during a second term of appointment); and
- effective communication between the trustees and stakeholders.

**Successful boards of trustees demonstrate a culture characterised by trust, candour, challenge, open dispute, good humour and flexibility.**

The characteristics of unsuccessful boards of trustees are:

- there is no shared mission, a lack of clear purpose, and no agreed measures to demonstrate success;
- lack of, or misdirected, effort represented by trustees making conflicting demands, perhaps driven by individual trustees pushing their own personal interests or agendas, or a lack of understanding of the wider market, perhaps leading to conflict between long and short-term goals;
- there are poor relationships, such as the trustees managing rather than governing, or a lack of mutual respect between chair and board of trustees; or the chair failing to provide leadership/dominating the board; and
- there are inadequate systems, such as no training/induction for trustees, lack of board evaluation, meeting papers absent or of poor quality; no succession planning and lack of new blood is rarely introduced, and succession planning is absent.

No organisation - even a museum - has a right of immortality. Only an informed and proactive board of trustees can ensure a healthy, self-renewing and adaptive museum able to provide useful service to generations to come. It takes some effort to find appropriate members of a governing body, sustain their interest, and equip them to play a full and useful role. Effective governance, no less than any other part of a museum's operations, requires care, trouble and application.

## BIBLIOGRAPHY

*All of the following are available online*

Association for Independent Museums	<i>A set of guidance notes for trustees (2018) including notes on: Board Away Days, Recruitment, Effective Meetings and Governance Audits. <a href="#">Click here for these resources.</a></i>
	<a href="#"><i>AIM Ten Golden Rules for Good Governance</i></a> (2013)
Charity Commission for England & Wales	<a href="#"><i>The essential trustee: what you need to know, what you need to do</i></a> (CC3) (2015)
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Charity Commission for Northern Ireland	<a href="#"><i>Running Your Charity</i></a> (2016)
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Clore Leadership Programme	<a href="#"><i>Governance in the Arts &amp; Museums: A Practical Guide</i></a> (2017)
Office of the Scottish Charities Regulator	<a href="#"><i>Guidance &amp; Good Practice for Charity Trustees</i></a> (2016)

This updated guide is based on the AIM Focus Paper Governing Independent Museums first published in 1995 and revised in 2002 and 2005, and the Success Guide to Governing Independent Museums first published in 2013.



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**AIM Association of Independent Museums**

3 Chestnut Grove, Ludlow, Shropshire SY8 1TJ

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