

CultureNow – An Introduction to Governance supporting information

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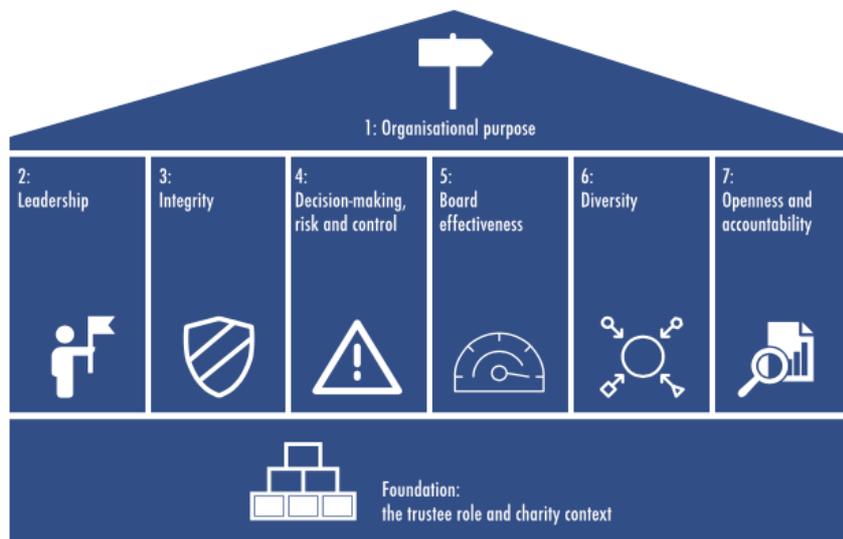
What is governance?

The means by which decisions are made. It can mean different things to different people but ultimately all our lives are shaped by governance in one way or another. In the context of museums it is the systems by which the museums are directed and controlled. It is the structure which sits behind an organisation. It covers all types of decision making within an organisation; from running board meetings to recruiting trustees, preparing accounts and reports. All museums from independent charitable trusts to nationals will have an approach to governance.

What does good/bad look like on the ground?

The Charity governance code sets out the principles of good governance. These can be summarised as:

- Having clear organisational purpose and direction
- Effective leadership
- Integrity
- Decision making risk and control
- Diversity
- Board effectiveness
- Open and accountable



What does it look like in practice?

As Adrian Babbidge points out in the AIM success guide there is 'a culture of trust, candour, challenge, open dispute and flexibility'.

On the ground you will see:

- a successful organisation which is delivering its mission. It will be clear in what it is trying to do. There will be strategic discussions among the board about where they want to be and a reflection on clarity of message – who are we for? What are we for? (not just existing for the sake of it)
- There will be an excellent relationship between the Chair and Chief Exec – no secrets and no surprises.
- Trustees will advocate for the organisation and enthuse others to get involve. They will be champions for the cause.
- There will be clarity across roles and responsibilities – what trustees are responsible for and what staff/volunteers are responsible for.
- There are regular meetings of the board which are professionally run (notes/risks identified)
- Trustees will go on a yearly away day
- Board members are aware of their legal obligations – individually and collectively. They act solely in the interest of the charity not themselves. They declare any conflicts of interest and set aside when required. They take professional advice on issues.
- Trustees understand the finances, they ask questions of the accounts and reports.
- Boards spend and raise funds effectively – there is a good balance.

What does bad governance look like?

All of the above but in reverse.

The public usually becomes aware of bad governance through high profile cases such as Kids Company. Everyone may not be aware of what happened in that case but most people will have spotted something in the news and be aware that the company closed down. What makes it an interesting example is the stories which emerged about and the board, the CEO civil service. It is an example of collective failures.

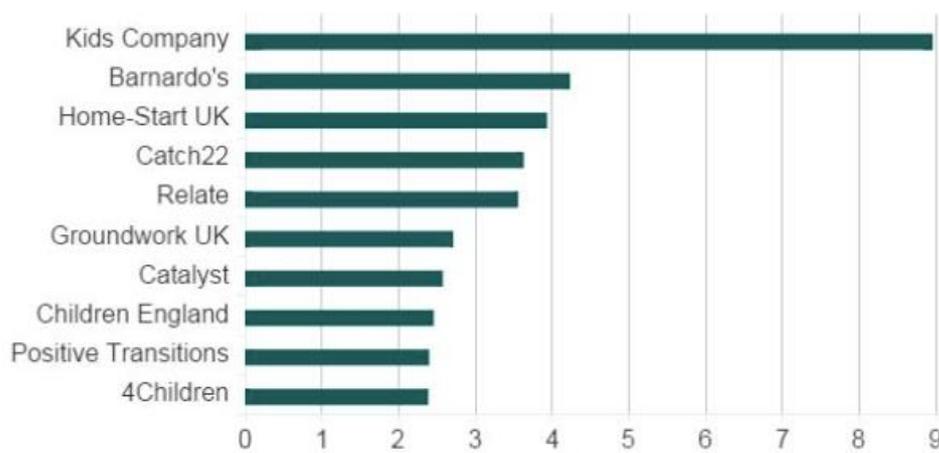
Kids Company was 'Founded in 1996 in south London, it provided practical, emotional and educational support to up to 36,000 deprived and vulnerable inner-city children and young people. It employed more than 600 people, with high-profile supporters including Prime Minister David Cameron.

In October 2105, **the National Audit Office reported the charity had received** at least £46m of public money despite repeated concerns about how it was run.

It said there was a "consistent pattern" of it receiving grants after claiming it would close without them. The NAO also said got more Department for Education money than any other charity in 2011.' [BBC News Article](#)

Department for Education grants

Largest 10 charitable grants, 2011-13 (£m)



Source: National Audit Office

BBC

Key issues for the board:

- Lack of understanding and responsibility for scrutiny of finances.
- System not in place for effective measurement of outcomes – what are they doing/ what impact are they having? What is their purpose?
- Deferring to charismatic leader(s) with high profile connections – taking the position of - it will all be OK, someone will step in. There is no way they would let us close.
- Ignoring warning signs and not making decisions based on evidence (goes back to having clear outcomes).

Within museums there are perhaps not such high profile cases but there are areas where there could be improvement. I am sure we have all sat in meetings where:

- We are not clear on the finances and say nothing.
- There is a lack of data around activity or tools to effectively measure impact.
- It is unclear what the overall purpose of the museum is or the purpose has shifted from its original objects.
- Does the museum exist for itself or for the wider public? This I think is one of the biggest challenges facing museums. There is an ever increasing need for museums to justify their 'charitable' status. How are they delivering their charitable objects while also being a financially viable visitor attraction. Can they be both?

How does governance effect people, i.e. mid careers. Why should they care?

Apathy has a profound impact on democracy and governance. When we talk about governance we are also taking about representation and democracy. Museums have enormous potential to revitalise, regenerate and transform local areas. They are (or should be) democratic institutions which are trusted. Everyone should care about this.

For those of us working within the sector we have a duty of care. A duty to ensure we are applying the principles of good governance. Yes, being a trustee is a good thing to have on your CV but are you putting the needs of the charity first?

There are particular challenges to people who are in their 'mid career'. Being a trustee is a voluntary role which means unpaid and time away from other things – including your family. It has to fit around your work/life.

However it can form part of your CPD. Many employers recognise the value of staff being on boards. Arts and Business ran a programme specifically for young people a few years ago which was supported by employers mainly from the corporate sector.

What can you do to find out about governance?

Talk to your Museum Development Officer

AIM have very useful resources – golden rules/ successful governance/ transfer of assets

Clore – Cultural Governance Alliance and Governance toolkit

Look outside the sector there is a wealth of resources – NCVO/ Association of Chairs/

Practical Governance who are running a session called – Loosing Control

Charity Commission

Talk to others working in this area.