



**Association of
Independent Museums**

The National Body Connecting, Supporting
and Representing Independent Museums

Success Guides

Successful Governance in Independent Museums





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Adrian Babbidge

Successful Governance in Independent Museums

Effective corporate governance is now seen to be as fundamental as is efficient management.

Recent years have seen governance rise up the agenda of the not-for-profit organisations in much the same way as it has in commercial business and the public sector. Effective corporate governance is now seen to be as fundamental as is efficient management. The recent LIBOR banking scandal is a timely reminder that organisations which demonstrate strong business performance can also have weak board governance, and that this is capable of being easily disguised, at least for the short-term. One of the best-known commercial failures – Enron, the US energy, commodities and services business – had, on the face of it, a model board of directors that included both the talent and the separation of interests that are said to be fundamental to good governance. In 2000 *Chief Executive* magazine named Enron among the five best corporate boards in the US; the next year, following discovery of a series of irregular accounting practices, it went into bankruptcy with catastrophic losses. A good reputation today is no guarantee of a good reputation tomorrow, and while there is no single model of successful governance, this guide suggests some areas where attention can lead to improvement.

What is Governance?

Governance is the system by which an organisation is directed and controlled. A useful definition for museums is *ensuring long-term sustainability by the collective direction of the museum's affairs, while meeting public needs and complying with interests of key stakeholders*. 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.



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

This definition includes some concepts that are key to the governance of museums and heritage organisations:

- 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 a individual, but always a group that shares 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).

For boards of trustees – the people (whatever their formal title) who oversee a museum – effective

governance is ‘being responsible’. 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 it falls on each trustee to ensure that they are aware of those duties.

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 12 members – with their non-executive members appointed for their experience in similar businesses, or knowledge of relevant technologies, or useful political contacts. Museum governing bodies tend to be larger because, besides the need to include a range of relevant skills, they frequently

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.

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.

Yet these benefits are often offset by difficulties. In particular, when making decisions, having a large board reduces the likelihood of reaching a quick consensus, and there is a higher risk of potentially-damaging leaks when difficult issues or sensitive topics are discussed. Big boards can also discourage candid debate. 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 an opportunity for the executive committee's decisions to be reported and rubber-stamped. Individual trustees, museum members and other stakeholders 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 work 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 powers 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.

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 the 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, and not go beyond, written terms of reference, delegations and/or budgets set by the board of trustees, to which they should report back at the earliest opportunity. Not all the members of such committees need to be trustees, and 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 its board of directors, that can also be helpful in establishing that 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 as trustee as a corporate body in its own name, or with others; or its trustees may also act as the governors 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;
- ensuring that the organisation complies with all relevant legal and regulatory requirements;
- 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.

These responsibilities fall individually and collectively on all members of the

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



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board of trustees. In undertaking them, each of the trustees must:

- give proper time and attention to their duties;
- act strictly in accord with the governing instrument;
- operate without regard to personal interest, or those of others, nor derive any personal benefit from acting in that capacity; and
- act prudently to the organisation’s advantage.

This last requirement 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. Nominees 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

Hallmarks of an Effective Charity (CC10), its Scottish counterpart OSCR produces *Guidance for Charity Trustees*, and *Good Governance: A Code for the Voluntary and Community Sector* is produced by a consortium of civil society sector umbrella organisations. These are all touchstones for good governance in independent museums. AIM’s *Ten Golden Rules for Good Governance* provides some useful principles on governance practice.

Board Composition

Effective 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, 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.

A structured approach to the composition of boards of trustees is essential. The skills needed depend on the museum's current stage of development and future plans. Museum trustee boards will always need some trustees with knowledge and experience of the subjects to which the collections relate, existing and potential audiences, charity governance and financial management. Beyond that, skills in fundraising, marketing, architectural and building services and ICT may also be core needs, or experience in connection with setting up a particular programme or project. In analysing board composition, there should be clarity about exactly what is needed: 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. While the contribution of trustees with particular skills and expertise to board debates can only be welcomed, this should not substitute for professional advice from an external expert when this is required by statute, or where the issue is fundamental to the discharge of a charitable trust, or when an independent voice should be heard.

Although a variety of talents and expertise are essential, so is diversity. This is usually taken to mean balance between demographic groups so that the board of trustees reflects the social mix of the area being served, but this is only one aspect of what is needed. Boards of trustees are weaker without a mix of personality types – entrepreneurs, risk takers, regulatory compliance champions, strategists, user champions, fixers, peacemakers – all these 'soft skills' can strengthen a board of trustees. It follows from this that no board can be all-encompassing in skills

and diversity, especially if its number is to be contained. So wise judgement in selection is required, based on what a board needs at that particular stage in the museum's development, rather than a 'tick box approach'.

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 as well as having 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 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 basis if it is to avoid being perceived as being closed to change.

Membership of a 'committee of honour' or '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. Their status should be distinguished from

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honorifics such as ‘President’ or ‘Vice-President’ (which imply external endorsement by people of distinction) or ‘Patron’ (either with the same connotation, or to acknowledge the major gift of an individual).

The Relationship between Governance and Management

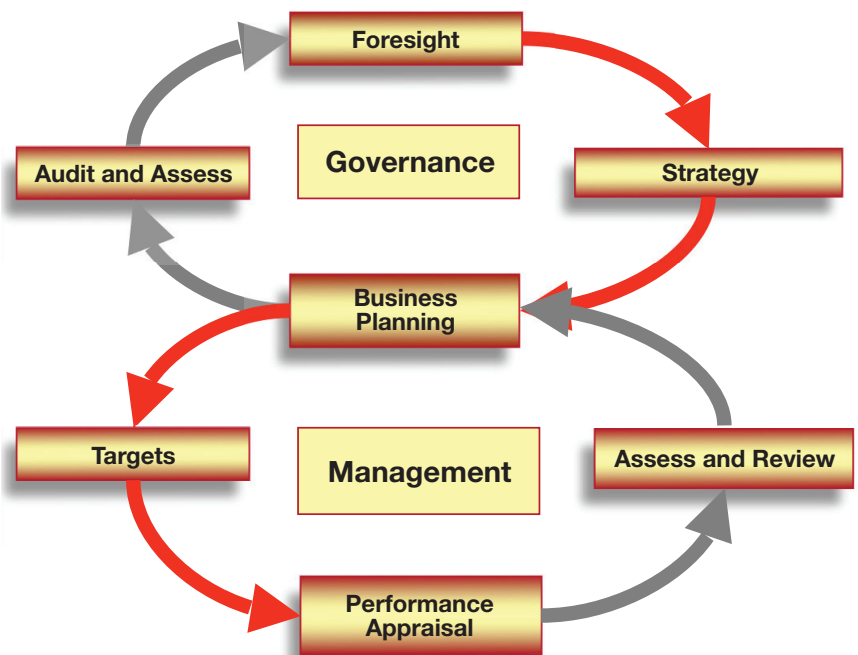
Though its membership changes over time, the board provides the continuum throughout a museum’s history. The board is always in charge, and where there is a falling out between trustees and management, it should always be the case that the board of trustees has its way.

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 the chair, lest the organisation become over-reliant on a single individual. Likewise, meetings of the trustees should 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 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.

Managed or Governed?

Larger museums with small boards of trustees, employing a number of staff led by a 'chief executive' or 'director' often operate on a different basis to smaller organisations. In these larger, 'managed' museums trustees are highly reliant on the chief executive and staff, and the board's key role is to hire, appraise and, when necessary, replace management. Typically, trustees:

- exercise only sufficient power to control management;
- use outside advisers as well as senior management to develop policies and plans;
- establish yardsticks for judging management performance;
- work only through the management hierarchy.

Trustees should assume that unless senior management is inept, or dishonest, or has a record of calamity it 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 match 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;
- trustees, with little evidence on which to work, are reluctant to speak up about their concerns;
- 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.

This managed style of operating is, of course, nearer to that practised in business, albeit museum boards of trustees tend to meet less frequently. But museum trustees may well be less well-informed than non-executive directors would be in the world of business, and so the risk is greater. This can discourage informed challenge, and trustees run 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.

Where boards are larger and often supported by committee structures and managed by volunteers, or a single paid curator or manager and less than a handful of employees, the tendency

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is more towards a style that can be described as the 'governed museum'. Here the board's key role is to foster effective decision-making, and reverse failed policies. To do this it:

- needs amongst its number sufficient expertise to add value to the decision-making process;
- uses trustees' expertise rather than relying on management recommendations and outside advice, particularly in appraising new policy proposals;
- fosters open debate by trustees;
- keeps itself informed and attuned to stakeholders' interests and concerns; and
- encourages trustees to seek information and advice from staff at all levels.

This process is more of a partnership between governing body, employees and stakeholders. It is more demanding of trustees, since:

- its members need to be well-informed about the museum and its sector, as well as bringing in expertise from elsewhere;
- this approach may conflict with the representational composition of many boards of trustees, whose members are predominantly nominated by local authorities, universities, special interest groups, trade associations or other interests – effective communication with stakeholders is not synonymous with board representation for each interested party;
- trustees can get greater satisfaction from discussing minor (and easily resolved) issues, and the excitement that comes from crisis management, so tend to avoid strategic thinking where the questions are harder to resolve and bring no immediate results;
- there is a need to access high-quality evidence to support decision-making, and direct knowledge from the 'shop floor' as to how the museum works;

- trustees have to take their commitment seriously, and probably have to allocate time to the museum over and beyond that required to attend trustee meetings; and
- effective means of communication are required with stakeholders such as museum Friends, local authorities (whether or not they provide financial support), funding bodies, community organisations – all those bodies with an interest in the museum's success.

Inevitably, there is no sharply-defined boundary between 'managed' and 'governed' museums, and most organisations have arrangements that blend elements of both styles. Often this is a result of piecemeal historic change, sometimes driven by the views of chairs or senior managers. Rarely is it determined by the museum's current vision, mission and values. The consequence is that often the advantages that come with either approach are counter-balanced by the disadvantages.

The Chair

The chair(man) may carry different roles in different organisations. However, in all charities there are three main responsibilities:

- managing the board of trustees, ensuring it works well as a team and that individual members contribute effectively;
- acting as a figurehead and ambassador, by representing the museum to the outside world; and
- connecting the board of trustees with management through the senior member of staff, and acting as a sounding-board for both groups.

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 absent from meetings often 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. Time should be given to welcoming the new trustee at the start of the process, including 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. Visits to other organisations can provide the board with opportunities to build working relationships as well as widen their experience.

Over recent years difficulties caused by conflicts of interest have increased in visibility. Practice can range from, at one extreme, trustees declaring every conceivable interest, however trivial, thereby disqualifying themselves from dealing with any subject on which they might have some knowledge, to the

'gentlemen's response' – '*we're all good chaps here*' – which assumes that all trustees are people of good standing and that challenge is inappropriate. A chair should make sure that appropriate processes are in place, which ensure a proper sense of balance whilst upholding statutory requirements, and exercise their judgement so that individual trustees are deterred from pursuing their own agendas or interests.

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 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

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“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.”



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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 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. Some organisations see the vice-chair

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.

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 organised 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. 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). In the case of significant decisions with potential legal consequences a full record of the reasons should be given. 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.

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.

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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.

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 new blood is rarely introduced.

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.

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This guide is based on the AIM Focus Paper *Governing Independent Museums* first published in 1995 and revised in 2002 and 2005
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