

<b>Subject</b>	<b>GOVERNANCE CHARTER</b>		<b>Pages</b>	<b>7</b>
<b>Issuing Authority</b>	<b>TRUST BOARD</b>	.....	<b>ISSUE DATE</b>	<b>Dec 2008</b> .....

## BACKGROUND

The Tasman Bays Heritage Trust Mission Statement is:

*“Create value for the community, shareholders and stakeholders through:  
Protecting preserving and promoting our taonga/treasures  
Educating our visitors  
Engaging with our communities  
Endowing our future”*

Nelson Provincial Museum (NPM) is administered by Tasman Bays Heritage Trust (TBHT), which is the legal entity and governance body. The Board of Trustees is accountable for TBHT Nelson Provincial Museum. The Chief Executive (CE) is responsible for the management of TBHT Nelson Provincial Museum.

## 1. PURPOSE

This governance charter outlines the legal agreements, values, principles and practices, roles, responsibilities, structures, and accountability for the stewardship of the Museum’s resources, that provide a framework for the Board of Trustees.

## 2. LEGAL AGREEMENTS

### 2.1 Memorandum of Understanding (MOU) - Joint Shareholders (effective 1 July 2000)

The MOU was the original document establishing Tasman Bays Heritage Trust and funding commitments of Nelson City Council and Tasman District Council. The LGA 2002 altered reporting requirements to Half-year and Annual. The MOU first term expires 30 June 2009.

### 2.2 Deed of Trust (effective 1 July 2000)

This is the foundation document for the Board of Tasman Bays Heritage Trust. TBHT is registered under the Charitable Trusts Act 1957 and the Charities Commission.

### 2.3 Local Government Act 2002, Council-Controlled Organisations (Part 5. Sec. 55-74)

Tasman Bays Heritage Trust is a Council-Controlled Organisation (CCO) with responsibilities to fulfill the principal objectives (sec. 59.) and reporting requirements (sec. 68) of the LGA.

### 2.4 Variance to the Memorandum of Understanding (10 July 2006)

This provided a special undertaking for funding and additional contributions from the Joint Shareholders, subject to conditions and the appointment of a financial adviser.

### 2.5 Memorandum of Understanding (MOU) - Iwi Komiti (14 April 2007)

The Tangata Whenua of Te Tai Ihu Aorere Rohe are represented on Te Tai Ao Komiti TBHT with a lead role to advise, liaise and monitor the implementation of policies and practices at TBHT Nelson Provincial Museum. This consultation extends to the employment and training of NPM staff or volunteers. This is a primary partnership for the Board and CE and secures Iwi Komiti within the organisational structure of TBHT Nelson Provincial Museum.

### 3 THE ROLE OF THE TRUST BOARD

The role of the Board is to represent the interests of the Joint Shareholders with due regard for the interests of the wide community in which TBHT Nelson Provincial Museum operates.

Specifically, the role of the Board is to provide leadership in:

- ensuring that TBHT operates in accordance with its Deed of Trust;
- developing and monitoring strategic direction and ensuring that TBHT meets its principle objectives as agreed with the Joint Shareholders;
- communicating with the Joint Shareholders through the strategic plans, and the annual statement of intent (SOI) and annual report and;
- ensuring that the museum environment is fostered, and all museum taonga and treasures are cared for;
- establishing all necessary controls so that the organisation is equipped to manage risk and to ensure statutory compliance;
- monitoring performance against established targets and reporting on material variances;
- ensuring sound financial operational management and financial structure;
- setting the terms of engagement for the external auditor and facilitating the audit function;
- ensuring the Joint Shareholders are kept well informed on all relevant issues and with 'no surprises' on matters likely to cause community or political concern;
- employing the Chief Executive (including entering into a performance agreement, reviewing performance and setting remuneration);
- authorising Corporate Service professional support to assist the Board (Deed of Trust 7.m);
- fostering a culture of high ethical standards.

### 4 CORE VALUES

The Board shall endeavour to work towards consensus, observing these core values:

<b><i>Integrity</i></b>	To set the high professional and ethical standards and to be law-abiding.
<b><i>Excellence</i></b>	To be committed to delivery of our mission, purpose and objectives.
<b><i>Collegiality</i></b>	To work as a team. To be considerate, supportive, reliable and friendly.
<b><i>Dynamism</i></b>	To set goals and work to achieve them. Be proactive and open to ideas.
<b><i>Responsive</i></b>	To observe and listen. To communicate clearly. To act fairly and firmly.
<b><i>Fairness</i></b>	To safeguard the community assets against fraud or conflicts of interest.
<b><i>Transparency</i></b>	To provide accurate and timely financial and non-financial disclosure.
<b><i>Accountability</i></b>	To be wholly answerable for the performance of the organisation.
<b><i>Efficiency</i></b>	To adopt practices which produce desired outcomes at reasonable cost.

## 5 KEY PRINCIPLES

TBHT adheres to the Code of Practise of the Institute of Directors as a professional guide.

The Board shall follow these key principles:

- seek to balance a diversity of skills, knowledge and experience;
- establish Advisory Committees where this would enhance its effectiveness in key areas, while retaining overall responsibility (Deed of Trust 20);
- demand integrity both in financial reporting and in the timeliness, balance and accuracy of disclosures on TBHT affairs;
- regularly verify that TBHT has appropriate processes that identify and manage potential and relevant risks;
- ensure the quality and independence of the external audit process;
- foster constructive relationships with the Joint Shareholders, sponsors, donors and supporters and invite them to engage with TBHT Nelson Provincial Museum;
- respect the interests of stakeholders within the context of TBHT's fundamental purpose, as specified in the Mission Statement;
- be fair and reasonable in employment and remuneration practices, in accordance with the LGA requirements to be a good employee (ref: Appendix I).

## 6 STANDARD PRACTICES

The Board is committed to the adoption of ethical and legal conduct in all areas of its responsibilities and authority. To this end, Trustees have a personal obligation to:

- act honestly and in good faith at all times;
- be diligent, attend Board meetings and devote sufficient time to preparation for meetings to allow for full and appropriate participation in the Board's decision making;
- express views, accept challenge or independent thinking and contribute to progress;
- abide by Board decisions once reached notwithstanding a Trustee's right to pursue a review or reversal of a Board decision;
- refrain from actions, statements or behaviours that may denigrate TBHT or result in damage or harm to the public image of Nelson Provincial Museum;
- act in accordance with the Museums Aotearoa Code of Ethics;
- never disclose confidential information, to any other person, other than as agreed by the Board or as required by law;
- ensure scrupulous avoidance of deception, unethical practice or any other behaviour that is, or might be construed as, less than honourable in the pursuit of the business of TBHT;
- act in accordance with their fiduciary duties, complying with the spirit as well as the letter of the law, recognising both the legal and moral duties of the role.

## 7 COMPOSITION OF THE BOARD

The Board is made up of 6 non-executive Trustees and this shall include 1 Trustee appointed to represent the interests of Tangata Whenua Iwi of Te Tai Ihu Aorere Rohe.

- all Trustees are appointed by the Electoral College (Deed of Trust 14).
- all Trustees are appointed to serve a 3 year term, commencing at the Annual Meeting.
- the longest serving Trustees will retire by rotation at the end of a 3 year term, however, they may wish to register their eligibility for reappointment (Deed of Trust 16).
- the Board shall consult with the Joint Shareholders to ensure that new trustees continue to complement a diversity of skills, knowledge, experience and individual perspectives.
- all New Trustees shall undergo an induction process which includes the provision of legal documents, the governance charter, the current annual report and statement of intent, and an introduction to the facilities and operations of NPM.
- the incumbent Chairperson shall call for nominations at the September meeting. These shall be proposed and seconded and then open for discussion. The vote will be called as a show of hands.
- at the Annual Meeting the Board shall elect a Chairperson to serve for the next twelve months. Also, the Board may choose to elect a Deputy Chairperson (Deed of Trust 19.1).
- in no case may a Chairperson or Deputy Chairperson be elected without their consent.

## 8. THE ROLE OF THE CHAIRPERSON

The Chairperson provides leadership to the Board, ensuring that the Board's processes and actions are consistent with its policies. The Chairperson shall fulfill all the responsibilities and duties of the position including:

- chairing Board meetings, with all the commonly accepted powers of that position;
- annual development of the strategic plans, statement of intent and performance targets;
- annual preparation of the financial accounts and reports for the independent audit;
- overseeing reports to, and communications with, the Joint Shareholders;
- serving as the Board liaison for TBHT Nelson Provincial Museum with external parties;
- fostering good working partnerships among Trustees and with the Chief Executive;
- maintaining regular communication with the Chief Executive;
- annual assessment of the Board and Trustees performance against the SOI;
- annual assessment of the CEO's performance against the SOI.

The Chairperson may delegate aspects of the responsibilities accompanying the position but remains accountable for the overall role.

## 9 BOARD REMUNERATION

The Joint Shareholders will set total remuneration for TBHT Board, in each financial year. The Board will be responsible for deciding the apportionment of this amount.

## 10 ADVISORY COMMITTEES (Deed of Trust 20)

The Board may establish Advisory Committees to support its own work, but never to conflict with the Chief Executive's delegated responsibilities:

- The Board shall set the terms of reference for an Advisory Committee.
- All Advisory Committees may make recommendations to the Board for consideration.
- A Special Advisory Committee shall be established for any significant capital project that requires Joint Shareholder approval.
- The Board Chairperson is an ex-officio member of all Advisory Committees.
- The Tangata Whenua Iwi Trustee is an ex-officio member of all Advisory Committees.
- At least 2 Trustees shall serve on all Advisory Committees.
- All Advisory Committees shall be chaired by one of the Trustee members.
- All appointments to Advisory Committees shall be approved by resolution of the Board.
- Life Associates may be appointed to Advisory Committees (ref. Life Ass.Hon.)

The proposed standing committees are:

- |                                      |  |
|--------------------------------------|--|
| <b>10.1 Audit and Risk Committee</b> | To manage the independent audit and annual report.   |
| <b>10.2 Exhibitions Committee</b>    | To approve NPM public programme and exhibitions.     |
| <b>10.3 Fundraising Committee</b>    | To plan annual fundraising event(s) for the Museum.  |
| <b>10.4 Supporters Committee</b>     | To develop a support network and endowments gifting. |

The proposed special committee is:

- 10.5 Research, Archive & Storage Committee** To plan development of a new facility.

## 11 THE BOARD AND CHIEF EXECUTIVE

The Board delegates to the Chief Executive responsibility for the implementation of its strategic plans, statement of intent (SOI) and performance targets, in accordance with the following:

- the Board will evaluate the operational performance of the Museum and the Chief Executive's performance in line with the strategic plans, SOI and performance targets.
- only the Board as a body, or through the Chairperson, may instruct the Chief Executive.
- the Chief Executive is the sole linkage person and point of accountability between the Board and the operational Museum.
- neither the Board nor individual trustees will instruct staff in any work matters.
- the Board will clarify, in writing, any limits it wishes to place on the Chief Executive's freedom to take action or make decisions, however;
- as long as the Chief Executive applies a reasonable interpretation of the Board's policies (i.e. does not set out to defeat the stated intent or the spirit of the policies) then the CE is authorised to make operational decisions and design, implement and manage all operational practices and activities;

**THE BOARD AND CHIEF EXECUTIVE continued**

- provided that the Chief Executive achieves the outcomes sought by the Board and does so in a manner consistent with the Board's policies, principles and values, the Board will respect and support the CE's choice of actions.
- the Chief Executive will inform the Board, in a timely manner, of all issues and concerns necessary to the meeting of its duty of care, the carrying out of its responsibilities and the meeting of its accountabilities to the Joint Shareholders and all key stakeholders.
- the Trustees will make their knowledge and experience available to the Chief Executive, when requested and as required.

**12 CHIEF EXECUTIVE - LIMITATIONS**

The Chief Executive is free to adopt any means to achieve the Board's strategic plans so long as they do not take, allow or approve any practice, activity or decision which is in any way unethical, unlawful, imprudent, breaches agreed budgetary resources, brings TBHT Nelson Provincial Museum into disrepute or breaches any Board policy, principle or value.

- the Chief Executive will act in accordance with the Museums Aotearoa Code of Ethics.

**12.1 Financial Management**

The Chief Executive is responsible for the day-to-day financial management of NPM. The CE must ensure that the organisation's financial integrity and viability is not threatened.

The CE is not permitted to:

- use any organisational funds, or enter into any contracts or accept other liabilities, other than for the furtherance of the Board's plans and priorities.
- expend more funds than have been received in the financial year unless offset by board approved borrowings or board approved withdrawals from reserves.
- allow undisputed invoices from suppliers of goods and services to remain unpaid beyond trade credit terms agreed with those suppliers.
- authorise expenditure beyond the delegated authority levels established by the Board.
- fail to meet government imposed or Joint Shareholder imposed financial regulations.
- breach International Financial Reporting Standards (IFRS) or NZ Accounting Practices.

**12.2 Employment Matters**

The Chief Executive is responsible for the day-to-day management of the Museum staff, their performance reviews and remuneration and supervision of contractors. Some employment matters may require legal advice or mediation.

In carrying out this duty, the CE must ensure that:

- TBHT Nelson Provincial Museum meets the Local Government Act 2002 standards of a good employer (ref. Appendix 1).
- the Board is notified if an employment matter is leading towards health issues, personal grievance, serious misconduct or constructive dismissal.

## 13 BOARD POLICIES

TBHT shall establish governance policies to guide TBHT Nelson Provincial Museum and to enhance the overall performance of the Board.

## 14 CHARTER REVIEW

This charter will be reviewed by the Board and adopted by resolution, every 3 years.

## APPENDIX I

### Local Government Act 2002

#### Schedule 7 Clause 36

(2) For the purposes of this clause, a **good employer** means an employer who operates a personnel policy containing provisions generally accepted as necessary for the fair and proper treatment of employees in all aspects of their employment, including provisions requiring—

- (a) good and safe working conditions; and
- (b) an equal employment opportunities programme; and
- (c) the impartial selection of suitably qualified persons for appointment; and
- (d) recognition of—
  - (i) the aims and aspirations of Maori; and
  - (ii) the employment requirements of Maori; and
  - (iii) the need for greater involvement of Maori in local government employment; and
- (e) opportunities for the enhancement of the abilities of individual employees; and
- (f) recognition of the aims and aspirations, and the cultural differences, of ethnic or minority groups; and
- (g) recognition of the employment requirements of women; and
- (h) recognition of the employment requirements of persons with disabilities.

(3) In addition to the requirements specified in subclauses (1) and (2), a local authority,—

- (a) when making an appointment, must give preference to the person who is best suited to the position; and
- (b) must ensure that all employees maintain proper standards of integrity, conduct, and concern for the public interest.