



JOINT COMMITTEE – 29th June 2012

GOVERNANCE ARRANGEMENTS 2011/2012: APPENDIX B

ANNUAL GOVERNANCE REVIEW 2011/2012

REPORT OF THE MUSEUM DIRECTOR

1. Purpose of the Report

1.1 To provide details of the findings of the 2011/2012 Annual Governance Review and seek approval to the draft Annual Governance Statement from Members, prior to its incorporation in the Annual Return 2011/2012.

2. Background

2.1 The Museum has a local corporate governance code (the Code) in place which is based upon guidance jointly issued by the Society of Local Authority Chief Executives (SOLACE) and the Chartered Institute of Public Finance and Accountancy (CIPFA) and recommended as good practice.

2.2 The Code sets out a framework which aims to ensure that the Museum is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. The framework comprises the systems, processes, cultures and values through which the Museum is controlled and directed.

2.3 The framework is based upon the following six core principles:

- Focusing on the purpose of the museum and its outcomes and creating a vision for the future;
- Members and officers working together to achieve a common purpose with clearly defined functions and roles;
- Promoting values for the museum and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- Taking informed and transparent decisions which are subject to effective scrutiny, and managing risk;
- Developing the capacity and capability of members and officers to be effective;

- Engaging with local people and other stakeholders to ensure robust accountability.

2.4 The Code states that the Museum will conduct, at least annually, a review of the effectiveness of the corporate governance framework, including the system of internal control.

2.5 The Museum is also required to publish an Annual Governance Statement (AGS). The CIPFA Finance Advisory Network has also issued detailed practical guidance on meeting the requirements of the AGS. The AGS must be supported by a comprehensive assurance gathering process.

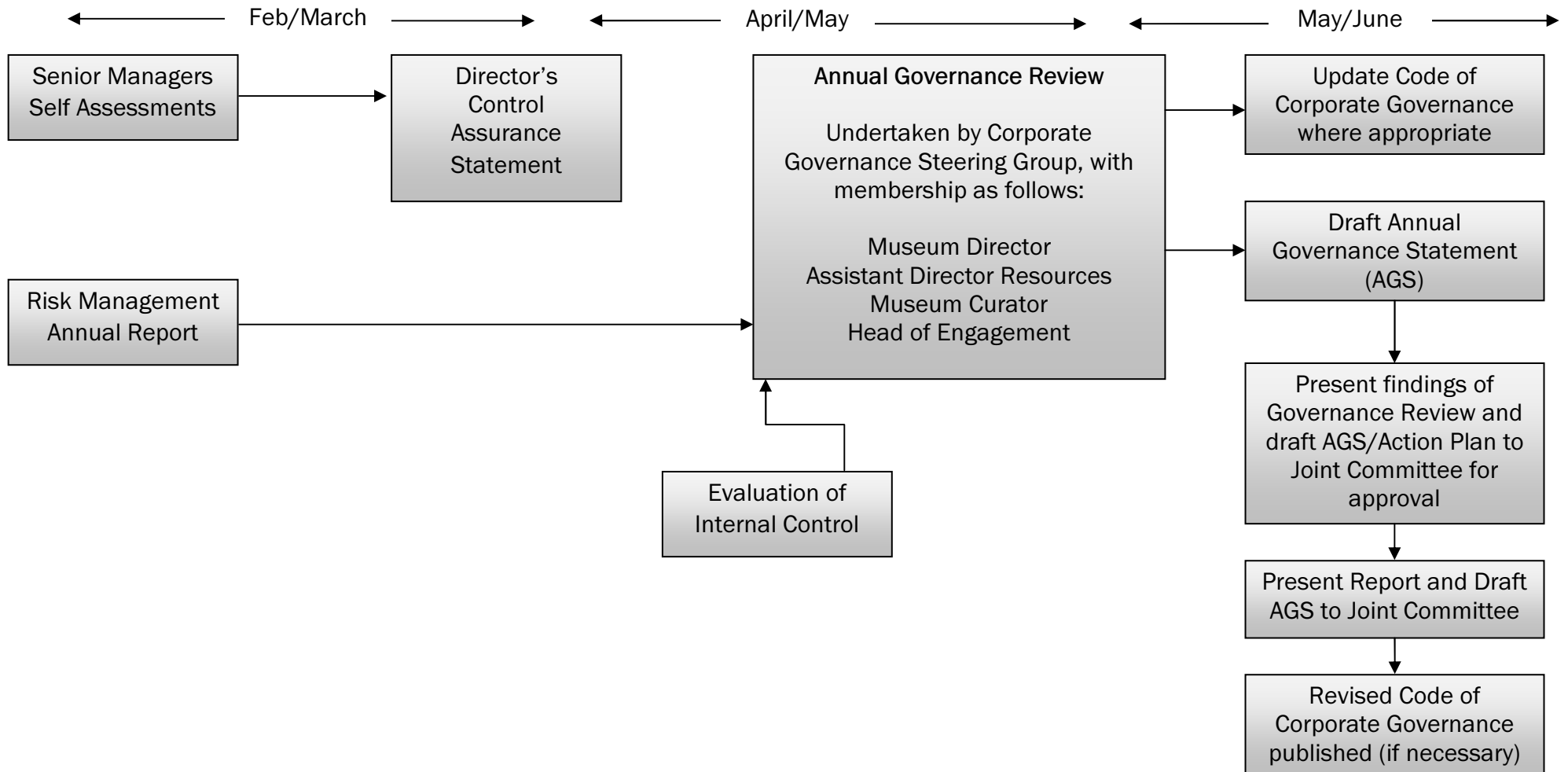
3. 2011/2012 Annual Governance Review

3.1 The review was undertaken by the Corporate Governance Steering Group, whose membership is as follows:

- Museum Director;
- Assistant Director Resources;
- Museum Curator;
- Head of Engagement;

3.2 The stages in the review methodology are set out diagrammatically below.

ANNUAL GOVERNANCE REVIEW 2011/2012 - METHODOLOGY



3.3 Findings of the Corporate Governance Steering Group

3.3.1 The Corporate Governance Steering Group (CGSG) considered the following:

Self Assessments by Senior Managers and Museum Director's Controls Assurance Statement

3.3.2 The controls in place to manage risk across the museum were examined by senior managers to identify any issues of significance. All development plans were discussed in detail at the CGSG to identify any which were significant in terms of the Museum's overall governance and control environment.

3.3.3 The CGSG considered that none of the future plans for improvement are such that they would cause any concern regarding the adequacy of the current overall governance and control arrangements.

Risk Management Annual Review

3.3.4 The Annual Review of Risk Management prepared by the Museum Director was considered by the CGSG and the following was noted:

- A consistent and quality approach to producing Risk Management Plans is now successfully embedded across the whole Museum .
- A team of operational and senior management staff are involved in developing risk profiles for the Museum including:
 - Museum Director;
 - Assistant Director Resources (admin/finance functions);
 - Finance Manager (finance functions);
 - Museum Curator (curatorial and development)
 - Head of Engagement (costumed demonstrators and operations);
 - Head of Learning (education);
 - Keeper of Buildings and Rural Life (Health and Safety co-ordination site wide; rural life operations)
 - Keeper of Transport (site maintenance, industrial and transport systems)
- All significant new developments and business plans included risk assessments prepared to help control risks during development, delivery and operation. Assessments were regularly being monitored and updated by senior managers. The specific project based risk assessments included activities in the Business and Operational Improvement Plan 2009-13.

- The corporate risk profile prepared for Beamish Museum was last updated in May 2012. A further workshop will be held in October 2012 to ensure the profile continues to be reviewed.

4. Updates to the Museum's Code of Corporate Governance

- 4.1 The CGSG considered whether any updates or revisions to the Code of Corporate Governance are required, and it was agreed that no such updates or revisions are necessary.

5. Draft Annual Governance Statement

- 5.1 The Annual Governance Statement has been drafted taking into account the findings of the annual governance review.

- 5.2 The draft Annual Governance Statement is attached at Appendix 1.

6. Conclusion

- 6.1 The Museum continues to have robust and effective governance and control arrangements in place. The views elicited during the review from senior managers across the Museum, and the Director, demonstrate that the principles of good governance are embedded Museum-wide.

- 6.2 Whilst an Improvement Plan has been developed the review has not identified any weaknesses that would need to be highlighted in the Museum's Annual Governance Statement.

RICHARD EVANS
Museum Director

29th June 2012