<u>Governance and Management in UK Museums</u>

by Jane Ryder, Director, Scottish Museums Council, Edinburgh, Scotland

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What is governance?

Ten years ago the term governance was hardly common currency: post ENRON it is now a topic of everyday discussion, from mainstream media coverage to intense academic and professional debate.

How does one define rather than simply recognise governance? Definitions have tended to concentrate on internal systems eg '*governance is the process by which a governing body (the Board, management committee, council of management or whatever it is called ensures that an organisation is effectively and properly run……')……. Governance is not necessarily about doing: it is about ensuring things are done'.*[1] This is certainly a good working definition for a publication which was intended as the basis for self evaluation by boards of small voluntary organisations. But post Millennium Dome, post ENRON I think this is not a wide enough definition of governance. More appropriate is Kevin Ford's definition *"the system by which charities are directed towards their purpose, controlled and made accountable to the public"*[2] This places, rightly in my view, more emphasis on public accountability which is one of the most important aspects of modern governance of any organisation, whether a charity, a commercial organisation or a department of government. This is partly a response to a breakdown of trust in government processes, which is evident for example in the tone of intense media scrutiny, in low voting statistics and in the growth of single issue campaigning. It is also a response to the breakdown in trust in commercial governance and professional self regulation as demonstrated by ENRON and World Com. On a more positive note it is driven by a recognition of the need to change the way in which government, organisations and citizens relate to each other. Arguably this is one of the main drivers of the new devolution settlement in Scotland, Wales and indeed the development of regional administration in England : certainly the idea of accountability and transparency of public services and public functions has been part of the essential currency of devolution in the UK. Accountability should in my view be a proactive process, which not simply about conventional upward accounting but about active outward accountability to wider stakeholders. Transparency, articulation and dialogue and restoration of confidence are essential. Management of the perception, as much as the actual process, of

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[1]   Sandy Adirondack: *The Good Governance Action Plan* (NCVO 1999) p6.

[2]   *Under Pressure*: *Trends in the governance of large charities for the 21st century* Ford Partnership 2000 p3

accountability and transparency is therefore an important constituent of modern governance[3]

So my view is that modern governance is not just focused internally, but increasingly is about how an organisation relates to the external environment and about how organisations conduct themselves both externally and internally. That in turn means governance is not simply a corporate issue but is a social and cultural concept. It is a concept which is rapidly evolving in true evolutionary manner by adapting to local circumstances. There are some dead ends and cul-de-sacs, which we do not necessarily recognise as we journey towards these. Above all it is not a smooth process: there are some periods of more intense activity and clearly we are in the middle of one of those periods. It follows from what I have said already that much of this paper has a far wider application than the museum sector or any one type of organisation.

I cannot pretend to do such a vast topic adequate justice and indeed I start with 2 caveats. Firstly I am talking from a UK perspective and I appreciate the picture is very different in international context. Nevertheless the UK museum landscape is such a mixed economy that I am sure there will be aspects with which all of the audience will be familiar. Secondly, this is very much work in progress and represents the first opportunity to test out some ideas with sympathetic but I hope challenging audiences.

That being so, I would like to look at 3 different aspects. First of all I look at the issue of sectoral governance, or the development of national policy and frameworks which are the environment within which all organisations operate. Secondly I look at the public face of governance: how different types of organisations function within that social ecology. Finally I look at the internal face of governance and how this operates in practice, distinguishing between governance and management.

Sectoral governance

Consideration of sectoral governance is in its infancy, certainly in Scotland where devolution has provided both a challenge and opportunity to develop new national policies and frameworks in many domestic or devolved areas. Culture is one of the devolved areas, although the complexities of devolution means that some important aspects remain reserved to Westminster and indeed Europe, for instance aspects of intellectual property, taxation systems and overall policy for lottery funding.

Who is responsible for sectoral governance? A particularly thoughtful analysis by Danielle Cliché looks at the diverse functions which are involved in cultural sector governance.[4] These functions include:

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[3]   see   below

[4]   Danielle Cliché   "*Culture, governance and regulation* " in "*recognising culture"* ed François Matarasso (Comedia etc 2001) p 21-31

- authorship and creation

- education

- financing

- policy making

- management

- gate keeping – control or influence over content

- mediation – control or influence over distribution channels and consumption

Within these different fields, actors and institutions are spread across the public sector including state and intergovernmental organisations, the private sector with motives ranging from purely commercial to mixed, social and/or artistic interests, and the not for profit or independent third sector. The analysis underlines that the state in most countries still has its feet firmly planted in all functions from creation to production and distribution of culture as a public good.

Nevertheless Cliché identifies the boundaries between the different actors are becoming increasingly permeable, a trend which is a characteristic of the UK over the last 20 years irrespective of the political party in power. One of the main challenges for the new Scottish government is striking the appropriate balance between state direction and intervention on the one hand and an unregulated free market on the other. In the field of museums, this is a particular challenge for the Scottish Executive which has been used to focus on a direct relationship with the National Museums and National Galleries but which is now being challenged to develop a sectoral view that embraces the other 170 organisations who collectively make up the network of museums across Scotland.

Given this spectrum of governance, what are the main effective mechanisms? Cliché identifies legislative and regulatory frameworks ranging from the directional to the facilitative. There are convincing arguments for legislation not only as the vehicle for regulation but also as an instrument of research, encouragement and development of social policy. This is particularly true in economies which may be moving from command and control to a more mixed model, for example in Eastern Europe. But this is more widely applicable. In the UK for instance local authorities have traditionally operated museum services but current government policy, now enshrined in legislation, has been to challenge local authorities via the concept of 'best value' to consider whether delivery should move to alternative providers. The next stage in this process, for Scotland at least, is that local authorities are to be given a statutory duty of community planning. This will require them to develop community focused policies which include not only their own museum services but also independent museums within their area.

In addition to legislation and regulation, one cannot underestimate the importance of finance. Cliché identifies this as a function but there is a good argument that it is a mechanism rather than a function. Financing has an immediate and obvious impact on cultural actors. Financing from the central government will directly

influence the plans of local authorities, and the tensions between central government direction and local government autonomy is one of the outstanding characteristics of the current UK scene. Again this goes far wider than culture and in Scotland this is currently more important than the debate about the Westminster/ Holyrood relationship. Funding agreements will obviously impact on organisations which are directly funded, For example, government policy in both England and Scotland is that nationally funded museums should not charge admission fees, although legislation actually permits them to do so. Funding arrangements have reflected this, insisting that there should be no admission charges, a requirement which is not always to the satisfaction of the Trustees and certainly a policy that Trustees would argue is not always adequately funded. An alternative to direct financing is proactive use of tax regimes and this is a recognised feature of the American museum landscape. This has led to a different trajectory for US museums and museum Boards and Directors although some aspects of governance of UK nationals are developing along the same lines.

Above all I would add as a driver of modern governance the dissemination of information, which has been transformed beyond recognition by the application of new technologies. Anyone who is engaged with human rights organisations will know the power of information in challenging the status quo at both national and local levels. This may for example involve arguing for the rights of refugees in an international or domestic context or for the rights of disabled people within individual organisations. In terms of governance, worldwide knowledge of ENRON has acted as a key driver for changes to corporate governance in the commercial sector, and also for changes in the regulation of accounting professions. Nearer to home, research and information can be a real driver for changes in cultural policy. For example in England, it is hoped the report Renaissance in the Regions[5] will be the catalyst for a significant investment programme in English regional museums[6]. In Scotland, SMC's original National Strategy[7] and the publication of the comprehensive National Audit report has led to a recognition of the need for change. It has prompted the Scottish Executive to launch a consultation seeking views on the respective roles of the Scottish Executive itself, local authorities, the National Museums of Scotland, the National Galleries of Scotland and the Scottish Museums Council. The Executive is then committed to publishing the first ever Action Plan for the museum sector as a whole[8]

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[5] *Renaissance in The Regions*: *A New Vision for England's Museums*, Resource, 2001

[6] DCMS has now announced a programme of £70 million investment over 3 years

[7] *National Strategy for Scotland's Museums,* Scottish Museums Council, 1999

[8] www.scottishmusuems.org.uk; www.scotland.gov.uk

The public face of governance

Against that sectoral background, I would like to look at aspects of the public face of governance for UK museums. One approach would be to analyse this by function, but a comprehensive mapping exercise would probably be less interesting than highlighting what I see as some key issues for the 4 different types of museums. Broadly speaking the 4 types of museum are:

- government departments or state cultural bodies as Michael Ryan describes them. Staff are government employees

- non department public bodies or quangos, financed by government but with separate constitutions and Boards of Trustees eg National Museums of Scotland and National Galleries of Scotland

- public service departments eg museum departments of local authorities

- not for profit organisations, which may be created as limited companies or as trusts

a. The museum as a department of government is familiar to many of this audience but a model that finds little favour within the UK at the present time. The only example in Scotland is Historic Scotland which is the organisation with a remit for policy and grant aid for the built heritage but is also one of the largest operators of visitor attractions in the country with 18 recognised museums and numerous other sites.

The key governance issues are the relationship with central government policies, and also accountability and transparency. The relationship with central government is an issue in the UK because since 1988, so called Executive Agencies were set up to take responsibility for and bring a new approach to individual executive functions within government. The Cabinet Office recently commissioned a review of the operation of those Agencies, from the former Head of English Heritage Pam Alexander[9]. The Executive Summary of this report states that main thrust of the report is that while Agencies have been successful in achieving radical cultural change in central government to the benefit of customers, the main problem to achieving more effective performance is that some agencies have become disconnected from their departments.[10] On closer reading, the report discloses the problem lies not with the Executive Agencies but the difficulties of mainstream government departments in responding to the challenges of modern governance and performance management. The report is explicit that delivery experience is rarely found at the heart of departments while emphasising the need for departmental sponsors to have the skills and experience to take on strategic performance monitoring of service deliverers. The report goes into detail on the changes required to departmental culture and paints a clear picture of a civil

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[9]   Bett*er government services – Executive agencies in the 21st Century*.

[10]   p3

service fundamentally uncertain of its role and struggling to cope with a sea change in both public and political expectations of accountability, transparency and performance. It becomes still more difficult in this context to see the logic of retaining the function of running visitor attractions from within the heart of government and it is interesting that the Education and Culture Committee of the Scottish Parliament has queried the appropriateness of accountability arrangements of Historic Scotland given the complexity of its current role.[11]

b. Quangos or non departmental public bodies. An NDPB is defined by the Scottish Executive as *A body which has a role in the processes of the national government, but is not a government department or part of one, and which accordingly operates to a greater or lesser extent at arms length from ministers* [12]. As you see, this is a definition of function rather than status. It could certainly extend to an NGO such as SMC which fulfils many of the functions of such an organisation but SMC is not formally classified as an NDPB. One significant difference in constitution is that the Board of SMC are elected by the membership whereas the Board of conventional NDPBs are appointed by government. Nowadays there must be open competition for such government appointments, which introduces a welcome degree of transparency but the power of Board appointment (and removal) remains one of the determining features of governance.[13]

For government purposes, the key determinant of NDPBs is therefore not function but rather formal classification and the power of appointment, and what these entail in terms of accountability. It seems to me there are 2 main issues for NDPB's in relation to the external face of governance. The first is the so called arms length principle. This is a notion which is under some pressure. Historically the UK government has looked to devolve functions to separately constituted organisations for example the National Museums of Scotland, the National Galleries of Scotland or the Scottish Arts Council on the basis that these organisations should deliver functions which it is not appropriate for government itself to deliver, and should do so " at arms length" enjoying a degree of autonomy in relation to its operations and indeed its policies. For an entertaining account of the transition from government department to independent organisation , I recommend the diaries of Roy Strong then Director of the V &A .

However, there is also a contra tendency to increase central government direction and intervention in management decisions which is at odds with the arms length principle. I would say this is a feature of UK politics, rather than a feature of devolution. Indeed in some respects it is more developed and certainly more systematic at Westminster than at Holyrood,. For

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[11]   www.scottish.parliament.uk/official_report/session-02/sor1031-02.htm#Col 14871

[12]   *Public bodies: proposals for change* Scottish Executive (2002) p17.

[13]   For commercial companies and the distinction between executive and non executive directors see   below

example in England cultural NDPBs have to enter into far more detailed funding agreements with the government department DCMS, tailored to government objectives. This does not seem to be the case in Scotland, nor does the Scottish Executive follow the example of DCMS in publishing detailed funding agreements with the nationally funded museums on their web site. There is certainly a powerful and persuasive argument that there is a need for greater accountability for public expenditure, with a need to move the focus of that accountability from an examination of process to one of results, to a demonstration of impact and effectiveness. On the other hand, the drive to ensure that all public expenditure is aligned to government targets is not necessarily one which serves the cultural sector well, not least because government targets tend to look at short term activity whereas the cultural heritage perspective is the sustainable long term. So a major governance challenge for cultural NDPB's is to ensure sufficient recognition is given to key cultural values and functions. A second is to avoid the difficulties of micro management by central government.

Another very important aspect of governance for the National Museums and National Galleries is their relationship with the non national museums. In England and Scotland the reports I have already referred to have brought into sharp focus the question of the role of the National Museums and Galleries. Are these organisations to be regarded as institutions whose primary role rests with their own collections and public audiences, or should they have a formal responsibility to the wider museum community? The current public service mantra in the UK is 'partnership', but the question is how to establish a partnership of one to many. Can it be done directly or does it require an intermediary to broker and facilitate the partnership? What is the impact of choosing one partner in preference to another.? Should that impact be a factor in decisions? I would argue that what we are really talking about is a national service rather than individual partnerships. If so what is the service specification? What say do users have in the service specification? What is the degree of accountability to users? There is nothing in the current governance, management or resources of the nationally funded museums and galleries that addresses this. As noted earlier, the conventional governance structure of quangos is focused on "upward accountability" to parliament via the appropriate Minister, but this does not sit comfortably with modern ideas of transparent and proactive accountability to the wider community of relevant stakeholders including the wider museum community. A move away from patronage and paternalism to a more equal notion of partnership and parity of esteem will involve some radical thinking on all sides.

The third type of museum is a local authority department. In England local authorities hold some of the most significant museum collections and operate some of the most important museum services, and this has been recognised in the regional investment programmes already operating. In Scotland the National Audit demonstrates that some of the most important collections in terms of size and national significance are held by local

authority services.[14] Despite this, one of the key governance issues for local authority museums in the UK is the relative weakness of museums within local authority structures. Few local authorities now have dedicated museum or even cultural departments and many senior museum staff have little direct access to senior management let alone to elected councillors. The AMA's concept of "remote governance" is all too apposite[15]

At its most extreme, this weakness can lead a betrayal of museum objectives through the proposed disposal/sale of items in the collection but on the whole this has been a war of attrition as museum budgets are squeezed by other political priorities and central government requirements: 85% of local government budgets are allocated to education and social work meaning that at best cultural activities are very much at the margin.   The most successful examples of squaring this circle all involve better communication with stakeholders. A greater understanding of the issues by politicians and public can lead to some surprisingly mature judgements. In Scotland the best example of this is probably Glasgow whose handling of the Ghost Shirt dilemma remains a model of good practice.   The commitment to communication and consultation throughout the Best Value Review, a fundamental review of the museum service, resulted in an increased political and funding commitment from the local authority and public which in turn has lead to extra funding from the Scottish Executive.   Indeed for 2002-3 Glasgow has received £3 million directly from the Scottish Executive, more than the whole of the rest of the non national sector.   Should other museums not have access to extra funding from the Scottish Executive? Which brings us back to the issue of sectoral governance.

D   What are the issues for not for profit organisations?   Independent Trusts are the majority in number of museum organisations in the UK and hold some very important collections. There are a number of issues here:

- the complexity of legal regulatory and funding regimes which require multiple compliance. The burden of compliance becomes a significant governance and operational issue and can mean that Boards of Trustees spend more time in compliance and monitoring than providing strategic direction.   The interface between governance and management is a topic to which I return when considering the internal face of governance.

- Perhaps the most interesting area is the convergence with commercial governance.   On the one hand, there is growing recognition from commercial companies that not only do they need to build share holder confidence, but they also need to build stakeholder trust through a commitment to corporate social responsibility.   In the US and UK this tends to take the form of

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[14] *National Audit*: Table 14

[15] *Remote governance : museums with non museum parent organizations*: AMA NEWStandard Fall 2002 p3

discretionary disclosure and indeed promotion of social, ethical and environmental good practice and is a direct reflection of the success of campaigning organisations such as Greenpeace and Amnesty International. The negative impact of breaching such moral codes can be commercially devastating. In other countries, that corporate social responsibility tends to be more structural, for example in the 2 tier Board structure of German companies. In Japan, corporate social responsibility in post war commercial culture has been paternalistic in relation to employees, although that is under pressure given the economic downturn over the last few years.

- Conversely, not for profit organisations are being encouraged to adopt a more professional and commercial approach. They are being encouraged to look beyond financial dependence on cultural funders such as central and local government, and look to develop a commercial dimension. For independent museums, admission charges are the single most important source of funding while admission, catering, venue hire and retail outlets are also an increasingly important feature for publicly funded museums. Think for example that the V & A now has a retail outlet at Heathrow Airport and think of the opportunities for purchasing museum reproductions through every commercial medium possible.

- The latest UK government report recommends a relaxation of restrictions on charities trading activities and the creation of a new model charitable company.[16] In fact a truly radical approach would be to remove the legal distinction between profit directed and not for profit organisations, accepting that they are both operating to produce a return on capital and to account to stakeholders. It is simply that the not for profit organisation is looking to maximise social return, rather than cash dividend. One is involved in creating social capital, the other in maximising conventional capital. But that is some way away!

The internal face of governance

Finally I would like to look at the internal face of governance, or governance as it is more conventionally understood in terms of internal regulation and systems. I think it is fair to say that most UK discussion of museum governance assumes the model of a not for profit organisation with a separate constitution and Board of Trustees. Much less attention has been paid to public service departments, whether departments of central government or local government. There is a growing debate about the internal dynamics of Executive Agencies and local authorities but this is taking some time to work through to the museums sector at

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[16] *Private Action, Public Benefit: A Review of Charities and the Wider not for profit sector*: Cabinet Office September 2002

both national and local level. One of the early touchstones has been the issue of accountability and transparency at Historic Scotland. In the face of sustained concern, the Scottish Executive has committed to the creation of a new Historic Environment Advisory Council: the original intention had been to abolish 2 existing advisory bodies and rely on internal advice, but the Scottish Executive has recognised that extensive consultation and debate (not least in Parliament itself[17]) identified the need for a new statutory body.[18]The Executive is also considering a review of the roles and responsibilities of Historic Scotland's in response to an unprecedented specific request from the Education and culture committee of the Scottish parliament. Any review and the relationship between Historic Scotland and the new Council will prove an interesting test bed for public sector governance in the cultural arena.

 In the UK, the main distinction between commercial and not for profit organisations is that in a commercial organisation the Board comprises a mix of non executive directors and executive directors who are also the primary management team. In the not for profit sector by contrast the entire Board is non executive and normally all are all unpaid volunteers. The responsibility for governance is the responsibility of the Board, whereas the responsibility for management is that of staff and volunteers (who may include Board members). The main challenges lie in striking the right balance between governance and management, and striking the right balance between the respective responsibilities of the Chair, Board members and Chief Executive within that framework. It is the failure to distinguish between governance and management which is one of the greatest potential hazards for the not for profit sector. In clarifying the distinction of roles, my view is that the Board has responsibility for governance which includes:

- standing back and taking a strategic view on direction and policy – a directional role

- ultimate responsibility for legal and financial compliance – a monitoring role

- making sure the Chief Executive is implementing agreed policy and work programmes- a monitoring role

The Chief Executive has responsibility for management including:

- developing and articulating the vision for the organisation

- taking executive responsibility

- implementing agreed policies and work programmes

- nurturing the staff

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[17]   www.scottish.parliament.uk/official_report/session-02/sor1031-02.htm#Col14871

[18]   www.historic-scotland.gov.uk

Of course nothing in life is ever so simple. In particular, members of Boards of Trustees have increasing legal and financial responsibilities, spelt out in detail in legislation and accounting regulations as well as general principles of trusteeship. Board members can be exposed to personal liability in different circumstances and although this may be covered by insurance, such insurance policies will normally exclude cover which arises from an act or omission which the Trustees knew to be a breach of trust or breach of duty or was committed in reckless disregard of whether it was a breach of trust of breach of duty. What may weigh on Trustees minds even more than the risk of personal liability is the risk to reputation. Again one only has to look at the fallout from the ENRON and WorldCom accounting scandals to see the ripples this can cause and, as the fate of Arthur Anderson has shown, damage to individual and corporate reputation can be catastrophic. The role of non executive directors in the commercial sector is under intense scrutiny[19] and it is increasingly being recognised as good practice that there should be a limit to the number of non executive directorships which an individual should hold. It may well be time to apply this same principle to public appointments on the basis that the risks and the obligations are equally demanding and arguably carry even greater responsibility in the accountability for public expenditure.

Given this potential exposure and the natural tendency of most of us to focus on detail, it is not entirely surprising that many Boards tend to stray into operational issues which are really the function of management. But good corporate governance depends on an effective tripartite relationship between the Chair, Board members and the Chief Executive in which each recognises the different role which they should play. The effect of any one participant be it Chair, individual Board member or Chief Executive overreaching or failing to deliver on their responsibilities will impact on the whole organisation. . From experience I am sure we can all provide examples of Chairmen who wish to act as Chief Executive and micro manage aspects of the organisation. We can also think of Chief Executives who pass up management decisions to the Board, preventing them focusing on providing strategic direction and accountability. But although management is the responsibility of the Chief Executive, it is also a governance issue since bad management will cripple an organisation however strategic the Board is in their thinking and however well the accounts are audited and presented.

It is impossible to be prescriptive since there will be a different balance within each organisation but perhaps one of the most important things to recognise is that the balance within an organisation may and indeed should evolve in changing circumstances. We are all familiar with the situation where a particular set of skills is required to set up and build a new organisation, but a different set of skills is needed to maintain the organisation once it is relatively mature. That applies as much to a Board as to employed staff. The corporate requirements and the internal dynamics of a Board will change with regular rotation of Directors, which should be one of the hallmarks of a well run organisation, together with a commitment to self evaluation and skills development of the Board. Maintaining the right balance is one of the tasks of the Chair and it is increasingly recognised that the role of Chair of a Board is a demanding one requiring both strategic and operational insight,

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[19]   The Higgs committee is due to report early in 2003

public and private presentational skills, extreme diplomatic skills and more. Above all, the key relationship is that between the Chair and Chief Executive which needs a genuine understanding of each others role as well as a degree of mutual respect and trust. One of the hardest tasks for any Chair or Chief Executive is to renegotiate a relationship with a new incumbent who will inevitable have different skills, different strengths and different interests from their predecessor.

What are the other pitfalls in relation to internal governance? One of the most important is conflict of interest. The biggest problem for Boards in my experience is not directly competing interests, which require a Trustee to step aside from a discussion. An example of this would be a building contractor who wished to bid for a large capital project which the museum was undertaking. The bigger and often unrecognised conflict tends to be that Trustees who are nominated or in some way represent a particular organisational interest frequently come to the Board with an incorrect understanding that their loyalties are to the organisation which has appointed them, rather than to the Board of the organisation on which they now sit. This problem has been particularly acute where key funders have a place on the Board eg major patrons or local authority representation on the Board of independent trusts whom they grant assist.

So far as public service departments are concerned, many of the features of Board/ staff relations are replicated in the relationships between elected councillors and staff. We can all think of examples of inappropriate political intervention in what should be management decisions. At the same time, political neglect can be devastating but appropriate political support can bring enormous dividends. Think for example of Glasgow museums success or of the political support for Tyne and Wear Museums.

Finally, I would like to touch on the role of Accounting Officer which is a peculiar feature of UK quangos. Although quangos have independent Boards of Trustees, appointed by central government, at the same time government appoints a designated 'Accounting Officer' who is normally the Chief Executive. The Accounting Officer is personally accountable for the proper expenditure of public monies and has a responsibility to challenge the Board of Trustees if they are making decisions which do not comply with the Financial Memorandum which sets out the conditions of government grant. The ultimate requirement is to take a matter over the heads of the Board to the funding department. Of course one would expect the views of the Chief Executive view to be taken seriously by a Board and if this is not happening there is almost certainly a fundamental breakdown of the relationship and of effective corporate governance. However the notion of personal responsibility for corporate decisions which are not within the Chief Executive's control seems to me fundamentally at odds with the notion that ultimate responsibility lies with the Board. It is interesting that the Scottish Executive paper on public bodies which includes much about improving accountability and governance completely omits this aspect of governance.

In considering the ENRON debacle Professor John Hunt identified the particular difficulties for employed professionals in challenging the actions of employers. Conflicts of interest arise where there is no distinction between independence, the interest of owners and the interest of clients. In the professional sector eg lawyers or accountants, the principles of independence and ownership coincide, but the

clients are normally third parties. It is the professional departments of businesses, civil and public service departments where the principles of independence, ownership and the client in the form of employer all coincide. In those circumstances, a conflict of interest is guaranteed where the principle of independence clashes with the client interest, explaining the culture of silence and the reluctance to act as whistle blower even where this is at odds with professional ethics. I suggest there is a similar risk of conflict with the role of Accounting Officer and it certainly asking a great deal for an Accounting Officer to challenge the employers on whom their livelihood depends.

Museum professionals may encounter the same dilemma eg where they feel a museum Board or public service department is violating the ICOM Code of Ethics for Museums. An aspect of good internal governance is a mechanism for staff to bring their legitimate concerns to the Board, but peer support particularly from organisations such as ICOM is critical both in developing and promoting ideas of good practice and in providing individual support.

To quote Kevin Ford again

We are moving at speed away from a culture of governance which used implicit codes, was based on trust and relationships and premised on the largely unquestioned idea that to be doing good was enough in itself. The culture that has worked well for centuries has many flaws but is in irreversible transition to a more modern, explicit way of operating to cope with the modern information based age.[20]

Given my starting point, it will be clear I think that good governance is critical not just to museums but to civil society in the 21st century. In agreeing with Kevin Ford that we are in irreversible transition, I believe governance is a subject which needs a far higher profile and more in depth consideration within the museum community if we are to secure our enduring place within modern society.

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[20]   *Under Pressure*: *Trends in the governance of large charities for the 21st century* Ford Partnership 2000 p3