

MINUTES OF THE MEETING OF THE TRUST BOARD OPEN AGENDA

Meeting held in the Thomas Cheeseman Boardroom
 Thursday, 24 June 2021
 (Pipiri – Rāpare, 24 Hune 2021)
 8:30am-3:00pm

Present: O Atimalala (Chair), J Judge (Deputy Chair), B Palmer, K Avery, M Binns, P Manase Lua, P Hulse, Prof. R Bedford, and R Carlyon.

Apologies: R Tuwhangai and M Mariassouce

By Invitation: Chief Executive and Governance & Risk Manager

By Invitation for the Chief Executive’s Reports: Executive Team members

Item No.	MINUTES
1.	<p>WELCOME AND KARAKIA The Chair, O Atimalala, welcomed the Trust Board (Board) and opened the meeting with a karakia.</p>
2.	<p>OPENING - OPEN SESSION</p> <p style="margin-left: 20px;">2.1 Apologies Apologies received from R Tuwhangai and M Mariassouce were noted.</p> <p style="margin-left: 20px;">2.2 Conflicts of Interest Two new potential conflicts of interest were noted as follows:</p> <ul style="list-style-type: none"> • P Hulse is a Member of the Local Government Review Panel • B Palmer is Chair of SPCA Investments <p>ACTION: Governance & Risk Manager to add the above potential conflicts of interest to the Register.</p>



3.		<p>GOVERNANCE</p> <p>3.1 Minutes of the Previous Meeting The Minutes of the Open Agenda previous meeting held on 15 April 2021 were taken as read.</p> <p>There were no amendments to the minutes.</p> <p>IT WAS RESOLVED THAT: The Minutes of the Open Agenda Trust Board meeting held on 15 April 2021 be approved as a true and correct record.</p> <p style="text-align: right;">Moved: R Bedford Seconded: B Palmer Carried</p> <p>3.2 Matters Arising from Trust Board Minutes The Trust Board acknowledged the high-quality minute-taking and thanked the Trust Governance & Risk Manager.</p> <p>3.3 Resolutions Ratified Report The Resolutions Ratified Report that recorded the resolution passed by circular motion to adopt the Auckland War Memorial Museum’s Annual Plan 2021/2022 was noted.</p> <p>3.4 Executive & Governance Committee Minutes Committee meeting minutes of 24 February 2021 for the Executive & Governance Committee (now disestablished) were noted.</p> <p>3.5 Future Museum Capital Programme Committee Minutes Committee meeting minutes of 24 February 2021 for the Future Museum Capital Programme Committee (now disestablished) were noted.</p>
4.		<p>ITEMS FOR APPROVAL</p> <p>4.1 Research & Publication Reserve A Research and Publication Reserve (R&P Reserve) was established in 2020 to consolidate sundry income from research-related sources and to provide capacity to fund multi-year research and publication projects.</p> <p>Director, Collections & Research requested the Board approve the proposed drawdown from the R&P Reserve to support projects commencing or continuing in the 2021/22 financial year.</p> <p>IT WAS RESOLVED THAT The Trust Board approves the drawdown of \$110,500 from the Research and Publication Reserve.</p> <p style="text-align: right;">Moved: J Judge Seconded: O Atimalala Carried</p>



<p>4.2</p>	<p>Taumata-ā-Iwi Expansion</p> <p>Since its inception in 1996, the Taumata-ā-Iwi has comprised three Ngāti Whātua members, one member from Waikato and one member from Ngāti Paoa. The Taumata-a-Iwi is responsible for the provision of advice and assistance to the Trust Board in a series of matters set out in the Auckland War Memorial Museum Act 1996.</p> <p>The Chair of Taumata-ā-Iwi presented a report to the Board that sought to ensure continuity and broaden input into their mahi by increasing their membership from five members to eight members with an additional representative from each iwi – Ngāti Whātua, Ngāti Paoa and Waikato.</p> <p>The Board considered the Taumata-ā-Iwi Expansion proposal and agreed with the Taumata recommendation.</p> <p>IT WAS RESOLVED THAT</p> <p>The Trust Board approves the increase of Taumata-ā-Iwi membership from the FY22/23, of up to 8 members. These members shall be appointed to the Taumata-a-Iwi in accordance with the agreed Terms of Reference (to be developed in partnership with the Taumata-ā-Iwi).</p> <p>Moved: R Bedford Seconded: K Avery Carried</p>
<p>5.</p>	<p>ITEMS FOR APPROVAL</p> <p>5.1 Financial Reports</p> <p>The Financial Reports as presented by the Director Enterprise & Finance were taken as read.</p> <p>The Director Enterprise & Finance spoke to the reports with the following points noted:</p> <ul style="list-style-type: none">• the visitation graph indicates the AWMM is likely to reach 500,000 visitors by December this year• self-generated revenue continues to be ahead of budget, mainly due to commercial operations, increased grant activities and additional exhibition revenue• correspondingly, operating expenses are above budget driven mainly by increased cost of sales• there is likely to be some capital expenditure on projects that will carry forward into FY2021-2022 due to delays in commencing a number of projects at the start of this year <p>Financial Summary</p> <p>Museum’s operating result is expected to be better than planned due to increased self-generating income/profitability and prudent cost management.</p> <p>As advised earlier to the Trust Board (via the Audit and Risk committee), the lease cost of Broadway office and Manu Taiko will be reclassified from Special Purposes to Operating section of the Statement of Comprehensive Revenue and Expense from the current financial year FY2020/21. This will have an additional impact of \$1.5m on the operating deficit, with the full year deficit forecast to be around \$3.3m (Plan deficit</p>



	<p>\$3.02m). Adequate disclosure will be included in the Museum’s Annual Report to explain this reclassification.</p> <p>The Trust Board reviewed the monthly financial reports and directed the management to include the profitability analysis of self-generated income more explicitly in the monthly Key Financial dashboard reporting going forward. This could potentially require separating the directly attributable expenses related to the self-generating income from the other operating expenses. This will provide better information to the Trust Board regarding the Museum’s operating expenses.</p> <p>The year-end financial results and management accounts will be circulated to the Trust Board in due course.</p> <p>The Board reviewed the reports and provided the following feedback:</p> <ul style="list-style-type: none">• greater clarity around what makes up the self-generated income and profitability• when viewed in isolation, the operating expenses seem high. Is there a way that self-generated revenue and related expenses be reported separately i.e. introduce cost of goods sold to report gross margin and operating expenses below these to report net profit/loss? <p>ACTION ITEM The Director Enterprise & Finance to include the profitability analysis of self-generated income more explicitly in the monthly Key Financial dashboard reporting going forward, separating the directly attributable expenses related to the self-generating income from the other operating expenses.</p> <p>ACTION ITEM The Director Enterprise & Finance to present the proposed new format to the Audit & Risk Committee for its review before a recommendation is made to the Board at the August meeting.</p> <p>Investments It was noted that the AWMM investments were showing good returns. Milford Asset Management will attend the next Audit & Risk Committee meeting for a review of the current investment structure and the Statement of Investment Policies and Objectives (SIPO).</p> <p>IT WAS RESOLVED THAT The Trust Board approve the Financial Performance Reports to May 2021.</p> <p style="text-align: right;">Moved: M Binns Seconded: R Carlyon Carried</p> <p>The Board thanked the Director Enterprise & Finance for the reports.</p> <p>5.2 Health and Safety Reports The Health & Safety Reports for April and May as prepared by the Director People & Organisation were taken as read.</p>
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	<p>5.3</p>	<p>RECOMMENDATION That the Trust Board note the Health & Safety Dashboard Reports for April and May 2021.</p> <p>The Board noted the Recommendation above and the Chair thanked the Director People & Organisation for the reports.</p> <p>Media Reports (February 2021) The Media Reports for April and May prepared by the Director Marketing, Communications & External Relations were tabled as read.</p> <p>The Board noted the increase in media coverage. This is due to the strategic approach being taken by the AWMM and the increase in openings and exhibitions that create great stories to tell.</p> <p>The Board Chair acknowledged the hard work to achieve these results by the Marketing, Communications and External Affairs team.</p> <p>RECOMMENDATION That the Trust Board note the Media Coverage Reports for April and May 2021.</p> <p>The Board noted the Recommendation above and the Chair thanked the Director Marketing, Communications & External Relations for the reports.</p>
<p>6.</p>	<p>6.1</p> <p>6.1.1</p> <p>6.1.2</p> <p>6.1.3</p>	<p>COMMITTEE REPORTS</p> <p>Audit and Risk Committee Report</p> <p>Risk Management Framework B Palmer, Chair of the Audit & Risk Committee, provided an overview of the Risk Management Framework that includes the new architecture developed at the Board workshop on risk in 2020; i.e. static, dynamic and strategic risk analysis.</p> <p>Risk Management Policy A new risk management policy was developed by B Palmer as a result of the workshop mentioned above. The policy was approved at the Audit & Risk Committee meeting held on 8 June 2021 and is now recommended for approval by the Board.</p> <p>The Board acknowledged the well written policy and thanked B Palmer for their involvement with the development of the policy.</p> <p>IT WAS RESOLVED THAT The Trust Board approve the draft Risk Management Policy as final.</p> <p style="text-align: right;">Moved: R Bedford Seconded: J Judge Carried</p> <p>Deloitte Appointment Letter The letter confirming the engagement of Deloitte for the audit of the financial statements for the year ended 30 June 2021 was tabled as read.</p>



	<p>IT WAS RESOLVED THAT</p> <p>The Trust Board approve the engagement of Deloitte for the audit of the financial statements for the year ended 30 June 2021.</p> <p>Moved: B Palmer Seconded: J Judge Carried</p>
6.1.4	<p>Consolidation Integration of the Operating and Special Purposes sections on the SCRE</p> <p>Currently, the Museum’s Statement of Revenue and Expense (P&L) is divided into two broad sections: Operating and Special purposes (SP). In the interest of providing better transparency and understanding of the Museum’s financial reports and plan, the Audit and Risk Committee recommends to the Board that the AWMM integrate the Operating and SP section of the Statement of Revenue and Expense (P&L), from FY2022/23 DAP.</p> <p>The AWMM’s external auditor Deloitte supports this view in principle. Deloitte also recommended the Board review the allocation of current revenue and expense items between operating and SP as part of this exercise.</p> <p>The Board requested more time to consider the implications of the proposed consolidation, with a decision either by circular motion or deferred until the August Board meeting.</p> <p>The Board thanked B Palmer for the report.</p>
6.2	<p>Development Committee Report</p> <p>J Judge, Chair of the Development Committee, provided a verbal update.</p>
6.2.1	<p>Fundraising Policy</p> <p>J Judge advised the Board that the Development Committee met on 23 June to review the Fundraising Policy. It was agreed that more editing is needed on the policy before it could be recommended for approval by the Board. Therefore, the Committee will hold this item over to the August meeting.</p>
6.2.2	<p>Endowment Fund Consolidation</p> <p>The AWMM is a recipient of philanthropic funds through its bequests program, the purpose of such bequests usually being stipulated in a Will or an Estate Plan of the donor.</p> <p>At the Development Committee meeting, it was agreed that the AWMM would consolidate the three endowment funds to one, called Auckland Museum Endowment Fund.</p> <p>The new fund would not only provide better marketability of the Museum’s bequest and other fundraising programme but would also be more manageable administratively thereby providing enhanced assurance to the potential donors.</p> <p>Recommendation</p> <p>The Board received the Endowment Fund Consolidation report and noted the ongoing work regarding consolidation of the existing endowment funds and general purposes</p>



	7.3	<ul style="list-style-type: none">• a review of the service level agreement that defines the support provided by AWMM may provide a new delivery model• AMI provides succession to the Board• a programme of work for the next 12 months will involve AMI, e.g. the working group for the new five-year strategic planning process <p>The Board thanked Dr R Lins for the report.</p> <p>Pacific Advisory Group (PAG) Report P M Lua, Chair of the PAG, provided a verbal update.</p> <p>P M Lua reported on the recent PAG meeting attended by AWMM staff with the following points noted:</p> <ul style="list-style-type: none">• the visitation report provided excellent data• a discussion on membership was very productive• an overview of the draft DAP was provided• there was good engagement with Taumata-ā-Iwi <p>The Board thanked P M Lua for the report.</p>
8.		<p>ANY OTHER BUSINESS</p> <p>The Board were reminded that the opening stakeholder event for the Sea Monsters Exhibition is being held on 8 July 2021.</p> <p>The next meeting is scheduled to be held on Thursday 26 August 2021.</p>
9.		<p>MEETING CLOSE</p> <p>The Chair thanked all attendees and closed the meeting at 2.05pm.</p>