



BOARD OF TRUSTEES OF THE ROYAL ARMOURIES

CODE OF PRACTICE FOR
TRUSTEES

March 2010

INTRODUCTION

This Code is modelled on the revised *Guidance on Codes of Practice for Board Members of Public Bodies* prepared by the Cabinet Office in February 2000. That document has been modified to take account of the powers and the duties of the Board of Trustees, as set out in the National Heritage Act 1983, of the status and role of the Royal Armouries as a national museum and an exempt charity, and of the organisation and circumstances of the Royal Armouries. This Code has no legal force and is not a prescriptive document detailing the duties of Trustees; rather it has been produced and approved by the Board and the Department for Culture, Media & Sport to provide Trustees with general guidance in the exercise of their responsibilities.

1 Public Service Values

The Royal Armouries and its Board of Trustees should at all times:

- Observe the highest standards of propriety involving impartiality, integrity and objectivity in relation to the stewardship of public funds and the management of the Royal Armouries;
- Maximize value for money through ensuring that services are delivered in the most economical, efficient and effective way, within available resources, and with independent validation of performance achieved wherever practicable. Value for money is not the lowest price: it is the optimum combination of whole life costs and quality to meet the user's requirement;
- Be accountable to Parliament, users of services, individual citizens and staff for the activities of the Royal Armouries and their stewardship of public funds and the extent to which key performance targets and objectives have been met;
- In accordance with Government policy on openness and responsiveness, comply fully with the Code of Practice on Access to Government Information, and with the Nine Principles of Public Service Delivery.

2 Relationship with the Royal Armouries' Sponsor Department

The Secretary of State for Culture, Media & Sport is answerable to Parliament for the policies and performance of the Royal Armouries, including its use of resources and the policy framework within which it operates. The respective roles of the Department and the Board of Trustees are set out in the National Heritage Act 1983. This is supplemented by: a Financial Memorandum which specifies the terms on which the Royal Armouries receives and spends funds provided by the Secretary of State; by an annual Funding Agreement signed by both parties; and by a Strategic Business Plan prepared by the Royal Armouries and approved by the Department.

3 The Role of the Chairman

a) The Chairman has particular responsibility for providing effective strategic leadership on matters such as:

- Formulating the Board's strategy for discharging its statutory duties;
- Ensuring that the Board carries out its corporate responsibilities;
- Ensuring that Trustees fulfil their individual responsibilities;
- Encouraging high standards of propriety and promoting the efficient and effective use of staff and other resources throughout the organisation;
- Ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the Secretary of State, the responsible Minister or the Department for Culture, Media & Sport;
- Representing the views of the Board to the general public; and
- Providing an assessment of the performance of individual Trustees, on request, when they are being considered for re-appointment to the Board or for appointment to the board of some other public body.

b) The Chairman should ensure that the Board meets at regular intervals throughout the year and that the minutes of meetings accurately record the decisions taken and, where appropriate, the views of individual Trustees (see Appendix 2).

c) Communications between the Board and the Secretary of State for Culture, Media & Sport or one of his or her Ministers should normally be through the Chairman except where the Board has agreed that an individual member should act on its behalf. Nevertheless, an individual Trustee has the right of access to Ministers on any matter which he or she believes raises important issues relating to his or her duties as a member of the Board. In such cases the agreement of the rest of the Board should normally be sought. The main point of contact between the body and the sponsor department on day to day matters will normally be the Director General and Master of the Armouries acting on the Trustees and the Board's behalf.

d) The Chairman should ensure that all Trustees, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities. The Chairman and other Trustees should each have a copy of this Code of Practice and the staff's Code of Conduct, together with: the founding statute; the Financial Memorandum; the current Funding Agreement; the latest Corporate Plan, Report to Parliament and Annual Accounts; the Treasury's memorandum *The Responsibilities of an NDPB Accounting Officer*, the Treasury's handbook *Regularity and Propriety*; notes describing the body's organisational structure and the rules and procedures of the Board. The Chairman should encourage new Trustees to attend an induction course on the duties of board members of public bodies or some other suitable form of induction programme.

4 Corporate Responsibilities of Trustees

Trustees have corporate responsibility for ensuring that the Royal Armouries complies with all statutory and administrative requirements for its use of public funds. Other important responsibilities of Board members include:

- Ensuring that high standards of corporate governance are observed at all times;
- Establishing the overall strategic direction of the organisation within the policy and resources framework agreed with the Secretary of State for Culture, Media & Sport;
- Ensuring that the Board operates within the limits of its statutory authority and any delegated authority agreed with the Department for Culture, Media & Sport, and in accordance with any other conditions relating to the use of public funds;
- Ensuring, in reaching decisions the Board had taken into account any guidance issued by the Department for Culture, Media & Sport;
- Approving key objectives and targets;
- Overseeing the delivery of planned results by monitoring performance;
- Overseeing the Director General and Master of the Armouries in carrying out his or her responsibilities and duties with regard to strategy, targets and achievements; monitoring his or her performance and assessing it in relation to performance-related pay;
- Formulating a strategy for implementing the *Code of Practice on Access to Government Information*, including prompt responses to public requests for information, and meeting other requirements for openness and responsiveness as set out in *Quangos: Opening the Doors*;
- Ensuring the Board has specific responsibility for sustainable development and operates within the framework of the Sustainable Development Strategy, following the priorities set by the Green Minister of the Department for Culture, Media & Sport;
- Ensuring that the Board operates sound environmental policies in its operations through a strategy, which should be based on the *Model Policy Statement for Greening Government Operations* and its sister document *the Model Improvement Programme for Greening Operations*.

5 Strategic Planning and Control

One of the main tasks of the Board is oversight of the production of strategic business plans. The process of preparing such documents provides an opportunity for agreeing, with the Secretary of State, his or her responsible Minister or officials on his or her behalf, the policy and resources framework within which the Royal Armouries will discharge its duties; and for determining its key strategic objectives and targets. Such targets should normally cover areas such as: the organisation's financial performance; the efficiency and effectiveness of its operations; and the quality of the services it provides. Where final outputs cannot easily be measured and it is therefore difficult to set suitable performance targets the Board should aim to agree carefully formulated strategic objectives and milestones.

6 Delegation

- a) Trustees serve on a part-time unpaid basis. To the extent permitted by the founding statute, within a clearly understood framework of strategic control, and as far as is practicable, Trustees delegate to the officers of the Armouries responsibility for day to day management.
- b) The Board may decide to delegate responsibility for specified matters, where it has power to do so, to individual Trustees or Committees of the Board. Decisions taken by individual Trustees or Committees of the Board under delegated powers should be recorded in written minutes available to the Board as a whole.

7 Responsibilities of Individual Trustees

- a) Individual Trustees should be aware of their wider responsibilities as members of the Board. Like others who serve the public, they should follow the Seven Principles of Public Life set out by the Committee on Standards in Public Life. The principles are printed at Appendix 1. Trustees must:
- Undertake on appointment to comply at all times with the Armouries' current *Code of Practice for Trustees* and with rules relating to the use of public funds;
 - Act in good faith and in the best interests of the Royal Armouries;
 - Ensure that they comply with the Board's rules on the acceptance of gifts and hospitality (see **Guidance** below);
 - Not misuse information gained in the course of their public service for personal gain and for political purpose, nor seek to use the opportunity of public service to promote their private interests or those of connected persons, firms, businesses or other organisations; and to declare publicly any private interests which may be perceived to conflict with their public duties; and
 - Not use their official position to receive, agree to accept or attempt to obtain any payment or other consideration for doing, or not doing, anything or showing favour, or disfavour, to any person. They should not receive benefits of any kind from a third party which might reasonably be seen to compromise their personal judgment and integrity. Under the Prevention of Corruption Act 1916, employees of public bodies, of which the Royal Armouries is one, may be required to prove that the receipt of payment or other consideration from someone seeking to obtain a contract is not corrupt.

Guidance: *Trustees should never accept a personal gift or favour from any person or organisation that might subsequently be interpreted as an inducement to trade with, or further the purposes of, the person or organisation. Isolated gifts of a trivial character or small seasonal gifts are the only exceptions to this.*

- b) Trustees are expected not to occupy paid party political posts or undertake particularly sensitive or high profile unpaid roles in a political party. Subject to that, Trustees are free to engage in political activities, provided that they are conscious of their general public responsibilities and exercise a proper discretion, particularly in regard to the work of the Board. On matters directly affecting that work, they should not make political speeches or engage in other political activities.
- c) The restrictions in paragraph 7b do not apply to Trustees who are MPs, to local councillors or to Peers in relation to their conduct in the House of Lords. The position of Peers in this regard is covered by a statement reproduced as Annex L to *Non Departmental Public Bodies: A Guide for Departments*.
- d) The arrangements for appointing Trustees make it possible to remove any Trustee who fails to perform the duties required of them to the standards expected of persons who hold public office.
- e) Trustees will be accorded reasonable reimbursement of costs for undertaking their unpaid role. Claims should be supported by the production of receipts, which should be sent to the Company Administrator. Claims will be signed off by the Chairman or Director General & Master. Refer to Appendix 5 for more detail.

8 Handling Conflicts of Interests

- a) The Chairman and other Trustees should declare any personal or business interests which may conflict with their responsibilities as Board members. The Board, in consultation with the Department for Culture, Media & Sport, should draw up rules of conduct for Trustees which ensure that such conflicts are identified at an early stage and that appropriate action can be taken to resolve them.
- b) A register of interests will be kept and updated bi-annually by the Company Administrator using information provided by Trustees. This register will list direct or indirect pecuniary interests which members of the public might reasonably think could influence Trustees' judgment. Trustees are strongly encouraged also to register non-pecuniary interests which relate closely to the body's activities, and interests of close family members and persons living in the same household as the Trustee. (Note; *Cabinet Office Guidance*, February 2000 defines indirect interest as follows: *Indirect pecuniary interests arise from connections with bodies which have a direct pecuniary interest or from being a business partner, or being employed by, a person with such an interest. Non-pecuniary interests include those arising from membership of clubs and other organisations. Close family members include personal partners, parents, children - adult or minor -, brothers, sisters and the personal partner of any of these.*)
- c) This register of interests MUST be made available to the public on request. Details of how access can be obtained must be made widely available and be included in annual and triennial reports to Parliament.

d) In the absence of specific statutory provisions, the common law requires:

- That members of public bodies should not participate in the discussion or determination of matters in which they have a direct pecuniary interest; and
- That when an interest is not of a direct pecuniary kind, members should consider whether participation in the discussion or determination of a related matter would suggest a real danger of bias. This should be interpreted in the sense that Trustees might, either unwittingly or otherwise unfairly, regard with favour or disfavour the case of a party to the matter under consideration. In considering whether a real danger of bias exists in relation to a particular decision, Trustees should assess whether they, a close family member, a person living in the same household as the Trustee or a firm, business or organisation with which the Trustee is connected are likely to be affected more than the generality of those affected by the decision in question. This would cover, for example, a decision to invite tenders for a contract where a firm with which a Trustee was connected was significantly better placed than others to win it.

e) Where, in accordance with the above, Trustees do not participate in the discussion or determination of a matter, they should normally withdraw from the meeting. This is because the continued presence of someone who had declared an interest might be thought likely to influence the judgment of the other members present.

f) Whether or not Trustees are able "in the light of the considerations above" to participate in the discussion or determination of a matter, they should declare as soon as practicable after a meeting begins if they have an interest, pecuniary or other, in a matter being considered. They should also disclose any interests in it of which they are aware on the part of close family members and persons living in the same household as the Trustee. In addition, Trustees should give careful consideration to registering non-pecuniary interests of other persons or organisations which members of the public might reasonably think could influence the member's judgment.

g) Because the Royal Armouries is normally required to follow generally accepted accounting practice, Trustees must facilitate compliance with the need under Financial Reporting Standard 8 for material transactions with related parties to be disclosed in financial statements. "Related parties" in FRS 8 include (in addition to business contacts) close members of the family of an individual, who are defined for the purposes of the standard as those family members, or members of the same household, who may be expected to influence, or be influenced by, that person in their dealings with the reporting entity.

Trustees should seek to prevent conflicts of interests arising from the acceptance of outside appointments during or after their tenure as a Trustee, taking account of guidance in Chapter 7 of *Non Departmental Public Bodies: A Guide for Departments*. Therefore, all Trustees both during their tenure of

office and for three years thereafter, should inform the Chairman in writing of any appointment they have been offered so that due and formal consideration may be given to any implications for the Board. After such due consideration the Trustee or ex-Trustee will be informed of the Board's position in writing by the Chairman.

9 Personal Liability of Trustees

a) Although any legal proceedings initiated by a third party are likely to be brought against the Board, in exceptional cases proceedings (civil or, in certain cases, criminal) may be brought against the Chairman or other individual Trustees. For example, a Trustee may be personally liable if he or she makes a fraudulent or negligent statement which results in loss to a third party. Trustees who misuse information gained by virtue of their position may be liable for breach of confidence under common law or may commit a criminal offence under insider dealing legislation.

b) However the Government has indicated that individual Trustees who have acted honestly and in good faith will not have to meet out of their own personal resources any personal civil liability which is incurred in execution or purported execution of their Board functions, save where the person has acted recklessly.

c) Trustees who need further advice may consult the Board's legal advisers.

10 Openness and Responsiveness

a) Trustees and their staff must conduct all their dealings with the public in an open and responsible way and ensure full compliance with the *Code of Practice on Access to Government Information*. They should take account as far as possible of the Standard of Best Practice for Openness in Executive NDPBs and NHS bodies in the *First Report of the Committee on Standards in Public Life* (Cm 2850-1). They must make publicly available an Annual Report as part of the Annual Accounts laid before parliament (see 12b below), and every three years lay before Parliament a detailed stewardship report. They must consult openly and widely over major changes in policy that will have fundamental effects upon the environments in which the museum works and the communities that it serves. The Government's commitments in this area are set out in *Quangos: Opening the Doors*. In particular the Royal Armouries seeks to follow best practice in making available information to the public, including through the World Wide Web, and to co-operate with other bodies, such as local authorities, to place relevant information in the public domain.

b) Trustees must ensure they can demonstrate that they are using resources to good effect, with propriety, and without grounds for criticism that public funds are being used for private, partisan or party political purposes. They must act consistently with the nature of the Royal Armouries' duties and responsibilities and the possible need for confidentiality on commercial or

other grounds, always subject to the rights of Parliament and the Comptroller and Auditor General to obtain information. There should be well-publicised and easy to use complaints procedures which cover both mal-administration and failure to provide access to information (see Appendix 3).

11 Accountability for Public Funds

a) Trustees have a duty to ensure the safeguarding of public funds – which for this purpose should be taken to include all forms of receipts from fees, charges and other sources – and the proper custody of assets which have been publicly funded. They must take appropriate measures to ensure that the Royal Armouries at all times conducts its operations as economically, efficiently and effectively as possible, with full regard to the relevant statutory provisions and to relevant guidance in Government Accounting.

b) Trustees are responsible for ensuring that the body does not exceed its powers or functions as defined in statute, or through any limitations on its authority to incur expenditure. They are normally advised on these matters by the officers and their legal advisers.

12 Annual Report and Accounts

a) As part of its responsibilities for the stewardship of public funds, the Board must ensure that it includes a full statement of the use of such resources in its Annual Report and Accounts. Such accounts should be prepared in accordance with the Accounts Direction issued by the Secretary of State for the Department for Culture, Media & Sport and such other guidance as may be issued, from time to time, by the Department for Culture, Media & Sport and the Treasury¹, including *Executive Non-Departmental Public Bodies: Annual Reports and Accounts Guidance*.

b) Subject to current statutory requirements, the Board should aim to produce an Annual Report and Accounts as a single document and should give it appropriate publicity. A summary of the relevant Annual Accounts should be given in the Triennial Report to Parliament and a statement by the auditors should be included to confirm that it is consistent with the Annual Accounts. It should also state whether the report on any of the relevant Annual Accounts was qualified and provide details if this was the case.

c) The Annual Report and Accounts should provide a full description of the Board's activities; state the extent to which key strategic objectives and agreed financial and other performance targets have been met; list the names of the current members of the Board and senior staff; and provide details of the remuneration of Trustees and senior staff in accordance with Treasury guidance. The Annual Report should contain information on access to registers of interests in accordance with paragraph 8 above.

¹ In Northern Ireland, guidance is issued by the Department of Finance and Personnel

13 The Role of the Director General and Master of the Armouries

a) The Director General and Master of the Armouries has responsibility, under the Board, for the overall organisation, management, and staffing of the Armouries and for its procedures in financial and other matters, including conduct and discipline. Board members should support the Director General and Master of the Armouries in undertaking this responsibility.

b) The Director General and Master of the Armouries is designated as the Accounting Officer for the Armouries. The Director General and Master of the Armouries and the Accounting Officer of the Department for Culture, Media & Sport, are responsible to Parliament for the resources under their control. The essence of the role is a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all the resources in their charge. The Director General and Master of the Armouries has a responsibility to see that appropriate advice is tendered to the Board on all these matters. Satisfactory performance of these responsibilities is fundamental to the role of the Director General and Master of the Armouries.

c) More detailed guidance on the role of an Accounting Officer is set out in *The Responsibilities of an NDPB Accounting Officer*, which covers appearances before the Committee of Public Accounts of the House of Commons. All Trustees should ensure that they have a copy of this document. The Treasury's handbook, *Regularity and Propriety*, describes what these concepts mean in a financial context. Although the handbook is intended primarily for Accounting Officers, Trustees should also familiarise themselves with it.

d) The Director General & Master of the Armouries has responsibility for the day to day management of the museum, for leading on business planning, and for developing wider museum strategy.

e) The Director General and Master of the Armouries reports to the Board on business strategy, targets and achievements.

14 Audit Committee

The Board shall have an Audit Committee – details in Appendix 2.1.2.

15 The Board as Employer

a) The Board should ensure:

- That the officers comply with relevant legislation and that suitably qualified staff are employed who will discharge their responsibilities in accordance with the high standards expected of staff employed by National Museums. All staff should be familiar with the Royal Armouries' main aims and objectives;
- That the Royal Armouries adopts management practices which use resources in the most economical, efficient and effective manner;
- That the Royal Armouries' rules for the recruitment and management of staff provide for appointment and advancement on merit on the basis of equal opportunity for all applicants and staff;
- In filling senior staff appointments, the Board should satisfy itself that an adequate internal and external field of qualified candidates is considered;
- That both Trustees and officers have appropriate access to expert advice and training opportunities (in line with wider Government commitments on training strategies).

b) The Board should adopt a Code of Conduct for its staff using the model issued for executive NDPBs by the Cabinet Office in August 1996, subject to any modifications that may be necessary – and that are agreed with the Department for Culture, Media & Sport – to take account of the particular characteristics and circumstances of the Armouries and to take proper regard of codes of professional conduct to which staff themselves may have to subscribe.

c) The Board has a responsibility to monitor the performance of the Director General and Master of the Armouries. The Board will appoint a Remuneration Committee. This will advise the Board on the appropriate level of remuneration for the Director General and Master of the Armouries and agree this with the Department for Culture, Media & Sport; it will assess the entitlement to performance related pay, ensuring that it has access to the information and advice required to make the necessary judgments.

APPENDIX 1

THE SEVEN PRINCIPLES OF PUBLIC LIFE

Selflessness

Holders of public office should take decision solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merits.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interests.

Leadership

Holders of the public office should promote and support these principles by leadership and example.

The Government endorsed the Seven Principles of Public Life in *Spending Public Money. Governance and Audit Issues*, Cm 3179, March 1996.

APPENDIX 2

BOARD PROCEDURES

The Board meets at least six times a year.

Normally these meetings are held on the final Thursday of every alternate month, beginning in January.

Normally two meetings a year are held at Fort Nelson, two in the Tower and two in Leeds.

A quorum shall be one third of the current membership or three Trustees whichever is the greater.

In attendance at the Board meetings are:

- The Director General and Master of the Armouries
- The Museum Director
- The Creative Development Director
- The Finance & Commercial Director
- The Academic Director
- Any other relevant officer

Any officer may be asked to leave the meeting.

Minutes will be sent out no more than 14 days after the meeting.

Board papers will be sent out at least 7 days before a meeting.

2.1 Sub-committees

The board may appoint sub-committees.

The current sub-committees are:

- Finance and Capital Development
 - London Development
- Audit
- Audience Development
- Knowledge Development
- Remuneration

2.1.1 Finance and Capital Development Committee

ROLE OF FINANCE & CAPITAL DEVELOPMENT COMMITTEE

The Board has established the Finance and Capital Development Committee as a sub-committee of the Board to support it in carrying out its responsibilities relating to overseeing the financial affairs of the Royal Armouries.

RESPONSIBILITIES

- To review and make recommendations concerning the financial management and accounting systems with particular reference to the objectives and targets agreed with the DCMS and specified within the Funding Agreement;
- To review and make recommendations concerning the financial management and accounting systems in line with legislation and associated Financial and Accounting documentation and memoranda;
- To review and to recommend approval of the annual budgets;
- To monitor on behalf of the Board the annual budgets, management accounts and financial performance of the Museum;
- To approve and recommend to the Board the Annual Report and Accounts;
- To evaluate the cost and value projections of any new development projects as forwarded by the Audience Development Committee and recommend approval to the Board of Trustees;
- To monitor the progress of new development projects and other capital projects against their agreed financial milestones and timescales;
- To review and monitor fundraising and sponsorship activities.

MEMBERSHIP AND ATTENDANCE

Membership shall comprise of the Chairman of the Board, at least two other Trustees voted by the Board of whom one will be the Chairman, the Director General and Master of the Armouries, the Finance & Commercial Director and the Creative Development Director.

CURRENT MEMBERSHIP

Bob Morton - Chairman
Ann Green
Marie Stevens
Duncan Wilson
Chris Case
Jonathon Riley
Peter Doherty
Peter Armstrong

NB: The London Development sub-committee reports directly to this Committee.

FREQUENCY OF MEETINGS

The Finance and Capital Development Committee will meet bi-monthly. The Chair of the Finance and Development Committee may convene additional meetings, as they deem necessary.

London Development Committee

ROLE OF LONDON DEVELOPMENT COMMITTEE

The Board has established the London Development Committee as a sub-committee to the Board to support it in carrying out its responsibilities relating to the Royal Armouries' fundraising and sponsorship programme and provide volunteer leadership for strategy, identifications and solicitation of significant gift to the organisation.

RESPONSIBILITIES

- Work with the Development Department to make introductions and close key gifts (all correspondence, sponsorship proposals and associated benefits packages are produced and agreed by the Royal Armouries' Development team before being sent out under the Royal Armouries brand);
- Act as a sounding board for the case to support development projects (as agreed in advance by the Board of Trustees);
- Assist with special events and other fundraising activities;
- Act as an ambassador for the organisation and its fundraising programme by promoting awareness and interest in the Royal Armouries and associated opportunities for funders and sponsors

The Committee may explore potential sponsors and partners and make recommendations to the Board accordingly. During the process of exploration no binding commitments should be made without the concurrence of the Board, nor should expectations be raised which are either unlikely to be fulfilled, or that would conflict with the charitable status of the Armouries. Maximum use should be made of available publicity and marketing material. The Committee should also take direction from the Board, to approach specified potential donors, sponsors or partners with proposals drafted by the Board. These should never be exceeded.

MEMBERSHIP AND ATTENDANCE

Membership shall comprise of maximum of 10 members (including a Chair and Vice Chair), a member of the Royal Armouries Board and the Director General and Master of the Royal Armouries. In attendance will be the Museum Director (Development), the Head of Development and the Development Manager (South). Other staff may attend at the discretion of the Director General.

Membership is reviewed annually and new members can be recommended by the Board of Trustees or current London Development Committee members. Each new member will have a meeting with a member of the Board of Trustees and the London Development Committee Chairman prior to their appointment being ratified by the Board. Appointment is for a maximum of three years, extended by a further two on agreement by the Board.

The Chairman of the London Development Committee shall be invited to join the Royal Armouries Development Trust (RADT) to ensure that the work of the two groups is co-ordinated.

CURRENT MEMBERSHIP

Kevin Everett – Chairman
Katherine Clark – Vice Chairman
Clive Martin
Jenny Moseley
Hamon Massey
Peter Rimmer
Heather Longson
Chris Waite
Antony Vanderpump
Ray Ellis
Jon Hammond Booth
Jonathon Riley

In attendance at the request of the committee:

Peter Armstrong
Claire Harder
David Williams

FREQUENCY OF MEETINGS

The London Development Committee shall meet formally twice a year. The Chairman of the London Development Committee may convene additional meetings as required for specific purposes. Development Department staff will work closely with Committee members between formal meetings.

RECORD OF MEETINGS

The London Development Committee shall ensure that an agreed written record of each meeting (including introductions provided and funds raised) is included within the Finance & Capital Development Committee papers.

Audit Committee

ROLE OF AUDIT COMMITTEE

The Board has established the Audit Committee as a Committee of the Board to support them in their responsibilities for issues of risk control and governance by reviewing the comprehensiveness of assurances in meeting the Board and Accounting Officer's assurance needs and reviewing the reliability and integrity of these assurances.

RESPONSIBILITIES

The Audit Committee will advise the Board and Accounting Officer on:

- The strategic processes for risk, control and governance and the Statement on Internal Control;
- The accounting policies, the accounts, and the annual report of the organisation; the review of levels of error identified and management's letter of representation to the external auditors;
- The planned activity and results of both internal and external audit;
- Assurances relating to the corporate governance requirements for the organisation;
- Anti-fraud policies, whistle-blowing policies and arrangements for special investigations.

MEMBERSHIP AND ATTENDANCE

Membership shall comprise of the Chairman of the Board and at least two other Trustees voted by the Board of whom one will be Chairman. In attendance, at the request of the Committee, should be the Director General and Master of the Armouries, and the Finance & Commercial Director.

CURRENT MEMBERSHIP

Board members:

Bob Morton - Chairman
Ann Green
Duncan Wilson
Chris Case

Independent External Members:

Gev Lynott

Executive members (In attendance at the request of the Committee):

Jonathon Riley
Peter Doherty

The Audit Committee may:

- Co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience;
- Procure specialist ad-hoc advice at the expense of the organisation, subject to budgets.

ACCESS

Representatives of both Internal and External Audit will have free and confidential access to the Chairman of the Audit Committee.

FREQUENCY OF MEETINGS

The Audit Committee will meet at least four times a year. The Chairman of the Audit Committee may convene additional meetings, as they deem necessary.

2.1.2 Audience Development Committee

ROLE OF AUDIENCE DEVELOPMENT COMMITTEE

The Board has established the Audience Development Committee as a sub-committee of the Board to support it in carrying out its responsibilities relating to the development activities of the Museum

RESPONSIBILITIES

- To review and make recommendations to the Board on the development and sustainability of existing and potential audience facing activities;
- To review and make recommendations to the Board on the development and feasibility of future commercial activities;
- To review and make recommendations to the Board on the content and effectiveness of all aspects of the marketing and PR programme;
- To approve and recommend to the Board the key audience development projects / exhibitions within the museum;
- To approve and recommend to the Board the key business development projects of the Museum

MEMBERSHIP AND ATTENDANCE

Membership shall comprise of the Chairman of the Board, at least two other Trustees voted by the board of whom one shall be Chairman, the Director General and Master of the Armouries, and the Creative Development Director.

CURRENT MEMBERSHIP

Marie Stevens – Chairman
Ann Green
Jon Hammond Booth
Chris Case
Jonathon Riley
Peter Armstrong

FREQUENCY OF MEETINGS

The committee shall meet every two months or more frequently if required.

2.1.4 Knowledge Development Committee

ROLE OF KNOWLEDGE DEVELOPMENT COMMITTEE

The Board has established the Knowledge Development Committee as a sub-committee of the Board to support it in carrying out its responsibilities relating to the knowledge development of the collection and related activities.

RESPONSIBILITIES

- Oversee the safety and care of the collection including loans;
- Oversee the current education and community enabling programmes;
- Advise on the development of the academic programme;
- Monitor the content of publications and advise on potential new authors and markets;
- Oversee the academic elements of displays/ exhibitions and marketing materials.

MEMBERSHIP AND ATTENDANCE

Membership shall comprise of the Chairman of the Board, at least two trustees voted by the board of whom one shall be Chairman, the Director General and Master of the Armouries, the Museum Director and the Academic Director. Trustees and staff members may be co-opted as and when required.

CURRENT MEMBERSHIP

Richard Holmes – Chairman
Ann Green
Pat Langham
Sir Richard Dannatt
Jonathon Riley
Steven Burt
Graeme Rimer

FREQUENCY OF MEETINGS

The Committee should meet quarterly or more frequently if required.

2.1.5 Remuneration Committee

PURPOSE

- To set targets by which performance is measured in consultation with the Director General and Master of the Armouries;
- To formally appraise the performance of the Director General and Master of the Armouries;
- To make proposals to the Board regarding the remuneration of the Director General and Master of the Armouries and agree this with the Department for Culture Media & Sport;
- Assess the entitlement of the Director General and Master of the Armouries to performance related pay.
- To receive and approve recommendation of salary reviews for the Directors.

MEMBERSHIP & ATTENDANCE

Membership shall comprise of the Chairman of the Board, and the Chairmen of the other sub-committees.

CURRENT MEMBERSHIP

Ann Green

Bob Morton

Marie Stevens

Richard Holmes

FREQUENCY OF MEETINGS

The committee should meet annually or more frequently if required.

2.2 Rules of Committees

- The purpose of the committee to be agreed by the Board;
- Membership to be by appointment of the Board of Trustees only;
- Chairman to be elected by the Board;
- Quorum to be no less than three with a minimum of two Trustees present;
- In the event of a named Trustee not able to attend a committee meeting, another Trustee can be co-opted to any of the committees;
- Formal minutes to be produced and circulated to members of that committee and other Board members;
- All Trustees to be given notice of committee meetings and to be allowed to attend as silent observers;
- Reports from committees to be on the agenda for Board meetings;
- The Chairman to sit "ex officio" on all committees;
- Committees have the power to call upon advisors as necessary to help with their work;
- The Constable to be invited to attend any meeting discussing major issues relating to the Tower;
- Unresolved differences of opinion within committees to be referred to the Board for a decision;
- Relevant officers may be invited to attend to contribute to specific matters;
- If for any reason a sub-committee has no Chairman then the Chairman of the Board shall assume the responsibility for the sub-committee involved.

APPENDIX 3

COMPLAINTS PROCEDURE

The Royal Armouries strives to ensure that its products and services exceed statutory and customer requirements and that the organisation is responsive to customer's enquiries and complaints.

All complaints received by post are forwarded to the Director General and Master of the Armouries' Office for control purposes. Complaints are logged onto a computer file when they are received and read by the Director General and Master of the Armouries. If necessary, a draft reply from the relevant Royal Armouries department is sourced. The Director General and Master of the Armouries sends a personal reply to these complaints and hard copies of all correspondence are filed in the complaints file held in the Director General and Master of the Armouries' Office. The Royal Armouries aims to complete this process within 10 working days of receipt of the complaint.

A comment card system is operated by the Royal Armouries Visitor Services Department where cards can either be posted or handed in to the Visitor Services Information Desk. The Visitor Services Manager reviews all comments and ensures that a response goes out to complaints that request a reply. All correspondence is kept on file.

Complaints made by telephone to both the Director General and Master of the Armouries' Office and Visitor Services are investigated, a return call made and the telephone call followed up with a letter (unless very minor). All correspondence of this nature is logged within the relevant files.

Should any complaint or enquiry not be satisfied by the above response from the Director General and Master of the Armouries' Office, information will be forwarded to the Chairman of the Board of Trustees for attention.

APPENDIX 4

MATTERS RESERVED FOR THE BOARD OF TRUSTEES OF THE ROYAL ARMOURIES

Summary

The Matters Reserved for the Board of Trustees of the Royal Armouries document lists a number of matters specifically reserved for the Board of Trustees, and as such these matters may not be determined/amended/approved etc by the Executive or any other employee or agent of the Royal Armouries unless the Trustees have specifically delegated power to them to do so.

The matters under the control of the Trustees are classified under several different headings, each of which is summarised below:

1. *Regulations and Control* - administration of by-laws, correspondence with statutory bodies, approval of delegation of powers from the Trustees to sub-committees, administering conflicts of interest and control of high level operational issues.
2. *Appointments/Remuneration/Discipline* – management of senior staff (including the Executive) including salary and benefits.
3. *Strategic and Budgetary Matters* – approval of budgets, policies, procedures and proposals for capital investment/expenditure, setting strategic aims and objectives, overall management of the RA, development of strategic business plans, decision making in relation to court proceedings, approving and appointing professional advisers/consultants and agreement to changes in pension scheme and management of its funds.
4. *Contracts* – approval of material contracts (whether due to cost, duration, IP, importance etc)
5. *Policies* – managing of various key organisational policies, including employment, whistle blowing, treasury and investments and communications/PR policies.
6. *Reporting Arrangements and Access to Information* – management of financial reporting arrangements and records, endorsement and submission of annual reports and accounts, developing policy to comply with Freedom of Information Act 2000.
7. *Monitoring* – receiving and reviewing reports in relation to the use of delegated powers, activities of the organisation, financial performance against agreed budgets and strategy and goals met as agreed in the strategic and business plans.

1 GENERAL ENABLING PROVISION

Subject to the National Heritage Act 1983 and other relevant legislation, the Board of Trustees of the Royal Armouries (the "**Board**") may delegate such matters as it considers appropriate.

Subject to the above, the following matters are reserved to the Board:

2 REGULATIONS AND CONTROL

- 2.1 Responsibility for providing information, as requested, to Parliament and the Secretary of State for Culture, Media and Sport.
- 2.2 Approval of standing orders (by-laws), a schedule of matters reserved for the Board and financial reporting for the regulation of its proceedings and business.
- 2.3 Suspension of standing orders (by-laws).
- 2.4 Alteration and amendment of standing orders (by-laws).
- 2.5 Ratifying/rejecting instances of failure to comply with standing orders (by-laws).
- 2.6 Approving a scheme of delegation of powers from the Board to sub-committees and their terms of reference. Establish/review/amend terms of reference and reporting arrangements of all sub-committees of the Board, and any ad hoc committees.
- 2.7 Requiring and receiving the declaration of Trustee interests that may conflict with those of the Royal Armouries and, in consultation with the Department for Culture, Media and Sport, determining the manner in which such conflicts will be managed.
- 2.8 Requiring and receiving the declaration of interests of staff members that may conflict with those of the Royal Armouries.
- 2.9 Approving arrangements for dealing with complaints.
- 2.10 Adopting/reviewing/amending the organisational, management and control structures, processes and procedures required to further the aims and statutory obligations of the Royal Armouries.
- 2.11 Ensuring high standards of corporate governance are observed within Royal Armouries.
- 2.12 Ensuring maintenance of a sound system of internal control and risk management including:

- (a) receiving reports on and reviewing the effectiveness of Royal Armouries' risk and control process to support its strategy and objectives;
 - (b) undertaking a periodic assessment of these processes
 - (c) approving an appropriate statement for inclusion in the Royal Armouries' annual report.
- 2.13 Receiving reports from sub-committees, and agreeing/ rejecting any recommendations presented to the Board.
- 2.14 Authorising use of the seal of the Royal Armouries.
- 2.15 Establishment of companies owned by the Royal Armouries.
- 2.16 Agreement of the schedule of matters reserved for the Board.

3 APPOINTMENTS/REMUNERATION/DISCIPLINE

- 3.1 Appointing and dismissing sub-committees and individual members of sub-committees that are accountable to the Board.
- 3.2 Putting in place effective procedures for the succession planning of the Board and of Executive and senior members of staff.
- 3.3 Appointing, appraising and dismissing the Chief Executive Officer, where applicable.
- 3.4 Appointing, appraising and dismissing the Director General and Master of the Royal Armouries, where applicable.
- 3.5 Considering, approving/rejecting proposals from the remuneration committee regarding salary and benefits of the Chief Executive Officer, Director General and Master of the Royal Armouries and other senior management staff, where appropriate.
- 3.6 Agreeing procedures for the effective evaluation of the Board and individual Trustees, and subcommittees.

4 STRATEGIC AND BUDGETARY MATTERS

- 4.1 Responsibility for the overall management of the Royal Armouries, ensuring compliance with the Royal Armouries' obligations pursuant to the National Heritage Act 1983 and other relevant legislation.
- 4.2 Defining and agreeing the strategic aims and objectives of the Royal Armouries within the scope of the obligations under the National

Heritage Act 1983 and the policy and resources framework agreed with the Secretary of State for Culture, Media and Sport.

- 4.3 Overseeing the development of strategic business plans and the delivery of planned results by monitoring performance.
- 4.4 Applying property to the furtherance of the Royal Armouries' objects.
- 4.5 Ensuring that trading and other activities do not compromise charitable status or the Royal Armouries obligations under the National Heritage Act 1983.
- 4.6 Approving/amending the Royal Armouries' policies and procedures for internal control and the management of risk and protection of the Royal Armouries' property (including types and levels of insurance).
- 4.7 Approving/amending proposals for capital investment/ expenditure, including the spending of capital from an endowment fund.
- 4.8 Approving/amending budgets.
- 4.9 Approving/rejecting proposals for the acquisition/ disposal of land/buildings, or change in its use, following the receipt and consideration of professional guidance and consent from the Secretary of State for Culture, Media and Sport.
- 4.10 Approving fundraising and income generation programmes, including funding applications, service delivery contracts and transfer of public collection certificates from one Trustee to another.
- 4.11 Agreeing and reviewing investment strategy, in line with relevant policies.
- 4.12 Deciding on the number, purpose and mandates of bank accounts and other deposit media.
- 4.13 Authorising delegated powers and limitations to the Chief Executive Officer and other members of the senior management team, where appropriate.
- 4.14 All decisions relating to court proceedings against or on behalf of the Royal Armouries, including issuing proceedings, defences and settlement of action.
- 4.15 Approving and appointing the Royal Armouries' professional advisers and consultants and to determine their remuneration.
- 4.16 Approval of purchasing Trustee Indemnity Insurance from Royal Armouries' funds.

- 4.17 Agreeing changes to the Royal Armouries' pension scheme or the management of its funds.

5 CONTRACTS

- 5.1 Approving the entering into by the Royal Armouries, or any subsidiary of the Royal Armouries, of any contract which is material. For this purpose "material" is defined as any contract:
- (a) under which the Royal Armouries will expend more than £[50,000] per year;
 - (b) which is of greater than [3] years duration;
 - (c) under which the Royal Armouries will licence its intellectual property to a third party;
 - (d) which is to be entered into with any legal entity or individual connected to an employee of the Royal Armouries; and/or
 - (e) which is otherwise of material importance to the operation of the Royal Armouries.

6 POLICIES

- 6.1 Establishing, reviewing, amending and approving key organisational policies including:
- (a) Code of Practice for Trustees;
 - (b) wording of the Trustee engagement/agreement to serve letter;
 - (c) employment policy;
 - (d) health and safety policy;
 - (e) environmental policy;
 - (f) communications policy;
 - (g) complaints policy;
 - (h) treasury and investments policy;
 - (i) reserves policy;
 - (j) whistleblowing policy;
 - (k) risk management policy;
 - (l) corporate social responsibility;

- (m) conflicts of interest policy;
- (n) communications/PR policy; and
- (o) equal opportunities policy.

7 REPORTING ARRANGEMENTS AND ACCESS TO INFORMATION

- 7.1 Receiving, presenting and approving the Royal Armouries' annual report and accounts.
- 7.2 Submitting the annual report and accounts to the Secretary of State for Culture, Media and Sport.
- 7.3 Establishing, maintaining and retaining appropriate financial reporting arrangements and records and approve any significant changes in accounting policies or practices.
- 7.4 Submitting a report to the Secretary of State for Culture Media and Sport on the exercise of the Board's functions in line with the requirements of and on the intervals specified in the National Heritage Act 1983.
- 7.5 Responsibility for compliance with the Freedom of Information Act 2000 and for developing a policy for meeting Royal Armouries' obligations thereunder.

8 MONITORING

- 8.1 Receiving and reviewing such reports as the Board requires from the sub-committees and individuals with regard to the use of delegated powers.
- 8.2 Receiving and reviewing such reports from members of the Royal Armouries' staff pertaining to the activities of the organisation in furtherance of the Royal Armouries' objects.
- 8.3 Receiving and reviewing reports from the finance function on the financial performance of the Royal Armouries against agreed budgets and strategy.
- 8.4 Receiving and reviewing reports from the Chief Executive Officer pertaining to meeting the Royal Armouries' goals as agreed in the strategic and business plans.

9 MISCELLANEOUS

- 9.1 Matters which the Board considers suitable for delegation are contained in the terms of reference of its committees.
- 9.2 In addition, the Board will receive reports and recommendations from time to time on any matter which it considers significant to the Royal Armouries.

APPENDIX 5

TRAVEL & SUBSISTENCE EXPENSES FOR TRUSTEES

1. GENERAL RULES

As defined by the Charity Commission, expenses are refunds by a charity of legitimate payments which a trustee has had to meet personally in order to carry out his or her trustee duties. Expense claims should normally be for the actual cost or expense; and be supported by bills or receipts, except where it is impractical to expect this, for example, where very small amounts are claimed. So long as the Royal Armouries only pays the trustee for the actual cost or expense, the payment is not taxable.

Any misuse of charity assets for private benefit can damage public confidence in a charity, can affect that charity's ability to operate for the public benefit. This is likely to be viewed as mismanagement or misconduct. A trustee involved in such matters might also be liable to repay the charity for any excessive or false trustee expense claims.

2. WHAT CAN BE CLAIMED?

- The actual cost of travelling to and from trustee meetings (including travel insurance under the Royal Armouries' insurance policy), and on trustee business and events. This can include the cost of using public transport, taxi fares, and petrol allowances to the level permitted by HM Revenue & Customs (HMRC) before tax becomes payable. When travelling by train or air, standard class travel should normally be used with the following exemptions which should be pre-approved by the Chairman: train journeys over two hours, when going straight to work at journeys end, or for air travel of more than four hours.
- Reasonable refunds for the cost of meals taken while on Royal Armouries business at the same rates as allowed for senior staff in the Royal Armouries' T&S and/or Gifts and Hospitality Policies.
- The reasonable cost of childcare, or care of other dependants (for example, an elderly parent) whilst attending trustee meetings.
- The actual cost of postage and telephone calls on Royal Armouries business.
- The costs of a trustee's telephone rental and broadband subscription, so long as these are split to reflect the percentage of time relating to usage on behalf of the Royal Armouries.
- Translating documents into Braille for a blind trustee, or into different languages; provision of alerting and listening devices, and other special aids for those with hearing impairment.

- The costs of training courses, materials and publications relevant to trusteeship.
- Providing special transport, equipment or facilities for a trustee with a disability.
- The actual cost of reasonable overnight accommodation and subsistence (including any essential care costs) while attending trustee meetings or other essential events such as voluntary sector conferences or specialist training courses. The same criteria should be used as laid down in the Royal Armouries' T&S policy.

3. WHAT IS INADMISSIBLE?

- Accommodation or travel costs for spouses or partners who are not themselves travelling on charity business.
- Payment of private telephone bills for business unrelated to the charity.
- Payment of private medical insurance.
- Motor mileage rates above the levels approved by HMRC for claimable expenses.

4. SUBMITTING CLAIMS

Claims should be made using the Royal Armouries' standard forms supported by receipts. These should be sent to the Company Administrator. Claims will be signed off by the Chairman or Director General & Master and paid directly into bank accounts.

PUBLICATIONS

Committee on Standards in Public Life, First Report, Cm 2850-1 1995, available from the Stationery Office, 0207863 9090, price £11.80 (ISBN 0 10 1285027).

Executive Non-Departmental Public Bodies: Annual Reports and Accounts Guidance*, March 1996 (under review), available from Central Accountancy Team, HM Treasury, 0207270 4570

Government Accounting*, available from the Stationery Office, 02078739090 (ISBN 0 11 70209 6)

Government Internal Audit Manual, May 1996, available from the Stationery Office, 0207873 9090, price £29.95 (ISBN 0 11 702050 8)

Model Code for Staff of Executive Non-Departmental Public Bodies, August 1996, available from Central Secretariat, Cabinet Office 0207270 1873.

Model Code of practice for Board Members of Advisory Non Departmental Public Bodies, Cabinet Office, September 1998, available from Central Secretariat, Cabinet Office, 0207270 1873.

Non-Departmental Public Bodies: A Guide for Departments, March 2000 and subsequent amendments, available from Central Secretariat, Cabinet Office, 0207270 1873.

Quangos: Opening the Doors, June 1998, available from Central Secretariat, Cabinet Office, 0207270 1873.

Regularity and Propriety: A Handbook, November 1996, available from TOA Team, HM Treasury. 0207270 5524.

Spending Public Money: Governance and Audit Issues, Cm 3179, March 1996, available from the Stationery Office, 020 7873 9090, price £8.65 (ISBN 0 10 131792 1)

The Government's Response to the First Report of the Committee on Standards in Public Life, Cm 2931, July 1995, available from the Stationery Office, 020 7873 9090, price £7.10 (ISBN 0 10 129312 7).

The Responsibilities of a NDPB Accounting Officer, December 1994, available from TOA Team, HM Treasury, 020 7270 5524.

A better quality of life: a strategy for sustainable development for the United Kingdom, My 1999, £11.80, Cm 4345. Published by the Stationery Office and available from the Publications Centre: 0345 023474.

www.environment.detr.gov.uk/sustainable/quality/life/index.htm

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