



**Notice is hereby given of the Meeting of the
Southland Museum & Art Gallery Trust Board Inc
to be held in the Council Chambers,
Invercargill City Council, 101 Esk Street, Invercargill
on Thursday 06 May 2021 at 3.00 pm**

Cr D Ludlow (Chair)
Cr R Amundsen
Cr L F Soper
Mayor Gary Tong
Cr C Menzies
Cr B Highsted
Ms G Neave
Mr R Eagles
Ms E Cook
Mrs C Henderson

THILINI AMARASINGHA
For Secretary

Southland Museum and Art Gallery Trust Board - Public Agenda

06 May 2021 03:00 PM



Agenda Topic

2. Apologies
3. [Interest Register](#)
4. [Minutes of the Meeting held on 1 April 2021](#)
 - 4.1 Matters Arising
5. [Action Sheet](#)
6. [Items for Review 2020/21](#)
7. Reports
 - 7.1 [SMAG Manager's Report for March 2021](#)
8. Financials
 - 8.1 [Financial Report](#)
 - 8.1.1 [Appendix 1 - The Prevention of Fraud, Dishonesty and Corruption Policy](#)
 - 8.1.2 [Appendix 2 - The Financial Delegations Policy](#)
9. Correspondence
10. General
11. [Public Excluded Session](#)

Southland Museum & Art Gallery Trust Board Interest Register	Last updated: 01 April 2021
---	--------------------------------

Current						
Full name	Position	From	To	Entity	Interest	Comment
Cr Darren Ludlow	Trustee	17 Nov 2004		Invercargill City Council Radio Southland Healthy Families Invercargill Murihiku Maori Wardens Incorporated Southland Community Law Centre Thrive Community Trust	Councillor Manager Board Member Board Member Board Member Trustee	
Cr Rebecca Amundsen	Trustee	7 Nov 2017		Invercargill City Council Southland Regional Heritage Committee Venture Southland Invercargill City Charitable Trust Dan Davin Literary Foundation Archdraught Limited BP ORR Limited TASK Limited Heritage South Arts Murihiku	Councillor Member ICC Council Representative Trustee Trustee Director / Shareholder Director / Shareholder Director / Shareholder Contractor Trustee	
Cr Lesley Frances Soper	Trustee	23 Mar 2021		Invercargill City Council Breathing Space Southland Trust (Emergency Housing) Omaui Tracks Trust National Council of Women (NCW) Citizens Advice Bureau Southland ACC Advocacy Trust Southern District Health Board Southland Warm Homes Trust Southland Food Rescue Trust	Councillor Chair Director Secretary / Treasurer Member Board Member Employee Member Member	
Mayor Gary Tong	Trustee	18 Dec 2019		Southland District Council Koha Kai and Borland Lodge	Mayor Trustee	

Southland Museum and Art Gallery Trust Board - Public Agenda - Interest Register

A2531243

Current						
Full name	Position	From	To	Entity	Interest	Comment
Cr Christine Mary Menzies	Trustee	18 Dec 2019		Southland Youth One Stop Shop Winton Medical Centre and Central Southland Hospital Trust Southland District Council Barnardos / Ministry of Education Social Workers Registration Board	Trustee Chair Councillor Employee Committee Member	
Cr Bret Highsted	Trustee	10 Mar 2020		Broadacres Ltd CPC Investments Ltd CPC Properties Ltd Fert Wholesale Direct Ltd Global Vehicle Leasing 2009 Ltd Gore A&P Joint Management Committee Gore District Council Hokonui Heritage Centre Trust Honunui Moonshine Museum Charitable Trust North Road Storage Ltd Southland Warm Homes Trust Stoney Creek Station Ltd The Terraces Ltd Tulbury Heights Ltd Tulloch Farm Glendhu Ltd Tulloch Ltd Tulloch Milk Logistics Ltd Tulloch Properties Christchurch Ltd Tulloch Group Ltd Croydon Aviation Heritage Trust Mataura Valley Milk Ltd Southern Skies Properties Ltd Deep South Storage Ltd	Director Director Director Director Director Chair Councillor Trustee Trustee Director Trustee Director Director Director Director Director Director Director Director Employee	
Roger Eagles	Trustee	06 Sep 2018		Eagles Eagles Redpath FINA Masters Swimming Committee Aquatic NZ Inc Grose Investments Limited Swimming Southland Inc	Partner Member Chair Director Board Member	

A2531243

Southland Museum and Art Gallery Trust Board - Public Agenda - Interest Register

A2531243

Current						
Full name	Position	From	To	Entity	Interest	Comment
Gwen Neave	Trustee	28 Nov 2001		Southland Community Education Programme Incorp N Z Council Of Victim Support Groups Incorp Invercargill and Districts Victim Support Grp Incorp Arts Murihiku	Executive Member Board Member Committee Member	
Christine (Chris) Henderson	Trustee	5 Dec 2019		Friends of the Southland Museum and Art Gallery Southland Branch of Forest and Bird Southland Astronomical Society	Chairman Chairman Member	
Evelyn Cook	Trustee	4 July 2019		Police Iwi Liaison Museum Iwi Liaison Te Rūnanga o Ngāi Tahu Te Whānau a Neke Trust Rakiura Māori Land Trust Strengthening Families Waihōpai Rūnaka Te Rūnaka o Awarua Te Awhi Rito CDEM CEG Otago Emergency Response Iwi Liaison Hui Amorangi o Te Wai Pounamu Trust Board	Awarua Awarua Beneficiary Owner Owner Iwi Representative Member Member Representing SMAG Representing Iwi Representing Iwi Representing Murihiku Iwi Trustee	
Steve Gibling	ICC Group Manager			Invercargill City Council	Group Manager – Leisure and Recreation	
Wayne Marriott	Manager – Museum and Heritage Services			Invercargill City Council Horizon Energy Limited Whakatane & District Historical Society Scholarship Trust Whakatane & District Historical Society New Zealand Society of Genealogists Ohope Beach Primary School BOT BOP Acacia Charitable Trust Whakatane Masonic Properties Limited Te Waipounamu Museums Company Limited Art & Acre Limited Judicial Justice of the Peace (Invercargill) Justice of the Peace (EBOP – Committee)	Manager – Museum and Heritage Services Historian Chair & Director Vice-President Member Finance Chair & Director Director Director Director	

A2531243

**MINUTES OF THE SOUTHLAND MUSEUM AND ART GALLERY TRUST BOARD
HELD IN THE COUNCIL CHAMBERS, INVERCARGILL CITY COUNCIL, 101 ESK
STREET, INVERCARGILL ON THURSDAY 01 APRIL 2021 AT
3.00 PM**

PRESENT:

Cr D Ludlow (Chair)
Cr R Amundsen
Cr I Soper
Mayor G Tong (Via Zoom platform)
Cr C Menzies
Ms G Neave (Via Zoom platform)
Mr R Eagles
Ms E Cook

IN ATTENDANCE:

Mr W Marriott (Manager – Museum and Heritage Services)
Mr S Craig (Management Accountant)
Mrs T Amarasingha (Secretary)

2. APOLOGIES

Cr B Highsted
Mrs Henderson
Cr P Duffy

Moved Cr Menzies, seconded Cr Amundsen and **RESOLVED** that the apologies be accepted.

3. INTEREST REGISTER

A2531243

Cr Ludlow and Cr Soper updated their interests.

Members to review the interest register and send any updates to Thilini Amarasingha.

4. CONFIRMATION OF MINUTES OF THE MEETING HELD ON 11 MARCH 2021

A3372476

Moved Ms Cook, seconded Cr Menzies and **RESOLVED** that the minutes of the meeting held on Thursday 11 March 2021 be accepted as a true and correct record.

4.1 Matters Arising from Previous Minutes

Nil.

5. **Action Sheet**

A3373004

The Trust Board went through the action sheet and the following amendment was made:

Confirm dates for workshop – SMAG board will decide on 6 May 2021.

6. **Items for Review**

A3022453

Nil.

7. **REPORTS**

7.1 **SMAG Managers Report for February 2021**

A3367550

Mr Marriot spoke to the report.

Moved Cr Ludlow, seconded Cr Amundsen and **RESOLVED** that the Southland Museum and Art Gallery Trust Board

1. Receive the report "SMAG Manager's Report for February 2021".
2. Receive the report "Ownership of Southland Museum and Art Gallery, Niho o te Taniwha" (Appendix 1).
3. Note that the Board is satisfied that the ownership of the collective building belongs with Invercargill City Council.

9. **CORRESPONDENCE**

Nil.

10. **GENERAL BUSINESS**

Nil.

11. **PUBLIC EXCLUDED SESSION**

Moved Cr Ludlow, seconded Ms Cook and **RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting,

- (a) Conforming the minutes of the public excluded session held on 11 March 2021.

A3397598

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
Minutes of the public excluded session held on 11 March 2021	Section 7(2)(i) Enable any local organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7

There being no further business, the meeting closed at 3.28 pm

Next meeting: Thursday 6 May 2021, 3.00 pm in the Council Chambers at Invercargill City Council



ACTION SHEET

Held on 01 April 2021

Originating Date	Item #	Item Description	Action to be taken	Action by	Due date
06/06/19		Manawhenua Representation Jane Davis	A decision was made to meet with Jane's whanau following the lifting of Covid-19 isolation levels.	Ms Neave	WIP
03/10/19		Dame Kiri Te Kanawa	Toni to make contact and invite Dame Kiri Te Kanawa to the museum opening when the date has been confirmed	Cr Ludlow	2021
02/04/20		Hazard Report	Wayne Marriot to prepare a hazard report in regards to holding nitrate on-site.	Mr Marriot	2021
11/03/2021		Workshops	Confirm dates for workshops	SMAG Board	6 May 2021

SOUTHLAND MUSEUM & ART GALLERY TRUST BOARD 2020/21 – TIMELINE*											
Item Due For Review 2020/21											
	Jul	Aug	Sep	Oct	Nov	Dec	Feb	Mar	Apr	May	Jun
DRAFT Annual Report reviewed		✓									
Final Annual Report Signoff [Due to ICC & SDC]			30/9								
Management fee automatic payment form updated			✓								
Business Plan Workshop				✓							
Business Plan Review					✓						
Bequest Term deposit renewal						✓					
AGM						✓					
Review of Draft Statement of Intent						✓					
Draft Statement of Intent [Due to ICC & SDC]							28/2				
6 Monthly Financials [Due to ICC & SDC]							28/2				
Fraud Policy / Delegation policy review									✓		
Impairment of Building / asset valuation review										✓	
Final Statement of Intent [Due to ICC & SDC]											30/6
Trustees review interest register	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

* A review of the governance of the Southland Museum & Art Gallery Trust Board is currently underway. As any changes to the governance structure is currently unknown, this timeline has been prepared with the assumption of business as usual.

TO: SOUTHLAND MUSEUM AND ART GALLERY TRUST BOARD

FROM: MANAGER - MUSEUM AND HERITAGE SERVICES

MEETING DATE: THURSDAY 6 MAY 2021

SMAG MANAGERS' REPORT FOR MARCH 2021

RECOMMENDATIONS

That the report "SMAG Managers' Report for March 2021" be received.

COLLECTIONS

Research on the Southland Art Foundation Collection is being led by Ari Edgecombe and Erin Tuhura, with over thirty items clarified to date as either being in the SMAG, SAF or a jointly owned SAF and SMAG Collection.

SMAG is acknowledged by its peers as one of the first museums to establish (in consultation with the Iwi Committee, a forerunner of the Liaison Komiti) a Wahi Tapu. Constructed in 1990, the wahi tapu has been used since then to temporarily hold any human remains prior to repatriation (as in the Sorenson Collection) or return to tangata whenua.

Te Papa National Services have initiated a project *Ngākahu – Te Korowai o te Aroha mo ngā Kōiwi Tūpuna*, which is a national programme to look at the kōiwi tangata and to introduce appropriate protocols to ensure that museums meet their obligations when working with tangata whenua on these issues. Kimberley Stephenson and Laura Davies have both been representing SMAG at these hui.

ARTIST IN RESIDENCE

2021 is the 25th anniversary of the founding of the Southland Art Foundation Artist in Residence programme (later renamed William Hodges Fellowship) by SMAG, SAF and SIT. The inaugural artist in residence Ans Westra (b. 1936, Leiden) will return to Southland in June 2021 for a four week period.

BEQUEST FUNDS

The Bequest Fund report will be presented to the Board in June 2021.

CATALOGUING AND REHOUSING

Project Stage	Outline	Total as at 28 February 2021	Total as at 26 March 2021	Monthly increase
Stage 1	Full documentation	8,926	8,964 records	38

Ready for Relocation	Ready for Relocation	14,035	14,069 records	34
Stage 3	Photography	850	850 records	0

Monthly increase limited for the period due to annual leave being taken, level of collections support required by *He Waka Tuia*, and public enquiry requests.

EXHIBITIONS

Crate Expectations installation was completed and the exhibition had a soft opening on Friday 5 March 2021. As no official opening could be undertaken, afternoon tea was arranged for The Friends of the Southland Museum and Art Gallery, and Invercargill Public Art Gallery once the Covid levels were lowered.

Top Art (national touring exhibition of secondary student art portfolios) was installed and deinstalled at Southland Girls High School.

Following on from Crate Expectations, the staff of IPAG and SMAG have come together to review the How, Where and Why of exhibition installation. Both institutions have been working in a silo within the same shared facility. Each organization has been responsible for the transportation, labels, installation of their own material. This is inefficient in terms of skills and use of time.

The staff have been working through a process of what went right, and what needs to be reviewed and improved in terms of working together as a team, and these new practices were implemented with the installation of the shows which form "Women".

Now, exhibition technicians from SMAG will undertake the installation of the full exhibitions, ensure safe transport of material from both SMAG and IPAG collections; IPAG staff are undertaking a majority of the graphics work and label writing; SMAG collection team are ensuring that condition reports will be completed across both entities.

One immediate outcome has been the development of an agreed style format guide for labels and information being presented.

EXHIBITIONS

- Tokanui School installation: 22 March – 14 May 2021
- What I collect...: 6 March 2021 – ongoing
- *100 Women, 100 Words (toured by Otago Museum)*: 10 April – 14 May 2021
- *Women from our Collections*: 10 April – 14 May 2021
- *Women during the War*: 17 April – 14 May 2021

The team hosted a Heritage Month event (Southern Scandals and Colourful Characters) organised by Heritage South.

The exhibitions and events schedule for the remainder of 2021 has been confirmed: Coastal Murihiku (May), Southland Art Foundation (July), Owen Allison (September), Spring Exhibition (October), Jonathon R White (November), and Keepers – Community Collections (December).

SOCIAL MEDIA

For SMAG and HWT respectively, five posts were made on social media. These had a combined reach of 4,153 with engagement of 448.

Over the next month posts will become shared, ensuring that a consistent message is being presented to the community.

COMMUNITY OUTREACH

Assistance with installing Winnie Solomon's exhibition Te Rito and at the opening event at Mīharo.

VISITOR NUMBERS: HE WAKA TUIA

Month	Total Visitors	Total Open Hours
November 2020	772	148
December 2020	893	136
January 2021	1,068	144
February 2021	613	144
March 2021	980	158

The new opening hours have been implemented at HWT. From 1 April 2021, HWT opening hours have changed to open 7 days a week, 363 days a year:

Monday - Friday: 10.00 am – 5.00 pm
 Saturday: 10.00 am – 2.00 pm
 Sunday: 11.00 am – 3.00 pm

Weekend hours are being measured in half hour blocks to look at visitor numbers and to see if any trends are happening. Banners have been changed indicating “Open” and “Free Entry”.

FACILITIES

The HVAC temperature at HWT was set to maintain a temperature of 19⁰ C +/- 1⁰ C. This was outside the guidelines recommended by Te Papa Tongarewa, which are based on Wellington temperature and humidity and location near open water of 20⁰ C (winter) and 22⁰ C (summer) with +/- 1⁰ C. We are currently reading 18-19⁰ C.

Both the SMAG and IPAG collections are currently stored at 21⁰ C +/- 1⁰ C, and to ensure that we maintain a consistent temperature Faults have been asked to increase the temperature at HWT to maintain stability and consistency.

In response to the need for additional lighting at HWT, the Museum technician has initiated a conversation with Rexel lighting with a view to repurposing some of the lights at SMAG for use at HWT.

Staff continue to monitor the current SMAG building for any issues of significance, including pest as well as temperature fluctuations. An on-site inspection was conducted by staff during Easter.

TO: SOUTHLAND MUSEUM AND ART GALLERY TRUST BOARD
FROM: SIMON CRAIG, ACCOUNTANT
MEETING DATE: THURSDAY 6 MAY 2021

FINANCIAL REPORT

SUMMARY

Financial update which includes the Financial Report for the 9 months ending 31st March 2021
--

RECOMMENDATIONS

1. That the Quarterly financial report for the 9 months ended 31st March 2021 be received.
2. The Prevention of Fraud, Dishonesty and Corruption Policy (Appendix 1) be received and approved
3. The Financial Delegations Policy (Appendix 2) be received and approved

QUARTERLY FINANCIAL REPORT FOR THE 9 MONTHS ENDING 31ST MARCH 2021

<u>Overall Position</u>	<i>Actual YTD</i>	
Net Operating Profit/(Loss)	17,598	
Net Cashflow movements	26,479	
Cash position	464,499	(includes \$207k on term deposit (matures Jun 2021))

Administration			
	<i>Actual YTD</i>	<i>Forecast for year</i>	
Income			
Grant - SRHC	871,213	1,161,617	To be used towards the collection
Service Contract - ICC - Museum open	747,748	977,449	To be used to operate a museum
Grant - ICC - Trust operations	20,000	20,000	To be used to operate Trust
Donations & Bequests	189		Bequest with conditions
Interest - Bank	76		
Interest - Investment Accounts	1,879		
Total Income	1,641,104	2,159,066	
Expenditure			
Museum management fee	1,604,300	2,139,066	Paid to ICC to operate a museum and use towards the collection
Legal fees	-		
General expenses	17,503	30,000	Forecast to cover all other expenses
Media Support	-		
Bank fees	-		
Audit fees	0	10,000	Accrued at end of year
Depreciation & impairment	1,703	2,268	
Total Expenditure	1,623,505	2,181,334	
Net Operating Profit/(Loss)	17,598	(22,268)	
Capital purchases	1,800	1,800	

Reserves & Funds		
	<i>Balance</i>	<i>Condition</i>
Restricted reserve		
Estate C F Broadley - Tuatara	49,651	To be spent on Tuatara
Estate D I Alloo - Tuatara	37,321	To be spent on Tuatara
Estate D I Alloo - Natural History	163,626	To be spent on Natural History Gallery
	250,598	
Special purpose reserve		
Education Service Reserve	11,269	For the delivery of curriculum support programmes
Baird Library	742	To be spent on books for the collection
Collection acquisitions	24,702	To be spent on capital items for the collection
	36,713	
Redevelopment funds		
Unused grants with conditions - ICC	52,769	To be used on museum development
	52,769	

SOUTHLAND MUSEUM & ART GALLERY TRUST

Prevention of Fraud, Dishonesty and Corruption Policy

1.0 PURPOSE

Southland Museum & Art Gallery Trust (SMAG) should be seen to maintain the highest standards when it comes to matters of integrity. SMAG must provide confidence to the community and staff regarding the administration of ratepayer funds.

The adverse publicity surrounding an internal fraud perpetrated upon SMAG is a key risk element for maintaining our credibility and reputation in the public sector.

The existence of an effectively applied fraud policy and the alignment of other related SMAG policies to the objectives of the fraud policy is a highly effective mitigation strategy against internal fraud.

The two principal objectives the policy seeks to achieve are to:

- Protect the integrity of our financial systems and assets from fraudulent conduct by employees, trustees, contractors we have engaged to assist us and others; and
- Ensure that such conduct, when it occurs, is detected and acted upon.

2.0 APPLICATION

This is an Organisational wide policy

3.0 DEFINITIONS

The following are practical examples of fraudulent activity:

- Stealing of cash or the conversion of cheques
- Misappropriation of SMAG property or assets
- The offering, giving or acceptance of an inducement or reward, which may influence the actions taken by SMAG Officers or Trustees
- The failure to declare a conflict of interest in making decisions that have a financial or beneficial impact upon the Trustees or their close associates
- Submitting of false invoices for payment
- Alteration of a document for pecuniary gain
- Dishonest use of a SMAG cheque book or online banking
- Submitting false personal expense claims or false travel advance requests
- Improper use of commercially sensitive client information or our own intellectual property for either your own or another persons pecuniary gain

Misuse of resources:

This term is used to describe employee behaviour, but is beyond what we would consider as fair and reasonable and this behaviour, if proven, could reasonably be seen as serious misconduct:

- Claiming reimbursement for privately incurred expenses or doubtful business related expenses
- Committing SMAG to pay for purchases which could be seen as borderline or as doubtful business expenses

Fraud as defined in this policy is intended to include fraud as defined in the Audit Standards of the Institute of Chartered Accountants of New Zealand.

Distinguishing between fraud and error:

- The term “fraud” refers to an intentional act by one or more employees, management or directors involving the use of deception to obtain an unjust or illegal advantage. There may be collusion within the organisation in order to perpetrate the fraudulent activity.
- The term “error” refers to an unintentional misstatement or information, such as financial report information, including the omission of an amount of a disclosure.

Fraud as defined in this policy includes:

- Misstatements resulting from fraudulent financial reporting
 - This may be accomplished by manipulation, falsification or alteration of accounting records or supporting documentation from which the financial reports are prepared; misrepresentation of events, transactions or other significant information; intentional misapplication of accounting principles, classification, manner of presentation or disclosure.
- Misstatements resulting from misappropriation of assets
 - This may be accomplished in a variety of ways including embezzling receipts, stealing physical assets or intellectual or property assets, causing SMAG to pay for goods or services not received (for example fictitious suppliers, payments to fictitious employees) or using the SMAG assets for personal use.

4.0 POLICY STATEMENTS

The following policy statements represent the SMAG policy in relation to internal fraud.

4.1 **Protecting the integrity of our financial systems and assets from fraudulent conduct**

- All employees acting in the role of authorising, certifying and cheque signing officers for financial transactions have a duty to properly carry out authorisation and approval procedures they are responsible for and to comply with any relevant delegations they operate under.
- Suspected internal fraud and suspected misuse of resources fall within the definition of serious wrongdoing contained under the Protected Disclosures Act 2000
- All employees have a duty to disclose suspicious acts that may represent a suspected internal fraud or a suspected misuse of resources. While we would prefer that the employee making the disclosure identify themselves SMAG will accept anonymous disclosures. Further information on initial disclosure steps if an employee suspect’s fraud or misuse of resources is outlined in a guidance statement set out below and within SMAG protected disclosure policy.
- SMAG will maintain a Fraud Register to record all suspected fraud notifications and the resultant outcome for each of these notifications. Details of the Register are covered in Appendix Two of this document.
- SMAG will seek full recovery of amounts misappropriated by internal fraud from implicated employee(s) or persons.
- Fraud risk will be assessed as part of SMAG risk management framework. This process will involve ongoing internal fraud risk assessment and the monitoring of the adequacy of relevant internal controls and alignment of related SMAG policies to the fraud policy.
- SMAG will provide regular advice and training to all employees on this policy.

- The responsibilities of senior employees, in relation to key elements of this policy, are set out in Appendix one below.

4.2 Appropriate responses should any potential internal fraud or misuse of resource situations be suspected or detected

- Management will consider all allegations (anonymous or otherwise) in relation to suspected internal fraud or misuse of resources.
- Following receipt of a fraud allegation or upon suspicion that an internal fraud or misuse of resources may be occurring, or has taken place, management will make initial discreet enquiries to ascertain the substance of the allegation or suspicion. These enquiries should seek to minimise approaches for information being made to any employee.
- If the discreet enquiries reveal that misuse of resources is suspected then the relevant provisions of the SMAG Human Resource serious misconduct policies shall apply.
- If the discreet enquiries indicate that an internal fraud is suspected to have occurred, or is still occurring the Treasurer will develop an appropriate response based on the known circumstances.
- After the completion of discreet enquiries where an internal fraud is suspected the Treasurer will then consider the completion of an internally controlled investigation of the suspected internal fraud.
- Appendix one below provides information on an internally controlled investigation process.
- If during the completion of the internal investigation or upon completion of any internally controlled fraud investigation, SMAG believes there is sufficient prima facie evidence that an employee is suspected of being implicated in an internal fraud, a complaint against that employee suspect will be laid with either the Police or Serious Fraud Office.

APPENDIX ONE: MANAGEMENT RESPONSIBILITIES MATRIX

Action	Primary Responsibility	Shared Responsibility
Establishing and maintenance of internal control procedures.	Treasurer	
Ensuring that a requirement is placed on the Treasurer to put appropriate controls in place.	Board	
External reporting of suspected fraud.	Treasurer	All reporting agents under our Protected Disclosure procedures.
Approval for both the development of and of the developed fraud related procedure.	Treasurer	Divisional Manager whose employee it is.
Approval of any engagement contract or letter employing an external forensic investigator.	Treasurer	
Approval of alternate action if a fraud related procedure is not felt to be required.	Treasurer	Divisional Manager whose employee it is.
Referral of suspected cases to Serious Fraud Office or Police.	Treasurer	Divisional Manager whose employee it is.
Maintenance of Fraud Register	Treasurer	
Fraud risk monitoring.	Treasurer	
Internal advice of the fraud policy or suspected situations for employees.	Treasurer	
Internal training on fraud policy.	Treasurer	
Reporting of all instances of fraud to the external auditor.	Treasurer	

APPENDIX TWO: FRAUD REGISTER

- The Treasurer will compile and maintain SMAG Fraud Register (the Register).
- The Register shall contain information on all suspected fraud notifications and how SMAG handled these. It will record how the notification was resolved, the outcome by way of financial loss and details of amounts recovered and if any changes are required to existing management policies, procedures or systems.
- The Register will not contain any employee information of a private nature. Rather the Register's content will be at a high level focusing on how management dealt with this issue and what changes, if any, were required.
- Access to the Register will be restricted to the Treasurer and the Audit Director appointed by Audit New Zealand.
- All information in the Register will be purged after a period of two years unless management action in respect of a recorded item remains incomplete.



Southland Museum & Art Gallery Trust Board Inc

FINANCIAL DELEGATIONS & MANUAL

Financial Delegations

The following delegations are undertaken to enable the efficient and effective provision of Southland Museum & Art Gallery Trust Board Incorporated's (SMAG) financial responsibilities.

These powers may be limited at lower levels of delegation.

Delegations under this section include:

- Expenditure approval.
- Binding SMAG to contracts.
- Authority to raise revenue.

SMAG adopts a Financial Delegations Manual, the manual follows.

Financial Delegations Manual

1. Expenditure Authorities

1.1 Signing Authorities

Signing authority is delegated to the Payments Committee of SMAG. This authority includes payments transmitted electronically, signing manual cheques and investment movements.

The Payments Committee of SMAG comprise of the following trustee of SMAG:

Names	Authority to sign payments	Online banking role
Roger Eagles	YES	Administrator & Authoriser
Darren Ludlow	YES	Authoriser
Gary Tong	YES	Authoriser
Bret Highsted	YES	Authoriser
Invercargill City Council Accountant	NO	Creator

1.2 Competitive Tendering

The overall approach adopted by SMAG is to balance the cost of tendering versus the compatible pricing.

Expenditure (including capital expenditure) over \$50,000 should generally be tendered, unless conditions prevail which make tendering impractical. Items less than \$50,000 may be tendered if it is deemed worthwhile.

Tendering may take the form of a formal, advertised tender process for significant programmed work. For less significant or more urgent cases, obtaining quotes is acceptable (normally at least three). The other option which is available is to use a list of approved suppliers, which has been established and maintained.

To be included on an approved list, the supplier must be able to demonstrate relevant competence and quality of work, and be price competitive. Where possible, standard rates should be established to enable the assessment of price competitiveness (eg hourly rates).

Factors which should be considered when deciding whether to tender include:

- the existence of a competitive market;
- the specialised nature of the goods or services to be provided;
- the history and qualifications of potential suppliers, and their established track record with us;
- the potential costs vs benefits of the tender process;

- legislative restrictions;
- any time constraints – e.g. emergency works, legislative deadlines etc;
- a preference to use local suppliers where they can offer the required service at a competitive price;

When deciding on the selection of a tenderer, judgement is required to be exercised. All other things being equal, the lowest price which meets the minimum output, quality and local supplier preference criteria of the tender will be accepted. It is important to document the criteria applied to select the successful tender, particularly if the lowest priced tender was not accepted. A pricing preference of 2% will be allowed for suppliers who are domiciled within our district.

Factors which will normally be applied in the selection of successful tenderers include:

- the history and qualifications of potential suppliers, and their established track record with us;
- price;
- ability to meet the standards and produce the outputs required under the tender;
- local supplier preference;
- any differences in quality or outputs.

1.3 Entering Into Contracts & Authorisation of Payments

All contracts must be approved by the board. Once the board have approved the contract, the Payments Committee of SMAG have authorisation to authorise payments up to the value stated in the contract. Any payment amounts in excess of the value stated in the contract require approval by board before payment can be authorised.

All non-contract expenditure must first be approved by the board. Once the board have approved the expenditure, the Payments Committee of SMAG have authorisation to approve payments up to the value approved by the board.

The Payments Committee of SMAG is authorised to approve of any GST payments as they fall due regardless of value.

2. Revenue Authorities

2.1 Authority to Raise Revenue

All SMAG trustees have the authority to authorise the production of invoices. Invoices should be produced by the Invercargill City Council Accountant. Where there is doubt in a particular case, the Invercargill City Council Accountant should be consulted.

2.2 Bad Debts

All write off of debts require approval of the SMAG Board.

2.3 Credit Notes

Credit notes to correct errors in charges have to be approved by the SMAG Board and issued by the Invercargill City Council Accountant. Credit notes may not be used to write off debt unless the authorisation for writing off debt has been given by the Board or to correct invoices issued where errors are identified.

11. **PUBLIC EXCLUDED SESSION**

Moved, seconded that the public be excluded from the following parts of the proceedings of this meeting; namely

- (a) Minutes of the public excluded session of the SMAG Trust Board Meeting held on 1 April 2021
- (b) Statement of Intent for the Financial Report Ending 30 June 2020 (Draft)

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
(a) Minutes of the public excluded session of the SMAG Trust Board Meeting held on 1 April 2021	Section 7(2)(i) To enable any local organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.
(b) Statement of Intent for the Financial Report Ending 30 June 2020 (Draft)	Section 7(2)(i) To enable any local organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.