



**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 6 August 2020 at 3.00 pm**

Cr T M Biddle (Chair)
Cr D Ludlow
Cr R Amundsen
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 & Art Gallery Trust Board Meeting Agenda



06 August 2020 03:00 PM - 05:00 PM

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Southland Museum & Art Gallery Trust Board Meeting Agenda - INTEREST REGISTER

A2531243

Southland Museum & Art Gallery Trust Board Interest Register	Last updated: 31 July 2020
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Current						
Full name	Position	From	To	Entity	Interest	Comment
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 Toni Biddle	Trustee	26 Oct 2016		Invercargill City Council Invercargill Venue & Events Management Ltd Invercargill Community Recreation and Sports Trust McIntyre Dick & Partner Active Communities	Councillor Director Trustee Husband Kris - CEO Trustee	
Roger Eagles	Trustee	06 Sep 2018		Eagles Eagles Redpath FINA Masters Swimming Committee Aquatic NZ Inc Grose Investments Limited	Partner Member Chair Director	
Cr Darren Ludlow	Trustee	17 Nov 2004		Invercargill City Council Radio Southland Invercargill City Holdings Ltd Invercargill Venue & Events Management Ltd Healthy Families Invercargill Murihiku Maori Wardens Incorporated Southland Community Law Centre Invercargill City Property Limited	Councillor Manager Director Director Board Member Board Member Board Member Director	

Southland Museum & Art Gallery Trust Board Meeting Agenda - INTEREST REGISTER

A2531243

Current						
Full name	Position	From	To	Entity	Interest	Comment
Gwen Neave	Trustee	28 Nov 2001		Venture Southland Trust Southland Community Education Programme Incorp N Z Council Of Victim Support Groups Incorp Invercargill and Districts Victim Support Grp Incorp Arts Murihiku	Trustee Executive Member Board Member Committee Member	
Mayor Gary Tong	Trustee	18 Dec 2019		Southland District Council Koha Kai and Borland Lodge	Mayor Trustee	
Cr Christine Mary Menzies	Trustee	18 Dec 2019		Southland Youth One Stop Shop Winton Medical Centre Southland District Council Barnardos / Ministry of Education Social Workers Registration Board	Trustee Trustee Councillor Employee Committee Member	
Christine (Chris) Henderson	Trustee	5 Dec 2019		Friends of the Southland Museum and Art Gallery Southland Branch of Forest Southland Astronomical Society	Chairman Chairman Board Member	
Evelyn Cook	Trustee	4 July 2019		Te Rūnanga o Ngāi Tahu Te Whānau a Neke Trust Rakiura Māori Land Trust Māori Advisory Group Strengthening Families Waihōpai Rūnaka Te Rūnaka o Awarua	Beneficiary Owner Owner Member – Awarua Iwi Representative Member 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	Director Director Director Director Director Chair Councillor Trustee Trustee	

Southland Museum & Art Gallery Trust Board Meeting Agenda - INTEREST REGISTER

A2531243

				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 Trustee Director Director Director Director Director Director Director Director Director Employee	
Cameron McIntosh	ICC Group Manager			Invercargill City Council	Group Manager – Strategy and Engagement	

**MINUTES OF THE SOUTHLAND MUSEUM AND ART GALLERY TRUST BOARD
HELD IN THE COUNCIL CHAMBERS, INVERCARGILL CITY COUNCIL, 101 ESK
STREET, INVERCARGILL ON THURSDAY 2 JULY 2020 AT
3.00 PM**

PRESENT:

- Cr D Ludlow (Chair)
- Cr T M Biddle (via Zoom platform)
- Cr R Amundsen
- Mayor G Tong
- Cr C Menzies
- Cr B Highsted
- Mr R Eagles
- Ms E Cook
- Mrs C Henderson

In attendance:

- Cr Paul Duffy (Chair – Southland Regional Heritage Joint Committee)
- Mr J Botting (Financial Controller)
- Mrs T Amarasingha (Secretary)
- Miss H McLeod (Interim Team Leader- Communication Services-ICC)
- Ms K Stephenson (Museum Collections Manager)
- Mr D Dudfield (Museum Curator Manager)

2. APOLOGIES

Cr Biddle and Ms Neave for lateness.

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

3. INTEREST REGISTER

A2531243

4. CONFIRMATION OF MINUTES

A3050953

Moved Cr Ludlow, seconded Cr Amundsen and **RESOLVED** that the minutes of the meeting held on Thursday 4 June 2020 be accepted as a true and correct record.

4.1 Matters Arising from the Minutes

Nil.

4.2 **Action Sheet**
A2961947

The Trust Board went through the action sheet and an amendment was made;

Te Tangata Jane Davis – Te Tangata should read “Manawhenua Representation”. A decision was made to meet with Jane’s whanau following the lifting of Covid-19 isolation levels.

4.3 **Items for Review 2020**
A3022585

Nil.

5. **REPORTS**

5.1 **SMAG Managers Report for June 2020**
A3053651

Ms Stephenson and Mr Dudfield spoke to this report.

Ms Stephenson spoke to her report and highlighted the cataloguing and rehousing the collection, preparation for material required for He Waka Tuia associated digital content.

Further, she informed that the grant approval received Lottery Environment and Heritage. The grant will support the conservation treatment of the Statue of Minerva.

Mr Dudfield spoke to his report and updated the current situation of operational and curatorial works.

Moved Cr Amundsen, seconded Mrs Henderson and **RESOLVED** that the SMAG Managers Report for June 2020 be received.

5.2 **Next Steps for SMAG**
A3025576

The board discussed on this matter.

Note: Cr Biddle joined via Zoom at 3.19 PM

Moved Cr Amundsen, seconded Ms Cook and **RESOLVED** that the letter “Next Steps for SMAG” be received.

6. **FINANCIALS**

6.1 **Financial Report**
A3055208

Mr Botting spoke to this report.

Moved Cr Amundsen, seconded Mrs Cook and **RESOLVED** that the payments for authorisation be approved.

Mr Botting suggested the board to nominate another member for cheque signing authority.

Moved Cr Ludlow, seconded Cr Biddle and **RESOLVED** to seek the third signatory for check signing and online banking to be approved.

Moved Cr Amundsen, seconded Cr Biddle and **RESOLVED** that Mayor Tong and Cr Highsted as 3rd and 4th appointees to be approved as signatories.

6.2 Audit Engagement Report

A3062598

Mr Botting spoke to this report.

Moved Cr Biddle, seconded Cr Highsted and **RESOLVED** that the board agrees to conduct an audit for the year ended 30 June 2020 and the board agrees the terms of the audit agreement proposal with Audit New Zealand to be approved.

7. CORRESPONDENCE

Nil.

8. GENERAL BUSINESS

Nil.

9. 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,

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 4 June 2020	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

Acquisition Proposal – June 2020	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
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There being no further business, the meeting closed at 3.53 pm

Next meeting: Thursday 6 August 2020 in Invercargill at 3.00 pm



ACTION SHEET

Held on 2 July 2020

Originating Date	Item #	Item Description	Action to be taken	Action by	Due date
06/06/19		Manawhenu 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	Toni	May 2020
02/04/20		Hazard Report	Kimberley Stephenson to prepare a hazard report in regards to holding nitrate on-site.	Kimberley	May 2020

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: DAVID DUDFIELD – CURATOR MANAGER, AND
KIMBERLEY STEPHENSON – COLLECTIONS
MANAGER**

MEETING DATE: THURSDAY 6 AUGUST 2020

SMAG MANAGERS' REPORT FOR JULY 2020

RECOMMENDATIONS

That the report "SMAG Managers' Report for July 2020" be received.

COLLECTIONS

Cataloguing and rehousing of the collection continues. Total number of records processed as of 30 June 2020:

- 8,288 records at Stage 1: Full Documentation*
- 12,834 records pertaining to items that are ready for relocation
- 803 records at Stage 3: Photography

* A newly developed analytical tool indicates that this represents around 18,200 individual items / components. This has been achieved over roughly 3½ years by the equivalent of 2½ staff on top of a range of other duties.

Work continues on processing the archive collection and large 3D objects.

Work continues on preparing the collection material required for He Waka Tuia.

234 specimens have been processed to Stage 1: Full Documentation in relation to the museum's Marine Mammal Permit, representing about one third of the total material held that falls under the Marine Mammal Protection Act 1978. The museum's annual report to the Department of Conservation was submitted on 29 June 2020, including an inventory of all of the material processed to date.

OPERATIONS

- He Waka Tuia Exhibition Host roles advertised
- Social media posts remain popular
- Public enquiries and advocacy continue as usual

CURATORIAL

- The fit out for the interim museum and gallery space has now been completed. Initial fluctuations in the gallery's environmental conditions appear to have been rectified.

Some remedial work is still to be completed on three small items before Certificate of Code Compliance can be issued.

- I.T. has been mostly installed at the gallery and computer access for IPAG staff is underway. The combined curatorial team intends to move in next week, being 20 July 2020. Curators envisage an 8-week exhibition installation from the date of move in.
- The curatorial team has been busy creating exhibition content, education programmes and assessing for the first exhibition for inclusivity. Installation will take place during August 2020.
- Other public services continue as usual via email and telephone – research, photography, art exhibitions and genealogy.

TO: SOUTHLAND MUSEUM AND ART GALLERY TRUST BOARD
FROM: JAIMEE BOTTING, ACCOUNTANT
MEETING DATE: THURSDAY 6 AUGUST 2020

FINANCIAL REPORT

SUMMARY

The Draft Annual report for the year ended 30 June 2020 have been prepared and available for review.

RECOMMENDATIONS

That the draft annual report for the year ended 30 June 2020 be received.

BACKGROUND

Draft Annual report has been prepared and is currently with audit for their review. Finals will be brought to the board for approval next month.

Southland Museum & Art Gallery Trust Board Inc

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020



southland
MUSEUM & ART GALLERY
NIHO O TE TANIWHA

Southland Museum & Art Gallery Trust Board Inc

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Southland Museum & Art Gallery Trust Board Inc

ENTITY INFORMATION

Structure of the Trust's operations, including governance arrangements

The Trust comprises a board of ten trustees who oversee the governance of the Trust.

	<i>Current Trustee(s) appointment</i>
3 trustees are appointed by Invercargill City Council	Cr Biddle (Chairperson) Cr Ludlow Cr Amundsen
2 trustees are appointed by Southland District Council	Cr Macpherson <i>resigned Dec 2019</i> Cr Patterson <i>resigned Dec 2019</i> Mayor Tong <i>appointed Dec 2019</i> Cr Menzies <i>appointed Dec 2019</i>
2 trustees are appointed by trustees appointed by Invercargill City Council & Southland District Council	G Neave R Eagles
1 trustee is appointed by Tangata Whenua	E Cook <i>appointed July 2019</i>
1 trustee is appointed by Friends of the Southland Museum & Art Gallery	J Watson <i>resigned Nov 2019</i> C Henderson <i>appointed Dec 2019</i>
1 trustee is appointed by Gore District Council	Cr Highsted <i>appointed March 2020</i>

The Trust has a management contract with Invercargill City Council for the operations of the museum facilities.

Main source of Trust's cash and resources

Grants received from Southland Regional Heritage Committee and service contract revenue from Invercargill City Council are the primary sources of funding to the Trust.

Registered office: 108 Gala Street, P O Box 1012, Invercargill

Postal address: 108 Gala Street, P O Box 1012, Invercargill, Phone (03) 219 9069

Solicitors: Preston Russell Law, 45 Yarrow Street, Invercargill

Bankers: Westpac, 62 Kelvin Street, Invercargill

Auditor: Audit New Zealand on behalf of the Auditor - General

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2020

	<i>Note</i>	2020 \$	2019 \$
Revenue			
Grant - Invercargill City Council		20,000	15,000
Grant - Southland Regional Heritage Committee		1,161,617	1,187,429
Revenue from providing services	1	977,449	972,179
Bequests		-	3,841
Interest revenue		6,439	7,465
Total revenue	2	2,165,505	2,185,914
Expenses			
Cost of providing services	3	2,146,698	2,194,819
Depreciation of property, plant, and equipment	8	2,534	9,489
Loss on disposal	8	84,050	-
Audit fees	4	8,188	7,458
Total expenses		2,241,470	2,211,766
Surplus / (Deficit) for the year		(75,965)	(25,852)
Other comprehensive revenue and expenses			
		-	-
Total other comprehensive revenue and expenses for the year		-	-
Total comprehensive revenue and expense for the year		(75,965)	(25,852)
Surplus / (Deficit) attributable to:			
Owners of the parent entity		(75,965)	(25,852)
		(75,965)	(25,852)
Total comprehensive revenue and expense attributable to:			
Owners of the parent entity		(75,965)	(25,852)
		(75,965)	(25,852)

The Statement of Accounting Policies and Notes are an integral part of, and should be read in conjunction with, these financial statements.

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF CHANGES IN NET ASSETS/EQUITY AS AT 30 JUNE 2020

	Attributable to owners of the parent entity			Total equity \$
	Retained surplus \$	Restricted reserve \$	Special purpose reserve \$	
Balance at 1 July 2018	1,336,327	-	11,269	1,347,596
Surplus / (Deficit) for the year	(25,852)			(25,852)
Total other comprehensive revenue and expenses for the year	-			-
Transfers	(289,454)	262,232	27,222	-
Balance at 30 June 2019	1,021,021	262,232	38,491	1,321,744
Balance at 1 July 2019	1,021,021	262,232	38,491	1,321,744
Surplus / (Deficit) for the year	(75,965)			(75,965)
Total other comprehensive revenue and expenses for the year	-			-
Transfers	(6,382)	6,369	13	-
Balance at 30 June 2020	938,674	268,601	38,504	1,245,779

The Statement of Accounting Policies and Notes are an integral part of, and should be read in conjunction with, these financial statements.

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	<i>Note</i>	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	5	212,817	179,849
Receivables	6	30,812	59,546
Other financial investments	7	225,203	218,874
Total current assets		468,832	458,269
Non-current assets			
Property, Plant and Equipment	8	838,142	924,726
Total Non-current assets		838,142	924,726
TOTAL ASSETS		1,306,974	1,382,995
Liabilities			
Current Liabilities			
Payables and accrued expenses	9	8,426	8,482
Unused grants with conditions	10	52,769	52,769
TOTAL LIABILITIES		61,195	61,251
NET ASSETS		1,245,779	1,321,744
Equity			
Retained surplus		938,674	1,021,021
Restricted reserve	11	268,601	262,232
Special purpose reserve	11	38,504	38,491
		1,245,779	1,321,744

Toni Biddle
CHAIRPERSON

3 September 2020

Darren Ludlow
TRUSTEE

The Statement of Accounting Policies and Notes are an integral part of, and should be read in conjunction with, these financial statements.

Southland Museum & Art Gallery Trust Board Inc

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	<i>Note</i>	2020 \$	2019 \$
<i>Cash flows from operating activities</i>			
Receipts from grants and donations		1,181,617	1,156,706
Receipts from providing services		977,449	972,179
Interest receipts		6,484	7,468
Payments to suppliers		(2,156,324)	(2,209,845)
GST (net)		30,071	(14,037)
Net cash flows from operating activities		39,297	(87,529)
<i>Cash flows from investing activities</i>			
Receipts from sale of investments		218,874	211,949
Payments to acquire property, plant and equipment		-	(19,360)
Payments to acquire investments		(225,203)	(218,874)
Net cash flows from investing activities		(6,329)	(26,285)
Net increase/(decrease) in cash & cash equivalents		32,968	(113,814)
Cash & cash equivalents at the beginning of the financial year		179,849	293,663
Cash & cash equivalents at the end of the financial year	5	212,817	179,849

The Statement of Accounting Policies and Notes are an integral part of, and should be read in conjunction with, these financial statements.

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2020

REPORTING ENTITY

The reporting entity is Southland Museum & Art Gallery Trust Board Inc (the "Trust"). The Trust is domiciled in New Zealand and is a charitable organisation incorporated in New Zealand under the Charitable Trusts Act 1957.

The purpose of the Trust is to ensure prudent administration of the Museum collections and to monitor the management contract, which is currently with the Invercargill City Council.

The financial statements were approved and authorised for issue by the board of Trustees on 3 September 2020.

STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with NZ GAAP. They comply with Tier 2 PBE (RDR) accounting standards on the basis the Trust is not considered publically accountable or large with expenditure under \$30 million per annum. All available disclosure concessions have been applied.

CHANGES IN ACCOUNTING POLICIES

There are no changes in accounting policies during the period. All accounting policies have been consistently applied throughout the period covered by these financial statements.

BASIS OF PREPARATION

The preparation of financial statements in conformity with Tier 2 PBE accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and in future periods if the revision affects both current and future periods.

The financial statements have been prepared on the basis of historical cost, except for heritage assets and the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. Heritage assets are valued as per Property Plant and Equipment, Heritage Assets policy.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The financial statements have been prepared on a going concern basis, and the accounting policies set out below have been applied consistently to all periods presented in these financial statements.

New Zealand dollars are the Trust's functional and presentation currency.

The trustees of the Trust do not have the power to amend the financial statements after issue.

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2020

The following accounting policies which materially affect the measurement of results and financial position have been applied:

SIGNIFICANT ACCOUNTING POLICIES

REVENUE

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and GST.

Grants and Donations

Council, government, and non-government grants are recognised as revenue when the funding is receivable unless there is an obligation to return the funds if conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Interest revenue

Interest revenue is recognised on an accrual basis.

Revenue from providing services

Revenue from services rendered is recognised when it is probable that the economic benefits associated with the transaction will flow to the entity. The stage of completion at balance date is assessed based on the value of services performed to date as a percentage of the total services to be performed.

Donated Services

The work of the museum is dependent on the voluntary service of many individuals and organisations. Since these services are not normally purchased by the museum and because of the difficulty of determining their value with reliability, donated services are not recognised in these financial statements.

TAXATION

The Trust is exempt from the payment of income tax. Accordingly no charge for income tax applies or has been provided for.

GOODS AND SERVICES TAX

Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except for receivables and payables which are recognised inclusive of GST. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2020

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Trust's Statement of Financial Position when the Trust becomes a party to contractual provisions of the instrument. The Trust is party to financial instruments as part of its normal operations. These financial instruments include cash and cash equivalents (including bank overdraft), trade and other receivables, other financial assets, trade and other payables and borrowings. The relevant accounting policies are stated under separate headings.

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs, except for those financial assets classified as fair value through profit or loss which are initially valued at fair value.

(1) Financial Assets

Financial assets within the scope of NFP PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The category determines subsequent measurement and whether any resulting income and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The Trust's financial assets are classified as financial assets at fair value through surplus or deficit, loans and receivables or as available for sale financial assets. The Trust's financial assets include: cash and cash equivalents, short-term investments and receivables.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

(2) Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments or a derivative that is a financial guarantee contract.

(3) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. The Trust's cash and cash equivalents, receivables transactions fall into this category of financial instruments.

(4) Available for sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets.

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2020

(5) Impairment of financial assets

The Trust assesses at the end of reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

In determining whether there are any objective evidence of impairment, the Trust first assesses whether there are objective evidence of impairment for financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant. If the Trust determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial asset with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

(6) Financial liabilities

The Trust's financial liabilities include trade and other creditors.

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

PROPERTY, PLANT AND EQUIPMENT

The Trust has the following classes of property, plant and equipment:

- (A) Land and buildings assets
- (B) Heritage assets

(A) LAND AND BUILDINGS ASSETS

Cost / Valuation

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The Trust has elected not to revalue property plant and equipment and record the asset value on the cost basis.

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2020

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

Cost includes expenditure that is directly attributable to the acquisition of the assets. In most instances, an item of property, plant and equipment is recognised at cost. Where an asset is acquired through a non-exchange transaction, or for a nominal cost, it is recognised at fair value at the date of acquisition.

Depreciation

Depreciation is calculated as detailed below:

Operational Assets	Rate
Buildings	2% SL
Fit-out	9 - 40% DV

Expenditure incurred to maintain these assets at full operating capability is charged to the Statement of Financial Performance in the year incurred.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

Disposals

An item of property, plant and equipment is derecognised upon disposal or recognised as impaired when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Financial Performance in the period the asset is derecognised.

(B) HERITAGE ASSETS

The Southland Museum & Art Gallery Trust Board owns an extensive collection of material and information relating to natural, cultural and scientific heritage.

Heritage assets are valued at cost or fair value at the date of acquisition and are not depreciated.

All assets acquired are recognised at cost at the date of acquisition. As a large number of the Heritage assets are donated or subsidised generally such cost will be nil unless they have been acquired as a result of a purchase by the Trust.

The bulk of the Trust's collection is represented by unrealisable or irreplaceable items and it is impracticable and cost prohibitive to value them on a "Market Based" or "Depreciated Replacement Cost" basis. As a consequence the Trust's collection is undervalued in these financial statements.

The result of this accounting policy means that the vast majority of the Museum's collection is effectively valued for accounting purposes at nil, or at historical cost for those few items purchased.

The primary function and purpose of the Southland Museum is the preservation and display of the extensive collection of heritage assets. These are the tasks that make up the bulk of the Southland Museum's activities.

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2020

This means that much of the collection is valued at nil, or very old historical cost for those few items purchased. The Board is confident that if the collection, however unlikely, was to be sold, its market value would be very substantial.

The fact that most of the collection has a nil, or low, value for accounting purposes in no way reduces the true value of the collection or the care that is exercised in its conservation and exhibition.

The collection is valued at \$10,380,000 for insurance purposes.

IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Trust reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Trust estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset is not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential. In assessing value in use for cash-generating assets, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the Statement of Financial Performance immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

RESERVES

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or established by the Trust.

Restricted reserves are subject to specific conditions. Expenditure or transfers from these reserves may be made only for certain specified purposes.

Special purpose reserves are reserves established by decisions made by the Trust. The Trust may alter them without reference to any third party. Expenditure or transfers to and from these reserves is based on established policy.

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2020

SIGNIFICANT ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Key Sources of Estimation Uncertainty

Judgements made by management in the application of Tier 2 PBE accounting standards that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements. Key Sources of Estimation Uncertainty include:

- Estimating the remaining useful life of various items of property, plant and equipment. If the useful life does not reflect the actual consumption of benefits of the asset, the Trust could be over or under estimating the depreciation charge recognised as an expense in the Statement of Financial Performance.

- Determining whether the conditions of a grant has been satisfied, to determine whether the grant should be recognised as revenue in the Statement of Financial Performance. This judgement will be based on the facts and circumstances that are evident for each contract.

Estimates and judgements are continually evaluated and are based on historical experience and other functions, including expectations of future events that are believed to be measurable under the circumstances.

Key Assumptions

The Trust and its stakeholders have agreed to undertake a restructure of the Trusts' governance structure. The Council stakeholders are to contribute their views to the board on changes to the trust deed before the board agree the future structure. It has also been agreed to transfer the management of the museum operations, including future museum redevelopments, to the Invercargill City Council. The Trust will continue to operate as the guardians / owners of the collection. These changes are expected to be carried out in the 2020/21 year.

Southland Museum & Art Gallery Trust Board Inc**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

1 REVENUE FROM PROVIDING SERVICES	2020	2019
	\$	\$
Service contract - Invercargill City Council	977,449	972,179
<i>Total revenue from providing services</i>	977,449	972,179

2 REVENUE
For financial reporting purposes, Grant revenue received from Invercargill City Council & Southland Regional Heritage Committee, Bequests, Donations & Interest revenue are considered non-exchange revenue. These amount to \$1,188,056 in 2019/20 (\$1,213,735 in 2018/19).

Revenue from providing services are considered exchange revenue and amount to \$977,449 in 2019/20 (\$972,179 in 2018/19).

3 COST OF PROVIDING SERVICES	2020	2019
	\$	\$
Operating costs	7,632	133,181
Management Fee - Invercargill City Council	2,139,066	2,061,638
<i>Total cost of providing services</i>	2,146,698	2,194,819

4 REMUNERATION OF AUDITORS	2020	2019
	\$	\$
Audit fees for Financial Statements Audit	8,188	7,458
<i>Total cost of providing services</i>	8,188	7,458

The audit of the Southland Museum & Art Gallery Trust Board is Audit New Zealand on behalf of the Auditor-General.

5 CASH AND CASH EQUIVALENTS	2020	2019
	\$	\$
Westpac Cheque account	71,884	39,548
Westpac Redevelopment Account	70,301	73,364
Bank accounts		
- Bequest	43,398	63,826
- Baird Library	742	741
- Capital acquisition	26,492	2,370
<i>Total cash and cash equivalents</i>	212,817	179,849

Some restrictions exist on the cash reserve funds which are set aside for special purposes at the discretion of the Trustees.

Southland Museum & Art Gallery Trust Board Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

6 RECEIVABLES	2020 \$	2019 \$
GST - Inland Revenue	29,095	59,491
Accrued interest - Westpac	10	55
Other receivables	1,707	-
<i>Total Receivables</i>	30,812	59,546

All Receivables above are recognised as non-exchange transactions

7 OTHER FINANCIAL INVESTMENTS	2020 \$	2019 \$
<i>Available-for-sale at fair value</i>		
Term deposits (Bequest) Current	225,203	218,874
<i>Total Other financial investments</i>	225,203	218,874

8 PROPERTY, PLANT AND EQUIPMENT

	Land & buildings Assets \$	Heritage Assets \$	Total \$
Cost amount at 1 July 2018	3,773,646	796,222	4,569,868
Accumulated depreciation amount at 1 July 2018	3,655,013	-	3,655,013
Carrying amount at 1 July 2018	118,633	796,222	914,855
<i>Additions</i>	-	19,360	19,360
<i>Disposals (net of accumulated depreciation)</i>	-	-	-
<i>Depreciation expense</i>	(9,489)	-	(9,489)
<i>Impairment loss</i>	-	-	-
Cost amount at 30 June 2019	3,773,646	815,582	4,589,228
Accumulated depreciation amount at 30 June 2019	3,664,502	-	3,664,502
Carrying amount at 30 June 2019	109,144	815,582	924,726
Cost amount at 1 July 2019	3,773,646	815,582	4,589,228
Accumulated depreciation amount at 1 July 2019	3,664,502	-	3,664,502
Carrying amount at 1 July 2019	109,144	815,582	924,726
<i>Additions</i>	-	-	-
<i>Disposals (net of accumulated depreciation)</i>	(84,050)	-	(84,050)
<i>Depreciation expense</i>	(2,534)	-	(2,534)
<i>Impairment loss</i>	-	-	-
Cost amount at 30 June 2020	37,910	815,582	853,492
Accumulated depreciation amount at 30 June 2020	15,350	-	15,350
Carrying amount at 30 June 2020	22,560	815,582	838,142

Southland Museum & Art Gallery Trust Board Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

The Trust has not recognised exhibits and donated art works because the value of these are not readily available. However the direct purchase costs of exhibits and art collections acquired during the year have been capitalised.

In 1994/95, the board agreed a change in accounting policies to include the land and buildings at 108 Spey Street at 75% of the government valuation. The Trust closed the museum buildings to the public on the 12 April 2018 as they could not provide a safe workplace under the Health and Safety at Work Act 2015. The Trust impaired the buildings value to nil in 2017/18 as the buildings currently do not supply economic benefit; repairing the buildings is likely to cost more than the building's previous cost value and is unlikely to be repaired to the same floor & wall layout. During the 2019/20 year, research into the ownership of the building and land has indicated that both are owned by the Invercargill City Council. On 4 June 2020 the board agreed to update the asset register to reflect this and the remaining land and building value transferred to the Invercargill City Council.

9 PAYABLES AND ACCRUED EXPENSES

	2020 \$	2019 \$
Audit fee	8,188	7,458
Other payables	238	1,024
<i>Total payables and accrued expenses</i>	<u>8,426</u>	<u>8,482</u>

10 UNUSED GRANTS WITH CONDITIONS

	2020 \$	2019 \$
Invercargill City Council - Redevelopment Grant	52,769	52,769
<i>Total unused grants with conditions</i>	<u>52,769</u>	<u>52,769</u>

The grant from the Invercargill City Council requires the Trust to spend the funds on the museum redevelopment project and has a "use or return" condition.

Southland Museum & Art Gallery Trust Board Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

11 RESERVES	2020 \$	2019 \$
A) RESTRICTED RESERVES		
<u>Estate C F Broadley - Tuatara</u>		
Balance as at 1 July	47,954	-
Transfer to reserve	-	47,954
Interest revenue	1,165	-
Purchases	-	-
Balance at 30 June	49,119	47,954

The bequest requires the Trust to spend the funds on Tuatara related expenses. Although the bequest is for a specific purpose, there is no obligation to return unspent funds, so no liability has been recorded for the unspent amount.

Estate D I Alloo - Tuatara

Balance as at 1 July	55,642	-
Transfer to reserve	-	55,642
Interest revenue	1,351	-
Purchases	-	-
Balance at 30 June	56,993	55,642

The bequest requires the Trust to spend the funds on Tuatara related expenses. Although the bequest is for a specific purpose, there is no obligation to return unspent funds, so no liability has been recorded for the unspent amount.

Estate D I Alloo - Natural History

Balance as at 1 July	158,636	-
Transfer to reserve	-	158,636
Interest revenue	3,853	-
Purchases	-	-
Balance at 30 June	162,489	158,636

The bequest requires the Trust to spend the funds on Natural History Gallery related expenses. Although the bequest is for a specific purpose, there is no obligation to return unspent funds, so no liability has been recorded for the unspent amount.

Southland Museum & Art Gallery Trust Board Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
B) SPECIAL PURPOSE RESERVES		
<u>Education Service Reserve</u>		
<i>Balance as at 1 July</i>	11,269	11,269
<i>Transfer to reserve</i>	-	-
<i>Interest revenue</i>	-	-
<i>Transfer from reserve</i>	-	-
<i>Balance at 30 June</i>	11,269	11,269
<i>The Education Service reserve comprises the remains of a grant from the Ministry of Education for the delivery of Curriculum Support Programmes. This grant is for the Learning Experiences Outside The Classroom (LEOTC) program.</i>		
<u>Baird Library</u>		
<i>Balance as at 1 July</i>	741	-
<i>Transfer to reserve</i>	-	741
<i>Interest revenue</i>	1	-
<i>Transfer from reserve</i>	-	-
<i>Balance at 30 June</i>	742	741
<i>The Baird Library reserve comprises for funds to be used for the purchase of books for the museum's collection</i>		
<u>Collection acquisitions</u>		
<i>Balance as at 1 July</i>	26,481	-
<i>Transfer to reserve</i>	-	26,481
<i>Interest revenue</i>	12	-
<i>Transfer from reserve</i>	-	-
<i>Balance at 30 June</i>	26,493	26,481
<i>The Collection acquisitions reserve comprises for funds to be used for the purchase of items for the museum's collection</i>		
Total Reserves	Balance at 30 June	
	307,105	300,723

Southland Museum & Art Gallery Trust Board Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

12 RELATED PARTY TRANSACTIONS

		2020 \$	2019 \$
<i>The Trust paid a management fee and other expenses to Invercargill City Council (3 trustees are part of the Invercargill City Council)</i>	Value for year	(2,139,066)	(2,089,266)
	Balance outstanding	52,769	52,769
<i>The Trust received revenue from providing services from Invercargill City Council (3 trustees are part of the Invercargill City Council)</i>	Value for year	977,449	972,179
	Balance outstanding	-	-
<i>The Trust received grants from Invercargill City Council (3 trustees are part of the Invercargill City Council)</i>	Value for year	20,000	15,000
	Balance outstanding	-	-
<i>The Trust received grants from Southland Regional Heritage Committee (2 trustees have been members of the Southland Regional Heritage Committee during the year)</i>	Value for year	1,161,617	1,133,329
	Balance outstanding	-	-

The Southland Museum & Art Gallery is an entity dependent on local authority funding for ongoing operations. The Trust leases the land and building for the museum site at 108 Gala Street from the Invercargill City Council for less than normal business rates.

13 EFFECTS OF COVID-19

The Trust has had no financial impact from Covid-19 this year. Grant revenue, revenue from providing services and management contract expense levels remaining unchanged during the lockdown period as museum staff were able to "work from home" to complete various tasks to meet contract requirements. The Trust does not expect any future financial impacts to occur except lower interest revenue from lower term deposit rates.

The Trust has had minimal non-financial impact from Covid-19 this year. Limited collection cataloging was able to take place during alert level 3 & 4, however resources were able to be diverted to complete other tasks like building collection transport crates and preparation work for the temporary museum presence exhibitions. The temporary museum presence opening will also be delayed to September 2020 as the interior fit-out of the building was paused during lockdown. The Trust does not expect any future non-financial impacts to occur but recognise a return of Covid-19 within the community may impact on the opening / operations of the temporary museum presence.

Covid-19 pandemic timeline in New Zealand

11 Mar 2020	The World Health Organisation characterized the outbreak of Covid-19 as a pandemic
25 Mar 2020	The New Zealand Government issued a State of National Emergency
26 Mar - 27 Apr 2020	New Zealand under Alert level 4 and in lockdown
28 Apr - 13 May 2020	New Zealand under Alert level 3 and in lockdown
13 May 2020	The New Zealand Government ends State of National Emergency
14 May - 8 Jun 2020	New Zealand under Alert level 2
9 Jun 2020	New Zealand under Alert level 1

Southland Museum & Art Gallery Trust Board Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

14 COMMITMENTS

There are no capital or operating commitments at 30 June 2020 (2019: Nil).

15 CONTINGENCIES

There are no known contingent liabilities or contingent assets at 30 June 2020 (30 June 2019: nil).

16 SUBSEQUENT EVENTS

There have been no significant events between year end and the signing of the Financial Statements.

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

OUTPUTS & OUTCOMES FOR THE YEAR ENDED 30 JUNE 2020

Below are the outputs planned by the organisation and the strategies that will be used to achieve these.

Outputs	Strategies to achieve Outputs	2019/20 Outcome	2019/20 Target	2018/19 Outcome
<p>The Collections: Caring for, developing, and researching collections.</p> <p>The collection is developed to enable the Museum to document, illustrate and explore Southland's unique natural and cultural heritage</p>	<ul style="list-style-type: none"> Collection management policies are reviewed as required. New acquisitions are considered according to the Collection Management Policy. (minimal acquisitions desired while museum building is closed) New acquisitions are entered into Vernon CMS (Collection Management System). Existing CMS records are to be reviewed and updated. Collections items to have digital images made. 	<p>Policies are continuously being developed and reviewed</p> <p>100% of objects acquired are considered</p> <p>Opening backlog reduced by 633 items (30%). New acquisitions received not entered yet: 1,113 items Backlog at 30 June 2020: 2,600 items</p> <p>Stage One: 1,843 records completed in 2019/20 (8,288 total records completed to date, representing around 17,000 items) Unable to carry out this task for the duration of Covid-19 lockdown.</p> <p>Stage Three: 208 items completed in 2019/20 (803 total records complete)</p>	<p>One review annually</p> <p>100% of objects acquired are considered</p> <p>Reduce the current backlog from 2,150 items</p> <p>Stage One: 6,000 items (Stage 1 of current the collection Relocation Plan involves entering or updating core data for objects in Vernon CMS so they can be identified and tracked for relocation.)</p> <p>Stage Three: 0 items (The Board has resolved not to make digital copies of images so as to advance the relocation of the collection.)</p>	<p>Kōiwi Tangata, Natural History and Hazardous Materials policies developed</p> <p>Collection policy applied to all new acquisitions</p> <p>10% entered with a backlog of 2,120 items</p> <p>Stage One: 1,072 items completed in 2018/19 (6,445 total items completed)</p> <p>Stage Three: 0 items completed in 2018/19 (595 total items completed)</p>

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

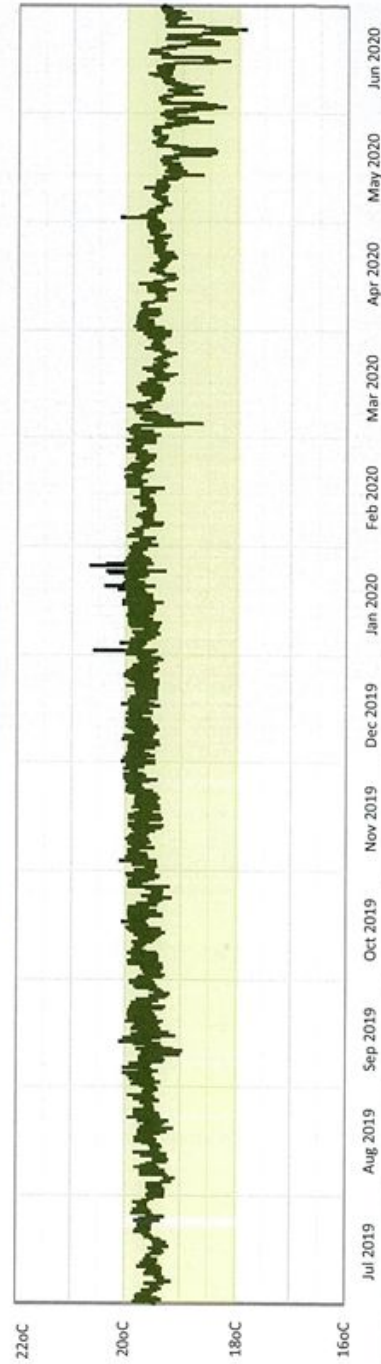
OUTPUTS & OUTCOMES FOR THE YEAR ENDED 30 JUNE 2020

Below are the outputs planned by the organisation and the strategies that will be used to achieve these.

The Collections:

Caring for, developing, and researching collections.

Outputs	Strategies to achieve Outputs	2019/20 Outcome	2019/20 Target	2018/19 Outcome
<p>The collection is prepared for removal from the building by 2021/22 (4 years)</p>	<ul style="list-style-type: none"> • Pack items for storage and transportation. 	<p>Stage Two A: 5,750 records completed in total to date.</p> <p>Stage Two B: 467 records completed in total to date.</p>	<p>Stage Two A: 6,000 items. (Stage 2a of the current Collection Relocation Plan involves packing and physically readying objects for relocation.)</p> <p>Stage Two B: 500 items. (Stage 2b of the current Collection Relocation Plan involves implementing a temporary transporting/packing solution for objects to be safely transported off-site.)</p>	<p>Stage Two: 7,114 items completed in 2018/19 (11,516 total items completed)</p>
<p>Collections are maintained in optimal conditions for their long term preservation.</p>	<ul style="list-style-type: none"> • Storage space is kept at temperature of 19oC±1oC, percentage of time in range. 	<p>99% of time</p>	<p>Minimise variance</p>	<p>50% of time</p>



Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

OUTPUTS & OUTCOMES FOR THE YEAR ENDED 30 JUNE 2020

Below are the outputs planned by the organisation and the strategies that will be used to achieve these.

The Collections:

Caring for, developing, and researching collections.

Outputs	Strategies to achieve Outputs	2019/20 Outcome	2019/20 Target	2018/19 Outcome
<p>Collections are maintained in optimal conditions for their long term preservation.</p> <ul style="list-style-type: none"> Storage space is kept at humidity of 50%±5%, percentage of time in range 	<ul style="list-style-type: none"> Storage space is monitored for infestation by pests and moulds. A procedure to minimise deterioration by light is followed. A procedure to avoid loss or damage to objects in the collection or on loan is followed. 	<p>15% of the time</p>	<p>Minimise variance</p>	<p>26% of the time</p>
		<p>Minimum sightings</p>	<p>Minimum pests, moulds and pollutants found.</p>	<p>Few sightings</p>
		<p>Achieved (Followed)</p>	<p>Followed</p>	<p>Achieved (Followed)</p>
		<p>Achieved (Followed)</p>	<p>Followed</p>	<p>Achieved (Followed)</p>

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

OUTPUTS & OUTCOMES FOR THE YEAR ENDED 30 JUNE 2020

The Community: Be the facilitator, connector, activator, conductor and co-creator working with community			
Outputs	Strategies to achieve Outputs	2019/20 Outcome	2019/20 Target
Maintain strong relationships with iwi over issues relating to the collections, exhibitions and tuatara management	<ul style="list-style-type: none"> • Iwi Liaison Komiti (representing the four Southland runanga, Waihopai, Oraka-Aparima, Hokonui, Awarua) meets regularly. 	Four meetings	Four meetings
Promotion of a museum presence	<ul style="list-style-type: none"> • Develop & implement a marketing strategy for a museum presence. • Provide outreach to other museums and related organisations in the region and community. 	<p>Communication and Branding Plan completed July 2019 and implementation commenced May 2020</p> <p>Actual hours were not recorded during the 2019/20 year. The Trust board has been working in partnership with the Invercargill Public Art Gallery to establish a temporary museum and art presence within the city. Staff have also worked with other museums and organisations regarding exhibitions, loans, and advice (Te Hikoi, Rakiura, Bluff Maritime Museum)</p>	<p>Develop by December 2019 & implement by June 2020</p> <p>Communications strategy prepared and presented June 2019</p> <p>No target</p> <p>233 hrs</p>

Southland Museum & Art Gallery Trust Board Inc

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

OUTPUTS & OUTCOMES FOR THE YEAR ENDED 30 JUNE 2020

The Experience: Interacting with the maori of our taonga, celebrating our land, people and culture.			
Outputs	Strategies to achieve Outputs	2019/20 Outcome	2018/19 Outcome
Establish a temporary museum presence within the city.	<ul style="list-style-type: none"> Open a temporary museum presence within the city. 	Not achieved. Opening date now expected September 2020 due to delays awaiting building consents, fitting out the gallery and Covid-19 lockdown	Not achieved. Awaiting building consent for potential venue. Exhibition planning is well advanced with potential opening of venue by December 2019.
	<ul style="list-style-type: none"> Deliver short-term exhibitions within the museum presence. 	Nil as museum presence is not open.	Nil as museum presence is not open

The Development: Planning, consulting and establishing a future direction.			
Outputs	Strategies to achieve Outputs	2019/20 Outcome	2018/19 Outcome
Establish a clear strategic direction for the SMAGTB and the future of the museum (including collection and building on the current site)	<ul style="list-style-type: none"> Establish concept design plans for a future museum on the current site. Establish funding plans for a future museum on the current site. Promote plans for a future museum on the current site. Begin developing plans for the museum collection, including storage and public accessibility. 	N/A*	N/A
		Complete by June 2020	N/A
		Complete by June 2020	N/A
		Develop by June 2020	N/A
		Complete by June 2020	N/A

* With the museum building ownership now clarified to belong to Invercargill City Council and the boards future governance structure to be finalised, the Boards focus has turned to packaging the collection for relocation when the time comes.

TO: SOUTHLAND MUSEUM AND ART GALLERY TRUST BOARD
FROM: JAIMEE BOTTING, ACCOUNTANT
MEETING DATE: THURSDAY 6 AUGUST 2020

PREVENTION OF FRAUD, DISHONESTY AND CORRUPTION POLICY REVIEW

SUMMARY

The Prevention of Fraud, Dishonesty and Corruption Policy is reviewed every year to make sure it is still effective and continues to be followed.

RECOMMENDATIONS

That the Prevention of Fraud, Dishonesty and Corruption Policy is received and be approved.

SOUTHLAND MUSEUM & ART GALLERY TRUST

Prevention of fraud, dishonesty and corruption policy Approved -

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's 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's 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's 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's 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's 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.

TO: SOUTHLAND MUSEUM AND ART GALLERY TRUST BOARD
FROM: JAIMEE BOTTING, ACCOUNTANT
MEETING DATE: THURSDAY 6 AUGUST 2020

**DELEGATION POLICY
REVIEW**

SUMMARY

The Delegation Policy is review when changes are required to make sure it is still effective and continues to be followed.

RECOMMENDATIONS

That the Delegation Policy is received and be approved.

BACKGROUND

- During the 2nd July 2020 meeting, The board agreed to replace Gavin Macpherson & Neil Paterson with Gary Tong & Bret Highsted as signatories of the Trust.



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
<i>Toni Biddle</i>	YES	Administrator & Authoriser
<i>Darren Ludlow</i>	YES	Authoriser
<i>Gary Tong</i>	YES	Authoriser
<i>Bret Highsted</i>	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.

9. **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 held on 02 July 2020*

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 held on 2 July 2020	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.