

Audit Committee – 3 February 2011

The New Art Gallery, Walsall - Collections Records.

Summary of report:

An internal audit was undertaken on the New Art Gallery, Walsall during 2009/10 with a final agreed report issued in September 2010. The audit identified concerns with the documentation and cataloguing of collections and the main findings sought assurance that the cataloguing, acquisitions and disposal policy at the New Art Gallery is appropriately detailed and includes individual collecting policies for the various arts collections (See Appendix 1). Specifically, agreed actions required:

1. A robust system to record the loan of items be implemented
2. A formal loan record be formulated to include the responsible council officer, length of the loan and required terms and conditions.
3. New Art Gallery collections records are updated on an ongoing basis
4. A rolling programme be implemented to ensure collection, location and condition checks are completed on a weekly basis
5. Records documenting stolen items be retained and held securely on file
6. A manual record card be completed for each item after they are location checked and that the record card is updated for each subsequent location check.
7. A process for locating items with an 'unknown' location description be agreed and promptly implemented.
8. Confirmation of insurance arrangements is requested prior to an exhibit being loaned and evidence is retained on file.
9. Items will be valued on an ad-hoc basis as and when required.
10. The gross book value stated on the community asset register relating to the Garman Ryan collection and New Art Gallery collection values be separately identified with individual totals.

Background papers:

- Report to the Audit Committee, 7 December 2010, "Limited and no assurance audit reports"
- New Art Gallery, Audit Report 2009 / 2010 - September 2010

Recommendation:

1. That the Audit Committee note the contents of this report and the progress made by the New Art Gallery, Walsall, to implement robust collections management systems.

Signature:



Jamie Morris
Executive Director

Date: 20 January 2011

Resource and legal considerations:

System and procedures have been reviewed and updated to ensure that works of art are properly accessioned and stored to ensure accurate location and documentation.

Citizen impact:

Revised systems will ensure that items in collections are accurately documented and easily located. This will enable the continuing accessibility of the collection for local people and that it is safeguarded for future generations.

Performance and risk management issues:

The implementation of robust systems, procedures and documentation that is accurate, efficient, up to date and ongoing will ensure the timely management of performance and risks.

Equality Implications:

None arising from this report.

Consultation:

Ongoing consultation is continuing with Audit.

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1. Report

The New Art Gallery Walsall

Background of Collections

Walsall's arts and museum collections started to develop around 1890. They consisted of fine art paintings and sculpture, social historical and decorative art objects and local archive material. In 1974, the Garman Ryan Collection was donated to Walsall and in 1976 the collections were separated into 3 distinct areas, each with separate accession numbers, but all still held under the umbrella of the Library and Museum Service:

- The Archive Collection – now held at the Local History Centre in Essex Street
- The Social History Collections – now Walsall Museum
- The Arts Collections, including the Garman Ryan Collection – now held at The New Art Gallery Walsall

Between 1976 and the opening of the New Art Gallery in 2000, the Social History Collections and the Art Collections were stored in many different locations and were obliged to move many times. It was not until 2001, that all the Art Collections were finally brought together under one roof at The New Art Gallery either on display in the gallery or in the art store in the basement.

From 1990 the Social History and Art Gallery staff worked very closely together within the same department producing innovative mixed exhibitions in the Central Library building which displayed both art and social history together. This led to some confusion and mixing of the collections. This lasted until 2000 when the responsibility for the two collections was separated between the Museum Service and The New Art Gallery and the two collections were physically separated

Audit report Collections Records: 5.1- 5.11

Progress against the agreed actions contained within the internal Audit report 2009/10 into the New Art Gallery, Walsall is detailed below:

Agreed Actions

1. A robust system to record the loan of items be implemented.
 - *Formal loan agreement forms with the length of the loan and required terms and conditions have been issued to all Assistant Directors or above who are responsible for the care of those loans.*
 - *All loans are agreed by The New Art Gallery Director and Head of Collections.*
 - *Limits to loans are set according to the levels of security in the proposed display area.*
 - *All collections artworks on display are clearly labelled.*
 - *Works have been lent to Chepstow Museum; Hales Gallery, London; Nordiska Akvarellmuseet, Sweden; ARoS Museum of Modern Art, Denmark and MART Rovereto, Italy during 2010.*

- *Agreements have been made with Denver Art Museum, USA; Turner Contemporary, Margate; Look 11 International Festival of Photography, Liverpool and Harewood House, Leeds for 2011-2012.*
2. A formal loan record be formulated to include the responsible council officer, length of the loan and required terms and conditions.
- *Systems are now in place to make sure loan return forms are signed by both the Assistant Director (or above) responsible for the loans and The New Art Gallery Director.*
 - *A standard Conditions of Loan sheet is issued with every loan form so that Assistant Directors or above are clear of their responsibilities.*
 - *All loans are agreed by The New Art Gallery Walsall Director and Head of Collections.*
 - *Each internal Council loan (i.e. in a site outside of The New Art Gallery Walsall, but in a Walsall Council building) has an outgoing loan record on The New Art Gallery's Collections database in line with external loans:*
 - o *LO/2010-08-02/Leaders Office*
 - o *LO/2009-09-24/Register Office*
 - o *LO/2009-09-24/Rm37*
 - o *LO/2009-09-24/Rm37a*
 - o *LO/2009-09-24/Chief Executives Office*
 - o *LO/2009-09-24/Central Library*
 - o *LO/2009-09-24/Bentley Leisure*
 - o *LO/2009-03-04/Streetly Crematorium*
 - *Limits to loans are set according to the levels of security in the proposed display area.*
 - *All loans are to be reviewed after 2 years. At the review a location and condition check will be carried out and new form issued.*
 - o *Time requirements: 4 days JD to condition check works at all sites. 2 days CJ to carry out paperwork*
3. New Art Gallery collections records are updated on an ongoing basis.
- *A stock checking procedure has been started and is ongoing.*
 - *The General Store has been cleared and rearranged to allow better access to the Art Store.*
 - *The Art Store has been cleared and rearranged to allow better access to artworks.*
 - *Artworks are being labelled so that accession numbers are more clearly visible without having to move artworks or crates.*

- *Records now include specific locations. In particular works stated in the audit report now have up-to-date locations.*
 - *In 2010 137 new accession records have been added to the Collections database.*
 - *Collections database records can be checked alongside stock checking.*
 - o *Time requirements: 4 hours per week ongoing CW. 1 technician as needed*
 - o *A working internet connection in the art store has been set up so records can be checked and updated efficiently.*
 - *Accessioning is an ongoing process as new works are acquired.*
4. A rolling programme be implemented to ensure collection, location and condition checks are completed on a weekly basis.
- *A weekly update is made to the Collections database by Collections staff.*
 - *Since November 2010 cuts have been made to staffing. The two staff responsible for stock checking are no longer available to do so. A replacement has been found to do this and appropriately trained (CW) and will start in the January on the 4 hour per week stock check.*
 - *Condition checks will eventually become part of this process, but will entail more in-depth training.*
 - o *Time requirements: 1 day*
5. Records documenting stolen items be retained and held securely on file .
- A list of 16 records show an unknown location. Stock-checking will include tracking down these works as their locations may be at Walsall Museum's collection store in Willenhall and Town Hall off site stores. There used to be a Town Hall art store which no longer exists and possibly the works were taken down without consultation and moved to an off site store without being recorded. It is highly likely that most of the works will not be located.

All low value work

- 8 works are recorded as being stock checked (1978 – 1998) but there is not a location recorded to say where they were stock- checked. Therefore locations cannot be checked
- 1 work is recorded as missing in 1982 (missing from unknown location)
- 2 recorded as stolen from Local History Gallery, 15 April 1999
- 3 last stock checked at Bloxwich Leisure Centre in 1998 (they are no longer there because a check has taken place).

- 2 last seen at Darlaston Art Store – Darlaston Art Store no longer exists and was cleared out in 2001 and the works were not there in 2001.
6. A manual record card be completed for each item after they are location checked and that the record card is updated for each subsequent location check.
 - *Systems are now in place to ensure objects moved are recorded on the Collections database records. A form has been made available in the art store for Collections staff and Technicians to record when moving works.*
 - *Specific locations will also be added to manual accession records.*
 7. A process for locating items with an 'unknown' location description be agreed and promptly implemented.
 - *Completing a full stock check of the Art Collections - 4 hours a week staff time*
 - *Liaising with colleagues in Walsall Museum and the Town Hall to locate any works that may have been moved and stored with the Social History Collection or in off site storage.*
 8. Confirmation of insurance arrangements is requested prior to an exhibit being loaned and evidence is retained on file.
 - *Formal loan agreements are signed by the Director of the borrowing organisation confirming their insurance cover.*
 9. Items will be valued on an ad-hoc basis as and when required.
 - *Valuations are being undertaken on a 'need to know basis' due to the high cost of independent valuations taking place.*
 10. The gross book value stated on the community asset register relating to the Garman Ryan collection and New Art Gallery collection values be separately identified with individual totals.
 - *The Garman Ryan Collection and the permanent collection are separately valued for insurances purposes.*

Audit Action Plan – The New Art Gallery, Walsall

5. Collections Records**AUDIT OPINION**

Limited assurance can be given that controls are in place to meet objectives in this area
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Good practice includes: The acquisitions and disposal policy is appropriately detailed and includes individual collecting policies for the various arts collections.

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
5.1	***	The record of loaned exhibits was examined and a physical inspection of exhibits contained within council buildings was undertaken. This identified that: 3 additional paintings were found that were not on art gallery records. (chief executives office, council house room 37, registry office) 2 paintings were found in different locations to those stated on art gallery records. (one recorded against 'Committee room 6' found in the Leader's office and one recorded against chief executive's office found in council house room 37).	Inaccurate records. The absence of exhibit labelling increases the difficulty of physical identification. Valuable items are lost or are unable to be located.	The exceptions noted have now been rectified. A location check is now completed for all items on loan in council offices, details of the checks are fully recorded and collections' records updated accordingly on an ongoing weekly programmed basis. Exhibit details have been accurately recorded to eliminate any confusion and misleading information. All items loaned will be labelled to display the artist and title of the work.	Collections Curator – Jo Digger Implemented Collections Curator – Jo Digger 31 December 2010

		- o 14 items had not been location checked by art gallery staff. - o with the exception of the exhibits located at Streetly Crematorium, items were not labelled to display the artist and title.			
5.2	***	There are no formal loan records to assign responsibility for care of the exhibits to nominated council officers or to clarify the period of loans. Letters to officers requesting confirmation of location are sent out but these have not been issued since November 2004. There is no set limit assigned to the value of exhibits which can be loaned off-site to other council buildings.	Location of items and responsible officers may be unclear. Unauthorised issue of exhibits. Lack of audit trail in the event of query. Terms and conditions of loan may be unclear. Valuable items are lost or unable to be located.	A formal loan record has been formulated to include the responsible council officer, length of the loan and required terms and conditions. This also includes the provision for reimbursement of any uninsured losses. Letters are now sent to responsible borrowing officers on an annual basis to confirm location of exhibits. The maximum value of exhibits loaned to other council buildings is set according to the levels of security in the proposed display area.	Collections Curator – Jo Digger Implemented
5.3	***	A total of 49 items at the New Art Gallery were physically inspected. It was found that: • 12 items had not been location checked by art gallery staff. • 9 items were found in a different location to those stated on art gallery records. • 3 items could not be located. (1 item is valued at £10,000 - Object numbers: 1973.276.GR) • 4 items were not labelled to confirm object number and title it	Inaccurate / out of date / unclear records. Insufficient audit trail. Valuable items are lost or unable to be located.	Art gallery collections records are now updated on an ongoing basis. Investigations have been undertaken to identify the items which could not be located during the physical inspections conducted by internal audit and records updated accordingly. All items have been labelled to confirm their identification. A physical relocation of the art store has been carried out to enable exhibits to be	Collections Curator – Jo Digger Implemented

		could therefore not be confirmed that items were present and that art gallery records were accurate. (Object numbers - 2009.003.GRE; 2009.015.GRE; 1973.366.GR; 1973.352.GR) • 3 items could not be physically inspected due to inaccessible storage conditions. (Object numbers - 2001.071.P; 2002.004.P; 2001.074.P) • In 1 case, the material of an item had not been recorded on art gallery records. (Object number - 2000.007.GRE) • In 1 case, the title of an image had not been recorded on art gallery records. (Object number - 2004.011.P) • The object number of an item differed to that stated on art gallery records. (Object number - 2009.022.GRE) • The title of a painting was incorrectly recorded on art gallery records. (Object number - 1973.170.GR) • 4 items were recorded on art gallery records as 'NAG art store' and did not specify the exact location within the store. (Object numbers - 976.327.P; 1996.001.GRE; 2007.028.P, 2004.001.P)		easily accessible. Items recorded as 'NAG art store' have been updated to specify their exact location within the store. A rolling programme has been implemented to ensure location and condition checks are completed on a weekly basis.	
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5.4	***	Art gallery staff did not report physical condition inspection results as part of their location checking of items.	Exhibits may deteriorate beyond repair.	A rolling programme has been implemented to ensure collection, location and condition checks are completed on a weekly basis.	Collections Curator – Jo Digger Implemented
5.5	***	Art gallery records stated 2 items as stolen. These were input on the database upon the changeover from the previous manual system.	Incomplete records. Lack of audit trail in the event of a query.	Records documenting stolen items, including Police crime reference numbers and details of officers' investigations/outcomes, will be retained and held securely on file.	Collections Curator – Jo Digger Implemented
5.6	***	Manual record cards were not completed during the location checks completed by art gallery staff. Details of each location check were entered directly onto the exhibits database.	Lack of audit trail in the event of a query. Errors may go unnoticed.	A manual record card is now completed for each item which has been location checked to confirm the officer completing the check and the date. The record card is then updated for each subsequent location check.	Collections Curator – Jo Digger Implemented
5.7	***	There is no set timescale or rolling programme in place to document when location checks will be undertaken.	Out of date records. Items lost or unable to be located may not be promptly identified or appropriate remedial action taken.	A rolling programme has been implemented to ensure location and condition checks are completed on a weekly basis.	Collections Curator – Jo Digger Implemented

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
5.8	***	20 items could not be located by art gallery staff while undertaking their location checks. These items are classified as 'unknown' on art gallery records. The process for locating 'unknown' items is still to be determined. Art gallery records include 5 items located at the town hall stores. The items are no longer held in the town hall stores and could not be found during the location checks undertaken by art gallery staff. During 1996 a number of items were loaned to HSBC as part of an education funding deal. Although in 2004 the exhibits were collected by art gallery staff, one of the items could not be located and no further investigations have since been undertaken to locate the missing item, which was valued at £800. The collected items were returned to the art store and are classified as 'unknown' on art gallery records.	Lack of remedial action in the event of stolen / missing items being identified.	A process for locating items with an 'unknown' location description will be agreed and promptly implemented. Details of any items which cannot be located will be reported to the executive director, CMT and internal audit.	Collections Curator – Jo Digger 31 December 2010

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
5.9	**	From a sample of 3 loan agreements selected it was found that in 2 cases there was no evidence available at the time of the audit to confirm insurance arrangements in place, such as insurance certificates.	Items may not be appropriately insured. Lack of audit trail in the event of a query.	Confirmation of insurance arrangements is now requested prior to an exhibit being loaned and evidence is retained on file. This is now included as part of the 'conditions of loan' form.	Collections Curator – Jo Digger Implemented
5.10	***	The permanent collection has not been formally valued since May 1993, although the collections curator has completed some valuation updates since then. Of the 49 items checked as part of the gallery and art store sample, 12 did not have a value on art gallery records. The collections curator has yet to undertake research to determine the value of these items.	Items not reflective of current market values. Inadequate insurance arrangements in the event of loss or theft.	Due to the costs involved in external valuations and lack of financial resources available, items will be valued on an ad-hoc basis as and when required.	Collections Curator – Jo Digger Implemented
5.11	**	The gross book value on the community asset register includes values which are not part of the Garman Ryan collection, namely the permanent collection and long term loans.	Inaccurate records. Records may be misleading.	The gross book value stated on the community asset register relating to the Garman Ryan collection and New Art Gallery collection values will be separately identified with individual totals.	Principal Accountant – Sue Eardley 30 September 2010

Walsall Council
Internal Audit Service

New Art Gallery

Audit Report 2009 / 2010
September 2010

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EXECUTIVE SUMMARY

A. Introduction

1. An audit review of the New Art Gallery was undertaken as part of the annual audit plan. The New Art Gallery opened in February 2000 and has records which indicate a total of 1902 exhibits valued at £13.1 million with a variety of art collections on display, including;
 - The Discovery Gallery
 - Garman Ryan Collection
 - Epstein
 - Picasso
 - Van Gough
2. The objectives of the audit were to assess the adequacy of controls governing financial and management arrangements, to assess the implementation of previously agreed audit report actions and to seek assurance that:
 - planning and monitoring is effective in setting and actioning service aims and objectives;
 - the events and exhibitions' programme is effectively managed;
 - partnership, funding and sponsorship arrangements are utilised to their full potential;
 - promotional activities are effective;
 - adequate consultation procedures are in place;
 - there is effective joint working with other related services and external organisations;
 - procurement is in accordance with the authority's financial and contract rules;
 - income is appropriately accounted for;
 - acquisitions, loans and disposals are properly managed;
 - facilities are appropriately managed;
 - stock and inventory records are maintained in accordance with financial and contract rules;
 - relevant policies and procedures are recorded in writing, regularly reviewed and are available to all staff;
 - effective management and reporting arrangements are in place;
 - performance management systems are adequate, including those relating to risk management, IPM, communication, sickness management, health and safety and equalities; and
 - adequate budgetary management is in place.
3. The scope of the audit is as set out on the contents' page. An overall opinion, points of good practice and an improvement action plan for each of the areas audited are attached. Actions for improvement, in general, are prioritised as high (***), medium (**) or low (*).

4. Within a short period of issuing the final audit report, the head of service will be contacted to formally confirm that the action plan has been implemented as agreed. Managers should be aware that a formal response will be required in all cases and that details of these responses will be included within the internal audit quarterly monitoring report to the Audit Committee.
5. Under the council's corporate governance arrangements, the outcomes of audits are reported routinely to the Audit Committee. This includes providing an overall report opinion and details of agreed actions successfully implemented.
6. The committee has expressed concern with a failure, in a number of instances, to implement agreed actions. The committee will seek explanation from executive and assistant directors failing to ensure that appropriate action is taken.
7. All audit reviews undertaken include checks that previously agreed actions have been implemented. Due to the disappointing level of overall achievement in this area, executive directors have asked for regular updates on all internal audit reviews undertaken together with details of actions agreed and actually implemented. This is included as a standing item for discussion at all directorate management team meetings.

B. Overall Audit Opinion

1. Internal audit is able to give a limited assurance opinion on the system of internal control operating within the New Art Gallery, as described below:

Overall Audit Opinion		
	Full assurance	Full assurance that the system of internal control is designed to meet the organisation's objectives and controls are consistently applied in all the areas reviewed.
	Significant assurance	Significant assurance that there is a generally sound system of control designed to meet the organisation's objectives. However, some weakness in the design or inconsistent application of controls put the achievement of particular objectives at risk.
➔	Limited assurance	Limited assurance as weaknesses in the design or inconsistent application of controls put the achievement of the organisation's objectives at risk in the areas reviewed.
	No assurance	No assurance as weaknesses in control, or consistent non compliance with key controls, [could result / have resulted] in failure to achieve the organisation's objectives in the areas reviewed.

2. Several good practices were noted during the audit, including:
- strong partnership and joint working links;
 - sound programming and exhibition planning;
 - responsiveness to customer comments;
 - a good standard of promotional material made available to a diverse audience;
 - national professional accreditation;
 - detailed acquisitions and disposals policies;
 - a track record of securing grant funding; and
 - an innovative programme of educational activity.
3. A number of areas for improvement have been identified, including:
- a need to bring collections' records up to date and ensure they are subject to regular periodic checks;
 - improved monitoring to ensure achievement of the forward plan and key performance indicators;
 - the establishment of clear consultation procedures;
 - adoption of a consistent approach for the reporting of events and exhibitions;

- ensuring that all policies and procedures are reviewed and authorised on a regular basis;
 - the tightening of income controls, including the formulation of a pricing policy and regular reconciliations;
 - improved contract management; and
 - the need to store records so that they can be easily retrieved when needed.
4. The prompt implementation of actions contained within this audit report will further assist in enhancing procedures undertaken.
5. The 25 agreed actions which remain applicable from the last audit were confirmed as implemented by the finance manager on 8 May 2008. Of these, 18 had been fully implemented at the time of this audit. The 6 unimplemented, and 1 partially implemented, actions have been reiterated in this report, marked (*) in the action plan.
6. Most actions within the report are considered to be of a high priority.

C. Summary of Findings

	Full Assurance	Significant Assurance	Limited Assurance	No Assurance
Policies and Procedures		✓		
Shop Pricing and Income			✓	
Consultation Procedures			✓	
Joint Working Groups		✓		
Collections Records			✓	
Inventory and Stock			✓	
Procurement			✓	
Programming and Exhibitions	✓			
Sponsorships and Donations		✓		
Grants and other Funding		✓		
Promotional Activities	✓			
Physical Security and Checks		✓		
Budgetary Monitoring and Management Information		✓		
Performance Management			✓	

D. Acknowledgements

1. Please thank all officers concerned for their help and co-operation during the audit, particularly for making records available and providing suitable accommodation for the auditor.

New Art Gallery
AUDIT OPINION & ACTION PLAN

1. Policies and Procedures

AUDIT OPINION

Significant assurance can be given that controls are in place to meet objectives in this area

Good practice includes:

- Policy statements are incorporated into the forward plan.
- There is a daily checklist for gallery assistants.
- Policies are in place for movement of works in an emergency and the physical & intellectual care of objects.

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
1.1	**	A timetable for the review of policies and procedures is not in place and instead these are reviewed on an ad-hoc basis.	Procedures may not be reflective of current practice. Review of certain procedures may be missed.	A forward plan for the review and update of policies and procedures will be introduced to assist in ensuring that information is up to date and reflects current service arrangements. (*)	Director New Art Gallery – Stephen Snoddy Operations Manager – Mark Clancy 30 September 2010
1.2	*	The emergency procedure for the 'movement of collections, archives and art works from hazardous areas' has not been signed and dated by the completing and reviewing officers and has yet to include a visual aid in support of exhibit descriptions. The gallery assistant daily routine procedure is not signed and dated by the completing or reviewing officers.	Unauthorised / incomplete procedure notes. In the absence of certain officers, other staff may not be aware of their roles and responsibilities.	The emergency procedure for the 'movement of collections, archives and art works from hazardous or potentially hazardous areas' and the gallery assistant daily routine procedure has been signed and dated by the completing and reviewing officers to confirm authorisation. Thereafter, the procedures will be reviewed and updated on a regular basis to ensure they are reflective of current exhibits on display. The emergency procedure now includes a visual aid to support the description of each exhibit.	Operations Manager – Mark Clancy Implemented

New Art Gallery
AUDIT OPINION & ACTION PLAN

ACTION PLAN					
Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
1.3	**	The procedure for the 'physical and intellectual care of art work' has not been updated since September 2005. The procedure includes information relating to the total value of permanent collections as at 2005/06, the policy value excess and the value of the insurance policy for loans. Further, the procedure does not specify the authorised officer(s) to approve acquisition and loaning of exhibits.	Unauthorised / incomplete procedure notes. In the absence of certain officers, other staff may not be aware of their roles and responsibilities.	The procedure for the 'physical and intellectual care for art work' will be updated to ensure it is reflective of current values and arrangements and specifies the authorised officer(s) who can approve the acquisition and loaning of exhibits. Thereafter, the procedure will be reviewed on an annual basis and signed and dated by the completing officer.	Director New Art Gallery – Stephen Snoddy Collections Curator – Jo Digger 30 September 2010

New Art Gallery
AUDIT OPINION & ACTION PLAN

2. Shop Pricing and Income

AUDIT OPINION

Limited assurance can be given that controls are in place to meet objectives in this area

Good practice includes:

- Two officers are involved in the counting and preparing of cash.
- A daily analysis of income received for each stock item is kept.

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
2.1	***	A pricing policy does not exist. Items in the New Art Gallery shop are priced based on the recommended retail price, or, where there is no recommended retail price the finance manager prices items based on a mark-up value. However, there is no policy in place which documents the methods by which items will be priced based on a mark-up value.	In the absence of certain officers, other staff may not be aware of their roles and responsibilities. Inconsistency in pricing methods. In the event of query / challenge pricing methods may be unclear. Over / under charging may occur. Prices not properly authorised.	A pricing policy has now been documented, approved and is followed.	Director New Art Gallery – Stephen Snoddy Implemented
2.2	**	Where items have been on sale or in stock for long periods of time, a price review is not undertaken to ensure they are in line with the current market value.	Over / under charging may occur. Prices not in accordance with current market values.	A timescale has been set for a price review of items held on sale or in stock for long periods of time and has been incorporated into the pricing policy.	Director New Art Gallery – Stephen Snoddy Operations Manager – Mark Clancy

**New Art Gallery
AUDIT OPINION & ACTION PLAN**

					Finance Manager – Victoria Fletcher Implemented
2.3	***	There is no reconciliation undertaken to ensure that amounts collected agree with banking credits recorded on the Oracle ledger.	Errors or discrepancies may go unnoticed. Potential for misappropriation of income Insufficient monitoring.	Reconciliations are now undertaken on a monthly basis to ensure amounts collected agree with bank credits recorded on the Oracle general ledger.	Finance Manager – Victoria Fletcher Implemented
2.4	**	The banking and cashing up procedure could not be located during the audit.	In the absence of certain officers, other staff may not be aware of their roles and responsibilities.	The banking and cashing up procedure will be located and circulated to all staff, who will receive training on the procedural arrangements.	Finance Manager – Victoria Fletcher 30 September 2010

New Art Gallery
AUDIT OPINION & ACTION PLAN

3. Consultation Procedures

AUDIT OPINION

Limited assurance can be given that controls are in place to meet objectives in this area

Good practice includes:

- A visitor book is available for completion in reception.
- Negative comments received on evaluation forms are followed up on an individual basis.
- Evaluation forms are available for completion at every event and exhibition held.
- A website user testing exercise was completed in May 2009. The results were collated in a graphical format and were positive.

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
3.1	***	There are no formally documented consultation procedures. The 2009/10 forward plan refers to the aims of continued consultation and engagement with the public but does not detail the approaches and methods that will be used or how regular the data will be collated, reported and acted upon.	Insufficient monitoring. Trends may go unnoticed. Action not taken to address feedback. Unclear consultation arrangements.	Consultation procedures will be documented, approved and implemented.	Director New Art Gallery – Stephen Snoddy 30 September 2010
3.2	***	Visitor feedback is not documented for each event and exhibition held. The events and exhibition feedback which is collated and documented utilises various differing methods.	Loss of opportunity to improve future events. Lack of management information. Poor performing projects may go unnoticed. Inconsistencies in monitoring and reporting.	A report is now produced after each exhibition/event held to summarise the successes or otherwise, number of visitors, areas for improvement and visitor feedback. The reports now form the basis for celebration of successes and discussion of learning/improvement points at team meetings.	Director New Art Gallery – Stephen Snoddy Implemented

New Art Gallery
AUDIT OPINION & ACTION PLAN

ACTION PLAN					
Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
3.3	**	There is currently no process in place to collate, document and report educational sector evaluation form results.	Lack of management information. Poor performing projects may go unnoticed.	The process for collating, documenting and reporting educational sector evaluation form results will be determined and steps taken to implement suggested improvements.	Events & Education Curator – Zoe Renilson 30 September 2010

4. Joint Working Groups

AUDIT OPINION

Significant assurance can be given that controls are in place to meet objectives in this area

Good practice includes:

- Joint working has been established with a number of services,
- A school visit guide is produced on an annual basis.
- organisations and groups including; creative development team,
- A 3 year joint working educational research project with Birmingham City University has resulted in new ways of working which have been incorporated into the education programme.
- marketing team, the NHS, Walsall College, Walsall Youth service,
- Walsall Multi Faith Forum and Wolverhampton Art Gallery.

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
4.1	***	The service takes an informal approach to joint working. There are no formal partnership agreements in place to clarify arrangements.	Desired outcomes and resource commitments may be unclear and open to dispute in the event of query / challenge.	Partnership agreements with external organisations will be clarified in writing.	Director New Art Gallery – Stephen Snoddy 30 September 2010
4.2	**	There is no single record which lists joint working and partnership activity.	Other staff may not be aware of potential joint working opportunities. Loss of opportunity to share data.	A list of joint working and partnership activity will be established, updated on an ongoing basis and made available to all relevant staff. This will assist relevant officers when searching for possible joint working arrangements and partnerships; as well as raising awareness of ongoing commitments.	Director New Art Gallery – Stephen Snoddy 30 September 2010
4.3	**	A partnership agreement between the New Art Gallery and Walsall College is currently in draft format.	Non finalised agreement in the event of query / challenge.	The partnership agreement between the New Art Gallery and Walsall College will be finalised and issued.	Director New Art Gallery – Stephen Snoddy 30 September 2010

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AUDIT OPINION & ACTION PLAN

5. Collections Records

AUDIT OPINION

Limited assurance can be given that controls are in place to meet objectives in this area

Good practice includes:

- The acquisitions and disposal policy is appropriately detailed and includes individual collecting policies for the various arts collections.

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
5.1	***	The record of loaned exhibits was examined and a physical inspection of exhibits contained within council buildings was undertaken. This identified that: ○ 3 additional paintings were found that were not on art gallery records. (chief executives office, council house room 37, registry office) ○ 2 paintings were found in different locations to those stated on art gallery records. (one recorded against 'Committee room 6' found in the Leader's officer and one recorded against chief executive's office found in council house room 37). ○ 14 items had not been location checked by art gallery staff. ○ with the exception of the exhibits located at Streetly Crematorium, items were not labelled to display the artist and title.	Inaccurate records. The absence of exhibit labelling increases the difficulty of physical identification. Valuable items are lost or are unable to be located.	The exceptions noted have now been rectified. A location check is now completed for all items on loan in council offices, details of the checks are fully recorded and collections' records updated accordingly on an ongoing weekly programmed basis. Exhibit details have been accurately recorded to eliminate any confusion and misleading information. All items loaned will be labelled to display the artist and title of the work.	Collections Curator – Jo Digger Implemented Collections Curator – Jo Digger 31 December 2010

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5.2	***	There are no formal loan records to assign responsibility for care of the exhibits to nominated council officers or to clarify the period of loans. Letters to officers requesting confirmation of location are sent out but these have not been issued since November 2004. There is no set limit assigned to the value of exhibits which can be loaned off-site to other council buildings.	Location of items and responsible officers may be unclear. Unauthorised issue of exhibits. Lack of audit trail in the event of query. Terms and conditions of loan may be unclear. Valuable items are lost or unable to be located.	A formal loan record has been formulated to include the responsible council officer, length of the loan and required terms and conditions. This also includes the provision for reimbursement of any uninsured losses. Letters are now sent to responsible borrowing officers on an annual basis to confirm location of exhibits. The maximum value of exhibits loaned to other council buildings is set according to the levels of security in the proposed display area.	Collections Curator – Jo Digger Implemented
5.3	***	A total of 49 items at the New Art Gallery were physically inspected. It was found that: • 12 items had not been location checked by art gallery staff. • 9 items were found in a different location to those stated on art gallery records. • 3 items could not be located. (1 item is valued at £10,000 - Object numbers: 1973.276.GR) • 4 items were not labelled to confirm object number and title it could therefore not be confirmed that items were present and that art gallery records were accurate. (Object numbers - 2009.003.GRE; 2009.015.GRE; 1973.366.GR; 1973.352.GR)	Inaccurate / out of date / unclear records. Insufficient audit trail. Valuable items are lost or unable to be located.	Art gallery collections records are now updated on an ongoing basis. Investigations have been undertaken to identify the items which could not be located during the physical inspections conducted by internal audit and records updated accordingly. All items have been labelled to confirm their identification. A physical relocation of the art store has been carried out to enable exhibits to be easily accessible. Items recorded as 'NAG art store' have been updated to specify their exact location within the store.	Collections Curator – Jo Digger Implemented

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		• 3 items could not be physically inspected due to inaccessible storage conditions. (Object numbers - 2001.071.P; 2002.004.P; 2001.074.P) • In 1 case, the material of an item had not been recorded on art gallery records. (Object number - 2000.007.GRE) • In 1 case, the title of an image had not been recorded on art gallery records. (Object number - 2004.011.P) • The object number of an item differed to that stated on art gallery records. (Object number - 2009.022.GRE) • The title of a painting was incorrectly recorded on art gallery records. (Object number - 1973.170.GR) • 4 items were recorded on art gallery records as 'NAG art store' and did not specify the exact location within the store. (Object numbers - 976.327.P; 1996.001.GRE; 2007.028.P, 2004.001.P)			A rolling programme has been implemented to ensure location and condition checks are completed on a weekly basis.	
5.4	***	Art gallery staff did not report physical condition inspection results as part of their location checking of items.	Exhibits may deteriorate beyond repair.		A rolling programme has been implemented to ensure collection, location and condition checks are completed on a weekly basis.	Collections Curator – Jo Digger Implemented
5.5	***	Art gallery records stated 2 items as	Incomplete records.		Records documenting stolen items,	Collections Curator

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		stolen. These were input on the database upon the changeover from the previous manual system.	Lack of audit trail in the event of a query.	including Police crime reference numbers and details of officers' investigations/outcomes, will be retained and held securely on file.	– Jo Digger Implemented
5.6	***	Manual record cards were not completed during the location checks completed by art gallery staff. Details of each location check were entered directly onto the exhibits database.	Lack of audit trail in the event of a query. Errors may go unnoticed.	A manual record card is now completed for each item which has been location checked to confirm the officer completing the check and the date. The record card is then updated for each subsequent location check.	Collections Curator – Jo Digger Implemented
5.7	***	There is no set timescale or rolling programme in place to document when location checks will be undertaken.	Out of date records. Items lost or unable to be located may not be promptly identified or appropriate remedial action taken.	A rolling programme has been implemented to ensure location and condition checks are completed on a weekly basis.	Collections Curator – Jo Digger Implemented

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ACTION PLAN				
Ref	Priority	Finding	Risk Exposure	Agreed Action
5.8	***	20 items could not be located by art gallery staff while undertaking their location checks. These items are classified as 'unknown' on art gallery records. The process for locating 'unknown' items is still to be determined. Art gallery records include 5 items located at the town hall stores. The items are no longer held in the town hall stores and could not be found during the location checks undertaken by art gallery staff. During 1996 a number of items were loaned to HSBC as part of an education funding deal. Although in 2004 the exhibits were collected by art gallery staff, one of the items could not be located and no further investigations have since been undertaken to locate the missing item, which was valued at £800. The collected items were returned to the art store and are classified as 'unknown' on art gallery records.	Lack of remedial action in the event of stolen / missing items being identified.	A process for locating items with an 'unknown' location description will be agreed and promptly implemented. Details of any items which cannot be located will be reported to the executive director, CMT and internal audit.
				Responsibility & Timescale Collections Curator – Jo Digger 31 December 2010

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AUDIT OPINION & ACTION PLAN

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
5.9	**	From a sample of 3 loan agreements selected it was found that in 2 cases there was no evidence available at the time of the audit to confirm insurance arrangements in place, such as insurance certificates.	Items may not be appropriately insured. Lack of audit trail in the event of a query.	Confirmation of insurance arrangements is now requested prior to an exhibit being loaned and evidence is retained on file. This is now included as part of the 'conditions of loan' form.	Collections Curator – Jo Digger Implemented
5.10	***	The permanent collection has not been formally valued since May 1993, although the collections curator has completed some valuation updates since then. Of the 49 items checked as part of the gallery and art store sample, 12 did not have a value on art gallery records. The collections curator has yet to undertake research to determine the value of these items.	Items not reflective of current market values. Inadequate insurance arrangements in the event of loss or theft.	Due to the costs involved in external valuations and lack of financial resources available, items will be valued on an ad-hoc basis as and when required.	Collections Curator – Jo Digger Implemented
5.11	**	The gross book value on the community asset register includes values which are not part of the Garman Ryan collection, namely the permanent collection and long term loans.	Inaccurate records. Records may be misleading.	The gross book value stated on the community asset register relating to the Garman Ryan collection and New Art Gallery collection values will be separately identified with individual totals.	Principal Accountant – Sue Eardley 30 September 2010

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6. Inventory and Stock

AUDIT OPINION

Limited assurance can be given that controls are in place to meet objectives in this area

Good practice includes:

- Access to gallery offices is restricted.
- Regular shop stock checks are undertaken.

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
6.1	***	An equipment check has not been completed since August 2007 and an IT inventory check has not been completed since February 2006. The inventory registers have not been updated for acquisitions and disposals since the last inventory check was undertaken. The 2 staff allocated to complete the equipment and IT checks have left the authority. There has been no date set as to when the equipment and IT checks will next be undertaken and there is no procedure note which would inform officers on completing and recording inventory checks. During a separate audit to confirm the location of a former officer's computer, a number of items of unused IT equipment not recorded on the inventory were found in a store cupboard.	Inaccurate / out of date records. Missing items may not be promptly identified in order for appropriate action to be taken. Non compliance with financial and contract rule 6.2. In the event of theft / fire, stolen / recovered items may not be easily identifiable and valued. In the absence of an annual check, missing equipment may go un-noticed / un-investigated. Inefficient use of owned assets. In the absence of procedure notes, staff may not be aware of their roles and responsibilities.	A date for the completion of all equipment and IT checks will be set. Thereafter, a rolling programme of checks will be established to ensure equipment and IT assets are verified at least once a year to records held. A procedure for the completing and recording of inventory checks will be documented, approved and put in place. Thereafter the procedure will be reviewed regularly by nominated officers in accordance with agreed timescales. Inventory registers will be updated promptly to record the acquisition, disposal and movement of items. (*)	Operations Manager – Mark Clancy Finance Manager – Victoria Fletcher 30 September 2010

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ACTION PLAN					
Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
6.2	*	The stock procedure has not been signed or dated by the completing and reviewing officers.	Unauthorised procedure notes.	The stock procedure has now been signed and dated by the completing and reviewing officers and will thereafter be reviewed and signed on an annual basis.	Operations Manager – Mark Clancy Finance Manager – Victoria Fletcher Implemented
6.3	***	A sample of 3 inventory disposal notes was selected for inspection and the following exceptions were identified: - In 1 case the asset number was not recorded. (Silver label number - 16729) - In 2 cases the date of disposal was not recorded. (Silver label numbers - 16720, 16729) - In 1 case the disposal was not authorised. (Asset number - 000009) - The disposal note relating to asset number 000009 states that the inventory was amended to reflect the disposal. However, on inspection, this had not been done. - The 'disposal of fixed assets' form does not include the date that disposals are authorised.	Incomplete records. Unauthorised disposals.	Inventory/stock disposal notes will be fully complete and authorised prior to disposal. (*) Inventory registers will be updated promptly after the disposal of items. Disposal notes will be updated to include the date that disposals are authorised. A separate list will be compiled for all inventory/stock that has been written off. Documentation will also be available to support decisions and appropriate authorisation made with regard to the write off of any inventory/stock. (*)	Operations Manager – Mark Clancy Finance Manager – Victoria Fletcher 30 September 2010

7. Procurement

AUDIT OPINION

Limited assurance can be given that controls are in place to meet objectives in this area

Good practice includes:

- The gallery is currently undertaking an I-Procurement approvals pilot scheme.

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
7.1	**	From a sample of 18 invoices tested, it was found: • In 1 case an invoice had not been date paid stamped. (Ledger ref: 695155) • In 1 case an invoice had not been date received stamped. (Ledger ref: 675096) • Inconsistencies were identified in respect of 6 invoices relating to the pilot scheme to confirm they had been entered and validated. ○ In 2 cases the invoice was not signed and dated by the officer entering and validating the invoice. (Ledger ref: 663467, 695184) ○ In 4 cases the invoice was signed but not dated by the officers entering and validating the invoice. (Ledger ref: 660043, 695155, 684031, 675096)	Incomplete processes. Incorrect payments may be processed. Inadequate segregation of duties. Errors may go un-noticed.	To verify payments, and to ensure the invoicing process is fully complete, all paid invoices are now stamped 'paid'. To verify receipt of invoices and prompt payment, all invoices are now date received stamped. All invoices are now signed and dated to confirm they have been entered and validated on Oracle.	Assistant Financial Administration & Support Manager – Sharon Noble Implemented

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ACTION PLAN				
Ref	Priority	Finding	Risk Exposure	Agreed Action
7.2	***	A Costa Coffee outlet opened at the New Art Gallery in August 2007. The contract is yet, however, to be finalised and signed. Although the matter was referred to an external legal company (Corbetts) in December 2007 to finalise the agreement, this has not yet happened. As a consequence, Costa Coffee have not made any rental or utility payments to the council.	Loss of income. Unauthorised arrangements. Failure to secure full contractual benefits to the council. Lack of contractual security in the event of query or challenge.	The Costa Coffee agreement has now been finalised and now in place. The contract is monitored on a regular basis to ensure compliance with the terms and conditions. All income due has now been recovered.
7.3	***	The building maintenance contract with Carter Synergy is not subject to regular monitoring. Checks are not undertaken to confirm that maintenance is being carried out in accordance with contract requirements. The maintenance and service reports from the firm are not signed off by gallery officers and instead reliance is placed on the contractor that the details recorded of each check are accurate.	Non-compliance with agreed specifications and poor contractor performance may go unnoticed and unaddressed. .	The Carters Synergy maintenance contract is now subject to regular spot checks to ensure works are being carried out in accordance with the contract and that corrective action is taken to address non-compliance. An agreed number of spot checks are carried out on a monthly basis and are appropriately recorded. Maintenance and service reports are signed by a designated gallery officer to confirm that details recorded are accurate. This will also ensure appropriate corrective action can be taken where checks have not been carried out in accordance with the contract specification.
				Director New Art Gallery – Stephen Snoddy Implemented
				Operations Manager – Mark Clancy Implemented

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AUDIT OPINION & ACTION PLAN

ACTION PLAN					
Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
7.4	***	The building works maintenance contract has not been market tested since it was awarded to Carters Synergy seven years ago.	Unable to demonstrate value for money in procurement.	Corporate procurement will be approached to assist in the tendering of this contract. A timetable will be formulated to identify responsibilities and timescales to ensure this contract is tendered during 2009/10. (*)	Director New Art Gallery – Stephen Snoddy Operations Manager – Mark Clancy Finance Manager – Victoria Fletcher 30 April 2011
7.5	**	From a sample of 6 invoices tested as part of the Stereographics service level agreement, it was found: In 5 cases, invoices had not been paid within 15 days from the date of receipt. (Ledger ref: 683303, 700487, 700519, 703875, 722606) Further, the corresponding job quotes from the firm relating to these invoices selected could not be provided during the audit.	Potential non-adherence to agreed payment terms. Non-achievement of BVPI8. Poor value for money in placing orders with contractors.	All invoices are paid as soon as practically possible, and within 15 days from the date of receipt, unless contract terms specify otherwise. (*) The quotation(s) relating to the Stereographics service will be located and held securely.	Finance Manager – Victoria Fletcher Implemented Finance Manager – Victoria Fletcher 30 September 2010
7.6	***	The Legion Security contract and supporting documentation could not be located during the audit.	Contract requirements are not clear due to misplaced documents. Contracts may be out of date and not reflective of current arrangements. Lack of audit trail.	The Legion Security contract has been located and is now held securely.	Operations Manager – Mark Clancy Implemented

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AUDIT OPINION & ACTION PLAN

ACTION PLAN					
Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
7.7	***	From the sample of 5 invoices tested as part of the Carter Synergy contract, it was found: - In 2 cases, the invoice had not been signed and dated to confirm it had been validated. (Ledger ref: 684498, 723335) - In 1 case the invoice was not dated by the officer validating the invoice. (Ledger ref: 700582) - In 1 case the invoice was not dated by the officer entering the invoice. (Ledger ref: 684498) - In 4 cases invoices had not been paid within 15 days from the date of receipt. (Ledger ref: 700582, 713176, 684498, 711488) It was not possible to verify the charges made by the firm as the contract schedule, or individual job quotations, could not be obtained during the audit.	Incorrect payments may be processed. Poor value for money in placing orders with contractors.	See Actions 7.1 & 7.5. The tendered price schedule, or individual job quotations, relating to the Carter Synergy building maintenance service will be located and held securely.	Finance Manager – Victoria Fletcher 30 September 2010

8. Programming and Exhibitions

AUDIT OPINION

Full assurance can be given that controls are in place to meet objectives in this area

Good practice includes:

- Programme policy, aims and goals are detailed in the gallery's forward plan
- Programme meetings take place on a monthly basis.
- Each exhibition is allocated an individual budget which is monitored on a monthly basis by the finance manager.

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
		None.			

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9. Sponsorships and Donations

AUDIT OPINION

Significant assurance can be given that controls are in place to meet objectives in this area

Good practice includes:

- Donation sheets are signed by both the completing and reviewing officers.
- Clear sponsorship policy and aims have been established

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
9.1	**	A procedure note for the collection and banking of donations is not in place.	Unauthorised procedures. In the absence of certain officers, other staff may not be aware of their roles and responsibilities.	A procedure note for the collection and banking of donations will be documented, approved and followed. Thereafter, the procedure will be reviewed on an annual basis and signed and dated by the completing officer.	Finance Manager – Victoria Fletcher 31 October 2010
9.2	**	There is no set timescale for the emptying and banking of money collected in donations boxes.	Unnecessary build up of cash, increasing the risk of theft. Collection not optimised.	Not agreed. Donation boxes are emptied as and when required.	Not applicable
9.3	***	The donations log has not been updated since 30 January 2009 due to staff shortages.	Errors or discrepancies may go unnoticed. Lack of complete management information. Unable to identify trends or potential problems.	The donations log will be updated to record all donations received and banked since 30 January 2009.	Finance Manager – Victoria Fletcher 31 October 2010

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ACTION PLAN					
Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
9.4	**	Although the gallery has been successful in securing some sponsorship, there is currently no programme to network with businesses and actively seek possible sponsorship.	Loss of potential sponsorship. Income sources not maximised.	Not agreed. Due to the current economic climate it is not possible for the service to secure sponsorships.	Not applicable
9.5	**	A signed copy of the sponsorship agreement which was in place with West Bromwich building society could not be located at the time of the audit.	Unauthorised sponsorship arrangements.	Signed copies of any future sponsorship agreements will be obtained and held securely.	Finance Manager – Victoria Fletcher Implemented

10. Grants and other Funding

AUDIT OPINION

Significant assurance can be given that controls are in place to meet objectives in this area

Good practice includes:

- Heritage lottery funding has been secured to appoint an archivist on a temporary basis to catalogue and display the archive.
- There is joint working with other galleries in managing Art Fund International projects.
- The gallery attracts an annual Arts Council grant and £0.9m was secured for 2009/10.

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
10.1	**	The service does not have a formal system in place to actively scan the market to identify possible partners and sources of funding. A list is not maintained of possible grant funding streams.	Loss of potential funding. Income sources not maximised. Unaware of additional funding streams.	A list will be held of possible grant funding sources, including a map of actions to ensure such income opportunities are maximised.	Finance Manager – Victoria Fletcher 30 September 2010
10.2	**	A record of 2008/09 external funding and sponsorship secured was held, however, a 2009/10 list has not yet been compiled.	Insufficient monitoring.	A list of 2009/10 external funding and sponsorship secured will be compiled and updated upon new funding being received.	Finance Manager – Victoria Fletcher 30 September 2010

11. Promotional Activities

AUDIT OPINION

Full assurance can be given that controls are in place to meet objectives in this area

Good practice includes:

- A campaign plan is completed for every event and exhibition held.
- Various projects are undertaken to target differing audiences and encourage participation in the arts and visits to the New Art Gallery.
- Promotional material is of a good standard. Leaflets, posters and e-flyers are used to promote various event and exhibitions.

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
		None.			

12. Physical Security and Checks

AUDIT OPINION

Significant assurance can be given that controls are in place to meet objectives in this area

Good practice includes:	
- A building temperature schedule is maintained listing both summer and winter parameters. - The building is fitted with a CCTV system which is monitored by Legion security. - Access to the art store is restricted to authorised officers. - The operations manager completes a weekly visual check of the building to identify any faults, hazards and works required.	

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
12.1	***	The 2009/10 insurance policy listing the named locations of gallery exhibits includes other council buildings which no longer loan or store art gallery collection items. (Ref: Walsall Leather Museum, Unit B, HSBC, Aldridge library, Willenhall Museum store) In addition, the exhibits located at Tim Challans' former office (Tameway Tower) are not included on the insurance policy.	Inappropriate insurance cover. Inaccurate information.	The 2009/10 insurance policy will be updated to: - remove any locations which no longer have New Art Gallery exhibits on loan or where future loans are unlikely. - ensure the policy includes all council buildings which currently have gallery exhibits on loan.	Director New Art Gallery – Stephen Snoddy Collections Curator – Jo Digger Operations Manager – Mark Clancy 30 September 2010
12.2	**	The schedule of building works does not include the date the fault/hazard was identified or the date works were completed. Also, no record is kept that works have been inspected and properly completed.	Works may not be carried out within the required timescales. Faults/hazards identified on the schedule may not be fully rectified.	The schedule of works has been reviewed to include: - the date the fault/hazard is identified - the date the works are completed. - signature of the inspecting officer certifying that works have been completed and have rectified the reported fault/hazard.	Operations Manager – Mark Clancy Implemented

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ACTION PLAN					
Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
12.3	**	The 'permanent collection security check' schedule was last updated in 2006. Also, the schedule is not used to assist officers with their checks and is neither signed or dated to confirm the checks have been completed.	Out of date records. Checks may not be conducted.	The 'permanent collection security check' schedule will be regularly updated to ensure the location of exhibits are accurately recorded. The 'permanent collection security check' schedule will be completed by the officer undertaking the security check who will sign and date to confirm checks have been completed.	Director New Art Gallery – Stephen Snoddy Collections Curator – Jo Digger Operations Manager – Mark Clancy 30 September 2010

13. Budgetary Monitoring and Management Information

AUDIT OPINION

Significant assurance can be given that controls are in place to meet objectives in this area

Good practice includes:

- The visitor assistant monitors the number of visitors on a weekly basis and notifies all staff via email.
- Oracle reports are received promptly each month
- The gallery's finance manager has regular liaison with the service accountant.

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
13.1	**	At the start of the 2009/10 financial year there was a delay in undertaking a full monthly budget monitoring exercise due to a number of exhibition budget virements in process. The Arts Council quarterly return was subsequently delayed and submitted in August.	Errors may go unnoticed. Significant under / overspends may go unnoticed. Non-achievement of deadlines.	The finance manager now ensures that summary budget management information is produced on a monthly basis where any future budget monitoring delays are identified. This will assist accountable budget holders in monitoring their budgets.	Finance Manager – Victoria Fletcher Implemented
13.2	**	New Art Gallery opening hours are not subject to a formal, regular review.	Trends may go un-noticed. Service may become inefficient and too costly. Opening hours not optimised.	A review of New Art Gallery opening hours is now completed on a regular basis.	Operations Manager – Mark Clancy Implemented

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14. Performance Management

AUDIT OPINION

Limited assurance can be given that controls are in place to meet objectives in this area

Good practice includes:

- The New Art Gallery has been accredited by the Museums, Libraries and Archives Council.
- Team briefings are held on a weekly basis and the minutes circulated to all staff.

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
14.1	**	The gallery's 2009/10 forward plan was completed in June 2009, several weeks after the commencement of the period to which it relates.	Non-achievement of targets. Restricted time available in which to achieve the plan.	The annual forward plan will be completed, where possible, prior to the commencement of the forthcoming financial year to ensure objectives are fully documented and an early start can be made towards achieving these goals.	Director New Art Gallery – Stephen Snoddy Operations Manager – Mark Clancy 31 March 2011
14.2	***	Performance indicator information was not made available at the time of the audit. Therefore, it could not be determined if the service is clear on its performance indicators and whether regular monitoring is undertaken.	Targets may be not be achieved.	The goals contained within the gallery's forward plan are monitored in writing on a quarterly basis; considered by the gallery's management team; and considered at IPM meetings and as part of the service plan monitoring process. Information will be made available to the auditor for future audits without exception.	Director New Art Gallery – Stephen Snoddy Implemented

New Art Gallery
AUDIT OPINION & ACTION PLAN

ACTION PLAN		Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
Ref	Priority				
14.3	**	The health and safety action plan is still in draft status and has not been signed and dated by the completing and reviewing officers. In addition, the review/completion date has not been finalised.	Unauthorised documents. Non-achievement of targets.	The health and safety action plan has now been updated, finalised and signed/dated by both the completing and reviewing officers. In addition, the action plan will be signed and dated upon each review to evidence the update.	Operations Manager – Mark Clancy Implemented
14.4	**	In 2007 work was carried out towards an equality impact assessment in regard to the provision of services to schools. However, this was not completed due to the officer carrying out the assessment leaving. Due to the delay in the assessment re-commencing, data collected was out of date and no further action was taken towards its completion.	Incomplete records. Non-achievement of equality targets. Fundamental equality issues may not be addressed.	The equality impact assessment regarding the provision of services to schools will be completed within an agreed timescale and submitted to the equality board for approval.	Events & Education Curator – Zoe Renilson 31 October 2010
14.5	**	2 IPM's were selected for inspection and it was found that: - a target setting plan and personal development plan had not been completed in either case. - IPM's had not been completed within the required 6 months frequency. In addition, it was found that 3 senior manager IPMs had not been completed since 2007.	Service targets and personal development goals not achieved. Non-compliance with corporate procedures.	All sections of the IPM form will be fully completed, and signed and dated by both the officer and manager to confirm agreement of the actions set. IPM's will be carried out by managers every 6 months, in accordance with the council's guidelines. This ensures staff issues and training needs are addressed and acted upon accordingly. (*)	Director New Art Gallery – Stephen Snoddy Operations Manager – Mark Clancy 30 September 2010

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ACTION PLAN					
Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
14.6	*	Records are not maintained to evidence that staff have received the appropriate health and safety training.	Loss of opportunity in recognising service achievements. Lack of information to review training needs.	All staff health and safety training is now recorded to enable the operations manager to monitor and identify training gaps. This also enables the service to recognise staff training achievements.	Operations Manager – Mark Clancy Implemented
14.7	**	At the time of the audit there was limited documentation available to support the gallery's approach to risk management, specifically: • Risk assessments provided related to events/exhibitions held in November and December 2008 and were not available for events/exhibitions held during 2009. • An action plan was not provided to evidence how risks will be managed and mitigated.	Non-compliance with corporate procedures.	Risk assessments undertaken and a supporting action plan produced to mitigate these risks will be completed to identify generic risks and those relating to forthcoming events and exhibitions. The action plan will be reviewed by a designated officer on a regular basis and signed to evidence the review. High level risks identified through the risk assessment process will be considered for inclusion within the directorate or corporate risk register.	Operations Manager – Mark Clancy 30 September 2010
14.8	***	Sickness records were not made available at the time of the audit. Sickness testing could not therefore be undertaken.	Non-compliance with corporate sickness absence policies Sickness records may be misplaced / incomplete.	Officers now ensure that sickness records are up to date, readily available at all times and held securely.	Operations Manager – Mark Clancy Implemented