

December 4, 2015

Major Exhibiting Institutions Audit

Background

The City holds a substantial collection of artwork and artifacts in trust for the citizens of Vancouver at the Vancouver Maritime Museum, the Vancouver Art Gallery, and the Museum of Vancouver, which shares a facility with the H.R. MacMillan Space Centre.

Major Exhibiting Institutions with City-Owned Collections

Institution	Collection Value ¹	Number of artifacts	Operating Grant (2015)
Museum of Vancouver	\$34.8M	Approx. 70,000	\$758K
Vancouver Art Gallery	\$260M	Approx. 12,000	\$2.18M
Vancouver Maritime Museum	\$19.7M	Approx. 15,000, plus 125,000 photographs	\$400K

Operating and lease agreements between the City and the institutions are in various stages of completion. Cultural Services is the main point of contact between the City and the institutions while other city departments also provide support. Each institution receives operating grants from the City, which are administered by Cultural Services. The City also provides a building, building maintenance, and security services to the Maritime Museum, Museum of Vancouver, and the Space Centre. The Vancouver Art Gallery operates its own security function. The building occupied by the Art Gallery is owned by the Province with a head lease to the City and the City subleases it to the Vancouver Art Gallery.

Museums located at Vanier Park

The H.R. MacMillan Space Centre shares a building with the Museum of Vancouver at Vanier Park, but does not hold any collections on behalf of the City. A storage area, referred to as Building 14, is located in the Vancouver Academy of Music building and used for storage of large items by both the Museum of Vancouver and the Vancouver Maritime Museum.

Scope

Our audit objective was to provide reasonable independent assurance that the existing internal controls and business processes relating to the safeguarding of City-owned collections at the major exhibiting institutions are adequate and effective.

¹ Approximate value given most recent appraisals.

Our work included:

- Review of documentation related to inventorying and record-keeping processes, insurance, and storage;
- Review of documentation and internal controls related to artifact intake (accessions) and dispositions (deaccessions);
- Verification of a sample of inventory items from the collections held at the Museum of Vancouver, Vancouver Maritime Museum, and Vancouver Art Gallery;
- Site visits to review facilities where collections are exhibited and stored; and
- Discussion with key staff and management involved with facility maintenance and security at the institutions.

The following areas were out of scope for the audit:

- Detailed operational review of the major exhibiting institutions;
- Detailed review of legal agreements between the institutions and City of Vancouver; and
- Valuation and financial reporting of City-owned assets. Art, artifacts, cultural and historic assets are not recorded in the financial statement as per PSAB accounting guidelines.

Conclusion

Internal controls related to safeguarding of City-owned collections can be strengthened by improving record-keeping, inventory management, and physical security processes. Management at the major exhibiting institutions and the City have committed to continue efforts to strengthen controls and address the issues identified.

The more significant findings and recommendations are:

Strengthen Record Management Processes for Collections

The City does not require the major exhibiting institutions to provide itemized records or inventory lists on an annual basis. To strengthen oversight over City-owned collections Cultural Services has agreed to obtain up-to-date information of the collections held at the institutions. Updates of newly accessioned and deaccessioned items will also be obtained on an annual basis going forward.

Establish Inventory Management Controls at Museum of Vancouver and Vancouver Maritime Museum

There is no formal inventory count process at the Vancouver Maritime Museum or the Museum of Vancouver. Management has agreed to ensure that the institutions implement a spot check process on a sample basis to provide some assurance over the inventory of artifacts.