

## **Item: 5**

**Monitoring and Audit Committee: 28 March 2024.**

**Internal Audit Report: Scapa Flow Museum**

**Report by Chief Internal Auditor.**

### **1. Purpose of Report**

To present the internal audit report on the governance arrangements and operational procedures and controls within Scapa Flow Museum.

### **2. Recommendations**

The Committee is invited to scrutinise:

#### **2.1.**

The findings contained in the internal audit report, attached as Appendix 1 to this report, relating to the governance and operational procedures and controls operating within Scapa Flow Museum, in order to obtain assurance that action has been taken or agreed where necessary.

### **3. Background**

#### **3.1.**

The Scapa Flow Museum, managed by the Council, opened its doors to the public on 2 July 2022 after undergoing a £4.4 million renovation.

#### **3.2.**

The museum is a key cultural and historical asset, telling the story of Orkney's pivotal role in both world wars and provides a safe home for a major collection of wartime artefacts, both of national and international significance.

#### **3.3.**

The objective of this audit was to review the governance arrangements and operational procedures and controls within Scapa Flow Museum.

### **4. Audit Findings**

#### **4.1.**

The audit provides substantial assurance that there is a robust framework of procedures and controls within Scapa Flow Museum.

## **4.2.**

The internal audit report, attached as Appendix 1 to this report, includes six low priority recommendations regarding policy reviews, cataloguing the collection, security of assets, staff induction and training, community use, and fire evacuation procedures. There are no high or medium priority recommendations made as a result of this audit.

## **4.3.**

The Committee is invited to scrutinise the audit findings to obtain assurance that action has been taken or agreed where necessary.

## **5. Corporate Governance**

This report is presented in order to comply with governance and scrutiny and therefore not for the exclusive purpose of relating to improved outcomes for communities as outlined in the Council Plan or the Local Outcomes Improvement Plan.

## **6. Financial Implications**

There are no financial implications associated directly with the recommendations in this report.

## **7. Legal Aspects**

Complying with recommendations made by the internal auditors helps the Council meet its statutory obligations to secure best value.

## **8. Contact Officer**

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## **9. Appendix**

Appendix 1: Internal Audit Report: Scapa Flow Museum.



## Internal Audit

### Audit Report

### Scapa Flow Museum

Draft issue date: 28 February 2024

Final issue date: 13 March 2024

<b>Distribution list:</b>	<p><b>Corporate Director Education, Leisure and Housing</b></p> <p><b>Head of Community Learning, Leisure and Housing</b></p> <p><b>Service Manager - Leisure and Culture</b></p> <p><b>Team Leader – Culture</b></p> <p><b>Curator (Social History)</b></p> <p><b>Islands Digital Heritage Officer</b></p> <p><b>Visitor Services Officer (Scapa Flow Museum)</b></p>
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## Audit Opinion

Based on our findings in this review we have given the following audit opinion.

### Substantial

The framework of governance, risk management and control were found to be comprehensive and effective.

A key to our audit opinions and level of recommendations is shown at the end of this report.

## Executive Summary

Scapa Flow Museum has recently reopened in July 2022 following an extensive refurbishment. It was shortlisted for Art Fund Museum of the Year in 2023 and has been graded as a four-star attraction by Visit Scotland, reflecting the significance of the Museum.

The audit undertaken provides assurance that many of the controls in place to ensure the smooth operation of the museum are working well and within this report, there are recommendations aimed to help ensure the museum to continue to operate successfully.

There were many positive examples of good practice identified throughout the audit.

- Strong links to the local community school that involve a 'Junior Curator' programme. This supports community ownership and has led to the development of resources to promote children's learning and engagement.
- There have been several visits to the Museum from schools around Orkney and further afield.
- The artefacts on display are labelled clearly and attractively with supporting materials to support understanding of their significance including a guidebook available for visitors to purchase.
- A short-life working group has recently been established to review the outcome of a recent Service-Wide Review of the culture service across the Council, which will help to plan for future promotion of the Museum and gain maximum benefit from this £4.4m renovation.
- Overall, feedback from the public has been positive since reopening.
- Donations and shop sales have exceeded expectations.
- There is a dedicated staff team, both within the Museum as well as the wider Museum service who regularly go above and beyond due to ambitions to make the Museum the best it can be.
- There are good financial management procedures in place.
- Security arrangements for the Museum are robust.
- There has been an upgrade to the digital collections management system.
- There are good procedures in place for reporting maintenance issues and faults with the building.
- There is joint working in place with other settings, supporting collaboration, for example The National Museum of the Royal Navy and locally Stromness Museum, The Pier Arts Centre and Historic Environment Scotland (particularly the Martello Towers).

The report includes 6 recommendations which have arisen from the audit. The number and priority of the recommendations are set out in the table below. The priority headings assist management in assessing the significance of the issues raised.

Responsible officers will be required to update progress on the agreed actions via Pentana Risk.

<b>Total</b>	<b>High</b>	<b>Medium</b>	<b>Low</b>
<b>6</b>	<b>0</b>	<b>0</b>	<b>6</b>

The assistance provided by officers contacted during this audit is gratefully acknowledged.

## Introduction

The Scapa Flow Museum, managed by Orkney Islands Council, opened its doors to the public on 2 July 2022 after undergoing a £4.4 million renovation.

The museum is a key cultural and historical asset, telling the story of Orkney's pivotal role in both world wars and provides a safe home for a major collection of wartime artefacts, both of national and international significance.

The recent refurbishment comprises an extension to the Museum and upgrade of the historic pumphouse. The project was supported by Orkney Islands Council, together with funding from the National Lottery Heritage Fund, Historic Environment Scotland, LEADER, Highlands and Islands Enterprise, Museums Galleries Scotland and the Scottish Government's European Regional Development Fund Programme.

This review was conducted in conformance with the Public Sector Internal Audit Standards

## Audit Scope

The scope of this audit includes a review of the following:

- Review the governance arrangements and performance reporting arrangements.
- The museum is operating in accordance with OIC policies and procedures.
- Staff are suitably trained and the museum is appropriately staffed.
- Asset management (cataloguing policies and procedures in place; regular monitoring; policy on loans to/from other institutions; procedures in place to safeguard items).
- Security – assets are held securely, both on display and in storage.
- Budget planning and monitoring; sufficient insurance cover.
- Customer care (use of customer feedback).
- Building maintenance.
- Collections care - compliance with the Museum Accreditation Guidance (assets appropriately stored and protected).
- Educational and lifelong learning opportunities to the wider community.

The scope originally included a post project review. However, following completion of a post project review by an external consultant, this was removed from the audit scope.

The café is run by an external provider and so is therefore outwith the scope of this audit.

# Audit Findings

## 1.0 Governance, Policies and Procedures

- 1.1 There is a clear governance structure in place to support the running of the museum. There are also strategic plans in place including the Museums Forward Plan 2023-2028 which sets out clearly the priorities and actions required for the service.
- 1.2 There have been several reviews of the setting such as the Service Wide Review and the Scapa Flow Redevelopment Evaluation Report- both conducted by external providers. Further promotion of the museum to gain maximum benefit from the refurbishment project are amongst some of the recommendations made in the external reports and this would also reflect our audit findings.
- 1.3 Promotion and marketing activities were evident ahead of the reopening in 2022 including strong branding created for the Museum and it is important that these continue to sustain high visitor numbers. A short-life working group will be set up to review the external reports and their recommendations which will be beneficial to planning for the future. There are also plans to expand on the Museum's social media and online presence.
- 1.4 Policies and procedures are available to all staff through MyView as well as the OIC Intranet and website. In addition, there are relevant health and safety policies and procedures held on file at the Museum. There are extensive procedures written to ensure that all staff know how to operate different security and safety systems such as the intruder alarm and fire alarm.
- 1.5 In addition, there are risk assessments held on file at the Museum, covering health and safety risks. These are also held electronically on the G-Drive and in an ELH depository (also on the network). Some of the risk assessments were last updated in August 2022 however there are some on file that were written between 2013-2015 and have not been updated since. An updated risk register for the service is in the process of being finalised.
- 1.6 A system of review for policies, procedures and risk assessments should be conducted yearly to ensure that they are up-to-date and accessible to all staff. This should include a review of pest control procedures and risk assessment for the Scapa Flow Museum site following the refurbishment.

### Recommendation 1

## 2.0 Collections Management

- 2.1 There is a detailed care and conservation plan which has recently been updated. This will form part of the evidence submitted to support an application for accreditation which is in progress. The Museum Accreditation Scheme is the UK industry standard for museums and galleries.
- 2.2 As part of daily checks by Museum staff, artefacts are checked at the beginning and end of each day. If Museum staff have any concerns or queries about the condition of items, the Curator (Social History) is notified so that an assessment can be made on the item's condition and a plan can be put in place if required. There are examples of where items have been assessed, advice was subsequently sought by external conservators and conservation plans put in place. Temperature and humidity are monitored through an environment management system which can be accessed remotely, enabling the Curator to ensure these are within the correct ranges.

- 2.3 Prior to the reopening of the museum, all artefacts for display were assessed to determine their condition and any necessary works or cleaning were carried out following Museum Accreditation SPECTRUM standards for collections care. All of the items on display at the Museum have unique identifying accession numbers and are catalogued. Although all items in the Scapa Flow Museum collection were checked recently (2022), normally items in storage are not regularly monitored and cleaned etc. due to staff capacity.
- 2.4 Recently, a new digital collections management system was procured (Axiell Collections) which will be an improvement on the system currently in place (Axiell CALM). The new system will make it easier to track items as well as their condition, current location and manage any loans in or out of the service. The Islands Digital Collections and Heritage Officer is receiving administrator training for the new system and a guide is being created for all other staff who will be using the system.
- 2.5 Although there is evidence to show that systems put in place for the items on display and recent acquisitions are working well, there is however a large backlog of items not yet on display that are waiting to be catalogued. An example of this are items held in Unit L4 on Hoy that are not accessioned to the collection but are awaiting assessment to determine their provenance. The L4 building along with the L6 building (which is in a state of disrepair) are deemed 'at risk' but the Team Leader (Culture) is working on a plan to put them to productive use as they hold historic significance. Staffing resources has been a barrier to clearing the backlog of items awaiting cataloguing.
- 2.6 For insurance purposes, services are responsible for keeping inventories as per the OIC Financial Regulations and a basic list has been provided to the Insurance Officer whilst a more detailed inventory is updated.
- 2.7 Research is supported and all enquiries for this go through the Exhibitions and Education Officer. If a researcher requires access to artefacts, they will be supervised by a curator who has responsibility for the security of the item. As part of supporting research, there is a plan to improve online information available to make collections digitally accessible. A digitisation and documentation post has been funded by the Scottish Government. The Islands Digital Collections and Heritage Officer confirmed plans to digitise the objects on display at the Museum as well as create 3D models to view. This post is temporary until January 2025.
- 2.8 A documentation plan should be developed to detail plans to catalogue the backlog for when there are the resources to do so. This will ensure there is an up-to-date register of all items in the collection, including current location whether on display or in storage. This includes the items being held in L4 which should be assessed and catalogued where appropriate. Once the register has been updated this should be shared with the Insurance Officer to ensure that all items within the collection are adequately covered.

## **Recommendation 2**

### **3.0 Asset Management (Non-Collections)**

- 3.1 There is an inventory of items provided in the café to the café operators. There is an IT Asset Register held by the IT Department and ICT equipment tested is listed there. There is no inventory of non-collection items of value other than IT equipment and these are not marked as belonging to OIC.
- 3.2 The inventory should be extended to include any other non-collection valuable property such as the till etc. Alternatively, as there are no non-collection items worth above £5000 within the Museum, dated photo records can be used as evidence of inventory. Where



practical, valuable and desirable moveable goods should be marked as belonging to OIC. Inventories or asset records should be checked annually or when significant changes have occurred.

### **Recommendation 3**

#### **4.0 Staffing**

- 4.1 The museum is staffed by a Visitor Services Officer and several part-time Visitor Service Assistants. The rotas are designed to ensure adequate cover during opening hours so that staff are available to discuss exhibits with visitors and to enable all public areas to be supervised. As this is not a statutory service, there is no budget for supply staff to cover staff absence.
- 4.2 The Visitor Services Officer inducts new members of staff to the Museum and is in the process of developing an updated induction checklist. There are plans to delegate more day-to-day operational tasks to the Visitor Service Assistants so that these are consistently covered, especially during periods when the Visitor Services Officer is on leave.
- 4.3 There is a schedule for all OIC staff with details on when iLearn training should be completed including Information Security and GDPR. One seasonal member of staff has not completed training on GDPR and Information Security according to iLearn records.
- 4.4 The majority of timesheets reviewed as part of the audit were not completed accurately and were corrected by administration staff before being processed. This has been identified in previous audits of different school establishments and a recommendation has already been made to review the timesheet process within the EL&H Directorate so no recommendation will be made here.
- 4.5 A site-specific staff induction should be developed which should work alongside the HR checklist as well as a daily checklist of required procedures to ensure the smooth and consistent operation of the Museum. A section of the checklist should include indication that the member of staff has been able to undertake the required iLearn training.

### **Recommendation 4**

#### **5.0 Community Links**

- 5.1 Prior to the reopening of the Museum, consultation with the local community was undertaken on events and activities. As an example, the Junior Curators from North Walls school were involved in the official reopening and there is evidence of how consultation with this group has continued, recently leading to a wartime trail leaflet designed with the children, for young visitors to the museum. In addition to consultation of this nature, there are feedback forms available on site and visitors are encouraged to complete these. There is a space on the form where any comments can be added. Consultation with visitors and particularly the local community, schools and other local groups is good practice and we would encourage this to continue to support plans for the future of the Museum.
- 5.2 It is possible for members of the community or community groups to request to hire the Scapa Flow Museum building, or part of it. There have been no such requests as yet and there are no written procedures developed to cover this however it was confirmed that there would be a requirement for the cost of hire to include a member of staff to invigilate, should the people hiring the space have access to exhibitions.

- 5.3 There are shutters in place to secure one of the exhibit entrance doors and the shop, should there be a request to hire only the lobby and café space and the staff office can be locked. This would prevent unauthorised access to these spaces. There is however a fire door which connects the lobby to one of the exhibition rooms which could potentially allow access there.
- 5.4 If there is the possibility of community use of the site outwith opening hours, procedures should be developed including a security review. Rates charged for Scapa Flow Museum should be included in the charging register.

#### **Recommendation 5**

### **6.0 Fire Safety**

- 6.1 As part of the Scapa Flow Museum Emergency Plan 2023-2028, there are weekly fire safety checks undertaken by Museum staff and these are logged. In addition, there are annual fire safety checks carried out by an external provider including servicing of the fire extinguishers. There is new signage which will indicate the assembly point outside. As part of staff induction, fire safety training is included.
- 6.2 There have not yet been any fire drills undertaken and although there are procedures in place for the fire alarm, there are not yet fire safety procedures to instruct staff and visitors on what to do in the event of a fire.
- 6.3 Fire evacuation procedures should be drawn up and communicated with all staff. A fire drill should be conducted at least annually. A fire drill register should be used to record these, and this should be signed by a senior member of staff to confirm that procedures were completed satisfactorily.

#### **Recommendation 6**

## Action Plan

Recommendation	Priority	Management Comments	Responsible Officer	Agreed Completion Date
<p>1 A system of review for policies, procedures and risk assessments should be conducted yearly to ensure that they are up-to-date and accessible to all staff. This should include a review of pest control procedures and risk assessment for the Scapa Flow Museum site following the refurbishment.</p>	Low	<p>To be reviewed by Team Manager Culture, VSO and Curator. To include operational documents, pest management and environmental monitoring.</p>	<p>Team Manager (Culture)</p>	<p>2 April 2024 and annually thereafter.</p>
<p>2 A documentation plan should be developed to detail plans to catalogue the backlog for when there are the resources to do so. This will ensure there is an up-to-date register of all items in the collection, including current location whether on display or in storage. This includes the items being held in L4 which should be assessed and catalogued where appropriate.</p> <p>Once the register has been updated this should be shared with the Insurance Officer to ensure that all items within the collection are adequately covered.</p>	Low	<p>The Documentation Plan will be a long-term strategy for work which will take place across the Service as the collection is a service-wide asset held on multiple sites. This process can begin once the new Collections Management System has been signed off on 31 March 2024, but the Plan will need to run across several years given present very low levels of resourcing. Grant funding will be sought to prioritise and</p>	<p>Team Manager (Culture)</p>	<p>Documentation Plan to be completed by 30 September 2024.</p>

Recommendation	Priority	Management Comments	Responsible Officer	Agreed Completion Date
		increase collections documentation and access work.		
3 The inventory should be extended to include any other non-collection valuable property such as the till etc. Alternatively, as there are no non-collection items worth above £5000 within the Museum, dated photo records can be used as evidence of inventory. Where practical, valuable and desirable moveable goods should be marked as belonging to OIC. Inventories or asset records should be checked annually or when significant changes have occurred.	Low	No comments	Visitor Services Officer	30 April 2024 and reviewed as new assets are added.
4 A site-specific staff induction should be developed which should work alongside the HR checklist as well as a daily checklist of required procedures to ensure the smooth and consistent operation of the Museum. A section of the checklist should include indication that the member of staff has been able to undertake the required ilearn training.	Low	Site specific induction to be in place in time for new seasonal staff staffing for 2024/25 season	Visitor Services Officer	31 May and then repeated annually
5 If there is the possibility of community use of the site outwith opening hours, procedures should be developed including a security review. Rates charged for Scapa Flow Museum should be included in the charging register.	Low	Given that exhibition galleries cannot be fully secured and remain compliant with Fire Safety regulations, charging rate allows for the presence of a staff member at any out of hours events who will be responsible for monitoring the door into the Main Exhibition	Team Manager (Culture)	Complete

Recommendation	Priority	Management Comments	Responsible Officer	Agreed Completion Date
		Space. Rates have been submitted for inclusion into the charging register.		
6 Fire evacuation procedures should be drawn up and communicated with all staff. A fire drill should be conducted at least annually. A fire drill register should be used to record these and this should be signed by a senior member of staff to confirm that procedures were completed satisfactorily.	Low	Evacuation procedures to be drawn up based on the most recent Fire Risk Assessment and incorporated into staff induction as above. Six monthly tests to be carried out, one of which will be when the museum is open to the public.	Team Manager (Culture) and Visitor Services Officer	31 March 2024 and ongoing

## Key to Opinion and Priorities

### Audit Opinion

Opinion	Definition
<b>Substantial</b>	The framework of governance, risk management and control were found to be comprehensive and effective.
<b>Adequate</b>	Some improvements are required to enhance the effectiveness of the framework of governance, risk management and control.
<b>Limited</b>	There are significant weaknesses in the framework of governance, risk management and control such that it could be or become inadequate and ineffective.
<b>Unsatisfactory</b>	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

### Recommendations

Priority	Definition	Action Required
<b>High</b>	Significant weakness in governance, risk management and control that if unresolved exposes the organisation to an unacceptable level of residual risk.	Remedial action must be taken urgently and within an agreed timescale.
<b>Medium</b>	Weakness in governance, risk management and control that if unresolved exposes the organisation to a significant level of residual risk.	Remedial action should be taken at the earliest opportunity and within an agreed timescale.
<b>Low</b>	Scope for improvement in governance, risk management and control.	Remedial action should be prioritised and undertaken within an agreed timescale.