



**Internal Audit Report –  
MUSEUM 2005-06**



**Final Report**

**To:** Executive Manager, Environmental & Cultural Service

**For information:** Chief Executive  
Executive Manager, Human Resources  
Executive Manager, Corporate Governance  
Executive Manager, Finance and Asset Strategy  
Curator

**1. Introduction**

An audit of the Museum has been carried out as part of the 2005-06 audit plan. Detailed tests have been carried out on the systems of control and the management of risk within this area.

**2. Findings and recommendations**

The detailed findings and recommendations are set out in the attached appendices. A management action plan and satisfaction survey are attached. Could you please arrange for the completion of the management action plan by Friday, 07 April 2006. Electronic versions can be mailed to you if you require copies.

**3. Conclusions**

No significant problems were identified during the above tests. Although effective controls are in place to support the administration of the Museum service, there are areas in which they are still not always consistently or effectively being applied and the reliance on volunteers to continue to provide the current level of service to the community has also given rise to concerns over the health and safety of both volunteers and visitors. Recommendations to address these matters and relating to the recording of education income and the museum web-site have been made.

Simon Martin  
Audit Partnership Manager  
10 March 2006

## MUSEUM 2005-06

### 1.1 AREAS COVERED DURING THE AUDIT

The key areas of possible risk identified at the planning stage of the audit were as follows:

- a) Income received is not promptly or accurately recorded;
- b) Income due/collected may not be promptly or accurately banked;
- c) Invoices are not prepared or sent in a timely manner;
- d) Expenditure may not be accounted for properly, official orders not raised for purchases or purchase invoices not match to orders and certified by an authorised signatory;
- e) Inappropriate levels of stock or inappropriate goods or services purchased;
- f) Non-segregation of duties, unauthorised staff have access to cash receipts and related records or insufficient background checks on staff;
- g) Inadequate security measures in place for staff, revenue, stock and premises;
- h) Reconciliations of bankings to expected income not carried out;
- i) Budget monitoring not carried out;
- j) Non-compliance with Financial Regulations;
- k) Council's reputation is damaged because information provided is inaccurate or out of date;
- l) Failure of or inadequate IT system.

The methodology stated in the terms of reference document was used to establish and test the controls that management have in place for mitigating or reducing the above risks to an acceptable level.

### 1.2 OVERALL AUDIT OPINION

**Although effective controls are in place to support the administration of the Museum service, there are areas such as income recording and cash handling in which they are still not always consistently or effectively being applied. Recommendations to address these matters and recommendations relating to the Health and Safety of staff, volunteers and visitors and the museum web-site have been made.**

## 2002/03 AUDIT

### 1.3 PREVIOUS RECOMMENDATIONS

The last audit of the Museum was carried out in July / August 2002 and the report included two recommendations. These were followed-up as part of this year's audit.

- That volunteers be reminded of the need for accuracy and completeness when recording entrance ticket and shop sales.  
*Although this recommendation was implemented, testing during this audit has highlighted continuing concerns over the accuracy and completeness of the recording of ticket and shop sales by volunteers. These and further concerns over the systems used for the recording of ticket and shop sales are addressed in paragraph 1.7 below.*
- That the security company collect money at the Museum.  
*This recommendation has not been implemented, income collected at the Museum continues to be paid weekly into the bank by a member of staff, rather than collected by the security company, cost of using the collection service being the over-riding concern. We continue to have concerns, however, over the Health & Safety of the staff who carrying out these bankings. In light of this and with the current UDC security collection contract under review, we propose that this recommendation is amended **to recommend that** a Health & Safety Risk Assessment on bankings by staff members is carried out and that specific procedures to cover this are drawn up. **We further recommend that** a review of the situation regarding collection by a security firm is undertaken once costs under a new contract have been identified.*

## 2005/06 AUDIT

### 1.4 GENERAL COMMENTS

The Saffron Walden Museum is currently embarking on a period of major changes. Fundraising for the proposed Heritage Quest Centre project is under way, the Museum Service Marketing Strategy was presented to Members in September 2005 and the Museum has appointed an Income Generation consultant who is due to report on all aspects of short and long-term income generation by the Museum by 31 March 2006. In light of this, it was agreed the main focus of this audit would be on the controls in place within the Museum's accounting systems.

We are very aware of the vital contribution made by the thirty or so volunteers to the day to day running of the Museum without whose support the museum would not be able to provide the excellent service it does to the community. However, this heavy reliance on volunteers has itself given rise to a number of concerns; recommendations to address these have been made in paragraphs 1.5 to 1.7 below.

### 1.5 POLICY AND GUIDELINES FOR THE INVOLVEMENT OF VOLUNTEERS

Discussions with both Museum and Human Resources staff have confirmed that there is no UDC Policy on the Use of Volunteers or UDC Child Protection Policy. Human Resources have confirmed that there are no guidelines produced for staff dealing with volunteers. **We therefore**

**recommend** that consideration be given to raising the issue of the present lack of a UDC Volunteer Policy and of a UDC Child Protection Policy for discussion at EMT level.

The vast majority of Museum volunteers have worked there for many years, consequently references have never been sought for them and, although a programme of CRB checks on all UDC staff at the Museum was undertaken, this did not include the volunteers working there. Museum staff are careful to ensure that volunteers are not left alone with children or vulnerable adults. While the risk to child and vulnerable adult visitors the Museum is considered to be very low, it is very important, both to these visitors and to the reputation of the Council, that the Council is seen to have taken all reasonable steps to protect customers who come into contact with any volunteer used by the Council. **We therefore recommend** that Museum staff and other staff within UDC who are involved with volunteers, liaise with HR to ensure that guidelines for the involvement of volunteers are drawn up as soon as possible. These guidelines should include recruitment, code of conduct and details of the circumstances in which certain levels of checks e.g. CRB, references, self-declaration statements etc. will be required for volunteers.

## 1.6 HEALTH & SAFETY OF VOLUNTEERS

There is a rota of about thirty volunteers who staff the front desk / shop, selling tickets, souvenirs etc. During the audit it was established that there is no formal record / register of the volunteers involved. **We therefore recommend** that a formal register of all volunteers is maintained which includes name, address, telephone number, date of birth, any relevant medical conditions and an emergency contact number.

Testing has identified that although up to date procedures for all aspects of Health & Safety are maintained at the Museum, volunteers are unlikely to be aware of them and that there are no specific written guidelines or procedures for the volunteers who staff the desk / shop. **We therefore recommend** that H&S procedures / guidelines specific to volunteers are drawn up and that a copy is given to each volunteer and that these procedures should include action to be taken by volunteers in the event of a fire or evacuation. A further copy of these procedures / guidelines should be kept in the 'Information for Volunteers' kept at the front desk.

## 1.7 RECORDING OF SHOP & TICKET SALES

Previous audits have identified problems with the system of record keeping and reconciliations of shop and ticket income. Past audit recommendations have included the implementation of electronic cash till for the recording and reporting of shop and ticket sales and secondary recommendations relying on its implementation. There is a continuing reluctance on the part of the Visiting Services Officer to introduce the use of a till for the recording of shop and ticket sales as she feels that any benefit of using a till would be outweighed by the amount of time required to initially train staff and volunteers in its operation and in perceived problems associated with its use.

While we accept that the introduction of a till cannot be achieved without the co-operation of all Museum staff, we have major concerns over the current system in use. At present there remains in place a complicated, time consuming, inaccurate and incomplete systems for recording sales and for calculating the daily VAT / non-VAT shop sales split. This inability to accurately and promptly account for and record shop and ticket receipts is further compounded by the lack of a basic cashing-up system and corresponding procedures.

**We therefore reiterate the recommendation** that volunteers be reminded of the need for accuracy and completeness when recording entrance ticket and shop **and further recommend** the introduction of a basic cashing-up system which includes a dated daily cash receipts form for volunteers to fill in and a standard form of bag / envelope is used for storage of each days cash receipts and that these procedures are documented. **We also recommend that** clear records are maintained of the reconciliations of expected income to actual cash received and cash received to bankings carried out.

## 1.8 EDUCATION INCOME

The Education Officer issues invoices to school for visits either using the combined booking form / invoice or, if payment is not made on the day of the visit, the Education Officer will issue a hand written reminder requesting payment. On receipt of payment the booking form / invoice should be noted with type and amount of payment and date of banking. Testing during the audit has identified that that the booking form / invoice is not always noted when payment has been received, that neither the original booking form / invoice nor the reminder have any identifying reference number, that no copy of any reminder is kept.

The current system for identifying overdue payments relies on reference to at least three different sources of information, the use of a listing or register of invoices issued or payments received would show the current status of each booking / invoice, allow immediate identification of any outstanding payment and also enable other staff to answer queries in this area in the absence of the Education Officer. **We therefore recommend** that a register of bookings / invoices / payments / bankings is kept to provide complete audit trail of education income **and further recommend** that a copy is retained of any reminder requesting payment issued.

## 1.9 WEB-SITE

Examination of the Museum web-site has identified that some of the pages provide incomplete and/or out of date information to the public. **We therefore recommend** that staff with responsibility for web pages should check to ensure that current pages are complete and accurate and take appropriate remedial action if necessary.

Sheila Bronson  
February 2006

**Management Action Plan For: - Museum 2005-06**

Appendix / Para	Recommendation	Significance * Low ** Med *** High	Agreed / Not agreed	Officer Responsible	Officer Comments	Implementation date
1.3	A Health & Safety Risk Assessment on bankings of income by staff members is carried out and that specific procedures to cover this are drawn up.	**				
1.3	A review of the situation regarding collection of income by a security firm is undertaken once costs under a new contract have been identified.	**				
1.5	Consideration be given to raising the issue of the present lack of a UDC Volunteer Policy and of a UDC Child Protection Policy for discussion at EMT level.	**				
1.5	Museum staff and other staff within UDC who are involved with volunteers, liaise with HR to ensure that guidelines for the involvement of volunteers are drawn up as soon as possible. These guidelines should included recruitment, code of conduct and details of the circumstances in which certain levels of checks e.g. CRB, references, self-declaration statements etc. will be required for volunteers.	***				
1.6	A formal register of all volunteers is maintained which includes name, address, telephone number, date of birth, any relevant medical conditions and an emergency contact number.	**				

1.6	H&S procedures / guidelines specific to volunteers are drawn up and that a copy is given to each volunteer and that these procedures should include action to be taken by volunteers in the event of a fire or evacuation. A further copy of these procedures / guidelines should be kept in the 'Information for Volunteers' kept at the front desk	***				
1.7	Reiteration of the recommendation that volunteers be reminded of the need for accuracy and completeness when recording entrance ticket and shop and further recommend the introduction of a basic cashing-up system which includes a dated daily cash receipts form for volunteers to fill in and a standard form of bag / envelope is used for storage of each days cash receipts and that these procedures are documented.	**				
1.7	Clear records are maintained of the reconciliations of expected income to actual cash received and cash received to bankings carried out.	**				
1.8	A register of bookings / invoices / payments / bankings is kept to provide complete audit trail of education income and further recommend that a copy is retained of any reminder requesting payment issued.	**				
1.9	Staff with responsibility for web pages should check to ensure that current pages are complete and accurate and take appropriate remedial action if necessary.	*				



Signed \_\_\_\_\_ (Executive Manager) Date \_\_\_\_\_