ARCS 2015 Conference Session Review

Risky Business: Three Approaches to Assessing Risk in Collections Practices

Presenters:
Eileen Johnson, Museum of Texas Tech University
Andrea Gardner, Toledo Museum of Art
Rachel Vargas, Broad Art Museum, University of Michigan

Review Submitted by:
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It was my hope that when I attended "Risky Business: Three Approaches to Assessing Risk in Collections Practices" on Saturday that I would gain a better understanding of how to assist museums across the state of Utah with their own risk management practices and learn innovative ways to implement inventory management and coordinating with potential audits for collections. In my capacity as Museum Specialist, I coordinate the "Preservation Assessment Program" for the state modeled and based on Heritage Preservation's Conservation Assessment Program (CAP). One of the sections of the Preservation Assessment focuses exclusively on collections policies and procedures; inventory management and collections policies are reviewed for thoroughness and suggestions are made to the host museum regarding improvements on policies. Many of Utah's museums face issues with location/object management and require assistance in training to get them closer to best practices. The information shared in this session was invaluable to me as a trainer/consultant and will be invaluable to the museums that I am able to pass this along to.

The first example presented during the session was on risk management from the perspective of a university museum. Eileen Johnson discussed that while although they felt unprepared for an audit by the University, the Museum embraced it as an opportunity to evaluate and improve their procedures. It also presented an opportunity to be in the good graces of the university system, which I thought was an added bonus.

Texas Tech University audits through a risk-matrix system and intended to not look at the audit of objects, which is typical of a university audit, but rather the university was interested in conducting an audit of the collections policies for the museum. Risk Management focused on three areas for the audit: inventorying, loans, and insurance. Risks found with inventory included: verifying the type and frequency of the inventory, inventories being down on paper rather than electronically, inventory not being coordinated with the Registrar, and inventories not being conducted by an independent, outside group. Risks associated with loans included: state loan procedures not being followed adequately, issues with outgoing loans, and load being extended past the state loan period without renewal. Risks associated with insurance included outgoing loans not having verified insurance or a COI on file and the valuations weren't always listed on the loan forms.

The most interesting aspect of university museum audits is that they are conducted by auditors unrelated to the museum and typically use individuals who have never worked in a museum setting in the past. Eileen discussed how she was able to resolve some of the collections policy issues by working in tandem with the auditors to explain how museums function and what suggestions would and wouldn't work. As a result, the following resolutions were established: division curators completed inventory forms, an additional supplemental division policy and procedures will be established, electronic inventories will be used, but now dates and names will also be recorded, and divisions with less than 10,000 objects must print out there inventories for a paper-backed inventory. Resolutions for loans amounted to curators working more closely with registrars to coordinate loan paperwork in addition to registrars following up on old loans. Resolutions for insurance included the museum covering in full objects that go out on loan and the registrar works more closely with the curator on outgoing loans to better management movement. The University has stipulated that they have final say on all outgoing loans, which the museum is rightly contesting.

Andrea Gardner from the Toledo Museum of Art discussed how her museum utilized "Enterprise Risk Management," (ERM) a framework for assessing risk across the organization by taking a holistic approach to analyzing risk to the organization. Enterprise risk management includes evaluating external factors such and the environment, political landscape, and other outside factors that could affect what sort of risk one's museum faces. What was most appealing about the Enterprise Risk Management model was that it was implemented across the organization, as opposed solely with the collections team or registrar. By including the Associate Director, Registrar, Director of Protective Services, and Director of Media Relations, the risk assessment performed included buy-in at the top levels of administration allowing for whatever risks identified to be resolved or a plan for resolve collectively.

One of the first tools utilized during the risk assessment included creating a "heat map" of all the most significant risks that could potentially affect the museum; the heat map is reminiscent of a SWOT analysis for a organization. Andrea presented examples such as repatriation; repatriation was deemed a "high likelihood, moderate level" based on the history of repatriation at the Toledo Museum of Art. As a result of the ERM, the museum will update their acquisition policy and procedure and identified a need for a researcher to do provenance research. One of the collection sections that the risk assessment focused on was the collections management policy; Andrea and the team chose projects based on the severity of the risk that was posed to the collection. Because of the holistic approach of the Enterprise risk assessment, the museum will review the plan quarterly and make adjustments to how they approach risk in the topic areas as needed.

The final presenter, Rachel Vargas, discussed the audit process for the Broad Art Museum at the University of Michigan. Again, we were presented with the auditing processes from the university perspective that experiences a unique relationship with its governing umbrella organization. Rachel touched on reasons why a university would trigger an audit of a museum but focused on her experiences with leadership changeover. As a result of her most recent audit, the following issues were earmarked: does the museum have full inventory for each object, accessioned or otherwise, who has access to storage facilities, are staff selling any portion of the collection and does the museum have a capitol asset inventory. The university auditors were most interested in incoming and outgoing loans-who signs for them and if the museum only lends to accredited institutions. Like the University of Texas' museum, the Broad Art Museum was asked to have university administration sign all loan agreements, despite the enormous work load it presented to them. Additionally, any contracts were to be signed by university administration and all outgoing loan and COI were to be bumped up for review. Like other university art museums, anything over $5,000 was considered a capitol asset and thus up for review by university auditors.

Again, differences between what auditors and museum registrars consider liabilities were apparent in this exchange. Auditors found it problematic that the Registrar, Rachel, was the only person with institutional knowledge about the collections, database, files, and storage locations. Additionally, the auditors took the museum to task for not having close oversight of the non-display equipment and preparator's tools. As a result, Rachel was asked to pick someone at the museum that she could cross-train in areas of registration to solve the "if-I-were-hit-by-a-bus" syndrome.

As someone who consults museums throughout Utah on collections care and best practices, it was enormously helpful to hear from museums that manage audits and have to justify their workflow to their parent organization. I particularly enjoyed the presentation from Andrea at the Toledo Museum of Art utilizing corporate practices of assessing risk in their own organization. Municipal-run museums were missing from the panel, although I imagine the risk assessment process is incredibly similar to those at the university museum.