

**FROM:** Audit and Risk Manager                      **SUBJECT:** Royal Pump Rooms  
(including Art Gallery)

**TO:** Head of Place, Arts and Economy            **DATE:** 29 March 2023

**C.C.** Chief Executive  
Director for Climate Change  
Head of Finance  
Arts Manager  
Portfolio Holder (Cllr Bartlett)

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## 1 Introduction

- 1.1 In accordance with the Audit Plan for 2022/23, an examination of the above subject area has recently been completed by Emma Walker, Internal Auditor, and this report presents the findings and conclusions for information and, where appropriate, action.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.

## 2 Background

- 2.1 The Royal Pump Rooms (RPR) comprise Leamington Spa Art Gallery and Museum (AG&M), the Visitor Information Centre (VIC) including the box office for the Royal Spa Centre, the Assembly Rooms, café, and library.
- 2.2 The various staff that work in the Pump Rooms, also cover the AG&M, VIC, Town Hall, and Royal Spa Centre (RSC).
- 2.3 At present, the total running costs of the Pump Rooms amounts to £1,030,700 for 2022/23.

## 3 Objectives of the Audit and Coverage of Risks

- 3.1 The management and financial controls in place have been assessed to provide assurance that the risks are being managed effectively. It should be noted that the risks stated in the report do not represent audit findings in themselves, but rather express the potential for a particular risk to occur. The findings detailed in each section following the stated risk confirm whether the risk is being controlled appropriately or whether there have been issues identified that need to be addressed.
- 3.2 In terms of scope, the audit covered the following risks:
1. Inaccurate recharging of costs.

2. Premises and collections insufficiently insured.
3. Loss of external grant funding.
4. Budget inappropriately monitored.
5. Theft/loss of takings.
6. Stock inappropriately monitored.
7. No monitoring of casual staff hours.
8. Failure of contracts at the Pump Rooms.
9. Lack of management of tenants/leaseholders (café and library).
10. Theft or damage to the exhibits/collections.
11. Inappropriate displays.
12. Premises insufficiently managed.
13. Loss of suppliers to shop.
14. Inappropriate sale of 'donated' items to the collection.
15. Goods and services improperly procured.
16. Security of the building/unauthorised access to buildings.
17. Safety of staff and customers.
18. Lack of staff to cover the venue.
19. Failure of collections monitoring system/room-booking system.
20. Flooding/leaks in the Pump Rooms causing water damage.

3.3 A 'risk-based audit' approach has been adopted, whereby key risks have been identified during discussions between the Internal Auditor and key departmental staff. The Place, Arts and Economy Risk Register has also been reviewed.

3.4 These risks, if realised, would be detrimental to the creative economy of the District. The Council is responsible for the development of new and existing partnerships with artists, organisations, and key funding bodies. It also ensures that there are opportunities for both visitors and residents to engage and participate in the Arts.

## 4 Findings

### 4.1 Recommendations from Previous Reports

4.1.1 The current position in respect of the recommendations from the audit reported in February 2019 was reviewed. The current position is as follows:

Recommendation	Management Response	Current Status
Invoices should be set up on the system (TOTAL) correctly to enable budget managers to account for them when budget forecasting. Staff should be trained on how to set up annual orders (for invoices paid in instalments).	Training on TOTAL and the correct procedures for annual orders will be given to all appropriate Collections & Engagement staff.	This recommendation is now out of date; however, the Collections & Engagement team have been trained on the new finance management system, Ci Anywhere. Purchase orders and invoices are regularly raised by staff.

Recommendation	Management Response	Current Status
A key signing-in/out procedure should be adopted for the safe keys. The security of storage for the safe key should be reviewed.	A signing in/out procedure will be implemented, and the storage of keys will be reviewed.	The signing out sheet is attached to the front of the key box. It lists the staff name, keys taken and date and time in/out. There is a key box in the Art Gallery office which holds the keys for locked doors and safes. There is also a key safe in the VIC office which holds the keys for the cash bags and float.

## 4.2 Financial Risks

### 4.2.1 Risk: Inaccurate recharging of costs.

All creditor invoices tested by the auditor corroborated with their relevant purchase orders. All debtor invoices that were tested correctly named the debtor, invoice number and service provided; however, seven of the twelve samples did not provide the date in which the service was provided. Two invoices were raised within one month after the service was provided. One invoice was raised within two months and another within six months. Only six debtors paid ahead of the due date.

**Recommendation - Officers should include the date that a service has been provided on all invoices.**

**Advisory – Consideration should be given to reminding debtors to pay in a timely manner.**

Fees and charges are advertised on the RPR website. These fees include the hiring of the Assembly Rooms, the Conservatory, the craft studio, and the AG&M. The Fees & Charges for 2022/23 were agreed by Cabinet on 4 November 2021. During testing it was found that, in thirteen of the twenty invoices sampled relating to room hire, there were no details of the hire stated on the invoice; this is therefore not an accurate reflection of the services provided.

**Advisory – Consideration should be given to highlighting the rooms hired on all RPR invoices.**

### 4.2.2 Risk: Premises and collections insufficiently insured.

The Insurance and Risk Officer confirmed that the building is insured for £24,528,200 and that the collection is insured for £8,719,428 of which £7,587,023 relates to the art collection. There has only been one claim for damage to a loan since September 2021, wherein a glass frame was broken which resulted in minor damage to the artwork. Damage caused by flooding is

also insured and specialist cover for the collection includes damage caused by issues with the humidity control system.

#### 4.2.3 **Risk: Loss of external grant funding.**

The Arts Manager (AM) advised that the museum rarely applies for external grant funding. There are usually restrictions in place set by the grant providers.

The Arts Grants Programme is used by the Arts service to influence arts organisations, enable projects that would otherwise not occur, lever further investment, and nudge cultural activity towards meeting the aims of the Creative Framework. Warwick District Council's (WDC's) Creative Partner grant scheme recognises cultural organisations based within the district that make a significant contribution to the strategic goals of the creative sector. Organisations receive £2,500 annually for a period of three years.

WDC's Ignite Grants support the development and growth of arts organisations or freelancers based within Warwick District. Grants are between £500 and £5,000. This is development-based funding intended to help 'ignite' potential, increase resilience, or develop an organisation. Ignite Grants are aimed at new and emerging organisations, freelance creatives, or groups that wish to test innovative ideas. The fund is intended as a steppingstone towards being considered as a Creative Partner of the Council in the future.

Arts Project Grants are aimed at supporting community groups or smaller organisations who want to deliver a one-off cultural project. Grants are awarded for project revenue funding of between £500 and £2,000. Business cases are reviewed twice a year before each funding round, by the Arts Grants Steering Group to ensure that the grant scheme remains fit for purpose. Grant applications are assessed by the Steering Group within fifteen working days after the application closing date. The Arts Officer continues to monitor the performance of grant recipients to ensure that grant conditions are met, and that any potential issues are flagged. The service maintains a grants register in order to monitor these applications.

The grants budget for 2022/23 is £27,600; this has seen a slight increase from £27,100 in 2021/22 due to inflation. £10,000 is put towards Creative Partnership grants, £10,000 for Ignite Grants and £7,600 for Arts Projects.

All samples tested by the auditor stated the recipient, grant amount, reason for the grant, date awarded, and the funding period on the grant information form. All samples had been reconciled to the general ledger on Ci Anywhere. However, only 90% of these appeared on the grant payment register; eight of the eleven grants had signed agreements on file.

**Advisory – Consideration should be given to reminding staff to maintain a record of all signed grant agreements and monitor grant payments on the grant payment reports, where relevant.**

#### 4.2.4 **Risk: Budget inappropriately monitored.**

Income for the AG&M is obtained through external funding, events, workshops, and school bookings. Income for the VIC and RPR comes from the sale of stock, box office sales and ticket sales for local events and theatres.

Till receipts for the VIC are stored for three months in a locked cabinet; hard copies of credit card information are shredded after one month. At the end of each shift the tills are reconciled by the relevant staff member. Till receipts and Z report readings are kept in envelopes in a locked cabinet. There are two separate bank books for takings: one for the box office and one for the VIC. Any discrepancies in the banking sheets are explained and verified before being sent to the nominated accountant.

All takings across the thirteen months reconciled to the relevant Ci Anywhere budget code; however, the income summaries for both December 2022 and January 2023 did not match the weekly banking sheets. This was discussed with the Sales and Information Supervisor (SIS), who confirmed that the numbers had been incorrectly entered onto the taking's spreadsheets. This was rectified during the audit and the nominated accountant was notified.

#### **Advisory – Consideration should be given to ensuring that weekly banking sheets are checked for any inaccuracies.**

There are numerous budgets in place for the RPR including Catering, Strategic Arts, Grants, Partnerships (i.e., schools and museums), Arts Development, Exhibitions, Events, Assembly Rooms, and Pump Room Management. During 2022/23 there was a slight overspend on the Catering Contract of £155. However, the expenditure for the VIC, RPR and Strategic Arts were all well within the allocated budget. During 2021/22, there was an overspend of £6,483 on the Catering Contract and £9021 on the Strategic Arts budget; however, expenditure against the Pump Rooms was well within budget. Overall, there has been an increase in expenditure across several areas compared to 2021/22, including wages, gas, water rates, insurance, and professional subscriptions, but this is to be expected.

#### 4.2.5 **Risk: Theft/loss of takings.**

Keys to the banking safe and till receipts are kept in a locked key safe. All takings are counted and placed into bags for both the box office and the shop. A spot check of the £50 VIC float was conducted by the auditor which was found to be correct. The VIC safes are kept in an office which is accessible by keypad entry only. G4S collect the cash to be banked every Tuesday. All receipts for this are kept in the VIC office and these are then reconciled with the figures for year end. It is uncertain as to what will happen to these receipts when WDC vacate Riverside House, as archive space will be severely diminished. There is no segregation of duties in place as it is currently just the SIS and two-part time staff who deal with cashing up.

#### 4.2.6 **Risk: Stock inappropriately monitored.**

The SIS manages the purchases for the VIC. There is currently no method of checking when stock is running low through the till; however, stock mainly consists of greetings cards. All stock-related invoices are stored on Ci Anywhere. Should substandard stock arrive, faulty products are returned to the supplier and a replacement is sent free of charge. There are currently nineteen local artists supplying artwork to the VIC. Artists are paid through PayPal on purchase cards which is then recorded through the general journal on Ci Anywhere. The SIS will only pay invoices upon acceptance of a goods receipt. All stock supplies tested by the auditor received a goods receipt; invoices were only paid after the goods receipts had been supplied. The invoices were, however, paid past the due date.

Formal stock checks should ideally be completed on a monthly basis; however, these often take place every three months, depending on the availability of staff. The information from stocktakes has to be input onto the system at the RSC; all outstanding stock checks are completed by year end. There is no holding stock stored at the RPR and, to avoid any surplus, the SIS will not re-order any new stock until year end. The SIS orders and checks the stock deliveries for the VIC by comparing the order with the delivery note and then confirms the quantities received and their prices. There are no perishables sold and thus there is no need for stock rotation. Older stock or stock that does not sell is reduced to clear but never below cost price.

#### 4.2.7 **Risk: No monitoring of casual staff hours.**

The various sections within the RPR and AG&M all have their own pool of casual staff. The Collections & Engagement Managers (CEM) are responsible for the Collections, Learning & Engagement staff. Projected hours are logged onto a spreadsheet and then compared to actual hours worked. The CEM then checks whether the actual hours substantiate the hours projected. These are then matched to I-Trent and staff claims are authorised accordingly.

The customer service staff also work on a rota basis; the Customer Services Manager (CSM) is responsible for this team. VIC staff work on a fixed hours rota system where annual leave and overtime are monitored through timesheets and holiday cards. Casual staff claim their hours through the same means in which overtime and expenses are claimed. All permanent Gallery staff have set working hours.

Ten of the twenty casual staff hours sampled had pay slips that reflected the number of hours claimed. Five of the sample had not yet submitted their claim through I-Trent and one from the sample claimed hours after the cut-off date. One member of staff was being paid full time hours as they had taken on the role of Duty Manager (DM). Two from the sample had not submitted eight hour and six-hour claims respectively; however, they had correctly received payment for all previous claims. One of the sample had not had the payment authorised because the member of staff in question claimed the hours under the incorrect date. One staff member only claimed five hours instead of five and a half but also got paid for seven hours which were not recorded on the rota.

**Advisory – Consideration should be given to reminding casual staff to submit hour claims in a timely manner. Consideration should also be given to reminding Managers to check that casual hours claimed match the rota; any deviances from this should be recorded.**

#### 4.3 **Legal and Regulatory Risks**

##### 4.3.1 **Risk: Failure of contracts at the Pump Rooms.**

The RPR contracts mainly comprise external exhibitions and events; these contracts are drawn up by the Collections & Engagement team.

Agreements between grantees are also made with regards to grant funding. These outline the responsibilities of the recipient (in which it is stated that the grantee must meet regularly with WDC to monitor their performance). Should any part of the grant remain unspent at the end of the funding period, the recipient shall ensure that any unspent monies are returned to WDC. The recipient is also expected not to spend any part of the grant on the delivery of the funded activity after the funding period.

Events contracts set out the fees and expenses for which the artist must be reimbursed. These also outline the facilities to be provided by the Gallery as well as the obligations of the artist and copyright legislation. Artists must also be subject to DBS checks where applicable.

Exhibition contracts are made between the AG&M and the artist; these outline the exhibition venue, dates, the collection, delivery, installation and dismantling of artwork. These also highlight where work can be sold on an artist's behalf, how the gallery will care for the works whilst on display, how the works will be presented and any reproduction rights. It should be noted that these contracts are being re-arranged to bring them in line with those used by the RSC.

##### 4.3.2 **Risk: Lack of management of tenants/leaseholders (café and library).**

The RPR have two sitting tenants: the café which is leased by The Larder at 23 Portland Ltd and the library, of which Warwickshire County Council (WCC) pays peppercorn rent.

The Café lease signed on 1 June 2020 is not due to expire until 31 May 2025. This outlines the café boundaries and other requirements such as opening hours and food hygiene laws. The library lease was signed on 7 October 2002. This states that WDC are responsible for repairs, fixtures and fittings, maintenance, insurance, and water/energy etc., providing that WCC pays the rent as demanded.

The Technical and Facilities Manager and Facilities Supervisor chair a quarterly joint operators meeting, in which day-to-day operational matters are discussed. The Business Administration Officer administers the utilities recharges for the café and library on a quarterly basis.

The in-house Arts teams have regular meetings to discuss performance. This includes acquisition meetings to discuss various items in the collection and exhibition planning meetings, including forthcoming exhibitions, programmed displays, gallery hangs and potential future events. The Collections & Engagements team also hold weekly operational team meetings in which service updates, and updates to the collections or exhibitions are also discussed.

#### 4.4 **Reputational Risks**

##### 4.4.1 **Risk: Theft or Damage to the exhibits/collections.**

Inventories are kept of all items; the Modes Database gives a location of every item, whether in store, on loan or on display. There is also an Accession Register of art items/museum items and museum slips. All items are logged on the catalogue database, including any limitations in place for items purchased with grant funds. The museum currently houses almost 14,000 objects.

A walkthrough of the Modes database was conducted by the auditor; the database states where an item has been inherited or received as a gift/donation. Historic items transferred to other places are maintained on the database for record purposes but are removed from the main catalogue. Modes also details the object's current location as well all other previously known locations. This ensures that should an item go missing, it can be traced back to its last known location.

Within the database is also the object description, size, condition, material history and a list of any publications or exhibitions in which it has featured. The object acquisition outlines whether it is a gift (donation), purchase or transfer. Modes also gives recent and previous valuation history and an audit trail of who has updated the records. Most items have been photographed or scanned onto the database. Where a copyright subsists, this notifies the user that permission must be obtained in order to reproduce the image. The database adheres to Spectrum, the UK collection management standard for cataloguing.

Paperwork relating to collections are kept in blue folders in a lockable room. This includes GDPR information and museum records of previous exhibitions/marketing. Equipment lists are maintained around the building. All items in storage are marked; blue stickers relate to items that have been photographed and scanned onto Modes. Green stickers indicate when the items were last packed by volunteers; repackaging takes place regularly to maximise preservation.

The collections rota allows staff to see when certain tasks were last completed. The CEM is also looking into digitising the pest management aspect of conservation. Any issues arising from environmental checks are discussed at weekly meetings; front-of-house staff also record these in daily reports. The daily report is also the forum through which casual staff hours, temperature and humidity readings and customer feedback is noted. Any details pertaining to the VIC, AG&M, box office, foyer, library, or café are also recorded via this method.



The cleaning procedure i.e., the dusting of items and frames, is a regular part of the collections management process. Whenever an art or ceramic store is cleaned, this is logged on the system. The temperature and humidity are monitored in the three storerooms as well as the main gallery and temporary exhibition gallery. The auditor observed staff removing a piece of artwork from the gallery; all staff were wearing appropriate clothing. There were also temporary storage areas where items had been moved to prevent damage from roof leaks.

Control checks have to be within a certain range (45-65 for humidity and under 21 degrees for temperature). These are checked every day on report sheets by the curators. The temperature in the arts store was recorded at 20.2 and the humidity at 37 by the auditor; the temperature was at 21.10 in the exhibition gallery and humidity was at 36.1. The art store has its own control environment as does the ceramic store. The DM and curators check the thermometers throughout the gallery on a daily basis. Pieces are packed into polythene bags in the art quarantine area, to prevent insect damage. Art is also securely packed into wooden crates when it is due to be shipped elsewhere.

#### 4.4.2 **Risk: Inappropriate displays.**

Any items received by the AG&M have to be signed into the Accession Register. Any artwork transfers to museums or loans of objects are recorded in entry forms. Loan entry forms are pre-printed and kept in a paper safe in the art store.

The service maintains a spreadsheet of donations received from the Friends of Leamington Art Gallery. Pieces on loan also receive an incoming and outgoing receipt to acknowledge that the borrower/lender has received the object. All loans into the gallery are recorded on a register. This provides a description of the piece and outlines the date that the piece was received, the agreed date of return and its location. This was found to be up to date during the audit and all pieces had been returned within five days of the agreed return date.

The Collections Documentation Policy outlines the procedures that must be adhered to regarding loans. Loans and identifications that are not collected/ returned after a period of no less than three months from the end of the agreed loan period will be disposed of in accordance with the procedures set out in the Collections Development Policy and after seeking appropriate legal advice. Loans in may be accepted for exhibition or display, photography or publication and research. Loans in will be accepted for a minimum of one week and a maximum of five years. Requests for loans out will be considered provided that the object(s) are in a suitable condition and are not required for display or other use by the AG&M. Objects may be loaned to other Accredited museums; other organisations and venues will be considered, providing that they meet the necessary standards for the care of the object. Objects may also be loaned for exhibition tours and conservators as and when necessary for work to be carried out. Loans out can be for up to five years, after which they may be considered for renewal, if appropriate.

Applications for loans should be submitted not less than three months before the date for which the loan is requested (or as agreed in writing with the AM). All loans can only be signed off by the AM, CEM or curator. All loans sampled by the auditor, had the loan date, and return date appropriately recorded and a signed agreement held on file. These contained a description of the item on loan, the value of the item and details of both the recipient and the lender.

There is a documentation procedural manual in place for the gallery dated 2021-2026. This lists all the procedures that the collections staff must adhere to with regards to objects coming into the museum and the labelling/cataloguing of items. This manual is due for review in June 2025. The manual also provides step-by-step instructions regarding how to process loans in and out of the museum.

The Exhibition Policy outlines the scope under which exhibitions must fall. This policy was adopted 16 March 2022 and will be reviewed in March 2027.

Proposals will only be considered if they meet a certain set of criteria:

- Engage with AG&M collections.
- Make and develop connections with AG&M audiences.
- Provide opportunities for local audiences to engage with a wide range of historical narratives and/or art forms by artists with a national reputation or a connection to Warwick District.
- Create opportunities for collaboration.
- Enhance the AG&M's reputation for quality and excellence.
- Deliver exhibitions within budget/attract additional income or funding.

The programme for display spaces is also confirmed up to one year in advance, which enables suitable time for artwork to be signed off as appropriate.

Proposals that meet the Exhibition and Displays Policy will be considered by the Collections & Engagement team. Displays must also:

- Complement the temporary exhibitions programme.
- Highlight objects or small groups of objects.
- Display the work of local artists.
- Display work or projects from the local community, including school groups.
- React to local and national events.

The policy provides step-by step-guidance on how to consider exhibition proposals from internal and external applicants. Applicants are asked to deliver a short presentation about the exhibition. If the Exhibitor comes from outside the AG&M, a Lead Curator will be assigned to the exhibition. They will liaise with the Exhibitor to guide them through the next stages of the project. The Lead Curator is the project manager and is responsible for the exhibition budget, content, interpretation, and resources. Exhibition Planning Meetings take place four times a year. Proposers also have a chance in the display proposal form to highlight the risk of artwork causing controversy or offence.

#### 4.4.3 **Risk: Premises insufficiently managed.**

There is an Operational Plan in place that outlines the vision, mission, values, and objectives of the Arts section. It provides an analysis of performance during the previous year against set KPIs and outlines the priorities for each team during 2021/22. Through a PESTLE and SWOT analysis, the service has been able to review its strengths and weaknesses and devise a plan of action as a result of this. Much like a Risk Register, this is adapted over time to reflect completed projects or where steps are no longer relevant/new matters have arisen. The AM is in the process of updating the Operational Plan for 2023/24. An internal Service Area Plan also exists, devised by the Deputy Chief Executive and previous Head of Cultural Services. This outlines a service plan of delivery for the RPR and the estimated expected workload.

The Learning & Engagement team also abide by the Learning & Engagement Policy 2021. This was adopted 16 March 2022 although it has not yet been uploaded to the website as the team are still working on the activity plan. Laid out in this document is the mission, aims and objectives of the Learning & Engagement service. It also lists the KPIs against which the service monitors itself. These include:

- increased attendance at all events
- number of visits from schools/colleges/universities
- number of repeat visits/first visits
- number of students attending.

This Policy is next due for review in March 2027.

#### 4.4.4 **Risk: Loss of suppliers to shop.**

There are no formal agreements between suppliers required as there are no set procurement practices for suppliers to the VIC; this is due to the minimal amount spent and the fact that the SIS can make purchases as-and-when with a purchasing card. Eight of the twenty invoices sampled were paid in the same month that the invoice was issued. Three were paid within one month; one within two months, one within five months and seven one month in advance of the due date. The VIC take 30% commission of anything the artist supplies. The invoices from local artists had all correctly deducted the 30% commission for the VIC from the total sum due. All ten invoices were paid within the same month of the invoice through purchase cards; all ten transactions were recorded on the card transactions spreadsheets.

One sample did not display the 30% commission charge on the invoice. This was identified because the artist in question is also a member of staff at WDC. This was discussed with the SIS who confirmed that the original sales report was for £297.50. Without the 30% commission this should have amounted to £208.25. The SIS advised that the artist had been underpaid by £20.30, taking the total to £187.95 which matched the invoice sent. This issue has since been rectified.

**Advisory – Consideration should be given to reminding staff to pay invoices in a timely manner.**

## 4.5 **Fraud Risks**

### 4.5.1 **Risk: Inappropriate sale of 'donated' items to the collection.**

Inventories identify pieces that have been donated to the gallery under acquisition history which is viewable by all staff. Pieces given to the museum by the Contemporary Art Society have stipulations that state the works cannot be sold; this is noted on Modes.

### 4.5.2 **Risk: Goods and services improperly procured.**

Procurement requirements are not relevant because the total value of orders placed with suppliers for the shop are never over £2,000. Only around Christmastime will the delivery amount to approx. £1,500 minus VAT.

Purchase cards are used for the majority of purchases. The SIS uses purchase cards to pay local artists through PayPal when artwork is sold through the VIC. The CEMs manage the art purchases for the gallery. All twenty purchases sampled were correctly reflected in the general ledger and noted on the purchase card journal.

## 4.6 **Health and Safety Risks**

### 4.6.1 **Risk: Security of the building/unauthorised access to buildings.**

The DM for the AG&M is in charge of conducting perimeter checks as well as opening and closing the facilities.

There is a key box in the AG&M office that holds the keys for the locked doors and safes; staff must sign out any keys that they use. Most locked doors require more than one key to be opened. Staff sign in and out of a book at the front desk for fire safety reasons. Volunteers are also signed in; however, members of the public and visitors to staff are not required to sign into the museum.

#### **Advisory – Consideration should be given to signing in all staff visitors.**

There are a number of CCTV cameras around the AG&M. Although the CCTV is not monitored, the main public areas are relayed to the main CCTV control room. The building is also fully alarmed.

General security arrangements were observed by the auditor on site. All keys were locked within relevant safety boxes around the building. Staff have keys to get into the building but cannot get upstairs without accessing a locked key box. The CEM advised that the firearms licence had recently been updated. The gun cabinet cannot be accessed without obtaining the keys from a locked key box upstairs in the safe which stores the gun cabinet key.

### 4.6.2 **Risk: Safety of staff and customers.**

There is a comprehensive Risk Register in place. It covers all the Arts facilities but incorporates several risks specific to the RPR; this was last reviewed in

November 2022. There are several risk assessments available for the Arts staff including the RPR, AG&M and Flood Barriers. There are also separate risk assessments for the various events, workshops, and school visits - these are all held on the network files. A copy of the school risk assessment is available to download on the webpage.

There is an emergency procedures manual available on the network. This includes fire evacuation procedures, power failure procedures, building maps and a list of all staff to be contacted in the event of an emergency.

**Advisory – Consideration should be given to updating the Emergency Manual as this was last reviewed in July 2019.**

The CEMs maintain a training spreadsheet for the Collections & Engagement team, to monitor the various training courses attended by staff on certain dates. The CSM has also compiled one of these for customer service staff. Staff receive emergency safety training on induction and can book onto refresher training through I-Trent if desired. Emergency procedures are led by the DM.

Front-of-house staff will report incidents through the daily report or speak to a senior member of staff directly. Diarised meetings take place weekly in which a representative from each team discusses any matters arising and what to expect over the next two weeks.

#### 4.7 **Other Risks**

##### 4.7.1 **Risk: Lack of staff to cover the venue.**

As well as a book with which staff can sign in and out, there are also formalised, electronic rotas held on file. It was found during the audit that the facilities had been covered sufficiently through several rotas.

##### 4.7.2 **Risk: Failure of collections monitoring system/room-booking system.**

The RPR manage the Assembly Rooms which can be booked as a venue. The Conservatory and craft studio can also be hired for workshops and activities, but very few people hire the gallery itself. There is no formal hiring policy in place, as the terms and conditions of a hire are laid out in the hire agreement which is agreed to and signed by both parties.

Artifax outlines the cost of hires per hour, full day hires and half day hires. It also pre-calculates net, gross and discounted charges. The new cost codes for Ci Anywhere have not been plugged into Artifax so the Events Co-Ordinator (EC) has had to do these manually. As invoices are taken directly from Artifax, if these are not input correctly onto the system, the invoices will be incorrect.

**Advisory – Consideration should be given to loading Ci Anywhere budget codes onto Artifax.**

The service is looking to produce quotes directly from Artifax so that quotes will be based on an accurate approximation of time and costs. There is also the

potential to send risk assessments through Artifax to the hirer. The hirer will then be expected to complete the risk assessment before they can hire the RPR.

Negotiations are due to take place between the RPR and certain hirers including Leamington Music and Just Inspire, as the rates that they are currently being charged are based on old Town Hall fees and are therefore not aligned to the Pump Room costings. Any leaks in the areas being hired will result in a discounted fee; discounts of this nature have to be approved by the AM. Half-day costs include a DM and a Customer Service Assistant.

Hire agreements represent the initial contract and therefore negotiations will often result in the final invoice inaccurately reflecting the charges first quoted in the hire agreement. In four out of the twenty agreements sampled, the date that the service had been provided was not included on the invoice. Twelve invoices had been sent after the event had taken place. Seven invoices were paid after the due date; eleven were paid in advance. Twelve invoices matched the fees and charges quoted on the website; one invoice did not match the charges advertised. On two invoices, this test could not be completed as the charges had been lumped together in one sum with no indication of the hours charged. Seven of the hire agreements sampled could be substantiated by the charges outlined in the final invoice. However, on three agreements, the corkage charge had not been taken into consideration. Two invoices had the hirers insurance fee calculated incorrectly and in one case the cost of tablecloths, refreshments and security charges had not been included in the agreement.

**Recommendation – Hire invoices should be raised prior to an event where possible; deposits should also be taken where necessary.**

It is often the case that the hirer does not use the full time charged, as was the case with one sample. Moreover, with one function the number of attendees was much lower than expected and so catering costs were reduced. Certain hirers, such as Leamington Music and Just Inspire, are done so on an ad-hoc basis, meaning there are no formal hire agreements in place. Invoices should itemise charges rather than outline charges in one lump sum; this was made a recommendation under the Town Hall Lettings audit.

**Recommendation - Staff should make notes on the invoice/hire agreement explaining why certain discounts have been awarded.**

**Recommendation - All invoices should include the hours charged.**

**Recommendation - All hires should have formal agreements in place, whether on a rolling basis or for one-off events.**

There are measures in place to ensure the physical security and long-term preservation of all documentation records, whether paper-based or computerised. The collections management database is kept in the stores in a fireproof safe. There is also a digital copy of the information stored at the AG&M. The Modes server is backed up daily, weekly, and monthly as outlined in the Collections Documentation Policy 2018-2023.

#### 4.7.3 **Risk: Flooding of areas in the Pump Rooms causing water damage.**

An audit of the Pump Rooms roof was recently conducted in which it was found that there are approximately 100 access points where the roof could leak. The team have therefore applied for a grant through the Arts Council (MEND Fund); the result of this will be communicated by the end of March. This is the highest point of priority on the risk register. Flood barriers are placed against the art stores to prevent damage to the art racks or costumes; these are serviced annually. Issues surrounding flooding, grounds and building maintenance issues and any issues with heating or alarms are recorded on the daily report. Flood Safe Projects carried out an inspection in which it was recommended that the service should make some minor repairs to the building. There is, however, currently no Planned and Preventative Maintenance programme in place.

### 5 **Summary and Conclusions**

5.1 Section 3.2 sets out the risks that were being reviewed as part of this audit. The review highlighted weaknesses against the following risks:

- Risk 1 – Invoices may not accurately reflect the date a service has been provided.
- Risk 19 – Hire agreements may not accurately reflect the hours charged or discounts awarded. Invoices relating to hire of the RPR are not being distributed in advance of the event.

5.2 Further 'issues' were also identified where advisory notes have been reported. In these instances, no formal recommendations are thought to be warranted, as there is no significant risk attached to the actions not being taken.

5.3 In overall terms, therefore, we are able to give a SUBSTANTIAL degree of assurance that the systems and controls in place in respect of the Royal Pump Rooms are appropriate and are working effectively to help mitigate and control the identified risks.

5.4 The assurance bands are shown below:

<b>Level of Assurance</b>	<b>Definition</b>
Substantial	There is a sound system of control in place and compliance with the key controls.
Moderate	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited	The system of control is generally weak and there is non-compliance with controls that do exist.

6 **Management Action**

- 6.1 The recommendations arising above are reproduced in the attached Action Plan (Appendix A) for management attention.

Richard Barr  
Audit and Risk Manager



## Action Plan

### Internal Audit of Royal Pump Rooms (including Art Gallery) – March 2023

Report Ref.	Risk Area	Recommendation	Rating*	Responsible Officer(s)	Management Response	Target Date
4.2.1	Financial Risks: Inaccurate recharging of costs.	Officers should include the date that a service has been provided on all invoices.	Low	Arts Manager	All the team have been reminded to include dates on invoices from now on.	1 April 2023
4.7.2	Other Risks: Failure of collections monitoring system/room-booking system.	Hire invoices should be raised prior to an event where possible; deposits should also be taken where necessary.	Medium	Programming & Marketing Manager	This was raised in another recent audit and has already been actioned. Programming & Marketing team now have Events Coordinator Post.	1 April 2023
		Staff should make notes on the invoice/hire agreement explaining why certain discounts have been awarded.	Low	Programming & Marketing Manager	All the team have been reminded to include notes on why discounts have been applied.	1 April 2023
		All invoices should include the hours charged.	Low	Programming & Marketing Manager	All the team have been reminded to include the hours charged on invoices.	1 April 2023
		All hires should have formal agreements in place, whether on a rolling basis or for one-off events.	Medium	Programming & Marketing Manager	This was raised in another recent audit and has already been actioned. Programming & Marketing team now have Events Coordinator Post.	1 April 2023

\* The ratings refer to how the recommendation affects the overall risk and are defined as follows:

- High: Issue of significant importance requiring urgent attention.
- Medium: Issue of moderate importance requiring prompt attention.
- Low: Issue of minor importance requiring attention.