



**Comhairle nan Eilean Siar
Internal Audit Review
MUSEUM and ARCHIVES
Final Report –2024/25 -07**

13 January 2025

**COMHAIRLE NAN EILEAN SIAR
INTERNAL AUDIT DRAFT REPORT
MUSEUM AND ARCHIVES**

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Date of Visit	25 October & 05 November 2024
Draft Report Issued	06 December 2024 19 December 2024
Management Response Received	17 December 2024 09 January 2025
Final Report Issued	13 January 2025

Issued to:	
Chief Executive	Malcolm Burr
Chief Officer, Economic & Community Regeneration	Anne Murray
Team Leader Heritage and Culture	Colin G Morrison
Head of Law and Governance	Tim Langley
External Audit	Martin Devenny

SECTION 1: EXECUTIVE SUMMARY

Introduction

1.1 The Report has been prepared following an internal audit review of the Museum and Archives as part of the operational annual internal audit plan for 2024/25. The purpose of the Report is to provide an overview of the Comhairle's arrangements for the operation and management of the Museum and Archives. The scope of the audit included a review of the following objectives:

- Confirm there is environmental monitoring in place to safeguard the security of the collections the Comhairle have in their possession; (environmental conditions, suitable buildings, temperature, watertight, clean, pest free);
- Confirm the Museum and Tasglann nan Eilean have a documentation plan in place to address any backlogs;
- Verify the presence of a random selection of objects and confirm the accuracy of the core inventory information;
- Confirm the existence of forward plans for the museum and archive to provide direction for the service;
- Comment on the fallout from the cyber-attack and the progress to date to get back to full operation;
- Confirm that there are up to date policies in place for the Museum and Archives service;
- Confirm the accreditation status of the Museum in Stornoway and Uist and Tasglann nan Eilean;
- Confirm there are plans in place to maintain and/or increase income streams;
- Confirm that adequate arrangements are in place for the collection and banking of donations from museum visitors;
- Staff are suitably trained and appropriately staffed i.e. Hours, Shifts, on call etc; and
- Confirm there are procedures in place to ensure customer care (how is customer feedback being used).

Background Information

1.2 The Museum and Archive facilities in Stornoway opened to the public in July 2016. Museum nan Eilean comprises of two sites; Museum nan Eilean, based at Lews Castle, Lewis and Museum Nan Eilean, Lionacleit, Benbecula which opened in 1988. Tasglann nan Eilean is the archive service and is based in the Stornoway facility. The Museum Service and Archive Service along with the Archaeology Service make up the Heritage Service.

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Museum & Tasglann nan Eilean, Stornoway is set within the Lews Castle Grounds, and is a purpose built facility that sits alongside Lews Castle which is also owned by Comhairle nan Eilean Siar. Lews Castle is leased by CnES to the hospitality company Together Travel who offer luxury self-catering facilities, spaces for functions, coffee shop, bar area and a small retail outlet.

Concluding Remarks

1.3 Our detailed findings are included in the body of the Report. We would point out that the most significant issues arising from our review which require management attention are:

- Environmental conditions and controls within the buildings of the service are not at adequate levels and
- Income streams to be looked at to maximise income.

Areas of good practice

The knowledge and hard work of the staff in this area should be noted. Their experience and knowledge has been key to keeping the area functioning at the level it is post cyber-attack. Their extensive knowledge of the area and dedication to the preservation and safety of the artefacts is imperative to the rebuilding of information should access to the museum and artefact information not be retrievable.

SECTION 2: RECOMMENDATIONS AND AUDIT OPINION

- 2.1 We have graded our detailed findings and recommendations, based on the likelihood of the identified weakness occurring and the impact on the Comhairle if it should occur.

The following table contains the definitions applied by Internal Audit in rating audit findings/actions and the number of recommendations in each rating.

Definition of recommendation	Grade	No.
Major weaknesses that could have a significant impact on the Comhairle if not addressed and contained urgently.	High	2
Important issues relating to controls being absent, not operating as expected or could be improved.	Medium	5
The weakness is unlikely to have a material impact on the Comhairle. These are not critical but management should address.	Low	4

Where we have identified isolated exceptions in our sample testing, and we consider that they are unlikely to recur; and would have no significant impact if they should occur;

We have classified them as minor or trivial, discussed them with relevant officers and detailed them in Appendix C to the Report.

- 2.2 Based on the audit work carried out our overall opinion is that a **limited** level of assurance can be placed upon the control environment of the service/area under review.

Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.

It should be noted that our findings and conclusions are based on the information made available to us at the time of our review. There are current limitations in place as a result of a cyber-attack on 7 November 2023. This is likely to have limited our access to documentation prior to this date which requires to be acknowledged when considering the contents of the Report.

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13 January 2025

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SECTION 3: FINDINGS, RECOMMENDATIONS AND ACTION PLAN

GRADE	FINDINGS & IMPLICATIONS	RECOMMENDATION	MANAGEMENT COMMENT	RESPONSIBLE OFFICER	TARGET DATE OF IMPLEMENTATION
H1	Environmental conditions and controls within the buildings of the service are not at adequate levels.		<p>These findings and recommendations will be actioned, where it is practicable, as soon as possible.</p> <p>Due to the condition of both museum stores it is not possible to control the environmental conditions in large parts of the buildings. This has been highlighted in Suitability Surveys for a number of years and is due to lack of insulation, poor repair, draughts and gaps at doorways etc. This highlights the need for feasibility study/ options appraisal to be carried out for new Collection Resource Centres that would be fit for purpose. The Team have started this process but requires the support of Technical Services and Investment Projects to secure the external funding to carry out these reports and develop the projects.</p>	Colin George Morrison	March 2025

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H1 Cont.	<p>The system that monitors the environmental controls (Signatorol) is not operating in Museum nan Eilean Lionacleit therefore the environmental conditions are not constantly monitored and collated.</p> <p>There are ongoing issues with the primary heating within Museum nan Eilean Lionacleit resulting in the staff having to use electric blow heaters and humidifiers.</p> <p>If environmental conditions do not meet the necessary criteria this could result in the deterioration of artefacts of historical importance and could have serious implication regarding the accreditation status and the ability to borrow in items.</p>	<p>Signatrol to be put back to working order in Uist.</p> <p>Issue with heating - mains heating to be investigated and if unable to be fixed suitable long term heating source to be investigated.</p>	<p>A meeting has taken place with Signatrol and the software issues have been resolved. However, there are still issues with the sensors in both Lionacleit & Stornoway, but an order is being made for new ones. The new sensors will be cloud based which should resolve the issues with the base stations and will ensure that data is not lost in future.</p> <p>It is considered by PMD that the costs are prohibitive to remedy the ongoing issues with the heating at MnE Lionacleit. Additional funding would need to be sought. However, this needs to be considered within the context of the new Collections Resource Centres project.</p> <p>The lack of controlled environmental conditions has already led to deterioration of artefacts that are in our care.</p>	<p>Colin George Morrison</p> <p>Colin George Morrison</p> <p>Colin George Morrison</p>	<p>February 2025</p> <p>TBC</p> <p>TBC</p>
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GRADE	FINDINGS & IMPLICATIONS	RECOMMENDATION	MANAGEMENT COMMENT	RESPONSIBLE OFFICER	TARGET DATE OF IMPLEMENTATION
H2	<p>Together Travel (TT) is potentially in breach of their retail agreement and this is causing the museum to lose income.</p> <p>The museum has over the years purchased items to be sold in the shop and have not received the 90% of the sale price due from these items and TT are selling items linked to the museum and not paying the 25% they have agreed to pay. This may have resulted in the Comhairle losing thousands of pounds in income over the 8-year term the contract has been in place.</p> <p>This is also having an impact on the stock that can be sold by the museum. The supplier that is currently supplying TT will not supply the museum, and the museum would like to sell these products in its own shop.</p>	<p>As payments are not being made in accordance with the existing agreement in place, discussions are to be held with the Legal Department to see what action can be taken to recoup lost income from previous sales and going forward for the retail agreement to be honoured.</p>	<p>A meeting was held with Together Travel in September 2024 regarding current matters including the retail agreement. It has been agreed that a new agreement will be drawn up that better suits the needs of both parties. This will include agreement by Together Travel to stop selling museum / heritage related goods thereby allowing the museum to sell these items exclusively.</p>	Anne Murray /Tim Langley	February 2025

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H2 Cont.	Marketing to cruise boats and marketing of chargeable services such as room hire, busking, guided tour and merchandise could be improved.	Income streams to be looked at to maximise income including promotion of chargeable services. Ensure grant funding is being applied for to maximise the potential for the area.	A detailed report was provided to Sustainable Development Committee at the November 2024 series detailing the efforts being made by the service in relation to income generation and external funding, all of which are additional to core service provision and the roles of existing staff.	Colin George Morrison	February 2025
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H2 Cont	<p>The donations level at Museum nan Eilean (Stornoway) are at a very positive level given the current economic climate, having received circa £40,000 from visitors this year. However, the donations within Museum nan Eilean (Lionacleit) are at a very low level, receiving less than £350 this year.</p>	<p>Look at ways to maximum donations at the Uist museum.</p>	<p>The average Museum sector visit income per person across Scotland is 30p/person. Museum nan Eilean averaged over £1.00/person during the 2024 season and the lowest on any day was £0.87/person. There is a very small marketing budget and no staff member with direct responsibility for marketing. The Heritage Officer posts, whose role included guided tours and activities, were disestablished in 2019.</p> <p>In addition, donations when compared to other Council run Museums such as Orkney are much higher. In 2023 Orkney's donations figure was £3.5k, compared to the £40k taken in by Museum nan Eilean in 2024.</p> <p>Museum nan Eilean Lionacleit has had a downturn in donation levels since Covid. Visitor profile in Lionacleit is very different to Stornoway as it is mostly school, locals and repeat visitors. The team will look at additional signage to signpost new visitors to the museum. Another longer-term factor is due to the location of the Museum within the school building, without its own dedicated entrance and clear access. This issue would be resolved should the Collections Resource Centres project be successful as it would attract higher visitor numbers to Benbecula museum and would allow for charging of tours for the stores.</p>	Colin George Morrison	April 2025
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H2 Cont	Income generation is very important within this area to maintain and improve on the services offered.	<p>Ensure grant funding is being applied for to maximise the potential for the area</p> <p>Income streams to be looked at to maximise income including promotion of chargeable services</p>	<p>Grants are applied for where possible. Staff resource is limited with no dedicated fundraising staff. Grants successfully applied for over the past 6 years amount to income of £424,120. The service has also put a lot of time and energy into unsuccessful applications including packaged projects with Comainn Eachdraidh for Islands Growth Deal & UK Gov Community Renewal Fund, and more recently for funding towards the Heritage Trails Project. Any time spent on fundraising takes staff away from core work. The external funding climate is getting harder to access as it is more competitive/reduced funding available.</p> <p>We do not feel that income generation should be considered a high risk to the Comhairle at this time. The extra effort by the team in this regard, including proactive work to start a retail outlet within the Museum, has not been reflected in the audit report. There are some chargeable services that we are currently unable to deliver/promote due to lack of staff, for example guided tours & image licencing.</p>	Colin George Morrison	April 2025
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GRADE	FINDINGS & IMPLICATIONS	RECOMMENDATION	MANAGEMENT COMMENT	RESPONSIBLE OFFICER	TARGET DATE OF IMPLEMENTATION
M1	<p>There are times when the area is not adequately resourced. Museum staff are having to draft in senior staff to assist with moving boxes and building displays. This shows management are helping and have a good understanding of the needs of the service but does not demonstrate good value for money.</p> <p>The Heritage Manager position remains vacant. With the current position of the service and the amount of work and leadership that will be required post cyber-attack and the new backlog going forward this established post should be filled.</p>	<p>Workforce planning to be looked at for the post of the Heritage Manager and any other vacant positions to assist with the future strategy and workload post cyber-attack.</p>	<p>There is no budget available to fill the Heritage Manager position at present, but the creation of a Heritage Projects Officer post, which is currently being explored, would be a temporary solution to meet the current needs of the service, using external funding. It is hoped that in the longer-term a budget/ funding could be identified to fill a permanent Heritage Manager post that would satisfy the need for a professional post at this level as set out by accreditation.</p>	Colin George Morrison	April 2025
	<p>There is no on call rota and no standby pay offered to staff. Staff are not claiming the correct level of pay for attending call outs.</p>	<p>On call rota and payments to be looked at. Staff to ensure they are being paid the correct rate in line with the current Local Employee Pay & Conditions of Service booklet.</p>	<p>This has been looked into previously and the current standby policy does not apply.</p>	Colin George Morrison	Completed

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M2	The museum has both a visitor log and a key log at reception. All visitors are to sign in if they are outwith the public area. Instances were viewed in the visitor book where people had signed in but not signed out and there were also instances where keys had been issued but the worker has not signed into the premises.	Visitor log and key log to be fully completed with people who have access outwith the public area.	This will be taken on board and actioned by the team. There have been several instances where contractors have turned up without notice on days when the Museum is open to the public, meaning they cannot complete their task. They often leave without signing out. This issue will be revisited with PMD.	Colin George Morrison	February 2025
M3	The service does not currently hold a defect list. Prior to the Cyber-attack a defect list was held. The Property Maintenance Delivery (PMD) Team was requested to provide a copy of the maintenance schedules for the museum/castle and a list of any outstanding defects for the building. No schedule has been compiled post cyber-attack. Historically, regular maintenance meetings were undertaken but this has ceased.	PMD to compile maintenance schedule and maintenance meetings to be reintroduced monthly to identify issues and address them.	Agree that regular meetings with PMD were useful and will endeavour to restart these as soon as possible. A defect list will also be restarted.	Colin George Morrison	February 2025

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GRADE	FINDINGS & IMPLICATIONS	RECOMMENDATION	MANAGEMENT COMMENT	RESPONSIBLE OFFICER	TARGET DATE OF IMPLEMENTATION
M4	<p>The department is not certain what data they will be able to recover, therefore they have been unable to fully formalise and document the plan to address the backlog. The team have just got access to the 2018 data and can start working on what should be done going forward.</p> <p>Unable to test the locations of present items within the museum due to data loss. The Archive service have a 2023 list detailing where items are located and during testing were able to locate all items requested.</p>	<p>Once the department knows what data has been retrieved a full detailed plan to be implemented for going forward and shared with the accreditation body.</p>	<p>This is a critical priority for the team and is deemed a high risk as without this data, we will not regain full accreditation. It is anticipated that we will have more clarity on this issue early in 2025 ahead of the Accreditation return.</p>	<p>Colin George Morrison</p>	<p>TBC</p>
M5	<p>At the time of completing the report a definitive answer could not be given on whether the payment of all utilities recharged to Together Travel had been paid and if this account was up to date.</p> <p>It is important to ensure there is no build-up of bad debt.</p>	<p>With the debtor system now being functional ensure that TT have received full up to date invoices. Check status of payments for previously supplied utilities. If any repayments are out with the repayment period progress to next stage of debt recovery.</p>	<p>This will be followed up by the Chief Officer Economic & Community Regeneration</p>	<p>Anne Murray</p>	<p>February 2025</p>

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GRADE	FINDINGS & IMPLICATIONS	RECOMMENDATION	MANAGEMENT COMMENT	RESPONSIBLE OFFICER	TARGET DATE OF IMPLEMENTATION
L1	<p>A number of policy documents viewed had hyperlinks leading to the old website and not all policy documents were dated with version numbers and review dates.</p> <p>This will therefore make it difficult for staff to know if they are using the most up to date versions and with broken hyperlinks will not be able to access information required.</p>	<p>Once new policies are approved by the relevant committees ensure dates are input and hyperlinks are correctly linking to the new website or a publicly available SharePoint.</p>	<p>This will be actioned by the team as soon as possible.</p>	<p>Colin George Morrison</p>	<p>February 2025</p>

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L2	<p>The percentage level of feedback received from visitors especially through online platforms are not at a sufficient level.</p> <p>It is important to receive feedback on the services provided to capture visitor experience. This may assist with ensuring that the museum is providing educational, engaging and enjoyable experiences for all visitors. Feedback will allow the museum to tailor exhibit programmes and events to meet the preferences of the visitors, it may also assist with meeting accessibility and inclusivity.</p> <p>Feedback can help to meet the current needs of the community and help in the longer term by remaining vibrant and relevant.</p>	<p>Increase options for feedback, possible feedback screens in the museum. Look for more ways for the public to provide feedback and recommendations on the museum experience.</p> <p>Possible identification of preferred feedback channel and signposting of this to visitors.</p>	<p>Detailed reviews are regularly left by visitors on sites such as Trip Advisor and Google reviews. Visitors also have access to a visitor comment book in both museums and there is an informal feedback wall. Moving forward, efforts will be made to proactively encourage visitors to utilise these routes.</p> <p>We undertake formal visitor surveys when budgets allow. However, the last full visitor survey cost £20k and was fully funded by MGS in 2022. There is no budget available to undertake an annual visitor survey.</p> <p>There is also no budget available for resources such as feedback screens. The results of the 2022 Visitor survey were used to inform the latest Forward Plan which was approved by committee in April.</p>	Colin George Morrison	April 2025

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GRADE	FINDINGS & IMPLICATIONS	RECOMMENDATION	MANAGEMENT COMMENT	RESPONSIBLE OFFICER	TARGET DATE OF IMPLEMENTATION
L3	<p>While looking at the website, the Heritage Policies section has historical items such as the Archive Forward Plan 2017-2020 and wording such as "Please note that due to the Covid pandemic, the timetable for updating our policies has slipped and most of the policies below will be refreshed in 2023." which is no longer relevant. Accessibility checks do not look to be undertaken on the website.</p> <p>Accessibility is important for inclusivity and will allow everyone to enjoy the content of the site. Historic information on sites looks unprofessional and reduces customer experience.</p>	<p>Website accessibility check to be undertaken. Icons to be removed that do not lead to items such as the blog, historic documents and wording to be removed if they are no longer appropriate.</p>	<p>Staff will look at updating the website as soon as possible.</p> <p>When the new website was commissioned, accessibility was highlighted in the brief to the designers.</p>	Colin George Morrison	March 2025
L4	<p>The Staff training log was lost due to the cyber-attack. Given the historic importance and value of many of the artefacts held it is important that staff remained highly trained to ensure the safety of the building, the visitors and the collections held. Training logs will provide a documented overview of all training undertaken by staff and when it was conducted.</p>	<p>Staff training log to be compiled post cyber-attack.</p>	<p>Training Plan is in place and will be updated.</p>	Colin George Morrison	Completed

RESPECTIVE RESPONSIBILITIES OF MANAGEMENT AND INTERNAL AUDIT

Responsibility in Relation to Internal Controls

It is the responsibility of the Comhairle's management to maintain adequate and effective financial systems and to arrange for a system of internal controls. Our responsibility as internal auditors is to evaluate the financial systems and associated internal controls. In practice, we cannot examine every financial implication and accounting procedure within an activity, and we cannot substitute for management's responsibility to maintain adequate systems of internal controls over financial systems. We therefore may not identify all weaknesses that exist in this regard.

It is the responsibility of the Comhairle's management to consider the detailed findings of this Report, where such findings have a specific impact on risk registers. This may include a risk that has not yet been identified, or current risk controls which may be required to be updated to reflect any changes as a result of the findings contained in this report.

Responsibilities in Relation to Fraud and Corruption

The prime responsibility for the prevention and detection of fraud and irregularities rests with management. They also have a duty to take reasonable steps to limit the opportunity for corrupt practices. It is our responsibility to review the adequacy of these arrangements, but our work does not remove the possibility that fraud, corruption or irregularity may have occurred and remained undetected.

We nevertheless endeavour to plan our internal audit work so that we have reasonable expectation of detecting material fraud, but our examination should not be relied upon to disclose all such material frauds that may exist.

DEFINITION OF AUDIT OPINIONS AND RATINGS

The standard definitions for internal audit assurance over an engagement are as follows:

Level of Assurance	Definition
Full Assurance	Internal control, governance and risk management are of a high standard. A sound system of control to achieve the system objectives exists and the controls are being consistently applied.
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

ISOLATED EXCEPTIONS TO EXPECTED PROCEDURES AND CONTROLS

ITEM	ISOLATED EXCEPTION	RESPONSIBLE OFFICER	AGREED Y/N	DATE OF DISCUSSION