



THE UNIVERSITY OF  
SYDNEY

# Sydney University Museums

# COLLECTIONS GUIDELINES

## SECTION 6: RISK MANAGEMENT

Macleay Museum  
Nicholson Museum  
University Art Gallery

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## SECTION 6: RISK MANAGEMENT

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### 6.1 Overview

#### 6.1.1. Definition

Risks to museum collections are numerous and may include: direct physical forces; fire, water, pests; pollutants; inappropriate climate control standards (light and radiation, incorrect temperature, incorrect relative humidity); and human activity (theft, vandalism, displacement, custodial neglect).

Risk management comprises the mechanisms by which risks to collections are identified, evaluated, limited, managed, or mitigated. Such mechanisms may include: security and environmental protection systems, integrated pest management, disaster mitigation planning, the adoption of best practices, strong procedural and inventory controls, training, and insurance.

#### 6.1.2. Purpose

Sydney University Museums (SUM) recognises risk management as an integral component of its operations at both strategic and operational levels. In line with the University's *Risk Management Policy*, SUM is involved in identifying and minimising risks to its collections, thus reducing potential insurance claims as a result of accident, neglect, theft or loss.

SUM strives to protect its collection from harm by adhering to the highest standard of care in its practices, and in maintaining facilities best suited for meeting its custodial obligations. Specifically, it aims to protect the collection from natural or human caused disasters, and foreseeable and preventable risks, in its own facilities, the facilities of borrowers, or in transit.

In conjunction with section 5.0 Collections Care, these guidelines establish a framework through which SUM aims to control, eliminate or mitigate risks to its collection through means of disaster prevention and preparedness, inventory control, valuation, and comprehensive insurance.

#### 6.1.3. Objectives

The objective of these guidelines is to enable Sydney University Museums to align its collections-related risk management activities with the National Standards for Australian Museums and Galleries, which state that:

- The museum identifies and assesses risks and has strategies in place to manage them. (Standard A2.6)
- The museum conserves, maintains, protects and documents its assets. (Standard A4.3)
- The museum has identified, and is able to respond to, all potential threats to its collection. (Standard C2.5)

In addition, SUM will adhere to the rules, procedures and internal controls as administered by the University's Audit and Risk Management Office (ARM) in managing the risks to its collections.

#### 6.1.4. Scope

These guidelines covers the management of risk that may affect material that is subject to the responsibility and care of Sydney University Museums. This includes SUM collections and collections related property (as defined in section 1.4.4), as well as material on loan to SUM.

The University of Sydney Union (USU) collection and collections belonging to other University departments fall outside the scope of these guidelines.

## 6.2 Disaster Preparedness

### 6.2.1. Definition

Disaster preparedness planning is an integral part of risk management. Its goal is to ensure maximum protection for the staff, visitors, buildings and collections by encouraging disaster prevention measures aimed to anticipate and avoid emergencies, and if these fail, by implementing disaster recovery procedures to minimise damage and regain control as quickly as possible. Such recovery requires a high degree of disaster preparedness, with emergency supplies and trained staff available to deal with any threats to the SUM and its collections.

### 6.2.2. Standards

SUM will maintain its *Disaster Preparedness Plan* (2005) to provide for the care of collections in the event of a museum emergency.

- The plan will be informed by current risk assessments and will address measures to be taken before, during, and after an emergency.
- The SUM Disaster Preparedness Plan will augment guidelines established in the wider University Emergency Plan, detailed in Emergency Management at the University of Sydney and Building Emergency Procedures.
- Disaster preparedness for SUM will emphasize the reduction of risk. Potential threats to the collection will be removed or reduced within the resource limitations of SUM and the University. Disasters will be avoided as far as possible through adherence to collections procedures and preventive measures such as regular inspections and maintenance of facilities, systems, and equipment.
- The SUM Disaster Preparedness Plan will include special provisions for the care of ancestral remains, secret/sacred items, and culturally sensitive information to insure that these restricted collections are managed appropriately in the event of a disaster.
- In accordance with its Disaster Preparedness Plan, SUM will implement a range of systems and structures to minimise risks and aid recovery in the event of a disaster. These measures will include documentation, security, equipment, networks, and training.

### 6.2.3. Documentation

SUM strategies to reduce the risk of damage to its collections in the event a major or minor emergency are contained its *Disaster Preparedness Plan* (2005). This plan comprises three parts:

- Disaster Prevention: Specifies steps to minimize the effects of a disaster on the collections, including procedural prevention and disaster preparation.
- Emergency Response: A spiral-bound flip chart detailing emergency response procedures provides quick reference during small or large disasters. This is accompanied by an emergency telephone tree.
- Disaster Response and Recovery: Describes the University and staff response to a disaster, and provides guidelines for the decision-making process, recovery priorities, and salvage planning and procedures.

#### 6.2.4. Security

SUM will provide a suitable and safe environment for the storage and display of its collection and related documentation.

- Regular maintenance and inspections will ensure that SUM's collection storage, gallery, and office areas are kept in good repair.
- SUM collection storage areas, galleries and office areas will meet University fire safety standards. Regular audit and maintenance of fire prevention equipment will be maintained and staff will adhere to fire codes.
- SUM will use appropriate security measures to protect its collections. Electronic alarm systems will control access to secure areas and be regularly maintained. Keys to secure areas will be regulated by the University's Security Systems section.
- Electronic information regarding SUM collections will be retained on the KE EMu database and on designated SUM servers. To protect against fire, theft, or other loss of data, these servers will be monitored and backed up by the University's Information and Communications Technology department.

#### 6.2.5. Equipment

SUM will maintain equipment and supplies dedicated to emergency response.

- Disaster bins provide basic equipment and supplies for the protection of collections in the event of a disaster, and will not be used for any other purpose.
- Disaster bins will be maintained in every collection storage and gallery area, and will remain accessible at all times. Contents will be checked and restocked regularly.
- Larger equipment and spare supplies will be stored in the SUM conservation lab or obtained through the University's Campus Infrastructure Services Department.

#### 6.2.6. Networks

The *SUM Disaster Preparedness Plan* will establish networks of professionals and interested parties who may be called upon to support SUM in the event of a disaster.

- A disaster response team consisting of nominated SUM staff responsible for disaster response and recovery will be identified.

- A current list of contacts for emergencies, including internal and external support networks, and a volunteer register, will be maintained.
- SUM will maintain its membership in the Sydney Curatorial and Custodial Institutions Disaster Preparedness Group.

#### 6.2.7. Training

- SUM will maintain an annual program of staff training in disaster prevention, response, and recovery.
- Training will also include standard operation procedures for exhibition, installation, de-installation, object handling, storage and movement.
- Introduction to the SUM Disaster Preparedness Plan will be incorporated into the SUM staff induction program.

#### 6.2.8. Schedule

The *SUM Disaster Preparedness Plan* will be reviewed annually to ensure that potential threats to the collection are identified through current risk assessments. Evaluation will also occur following each disaster.

As part of the annual plan review, an action list will be created to itemise required actions relating to risk minimisation against agreed time lines.

#### 6.2.9. Accountability

The Collections Manager, in consultation with the Director and Senior Curators, is accountable for ensuring that all staff are appropriately trained in disaster prevention and preparedness, and for maintaining the systems and structures that support the *SUM Disaster Preparedness Plan*. The Collections Manager will be responsible for coordinating the annual review of the *Disaster Preparedness Plan*.

All SUM staff will be responsible for responding to a suspected or identified threat in accordance with the SUM emergency response procedures. All SUM staff will also take reasonable steps to reduce the risk of foreseeable loss or damage to any object or specimen while on SUM premises or in transit.

The SUM Director must be informed immediately in the event of an incident or disaster that threatens life or property.

In a life-threatening situation where an evacuation is ordered, the safety of visitors and staff will be paramount. Removal of collection items will be part of a later phase undertaken only when human safety is assured.

### **6.3 Stocktaking**

#### 6.3.1. Definition

Stocktaking is the physical verification of the presence and location of collection material on a specific date. This type of systematic inventory is intended to check that all objects and specimens can be accounted for, and that they are stored and numbered properly. It brings material that may require conservation treatment to light. It checks the accuracy of the museum's location records and therefore the adequacy of the museum's movement controls.

#### 6.3.2. Standards

SUM will have a plan to obtain and maintain inventory control over its collections. As custodian for a significant portion of University heritage assets, SUM will conduct its stocktaking program in accordance with the Finance and Accounting Department's *Heritage Assets: Valuation and Stocktaking Policy and Procedures*.

Stocktaking of collections is necessary for security purposes, condition checking and maintaining accurate location records. As such, stocktaking is considered to be an integral part of SUM security procedures.

#### 6.3.3. Categorisation

Each object or specimen in the permanent and custody collections will be assigned a priority category based on cultural significance or monetary value in order to monitor the most significant collection material.

#### 6.3.4. Schedule

The collection will be inventoried every five years according to a regularly rotating schedule.

Material assigned a high priority category and all loans will be inventoried annually.

#### 6.3.5. Accountability

The Collections Manager, in consultation with the Director and Senior Curators, is responsible for scheduling and overseeing the stocktaking program, and maintaining accurate records of inventory results in the KE EMu collections database.

Missing objects or specimens will be reported to the SUM Director for action that may involve notification of Security Services, discussion with the University's Office of Chief Accountant, formal investigation, or insurance claim.

### **6.4 Valuation**

#### 6.4.1. Definition

Valuation is the process by which the monetary value of a collection object or specimen is assessed by a qualified appraiser. There are two basic valuation standards: fair market value and insurance replacement value. Fair market value is based on an estimate of what a buyer would pay a seller for a specific item, while replacement value is higher to cover the additional costs involved in locating and purchasing an equivalent item. The University standard is fair market value.

The valuation methodology for the Macleay Museum entomology collection, however, will be based on a recollection calculation that has been accepted by the New South Wales State Audit Office for collections of this type. It is, strictly speaking, neither fair market nor replacement value.

#### 6.4.2. Standards

SUM is custodian for a significant portion of University heritage assets and will conduct its valuation program in accordance with the Finance and Accounting Department's *Heritage Assets: Valuation and Stocktaking Policy and Procedures*.

Regular valuation of the Sydney University Museums collections is necessary for several collection management functions. Current values are required for insurance purposes as well as to satisfy auditing and accounting requirements.

#### 6.4.3. Categorisation

Each object or specimen in the permanent and custody collections will be assigned a priority category based on cultural significance or monetary value to assist in calculating accurate valuations.

#### 6.4.4. Approved Valuers

Valuations will be conducted by independent valuers recognised as experts in the relevant field. Independent valuers will be either independent Sydney University Museum curators or will be selected from the Commonwealth's Cultural Gifts Program annual list of approved valuers.

#### 6.4.5. Schedule

The collection will be re-valued every five years according to a regularly rotating schedule.

All collections will be globally re-valued on an annual basis to avoid any material change to values due to the five-year interval.

New acquisitions will be reviewed, assessed, and their value added to the collection on an annual basis.

Objects owned by other institutions on long-term loan to SUM will be subject to the valuation program because their value is calculated as part of the insurance liability of the University's collections.

#### 6.4.6. Accountability

The Collections Manager, in consultation with the Director and Senior Curators, is responsible for scheduling and overseeing the valuation program, and maintaining accurate records of valuations in the KE EMu collections database.

In consultation of the University's Office of the Chief Accountant, SUM will produce an annual "Certificates of Verification of Heritage Assets" to reflect the current value of SUM collections.

SUM will advise the University's Advancement Services of the value of all new donations.

For security purposes, information about individual collection values will not be made available to the public.

## 6.5 Insurance

### 6.5.1. Definition

Insurance is a form of risk management primarily used to hedge against the threat of a contingent loss, such as damage or theft. The purpose of insurance is to offer financial protection by insulating the museum from catastrophic monetary loss.

SUM collections are covered by the University's insurance policy, which is administered by the Audit and Risk Management Office whose responsibility is to

ensure that adequate and appropriate insurance cover is maintained for University heritage assets.

#### 6.5.2. Standards

The University maintains wall-to-wall coverage for SUM collections and property under its care, custody, and control. Material is therefore insured while on University premises, while in transit, and while in the custody of borrowers as negotiated through loan agreements or other contracts.

For outgoing loans, SUM will require insurance coverage based on an item's fair market value. Insurance must be carried by the borrower and proof of insurance supplied. Alternatively, SUM may maintain its own insurance at the borrower's expense.

Incoming loans will be insured under the University's wall-to-wall policy for the duration of the loan, based on its fair market value as provided by the lender on the incoming loan agreement.

SUM may provide written confirmation of University insurance coverage (a Certificate of Currency) to verify coverage of its legal liability to any third party arising out of its operations, worldwide.

#### 6.5.3. Insurance Types

The Audit and Risk Management Office administers a number of insurance policies and strategies to ensure that University staff, students and property are appropriately covered. Policies pertaining to SUM collections related activities include:

- Industrial Special Risks: This policy covers the University's real and personal property and business interruption within Australia and overseas. This policy provides protection against numerous contingencies, including: loss or damage caused by fire, lightning, storm, impact, earthquake, landslip or subsidence; burglary; building failure; costs incurred during the restoration period following loss.
- Marine Cargo: This policy covers goods in transit within Australia and overseas. Insured items include research equipment, including items on loan to Sydney University Museums.
- Public / Product Liability: This policy covers the University's legal liability for personal injury, property damage, advertising liability and pollution liability.

#### 6.5.4. Limitations

The University's property policy excludes any loss or damage to property due to:

- Reasonable care and attention not being taken to safeguard the property
- Deliberate acts
- Loss or shortage disclosed during stocktake
- Insect, animal or vermin damage
- Deterioration, rust, corrosion, erosion, wear and tear, inherent vice or latent defect
- Fungus, mould or mildew
- Contamination due to the presence of pollution or hazardous material
- Mechanical or electrical breakdown (except by direct lightning damage)
- Terrorism (applicable to overseas assets only)

- Nuclear reaction or nuclear radiation or radioactive contamination

#### 6.5.5. Claims

All claims will be subject to the provisions, conditions and exclusions of the University's insurance policies. All claims will be assessed by Audit and Risk Management to determine whether the claim is covered by insurance and if an excess payment should apply.

- A theft or burglary claim will be accepted only if all reasonable precautions have been taken to safeguard the property.
- An accidental loss or damage claim will be accepted only where an appropriate level of care has been taken. Claims will be accepted only if there have been appropriate procedures set in place and actions taken to prevent the loss from occurring; or due care and attention given to prevent any loss to the property; or the claimant had no control to prevent the loss from occurring.

#### 6.5.6. Accountability

The Collections Manager, in consultation with the Director and Senior Curators, is responsible for maintaining SUM's compliance with the University's insurance requirements.

University insurance policies are renewed annually. For the purposes of renewal, SUM must provide the following information to Audit and Risk Management:

- Current schedule of values for SUM collections
- Estimated value of incoming loans based on forward exhibition schedules
- Items that are within the "care, custody and control" of the University with a value of \$250,000 and above

Insurance records and reports will be maintained in the permanent files.

Any incident that may give rise to an insurance claim will be reported by SUM to Audit and Risk Management Office. Any loss by theft or wilful damage will be reported to the University's Security Service, who will in turn inform the Police.

## 6.6 Implementation

### 6.6.1. Responsibilities

Risk management is the responsibility of every SUM staff member. Risks to the collections will be constantly evaluated and assessed by staff. Risks will be eliminated or reduced through proper use of objects, training, use of appropriate materials and equipment, and improvement of facilities. Specifically:

- The SUM Director is responsible for ensuring that a risk management system is in place for SUM.
- The Collections Manager has overall responsibility for the coordination of risk management, for providing staff training, for initiating periodic review of the strategic risks, and for ensuring that contractors adopt a risk management approach commensurate with University policy.
- Senior Curators are responsible for using the information provided to foster a risk management culture in their respective areas of control.

Training in activities pertaining to risk management will be made available to all SUM staff. Such training will be mandatory for those with direct involvement in handling collections.

#### 6.6.2. Documentation

Documentation of all risk management activity will proceed in accordance with the University's Recordkeeping Policy and the SPECTRUM Documentation Standard.

#### 6.6.3. Reporting

In accordance with University formal reporting requirements, SUM reports on its risk management activities to:

- Internal Audit Office on an annual basis with a "Certificate of Verification of Heritage Assets" for all collections within its care.
- Risk Management Office on an annual basis to confirm updated values for correct insurance coverage.

#### 6.6.4. Review

The SUM Collections Risk Management guidelines will be reviewed every five years.

### 6.7 Related Documentation

#### 6.7.1. University References

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Sydney University Museums. (2005). *Disaster Preparedness Plan*. Sydney: University of Sydney. Unpublished policy document.

#### 6.7.2. External References

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