

CITY OF PHILADELPHIA PENNSYLVANIA

OFFICE OF THE CONTROLLER

Promoting honest, efficient, and fully accountable government

OFFICE OF ARTS, CULTURE AND THE CREATIVE ECONOMY

ART COLLECTION SAFEGUARDS

FISCAL 2014



City Controller
ALAN BUTKOVITZ



CITY OF PHILADELPHIA

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ALAN BUTKOVITZ
City Controller

GERALD V. MICCIULLA
Deputy City Controller

February 19, 2014

Mr. Everett Gillison
Chief of Staff
Office of the Mayor
City Hall, Room 204
Philadelphia, PA 19107

Dear Mr. Gillison:

The Office of the Controller commissioned and oversaw a performance audit, conducted by the independent accounting firm of Milligan & Company, LLC, of the artwork and historical treasures inventory maintained by the Office of Arts, Culture and the Creative Economy. The purpose of this audit was to assess and report on the adequacy of the safeguards over the city's art collection and historical treasures and identify potential areas of improvement. The results of the independent accounting firm's audit are summarized in the executive summary attached to this report.

We discussed the findings and recommendations with you and your staff at an exit conference, but you chose not to provide a written response to the report. We believe the recommendations in the attached report, if implemented, will improve the controls over the city's art collection and historical treasures.

We would like to express our thanks to you and your staff for the courtesy and cooperation displayed during the conduct of our work.

Very truly yours,

A handwritten signature in black ink, appearing to read "Alan Butkovitz".

ALAN BUTKOVITZ
City Controller

cc: Honorable Michael A. Nutter, Mayor
Honorable Darrell L. Clarke, President
And Honorable Members of City Council
Members of the Mayor's Cabinet
Rob Dubow, Director of Finance



OFFICE OF ARTS, CULTURE AND THE CREATIVE ECONOMY

ART COLLECTION SAFEGUARDS

EXECUTIVE SUMMARY

Why the Controller's Office Conducted the Examination

Pursuant to the Philadelphia Home Rule Charter, the Controller's Office engaged Milligan and Company, LLC, to conduct a performance audit of the adequacy of safeguards over the City of Philadelphia's art collection maintained by the Office of Arts, Culture and the Creative Economy. The objectives of this audit were to evaluate the adequacy of safeguard controls over the city's art collection, historical treasures, and statutory inventory, as compared to industry best practices, and to determine the accuracy and reliability of the city's art inventory listing.

What the Controller's Office Found

Some of the more significant observations are listed below. We believe these conditions, and others described in the report, warrant the attention of management and provide immediate opportunities for improvement.

- Art collection policies and procedures of the city do not include all of the integral components of a public art master plan in accordance with industry best practices. Specifically, the city's art manual does not include detailed procedures for loaning, relocation, deaccessioning, valuing, safeguarding, and cataloging individual art pieces. Without an adequate record management system, art pieces could be in jeopardy of theft or loss.
- Periodic physical observations of the city's art collection have not been recently performed, the last one being performed in 2003. Out of the 25 art pieces selected for observation, we found that about half of them were either damaged, vandalized, unable to be positively identified, unlocated, or failed to be accurately identified as to location in the inventory listing. Current inventory counts are critical to safeguarding and maintaining the collection.
- The city's art inventory listing did not include the current condition of each art piece. Effective management of the city's art collection is dependent on maintaining accurate information so that prudent decisions can be made.
- The city's art inventory listing did not identify the value of each art piece. A proper valuation of each art piece would help determine the cost/benefit of maintaining, safeguarding, or deaccessioning each piece of art.

What the Controller's Office Recommends

The Office of Arts, Culture and Creative Economy should (1) strengthen established art collection policies and procedures relating to movement, valuation, and cataloging of the city's collection; (2) develop formal procedures to perform periodic physical observations of all art pieces at least every five years on a rolling basis; (3) ensure the completeness and accuracy of the inventory listing; and (4) consider including the condition and monetary value of each piece on the inventory listing. These and other proposed actions are more fully described in the body of the report.

INDEPENDENT ACCOUNTING FIRM'S REPORT

Performance Audit Report

City of Philadelphia's Art Collection

December 2013



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Audit Summary and Recommendations

This performance audit was conducted to determine whether the City of Philadelphia (the “City”) has proper safeguards over its art collection, and that the art collection management policy is consistent with industry “best practices,” as detailed in Appendix A. Other audit objectives were to determine whether there was an adequate process established to perform periodic site visits to the collection locations and the City’s Master Inventory Listing is complete and accurate.

In summary, we concluded that some formal procedures have been established, however, they need to be expanded further to be in accordance with industry best practices related to policies and procedures involving tracking, valuing, safeguarding and cataloging the collections. The policies should include the process for documenting relocation, loaning and deaccessioning¹ art pieces. We also concluded there should be a process to ensure that site visits to physically observe collections are conducted at least every five years on a rolling basis.

We observed that not all art pieces are included in the City’s Master Inventory Listing (the “Listing”). Additionally, there were some pieces that appear to on the Listing that are not at the cited location. There are some pieces that are not in good physical condition; this fact is not noted on the Listing. We also recommend that a comprehensive Listing should include the estimated value of each piece at all locations to determine the cost versus benefit of maintaining, insuring or deaccessioning certain pieces.

Audit Report and Procedures

Introduction

A performance audit of the City of Philadelphia’s Art Collection program was conducted by Milligan & Company, LLC at the request of the City of Philadelphia Office of the Controller (the “Controller”). The audit was conducted in connection with the Controller’s post-audit function of performing annual audits of the City, School District of Philadelphia and City offices and departments.

The audit focused on the adequacy of controls of the City of Philadelphia’s Office of Arts, Culture and Creative Economy (“OACCE”) management over the City’s art collection.

To conduct the audit, we performed the following:

- i. Reviewed OACCE’s Policies and Procedures.
- ii. Reviewed applicable best practices.
- iii. Determined when last site visits to view the collections occurred.

¹ The process of selling or disposing of pieces in a collection.

- iv. Selected a sample of art pieces to verify their existence and condition, and determine whether adequate security exists in the surrounding area.
- v. For select pieces, compared the location and description on the Listing to the actual location observed.
- vi. Reviewed relocation-related documentation for sampled pieces that were determined to be relocated or missing.
- vii. Selected a sample of pieces observed in and around the City to trace to the Listing.

We conducted this audit in accordance with standards for performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (“GAGAS”). The audit covers the period from July 2013 to September 2013. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives. The methodologies used are described briefly at the beginning of each section.

The OACCE was provided with the findings and recommendations; however, as of the report date, they did not provide comments.

Safeguarding and Protecting the City’s Art Collection

Background

The OACCE was recreated in July 2008, as the successor Office of Arts and Culture initiated by Mayor Wilson Goode in 1986. The four functions of the OACCE are public art, exhibitions and performances, cultural creative development programs, and research and policy. The City of Philadelphia created the Percent-for-Art Program in 1959. This program was initiated by a Philadelphia Code Ordinance (the “Ordinance”), Chapter 16-103. The Ordinance requires 1% of all capital projects be spent on public art. Collections may also be acquired by donation to the City and direct acquisition. There are over 1,000 collections managed by the OACCE. These collections include sculptures, reliefs, mosaics, stained glass kinetic works, architectural adornments, paintings and murals. There are also collections and historical treasures at the Ryers Museum, Loudoun Mansion, Fort Mifflin, Atwater Kent Museum, and the Betsy Ross House. There are two individuals at the OACCE who manage the City’s art program.

Reviewed Policies and Procedures

We reviewed the *Percent-for-Art Program Policies Manual* (the “Manual”) which was updated in 2013. However, the updated document is still in draft format. The Manual describes how funds are allocated to the Percent-for-Art Program, the function of the Advisory Council,

selecting a location for the collection, jury² selection, criteria for selection of artists and contracting with them, donation and/or or placement of collections and deaccessioning. The OACCE also has template agreements for loaning artwork and agreements for accepting donations. However, the detailed process of loaning art pieces is not included in the Manual.

The section of the Manual on maintaining the “catalog of collections” (the Listing) lacks certain details. This is one of the most important components of a comprehensive public art master plan. Since the City’s collections exceed 1,000 pieces, it is imperative that a method to track all collections received, relocated and deaccessioned is maintained. The process of who assigns catalog numbers, how they are added to the Listing and updated after initial entry, should be documented in the Manual. The process for relocating collections, whether temporary or permanent, should also be documented in the Manual to ensure care of the collection during the moving process.

In addition, according to best practices, the Listing should include a catalog number for each item, a title or description, location (broad and specific), estimated value and notes on the most recent inventory taken and the condition noted. We found that the value for each piece was not listed. The value should be included to enable management to assess the cost versus benefit of repairing and maintaining a piece and for insurance purposes.

As a part of tracking and assessing the condition and existence of the collections, we also determined whether there was a process established to perform periodic site visits. The last site visit for any piece of art was conducted by OACCE in 2003. Although industry best practices seem to vary on how often a physical inventory should be conducted, best practices recommend that a periodic inventory count should occur. During the inventory, verification of the existence of the collection, as well as the condition should be documented on the Listing. This process should also be described in the Manual.

Test of the Master Inventory Listing

We haphazardly selected a sample of 25 art pieces from the Listing and attempted to physically observe their existence, condition and security of the surrounding area. We also compared their descriptions and locations on the Listing to what we observed to determine Listing accuracy and completeness. Our testing of this sample indicated the following:

- a. Fourteen of the art pieces observed were noted to be in good condition and were in secure locations. However, two of the 14 had differences in the location or placement year observed on the description placard compared to the Listing. Another one had been recently moved to a new location; but, the Listing was not updated to reflect the new location.
- b. Three art pieces had some minor paint chipping, paper peeling and tarnishing. These three pieces were in a secure location and their description/location agreed to the Listing.

² An independent group of visual arts professionals that make recommendations of artist and works of art to the Advisory Council.

- c. Two art pieces had their original structure compromised. Part of the security system was screwed into one of the panels and a painting had holes drilled into each corner. One of these two art pieces had an incorrect location indicated on the Listing. Their surrounding areas appear to be secure.
- d. Two of the pieces were vandalized and require significant painting. One of the pieces is in a high public foot traffic area and will always require constant maintenance to keep the piece in the best condition. The surrounding area needs to be cleaned around one of the pieces. The other piece is made up of several items. The Listing did not include the number of items included in this piece.
- e. One of the pieces observed did not have a placard to confirm this was the correct piece per the Listing. Many of the tile pieces on the exterior wall were falling off.
- f. For one of the pieces selected, there were two portraits at the specified location that did not include a placard with title, author, and year; therefore, we could not confirm this was the portrait selected. Alternatively, we tried to obtain an existing portrait of the judge in the photograph online and were unable to find one.
- g. Two pieces were exterior wall murals which were not in the location reflected on the Listing. Per management, these murals may have been painted over many years ago.

See testing results summary below.

Report observation letter	Title	Location	Observed	Condition	surrounding area/ neat, secure	Agrees to Listing
a	Africa	West Fairmount Park, Memorial Hall (interior)	yes	good	yes	No-General location should be updated to indicate this is the Please Touch Museum.
a	Children At Play (Ned Wolf Memorial Sculpture)	West Fairmount Park	yes	good	yes	yes
a	Thinker	East Fairmount Park, Rodin Museum	yes	good	yes	yes
a	Don Quixote de La Mancha	Triangle island area @ 2nd, Girard, & American St	yes	good	yes	No-list indicates 1997 installed, placard has 1996.
a	John Wanamaker	City Hall	yes	good	yes	yes
a	Dying Lioness	Philadelphia Zoological Gardens	yes	good	yes	yes
a	Lion Crushing A Serpent	Rittenhouse Square	yes	good	yes	yes
a	Duck Girl	Rittenhouse Square	yes	good	yes	yes
a	Title unknown (horses drawing fire engine)	Fire Station, Engine 43, Ladder 9	yes	good	yes	yes
a	Garden of Joy	One Parkway Building, 1515 Arch Street, Lobby	yes	good	yes	yes
a	Bird in Flight	Awbury Tract Tennis and Recreation Center	yes	good	yes	yes
a	Phillyscapes 1, 2 and 3 and Northwest, View 1; Northwest View 2	Philadelphia Youth Center	yes	good	yes	yes
a	Bureau of Fire Roll of Honor, 1940-65	City Hall	yes	good	yes	yes
a	Phoenix Rising or Dilworth Memorial	Dilworth Plaza	yes	good	yes	There is currently construction in Dilworth plaza, so this collection was relocated. List should be updated with new location.
b	Bronze relief depicting a Phoenix bird above maltese cross	Fire Station, Engine 10	yes	Red on flame could use touch-up paint	yes	yes
b	Pilgrim	East Fairmount Park, Kelly & Lemon Hill Drs.	yes	Slight tarnishing	yes	yes
b	Re-Creation	Dorothy Emanuel Recreation Center	yes	Paper coming off one of the murals*	yes	yes
c	Title Unknown (Mural on Wood Panels)	Northeast Regional Library	yes	Security sensor is screwed into one of the panels	yes	yes
c	7th Street and Snyder Ave.	Whitman Branch Library: 22nd & Snyder Avenue	yes	Holes punched in each corner of all pictures*	yes	No- General location typo, should be 2nd, not 22nd and specific location should be Meeting Room
d	War Memorial	Harrowgate Park	yes	The stand is deteriorating, bird is chipped, some vandalism has occurred to carved words in stone.	surrounding area needs to be cleaned.	yes
d	Your Move	Municipal Services Building Plaza	yes	The pieces are exposed to weather elements, as well as heavy pedestrian traffic. All are rusted, need painting, have graffiti and stickers on them.*	yes	Description should mention how many pieces there should be.
e	Tiles: A Neighborhood Collaboration	Recreation Center	yes	There was no title, year or artist name indicated. Tile is in poor condition, falling off the wall.*	yes	yes
f	Abraham M. Breidler Portrait (Judge Court of Common Pleas 1896-1907) (Portrait)	City Hall	No-could not verify existence	There are several portraits in this courtroom and there are 2 not identified with a placard.	n/a	n/a
g	Bigger Than Life Plants	Chalfont Playground	No-doesn't exist at this location	n/a	n/a	No-doesn't exist at this location
g	Title unknown (sports) right panel: Annunciate Virgin, Saint Bartholomew, a Deacon Saint, Saint Lucy, and Saint Agatha	Stenton Park Playground	No-doesn't exist at this location	n/a	n/a	No-doesn't exist at this location

*See Appendix B for pictures of these pieces.

An additional haphazard sample of five pieces observed in and around the City and at two of the other locations that hold City pieces (the Ryers Museum and Loudoun Mansion) were selected and traced back to the Listing. Three of the five pieces agreed with the Listing without exception. The last two pieces were observed at the Ryers Museum and Loudoun Mansion. Although these locations and all of the contents were bequeathed to the City, they are not included in the Listing. It is unclear whether the OACCE's office is responsible for the pieces at these locations. Additionally, since the City does not have any record of the contents of these locations, there may be inadequate controls and insurance coverage over the pieces and real estate. One of the locations is in the process of deaccessioning the contents. The OACCE has not approved this process.

Recommendations

We recommend that the OACCE expand their policies and procedures to include detailed policies on loaning collections, cataloging and tracking collections and relocation procedures. The Manual should also include a process for conducting periodic site visits on a rolling basis, at least every five years. The Manual should be finalized and periodically updated to comply with current practice and industry changes.

We also recommend that OACCE value the pieces to determine priority for repairing, maintaining, and safeguarding, as well as evaluating the necessity of insurance. The values should be evaluated and the insurance coverage reviewed on an annual basis, if necessary. Pieces that are loaned to the City for display should also be valued and insured. If a collection does not have a value, management may establish an estimated value for insurance coverage purposes.

We recommend that OACCE update their Listing by:

- Indicating the number of items included as one piece.
- Ensuring all pieces have an accurate descriptive placard or signage to indicate the title of the piece, the artist, and year installed at a minimum.
- Updating the location of a piece when it is relocated.
- Maintaining photographs of each collection item to supplement the Listing.
- Reflecting the current status of items not observed.

We recommend that OACCE confirm ownership of the pieces housed at the Ryers Museum, Loudoun Mansion and the other locations not tested. The pieces owned by the City should be included in the Listing. Since the collections at these locations are numerous, a one line item on the Listing indicating the location and referring to the detailed list maintained by the Parks and Recreation Department would be adequate. We also recommend that annually the OACCE obtain a copy of the inventory list maintained by the Parks and Recreation Department, as well as, a certification that the listing is complete and accurate.

Appendix A

Best Practices

The following are best practices used by U.S. Museums, Fine Art Collectors and Governments. These practices should be considered for incorporation into the OACCE's Manual of updated policies and procedures as applicable. See Recommendations on page 8.

Common components of public art master plans (Martin School of Public Policy and Administration, 2011) include:

- a. Goals and Vision
- b. Integration with other planning
- c. Creating a Public Authority
- d. Funding
- e. Site Selection
- f. Artist Selection
- g. Staffing or Contracting Program Administration
- h. Documentation of Public Art
- i. Maintenance of Public Art
- j. Acquisition and Removal of Public Art
- k. The Receipt of Public Art Gifts
- l. Educational Opportunities

Per the American Alliance of Museums, characteristics of excellence are as follows:

- a. An organization should be committed to public accountability and transparent in its mission and operations.
- b. An organization should legally, ethically, and effectively manage, document and care for the collections.
- c. There should be regular and reasonable access to, and use of, the collections/objects in custody.
- d. A current collections management policy should be used as a guide.
- e. Human resources should be sufficient, have the appropriate education, training and experience to perform the stewardship responsibilities over the collections.
- f. A system of documentation, records management, and inventory should be in effect to describe each object and its acquisition, current condition, location and movement.

Appendix A

Best Practices

- g. There should be regular monitoring of environmental conditions and proactive measures taken to mitigate the effects of ultraviolet light, fluctuation in temperature and humidity, air pollution, damage, pests and natural disasters on the collections.
- h. There should be appropriate measures to ensure the safety and security of people, its collections and objects and the facilities it owns or uses.
- i. There should be an effective program for the care and long-term maintenance of its facilities. Facilities should be clean, well maintained and provide for visitors' needs.
- j. Appropriate measures should be taken to protect the organization against potential risk and loss.

APPENDIX B
PHOTOGRAPHS OF DAMAGED CITY ARTWORK

Report Observation Letter: C

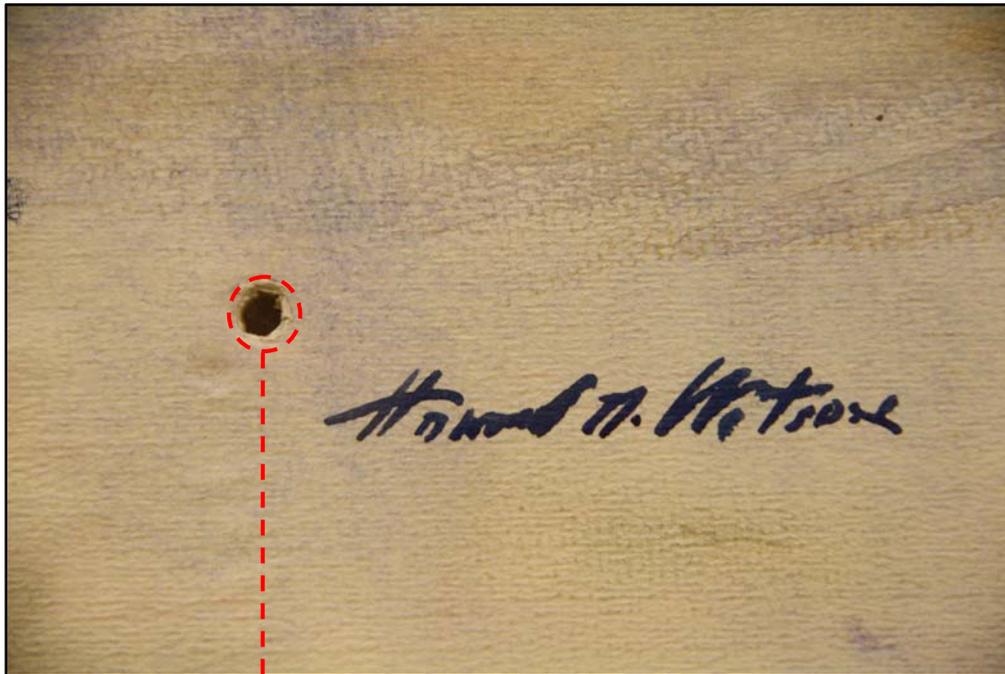
Artwork: 7th Street & Snyder Avenue (painting)

Howard N. Watson, well-known Philadelphia watercolorist

Location: Whitman Branch Library, 200 Snyder Avenue, Philadelphia, PA 19148



The painting hangs in the library's meeting room. Each corner has a puncture hole from screws that have been placed into the painting.



Here is a closer view of a puncture hole in the corner of the painting.

APPENDIX B
PHOTOGRAPHS OF DAMAGED CITY ARTWORK

Report Observation Letter: B

Artwork: Re-Creation mural

Kate Kaman

Location: Dorothy Emanuel Recreation Center, 8500 Pickering Ave, Philadelphia, PA 19150



The mural hangs from the ceiling in the main entrance to the recreation center. Strips of paper have fallen off the ceiling and the pieces are hanging on other parts of the mural.



Here is a closer view of the mural's paper peeling off the ceiling and hanging on another object.

APPENDIX B
PHOTOGRAPHS OF DAMAGED CITY ARTWORK

Report Observation Letter: E

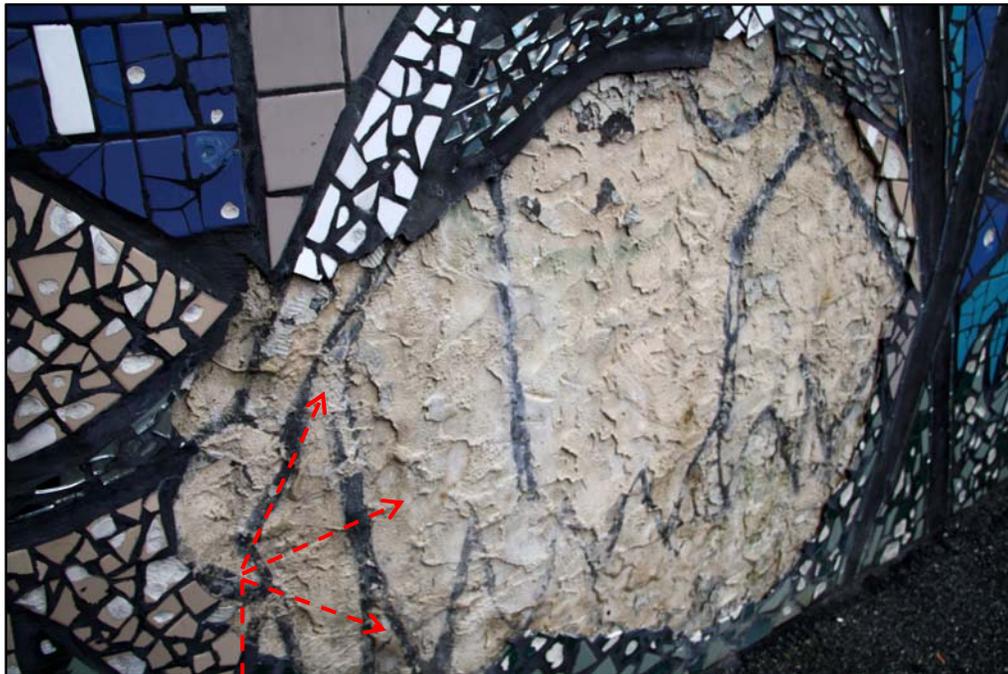
Artwork: Tiles: A Neighborhood Collaboration

Unknown Artost

Location: Hawthorne Recreation Center, 1200 Carpenter St., Philadelphia, PA 19147



The mural hangs on the exterior wall of the creation center. Many colored tiles are damaged or removed from the mural, resulting in extensive damage.



Here is a closer view of an entire section of the mural that is missing tiles.

APPENDIX B
PHOTOGRAPHS OF DAMAGED CITY ARTWORK

Report Observation Letter: D

Artwork: Your Move (Oversized Game Pieces)

Various Artists

Location: Municipal Services Building, 1401 John F. Kennedy Blvd., Philadelphia, PA 19102



The over-sized game pieces located at the plaza of the Municipal Services Building have become objects for graffiti and vandalism.



Here is a closer view of an over-sized chess piece that has been damaged.