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24 December 2010

Legislative Council Secretariat
Council Business Division 2
3/F, Citibank Tower
3 Garden Road
Hong Kong
(Attn: Mr Thomas Wong)

Dear Mr Wong,

**Legislative Council Panel on Home Affairs (HA)
Meeting on 5 October 2009**

Acquisition and Management of Museum Collections

We refer to the discussion at the HA Panel Meeting held on 5 October 2009, and enclose an information paper on the Quality Assurance Review of the Acquisition and Management of Museum Collections for Members' reference.

Yours sincerely,

(Alexander Or)

for Secretary for Home Affairs

Encls.

c.c. Director of Leisure and Cultural Services (Attn: Dr Louis Ng) (Fax: 2696 4691)

**Information Note for
Legislative Council Panel on Home Affairs**

**Quality Assurance Review of the
Acquisition and Management of Museum Collections**

PURPOSE

This paper sets out for Members' information the findings of an internal audit review conducted by the Quality Assurance Section ("QAS") of the Leisure and Cultural Services Department ("LCSD") in 2008 on the acquisition and management of museum collections and the measures implemented to further enhance the control of procurement and preservation of historical artefacts and collections.

BACKGROUND

2. At the meeting of the Panel on Home Affairs held on 5 October 2009, the Administration briefed Members on the mechanism adopted and improvement measures made by LCSD for the acquisition of artefacts and management of museum collections. The Administration undertook to provide a summary of the findings of the internal audit review conducted by the QAS of LCSD in 2008 on the acquisition and management of artefacts and the improvement measures implemented for Members' information.

3. LCSD manages 14 museums, the Hong Kong Film Archive, two heritage centres and the Art Promotion Office (hereafter collectively known as "Museums"). From time to time, the Museums acquire artefacts and artworks through purchase and / or donations to add to their collections for the organization of public programmes for the enjoyment of the general public. As at 31 August 2010, the total number of museum collections stands at 1,247,988¹ items, among which 91.29% and 7.25% were acquired through

¹ The collections do not include the archaeological finds excavated in Hong Kong and deposited in the

donation and acquisition respectively whereas the remaining 1.46% came from other sources. Since 2000-01, the actual expenditure on acquisition of artefacts for the Museums ranged from some \$5.29 million to \$9.75 million per financial year. A breakdown of the number of collection items of the Museums categorized by sources are at the **Annex**.

4. Since procurement of artefacts involves qualitative assessment instead of just simple price comparison, normal quotation or tendering exercise as required under the Stores and Procurement Regulations could not be strictly applied. As such, a special set of "Procedures for Procurement of Artefacts and Museum Public Programmes" (the "Procedures") has specially been devised for the Museums of LCSD.

5. After conducting a review of the implementation of the Procedures, the QAS was generally satisfied with the compliance of the Procedures by the Museums, and some observations and recommendations were made to suggest measures to further improve the acquisition of artefacts. The major observations and recommendations are summarized below:

- (a) On a few occasions the officers involved in the acquisition process did not declare interest properly;
- (b) Loan in Deeds / Receipts for artefacts for possible acquisition and donation were sometimes signed, monitored and documented causally and loosely;
- (c) There were different practices in museums in engaging Museum Expert Advisors ("MEAs") to assess items to be acquired. Some could not invite MEAs on a random basis owing to the limited number of MEAs in certain specialized fields and some invited more MEAs than required;
- (d) Museums have different interpretation on the purchase values for seeking approvals which resulted in duplication of efforts in seeking approval for acquisition of artefacts or seeking approval by staff more senior than required;
- (e) Some of the price negotiations for artefact acquisition were not conducted by officers at the appropriate level(s) and the procedures were not documented properly;

Central Archaeological Repository under the management of the Antiquities and Monuments Office.

- (f) The loan period² for items temporarily deposited in Museums pending assessment were not always specified; and
- (g) Museums have different practices in accepting donations. The established work flow for accepting donations was sometimes not strictly followed, e.g. officers using other guidelines like acquisition procedures to accept donations, transference of donations from other sources is treated differently, thank you and regret letters not taken as a standing arrangement, donation form / deed of donation does not accompany the donations, etc.

IMPLEMENTATION OF RECOMMENDATIONS

6. The following measures have been taken in response to the observations and recommendations stated in the QAS report:

- (a) Museums have been reminded that all officers involved in acquisition have to declare interest properly;
- (b) A system has been put in place in Museums for senior museum staff to check and ensure the compliance of the procedural requirements. Museum staff members are required to sign, maintain and document the loan in deeds / receipts properly as appropriate;
- (c) Museums have been reminded to adhere strictly to the Procedures, including adhering to the appropriate level of authority for approval of acquisition;
- (d) Museums have been reminded to invite MEAs on a rotational basis as far as practicable and to carry out price negotiation by officers at appropriate rankings and according to the proper procedures. The negotiation process has to be fully documented and filed;
- (e) The loan period for artefacts temporarily deposited in museums should be specified, and that the rejected cases for acquisition should be duly reported to the directorate for noting. All the documents have to be properly filed;
- (f) The museum senior management should conduct regular checking to ensure that all work processes related to acceptance of donations are in compliance with the procedures. Subject officers have been reminded of the need to properly handle donation forms and deeds;

² "Loan period" refers to the period agreed by both the sellers and the museums for the items to be assessed for acquisition to be kept temporarily in the museums pending assessments.

- (g) QAS has been requested to do a follow-up review in 18 – 24 months' time to assess the implementation of the measures by the Museums and to review the work procedures of the Conservation Section which supports the Museums in conserving museum collections and is also required to handle collection items;
- (h) QAS has also been requested to conduct surprise checks on the collections of the Museums every 6 months; and
- (i) the procedure for annual stock-taking and surprise checking of collections have been included in the Museum Operation Manual and the action officers are required to be Chief Curators / Curators or equivalent of respective museums. During both stock-taking and surprise checking, collection items will be physically inspected and checked against the Accession Register.

7. It needs, however, to be pointed out that the management of the archaeological finds excavated in Hong Kong, which are currently deposited in the Central Archaeological Repository ("CAR") is different from the management of the collections in Museums. Relics³ unearthed in Hong Kong are governed by the Antiquities and Monuments Ordinance (Cap. 53). According to the ordinance, such relics are owned by the Hong Kong Special Administrative Region Government. They were obtained through excavation and fieldwork but not through acquisition or donations as museum collections normally do. These finds are kept in the CAR managed by the Antiquities and Monuments Office of LCSD which has its own set of procedures for handling these finds, including registration, internal retrieval, external loan, surprise inspection and store management to ensure the safe-keeping and proper handling of the finds. As such, the acquisition and management of the collections of the Museums mentioned above do not apply to the collection of the CAR.

CONCLUSION

8. LCSD is committed to ensuring the best preservation and management of the collections of the Museums. The management of the Museums will continue to work closely with QAS to monitor the compliance of the Museum Operation Manuals and the Procedures by the Museums and to

³ Relic is referred to movable object made, shaped, painted, carved, inscribed or otherwise created, manufactured, produced or modified by human agency before the year 1800, whether or not it has been modified, added to or restored after the year 1799 as well as fossil remains or impressions.

review the latter regularly to ensure the best control over the acquisition and management of the collections in the Museums.

Leisure and Cultural Services Department
December 2010

Breakdown of Museum Collections of LCSD
(as at 31.8.2010)

Museums	Current Number of Collections			TOTAL
	Donation	Acquisition	Others	
I. Art Museums Section	7,434	8,233	0	15,667
Including Hong Kong Museum of Art and Flagstaff House Museum of Tea Ware				
II. History Museums	61,755	27,022	16,629	105,406
Including Hong Kong Museum of History, Hong Kong Museum of Coastal Defence, Dr Sun Yat-Sen Museum, Fireboat Alexander Grantham Exhibition Gallery, Lei Cheng Uk Han Tomb Museum, and Law Uk Folk Museum				
III. Heritage Museums	59,993	29,843	1,544	91,380
Including Hong Kong Heritage Museum, Sam Tung Uk Museum, Hong Kong Railway Museum, and Sheung Yiu Folk Museum				
IV. Science Museums	77	1	0	78
Including Hong Kong Science Museum, and Hong Kong Space Museum				
V. Hong Kong Film Archive	1,010,069	25,388	0	1,035,457
TOTAL (Museums only):	129,259	65,099	18,173	212,531
TOTAL (Film Archive only)	1,010,069	25,388	0	1,035,457
TOTAL (Museums and Film Archive):	1,139,328	90,487	18,173	1,247,988
Percentage	91.29%	7.25%	1.46%	100.00%