

OFFICE OF THE INSPECTOR GENERAL



Collections Management: Oversight and Monitoring Needed to Ensure That Collecting Units Have an Effective Inventory Process

**OIG-A-22-03
February 25, 2022**



**Smithsonian Institution Building
(The Castle)**

In Brief

Collections Management: Oversight and Monitoring Needed to Ensure That Collecting Units Have an Effective Inventory Process

OIG-A-22-03, February 25, 2022

Background

The Smithsonian is the steward of a collection of more than 155 million objects. The Board of Regents has the ultimate oversight authority and responsibility for the collections, but each unit director has primary operations authority.

For decades, collecting units have been required to conduct *cyclical* inventories—planned inventories of collections items conducted according to a pre-determined schedule.

OIG audits and other Smithsonian reports have found problems with museums not conducting cyclical inventories. Failure to conduct these inventories increases the risk to the collections.

What OIG Did

This audit assessed the extent to which 19 collecting units had developed and implemented cyclical inventory plans in accordance with Smithsonian requirements, as of August 2020.

To perform this audit, OIG reviewed applicable policies and procedures, unit inventory plans, and other documents. OIG also conducted interviews. OIG assessed unit inventory plans to determine if they included eight information requirements and the extent to which units implemented their schedule of cyclical inventories.

What OIG Found

Assessment of inventory plans. Of the 19 collecting units, OIG found that 4 did not have any inventory plan, and none of the remaining 15 had fully met the requirement to have a plan that contained 8 requirements for information and procedures, as of August 2020. For example, the inventory plan for the Smithsonian's largest collecting unit, the National Museum of Natural History, does not establish schedules for conducting cyclical inventories of the 146 million objects in its collections, as required.

Implementation of inventory plans. For the remaining 15 collecting units, OIG found that only 3 conducted all of the cyclical inventories in accordance with their unit's schedule. Seven units completed 25 to 81 percent of their required inventories, and five units did not complete any cyclical inventories. The most common reason cited for not conducting the required cyclical inventories was the lack of staff resources. Collecting units are allowed to adjust their inventory plans to accommodate changes, but not to abandon them. Failure to conduct inventories at the frequency specified in an inventory plan increases the risk that objects could be missing or stolen and that such losses remain undetected.

Executive oversight. OIG found that senior management was not aware of the extent to which collecting units were not in compliance with the requirements for inventory plans and cyclical inventories because they are not effectively overseeing and monitoring the units to ensure compliance with these requirements to protect the national collections. In addition, the National Collections Program Director has not effectively implemented monitoring activities to assess the collecting units' compliance with inventory plan requirements. Also, none of the 19 directors ensured that their unit had an inventory plan that complied with requirements for information and procedures, and that inventories were conducted in accordance with plan schedules. In a decentralized organization, information from units on their compliance is vital for the Smithsonian to achieve its objective to have a continuous inventory system.

What OIG Recommended

OIG made two recommendations to establish and implement ongoing monitoring activities and procedures for annual reports on compliance with cyclical inventory plan requirements. Management concurred with both recommendations.

For a copy of the full report, visit <https://oig.si.edu>.

OFFICE OF THE
INSPECTOR GENERAL


Memo



Date: February 25, 2022

To: Lonnie Bunch, Secretary
Meroe Park, Deputy Secretary and Chief Operating Officer

Cc: Ron Cortez, Under Secretary for Administration
Kevin Gover, Under Secretary for Museums and Culture
Ellen Stofan, Under Secretary for Science and Research
William Tompkins, Director, National Collections Program

From: Cathy L. Helm, Inspector General 

Subject: *Collections Management: Oversight and Monitoring Needed to Ensure That Collecting Units Have an Effective Inventory Process* (OIG-A-22-03)

This memorandum transmits our final audit report on the Smithsonian's cyclical inventory processes. The objective of this audit was to assess the extent to which 19 collecting units developed and implemented cyclical inventory plans in accordance with Smithsonian Directive (SD) 600, *Collections Management*, and the SD 600 *Implementation Manual*.

We made two recommendations to better ensure that the Smithsonian has an effective continuous inventory system. Management concurred with both recommendations.

We appreciate the courtesy and cooperation of all Smithsonian management and staff during this audit. If you have any questions, please contact me or Joan Mockeridge, Assistant Inspector General for Audits.

Table of Contents

Introduction...	1
Background...	2
Results of the Audit.....	9
Four Units Did Not Have Inventory Plans, and None of the Collecting Units Met All Requirements for Inventory Plans.....	9
Four of the 19 Collecting Units Did Not Have Inventory Plans.....	12
Only 6 of 19 Collecting Units Had a Required Stand-alone Inventory Plan.....	12
Nine Collecting Units Provided Their Collections Management Policy In Lieu of a Stand-alone Inventory Plan	15
Few Units Conducted All of the Cyclical Inventories Required	18
Three Units Conducted All Cyclical Inventories	20
Seven Units Partially Implemented Their Schedule of Cyclical Inventories.....	21
Five Units Did Not Conduct any Cyclical Inventories	23
Smithsonian Management Is Not Effectively Overseeing and Monitoring Inventory Plans	24
Senior Management Did Not Monitor Collecting Units' Compliance with Requirements for Inventory Plans	25
National Collections Program Director Did Not Effectively Monitor or Advise Senior Management on Compliance with Inventory Plans.....	26
Unit Directors Are Not Ensuring That Their Collecting Units Comply with Inventory Plan Requirements	27
Units Did Not Always Continue Improvements That Were Implemented to Resolve Past OIG Audit Recommendations.....	28
Conclusions.....	29
Recommendations	30
Management Comments.....	31
Appendix I: Office of Inspector General Reports and Testimony on Collections Management..	32
Appendix II: Objective, Scope, and Methodology	33
Appendix III: Organizational Responsibilities for Collection Management.....	36
Appendix IV: Description of 19 Collecting Units, Their Cyclical Inventory Requirements, and the Inventories Conducted for the Last Two Cycles.....	38
Appendix V: Analysis of Information Required by SD 600 <i>Implementation Manual</i> in the Six Unit's Stand-Alone Inventory Plans, as of August 2020	53
Appendix VI: Analysis of Information Required by SD 600 <i>Implementation Manual</i> in the Nine Units that Provided their Collections Management Policy as an Inventory Plan, as of August 2020	54
Appendix VII: Management Comments.....	55

Figures

Figure 1. Organizational Chart for Collections Management and Inventory Responsibilities, as of September 2021	4
Figure 2: Number of Stand-alone Inventory Plans That Contained the Information Required by the SD 600 Implementation Manual, as of August 2020	14
Figure 3: The Inventory Section of Smithsonian American Art Museum's Collections Management Policy	16
Figure 4: Number of Unit's Collections Management Policies That Contained the Information Required by the SD 600 Implementation Manual, as of August 2020	17

Tables

Table 1: The Status of 19 Units' Compliance with Requirements for a Stand-alone Inventory Plan and the Number of Requirements in Units' Inventory Plans, as of August 2020.....	11
Table 2: Number of Cyclical Inventories Conducted by the Collecting Units During Last Two Inventory Cycles, as of August 2020	19

Abbreviations

GAO	Government Accountability Office
OIG	Office of the Inspector General
SD	Smithsonian Directive
Smithsonian	Smithsonian Institution

Introduction

As steward of the national collections, the Smithsonian Institution (the Smithsonian) has the unique responsibility to manage and preserve these collections held in trust. Assembled over 175 years, the national collections are central to many of the core activities and the vitality and significance of the Smithsonian. The collections contain more than 155 million items, of which 146 million are at the National Museum of Natural History. They include irreplaceable icons of the nation, examples of everyday life, and scientific material vital to the study of the world's natural and cultural heritage, covering subjects from art to zoology. Collections include objects, natural specimens, artifacts, and other items that are acquired, preserved, and maintained for public exhibition, education, and study. The acquisition, preservation, management, and study of collections are fundamental to the Smithsonian's mission and are the foundation on which its reputation rests.

For decades, Smithsonian collecting units¹ have been required to conduct cyclical inventories as part of overall collections management to ensure that the collections are protected, properly stored, and accessible to the maximum extent possible consistent with their preservation, security, and legal requirements.² A cyclical inventory is a planned inventory of collections items, conducted according to a predetermined schedule. Cyclical inventories may include a complete inventory or a specific percentage or sampling of the entire collection inventory as predetermined using statistically sound inventory methods. Two documents guide the Smithsonian's collection management policies, including inventory controls, and apply to all collecting units: Smithsonian Directive 600, *Collections Management* (SD 600) and Smithsonian Directive 600: *Collections Management Implementation Manual* (SD 600 *Implementation Manual*).³

Prior audits by the Office of the Inspector General (OIG) and Smithsonian collections management studies have found significant problems with museums not properly conducting cyclical inventories as required by SD 600 and the SD 600 *Implementation Manual*. Failure to conduct inventories increases the risk that objects could be missing or stolen and that such losses remain undetected. For previous OIG reports and testimony on collections management, see Appendix I.

This audit assessed the extent to which 19 collecting units had developed and implemented cyclical inventory plans in accordance with SD 600 and the SD 600 *Implementation Manual*, as of August 1, 2020. To understand the inventory process and requirements for inventory plans, OIG identified and reviewed applicable policies and procedures and interviewed Smithsonian managers and staff. In addition, OIG requested relevant documents from 19 collecting units,

¹ A collecting unit is a Smithsonian unit that has been delegated the authority to acquire and manage collections in the SD 600 *Implementation Manual*. A total of 20 units have been designated as collecting units.

² Smithsonian Directive 600, *Collections Management* (October 2001).

³ Smithsonian Directive 600: *Collections Management Implementation Manual* (September 2006).

including their cyclical inventory plans, inventory reports, and supplementary inventory reports (such as reconciliations or missing objects reports). To determine if units' inventory plans complied with SD 600 requirements, OIG assessed whether each unit's plan addressed eight specific requirements in Chapter 15 of the SD 600 *Implementation Manual*. To assess the extent to which units had implemented their plans, OIG obtained documentation on the inventories conducted in accordance with each unit's plan for the two most recent cycles of each unit's scheduled inventories, excluding any inventories that were delayed due to the pandemic-related closures that started in March 2020.⁴ OIG then compared the documentation for completed inventories with the type and schedule of inventories in each unit's plan. After this assessment, OIG confirmed the results of this assessment with each unit's representative, typically the collections manager or registrar. For a detailed description of OIG's objectives, scope, and methodology, see Appendix II.

OIG conducted this audit in Washington, D.C., from August 2020 to February 2022 in accordance with generally accepted government auditing standards. Those standards require that OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objective. OIG believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on its audit objective.

Background

The Board of Regents has the ultimate oversight authority and responsibility for the collections, but the management of Smithsonian collections is decentralized: each unit director has primary operating authority. According to SD 600, the Smithsonian Board of Regents—acting through the Secretary, the under secretaries, and the museum directors—is responsible for ensuring that prudent collections management policies are established, implemented, and monitored. They must also ensure that collections growth is balanced with available resources. The Board of Regents delegates operational oversight authority for the collections to the Secretary.

The Secretary is responsible for establishing and overseeing appropriate policies and programs, and for ensuring compliance with applicable laws and regulations. The Secretary may delegate the responsibility to implement established policies and to carry out the direct management and care of Smithsonian collections to the Deputy Secretary, the under secretaries, collecting unit directors, and other appropriate staff. According to the SD 600 *Implementation Manual*, the Secretary is responsible for ensuring that collections management at all collecting units meets professional standards and complies with SD 600 by incorporating collections-specific measurement standards into the Smithsonian strategic and annual performance plans and into the performance plans of the Deputy Secretary, under secretaries, and collecting unit directors.

⁴ An inventory cycle is the schedule of cyclical inventories described in a unit's inventory plan or collections management policy. For example, if a unit's schedule of cyclical inventories calls for an annual random sample inventory and a comprehensive inventory every 5 years, two inventory cycles would be two annual inventories and two comprehensive inventories.

According to the SD 600 *Implementation Manual*, the National Collection Program Director is responsible for administering and monitoring the implementation of SD 600.⁵

The Deputy Secretary and under secretaries are responsible for the following:

- establishing long-term collection priorities, funding, policies, plans, and practices that address identified collection needs and deficiencies;
- developing and incorporating collections-specific measurement standards into collecting unit directors' annual performance plans;
- monitoring their implementation; and
- establishing performance measures for monitoring and reporting progress toward implementation of collections management standards.

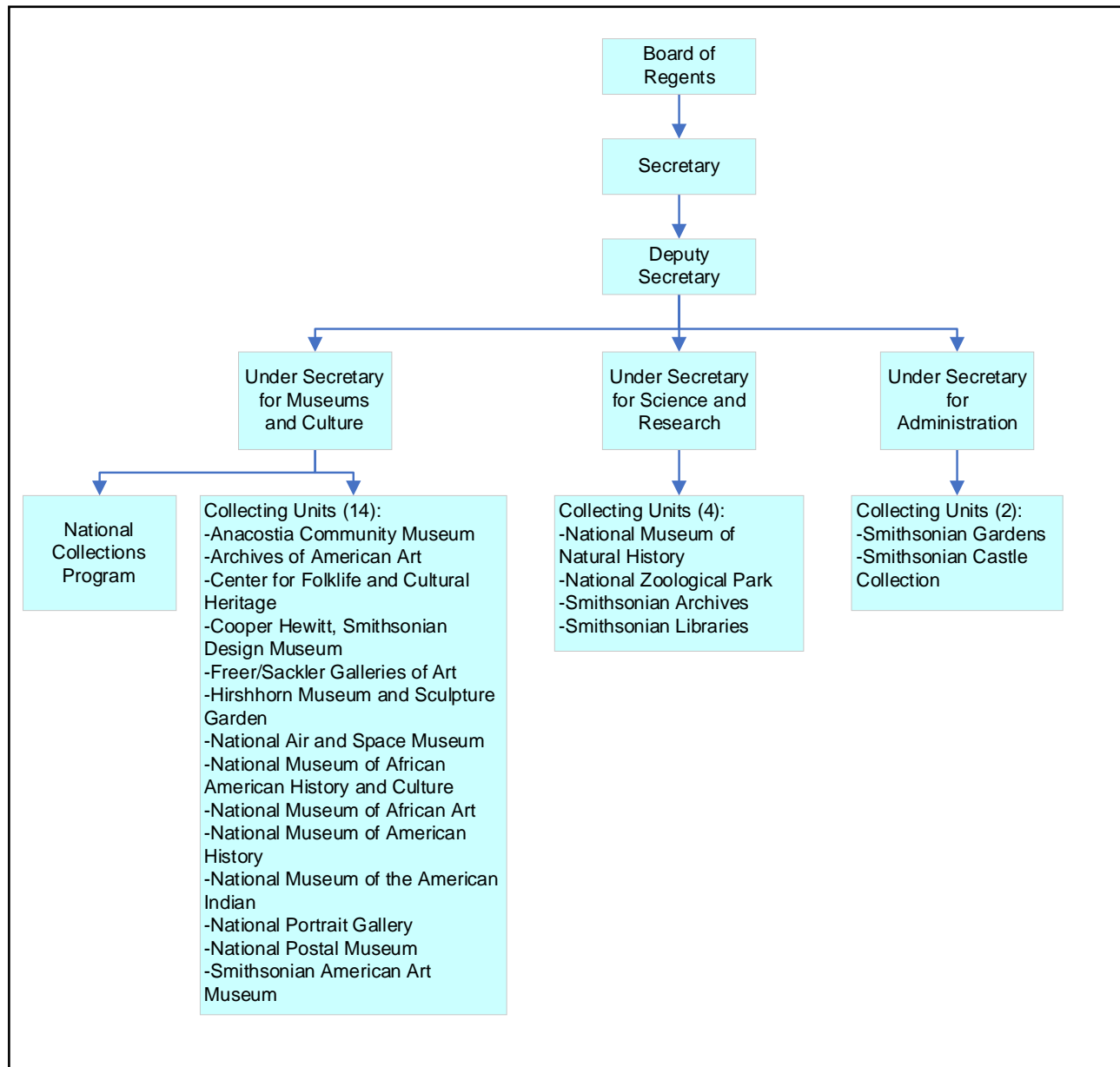
The Smithsonian's collecting units are overseen by one of four under secretaries; 14 of the 19 units report to the Under Secretary for Museums and Culture.⁶ The National Collections Program is also overseen by the Under Secretary for Museums and Culture.⁷ For the current organizational chart, see Figure 1. For more detailed information about the Smithsonian's organizational structure for collections management, see Appendix III.

⁵ When SD 600 was issued in 2001, the title of this position was National Collections Coordinator.

⁶ Since SD 600 was issued in 2001, the Smithsonian has gone through multiple reorganizations, and the titles and responsibilities of the under secretary positions have changed. As of 2021, four under secretaries oversee the Smithsonian's collecting units: the Under Secretary for Administration, the Under Secretary for Museums and Culture, the Under Secretary for Science and Research, and the Under Secretary for Education.

⁷ The National Collections Program has been in different organizational units since SD 600 was issued in 2001. For example, in 2001, it was part of Smithsonian Archives, but the National Collections Program had moved to the Office of the Deputy Secretary when the SD 600 *Implementation Manual* was issued in 2006.

Figure 1. Organizational Chart for Collections Management and Inventory Responsibilities, as of September 2021^a



Source: OIG analysis of Smithsonian data.

Note:

^a The National Zoological Park was excluded from the audit because their collection consists of living animals.

SD 600, *Collections Management*, and the SD 600 *Implementation Manual*

SD 600, which was issued in October 2001, is the principal policy document guiding Smithsonian's collections management. SD 600 covers all aspects of collections management, including acquisition and accessioning, deaccessioning and disposal, preservation, collections information, inventory, risk management and security, access, loans, and intellectual property management.⁸ SD 600 and its *Implementation Manual*, adopted in 2006, guide the Smithsonian's collections management policies and apply to all collecting units. The SD 600 *Implementation Manual* provides technical guidance, advice, and information to assist collecting units in achieving the standards and implementing the policies set forth in SD 600. According to SD 100, *Smithsonian Directives*, such handbooks and manuals are as binding as the policies they implement.⁹

In conjunction with the SD 600 *Implementation Manual*, SD 600 specifies that collecting units must establish and implement an inventory process and a cyclical inventory plan. It designates collecting units that are authorized to acquire and manage collections, and it requires each collecting unit to have a collections management policy. Under SD 600, an ongoing inventory system is not only helpful to facilitate research, documentation, and storage, but also is an essential security device to deter and detect theft of collection items. The SD 600 *Implementation Manual* also includes requirements for the inventory process, including reporting the results of the inventory to the director. For example, the SD 600 *Implementation Manual* requires that units record the results of inventories and store a copy of the inventory in a secure location. It also requires that a copy of the inventory be signed by personnel involved and that it, along with a report of the inventory results, be reported to the unit director.

Although inventories are considered a fundamental component of good collections management, SD 600 and its *Implementation Manual* do not specify how often inventories should be conducted or how much of a collection must be sampled if a full inventory is not conducted. According to a 2005 Smithsonian study of collections management, the lack of specificity with respect to minimum standards is typical in the collections management field.¹⁰ The study found that the museum community as a whole has not established minimum standards for inventories; the American Association of Museums simply called for "an appropriate and reasonable percentage of the permanent collection" to be cataloged and inventoried.

⁸ Accessioning is the formal process used to legally acquire and record a collection item or group of items into a Smithsonian collection. Deaccessioning is the process used to formally approve and record the removal of a collection item or group of items from the collecting unit's accessioned collections.

⁹ SD 100, *Smithsonian Directives* (May 2017), provides guidance for written policies governing Smithsonian operations, such as directives and the supplementary information on policy implementation procedures. Smithsonian directives contain institution-wide policies of long-term significance and remain in effect until revised or cancelled.

¹⁰ Smithsonian Institution, Office of Policy and Analysis, *Concern at the Core: Managing Smithsonian Collections* (Washington, D.C.: April 2005).

Unit's Collections Management Policy

As specified by SD 600, each collecting unit must develop, implement, and adhere to an authorized collections management policy to establish general principles and standards that govern the collections activities, practices, and operations of the collecting unit. Each collecting unit is responsible for establishing collections management policies that are specifically tailored to the nature, scope, and character of its collections. The unit's collections management policy must include sections on different aspects of collections management, including acquisitions, collections information, disposal, and inventory. It provides a mechanism to ensure that decisions concerning collections are prudent, responsible, informed, and in accord with the unit's mission. It also is intended to ensure the proper physical care and preservation of the collections; provide for the documentation of their identification, location, condition, and provenance; and ensure maximum accessibility to the collections consistent with their preservation, security, and legal considerations.

To ensure effectiveness, consistency on essential elements, and relevancy to current situations, a unit's collections management policy must be reviewed at least every 5 years and revised and reauthorized if necessary. Collections management policies require the approval of the National Collections Program Director, Office of General Counsel, Deputy Secretary, the responsible under secretary, and the Secretary.

Unit's Inventory Plan

SD 600 and the SD 600 *Implementation Manual* require that each collecting unit (1) establish authority and assign responsibility for conducting, supervising, and approving cyclical inventories and reconciliation of collection records; (2) establish and implement an inventory process and a written cyclical inventory plan appropriate to the character and size of the collections under its care; and (3) ensure adequate separation of duties and other internal controls to minimize the possible unauthorized removal of collection items and corresponding records. The plan should be reviewed by all individuals who will conduct the inventory and be ultimately approved by the director.

Under SD 600 and its *Implementation Manual*, collecting units are required to establish and implement a plan for regular cyclical inventories. A cyclical inventory is a planned inventory of collections items, conducted according to a pre-determined schedule. Cyclical inventories may include a complete inventory or a percentage or sample of the entire collection using statistically sound inventory methods.

The SD 600 *Implementation Manual* establishes the following eight requirements for unit inventory plans:

- Identify a unit inventory officer and staff responsibilities.
- Establish the periodic time frames for conducting inventories.
- Establish procedures for regular and systematic inventories.
- Establish a procedure for identifying valuable, sensitive, and significant collections.

- Establish the schedule and responsibility for inventory of valuable, sensitive, and significant collections.
- Identify the manual and electronic record systems that establish control of the unit's collections.
- Mandate and establish an audit trail for additions, deletions, and changes to manual and electronic record systems.
- Establish a procedure for achieving a reconciled inventory.

Inventory plans also must be periodically reviewed to assess the available resources and collecting unit priorities. Although implementation of the plans may be adjusted to accommodate these changes, they may not be abandoned. Adjustments must be reviewed and approved by the unit director in consultation with the accountable inventory officer and appropriate collections staff.

Inventory Control is Essential to Managing Risks in Collections Management

As part of its enterprise risk management program, the then–Deputy Under Secretary for Collections and Interdisciplinary Support developed a risk action plan for collections management. The action plan states that the collections are at potential risk due to natural disasters, vandalism, theft, disease, space and environmental deficiencies, human error, mechanical or operational system failure, and deterioration.¹¹ In addition, it identified factors that can influence the risks, such as the quality of collections documentation and inventory control and the quality of collection space, storage equipment, and preservation. Moreover, it identified several challenges or barriers in managing these risks: the decentralized nature of collections management, sustainable funding support for collections management, and the aging collections management workforce.

When a major theft of items is discovered at a museum, frequently the perpetrator is an insider who has both unfettered access to the collections and an awareness that regular inventories are not being conducted. The Smithsonian has not been immune from theft of collections by insiders and others.¹² For example, a series of thefts at multiple museums in the 1970s and 1980s were committed by staff or volunteers, including the security guard force. At the National Museum of American History, these thefts included a Charles Wilkes medal, two swords with gold and diamond encrusted hilts, gold medals, and the silver pen used to sign the Treaty of Paris. At the National Museum of Natural History, a shark tooth and fish fossil valued at more than \$10,000 were stolen during this time. Some of these objects including the pen, shark tooth, and fish fossil—were recovered, but others were not. In 1981, a set of George Washington's false teeth that contained gold was stolen from the National Museum of American History. In 1982, postage stamps valued at \$21,000 were stolen from the same museum. Neither theft was solved, but the lower portion of Washington's teeth that did not contain any

¹¹ Smithsonian Institution, *Collections Management Risk Action Plan* (January 5, 2015).

¹² Pamela M. Henson, *Crime at the Smithsonian*, Smithsonian Institution Archives, October 2012.

gold was later recovered after being returned to a Smithsonian storage room.¹³ Security guards have also prevented thefts of collection objects, including stopping a researcher from stealing minerals from exhibits at the National Museum of Natural History in 1975.

In 1994, the Federal Bureau of Investigation determined that Karl S. Schneide, the museum curator responsible for the World War I aviation collection at the Smithsonian's National Air and Space Museum, was pilfering items from the museum's collection. Over a 4-year period, Schneide simply walked out of the museum with the objects and accepted donated material that he kept for himself. Federal prosecutors said Schneide sold the objects to a military memorabilia dealer and used the proceeds to finance restoration of an Austin Healey sports car. He pleaded guilty to stealing 18 objects of government property and was sentenced to 6 months in prison and ordered to pay \$20,000 in restitution.¹⁴

OIG has investigated collection thefts and recovered a number of collection objects. For example, OIG recovered two books in 2015 that were stolen from the Birds Division Library of the National Museum of Natural History after an anonymous tip that they were in an attic in Baltimore, Maryland. The books were reference books, not part of the collection, but dated from the mid-1800s. The alleged thief was a painting contractor. In 2017, OIG recovered the Omega Speedmaster watch used by an Apollo 7 astronaut (valued at \$400,000), which was stolen while on loan in Ecuador in 1989. The watch was recovered from a man in Texas after OIG received a tip as to its location.

In 2017, the Carnegie Library in Pittsburgh discovered a massive theft of precious maps, books, and artworks valued at \$8 million. According to a September 2020 article in Smithsonian Magazine, the theft was carried out over a period of nearly 25 years by Greg Priore, the manager of the Oliver Room where the museum's rare books and archives were stored.¹⁵ The theft, believed to be the most extensive theft from an American library in at least a century, was discovered in 2017 when the museum conducted its first inventory since 1991, the year before Priore was hired to manage the Oliver Room collections.

¹³ *Half of George Washington's stolen false teeth have been...*, United Press International, August 30, 1982.

¹⁴ David Johnston, "A Professor Helps Smithsonian Catch the Curator-Thief," *The New York Times*, February 17, 1996, Section 1, p.1.

¹⁵ Travis McDade, "The Inside Story of the \$8 Million Heist from the Carnegie Library," *Smithsonian Magazine*, September 2020.

Results of the Audit

Four Units Did Not Have Inventory Plans, and None of the Collecting Units Met All Requirements for Inventory Plans

OIG found that 4 collecting units did not have any inventory plan, and none of the remaining 15 units had fully met the requirement to have a stand-alone inventory plan that contained 8 requirements for information and procedures, as of August 2020. Six units had a stand-alone inventory plan, and nine provided—in lieu of a stand-alone inventory plan—either an inventory section or an appendix of their collections management policy, which is also a required document for collecting units.

Under SD 600, effective collections management requires a continuous inventory system to support decisions regarding collections use, growth, storage, and security. In addition to facilitating research, documentation, and storage, an ongoing inventory system is an essential security device to deter and detect theft of collection items. Full inventory control requires creating and maintaining reliable information about the identification, location, and accessibility of collection items. It also requires units to establish and implement an inventory process and a written cyclical inventory plan appropriate to the character and size of the collections in its care in accordance with the SD 600 *Implementation Manual*. The manual lists the inventory plan as a document separate from the unit's collections management policy and requires that the inventory plan be approved by the unit director.¹⁶

In evaluating the content of the six stand-alone plans and the nine collections management policy sections, OIG found that none contained all eight of the information and procedures required by the SD 600 *Implementation Manual*. For example, the stand-alone inventory plan for the Smithsonian's largest collecting unit, the National Museum of Natural History, does not establish periodic time frames or schedules for conducting inventories of the 146 million objects in its collections. Cyclical inventories are a vital part of a continuous inventory system. Some of the requirements for inventory plans may be in other documents. However, without a stand-alone plan that contains all required information and procedures, staff may not be able to identify all applicable procedures and consistently apply them, and unit directors and senior management may be hindered in reviewing inventory plans to ensure that they comply with all required information and procedures. In addition, a stand-alone inventory plan is easier for units to update because it requires only the unit director's approval, while collections management policies must be approved by the National Collections Program Director, General Counsel, the responsible under secretary, the Deputy Secretary, and the Secretary.

¹⁶ SD 600 *Implementation Manual* requires each collecting unit to complete the following: collecting unit statement of purpose (mission statement), collections management policy, collections plan, cyclical inventory plan, digitization plan, unit-level strategic plan and annual performance plan, annual performance indicators for results of collection activities, collections management procedures manual, disaster management plan (facility specific), annual collections statistical and assessment report.

The SD 600 *Implementation Manual* establishes eight requirements for unit inventory plans, such as (1) establishing periodic time frames for conducting inventories and mandating an audit trail to track changes to collection records and (2) tracking who made the changes in manual and electronic collection record systems. For information about each unit's compliance with requirements for inventory plans, see Table 1.

Entomology Collection at the National Museum of Natural History



Source: Chip Clark, National Museum of Natural History

Table 1: The Status of 19 Units' Compliance with Requirements for a Stand-alone Inventory Plan and the Number of Requirements in Units' Inventory Plans, as of August 2020

Collecting Unit	Date of Inventory Plan ^a	Type of Inventory Plan			Number of the Eight Information Requirements Fully Addressed ^a
		Stand-Alone Document	Inventory Section of Collection Management Policy	Appendix of Collection Management Policy	
Cooper Hewitt, Smithsonian Design Museum	2019	●			4
National Air and Space Museum	2010	●			7
National Museum of African Art	2018	●			5
National Museum of Natural History	2008	●			3
Smithsonian Gardens	2013	●			7
Smithsonian Institution Libraries	2020	●			7
Anacostia Community Museum	2010		●		5
Castle Collection	2010		●		3
Hirshhorn Museum and Sculpture Garden	2010		●		4
National Museum of American History	2012		●		5
National Museum of Asian Art (Freer/Sackler Galleries)	2009		●		2
National Portrait Gallery	2020 ^b		●		3
Smithsonian American Art Museum	2019 ^b		●		4
National Museum of African American History and Culture	2019			●	7
National Museum of the American Indian	2004 ^c			●	5
Archives of American Art	No Plan				
Center for Folklife and Cultural Heritage	No Plan				
National Postal Museum	No Plan				
Smithsonian Archives	No Plan				

Source: OIG analysis of Smithsonian data.

Notes:

^a The SD 600 Implementation Manual establishes eight requirements for collecting unit's inventory plans.

^b The National Portrait Gallery and Smithsonian American Art Museum's most recent collections management policies did not go through the review and approval process in SD 600 to be updated in 2020 and 2019, respectively. The last formal review of these two units' collections management policies was in 2009. OIG assessed the more recent policies for compliance with SD 600 requirements.

^c The National Museum of the American Indian's collections management policy was last approved in 2008; however, the inventory plan appendix is dated 2004.

OIG also found that none of the six stand-alone plans had been approved by the unit director, as required, and many of the stand-alone plans and collections management policy documents had not been reviewed and updated in years. For detailed information on each of the 19 units, their inventory plan or collections management policy, and the extent to which the units conducted the cyclical inventories required by their plans, see Appendix IV.

Four of the 19 Collecting Units Did Not Have Inventory Plans

OIG found that four collecting units did not have inventory plans as of August 2020, as required. However, two of the four (Archives of American Art and Smithsonian Institution Archives) quickly developed inventory plans after receiving OIG's request for their plans. Failure to have an inventory plan raises questions about management's commitment to having a continuous inventory system and may hinder the unit's ability to promptly identify significant issues such as loss, damage, and theft of collection items.

The following four units did not have an inventory plan:

- **Archives of American Art.** According to the Registrar and Collections Manager, the Archives of American Art did not have an inventory plan until September 2020, a month after OIG requested a copy of it.
- **Center for Folklife and Cultural Heritage.** The interim director of the Rinzler Archives (the name of the unit's collection), who has been in the job since 2011, could not provide an explanation why this unit had no inventory plan.
- **National Postal Museum.** The museum director said when he started the job in 2017, he had identified several areas that needed attention to protect the collection, including poor storage conditions and security. He said he thought these areas were a higher priority than inventories because they put the collections at risk of damage or theft. When a new collections manager was hired in 2019, she identified the need to develop an annual inventory program at the museum; however, she and the director did not believe that the museum had enough staff to conduct regular inventories. With six million objects, the museum has the Smithsonian's second-largest collection.
- **Smithsonian Archives.** According to the Interim Chief Archivist, the Archives did not have an inventory plan until September 2020 after OIG requested a copy of it.

Only 6 of 19 Collecting Units Had a Required Stand-alone Inventory Plan

When OIG requested the inventory plans from 19 collecting units in August 2020, only 6 units submitted a copy of a stand-alone inventory plan, as required by SD 600. None of the plans had been approved by the unit director, as required. Three plans had been revised within the past 3 years, although the three others had not been reviewed for 8 to 13 years. The SD 600

Implementation Manual requires that inventory plans are reviewed on “a periodic basis” although it does not define a specific time period.

OIG assessed the six stand-alone plans to determine whether they contained the information and procedures required by the SD 600 *Implementation Manual* and found that all six plans were missing at least one of the requirements. The plans for three units—National Air and Space Museum, Smithsonian Gardens, and Smithsonian Institution Libraries—contained seven of the eight information requirements, and three others contained three to five.

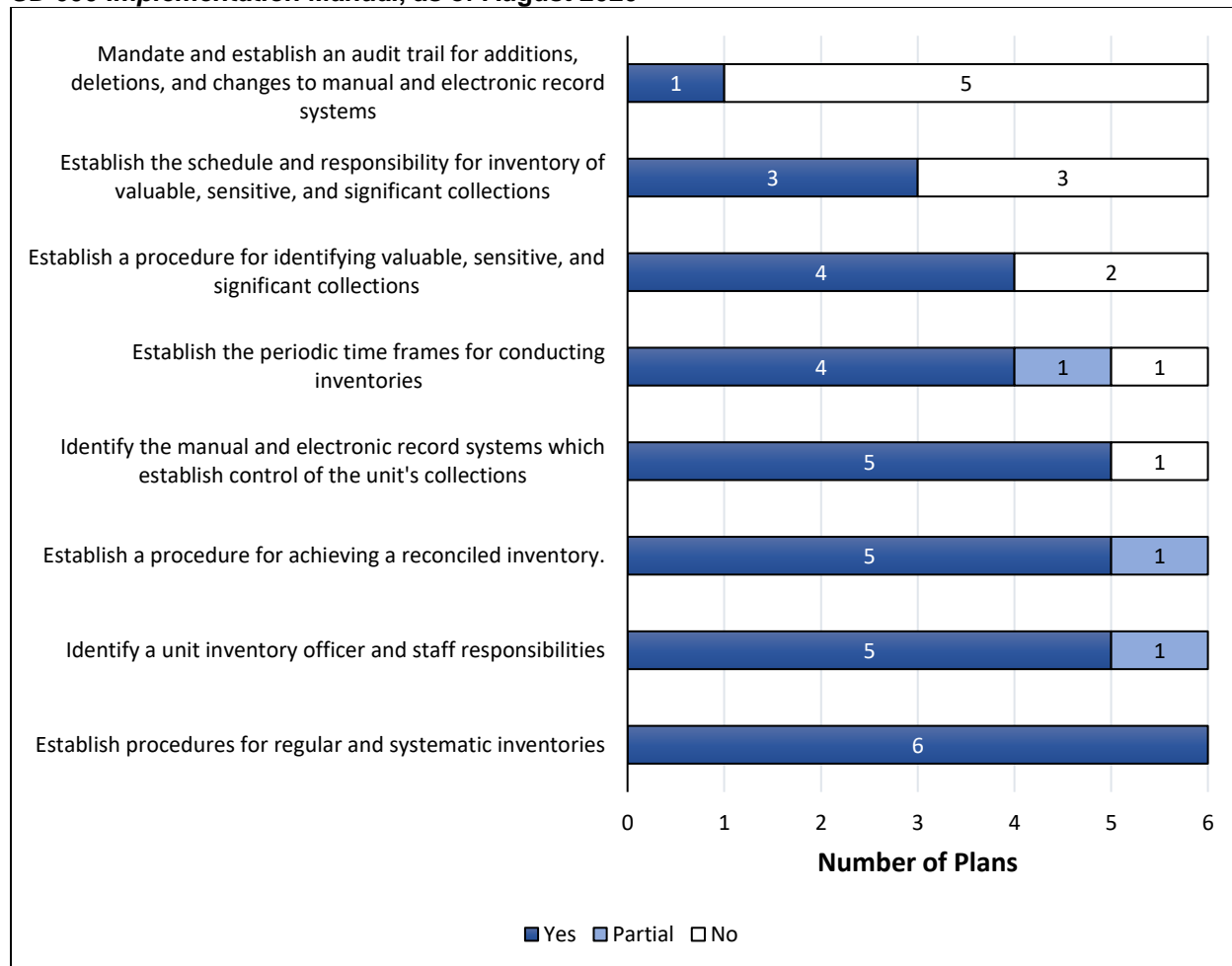
SR-71 Blackbird at the Steven F. Udvar Hazy Center, National Air and Space Museum



Source: Smithsonian National Air and Space Museum, NASM Original Photography, NASM Acc. 2012-0026.

Figure 2 shows whether each of the six unit’s stand-alone plans contained the eight requirements in SD 600 *Implementation Manual*. For an analysis of each unit’s inventory plan and which of the eight requirements they contain, see Appendix V.

Figure 2: Number of Stand-alone Inventory Plans That Contained the Information Required by the SD 600 Implementation Manual, as of August 2020



Source: OIG analysis of the eight information requirements in the six stand-alone inventory plans.

Most important, the stand-alone inventory plan for Smithsonian's largest collecting unit, the National Museum of Natural History, did not establish periodic time frames for conducting cyclical inventories,¹⁷ which are essential to establish a continuous inventory system.

The other five plans established periodic time frames or schedules for conducting cyclical inventories, as required. For example, the National Museum of African Art's inventory plan requires two types of inventories: a random sample of 10 percent of the collection to be conducted annually and a comprehensive inventory of the entire collection every 5 years. Cooper Hewitt's plan also requires two types of inventories: annual random sample inventories of 10 objects from each curatorial department, and comprehensive inventories of six areas every 15 years.

¹⁷ The National Museum of Natural History has a collection of more than 146 million objects, which accounts for 94 percent of the Smithsonian's entire collection.

Five of the six stand-alone inventory plans do not discuss how the unit meets the requirement to mandate and establish an audit trail to track additions, deletions, and changes to manual and electronic collection record systems, as required.¹⁸ An audit trail documents information, such as who made changes to the collection records and what those changes were. This information can help locate lost objects, identify who last modified a record, and determine what data was changed at a specific time. Many units have an electronic collection information system with a built-in audit trail function. However, some units, such as the National Museum of Natural History, have a number of different manual record systems that do not have this automated function.

The six plans defined procedures for regular and systematic inventories, generally identified the inventory officer and staff responsibilities, and identified the record systems for the unit's collection.

[Nine Collecting Units Provided Their Collections Management Policy In Lieu of a Stand-alone Inventory Plan](#)

Nine of the 19 collecting units without a stand-alone inventory plan provided either the inventory section or an appendix of their unit's collections management policy, contrary to the SD 600 *Implementation Manual's* requirement for a stand-alone plan. Seven provided the inventory section of their collections management policy, and two other units provided appendices. For an example of an inventory section of a collections management policy that was provided as a unit's inventory plan, see Figure 3.

¹⁸ Collection records contain information required to identify and describe each collection object, such as a unique number, name, location, and description.

Figure 3: The Inventory Section of Smithsonian American Art Museum's Collections Management Policy

L. Inventories

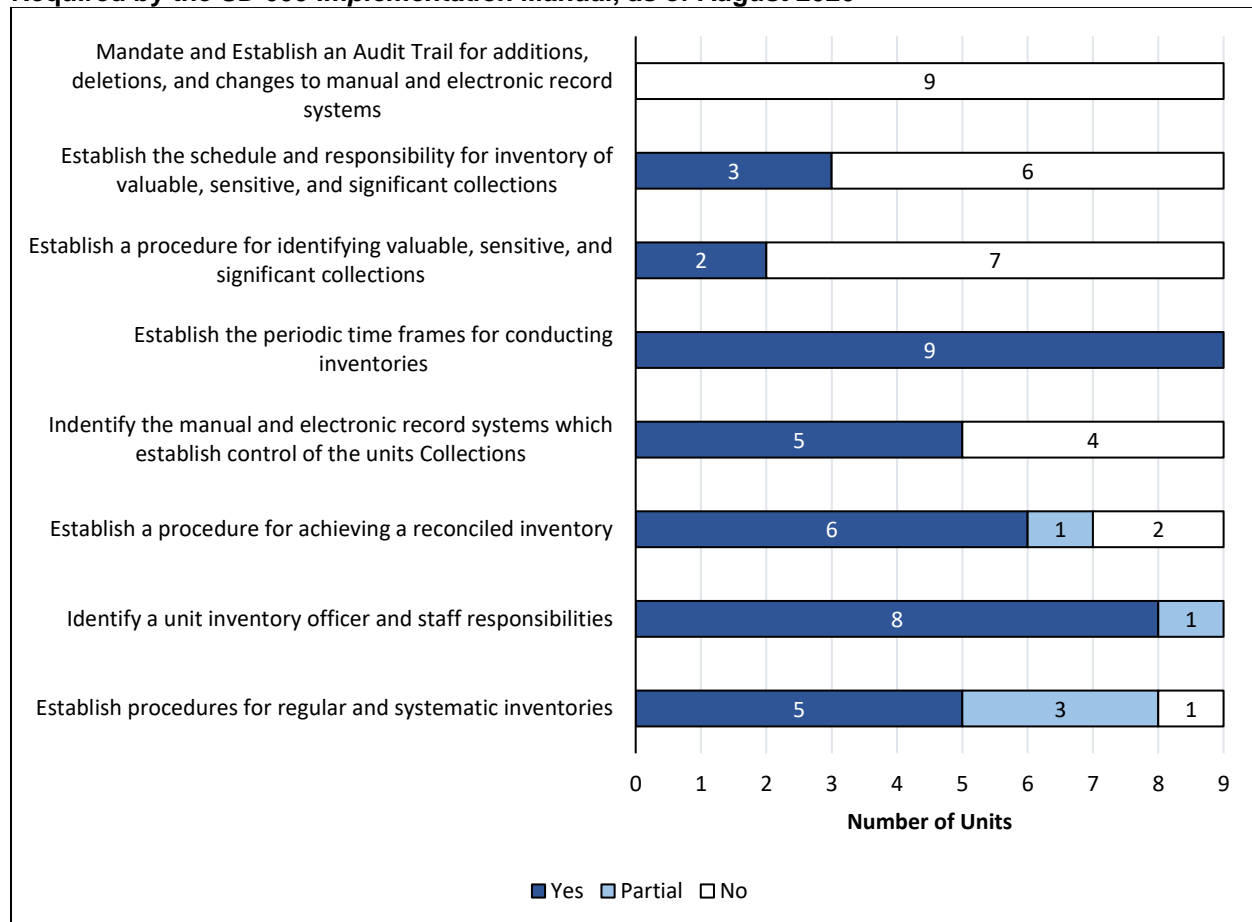
In compliance with SD 600, a current, reconciled inventory of the collection shall be maintained to provide accountability and access to the collection.

Comprehensive inventories of the collection shall be conducted by the Registration Department at five-year intervals for the painting and sculpture collection and at eight-year intervals for the graphic arts collection, and the results reported to the Director and to the National Collections Coordinator, National Collections Program, in accordance with outlined procedures. A random sampling inventory (2%) of collection objects and records shall be undertaken annually by the Registration Department and if necessary, reconciled. The Chief Registrar shall have overall responsibility for inventory activity, records and files, including reconciliation of data. There will be adequate separation of duties to minimize the possible unauthorized removal of collection objects and corresponding records.

Source: Excerpt from the Smithsonian American Art Museum's collections management policy (October 1, 2019).

All nine documents established periodic time frames for cyclical inventories, but they were missing other information required for inventory plans by the SD 600 *Implementation Manual*, as shown in Figure 4. One unit's document (the National Museum of African American History and Culture's inventory appendix to the collections management policy) contained seven of the eight requirements. But most units that relied on their collections management policy met fewer of the eight information requirements for inventory plans than the units that had stand-alone inventory plans. For an analysis of each of the nine units' collections management policy inventory sections or appendix, and which of the eight information requirements they contain, see Appendix VI.

Figure 4: Number of Unit's Collections Management Policies That Contained the Information Required by the SD 600 *Implementation Manual*, as of August 2020



Source: OIG analysis of the eight information requirements in the nine collections management policies.

All nine units without stand-alone plans established periodic time frames or schedules for conducting cyclical inventories, as required. For example, the Smithsonian American Art Museum's collections management policy requires comprehensive inventories for its painting and sculpture collection every 5 years, and every 8 years for its graphic arts collection. It also requires a 2 percent annual random sample inventory. Another unit, the Anacostia Community Museum, establishes a schedule for two inventories—a 1 percent annual random sample, and a comprehensive inventory of the collection every 5 years. In addition, eight units fully met the requirement to identify the inventory officer and staff responsibilities, and the ninth unit partially met the requirement.

These were the most frequently omitted requirements:

- not establishing an audit trail for collection record systems containing detailed information on collection objects (9 of 9 units);

- the lack of procedures for identifying valuable, sensitive, and significant collections (7 of 9 units); and
- the establishment of a schedule and responsibilities for routine inventory of the valuable, sensitive, and significant collections (6 of 9 units).

If requirements for inventories of valuable, sensitive, and significant collections are not included in collections management policies, units may not regularly conduct inventories of their most important and valued collection objects, putting them at increased risk of damage, loss, theft, and vandalism. Examples of these types of collections include artwork, precious gems and minerals, gold coins, rare scientific specimens, and unique historic artifacts.

Few Units Conducted All of the Cyclical Inventories Required

OIG found that only 3 of the 15 collecting units conducted all of the inventories in accordance with their unit's schedule—2 for the last two inventory cycles and 1 for a single cycle since it had established its schedule for cyclical inventories in June 2019, as shown in Table 2. Seven other units completed 25 to 81 percent of their required inventories for two cycles and five units did not complete any cyclical inventories.

Table 2: Number of Cyclical Inventories Conducted by the Collecting Units During Last Two Inventory Cycles, as of August 2020

Collecting Unit	Number of Inventories Required for Two Cycles	Number of Inventories Conducted for Two Cycles	Percentage of Inventories Conducted for Last Two Cycles
Anacostia Community Museum	4	0	0%
Castle Collection	4	1	25%
Cooper Hewitt, Smithsonian Design Museum	14 ^a	7	50%
Hirshhorn Museum and Sculpture Garden	6	0	0%
National Air and Space Museum	4	3	75%
National Museum of African American History and Culture	1 ^b	1	100%
National Museum for African Art	3 ^c	3	100%
National Museum of American History	6	2	33%
National Museum of the American Indian	6	6	100%
National Museum of Asian Art	3 ^d	2	67%
National Museum of Natural History	0 ^e	0	0%
National Portrait Gallery	16 ^f	13	81%
Smithsonian American Art Museum	6 ^f	0	0%
Smithsonian Gardens	4	0	0%
Smithsonian Institution Libraries	2	1	50%

Source: OIG analysis of Smithsonian data.

Notes:

^a Because Cooper Hewitt revised its inventory plan in 2019, it was not possible to evaluate its implementation over two cycles. Therefore, OIG evaluated the implementation of the prior version of the inventory plan, which was revised in 2007.

^b Because the National Museum of African American History and Culture developed their first collections management policy in June 2019, which contained an inventory plan appendix, they did not have time to complete two cycles of their inventory schedule.

^c The National Museum of African Art's inventory schedule called for a comprehensive inventory of its collection in 2020, which was postponed due to pandemic-related closures. OIG excluded this postponed inventory in its analysis, reducing the number of required inventories for two cycles from four to three.

^d According to the National Museum of Asian Art's inventory schedule, the museum was due for a comprehensive inventory in 2020, which was postponed due to pandemic-related closures. OIG excluded this postponed inventory in its analysis, reducing the number of required inventories for two cycles from four to three.

^e The National Museum of Natural History's 2008 inventory plan does not establish a schedule for cyclical inventories, as required; therefore, the plan required no cyclical inventories that OIG could evaluate.

^f The National Portrait Gallery and Smithsonian American Art Museum recently revised their collections management policy. Therefore, to evaluate these museums' implementation of inventories for two cycles, OIG used the schedule of inventories in each unit's 2009 collections management policy.

The most commonly cited reason for not conducting any or all of the required cyclical inventories was the lack of staff resources. In addition, many units said higher priority was given to programming needs, time-sensitive projects such as managing contracts and fulfilling grant requirements, conducting project-based inventories, and moving collections to support building renovations. The SD 600 *Implementation Manual* allows collecting units to adjust their inventory plans as necessary to accommodate changes, but not to abandon them. Adjustments to plans are to be reviewed and approved by the unit director in consultation with the accountable inventory officer and appropriate collections staff.

Failure to conduct inventories at the frequency specified in an inventory plan increases the risk that objects could be missing or stolen and that such losses remain undetected. Regular inventories also help staff identify other collections management deficiencies, such as incomplete or inaccurate records, poor storage conditions, and object preservation needs.

Three Units Conducted All Cyclical Inventories

OIG found that only 3 of the 15 collecting units conducted all of the inventories in accordance with their unit's schedule—2 for the last two inventory cycles, and 1 for a single cycle:¹⁹

- **National Museum of African Art.** This museum conducted all of the inventories for two full inventory cycles required by its inventory plan. Its inventory plan requires two types of inventories: (1) an annual 10 percent random sample and (2) a comprehensive inventory every 5 years. The museum completed annual random sample inventories in 2018 and 2019. It also completed a comprehensive inventory in 2015 and postponed the comprehensive inventory scheduled for 2020 due to the COVID-19 pandemic. OIG excluded the postponed 2020 comprehensive inventory in its analysis, reducing the museum's number of required inventories for two cycles from four to three.
- **National Museum of the American Indian.** The National Museum of the American Indian conducted all of the inventories required for two cycles. The museum's inventory plan included a three-part inventory check to be conducted annually:
 - physical inventory of a random sample of 5,000 objects,
 - check of 100 randomly selected objects' condition, and
 - check of 100 randomly selected objects for proper documentation.

The museum staff completed these inventories in 2018 and 2019. However—after discussion between the museum's Registrar, Assistant Director for Collections, and

¹⁹ Because the National Museum of African American History and Culture developed their first collections management policy in June 2019, which contained an inventory plan appendix, the museum did not have time to complete two cycles of their inventory schedule. Therefore, the museum had time to complete only one inventory cycle during the scope of this audit.

Associate Director for Collections and Operations—the 2018 inventory was reduced from 5,000 objects to 800 due to a staffing shortage that year. The SD 600 *Implementation Manual* allows for inventory plans to be adjusted to accommodate changes in available resources and unit priorities; therefore, OIG considered this inventory to be in compliance with the inventory plan.

According to the Under Secretary for Museums and Culture and former director of the museum, this museum has two advantages that enabled them to fully implement the inventories required by the collection management policy's inventory plan appendix. First, the museum's Board of Trustees' Collections Committee provides oversight of the collections through receipt of reports on the inventory results. Second, the museum has specifically assigned the responsibility for conducting inventories to registration staff.

- **National Museum of African American History and Culture.** In June 2019, this new museum established its first collections management policy that contained an inventory plan appendix. This appendix requires annual inventories that alternate between a 1 percent random sample of the entire collection and a complete inventory of their “high-value or historically significant” objects. In September 2020, the museum completed its first random sample inventory but did not have time to complete an inventory for the second cycle of that schedule.

For details about each unit's schedule of cyclical inventories and the implementation of it for two cycles of inventories, see Appendix IV.

Seven Units Partially Implemented Their Schedule of Cyclical Inventories

The following seven units conducted at least one, but not all, of the required inventories:

- **Castle Collection.** The inventory section of the collections management policy for the Castle Collection requires that the staff conduct (1) an annual inventory of a sample of objects and (2) a complete inventory of all collection objects every 3 years. For the last two inventory cycles, the unit completed one of four required inventories. The staff did not conduct any annual inventories, but conducted one complete inventory in 2013. According to the curator, they began, but did not finish, another complete inventory in 2016.
- **Cooper Hewitt, Smithsonian Design Museum.** The museum's stand-alone inventory plan requires a comprehensive inventory every 5 to 15 years for each of its five departments and long-term loan objects. The plan also requires an annual random sample inventory of 10 objects from each of the 5 departments. In total, the plan calls for 14 inventories over 2 cycles of their plan (7 each cycle). However, it conducted only seven inventories for four departments: Production Design and Decorative Arts (2014 and 2008), Textiles (2014 and 2008), Wallcoverings (2014 and 2008), and Drawings and Prints (2018). The Registrar said they conducted a second comprehensive inventory of

the Drawings and Prints department in 2011, but she could not find a report on the final results of the inventory to show that the inventory was completed.²⁰ The museum did not conduct any comprehensive inventories of its Archives department or the long-term loan objects for the last two cycles, and it did not conduct any annual random sample inventories.

- **National Museum of Asian Art (Freer/Sackler Galleries of Art).** The inventory section of the museum's collections management policy includes two types of inventories—a random spot-check every 5 years and a comprehensive inventory every 10 years. The museum conducted one of each of these inventories during the last two inventory cycles: a spot-check in 2016 and a comprehensive inventory in 2010. The 2020 comprehensive inventory was postponed due to COVID-19 closures. OIG excluded the postponed 2020 comprehensive inventory in its analysis, reducing the museum's number of required inventories for two cycles from four to three.
- **National Air and Space Museum.** The museum's stand-alone inventory plan requires two annual inventories: (1) a random sample of 0.5 percent of the entire collection of more than 73,000 objects and (2) a comprehensive inventory of one of the two secure storage rooms for the Aeronautics and Space History divisions, for a total of four inventories for two cycles of its plan. It conducted three of the four inventories scheduled for the two cycles: a 2018 random sample inventory and two secure storage room inventories in 2018 and 2019. The 2019 random sample inventory was postponed due to the renovation of the museum building taking priority.
- **National Museum of American History.** The inventory section of the museum's collections management policy describes three types of inventories: (1) prioritized projects, (2) cyclical spot-checks on a 5-year schedule, and (3) a 100-percent annual inventory of the museum's "National Treasures." For the last two inventory cycles, the museum completed the National Treasures inventories, but not the other required inventories; the museum conducted only two of the six required inventories over the last two cycles.
- **National Portrait Gallery.** The inventory section of the National Portrait Gallery's collections management policy describes eight inventories that are required for its collection. One requirement specifies that the paintings and sculpture collection be inventoried every 4 years. One cycle was completed in 2013, and the next was completed 4 years later in 2017. Overall, the unit completed 13 of the 16 inventories required over the 2 cycles.

²⁰ The SD 600 *Implementation Manual* requires that units record the results of inventories and store a copy of the inventory in a secure location. It also requires that a copy of the inventory be signed by personnel involved and that it, along with a report of the inventory results, be reported to the unit director.

- **Smithsonian Libraries.** Because the stand-alone inventory plan was revised in 2020, OIG used the prior inventory plan from 2005 to evaluate the implementation of inventories for the last two cycles. The 2005 inventory plan required cyclical inventories only for its special collections of rare books and valuable materials that have special housing, handling, and security requirements, but not for the millions of circulating volumes in its 21 branches. Specifically, the 2005 plan requires an inventory to be conducted for one of the seven locations that contain special collections every 3 years, or two cyclical inventories in 6 years. The unit provided an inventory report for one special collection location in 2018. No documentation exists for an inventory that was to have been conducted in 2015.

For details about each unit's schedule of cyclical inventories and the implementation of the schedule for two cycles of inventories, see Appendix IV.

Five Units Did Not Conduct any Cyclical Inventories

Five units that provided either an inventory plan or a section of their collections management policy in lieu of a stand-alone plan did not conduct any cyclical inventories. The National Museum of Natural History did not conduct any cyclical inventories because its plan does not establish a schedule for conducting them. The other four units had a schedule, but did not conduct any of their scheduled inventories:

- **Anacostia Community Museum.** The inventory section of the collections management policy requires that the museum conduct (1) an annual random sample of 1 percent of the collection and (2) a comprehensive inventory of the entire accessioned collection every 5 years. For the last two inventory cycles, the museum did not conduct any of the four required inventories. Rather, the Collections Manager said the museum staff made the decision to concentrate fully on improving collections documentation, cleaning up data in the collection information systems, standardizing data-entry standards, and improving collections housing and storage. For example, in lieu of the annual random sample inventory, the Collections Manager said that 39 percent of the object collection and 21 percent of the archival collection were inventoried in 2018 and 2019. She said annual random sample inventories would be reinstated in 2023.
- **Hirshhorn Museum and Sculpture Garden.** The Head Registrar and then-Collections Manager said the museum did not conduct any of the three cyclical inventories required by its 2010 collections management policy because of the need to move artworks to support construction and renovation of collection spaces that will, among other things, improve collections stewardship and storage.²¹ However, the Head Registrar estimated

²¹ The inventory section of the Hirshhorn's November 2010 Collections Management Policy requires three cyclical inventories: (1) comprehensive inventory of the painting, sculpture, and time-based media collections every 5 years; (2) comprehensive inventory of the works on paper collection every eight years; and (3) an annual 2 percent random sample of the entire collection.

that 75 percent of the collection had been inventoried from 2016 through 2021, but the results of this work was not documented as required by the SD 600 *Implementation Manual*. For example, she said the museum staff resolved discrepancies and confirmed locations of 925 artworks in 2016, 506 in 2017, and 725 in 2018. The Registrar stated that they are working on an inventory of the works on paper collection, one of the required inventories, which includes approximately 4,500 objects.

- **Smithsonian American Art Museum.** According to the Associate Registrar, the museum did not conduct the two comprehensive cyclical inventories required by the inventory section of its 2009 collections management policy because that work has been superseded by project-based inventories involving subsets of the collection. However, she said the museum conducts monthly random sample inventories that are used to address the required annual random sample inventory of 2 percent of its collection. However, she was unable to provide any manual or electronic documentation to show that this unit conducted inventories.
- **Smithsonian Gardens.** The unit did not conduct any of the inventories required by its plan: (1) an annual inventory of all displayed furnishings, 20 percent of the furnishings in storage, and all of the high-value posy holder brooches; and (2) a comprehensive inventory of the archives every other year.

For details about each unit's schedule of cyclical inventories and the implementation of it for two inventory cycles, see Appendix IV.

Smithsonian Management Is Not Effectively Overseeing and Monitoring Inventory Plans

OIG found that Smithsonian management is not effectively overseeing and monitoring the collecting units to ensure compliance with continuous inventory system requirements to protect the national collections that it holds in trust. In its decentralized organization, information from units on their compliance is vital for the Smithsonian to achieve its objective to have a continuous inventory system to support decisions regarding collections use, growth, storage, and security. SD 600 and the SD 600 *Implementation Manual* establish a framework that makes senior management (the Secretary, Deputy Secretary, and under secretaries) and the National Collections Program Director responsible for overseeing and monitoring the continuous inventory processes at all collecting units. Collecting unit directors are responsible for ensuring that their individual units implement a continuous inventory system with a cyclical inventory plan.

However, OIG found that senior management was not aware of the extent to which collecting units were not in compliance with inventory plan and cyclical inventory requirements. This lack of information is in part because the National Collections Program has not effectively implemented monitoring activities to assess the collecting units' compliance with inventory plan requirements. In addition to the lack of ongoing monitoring, senior management has only had OIG audits, not separate evaluations, to evaluate the effectiveness of inventory controls.

However, management cannot solely rely on periodic OIG audits to meet its ongoing monitoring responsibilities.

The SD 600 requirement that units submit an annual report on their compliance with SD 600 requirements has not been implemented since the SD was issued in 2001. Although collecting unit directors are responsible for ensuring that their individual units implement a continuous inventory process, only three units had conducted all of their required inventories over the last two inventory cycles, and only two unit directors received reports of inventory results as required by the SD 600 *Implementation Manual*.

Internal control standards require management to perform ongoing monitoring activities, including management and supervisory activities, and separate evaluations of the effectiveness of the monitoring to ensure that the internal control system is functioning effectively and the organization's objectives are being achieved.²² During normal operations, ongoing monitoring provides management with a means of identifying and mitigating risks before they result in serious noncompliance issues, such as those described in this report. Separate evaluations are to be used periodically to provide feedback on the effectiveness of ongoing monitoring; they are to be used to monitor the effectiveness of the internal control system at a specific time or of a specific function or process. In addition, these standards state that effective information and communication are vital for an entity to achieve its objectives.

Senior Management Did Not Monitor Collecting Units' Compliance with Requirements for Inventory Plans

OIG found that senior management is not regularly receiving information to effectively oversee and monitor units' compliance with requirements for a continuous inventory system to protect the national collections that it holds in trust. According to the former Deputy Under Secretary for Collections and Interdisciplinary Support and the National Collections Program Director, senior management has been periodically briefed on inventory-related matters, including prior OIG audits and assessments for enterprise risk management. But senior management has not consistently received information that assesses individual unit's compliance with cyclical inventory requirements to enable the timely remediation of identified internal control deficiencies, which is necessary for effective monitoring and oversight.

For example, OIG could find no evidence that the SD 600 requirement for unit directors to develop an annual report on compliance with SD 600 was ever implemented, even though this annual report could provide timely information for overseeing and monitoring units' inventory plans and activities. Neither the National Collections Program Director nor the 19 collecting units could provide OIG with any past annual reports, suggesting there are none.

The National Collections Program Director said that the annual reporting requirement was discontinued a few years after SD 600 took effect in 2001 because it was deemed an ineffective

²² GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Washington, D.C.; September 2014).

and inconsistent reporting process.²³ In reviewing SD 600 and the SD 600 *Implementation Manual*, the only reference to this annual report in both documents is the collecting unit directors responsibility to produce an annual report on compliance with SD 600, the SD 600 *Implementation Manual*, and its collections management policy. There are no policies or procedures that define the content of this annual report or the official to whom the annual report should be submitted. Such procedures are necessary to help ensure consistent and effective reporting in a decentralized organization of 20 collecting units. Alternatively, no steps were taken to remove the annual reporting requirement. In fact, SD 600 has not been revised since 2001, and the SD 600 *Implementation Manual* has not been revised since 2006.

The lack of current and complete policies and procedures creates a weak control environment and hinders senior management's ability to effectively communicate to the unit directors regarding their roles and responsibilities for conducting inventories, a primary tool for accountability and collections management. Internal control standards require that policies and procedures be kept up to date to reflect current practices. Written policies and procedures establish and communicate the "who, what, when, where, and why" of internal control execution to management and staff.

In addition, SD 100 requires that directives and procedural manuals must be reviewed for currency at least every 3 years to determine if changes need to be made. The *Handbook for SD 100: Creating and Maintaining Smithsonian Directives* also requires that procedural manuals be reviewed for currency at the same time as the directive to ensure that both are up to date.²⁴

National Collections Program Director Did Not Effectively Monitor or Advise Senior Management on Compliance with Inventory Plans

OIG found that the National Collections Program Director did not effectively oversee and monitor collecting units' compliance with SD 600 requirements for inventory plans or effectively advise senior management on units' compliance, as required. For example, when OIG requested copies of the 19 collecting units' inventory plans from the National Collections Program, the program provided documents that were supposedly the inventory plan for the 19 units. However, some of those documents were not the same as those provided by the individual units. OIG found several discrepancies; for example, the National Collections Program Director provided inventory plans for four units that told OIG they did not have inventory plans. In addition, he provided a portion of the collections management policy for nine units when a stand-alone plan is required. To explain those discrepancies, the National Collections Program Director said he files copies of the units' inventory plans, as required by SD

²³ The Director is responsible for developing and overseeing the development of Smithsonian-wide collections management policies, procedures and standards. In addition, he is responsible for the following: (1) advising the Secretary, Deputy Secretary, and under secretaries on the effectiveness and implementation of SD 600 and the SD *Implementation Manual*; (2) ensuring the development and application of the SD 600 *Implementation Manual*; and (3) recommending revisions to SD 600 and *Implementation Manual*, as appropriate.

²⁴ Smithsonian Institution, *Handbook for SD 100: Creating and Maintaining Smithsonian Directives* (May 30, 2017).

600, but he does not “audit” the unit inventory plans to assess their compliance with the SD 600 requirements. He said the type of document a unit has for its inventory plan does not matter as long as the plans meet the minimum requirements. However, as OIG found, all 15 units that provided either a stand-alone inventory plan or a collections management policy as an inventory plan were missing information required by the SD 600 *Implementation Manual*.

In addition, the National Collections Program Director did not ensure that the policies and procedures in SD 600 and the *Implementation Manual* were current, even though some key requirements have not been enforced, and numerous organizational changes had taken place in the past 20 years. As mentioned above, internal control standards require that policies and procedures be kept up to date to reflect current practices, and SD 100 requires that Smithsonian directives and related implementation guidance be reviewed every 3 years, or more often if necessary. However, SD 600 has not been revised since 2001 and the SD 600 *Implementation Manual* has not been revised since 2006. SD 600 is under review by management and is estimated to be completed in the first quarter of calendar year 2022. The National Collections Program Director said the SD 600 *Implementation Manual* will be reassessed after the issuance of the new SD 600, but there is no estimated completion date for updating the manual. However, the SD 100 handbook requires that the directive and procedural manual be reviewed for currency at the same time to ensure that both are up to date.

Unit Directors Are Not Ensuring That Their Collecting Units Comply with Inventory Plan Requirements

OIG found that unit directors are not ensuring that their individual units complied with requirements in SD 600 and the SD 600 *Implementation Manual* for developing and implementing inventory plans:

- None of the 19 directors ensured that their unit had a stand-alone inventory plan that contained all eight requirements for information and procedures in the SD 600 *Implementation Manual* although three of the units came close to meeting all of the requirements. Four units did not have an inventory plan as of August 2020.
- None of the six directors with stand-alone inventory plans had approved the unit’s plans as required.
- For the nine units that provided their collections management policy in lieu of an inventory plan, six directors had not ensured that their unit’s collections management policy had been reviewed at least every 5 years in accordance with the SD 600 *Implementation Manual*. As of December 2021, these six collections management policies had not been reviewed for 9 to 17 years.

For the remaining three units, one (the National Museum of African American History and Culture) issued its first collections management policy in 2019; therefore, its first 5-year review is not due until 2024. The two others—the Smithsonian American Art

Museum and the National Portrait Gallery—had recently reviewed and updated their 2009 collections management policies, but they did not comply with the review and approval process established by the SD 600 *Implementation Manual*. This process requires approvals by the National Collections Program Director, General Counsel, the responsible under secretary, Deputy Secretary, and Secretary. Instead, these two units updated their collections management policies with a review and approval by the unit director, National Collections Program Director, and an associate general counsel. The National Collections Program Director said this approach, which is not in SD 600, is a longstanding practice for reviewing minor revisions.

- For the 11 units that conducted cyclical inventories, only 2 unit directors—National Museum of African American History and Culture, and the National Museum of African Art—received inventory reports, including a copy of inventory results signed by all of the personnel involved, as required.

In reviewing the unit inventory plans or collections management policies, OIG noted that seven units had specified that the results of inventories were to be reported to the director. Three other units required inventory reports to be submitted to someone other than the director, and the remaining unit plans or collections management policies did not address to whom the inventory results were to be reported.

When unit directors are not provided inventory reports, they lack the information they need to monitor their unit's inventory plan and results of inventories, such as missing, stolen, or damaged objects; recordkeeping issues; and improper storage conditions. Additionally, there is an increased risk that directors will not be able to fulfill their responsibility of reporting lost or stolen objects to Risk Management or the Office of Protection Services for further investigation, as required by the SD 600 *Implementation Manual*.

Units Did Not Always Continue Improvements That Were Implemented to Resolve Past OIG Audit Recommendations

Past OIG audits have also identified significant problems developing inventory plans and conducting cyclical inventories at 4 of the 19 collecting units. Museum management sufficiently addressed the recommendations in these past audit reports; therefore, OIG closed them. However, as this audit shows, these improvements were not always continued. Moreover, senior management did not perform separate evaluations to determine if the issues and deficiencies identified at these units were present at other units. The four collecting units were:

- **National Museum of African American History and Culture.** In 2020, OIG reported that the museum took almost 3 years after its target completion date (the September 2016 museum opening) to establish a cyclical inventory process and plan that is

required by Smithsonian policy.²⁵ In addition, the museum had not conducted any inventories in accordance with Smithsonian policy since it began establishing its collection in 2005. During this audit, the museum provided documentation to show that it conducted a cyclical inventory in 2020 in compliance with the inventory plan appendix for its collections management policy, as OIG had recommended.

- **National Air and Space Museum.** In 2010, OIG reported that National Air and Space Museum staff had not conducted cyclical inventories as required by their inventory plan.²⁶ In this audit, OIG found that the museum had conducted three of four required inventories for the past two inventory cycles. The museum did not conduct the fourth inventory due to the prioritization of moving collections for the museum's renovation project.
- **National Museum of Natural History.** In 2006, OIG reported that this museum, which manages the Smithsonian's largest collection, did not have a museum-wide inventory plan and only two departments had an inventory plan, which were outdated and did not include specific timeframes for conducting inventories.²⁷ In this audit, OIG found that significant issues remain regarding inventories at the museum. Although the museum developed an inventory plan in 2008, the plan does not include a schedule for conducting cyclical inventories.
- **National Museum of American History.** In 2011, OIG reported that staff were not conducting any cyclical inventories. In this audit, OIG found that the museum conducted only two of the six inventories required for the last two cycles. The two inventories conducted were annual inventories in 2018 and 2019 of the highly sensitive National Treasures objects.

Conclusions

Smithsonian collections contain irreplaceable icons of the nation, examples of common life, and scientific material vital to the study of the world's natural and cultural heritage. Inventories are critical to ensure that they are properly preserved and made accessible for current and future generations to behold, enjoy, and study. However, Smithsonian management has been ineffective in implementing, monitoring, and overseeing the inventory policies and practices of Smithsonian collection units, putting these precious collections at increased risk. Four of the 19 collecting units had no inventory plans, and the remaining 15 units do not have stand-alone inventory plans that fully comply with the SD 600 and the SD 600 *Implementation Manual*

²⁵ OIG, *Collections Management: The National Museum of African American History and Culture Needs to Enhance Inventory Controls Over Its Collections* (OIG-A-20-05, June 30, 2020).

²⁶ OIG, *Physical Security and Inventory Control Measures to Safeguard the National Collections at the National Air and Space Museum* (A-09-04, March 17, 2010).

²⁷ OIG, *Audit of Physical Security and Inventory Control Measures to Safeguard the National Collections at the National Museum of Natural History* (A-05-06, September 29, 2006).

requirements, although 3 units' stand-alone plans come close. Moreover, senior management and the unit directors are not getting information they need to effectively oversee and monitor the development and implementation of cyclical inventory plans.

As a result, few cyclical inventories are being conducted, and those inventories that are being done are not fully documented or provided to unit directors as required, because management failed to oversee and monitor the cyclical inventory process. Failure to maintain current inventory plans and to conduct cyclical inventories required by those plans increases the risk of theft, missing objects, and poor records, as OIG has found in past audits of Smithsonian museums. According to the SD 600 *Implementation Manual*, a current inventory is one of the primary tools of accountability and collections management.

Recommendations

To ensure that the Smithsonian has an effective continuous inventory system, OIG recommends that the Deputy Secretary take the following actions:

1. Establish and implement ongoing monitoring activities and separate evaluations (such as periodic compliance reviews) that provide senior management with reasonable assurance that each collecting unit is complying with SD 600 and the SD 600 *Implementation Manual* requirements for developing and implementing an inventory plan, including the following:
 - a. The National Collection Program Director periodically advises senior management on the effectiveness and implementation of inventory plans, ensuring that each collecting unit has an inventory plan that includes all required information and is being periodically reviewed.
 - b. Directors approve their unit's inventory plan and ensure that it is appropriate to (1) the nature, characteristic, and size of the collections under the unit's control; (2) staff resources; and (3) unit requirements.
 - c. Directors receive reports on the results of inventories, as required, and necessary to monitor the plan's implementation.
2. Develop and implement detailed procedures for annual reports on compliance with SD 600, including the required content of these reports (such as the inventory plan's approval and review date and the extent that the inventory schedule was implemented) and to whom the reports should be submitted.

Management Comments

OIG provided a draft of this report to Smithsonian management for review and comment. In its written comments, which are reproduced in their entirety in Appendix VII, management concurred with the two recommendations and outlined actions planned to address them.

In addition, management stated that SD 600 does not currently require stand-alone inventory plans, but they will clarify in the revision of SD 600 that inventory plans are to be a separate document from the unit's collections management policy.

OIG agrees SD 600 establishes the general policy that collecting units must have a written cyclical inventory plan and does not mention that it is a separate document. However, the SD 600 *Implementation Manual* provides clear guidance that the inventory plan is a separate document from the collections management policy because it establishes different approval and review procedures. Under the SD 600 *Implementation Manual*, the inventory plan is approved only by the unit director, while the collections management policy is approved by the unit director, the National Collections Program Director, General Counsel, the responsible under secretary, Deputy Secretary, and Secretary. In addition, inventory plans must be reviewed on a periodic basis, while the collections management policy must be reviewed at least every 5 years – and revised and reauthorized, if necessary. Finally, the SD 600 *Implementation Manual* lists inventory plan and collection management policy as separate requirements that a collecting unit must complete. According to SD 100, *Smithsonian Directives*, manuals are as binding as the policies they implement.

Appendix I

Office of Inspector General Reports and Testimony on Collections Management

- *Collections Management: The National Museum of African American History and Culture Needs to Enhance Inventory Controls Over Its Collections* (OIG-A-20-05, June 30, 2020).
- *Collections Management: Progress Made with Initiatives to Improve Inadequate Storage and Undertake Digitization, but Key Challenges Remain* (A-13-11, September 14, 2015).
- Hearing before the Committee on House Administration, *Collections Stewardship at the Smithsonian* (July 17, 2013).
- *Collections Stewardship of the National Collections at the National Museum of American History Preservation and Physical Security* (A-10-03-2, September 30, 2011).
- *Collections Stewardship at the Cooper-Hewitt, National Design Museum* (A-11-02, September 12, 2011).
- *Collections Stewardship of the National Collections at the National Museum of American History Inventory Controls* (A-10-03-1, February 8, 2011).
- *Physical Security and Inventory Control Measures to Safeguard the National Collections at the National Air and Space Museum* (A-09-04, March 17, 2010).
- *Audit of Physical Security and Inventory Control Measures to Safeguard the National Collections at the National Museum of Natural History* (A-05-06, September 29, 2006).

Appendix II

Objective, Scope, and Methodology

The objective of this audit was to assess the extent to which collecting units developed and implemented cyclical inventory plans in accordance with SD 600 and the SD 600 *Implementation Manual*. To understand the Smithsonian Institution (Smithsonian) requirements for a collecting unit's inventory plan, the Office of the Inspector General (OIG) identified and reviewed Smithsonian policies and procedures, including Smithsonian Directive 600 (SD 600), *Collections Management* (October 2001), and the SD 600 *Implementation Manual* (September 2006). OIG also reviewed prior OIG audit reports and Smithsonian reports and studies. In addition, OIG interviewed management and staff at the National Collection Program and various collecting units.

The scope of this audit included the following 19 of the Smithsonian's 20 collecting units that have collections of objects, specimens, archives, and library volumes:

- Anacostia Community Museum,
- Archives of American Art,
- Center for Folklife and Cultural Heritage,
- Cooper Hewitt, Smithsonian Design Museum,
- Hirshhorn Museum and Sculpture Garden,
- National Air and Space Museum,
- National Museum of African American History and Culture,
- National Museum of African Art,
- National Museum of American History,
- National Museum of Asian Art (Arthur M. Sackler Gallery and Freer Gallery of Art),
- National Museum of Natural History,
- National Museum of the American Indian,
- National Portrait Gallery,
- National Postal Museum,
- Office of Architectural History and Historical Preservation (Castle Collection)
- Smithsonian American Art Museum,
- Smithsonian Gardens,
- Smithsonian Institution Archives, and
- Smithsonian Institution Libraries.

OIG excluded National Zoological Park from the scope of the audit because their collection consists of living animals.

To assess the extent to which the collecting units had inventory plans that complied with the SD 600 *Implementation Manual*, OIG obtained and reviewed the inventory plans of 19 collecting units that were in place at each collecting unit as of August 2020. Moreover, to determine if the National Collections Program had current copies of each unit's inventory plan, OIG also

obtained copies of the units' inventory plans on file with the National Collections Program and compared the unit-provided inventory plans or documents to those provided by the National Collections Program. OIG reconciled differences between the plans with the unit to determine which was the appropriate document. In addition, because only 6 of the 19 units provided a required stand-alone inventory plan, OIG decided to include the other nine units that provided either the inventory section or an appendix of their collections management policy in lieu of a stand-alone plan. OIG then assessed whether these 15 units' inventory plans or other document contained the information required by the SD 600 *Implementation Manual*. These are the eight requirements:

- Identify a unit inventory officer and staff responsibilities.
- Establish the periodic time frames for conducting inventories.
- Establish procedures for regular and systematic inventories.
- Establish a procedure for identifying valuable, sensitive, and significant collections.
- Establish the schedule and responsibility for inventory of valuable, sensitive, and significant collections.
- Identify the manual and electronic record systems that establish control of the unit's collections.
- Mandate and establish an audit trail for additions, deletions, and changes to manual and electronic record systems.
- Establish a procedure for achieving a reconciled inventory.

OIG also obtained inventory reports and other inventory documentation to assess whether the collecting units had conducted and properly documented scheduled inventories for the last two inventory cycles to verify that the units implemented their cyclical inventory plan's schedule. We reviewed the inventory reports and documentation to determine if the unit complied with the inventory plan, including the inventory schedule and the inventory methodology (sample or comprehensive). Finally, OIG determined if the unit complied with SD 600 *Implementation Manual* reporting requirements, including the following:

- reporting the inventory results to the unit director, and
- providing a copy of inventory results signed by all personnel involved to the unit director.

OIG then summarized the analysis of each collecting unit's inventory plan or the pertinent part of the collections management policy and the unit's implementation of their inventory plan. OIG provided the representative for each collecting unit with our preliminary assessment of their unit's information and reconciled any differences. The collecting unit representatives included registrars, head of collections management, and a supervisory museum curator for collections. OIG also interviewed the unit director or a representative for the director at the National Museum of Natural History, National Postal Museum, and Smithsonian Institution Archives.

OIG conducted this performance audit in Washington, D.C., from August 2020 through February 2022 in accordance with generally accepted government auditing standards. Those standards require that OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objective. OIG believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on its audit objective.

Appendix III

Organizational Responsibilities for Collection Management

The Smithsonian Board of Regents has the ultimate oversight authority and responsibility for the collections, but the management of Smithsonian collections is decentralized; the primary operating authority is delegated to each collecting unit director. According to SD 600, the Smithsonian Board of Regents—acting through the Secretary, the under secretaries, and the museum directors—is responsible for ensuring that prudent collections management policies are established, implemented, and monitored.²⁸ The Board of Regents delegates to the Secretary operational oversight authority for the collections.

The Secretary is responsible for the following: (1) establishing and overseeing appropriate policies and programs and (2) ensuring compliance with applicable laws and regulations. The Secretary may delegate to the Deputy Secretary, the under secretaries, collecting unit directors, and other appropriate staff the responsibility to implement established policies and carry out the direct management and care of Smithsonian collections.

The Deputy Secretary and four under secretaries are responsible for the following: (1) establishing long-term collection priorities, funding, policies, plans, and practices that address identified collection needs and deficiencies; (2) developing and incorporating collections-specific measurement standards into collecting unit directors' annual performance plans, and monitoring their implementation; and (3) establishing performance measures for monitoring and reporting progress toward implementation of collections management standards. The Smithsonian's collecting units are overseen by one of the under secretaries; the majority of units report to the Under Secretary for Museums and Culture.

Collecting unit directors must ensure that all staff, particularly new hires, receive, implement, and adhere to their collections management policies, Smithsonian Directive 600, and the standards of the SD 600 *Implementation Manual*. Unit directors are also responsible for ensuring that their unit establishes and implements an up-to-date, approved collections management policy, and that their unit complies with SD 600 and its implementation manual. Unit directors are also responsible for approving their unit's inventory plan. Furthermore, directors should receive reports on the results of inventories conducted by their staff.

The National Collections Program Director reports to the Under Secretary for Museums and Culture, and is responsible for advising senior management, unit directors, and staff on matters relating to collections management policies, procedures, and standards. According to the SD 600 *Implementation Manual*, the National Collections Program Director is responsible for

²⁸ Since SD 600 was issued in October 2001, the Smithsonian has gone through multiple reorganizations and the titles and responsibilities of the under secretaries and Deputy Secretary positions have changed. As of 2021, four under secretaries oversee the Smithsonian's collecting units: the Under Secretary for Administration, the Under Secretary for Museums and Culture, the Under Secretary for Science and Research, and the Under Secretary for Education.

administering and monitoring the implementation of SD 600, including the assessment of unit compliance to established collections management standards, goals, and performance measures. Additionally, the National Collections Program Director is responsible for coordinating the review and approval of collecting unit collections management policies to ensure that Smithsonian collections are maintained according to Smithsonian policy, professional standards, and legal obligations.

The National Collections Program Director is responsible for developing and overseeing the development of Smithsonian-wide collections management policies, procedures and standards. In addition, he is responsible for: (1) advising the Secretary, Deputy Secretary, and under secretaries on the effectiveness and implementation of SD 600 and the *SD Implementation Manual*; (2) ensuring the development and application of the *SD 600 Implementation Manual*; and (3) recommending revisions to SD 600 and the *Implementation Manual*, as appropriate.

The National Collections Program Director is also responsible for coordinating the review and approval of collecting unit collections management policies to ensure that collections are maintained according to Smithsonian policy, professional standards, and legal obligations. According to Chapter 15.3 of the *SD 600 Implementation Manual*, a current copy of collecting unit inventory plans must be filed with the National Collections Coordinator, including revisions and adjustments.²⁹

²⁹ The National Collections Coordinator is now referred to as the National Collections Program Director.

Appendix IV

Description of 19 Collecting Units, Their Cyclical Inventory Requirements, and the Inventories Conducted for the Last Two Cycles

Anacostia Community Museum

The Anacostia Community Museum has a collection of approximately 4,500 objects documenting urban communities and the lives of urban residents, from home life and everyday activities to the community-building efforts of artists, activists, and others. It served first as a neighborhood museum in one of the District of Columbia's least affluent areas, later as a museum producing African American exhibits and educational materials for a national audience, and currently is a museum focusing on contemporary urban communities.

In lieu of a stand-alone inventory plan, the Anacostia Community Museum provided the inventory section of its collections management policy. The inventory section fully addressed five of the eight requirements.³⁰ It partially addressed procedures to reconcile inventory results with the collection records because it includes only reconciliation procedures for the comprehensive inventories, not the annual random samples. It did not address two requirements: (1) establish procedures for identifying valuable, sensitive, and significant collections and (2) establish an audit trail for changes to collection records. For details on the specific requirements that were fully, partially, or not met, see Appendix VI.

For the last two inventory cycles, the museum did not conduct any of the four required inventories. To determine if the museum implemented the inventory schedule, OIG used the inventory section of the museum's 2010 collections management policy. The inventory section establishes a schedule of two inventories: (1) an annual random sample of 1 percent of the collection and (2) a comprehensive inventory of the entire accessioned collection every 5 years.

Although the museum did not conduct the four required inventories, it conducted significant inventory work during this time. The Collections Manager said the museum staff made the

Cathedral Window Quilt, Anacostia Community Museum



Source: Anacostia Community Museum photo.

³⁰ The Smithsonian Directive 600 (SD 600) *Implementation Manual* establishes eight requirements for a collecting unit's inventory plans. The plans must (1) identify a unit inventory officer and staff responsibilities; (2) establish the periodic time frames for conducting inventories; (3) establish procedures for regular and systematic inventories; (4) establish a procedure for identifying valuable, sensitive, and significant collections; (5) establish the schedule and responsibility for inventory of valuable, sensitive, and significant collections; (6) identify the manual and electronic record systems that establish control of the unit's collections; (7) mandate and establish an audit trail for additions, deletions, and changes to manual and electronic record systems; and (8) establish a procedure for achieving a reconciled inventory.

decision to concentrate fully on improving collections documentation, cleaning up data in the collection information systems, standardizing data-entry standards, and improving collections housing and storage. In lieu of the annual random sample inventory, the Collections Manager said that 39 percent of the object collection and 21 percent of the archival collection were inventoried in 2018 and 2019. In addition, it conducted two inventories in 2012 and 2017 that covered some, but not all, of their entire accessioned collection. The 2012 inventory included more than 2,400 objects stored in three rooms. In 2017, the museum inventoried 47 percent of the museum's collection (1,648 objects), which included objects that were not documented or poorly documented rather than a comprehensive inventory. She stated that the annual random sample inventories would be reinstated in 2023.

Archives of American Art

The Archives of American Art has a collection of nearly 23,000 cubic feet of material and 2,400 oral history recordings that document the history of the visual arts in the United States. This material includes correspondence, scrapbooks, diaries, printed material, preliminary works of art on paper, photographs, audio visual material, and digital records. The collections are primarily located in Washington, D.C., and additional collections are stored in New York City and Pennsylvania.

The Archives of American Art was one of four units that did not have an inventory plan prior to the announcement of OIG's audit in August 2020. However, they developed one in September 2020 after OIG's request. The Registrar said the museum conducted an inventory in 2019, but did not produce inventory reports, as required by the SD 600 *Implementation Manual*, to show that the inventory was conducted.³¹ However, the Registrar said the museum will generate reports for every inventory moving forward.

Castle Collection

The Castle Collection was established in 1964 to provide 19th-century furnishings for the principal offices and rooms of the Smithsonian Institution Building, generally referred to as the Castle. The collection includes the full range of 19th and early 20th-century furniture, lighting, and decorative arts styles of the United States and Great Britain. The collection is managed by the Smithsonian Facilities' Architectural History and Historic Preservation Division.

In lieu of a stand-alone inventory plan, the Castle Collection's museum specialist provided the inventory section of its 2010 collections management policy. The inventory section fully addressed three of the eight requirements. It did not address the following requirements: (1) establish procedures to identify valuable, sensitive, and significant collections; (2) establish responsibilities and schedules for inventorying the valuable, sensitive, and significant collections; (3) identify the record system for the collection; (4) mandate and establish an audit trail for changes to collection records; and (5) define procedures for regular and systematic

³¹ The SD 600 *Implementation Manual* requires that units record the results of inventories and store a copy of the inventory in a secure location. It also requires that a copy of the inventory be signed by personnel involved and that it, along with a report of the inventory results, be reported to the unit director.

inventories. For details on the specific requirements that were fully, partially, or not met, see Appendix VI.

For the last two cycles, the unit completed only one of four required inventories. To determine if the museum implemented the inventory schedule, OIG used the inventory section of the unit's 2010 collections management policy that requires two inventories: (1) annual sample of selected public spaces, offices, and collection storage rooms and (2) a complete (100 percent) inventory of the objects in the collection. For the last two cycles, the unit did not conduct the two required annual sample inventories and conducted only one of the two required complete inventories. The complete inventory was conducted in 2012 and 2013. According to the curator, the unit began, but did not finish, another complete inventory in 2016.

Center for Folklife and Cultural Heritage

The Smithsonian Center for Folklife and Cultural Heritage (the Center) has a collection of approximately 5,200 cubic feet of archival materials under its Ralph Rinzler Folklife Archives and Collections (Rinzler Archives). The Center is a research, educational, and collecting unit of the Smithsonian promoting the understanding and continuity of diverse, contemporary cultures in the United States and around the world. The Rinzler Archives is one of the nation's premier repositories of primary source materials in folklife, public folklore, anthropology, ethnomusicology, and American cultural history. The Center produces the Smithsonian Folklife Festival, Smithsonian Folkways Recordings, exhibitions, documentary films and videos, symposia, publications, and educational materials.

The Center is one of four units that did not have an inventory plan as of August 2020. The interim director of the Rinzler Archives said the Center conducts annual inventories of the entire collection. However, he was not able to provide documentation showing that inventories had been conducted, such as a report of the results, as required.

Cooper Hewitt, Smithsonian Design Museum

Cooper Hewitt, Smithsonian Design Museum (Cooper Hewitt) has a collection of more than 215,000 objects that range from an ancient Egyptian faience cup dating to about 1100 BC to contemporary 3D-printed objects and digital code. Located in New York City in the historic Carnegie Mansion, the museum is dedicated to historic and contemporary design. The museum's collections are divided into six curatorial departments: Archives; Digital; Drawings, Prints, and Graphic Design; Product Design and Decorative Arts; Textiles; and Wallcoverings.

Cooper Hewitt had a stand-alone inventory plan. The museum's plan fully addressed four of the eight information requirements. It partially addressed a procedure to assign staff responsibilities for conducting inventories because it does not identify the specific responsibilities regarding the reconciliation or reporting the results. It did not address the following three requirements: (1) establish procedures for identifying valuable, sensitive, and significant collections; (2) establish responsibilities and schedules for inventorying the valuable, sensitive, and significant collections; and (3) mandate and establish an audit trail for changes to collection records. For details on the specific requirements that were fully, partially, or not met, see Appendix V.

For the last two cycles, Cooper Hewitt performed 7 of 14 (50 percent) inventories. To determine if the museum implemented the inventory schedule, OIG used the prior 2007 inventory plan because the 2019 inventory plan was not in place long enough to evaluate two cycles of the inventory schedule. The 2007 inventory plan establishes a schedule for seven inventories:

- an annual random spot-check of 10 objects from each department;
- five comprehensive inventories: Archives (5-year cycle); Drawings and Prints (15-year cycle); Product Design and Decorative Arts (10-year cycle), Textiles (10-year cycle), and Wallcoverings (10-year cycle); and
- a Registrars inventory of long-term loan objects and non-accessioned architectural elements (10-year cycle).

It did not conduct two annual random spot-check inventories, two comprehensive inventories of the Archives, one comprehensive inventory of Drawings and Prints, and two Registrars inventories. However, it did conduct two comprehensive inventories for each of three departments—Production Design and Decorative Arts (2014 and 2008), Textiles, (2014 and 2008), and Wallcoverings (2014 and 2008)—and one for the Drawings and Prints department in 2018. The Registrar said they conducted a second comprehensive inventory of the Drawings and Prints department in 2011, but she could not find a report on the final results of the inventory to show that the inventory was completed.

The museum did not fully implement its plan over these two inventory cycles because inventories require a large amount of staff or contractor time and space, both of which are at a premium at Cooper Hewitt, according to museum staff. In addition, inventories make the collection less accessible during the inventory, and the Smithsonian gives priority to programming needs over collections maintenance.

Hirshhorn Museum and Sculpture Garden

The Hirshhorn Museum and Sculpture Garden (Hirshhorn) has approximately 12,200 objects in its collection focusing on modern and contemporary art created since 1830. The Hirshhorn opened in 1974, and it has four fundamental purposes: (1) to encourage and develop a greater understanding and appreciation of modern art; (2) to be a museum in which modern art may be exhibited and studied, (3) to be the permanent home of the collections of art conveyed to it by the Founding Donors; and (4) to store, exhibit, and study works of art.

"Pumpkin" (2016) by Yayoi Kusama, Hirshhorn Museum and Sculpture Garden



Source: Photograph by Brendan Phillips, OIG Auditor.

For the last two cycles, the museum did not conduct any of the six required inventories. To determine if the museum implemented the inventory schedule, OIG used the inventory section of the museum's 2010 collections management policy, which requires three inventories:

- a comprehensive inventory of the paintings, sculptures, and time-based media collections every 5 years,
- a comprehensive inventory of the works on paper collection every 8 years, and
- an annual random sample of 2 percent of the collection.

The Head Registrar and then-Collections Manager said the museum did not conduct any of the cyclical inventories because of construction and renovation of collection spaces, which required them to move collections. However, the Head Registrar estimated that 75 percent of the collection had been inventoried from 2016 through 2021, but the results of this work were not documented as required by the SD 600 *Implementation Manual*. For example, she said the museum staff resolved discrepancies and confirmed locations of 925 artworks in 2016, 506 artworks in 2017, 725 artworks in 2018. Because no reports on the results of this work were available, the then Collections Manager had the Office of the Chief Information Officer create a special report for OIG to show that these collection records were updated in the collection information system. In addition, the Head Registrar said the museum is working on the comprehensive inventory of the works on paper collection, which includes approximately 4,500 objects.

The SD 600 *Implementation Manual* allows collecting units to adjust their inventory plans as necessary to accommodate changes, but not to abandon them.

National Air and Space Museum

The National Air and Space Museum has a collection of nearly 73,000 objects that includes aviation and space artifacts encompassing all aspects of human flight, as well as related works of art and archival materials. It opened in 1976 and has two locations: the museum on the National Mall in Washington, D.C., and the Steven F. Udvar-Hazy Center in Chantilly, Virginia.

The museum has a stand-alone inventory plan dated June 2010 that fully addressed seven of the eight information requirements. The only requirement not addressed in the plan was to mandate and establish an audit trail to track changes to collection records. For details on the specific requirements that were fully, partially, or not met, see Appendix V.

For the last two cycles, the museum performed three of the four (75 percent) required inventories. The plan requires two inventories each year: (1) annual random sample of 0.5-percent and (2) a comprehensive inventory of one of two secure storage rooms containing easily portable and high-value objects (alternating between the two locations each year). However, it completed the inventories only for one of the two cycles—a random sample inventory and a secure storage room inventory in 2018. For the second cycle, staff completed an inventory of the other secure storage room in 2019, but not a random sample inventory. The 2019 random sample inventory was not completed, according to the Registrar, because of the major renovation of the National Air and Space Museum in Washington, D.C. Due to the construction project, collections staff had to devote significant resources to moving collections, which prevented them from conducting the inventories. For the 2020 inventory, the registrar stated that the pandemic's work-at-home order made it impossible to conduct inventories.

National Museum of African American History and Culture

The National Museum of African American History and Culture opened in September 2016 and has a collection of more than 38,000 objects relating to African American life, art, history, and culture that encompasses slavery, Reconstruction, the Harlem Renaissance, the civil rights movement, and other periods of the African American diaspora.

In lieu of a stand-alone inventory plan, the museum provided the inventory appendix to its 2019 collections management policy. The appendix fully addressed seven of the eight requirements. It did not address the requirement to mandate and establish an audit trail for changes to collection records. For details on the specific requirements that were fully, partially, or not met, see Appendix VI.

The museum had time to complete only one inventory cycle of its 2019 inventory appendix during the scope of this audit, and it performed the only required inventory in this cycle—a random sample inventory in 2020. The 2019 inventory appendix requires two types of inventories to be conducted in alternating fiscal years: (1) a random sample of 1 percent of the collection and (2) a comprehensive inventory of all high-value or historically significant objects.

In addition, the museum was one of only two units that submitted its inventory results to its director, as required by the SD 600 *Implementation Manual*.

Rosa Parks' Dress, National Museum of African American History and Culture



Source: National Museum of African American History and Culture photo.

National Museum of African Art

The National Museum of African Art has a collection of more than 10,400 objects. It became part of the Smithsonian in 1979 with the mission to inspire conversations about the beauty, power, and diversity of Africa's arts and cultures worldwide. The museum opened on the National Mall in 1987.

Crest Mask by Ejagham artist, National Museum of African Art



Source: National Museum of African Art photograph.

The museum has a stand-alone inventory plan. The 2018 inventory plan fully addressed five of the eight requirements. The plan did not address the following three requirements: (1) establish procedures for identifying valuable, sensitive, and significant collections; (2) mandate and establish an audit trail for collection records; and (3) establish the schedule and responsibilities for inventorying valuable sensitive, and significant collections. For details on the specific requirements that were fully, partially, or not met, see Appendix V.

For the last two cycles, the museum performed three of the four required inventories but postponed the second comprehensive inventory scheduled for 2020 due to the COVID-19 pandemic.³² As a result, OIG gave the museum credit for conducting 100 percent of the three inventories for the two cycles. The museum's inventory plan requires two types of inventories: (1) an annual 10-percent random sample and (2) comprehensive inventories every 5 years. For the last two inventory cycles, the museum conducted two annual random sample inventories in 2018 and 2019 and a comprehensive inventory in 2015.

In addition, the museum was one of only two units that submitted its inventory results to its director, as required by the SD 600 *Implementation Manual*.

³² The Assistant Registrar explained that an object inventory requires two or more people to work in close proximity in storage spaces for multiple hours. This type of work could not be conducted during the COVID-19 pandemic in a way in which staff felt safe and in line with unit and Smithsonian pandemic protocols, as well as NCP recommendations.

National Museum of American History

The National Museum of American History has a collection of more than 1.7 million objects and 17,000 cubic feet of archival materials that document the social, cultural, economic, scientific, and technological history of the people of the United States. The archival collections include an array of American history in documents, photographs, and other works, including major holdings on the histories of American business and music.

In lieu of a stand-alone inventory plan, the museum provided the inventory section of its 2012 collections management policy. The inventory section fully addressed five of the eight requirements for inventory plans. It partially addressed the requirement to define procedures for regular and systematic inventories, but it did not define the percentage of the collection to be included in the 5-year spot-checks inventory. It also did not address the following two requirements: (1) mandate and establish an audit trail for changes to collections records and (2) establish procedures for reconciliation of results with records. For details on the specific requirements that were fully, partially, or not met, see Appendix V.

For the last two cycles, the museum performed two of the six (33-percent) inventories. The inventory section requires three inventories: (1) prioritized projects, (2) cyclical spot-checks on a 5-year schedule, and (3) a 100-percent annual inventory of the museum's high-value objects referred to as National Treasures. The museum conducted the two National Treasure inventories in 2018 and 2019; it did not conduct any inventories of prioritized projects or 5-year cyclical spot-checks.

National Museum of Asian Art

The National Museums of Asian Art holds in trust the nation's collections of Asian and American art, consisting of more than 44,000 objects, dating from the Neolithic period to today and originating from the ancient Near East to China, Japan, Korea, South and Southeast Asia, and the Islamic world. It also houses the world's largest collection of diverse works by James McNeill Whistler, including the Peacock Room. It consists of the Freer Gallery of Art and the Arthur M. Sackler Gallery.

In lieu of a stand-alone plan, the museum provided the inventory section of its 2009 collections management policy. The inventory section fully addressed two of the eight requirements. It did not address the following requirements: 1) define procedures for regular and systematic inventories (for example, percentage of collection to be checked); 2) establish procedures for identifying valuable, sensitive, and significant collections; 3) identify the record systems for the collections; 4) mandate and establish an audit trail for changes to collection records; 5) establish the schedule and responsibility for inventory of valuable, sensitive, and significant collections;

Ruby Slippers, *The Wizard of Oz*, National Museum of American History



Source: Smithsonian Newsdesk, photo by Richard Strauss, Smithsonian Institution.

and 6) identify an inventory officer and staff responsibilities. For details on the specific requirements that were fully, partially, or not met, see Appendix VI.

For the last two cycles, OIG credited the museum with conducting two of three (66 percent) inventories, excluding the fourth inventory scheduled for 2020 that was postponed due to the COVID-19 pandemic. The inventory section requires the following two inventories: (1) a random spot-check every 5 years and (2) a comprehensive inventory every 10 years. The museum conducted one random spot-check in 2016 but did not conduct one in 2011. In addition, it conducted one comprehensive inventory in 2010 but not in 2020 due to the pandemic.

“Boy Viewing Mount Fuji,” Katsushika Hokusai, National Museum of Asian Art



Source: National Museum of Asian Art photo.

National Museum of Natural History

The National Museum of Natural History has a collection of more than 146 million natural science specimens and cultural artifacts, which accounts for 94 percent of the Smithsonian's total collection. The collections include 30 million insects pinned into tiny boxes; 4.5 million plants pressed onto sheets of paper; 7 million fish in liquid-filled jars; preserved and fossilized plants and animals; geological material, including meteorites, gems, and minerals; and 2 million cultural artifacts, including 400,000 photographs housed in the National Anthropological Archives.

The National Museum of Natural History has a stand-alone inventory plan. The museum's 2008 plan fully addressed three of eight requirements. It partially addressed the procedure for reconciliation of results with records because the plan does not specifically mention reconciling the inventory results with the museum's record system. It also does not address the following four requirements: 1) establish an inventory cycle schedule, 2) identify the record systems for the collections, 3) mandate and establish an audit trail for changes to collection records, and 4) establish the schedule and responsibility for inventory of valuable, sensitive, and significant collections. For details on the specific requirements that were fully, partially, or not met, see Appendix V.

Although the museum does not have a schedule for cyclical inventories, the Registrar said it has done significant inventory work. In addition, the museum's Interim Deputy Director said the museum has convened a special working group to update the inventory plan and identify collections that require a defined cyclical inventory. She also said that updating this plan is a strategic goal for fiscal year 2022.

National Museum of the American Indian

The National Museum of the American Indian has more than 850,000 objects in its collection of Native artifacts, including objects, photographs, archives, and media covering the entire Western Hemisphere, from the Arctic Circle to Tierra del Fuego. It has three facilities—the George Gustav Heye Center at the Alexander Hamilton U.S. Custom House in lower Manhattan, New York; the Cultural Resources Center in Suitland, Maryland; and the museum on the National Mall in Washington, D.C. The museum’s mission is to foster a richer, shared human experience through a more informed understanding of Native peoples through partnerships with Native people and others.

In lieu of a stand-alone inventory plan, the museum provided the inventory appendix to its 2008 collections management policy. The inventory appendix was approved in 2004. The appendix fully addressed five of the eight requirements. It did not address the following three requirements: (1) establish procedures to identify valuable, sensitive, and significant collections; (2) mandate and establish an audit trail for changes to collection records; and (3) establish the schedule and responsibility for inventorying the valuable, sensitive, and significant collections. For details on the specific requirements that were fully, partially, or not met, see Appendix V.

Headdress from Collection of Senator Daniel Inouye (1924-2012), National Museum of the American Indian



Source: National Museum of American History photo.

For the last two cycles, the museum performed six of the six (100 percent) inventories. The inventory appendix requires the following three annual inventories: (1) a physical inventory of a random sample of 5,000 objects, (2) a check of the condition of 100 randomly selected objects, and (3) a check of 100 randomly selected objects for proper documentation. The museum staff completed the six inventories in 2018 and 2019. However, according to museum officials, the scope of the 2018 inventory was reduced from 5,000 to 800 objects due to a staffing shortage that year. The SD 600 *Implementation Manual* allows for inventory plans to be adjusted to accommodate changes in available resources and unit priorities; therefore, OIG considered this inventory to be in compliance with the inventory plan.

According to the Under Secretary for Museums and Culture (formerly the director of the National Museum of American Indian), the museum has two advantages that enabled it to fully implement the inventories required by the inventory appendix. First, the museum’s Board of Trustees’ Collections Committee provides oversight of the collections through receipt of reports on the inventory results. Second, the museum has specifically assigned the responsibility for conducting inventories to registration staff.

National Portrait Gallery

The National Portrait Gallery has a collection of more than 21,000 objects. It collects and displays portraits of men and women who have made a significant contribution to American life in all fields of endeavor, as well as images crucial to understanding the history of portraiture.

In lieu of a stand-alone inventory plan, the National Portrait Gallery provided the inventory section of its 2020 collections management policy. The inventory section fully addressed three of the eight requirements. It partially addressed the requirement to define procedures for regular and systematic inventories because it describes only the sample selection method and size for the spot-checks inventories. It did not address four requirements: (1) establish procedures for identifying valuable, sensitive, and significant collections; (2) mandate and establish an audit trail for changes to collection records; (3) establish procedure for reconciliation of results with records; and (4) establish the schedule and responsibility for inventory of valuable, sensitive, and significant collections. For details on the specific requirements that were fully, partially, or not met, see Appendix V.

“Babe Ruth and other Red Sox pitchers” (1915), by Underwood & Underwood, National Portrait Gallery



Source: National Portrait Gallery photo.

To determine if the museum implemented the inventory schedule, OIG used the prior 2009 version of the museum’s inventory section of its collections management policy because the 2020 inventory plan was not in place long enough to evaluate two cycles of the schedule. The 2009 collections management policy inventory section establishes a schedule for the following eight inventories:

- random inventory of 5 objects from each accessioned collection (every 6 months),
- paintings and sculptures (every 4 years),
- prints and drawings (every 4 years),
- photos of Meserve (every 6 years),
- photos of cased objects (annually),
- color photography (every 7 Years),
- general photography (every 4 years), and
- the Time Collection (every 4 years).

For the last two cycles, the National Portrait Gallery performed 13 of the 16 (81 percent) inventories. It did not conduct the two random inventories or one inventory of the Meserve photos.

The National Portrait Gallery was one of two collecting units that had recently reviewed and updated its 2009 collections management policy without going through the review and approval

process required by the SD 600 *Implementation Manual*. This process requires approvals by the Secretary, the General Counsel, the responsible under secretary, and others. Instead, the National Portrait Gallery updated its 2009 collections management policy with a review and approval by only the unit director, National Collections Program Director, and an associate general counsel. The National Collections Program Director said this approach is a longstanding practice for reviewing minor revisions. However, the SD 600 *Implementation Manual* requires a full review at least every 5 years.

National Postal Museum

The National Postal Museum has a collection of more than six million objects and is the second-largest Smithsonian collecting unit. In 1990, the Smithsonian Institution and the U.S. Postal Service signed an agreement to establish the National Postal Museum. It is dedicated to (1) the preservation, study, and presentation of postal history and (2) the collection and study of postage stamps.

The National Postal Museum is one of four units that did not have an inventory plan as of August 2020. After he was hired in 2017, the museum director said he identified several areas that needed attention to protect the collection, including poor storage conditions and security. He thought these areas were a higher priority than inventory because they put the collections at risk of damage or theft. In addition, he commissioned a study to determine the proper staff size needed to manage the museum's collection by comparing the Postal Museum with other Smithsonian units and outside institutions.³³

The May 2019 study found that (1) the Postal Museum had a low number of collections staff relative to its collection size when compared with other Smithsonian museums and (2) work was focused on public-facing activities, such as exhibits, not core collections management work. The study's recommendations included refining the collections management policy and increasing the Collections Department's capacity to a sustainable staffing level. In addition, the museum has secured National Collections Program funding through the Collections Care and Preservation Fund to design an annual inventory program.

Smithsonian American Art Museum

The Smithsonian American Art Museum has a collection of around 45,000 objects. Its artworks include works by John Singleton Copley, Winslow Homer, and Georgia O'Keeffe. The museum collects aspects of American visual culture, including photography, modern folk and self-taught art, African American art, Latino art, and video games. The museum has a large collection of New Deal art and collections of contemporary craft, American impressionist paintings and masterpieces from the Gilded Age.

³³ Smithsonian Organization and Audience Research, *Collections and Preservation Department at the National Postal Museum: Assessment of its Operations and Structure Benchmarked with Other Organizations* (May 2019).

In lieu of a stand-alone inventory plan, the museum provided the inventory section of its 2019 collections management policy. The inventory section fully addressed four of the eight requirements. It did not address four other requirements: (1) establish procedures for identifying valuable, sensitive, and significant collections; (2) identify the record systems for the collections; (3) mandate and establish an audit trail for changes to collection records; and (4) establish the schedule and responsibility for inventory of valuable, sensitive, and significant collections. For details on the specific requirements that were fully, partially, or not met, see Appendix V.

For the last two cycles, the museum did not conduct any of the six inventories required. To determine if the museum implemented its inventory schedule, OIG had to use the inventory section of the museum's 2009 collections management policy, which requires three inventories: (1) a comprehensive inventory for its painting and sculpture collection every 5 years, (2) a comprehensive inventory for its graphic arts collection every 8 years, and (3) an annual random sample of 2 percent of the collection. The Associate Registrar said the museum did project-based inventories instead of cyclical inventories. However, she could not provide documentation of any project-based inventories.

The museum was one of two collecting units that had recently reviewed and updated its 2009 collections management policy without going through the review and approval process required by the SD 600 *Implementation Manual*. This process requires approvals by the Secretary, General Counsel, the responsible under secretary, and others. In 2019, the museum updated its 2009 collections management policy with a review and approval by only the unit director, National Collections Program Director, and an associate general counsel. The National Collections Program Director said this approach is a longstanding practice for reviewing minor revisions. However, the SD 600 *Implementation Manual* requires a full review at least every 5 years.

Smithsonian Gardens

Smithsonian Gardens cares for more than 180 acres of outdoor gardens, including 13 public exhibition gardens. It includes three main collection groups: the Garden Furnishings and Horticultural Collection (2,260 objects), the Archives of American Gardens (more than 150,000 images and other documents), and the living collection (orchids and trees).

Smithsonian Gardens has a stand-alone inventory plan that covers two of the three collection groups, but not the living collection. The 2013 inventory plan fully addresses seven of the eight requirements. It also partially addresses the requirement for establishing an inventory schedule because it does not include a schedule of inventories for the living collection. The Manager of the Collections, Education, and Access Department stated that they are developing an inventory plan for the living collection and have a practice of inventorying it every 3 years. For details on the specific requirements that were fully, partially, or not met, see Appendix V.

Posy Holder, Smithsonian Gardens



Source: Smithsonian Gardens photo.

For the last two cycles, Smithsonian Gardens did not conduct any of the four inventories required. The inventory plan requires two inventories: (1) an annual inventory that includes all furnishings and artifacts on display, loaned items, the posy holder brooch collection, and 20 percent of all furnishings and horticulture objects in storage; and (2) a comprehensive inventory of the archives collection every other year.

The manager told OIG that collections staff have conducted inventories during their daily duties and in large-scale digitization projects in an effort to digitize 90 percent of the collections, but she was not able to provide documentation showing that inventories had been conducted, such as a report of the results, as required.

Smithsonian Institution Archives

Smithsonian Institution Archives has a collection of more than 42,000 cubic feet of archival materials that documents the growth and development of the Smithsonian throughout its history, including records of people, events, buildings, and research.

The Smithsonian Institution Archives was one of four units that did not have an inventory plan as of August 2020, but it developed one in September 2020 after OIG's request.

Smithsonian Institution Libraries

Smithsonian Institution Libraries has 21 branches that maintain a collection of over 2.2 million volumes, including 104,000 library volumes in its special collections, which contain rare, unique, and nonreplaceable objects. It serves as an educational resource for the Smithsonian and the public with locations in Washington, D.C.; Maryland; Virginia; New York City; and the Republic of Panama.

The Smithsonian Libraries has a stand-alone inventory plan, which covers its seven special collections and excludes the general circulating collection. The 2020 plan addresses seven of the eight requirements. The plan does not address the requirement to mandate and establish an audit trail for changes to collection records. For details on the specific requirements that were fully, partially, or not met, see Appendix V.

For the last two cycles, Smithsonian Libraries conducted one of the two (50 percent) inventories required. To determine if the Libraries implemented its inventory schedule, OIG used the prior 2005 plan because the 2020 plan was not in place long enough to evaluate two cycles of the inventory schedule. The 2005 plan requires an inventory to be conducted for one of the seven locations that contain special collections every 3 years, or two cyclical inventories in 6 years. The Smithsonian Libraries conducted an inventory for one special collection location in 2018 but did not have documentation to show that an inventory was conducted in 2015.

The Assistant Director of Discovery Services said that Smithsonian Libraries was not able to maintain the prior plan's 3-year schedule of inventories because of changes in leadership and a lack of staff. The 2020 plan has extended the time between inventories from 3 years to every 6 to 8 years.

Books at the National Air and Space Museum Library branch, Smithsonian Institution Libraries



Source: Smithsonian Institution Libraries and Archives photo

Appendix V

Analysis of Information Required by SD 600 *Implementation Manual* in the Six Unit's Stand-Alone Inventory Plans, as of August 2020

Collecting Unit	Identify Inventory Officer and Staff Responsibilities	Establish Inventory Cycle Schedule	Procedures for regular and systematic inventories ³⁴	Procedures to identify valuable, sensitive, and significant collections	Establish the schedule and responsibility for inventory of valuable, sensitive, and significant collections	Identify the Record Systems for the Collection	Mandate and Establish an Audit Trail	Procedure for Reconciliation of Results with Collection Records
Cooper Hewitt	☐	●	●	○	○	●	○	●
Smithsonian Gardens	●	☐	●	●	●	●	●	●
National Air and Space Museum	●	●	●	●	●	●	○	●
National Museum of African Art	●	●	●	○	○	●	○	●
National Museum of Natural History	●	○	●	●	○	○	○	☐
Smithsonian Libraries	●	●	●	●	●	●	○	●
Met Requirement:	5	4	6	4	3	5	1	5
Partially Met Requirement:	1	1	0	0	0	0	0	1
Did Not Meet Requirement:	0	1	0	2	3	1	5	0
TOTAL	6	6	6	6	6	6	6	6

Source: OIG analysis of unit inventory plans.

Legend:

- Met Requirement
- ☐ Partially Met Requirement
- Did Not Meet Requirement

³⁴ Such as the percentage of collection to be checked.

Appendix VI

Analysis of Information Required by SD 600 *Implementation Manual* in the Nine Units that Provided their Collections Management Policy as an Inventory Plan, as of August 2020

Collecting Unit	Identify Inventory Officer and Staff Responsibilities	Establish Inventory Cycle Schedule	Procedures for regular and systematic inventories	Procedures to identify valuable, sensitive, and significant collections	Establish the schedule and responsibility for inventory of valuable, sensitive, and significant collections	Identify the Record Systems for the Collection	Mandate and Establish an Audit Trail	Procedure for Reconciliation of Results with Collection Records
Castle Collection	●	●	◐	○	○	○	○	●
Anacostia Community Museum	●	●	●	○	●	●	○	◐
National Museum of Asian Art (Freer/Sackler Galleries)	◐	●	○	○	○	○	○	●
Hirshhorn Museum and Sculpture Garden	●	●	●	○	○	○	○	●
National Museum of African American History and Culture	●	●	●	●	●	●	○	●
National Museum of American History	●	●	◐	●	●	●	○	○
National Museum of the American Indian	●	●	●	○	○	●	○	●
National Portrait Gallery	●	●	◐	○	○	●	○	○
Smithsonian American Art Museum	●	●	●	○	○	○	○	●
Met Requirement:	8	9	5	2	3	5	0	6
Partially Met Requirement:	1	0	3	0	0	0	0	1
Did Not Meet Requirement:	0	0	1	7	6	4	9	2
TOTAL	9	9	9	9	9	9	9	9

Source: OIG analysis of unit inventory plans.

Legend:

- Met Requirement
- ◐ Partially Met Requirement
- Did Not Meet Requirement

Appendix VII

Management Comments

DocuSign Envelope ID: E2D677AA-3967-43D0-A1AB-9A7AEC0D3568

Management Response to Collections Management – Inventory Plans & Reports

Date: February 11, 2022

To: Cathy L. Helm, Inspector General
Joan Mockridge, Assistant Inspector General for Audits
Brendan Phillips, Auditor-in-Charge

From: Meroe Park, Deputy Secretary and Chief Operating Officer

Cc: Judith Leonard, General Counsel
Ron Cortez, Under Secretary for Administration
Ginny Gomez, Chief of Staff to the Deputy Secretary & Chief Operating Officer
Kevin Gover, Under Secretary for Museums & Culture
Ellen Stofan, Under Secretary for Science & Research
Bill Tompkins, Director, National Collections Program

Subject: Management Response to Collections Management: Audit of Collecting Units' Cyclical Inventory Plans and Reports (A-20-06)

This response is submitted on behalf of Smithsonian management, including the Deputy Secretary, the Under Secretaries under whose purview the Institution's collecting units are situated, and the National Collections Program (NCP) Director.

We extend our thanks to the Office of the Inspector General (OIG) staff for their audit of the Smithsonian's collecting units' inventory plans and reports and their recommendations on ways to ensure the Institution has an effective continuous collections inventory system.

Collections stewardship is among the Smithsonian's highest priorities. We concur with the recommendations made in the audit findings and are prepared to implement corresponding policy and process changes.

OIG Recommendation 1:

Establish and implement ongoing monitoring activities and separate evaluations (such as periodic compliance reviews) that provide senior management with reasonable assurance that each collecting unit is complying with SD 600 and the SD 600 Implementation Manual requirements for developing and implementing an inventory plan [...]

Response. We acknowledge that our collecting units are not complying fully with Smithsonian Directive (SD) 600, *Collections Management* and the companion *SD 600 Implementation Manual* as they pertain to developing and implementing unit inventory plans and that they should do so. At the same time, we also acknowledge that SD 600 and the *Implementation Manual* are outdated and inconsistent with current inventory best practice and that many of our collecting units have maintained appropriate control and accountability of their collections, though in ways not memorialized in written plans or reflected in current policy. By way of example, the Archives of American Art (AAA) conducted inventories on a regular basis but did not memorialize those activities in a plan; the Anacostia Community Museum (ACM) used a

DocuSign Envelope ID: E2D677AA-3967-43D0-A1AB-9A7AEC0D3568

Management Response to Collections Management – Inventory Plans & Reports

different sampling method than called for by its plan but exceeded the inventory goals called for in their collections management policy; the National Air and Space Museum (NASM) has conducted inventories and inventory reconciliation as part of the relocation of collections during the Museum's revitalization project and the ongoing move from the Paul E. Garber Facility to the Steven F. Udvar-Hazy Center; the National Portrait Gallery (NPG) used its digitization checklists as their effective inventory documents for the Frederick Hill Meserve Collection, and; Smithsonian Gardens (SG) has inventoried collections during large-scale digitization projects to digitize 90% of its collections.

With limited resources and competing priorities, units have strategically made significant progress in inventorying collections during project-driven activities (e.g., collection moves, cataloguing, rehousing, and digitization projects). Such activities should be integrated into unit inventory planning. Going forward, we concur that such practices and project-driven activities must align with established policies and plans but emphasize that our units have remained mindful of their stewardship responsibility for the National collections.

Implementation. We are in the process of revising SD 600 and evaluating whether the *Implementation Manual* remains relevant, either in whole or in part, as companion guidance to the policy. We will ensure that the updated directive reflects clear guidance on how collecting units must develop and implement their inventory plans. We are submitting a revised SD 600 to the Directives Review Council (DRC) for approval during the second quarter of FY 2022 and establishing a plan for unit implementation following the re-issuance of the directive.

As part of the revised SD 600, we will establish and implement an annual compliance reporting process for collecting unit Directors and the NCP Director beginning in FY 2023. Unit Directors will submit an annual report on unit compliance with SD 600 and the unit's collections management policy, including inventory plan, to the NCP. Based on these reports, the NCP Director will prepare a summary report for the Deputy Secretary and Under Secretaries on unit compliance.

OIG Recommendation 1(a):

The NCP Director periodically advises senior management on the effectiveness and implementation of inventory plans, including that each collecting unit has an inventory plan that includes all required information and is being periodically reviewed.

Response. We concur that senior leadership should be periodically advised regarding the effectiveness and implementation of collecting unit inventory plans and that each unit includes the inventory requirements set forth in the revised SD 600 in its inventory plan. Further, although SD 600 does not, as it's currently written, require stand-alone inventory plans, we understand the value of that approach and are addressing this in our implementation plan going forward.

Implementation. We will establish in the SD 600 revision the baseline requirements for unit inventory plans, and clarify that inventory plans should be a separate document from unit

DocuSign Envelope ID: E2D677AA-3967-43D0-A1AB-9A7AEC0D3568

Management Response to Collections Management – Inventory Plans & Reports

collections management policies. We will also clarify the role of the NCP Director as it relates to monitoring compliance with unit inventory plans.

Specifically, the NCP will support each unit as it develops or revises, as necessary, its inventory plan to align with the baseline requirements established by the revised SD 600. This effort will begin in FY 2022 to establish individual unit timelines based on capacities for implementation starting in FY 2023.

Once up-to-date unit inventory plans are established, the NCP Director will review that each unit's inventory plan is complete, current, and reflects Institution-wide baseline standards according to the annual reporting process outlined in Recommendation 1. For any collecting unit that fails to comply fully with its inventory plan, the Under Secretary under whose purview that unit falls will inform the unit Director and formulate a plan to remedy any identified deficiency(ies).

This annual reporting requirement will be based on the fiscal year, beginning in FY 2023.

OIG Recommendations 1(b) and 1(c):

1(b): *Directors approve their unit's inventory plan and ensure that it is appropriate to (1) the nature, characteristic, and size of the collections under the unit's control; (2) staff resources; and (3) unit requirements.*

1(c): *Directors receive reports on the results of inventories, as required, and necessary to monitor the plan's implementation.*

Response. We concur that collecting unit Directors must be directly engaged in the approval and ongoing implementation of their unit inventory plans.

Implementation. To ensure adequate Director engagement, a performance requirement will be added to performance plans for Directors of collecting units to require that they successfully maintain and execute their unit inventory plan. Further, the revised SD 600 will require Directors to (a) approve their unit's current inventory plan and ensure that it is appropriate to the nature, characteristic, and size of the unit's collections, staff resources, and any unit-specific requirements; and (b) receive reports on the implementation of the unit's inventory plan.

These requirements will be enacted, as appropriate, in Director performance plans for FY 2023.

OIG Recommendation 2:

Develop and implement detailed procedures for annual reports on compliance with SD 600, including the required content of these reports (such as the plan's approval and review date and the extent that the inventory schedule was implemented) and to whom these reports should be submitted.

Response. As previously noted, we acknowledge the need to establish (a) an annual summary report that details a unit's compliance with SD 600 and its collections management policy and

DocuSign Envelope ID: E2D677AA-3967-43D0-A1AB-9A7AEC0D3568

Management Response to Collections Management – Inventory Plans & Reports

inventory plan, and (b) review and approval roles for the collecting unit Director, the NCP Director, and senior leadership.

Implementation. We will establish as an appendix to SD 600 the reporting template and schedule for submission of an annual report by each collecting unit Director on compliance with SD 600 and its collections management policy. Based on unit compliance reports, the NCP Director will prepare a summary compliance report for the Deputy Secretary and Under Secretaries.

This reporting requirement will be finalized and in effect by the beginning of FY 2023.

DocuSigned by:
Meroe Park
EDCBEB79CD01423
Meroe Park, Deputy Secretary & Chief Operating Officer

2/11/2022 | 11:44 AM EST

Date