*Welcome to LLA Reports, a podcast produced by the Louisiana Legislative Auditor’s office. This podcast is intended to be an oral representation of the written report it highlights and is primarily for the use of the Louisiana Legislature.*

This is Kristen Jacobs. I’m a senior auditor with LLA’s Performance Audit Services. This episode of LLA Reports focuses on our new report titled “Office of State Museum.”

The purpose of this performance audit was to evaluate the Office of State Museum’s – or OSM’s – management of its museum system.

OSM – also referred to as the Louisiana State Museum – is housed within the Department of Culture, Recreation, and Tourism – or CRT – which is led by Louisiana’s lieutenant governor. This report is the second in a series of reports on CRT.

We conducted this audit because museums are an important part of preserving and sharing Louisiana’s history and because museums were among the organizations most severely affected by the COVID-19 pandemic when travel and indoor activities were limited.

OSM oversees nine state museums: five in New Orleans, one in Baton Rouge, one in Natchitoches, and two in rural southeast Louisiana.

Between fiscal years 2016 and 2022, OSM’s budget was 6.7 million dollars, on average, per year. OSM is primarily funded through the State General Fund. In fiscal year 2022, 71.2 percent of OSM’s funding came from the State General Fund, 16.7 percent came from interagency transfers, and 12.1 percent came from self-generated revenues.

We found that OSM has not had a permanent museum director since May 2016, which has resulted in inconsistent leadership. According to multiple stakeholders, the museum director’s position has little autonomy and is political in nature due, in part, to the museum system’s governance structure.

We also found that OSM does not have a comprehensive strategic plan or a detailed budget for the museum system or its exhibits.

In addition, reduced staffing levels over several years have led to low employee morale and may affect museum operations. For example, full-time staff has decreased 41.7 percent – from 108 employees in fiscal year 2009 to 63 in fiscal year 2022.

We found as well that OSM could make better use of data to manage museum operations. Currently, OSM does not have accurate visitation data for each museum because it lacks a standard process for calculating and tracking admissions and event rentals.

OSM also does not have dedicated resources for museum marketing, including a budget, plan, and specialized staff. That limits its ability to promote the museums to the public.

We found, too, that OSM should work to increase its fundraising efforts. From fiscal year 2018 through fiscal year 2021, support organizations provided 2.6 million dollars per year, on average, to OSM’s museums. These organizations also provided supporting services.

Additionally, we found that OSM should strengthen its internal controls over the grants and contracts that flow through the support organizations. For example, between fiscal years 2020 and 2022, the Jazz Museum expended 1.5 million dollars in grants and private donations from more than 20 different funding streams, but did not have a clear process to track requirements and deliverables.

As a result of our report, we developed 16 recommendations.

The first four recommendations focused on finding candidates for the museum director’s position, hiring a permanent museum director, determining the best governance structure for the museum system, and improving the relationship between OSM and the Louisiana State Museum board.

Other recommendations suggested that OSM develop a comprehensive exhibit plan and specific budgets for each museum, and that OSM identify and secure more grant funding to help increase its revenue.

Three recommendations were related to procedures to help OSM accurately track museum visitation and self-generated revenues, while one focused on improving staff morale.

Three more recommendations focused on building a robust marketing operation and on making fundraising a priority.

The final two recommendations suggested that OSM strengthen its internal controls for funds and agreements that flow through the museum system’s support organizations and that it maintain copies of all contracts and agreements the Louisiana Museum Foundation has entered into on behalf of the New Orleans Jazz Museum in a central location.

As part of their responses, which are included in the report as Appendix A, OSM agreed with all 16 of our recommendations and the LSM Board agreed with the four recommendations that pertain to them.

*We hope you found this podcast informative, and that you’ll follow future episodes of LLA Reports.*

*This podcast was created as part of the audit report just discussed and is intended primarily for the use of the Louisiana Legislature. Both the full report and the podcast can be found on the LLA’s website at* [*www.lla.la.gov*](http://www.lla.la.gov)*. Thank you for listening.*