Summary Status Table in Response to the Report of the Auditor General of Ontario

Value-for-Money Audit Museums and Galleries: Art Gallery of Ontario, Royal Ontario Museum, McMichael Canadian Art Collection]
December 2020 Annual Report of the Auditor General
Ministry of Heritage, Sport, Tourism and Culture Industries

Auditor's Recommendation	Completed undertaking	Outstanding undertaking (including timeline)
Recommendation 1A and Action Item **To monitor whether the Art Gallery of Ontario (AGO), the Royal Ontario Museum (ROM) and the McMichael Canadian Art Collection (McMichael) are fulfilling their mandates and achieving desired government priorities, we recommend that the Ministry of Heritage, Sport, Tourism and Culture Industries** **• review the observations in this report to identify which aspects of the AGO, ROM and McMichael's activities would be beneficial to monitor more closely;** **Recommendation 1B and Action Item** **• work with the AGO, ROM and McMichael to set and consistently report on targets and performance indicators to facilitate improvement in these areas; and**		**1A: 1 Year** This task can be undertaken as part of the current fiscal year's Business Planning Process. The ministry will use the government's White Paper, as well as the OAGO VFM report, to support discussions with the entities about which activities merit closer attention and monitoring. The ministry confirmed with the AGO, ROM and McM that a one-year time frame is sufficient to review the observations in the report and identify any aspects of entities' activities that require the ministry to monitor more closely. **1B: 1 Year** Once the key focus areas are identified in 1(a), above, the ministry will require additional time to address with the entity what targets could be measured, and what performance measures exist or could be put in place to assess them. The ministry and entities have agreed to work collaboratively to determine if there are additional measures that can be taken to strengthen performance indicators. A one-year time frame is sufficient for both the ministry and entities to achieve this goal.

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Recommendation 1C **• require that the AGO, ROM and McMichael set reasonable performance targets, including for the upcoming three years, and take corrective action, such as requiring the submission of remedial action plans where targets are not met.** **Recommendation 2A** **We recommend that the Ministry of Heritage, Sport, Tourism and Culture Industries (Ministry) require that the Art Gallery of Ontario, the Royal Ontario Museum and the McMichael Canadian Art Collection:** **• submit action plans, including timelines, on how they will address the recommendations in their individual reports; and**		**1C: 2 Years** ARAD must work with the entities to confirm their performance targets, and address what remedial action may be appropriate if targets are not met. It should be noted that the COVID-19 pandemic has had a significant negative impact on the operations of the affected entities and this may affect the ability of the entities to achieve performance targets. Both the ministry and respective entities agree to a 2 year time frame **2A: 1 Year** ARAD has requested implementation plans to be submitted by these entities within fiscal 2021-22. The entities have agreed that a one year timeframe is reasonable for this activity. The ministry will continue to engage and liaise with the entities with respect to their action plans and will obtain clarity on how they intend to address the recommendations.

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Recommendation 2B **• report annually to the Ministry on their progress in implementing the recommendations.**		**2B: 1 Year** ARAD staff have requested implementation plans to be submitted by these entities within fiscal 2021-22, as well as provide annual progress reports. This timeline has also been confirmed with the entities.
Recommendation 3A **We recommend that the Ministry of Heritage, Sport, Tourism and Culture Industries:** **• require as part of its transfer payment agreement with the Art Gallery of Ontario (AGO) that the AGO put in place rigorous conflict of-interest policies that prohibit its Board members from participating in decisions to approve their own donations; and**		**3A: 1 Year** For 3a and 3b, the Ministry notes that the ethics executive for the AGO is the entity's Board Chair. The Ministry will look to the entity and its Board to ensure that an appropriate conflict of interest policy, based on current best practices, is in place. A new TPA is due to be negotiated with the AGO this year, and the Ministry will ensure these requirements form part of the new TPA.

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Recommendation 3B **• review the legislation of the AGO and make recommendations to the provincial government to include reasonable term limits for the AGO's Board members.**		**3B: 2 Years** ARAD to conduct a review of existing legislation and make recommendations to the Province about the inclusion of term limits for the AGO. Ministry staff note that the decision to impose term limits may not be within the Ministry's control as it would require approval of TB/MBC and potentially legislative change. There is no requirement that any of the MHSTCI agencies or TPEs is subject to term limits. As a TPE, the government does not control all the appointees on the AGO's board and appoints only a minority. It is possible that the AGO may be able to address governance issues (including the tenure of certain board members) through board policies. These options and considerations will form part of the legislative review to be undertaken and will be reflected in advice ARAD will provide to government on the matter. The ministry and AGO agree that a two-year time frame is a sufficient amount of time to review the legislation and make recommendations on this matter.

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Auditor's Recommendation	Completed undertaking	Outstanding undertaking (including timeline)
Recommendation 4 **To achieve value for money from its transfer payment agreement with the Art Gallery of Ontario (AGO), we recommend that the Ministry of Heritage, Sport, Tourism and Culture Industries ensure that there is an assessment of need and clearly documented rationale for the amount of future funding provided to the AGO.**		**4: 1 Year** The ministry conducts an assessment of need every year, based on financial reports provided by the AGO, which includes the Business Plan forecast. Ministry staff will more clearly document the rationale for funding starting in fiscal 2021-22. A new TPA is due to be negotiated with the AGO this year and the Ministry will ensure an assessment of need and documented rationale for funding amount is a part of the TP renewal process. A one-year turnaround for both the ministry and AGO is sufficient to complete this activity.