



Museums and Galleries

2020 Value-for-Money Audit

Why We Did This Audit

- The Ministry of Heritage, Sport, Tourism and Culture Industries (Ministry) provided a total of \$52 million in funding in 2019/20 to the Art Gallery of Ontario (AGO), the Royal Ontario Museum (ROM), and the McMichael Canadian Art Collection (McMichael).
- This is our Office's first audit of the AGO, ROM and McMichael, and the Ministry's oversight of these organizations.

Why It Matters

- Museums and art galleries play an important role in society by collecting and preserving objects and artwork of cultural and historical importance, and presenting these to the public for the purposes of education, research and enjoyment.
- The AGO, ROM and McMichael have collections of artwork and objects that they estimate have a combined value of \$3.7 billion whose care they are responsible for.
- In 2019/20, more than 2 million people visited these three institutions.

What We Found

- The AGO, ROM and McMichael could not always demonstrate that the acquisitions they made were needed to meet their collection objectives, and in the case of the AGO, that they represented value for money to taxpayers.
- We found that research at the AGO, ROM and McMichael to prove the ownership and verify the authenticity of the items they acquired was not always completed or documented as their policies require. At McMichael, this included instances where it did not follow up on a timely basis on concerns brought to its attention that certain paintings it received as a donation were not authentic prior to submitting them to have their value certified for tax purposes.
- The AGO, ROM and McMichael did not have an accurate valuation of their collections to help ensure they maintained sufficient insurance coverage.
- The AGO, ROM and McMichael did not have policies to conduct regular inventory checks to verify the existence of the objects and artworks in their collections.
- At the AGO, ROM and McMichael, objects and artworks could be deleted from their systems without authorization, and there was no process in place to review deleted records to ensure they were deleted only for authorized purposes.
- The ROM does not have an electronic record for the majority of its natural history collection. The ROM has electronically catalogued only about 3.5 million of the 11 million specimens it estimates it has, in its collection management system. Without electronic records, the utility of ROM's collection is limited, including its accessibility for research.
- There are weaknesses in the AGO's governance processes where Board members donated artworks to the AGO, but there was no evidence that they declared their conflict of interest or excused themselves during the vote to approve their donations.
- AGO Board members often serve lengthy terms that are not in line with best practices. At the time of our audit, approximately 50% of the AGO's Board members had served for more than 10 years, including nearly 10% who had served more than 30 years and as long as 42 years.
- While the AGO, ROM and McMichael note that successful exhibitions draw attention and attendance to their institutions, none of them had an effective process to demonstrate that they select exhibitions most likely to be successful.
- The performance indicators and targets the AGO, ROM and McMichael report on to the Ministry do not cover the range of their key activities, limiting the Ministry's ability to monitor how effectively they deliver on their mandates.

Conclusions

- Ministry oversight of the AGO, ROM, and McMichael should be strengthened to confirm that effective systems and procedures are in place to meet all key legislative and public policy requirements, as well as encouraging best practices for the operation of the museum and the two galleries in a cost-effective manner.
- The Ministry, together with the AGO, ROM, and McMichael did not sufficiently measure, evaluate and publicly report on the effectiveness of the museum and the two galleries.