



**Report of the Auditor General of Canada  
to the Board of Trustees of the  
Canadian Museum of Immigration at Pier 21**

Independent Auditor's Report

Special Examination—2020



Office of the  
Auditor General  
of Canada

Bureau du  
vérificateur général  
du Canada





**Report of the Auditor General of Canada  
to the Board of Trustees of the  
Canadian Museum of Immigration at Pier 21**

Independent Auditor's Report

Special Examination—2020

---



Office of the  
Auditor General  
of Canada

Bureau du  
vérificateur général  
du Canada

### **Special examination reports**

Special examinations are a form of performance audit that is conducted within Crown corporations. The Office of the Auditor General of Canada audits most, but not all, Crown corporations.

The scope of special examinations is set out in the *Financial Administration Act*. A special examination considers whether a Crown corporation's systems and practices provide reasonable assurance that its assets are safeguarded and controlled, its resources are managed economically and efficiently, and its operations are carried out effectively.

More details about the audit objective, scope, approach, and sources of criteria are in *About the Audit* at the end of this report.

*Ce document est également publié en français.*

© Her Majesty the Queen in Right of Canada, as represented  
by the Auditor General of Canada, 2020.

Cat. No. FA3-161/2020E-PDF  
ISBN 978-0-660-34148-4





Office of the  
Auditor General  
of Canada

Bureau du  
vérificateur général  
du Canada

27 March 2020

To the Board of Trustees of the Canadian Museum of Immigration at Pier 21:

We have completed the special examination of the Canadian Museum of Immigration at Pier 21 in accordance with the plan presented to the Audit and Risk Oversight Committee of the Board of Trustees on 17 January 2019. As required by section 139 of the *Financial Administration Act*, we are pleased to provide the attached final special examination report to the Board of Trustees.

We will present this report for tabling in Parliament after it has been made public by the Canadian Museum of Immigration at Pier 21.

We will be pleased to respond to any comments or questions you may have concerning our report at your meeting on 7 April 2020.

I would like to take this opportunity to express my appreciation to the board trustees, management, and the corporation's staff for the excellent cooperation and assistance offered to us during the examination.

Yours sincerely,

A handwritten signature in cursive script that reads 'H McManaman'.

Heather McManaman, CPA, CA  
Principal (responsible for the audit)  
1505 Barrington Street, Suite 1140  
Halifax, Nova Scotia B3J 3K5



# Table of Contents

- Introduction** **1**
- Background ..... 1
- Focus of the audit ..... 3
- Findings, Recommendations, and Responses** **4**
- Corporate management practices ..... 4
  - The corporation had a significant deficiency in corporate management practices because of several weaknesses ..... 4
- Management of operations ..... 11
  - The corporation had a significant deficiency in collection management and weaknesses in other areas ..... 11
- Conclusion** **18**
- About the Audit** **19**
- List of Recommendations** **23**





# Introduction

## Background

---

### History, role, and mandate

1. Immigration has played a vital role in the building of Canada, and thousands of immigrants continue to be welcomed to Canada each year. Historically, one of the most important entry points for immigrants was Pier 21 in Halifax, Nova Scotia. Almost 1 million immigrants came to Canada through Pier 21 between 1928 and 1971. This location is the site of the Canadian Museum of Immigration at Pier 21, a national museum and Crown corporation that grew out of a previous not-for-profit museum established by the Pier 21 Society in the late 1990s.
2. The original Pier 21 museum focused on stories specific to Pier 21. In November 2010, when the national museum was established, the mandate was broadened to encompass all immigration to Canada, regardless of point of entry, both historically and recently.
3. Under the *Museums Act*, the purpose of the Canadian Museum of Immigration at Pier 21 is to enhance public understanding of immigrants' experiences, the role immigration has played in Canadian history, and immigrants' contributions to Canada's culture, economy, and way of life. To achieve this purpose, the act gives the corporation several powers, including the power to collect museum material related to immigration, to develop exhibitions, and to promote knowledge about immigration through public programs. The corporation reports to Parliament through the Minister of Canadian Heritage.

---

### Nature of business and operating environment

4. The museum is located at the Halifax Seaport in Nova Scotia at Pier 21 (Exhibit 1). Pier 21 is a national historic site and is leased from the Halifax Port Authority. Since becoming a national museum in 2010, the corporation has increased its premises from about 50,000 to about 90,000 square feet to expand its research activities, collection, exhibitions, and programs to reflect its broader mandate.

## Exhibit 1 The Canadian Museum of Immigration at Pier 21



Photo: Canadian Museum of Immigration at Pier 21

5. The corporation views its collection as an invaluable cultural resource that helps it to achieve its mandate. Since 2013, the corporation has made the following long-standing commitments to managing its collection:

- **Diversity**—The corporation will strive for its collection to illustrate the breadth of experiences related to immigration at large in Canada.
- **Accessibility**—The corporation will feature the maximum amount of collection content online while considering confidentiality and human, technological, and budgetary resources.

Before the audit period, the corporation's Board of Trustees had established collection diversity and online accessibility as priorities.

6. For the 2018–19 fiscal year, the corporation reported that it had about 134,000 visitors—almost triple that of the former not-for-profit museum 10 years earlier. In its 2018–19 annual report, the corporation stated that 97% of surveyed visitors rated their experiences as satisfying or very satisfying. For the same period, the corporation also reported more than 500,000 unique visits to its website.

7. The federal government provides the corporation with capital and ongoing operational funding. In the 2018–19 fiscal year, the corporation’s expenses totalled \$12.8 million, while its revenue totalled \$13.6 million and consisted of

- \$10 million in government appropriations
- \$1.1 million in donations from its fundraising efforts
- \$2.5 million raised through such activities as admissions, facility rentals, gift shop sales, and investing its endowment fund

8. The corporation more than doubled the staff of the former Pier 21 Society and, as of the 2018–19 fiscal year, had about 55 full-time equivalent employees.

9. This is the first time that we have conducted a special examination of this corporation.

## Focus of the audit

10. Our objective for this audit was to determine whether the systems and practices we selected for examination at the Canadian Museum of Immigration at Pier 21 were providing it with reasonable assurance that its assets were safeguarded and controlled, its resources were managed economically and efficiently, and its operations were carried out effectively, as required by section 138 of the *Financial Administration Act*.

11. In addition, section 139 of the *Financial Administration Act* requires that we state an opinion, with respect to the criteria established, on whether there was reasonable assurance that there were no significant deficiencies in the systems and practices we examined. A significant deficiency is reported when the systems and practices examined do not meet the criteria established, resulting in a finding that the corporation could be prevented from having reasonable assurance that its assets are safeguarded and controlled, its resources are managed economically and efficiently, and its operations are carried out effectively.

12. On the basis of our risk assessment, we selected systems and practices in the following areas:

- corporate management practices
- management of operations

The selected systems and practices, and the criteria used to assess them, are found in the exhibits throughout the report.

13. More details about the audit objective, scope, approach, and sources of criteria are in **About the Audit** at the end of this report (see pages 19–22).

# Findings, Recommendations, and Responses

---

## Overall message



14. Overall, we found that, although the corporation had made progress in transitioning from its status as a not-for-profit museum to a Crown corporation with an expanded mandate, significant deficiencies in corporate management practices and collection management could limit its ability to continue to fulfill its mandate.

15. Specifically, as part of its expanded mandate, the corporation had set priorities to diversify its collection and make it accessible online. The corporation had taken steps to achieve both priorities; however, we found that the corporation lacked a plan for how it would continue to develop its collection, as well as detailed procedures for protecting the collection. Because the collection is an invaluable resource that helps the corporation achieve its mandate, these weaknesses amounted to a significant deficiency. As long as planning and protection for its collection remain unaddressed, the corporation may fall short of its potential as a national museum.

16. We also found that the board did not ensure that some of its policies—such as those related to governance and the collection—were being followed, and that it did not receive the information it needed from management to fulfill its oversight role. For example, the tool used by the board to oversee risk management did not contain key risks to the corporation’s collection.

## Corporate management practices

**The corporation had a significant deficiency in corporate management practices because of several weaknesses**

---

### What we found

17. We found several weaknesses in corporate management practices that, taken together, amounted to a significant deficiency. Specifically, the board did not provide the oversight needed to achieve the corporation’s priorities to diversify its collection and make the collection accessible online. Because of weaknesses in performance measurement and risk management, the board did not have the information it needed to make decisions or take corrective actions. We also found several instances in which the corporation did not follow its own policies.

18. The analysis supporting this finding discusses the following topics:

- Corporate governance
- Strategic planning
- Corporate risk management

---

**Context**

19. The corporation is governed by the Board of Trustees, appointed by the Minister of Canadian Heritage, with the approval of the **Governor in Council**. The board is supported by several committees:

- Executive and Finance Committee
- Human Resources, Governance and Nominating Committee
- Audit and Risk Oversight Committee
- Development Committee (specific to fundraising)
- Investment Sub-Committee

20. The board is composed of the Chairperson and 10 trustees. Apart from the Chairperson, all board trustees are new, because they were appointed between 1 March 2018 and 1 July 2019.

---

**Recommendations**





21. Our recommendations in this area of examination appear at paragraphs 28, 29, 33, and 39.

---

**Corporate governance**

22. **Analysis.** We found that the corporation had weaknesses in board oversight (Exhibit 2).







**Exhibit 2 Corporate governance—Key findings and assessment**

Systems and practices	Criteria used	Key findings	Assessment against the criteria
Board independence	The board functioned independently.	The corporation's bylaws, Governance Policy, and terms of reference for the committees of the board required trustees and external advisors to be independent.  The board and its committees held closed sessions without management in attendance.  Trustees and external advisors completed annual conflict of interest declarations, and chairpersons sought declarations at each board and committee meeting.	
<b>Legend—Assessment against the criteria</b>  Met the criteria  Met the criteria, with improvement needed  Did not meet the criteria			

---

**Governor in Council**—The Governor General acting, on the advice of Cabinet, as the formal executive body that gives legal effect to those decisions of Cabinet that are to have the force of law.

Exhibit 2 Corporate governance—Key findings and assessment (continued)

Systems and practices	Criteria used	Key findings	Assessment against the criteria
Providing strategic direction	The board provided strategic direction.	<p>The board provided strategic direction through review and approval of documents such as the corporate plans prepared by management.</p> <p>The board actively participated in setting the Chief Executive Officer’s annual performance objectives, which aligned with the corporation’s strategic direction.</p>	
Board appointments and competencies	The board collectively had the capacity and competencies to fulfill its responsibilities.	<p>The board assessed its trustees’ abilities, skills, knowledge, and representation.</p> <p>The corporation provided information on its needs to Canadian Heritage to assist in the trustee appointment process.</p> <p>The board engaged external advisors to provide advice on investing the corporation’s endowment fund.</p> <p>The corporation had an orientation program for new board trustees.</p>	
Board oversight	The board carried out its oversight role over the corporation.	<p>The Audit and Risk Oversight Committee reviewed financial performance quarterly.</p> <p>The board assessed the Chief Executive Officer’s performance.</p> <p>The corporation’s internal audit function contributed to the board’s oversight.</p> <p><b>Weaknesses</b></p> <p>The board did not receive clear and complete information on progress toward achieving the corporation’s collection priorities and risk management information.</p> <p>The board did not ensure compliance with some of the corporation’s key policies.</p>	
<p><b>Legend—Assessment against the criteria</b></p> <p> Met the criteria</p> <p> Met the criteria, with improvement needed</p> <p> Did not meet the criteria</p>			

23. **Weaknesses—Board oversight.** We found that the board did not provide the oversight needed for the corporation to address its priorities to diversify its collection and make the collection accessible online. Although the board reviewed and approved corporate plans prepared by management, it did not receive all of the information it needed to fulfill its oversight role, including

- complete information on progress toward achieving an accessible online collection (see paragraph 24)
- clear information on how the corporation was achieving its collection diversity and online accessibility priorities (see paragraphs 31 and 32)
- complete information on the management of key risks to the corporation’s collection (see paragraphs 35 to 38)

24. The corporation had a target of making 75% of its oral history and story collections accessible online by March 2019, and it reported to the board and in its 2018–19 annual report that this target had been met. However, we found that this information was incomplete, because achieving the 75% target was based only on making accessible the oral histories and written stories that the corporation had inherited from the former Pier 21 Society. Using the current collection as the basis for the calculation, we found that the corporation had made only 53% of its oral histories and 55% of its stories available online.

25. We also found that the corporation did not always follow its own policies. The corporation’s bylaws stated that the Chairperson of the board was responsible for ensuring that policies essential to achieving the corporation’s mandate were both developed and applied. However, we found the following examples of non-compliance:

- Since 2013, the Collection Policy required that the corporation have a collection development plan. No such plan was in place (see paragraphs 53 and 54).
- The Governance Policy required the board to periodically assess the corporation’s mandate. We found that the board had never done such an assessment.
- The Governance Policy also required “continuous training of all members” of the board. We found that trustees whose terms had ended during the audit period had not received training other than orientation.

26. The corporation introduced a new oversight control in 2018: a table for reporting to the board on compliance with policies. However, we found that the table did not include the corporation’s policies for exhibitions and programs. Despite the instances of non-compliance noted above, we found that management had confirmed adherence to the policies in the compliance table.

27. These weaknesses matter because the board needs complete information to meet its oversight responsibilities and to ensure that the corporation is working toward achieving its mandate and meeting its priorities. Without strong and effective oversight, expanding the diversity and online accessibility of the corporation’s collection may be at risk.

28. **Recommendation.** The corporation should identify the kinds of information that management should provide to the board for effective oversight of the corporation’s collection and to meet other key legal, regulatory, and policy requirements.

*The corporation’s response.* Agreed. Over the 2020–21 fiscal year, in conjunction with the development of our next 5-year plan (2021–22 through 2026–27), management will work with the Board of Trustees to identify key information that will enable strengthened monitoring and reporting on collection management and on compliance with legislation, regulations, and policies.





29. **Recommendation.** The board should ensure that its trustees receive training designed to help them carry out their oversight responsibilities.

*The corporation’s response.* Agreed. A training plan will be developed, implemented, and monitored to ensure that the trustees can carry out their oversight responsibilities. Governance training for trustees is scheduled for April 2020.

**Strategic planning**






30. **Analysis.** We found that the corporation had good practices in strategic planning processes and performance monitoring and reporting, but improvement was needed in performance measurement (Exhibit 3).

**Exhibit 3 Strategic planning—Key findings and assessment**

Systems and practices	Criteria used	Key findings	Assessment against the criteria
Strategic planning processes	The corporation established a strategic plan and strategic objectives that were aligned with its mandate.	<p>The corporation had a process in place to prepare its corporate plan.</p> <p>The corporation defined a strategic direction that aligned with its mandate.</p> <p>The corporation considered its internal and external environments when preparing its corporate plan.</p>	
<p><b>Legend—Assessment against the criteria</b></p> <p> Met the criteria</p> <p> Met the criteria, with improvement needed</p> <p> Did not meet the criteria</p>			



**Exhibit 3 Strategic planning—Key findings and assessment (continued)**

Systems and practices	Criteria used	Key findings	Assessment against the criteria
Performance measurement	The corporation established performance indicators in support of achieving its strategic objectives.	<p><b>Weaknesses</b></p> <p>The corporation’s target for achieving its priority to make its collection more diverse was inconsistent with other corporate documents.</p> <p>The corporation’s performance indicator to assess achievement of its priority to make its collection available online was not specific or time-bound.</p>	
Performance monitoring and reporting	The corporation monitored and reported on progress in achieving its strategic objectives.	<p>The corporation’s senior leadership team met regularly to discuss the corporation’s activities.</p> <p>Management monitored its performance indicators and reported this information quarterly to the board.</p> <p>The corporation held an annual public meeting.</p>	
<p><b>Legend—Assessment against the criteria</b></p> <p> Met the criteria</p> <p> Met the criteria, with improvement needed</p> <p> Did not meet the criteria</p>			

31. **Weaknesses—Performance measurement.** We found issues with the performance indicators and targets established by the corporation to assess its achievement of important collection management priorities:

- The corporation’s 2019–20 target for diversifying its collection was to address identified gaps by the end of the 2023–24 fiscal year. However, another internally prepared document estimated that a detailed collection development plan would not be completed until 2021. It was unclear how a target date could be set or how progress could be measured without the detailed collection development plan in place.
- The corporation has a policy requirement to feature the maximum amount of collection content online while considering confidentiality and human, technological, and budgetary resources. We found that the corporation’s 2019–20 performance indicator that “collection records are accessible online” lacked specific detail that would allow progress to be measured. This indicator did not state the percentage of its whole collection to be made accessible online or by when. Nor was there analysis for the indicator to show that restrictions such as human or budgetary resources were considered. However, we noted that the corporation did set some annual targets, up to the end of the 2023–24 fiscal year, for making parts of its collection available online.

32. This weakness matters because well-designed indicators and targets that are achievable, specific, and time-bound would allow the corporation to better assess progress toward diversifying its collection and making it available online.







33. **Recommendation.** The corporation should ensure that its performance indicators and targets for collection diversity and online accessibility are achievable, specific, and time-bound.

*The corporation's response.* Agreed. In the first half of the 2020–21 fiscal year, the corporation will undertake a strategic planning exercise. The strategic direction for the next 5 years will be established, and management will work with the Board of Trustees to ensure alignment with the strategic priorities while considering human resource and financial requirements.

**Corporate risk management**

34. **Analysis.** We found that improvements were needed in corporate risk management (Exhibit 4).

**Exhibit 4 Corporate risk management—Key findings and assessment**

<b>Systems and practices</b>	<b>Criteria used</b>	<b>Key findings</b>	<b>Assessment against the criteria</b>
Risk identification and assessment	The corporation identified and assessed risks to achieving its strategic objectives.	The corporation had a board-approved Enterprise Risk Management Policy.  <b>Weakness</b> The corporation identified and assessed some corporate risks, but it did not identify all of the risks to the diversity and online accessibility of its collection.	
Risk mitigation	The corporation defined and implemented risk mitigation measures.	<b>Weaknesses</b> The corporation had not defined and documented its risk tolerance levels.  The corporation lacked clear action plans for most of its key risks.	
Risk monitoring and reporting	The corporation monitored and reported on the implementation of risk mitigation measures.	Through its corporate plan, the corporation reported summary information to the government on the key risks that the corporation had identified.  <b>Weakness</b> The corporation was unable to fully monitor and report on how it was managing key risks.	
<b>Legend—Assessment against the criteria</b>			
 Met the criteria  Met the criteria, with improvement needed  Did not meet the criteria			

35. **Weaknesses—Corporate risk management.** We found that the corporation had identified and assessed some corporate risks. However, its heat map—the board’s primary tool for overseeing risk management—did not include all of the key risks that had been identified in corporate documents related to the diversity and online accessibility of its collection. Therefore, the board did not have all the risk information it needed for decision making and oversight.

36. We also found that the corporation did not define and document its risk tolerance levels—that is, its readiness to bear a particular risk after mitigation is implemented. Typically, a risk tolerance level might specify an acceptable range above and below a given target.

37. Furthermore, we found that the corporation lacked clear action plans for mitigating most of its key risks. It was therefore unable to fully monitor how it was managing them and could not report on this information to the board. Therefore, the board did not receive the information it needed to oversee risk management.

38. These weaknesses matter because the corporation faces risks to its collection management priorities, which could also affect its exhibitions and public programs. Action plans to mitigate those risks—with specific actions, timelines, and defined levels of acceptable risk—would provide management and the board with a basis for fully and systematically monitoring how key risks are managed.

39. **Recommendation.** The corporation should improve all aspects of its risk management processes, including identification, assessment, mitigation, and monitoring.

*The corporation’s response. Agreed. The corporation will improve its risk management processes by taking measures such as providing additional detail on its definitions of risk tolerance, monitoring, and mitigating actions for key risks.*

## Management of operations

### The corporation had a significant deficiency in collection management and weaknesses in other areas

---

#### What we found

40. We found that the corporation had 2 weaknesses in collection management: It did not have a collection development plan, and its detailed procedures did not fully address the protection of its digital collection. Combined, these weaknesses amounted to a significant deficiency in collection management. The corporation also had weaknesses in operational planning, exhibition development and presentation, and public program development and delivery.

41. The analysis supporting this finding discusses the following topics:
- Operational planning and performance monitoring and reporting—Collection management, exhibitions, and public programs
  - Collection management
  - Exhibitions and public programs

---

## Context

42. The corporation conducts research and develops a mostly digital collection of oral histories, written stories, digital images, physical archives, and artifacts. The corporation develops and presents exhibitions, including core, temporary, and travelling exhibitions, and it develops and delivers public programs, such as school visits and presentations to the public by external parties. These exhibitions and public programs often make use of collection items, such as digital images (Exhibit 5).

### Exhibit 5 The corporation's exhibitions and public programs use the collection



Photo: Canadian Museum of Immigration at Pier 21

43. The transfer of the former Pier 21 Society's collection to the corporation as a national museum presented challenges. A 2017 collection gap analysis detailed these challenges, noting that cataloguing the legacy collection was hampered by a lack of information about some assets. Most of the acquisitions had been initiated by donors and accepted indiscriminately by the former Pier 21 Society, rather than being strategically initiated to meet collection or project needs.

44. As of May 2019, the corporation’s collection comprised a total of 26,451 items:

- 1,317 oral histories (5% of the total collection)
- 3,022 written stories (11%)
- 16,695 digital images (63%)
- 3,648 physical archives, such as documents and maps (14%)
- 1,769 artifacts (7%)

45. The corporation’s Collection Policy requires the corporation to make the maximum amount of its collection accessible online while considering confidentiality and human, technological, and budgetary resources. For any given digital item in the collection, curators must consider sensitivities for use outside the museum, as the item could be copied or altered. Some redaction may be necessary to ensure privacy, and curators may have to write contextual information. The corporation must also size the files for online use, ensure that it has the necessary storage and bandwidth, and design its website to make the files searchable.

---

**Recommendations**





46. Our recommendations in this area of examination appear at paragraphs 50, 57, 58, and 63.

---





**Operational planning and performance monitoring and reporting—Collection management, exhibitions, and public programs**

47. **Analysis.** We found that an improvement was needed in operational planning for the 3 operational areas we examined: collection management, exhibitions, and public programs (Exhibit 6).

**Exhibit 6 Operational planning and performance monitoring and reporting—Collection management, exhibitions, and public programs—Key findings and assessment**

Systems and practices	Criteria used	Key findings	Assessment against the criteria
Operational planning—Collection management, exhibitions, and public programs	The corporation defined operational plans that were aligned with its strategic plans and its mandate.	Performance objectives for individual managers aligned with the corporation’s objectives set out in corporate plans.  <b>Weakness</b> Operational planning did not consider estimates of human resource needs.	
<p><b>Legend—Assessment against the criteria</b></p> <p> Met the criteria</p> <p> Met the criteria, with improvement needed</p> <p> Did not meet the criteria</p>			

**Exhibit 6 Operational planning and performance monitoring and reporting—Collection management, exhibitions, and public programs—Key findings and assessment (continued)**

Systems and practices	Criteria used	Key findings	Assessment against the criteria
Performance monitoring and reporting—Collection management, exhibitions, and public programs	The corporation monitored and reported on its operational results.	<p>Management commissioned an annual visitor research study.</p> <p>Management reported quarterly to the board on a variety of operational activities.</p> <p>The corporation evaluated managers' performance annually against objectives set out in its corporate plans.</p>	
<p><b>Legend—Assessment against the criteria</b></p> <p> Met the criteria</p> <p> Met the criteria, with improvement needed</p> <p> Did not meet the criteria</p>			

48. **Weakness—Operational planning—Collection management, exhibitions, and public programs.** We found that none of the corporation's operational areas we examined had considered estimates of human resource needs.







49. This weakness matters because without considering the number of people needed with specific skills related to projects, the corporation might not be able to carry out its operational plans.

50. **Recommendation.** The corporation should ensure that its operational planning includes human resource needs.

*The corporation's response. Agreed. In the first half of the 2020–21 fiscal year, the corporation will undertake a strategic planning exercise. The strategic direction for the next 5 years will be established, and management will ensure that operational plans align with the strategic priorities while considering human resource and financial requirements.*

**Collection management** 51. **Analysis.** We found 2 weaknesses in collection management that, taken together, amounted to a significant deficiency (Exhibit 7).

**Exhibit 7 Collection management—Key findings and assessment**

Systems and practices	Criteria used	Key findings	Assessment against the criteria
Collection development	The corporation developed a collection that explored the theme of immigration to Canada.	<p>In January 2018, the corporation completed a review of best practices in collection policies at other relevant organizations, to inform an update of its own Collection Policy. In June 2018, the board approved an updated Collection Policy.</p> <p>The corporation followed its process when permanently removing items from the collection.</p> <p><b>Weakness</b></p> <p>The corporation did not have a collection development plan.</p>	
Collection accessibility	The corporation made its collection accessible to the public.	The corporation made part of its collection accessible through exhibitions and on its website.	
Collection conservation	The corporation maintained the physical, historical, and aesthetic integrity of its collection.	<p>The corporation had set temperature and humidity standards for the display of physical artifacts, and it monitored conditions against those standards.</p> <p><b>Weakness</b></p> <p>The corporation did not sufficiently address the protection of its digital collection in key procedural documents.</p>	
<p><b>Legend—Assessment against the criteria</b></p> <p> Met the criteria</p> <p> Met the criteria, with improvement needed</p> <p> Did not meet the criteria</p>			

52. **Significant deficiency—Collection management.** We found weaknesses in the corporation’s collection development and collection conservation. Taken together, these weaknesses amounted to a significant deficiency in collection management, because the corporation views its collection as an invaluable cultural resource that helps it to achieve its mandate, as stated in its Collection Policy.

53. Since 2013, the Collection Policy has required the corporation to have a collection development plan. Such a plan would be a guiding document to align the content and scope of the collection with the corporation’s mandate, and to ensure that the collection grows in keeping with evolving priorities. We found that the corporation did not intend to complete such a plan until 2021.

54. Also since 2013, the Collection Policy has required that newly acquired items meet the goals and requirements of the collection development plan. Because no such plan was in place, management’s Collection Committee was unable to fully justify its recommendations on acquiring new items.

55. We also found that the corporation did not have processes for the long-term protection of its digital collection. While it did have procedures for backing up its collection, it did not have plans or procedures for digital preservation—for example, to mitigate the technological obsolescence of its digital formats. We also found that the corporation did not include provisions for the protection of its digital collection in its Collection Disaster Plan, as required by its Collection Policy.

56. This significant deficiency matters because a collection development plan guides how the collection should grow to meet the corporation’s priorities. Because the majority of the corporation’s collection is in digital formats, preservation plans and processes are essential to protecting the collection from degradation and obsolescence.

57. **Recommendation.** The corporation should develop a detailed collection development plan.

*The corporation’s response.* Agreed. Management will commence development of a detailed collection development plan in the 2020–21 fiscal year and put processes in place to ensure appropriate monitoring of its progress.

58. **Recommendation.** The corporation should ensure that it has processes for the long-term protection of its digital collection.






*The corporation’s response.* Agreed. In the 2019–20 fiscal year, management developed a plan to protect the longevity of its digital collection. The corporation will continue to advocate for additional funding to ensure timely implementation of the plan.



**Exhibitions and public programs**

59. **Analysis.** We found weaknesses in exhibition development and presentation and in public program development and delivery (Exhibit 8).

**Exhibit 8 Exhibitions and public programs—Key findings and assessment**

Systems and practices	Criteria used	Key findings	Assessment against the criteria
Exhibition development and presentation	The corporation presented exhibits that enhanced understanding of the experiences of immigrants as they arrived in Canada, of the vital role immigration has played in the building of Canada, and of the contributions of immigrants to Canada’s culture, economy, and way of life.	<p>The corporation presented core, temporary, and travelling exhibitions.</p> <p><b>Weakness</b></p> <p>Elements of the corporation’s Exhibitions Policy and related procedural documents lacked the clarity needed to guide staff to develop and deliver exhibitions.</p>	
Public program development and delivery	The corporation delivered public programs that enhanced understanding of the experiences of immigrants as they arrived in Canada, of the vital role immigration has played in the building of Canada, and of the contributions of immigrants to Canada’s culture, economy, and way of life.	<p>The corporation delivered a range of public programs, including activities that supported its exhibitions and commemorated historical events.</p> <p><b>Weakness</b></p> <p>The corporation’s guidelines were not detailed enough to help staff meet expectations for developing and delivering public programs.</p>	
<p><b>Legend—Assessment against the criteria</b></p> <ul style="list-style-type: none"> <li> Met the criteria</li> <li> Met the criteria, with improvement needed</li> <li> Did not meet the criteria</li> </ul>			

60. **Weaknesses—Exhibitions and public programs.** We found that the corporation's Exhibitions Policy and related procedural documents were not clear on how often core exhibitions should be redeveloped or how staff should ensure that the "highest possible standards of scholarship" are integrated into exhibition content. Without this clarity, management was unable to monitor whether these policy requirements were being met—and, consequently, whether the frequency of redevelopment and quality of exhibitions met corporate expectations.

61. We also found that the corporation's Public Programming Guideline did not have enough detail to help employees meet expectations for developing and delivering public programs. For example, management told us that the corporation expected external presenters for its public programs to come from a place of scholarly research, personal experience, or thoughtful artistic representation. However, this expectation was not stated as a criterion in the guideline. Furthermore, we found no evidence that the corporation evaluated external presenters to meet this expectation. Without careful vetting of an external presenter's qualifications and world view, a presenter could express opinions or statements that damage the corporation's reputation.

62. These weaknesses matter because policies, guidelines, and procedures should clarify corporate expectations for developing and delivering exhibitions and public programs and can contribute to more efficient and effective use of resources.

63. **Recommendation.** The corporation should ensure that it has clear policies, guidelines, and procedures for delivering exhibitions and public programs. The corporation should then monitor whether key requirements are being followed and are regularly reviewed and updated where appropriate.

*The corporation's response.* Agreed. There were many areas for the corporation to focus on after the museum became a Crown corporation. The refinement of policies, procedures, and guidelines, along with monitoring requirements to ensure they function as intended, will be addressed in the next planning period.

## Conclusion

64. In our opinion, on the basis of the criteria established, there were significant deficiencies in the corporation's corporate management practices and its collection management practices, but there was reasonable assurance that there were no significant deficiencies in the other systems and practices we examined. We concluded that except for these significant deficiencies, the Canadian Museum of Immigration at Pier 21 maintained its systems and practices during the period covered by the audit in a manner that provided the reasonable assurance required under section 138 of the *Financial Administration Act*.

## About the Audit

This independent assurance report was prepared by the Office of the Auditor General of Canada on the Canadian Museum of Immigration at Pier 21. Our responsibility was to express

- an opinion on whether there was reasonable assurance that during the period covered by the audit, there were no significant deficiencies in the corporation's systems and practices that we selected for examination
- a conclusion about whether the corporation complied in all significant respects with the applicable criteria

Under section 131 of the *Financial Administration Act*, the corporation is required to maintain financial and management control and information systems and management practices that provide reasonable assurance of the following:

- Its assets are safeguarded and controlled.
- Its financial, human, and physical resources are managed economically and efficiently.
- Its operations are carried out effectively.

In addition, section 138 of the act requires the corporation to have a special examination of these systems and practices carried out at least once every 10 years.

All work in this audit was performed to a reasonable level of assurance in accordance with the Canadian Standard for Assurance Engagements (CSAE) 3001—Direct Engagements, set out by the Chartered Professional Accountants of Canada (CPA Canada) in the CPA Canada Handbook—Assurance.

The Office of the Auditor General of Canada applies the Canadian Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

In conducting the audit work, we complied with the independence and other ethical requirements of the relevant rules of professional conduct applicable to the practice of public accounting in Canada, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

In accordance with our regular audit process, we obtained the following from the corporation:

- confirmation of management's responsibility for the subject under audit
- acknowledgement of the suitability of the criteria used in the audit
- confirmation that all known information that has been requested, or that could affect the findings or audit conclusion, has been provided
- confirmation that the audit report is factually accurate

## **Audit objective**

The objective of this audit was to determine whether the systems and practices we selected for examination at the Canadian Museum of Immigration at Pier 21 were providing it with reasonable assurance that its assets were safeguarded and controlled, its resources were managed economically and efficiently, and its operations were carried out effectively, as required by section 138 of the *Financial Administration Act*.

## **Scope and approach**

Our audit work examined the Canadian Museum of Immigration at Pier 21. The scope of the special examination was based on our assessment of the risks the corporation faced that could affect its ability to meet the requirements set out by the *Financial Administration Act*.

The systems and practices selected for examination for each area of the audit are found in the exhibits throughout the report.

As part of our examination, we interviewed board trustees, senior management, and other employees throughout the corporation to gain insights into its systems and practices. In performing our work, we reviewed key documents related to the systems and practices selected for examination. We selected and tested samples of items, such as collection acquisitions and deaccessions, environmental reports, exhibitions, public programs, and management performance objectives, to determine whether systems and practices were in place and functioned as intended.

In carrying out the special examination, we did not rely on any internal audits.

## **Sources of criteria**

The criteria used to assess the systems and practices selected for examination are found in the exhibits throughout the report.

## **Corporate governance**

Meeting the Expectations of Canadians: Review of the Governance Framework for Canada's Crown Corporations, Treasury Board of Canada Secretariat, 2005

Internal Control—Integrated Framework, Committee of Sponsoring Organizations of the Treadway Commission, 2013

Corporate Governance in Crown Corporations and Other Public Enterprises—Guidelines, Department of Finance Canada and Treasury Board, 1996

20 Questions Directors Should Ask about Risk, Canadian Institute of Chartered Accountants, 2006

Performance Management Program for Chief Executive Officers of Crown Corporations—Guidelines, Privy Council Office, 2016

Practice Guide: Assessing Organizational Governance in the Public Sector, The Institute of Internal Auditors, 2014

## **Strategic planning**

20 Questions Directors Should Ask about Risk, Canadian Institute of Chartered Accountants, 2006

Meeting the Expectations of Canadians: Review of the Governance Framework for Canada's Crown Corporations, Treasury Board of Canada Secretariat, 2005

Guidance for Crown Corporations on Preparing Corporate Plans and Budgets, Treasury Board of Canada Secretariat, 2018

Corporate Governance in Crown Corporations and Other Public Enterprises—Guidelines, Department of Finance Canada and Treasury Board, 1996

Recommended Practice Guideline 3, Reporting Service Performance Information, International Public Sector Accounting Standards Board, 2015

## **Corporate risk management**

20 Questions Directors Should Ask about Risk, Canadian Institute of Chartered Accountants, 2006

Internal Control—Integrated Framework, Committee of Sponsoring Organizations of the Treadway Commission, 2013

Corporate Governance in Crown Corporations and Other Public Enterprises—Guidelines, Department of Finance Canada and Treasury Board, 1996

## **Operational planning and performance monitoring and reporting—Collection management, exhibitions, and public programs**

Guidance for Crown Corporations on Preparing Corporate Plans and Budgets, Treasury Board of Canada Secretariat, 2018

A Guide to the Project Management Body of Knowledge (PMBOK® Guide), fourth edition, Project Management Institute Inc., 2008

COBIT 5 Framework—APO05 (Manage Portfolio), BAI01 (Manage Programmes and Projects), ISACA

Plan-Do-Check-Act management model adapted from the Deming Cycle

Internal Control—Integrated Framework, Committee of Sponsoring Organizations of the Treadway Commission, 2013

## **Collection management**

Summary Corporate Plan and Operating and Capital Budgets 2018–2019 to 2022–2023, Canadian Museum of Immigration at Pier 21

Collection Policy, Canadian Museum of Immigration at Pier 21

*Museums Act*

## **Exhibitions and public programs**

Summary Corporate Plan and Operating and Capital Budgets 2018–2019 to 2022–2023, Canadian Museum of Immigration at Pier 21

*Museums Act*

## **Period covered by the audit**

The special examination covered the period from 1 October 2018 to 31 May 2019. This is the period to which the audit conclusion applies. However, to gain a more complete understanding of the significant systems and practices, we also examined certain matters that preceded the start date of this period.

## **Date of the report**

We obtained sufficient and appropriate audit evidence on which to base our conclusion on 13 February 2020, in Halifax, Canada.

## **Audit team**

Principal: Heather McManaman

Lead Auditor: Amanda Lapierre

Leah Fraser

David Horne

Maggie LeBlanc

Dongsheng Li

# List of Recommendations

The following table lists the recommendations and responses found in this report. The paragraph number preceding the recommendation indicates the location of the recommendation in the report, and the numbers in parentheses indicate the location of the related discussion.

Recommendation	Response
<b>Corporate management practices</b>	
<p><b>28.</b> The corporation should identify the kinds of information that management should provide to the board for effective oversight of the corporation's collection and to meet other key legal, regulatory, and policy requirements. <b>(23–27)</b></p>	<p><b>The corporation's response.</b> Agreed. Over the 2020–21 fiscal year, in conjunction with the development of our next 5-year plan (2021–22 through 2026–27), management will work with the Board of Trustees to identify key information that will enable strengthened monitoring and reporting on collection management and on compliance with legislation, regulations, and policies.</p>
<p><b>29.</b> The board should ensure that its trustees receive training designed to help them carry out their oversight responsibilities. <b>(23–27)</b></p>	<p><b>The corporation's response.</b> Agreed. A training plan will be developed, implemented, and monitored to ensure that the trustees can carry out their oversight responsibilities. Governance training for trustees is scheduled for April 2020.</p>
<p><b>33.</b> The corporation should ensure that its performance indicators and targets for collection diversity and online accessibility are achievable, specific, and time-bound. <b>(31–32)</b></p>	<p><b>The corporation's response.</b> Agreed. In the first half of the 2020–21 fiscal year, the corporation will undertake a strategic planning exercise. The strategic direction for the next 5 years will be established, and management will work with the Board of Trustees to ensure alignment with the strategic priorities while considering human resource and financial requirements.</p>
<p><b>39.</b> The corporation should improve all aspects of its risk management processes, including identification, assessment, mitigation, and monitoring. <b>(35–38)</b></p>	<p><b>The corporation's response.</b> Agreed. The corporation will improve its risk management processes by taking measures such as providing additional detail on its definitions of risk tolerance, monitoring, and mitigating actions for key risks.</p>

Recommendation	Response
<b>Management of operations</b>	
<p><b>50.</b> The corporation should ensure that its operational planning includes human resource needs. <b>(48–49)</b></p>	<p><b>The corporation’s response.</b> Agreed. In the first half of the 2020–21 fiscal year, the corporation will undertake a strategic planning exercise. The strategic direction for the next 5 years will be established, and management will ensure that operational plans align with the strategic priorities while considering human resource and financial requirements.</p>
<p><b>57.</b> The corporation should develop a detailed collection development plan. <b>(52–56)</b></p>	<p><b>The corporation’s response.</b> Agreed. Management will commence development of a detailed collection development plan in the 2020–21 fiscal year and put processes in place to ensure appropriate monitoring of its progress.</p>
<p><b>58.</b> The corporation should ensure that it has processes for the long-term protection of its digital collection. <b>(52–56)</b></p>	<p><b>The corporation’s response.</b> Agreed. In the 2019–20 fiscal year, management developed a plan to protect the longevity of its digital collection. The corporation will continue to advocate for additional funding to ensure timely implementation of the plan.</p>
<p><b>63.</b> The corporation should ensure that it has clear policies, guidelines, and procedures for delivering exhibitions and public programs. The corporation should then monitor whether key requirements are being followed and are regularly reviewed and updated where appropriate. <b>(60–62)</b></p>	<p><b>The corporation’s response.</b> Agreed. There were many areas for the corporation to focus on after the museum became a Crown corporation. The refinement of policies, procedures, and guidelines, along with monitoring requirements to ensure they function as intended, will be addressed in the next planning period.</p>









