

Recommendation 21

- a) **That the Board of Trustees of the National Arts Centre immediately request the Auditor General of Canada to perform a special examination of the Centre's management practices; and**
- b) **that the Board of Trustees publish the report of this examination.**

In the *Report of the Auditor General of Canada to the House of Commons, Fiscal Year Ended 31 March 1989*, the Auditor General reviewed the control and accountability in Crown corporations. In the chapter on Matters of Special Importance and Interest, he summarized the situation as follows:

Eight Crown corporations are exempted for various reasons — including their need to remain at arm's length from the government. For these eight corporations, which required budgetary funding of nearly \$1.5 billion in 1987–88, control and accountability are not as consistent and rigorous as those that apply to all other Crown corporations. The arrangement for these eight corporations should be clarified and, to the extent possible in view of their specific needs, brought into line with the Part X framework of the Act.⁽²⁶⁾

The new *Museums Act* has brought the four national museum corporations into line with the Part X framework of the *Financial Administration Act* (FAA) while taking account of their specific needs. The important arm's length relationship from the government has been safeguarded by exempting them from the power of the Governor in Council to give directives with respect to cultural activities. Other exemptions from the FAA dealing with the power to appoint and dismiss museum directors and the power to make and approve by-laws have been designed to take account of their specific needs. The Committee recognizes that the activities of the Centre (and of the Canada Council, CBC and Telefilm Canada) are different than those of the National Museums and that their needs may differ. The Committee, however, believes that the example of the new museums legislation which brings the national museum corporations under Part X of the FAA and provides a number of specific exemptions tailored to the needs of these cultural agencies should be emulated to the extent possible. The Committee is therefore in agreement with the views expressed by the Auditor General and wishes to endorse them.

Recommendation 22

That the Minister of Communications clarify the accountability arrangement for federal cultural agencies, to the extent possible in view of their specific needs, in order to bring them into line with the Part X framework of the *Financial Administration Act*.