

NATIONAL MUSEUMS OF CANADA

Most contributions by the National Museums have represented advance payments rather than reimbursements of past expenditures. In paragraph 11.14 of our 1975 Report, it was observed that there were weaknesses in the system of accounting for advances and that accounting records were incomplete in this respect. (Para. 12.38, 1977 Annual Report)

Monitoring of advance payments and accountability for their use consists of an occasional review of files and preparation of a summary identifying amounts unaccounted for by program and by province. As at December 14, 1976, about \$3.8 million in advances paid in 1975-76 and prior fiscal years had not been accounted for; and of this amount, \$1.6 million represented unexpended funds. These outstanding advances are not identified in the Public Accounts. (Para. 12.38, 1977 Annual Report)

The Treasury Board has required recipients of project funding assistance to "provide the National Museums of Canada with a full report detailing the manner in which the funds were spent", including an audited financial statement covering the entire project and detailing costs to which the funds were applied. (Para. 12.39, 1977 Annual Report)

Of nine transactions examined under the Museums Assistance Program for 1975-76, four showed no evidence of any follow-up having been made. Similarly in 1976-77, three transactions totalling \$176,000 involving the Musée du Québec were entered into even though there had been no accounting for funds paid in prior years. (Para. 12.39, 1977 Annual Report)