

**Memorandum of Understanding**  
**Between**  
**Minister of Government and Consumer Services**  
**and**  
**Chair of Centralized Supply Chain Ontario**

May 18, 2021

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The parties to this Memorandum of Understanding agree to the following:

## 1. Purpose

- a. The purpose of this Memorandum of Understanding is to:
  - Establish the accountability relationship between the Minister of Government and Consumer Services and the Chair of Centralized Supply Chain Ontario on behalf of the Agency;
  - Clarify the roles and responsibilities of the Minister, the Chair, the Deputy Minister, the Agency CEO and the Agency's board of directors; and
  - Clarify the operational, administrative, financial, staffing, auditing and reporting arrangements between Centralized Supply Chain Ontario and the Ministry of Government and Consumer Services.
- b. This MOU should be read together with Regulation # 612/20 under the Act. This MOU does not affect, modify or limit the powers of the Agency as set out under the Act or Regulation, or interfere with the responsibilities of any of its parties as established by law. This MOU shall not limit in any way the ability, authority and obligation of the Board to manage the Agency in accordance with the legal duties and responsibilities of the Board, including, any duties of care or fiduciary duties. In case of a conflict between this MOU and the legal duties and responsibilities of the Board, the legal duties and responsibilities of the Board shall prevail.

## 2. Definitions

In this MOU:

- a. "AAD" means the Treasury Board/Management Board of Cabinet Agencies & Appointments Directive;
- b. "Act" means the *Supply Chain Management Act (Government, Broader Public Sector and Health Sector Entities)*, 2019, as amended;
- c. "Agency" or "provincial Agency" means Centralized Supply Chain Ontario;
- d. "Annual Business Plan" means the annual business plan described under article 10.1 of this MOU;
- e. "Annual Report" means the annual report referred to in article 10.2 of this MOU;

- f. “Applicable Government Directives” means the government directives, policies, standards and guidelines that apply to the Agency, as may be amended or replaced from time to time, as set out in Appendix 2 to this MOU;
- g. “Board” means the board of directors of the Agency;
- h. “broader public sector entity” has the meaning ascribed to it under the Act;
- i. “BPSECA” means *Broader Public Sector Executive Compensation Act, 2014*, S.O. 2014, c.13 Sch1, as amended;
- j. “CEO” means the Chief Executive Officer of the Agency;
- k. “Chair” means the Chair of Centralized Supply Chain Ontario;
- l. “CRF” means the Consolidated Revenue Fund;
- m. “Deputy Minister” means the Deputy Minister of the Ministry;
- n. “Executive Council Act” means the *Executive Council Act*, R.S.O. 1990, c. E. 25, as amended;
- o. “FIPPA” means the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c.F.31, as amended;
- p. “Fiscal Year” means the period from April 1 to March 31 of the following year;
- q. “Government” means the Government of Ontario;
- r. “government entity” has the meaning ascribed to it under the Act;
- s. “health sector entity” has the meaning ascribed to it under the Act;
- t. “MBC” means the Management Board of Cabinet;
- u. “Minister” means the Minister of Government and Consumer Services or such other person who may be designated from time to time as the responsible Minister in relation to this MOU in accordance with the *Executive Council Act*;
- v. “Minister of Finance” means the Minister of Finance or such other person who may be designated from time to time under the *Executive Council Act*;
- w. “Ministry” means the Ministry of Government and Consumer Services or any successor to the Ministry;

- x. “MOU” means this Memorandum of Understanding signed by the Minister and the Chair;
- y. “Other Included Entities” shall have the meaning ascribed to it in the OPS Procurement Directive (including Interim Measures 2014), as amended from time to time;
- z. “PHIPA” means *Personal Health Information Protection Act, 2004*, S.O. 2014, s.3 Sch. A, as amended;
- aa. “President of Treasury Board” means the President of Treasury Board of such other person who may be designated from time to time under the *Executive Council Act*;
- bb. “PSOA” means the *Public Service of Ontario Act, 2006*, S.O. 2006, c. 35, Sched. A, as amended;
- cc. “Regulation” means O. Reg. 612/20 made under the Act that governs the Agency;
- dd. “supply chain management” has the meaning ascribed to it under the Act;
- ee. “Transition Plan” means a one-time formal plan document setting out the requirements and necessary steps to enable initial operationalization of the Agency which may include: timing for delivering on reporting requirements, implementing workforce, back-office systems, utilization of Government resources in support of these activities among other areas and transfer of supply chain operations for personal protective equipment;
- ff. “TBS” means the Treasury Board Secretariat; and,
- gg. “TB/MBC” means the Treasury Board/Management Board of Cabinet.

### **3. Agency’s Legal Authority, Limitations and Ministry Oversight Role**

- a. The Agency is a corporation without share capital incorporated by Regulation under the Act.
- b. The Agency’s objects as set out in the Regulation are:
  - (i) to provide and support supply chain management on behalf of government entities, broader public sector entities and health sector entities;
  - (ii) to collect supply chain management and vendor performance data from government entities, broader public sector entities and health sector entities; and,

- (iii) as an additional object, providing and supporting supply chain management in respect of personal protective equipment on behalf of entities other than government entities, broader public sector entities and health sector entities.
- c. The Agency shall not, except with the written approval of the Lieutenant Governor in Council:
  - (i) Acquire, hold, dispose of any interest in real property, except for renting office space reasonably necessary for the purposes of the Agency.
  - (ii) Borrow or lend money.
  - (iii) Indemnify any person from liability or guarantee the payment of money or the performance of services by another person.
  - (iv) Pledge the assets of the Agency.
  - (v) Create any subsidiary or hold investments in other organizations, other than short-term investments of monies that are not immediately needed for the purpose of the Agency.
- d. The Minister may give the Board directions on matters and the Board shall comply with those directions relating to the exercise of the Agency's rights and powers and the performance of the Agency's duties.

### **3.1 Specific requirements related to providing Supply Chain Management Services**

#### **3.1.1 Supply chain management**

The Agency may:

- a. provide notice to a government entity, a broader public sector entity or a health sector entity stating that the Agency will provide or support supply chain management, as specified in the notice, on behalf of the entity beginning on a specified date.
- b. require a government entity, broader public sector entity or health sector entity to obtain the supply chain management specified in the notice from the Agency on and after the date specified in the notice.
- c. revoke all or some of its provision or support of supply chain management by sending notice to the affected government entity, broader public sector entity or health sector entity stating the day on which the supply chain management will no longer be provided or supported.

### **3.1.2 Data Collection**

The Agency shall, upon direction from the Ministry collect the following information from a government entity, broader public sector entity or health sector entity:

- a. Current inventories of any goods and future inventory requirements.
- b. Current and future procurement activities.
- c. Supply chain opportunities, contingencies and constraints.
- d. Information about contracts related to the procurement of goods or services.
- e. Any other information related to supply chain management or vendor performance that the Agency specifies.

### **3.1.3 Other**

The Agency shall conduct such other supply chain management as the Minister may direct from time to time.

## **4. Agency Type and Public Body Status**

- a. The Agency is designated as a board governed provincial Agency under the AAD and is classified as an operational service Agency.
- b. The Ministry shall take the necessary steps to have the Agency prescribed as a public body under Ontario Regulation 146/10 under the PSOA. Until the regulation is amended accordingly, the Agency shall conduct itself in accordance with the PSOA as though it were prescribed as a public body. It is not organizationally part of the Ministry, but it is considered to be within Government.

## **5. Corporate Status and Crown Agency Status**

- a. The Agency is a Crown Agency within the meaning of the *Crown Agency Act*.
- b. The Agency is subject to the *Business Corporations Act* as set out in the Act.
- c. The provincial Agency has the capacity, rights, power and privileges of a natural person for carrying out its objects, subject to the limitations placed upon it by the Regulation, this MOU and/or limitations imposed by the Ministry or TB/MBC.

## **6. Guiding Principles**

- a. The parties agree to the following principles:

- (i) The Minister recognizes that the Agency exercises powers and performs duties in accordance with its legal mandate under the Regulation.
  - (ii) The Minister recognizes that the Agency plays a meaningful role in the development of the policies and programs of the Government, as well as the implementation of those policies and delivery of programs.
  - (iii) The Board acknowledges that it is accountable, through the Minister, to the Legislative Assembly in exercising its mandate. Accountability is a fundamental principle to be observed in the management, administration and operations of the Agency. The Board acknowledges that it is accountable to the Minister, through the Chair, for governance and oversight of the Agency.
  - (iv) As an Agency of the Government of Ontario, the Agency conducts itself according to the management principles of the Government. These principles include diversity; inclusivity; accessibility; a respectful workplace; ethical behaviour; prudent, effective and lawful use of public resources including its conduct of procurements; fairness; high quality service to the public; and openness and transparency to the extent allowed under the law.
  - (v) The Minister and the Board, through the Chair are committed to a strong Agency that is empowered to fulfill its mandate efficiently and effectively. They share the goal of establishing and maintaining a co-operative relationship that facilitates the efficient administration of the Agency and fulfillment of its responsibilities.
  - (vi) The Agency and the Ministry agree to avoid duplication of services wherever possible.
  - (vii) The Agency and the Ministry will work together in a mutually respectful manner.
  - (viii) The Agency staff report to and are accountable to the CEO for their performance.
- b. In order to give effect to the governance and oversight requirements in this part, the Board shall maintain by-laws or other legally necessary instruments to:
- (i) establish the expected code of conduct and ethical responsibilities consistent with Article 9 of the MOU, at all levels of the Agency;

- (ii) establish procedures to ensure the ongoing effective functioning of the Agency;
  - (iii) establish decision-making mechanisms;
  - (iv) provide for the prudent and effective management of all funding from the Government;
  - (v) establish procedures to enable the successful completion of all mandated responsibilities;
  - (vi) establish procedures to enable the timely identification of risks to the completion of all mandated responsibilities and strategies to address the identified risks;
  - (vii) establish procedures to enable the preparation and delivery of all reports required; and
  - (viii) deal with such other matters as the Agency considers necessary to ensure that the Agency carries out its mandated responsibilities.
- c. In addition to the above, and for greater certainty, and in order to ensure that the Government and the Board have an ability to exercise informed oversight while allowing the Agency management of the day-to-day operational autonomy needed to fulfill the Agency mandate, the following three accountability mechanisms shall be implemented by the Agency:
- (i) The Board shall clearly specify the performance, operational, and financial information they need to obtain regularly from the Agency's senior management to enable the Board to meet its oversight responsibilities.
  - (ii) Specific targeted goals or benchmarks for the Agency, including timelines and estimated costs, shall be established and regularly reviewed to enhance the oversight of the Agency's operations by the Board and the Ministry.
  - (iii) Progress towards these targeted goals, along with details of major issues, risks, and explanations for variances, shall be succinctly communicated in writing to, and discussed in periodic briefings with, the Board and the Ministry.

## **7. Accountability Relationships**

### **7.1 MINISTER**

The Minister is accountable:

- a. To Cabinet and the Legislative Assembly for the Agency's fulfilment of its mandate and its compliance with government policies, and for reporting to the Legislative Assembly on the Agency's affairs.
- b. For reporting and responding to Treasury Board/Management Board of Cabinet on the Agency's performance and compliance with Applicable Government Directives.
- c. To the Cabinet for the performance of the Agency and its compliance with the Government's operational policies and broad policy directions.
- d. For approving the Annual Report within 60 days of receipt of the Annual Report from the Agency and tabling that report with the legislature within 30 days of approval.
- e. For receiving and ensuring that the Agency's Annual Report is made available to the public within 30 days of approval by the Minister and after tabling.

### **7.2 CHAIR**

The Chair, on behalf of the Board, is accountable:

- a. To the Minister for the Agency's performance in fulfilling its mandate, and for carrying out the roles and responsibilities assigned to the Chair by the Regulation, this MOU, and Applicable Government Directives;
- b. For reporting to the Minister, as requested, on the Agency's activities;
- c. For ensuring timely communications with the Minister regarding any issue that affects, or can reasonably be expected to affect, the Minister's responsibilities for the Agency;
- d. For attesting to the Minister on the Agency's compliance with Applicable Government Directives;
- e. If the Chair is absent or otherwise unable to act or if the office is vacant, a vice-chair has all the powers and shall perform the duties of the Chair;

- f. In the absence of the Chair and the vice-chair, a director that the Board designates shall act as the Chair; and,
- g. If the Lieutenant Governor in Council has not designated a chair or a vice-chair, the members of the Board of Directors may select a chair or vice-chair from among their members to hold office as provided for by by-law, until such time as the Lieutenant Governor in Council makes a designation.

### **7.3 BOARD OF DIRECTORS**

The Board is accountable, through the Chair, to the Minister for the oversight and governance of the Agency; setting goals, objectives and strategic direction for the Agency within its mandate; and for carrying out the roles and responsibilities assigned to it by the Regulation, this MOU and Applicable Government Directives.

- a. The Agency shall consist of not more than 13 members appointed by the Lieutenant Governor in Council who shall form the Board.
- b. The Lieutenant Governor in Council shall designate a Chair and a vice-chair from among the members of the Board.
- c. Each Board member shall, following their appointment, review this MOU and confirm their acceptance of its terms.

### **7.4 DEPUTY MINISTER**

The Deputy Minister is accountable to the Secretary of Cabinet and the Minister for the performance of the Ministry in providing administrative and organizational support services to the Agency and for carrying out the roles and responsibilities assigned by the Minister, this MOU, and Applicable Government Directives.

The Deputy Minister is responsible for negotiating with Ontario Shared Services, or other internal government service providers, as part of the Transition Plan or subsequently, the above administrative and organizational services.

The Deputy Minister is also accountable for attesting to TB/MBC on the Agency's compliance with Applicable Government Directives.

### **7.5 CHIEF EXECUTIVE OFFICER**

The CEO is accountable to the Board for the management and administration of the Agency, the supervision of Agency staff, and carrying out the roles and responsibilities assigned by the Board, this MOU and Applicable Government Directives. The CEO works under the direction of the Board to implement policy and operational decisions. The CEO reports the Agency's performance results to the Board. The CEO is also accountable for attesting to the Chair on the Agency's compliance with Applicable Government Directives.

- a. The Agency shall appoint an individual to serve as the CEO who shall be remunerated in accordance with the Minister's direction.
- b. The CEO is responsible for the management and administration of the affairs of the Agency, subject to the supervision and direction of the Board.
- c. The CEO shall not be a member of the Board.

## **8. Roles and Responsibilities**

### **8.1 MINISTER**

The Minister is responsible for:

- a. Reporting and responding to the Legislative Assembly on the affairs of the Agency.
- b. Reporting and responding to TB/MBC on the Agency's performance and compliance with applicable TB/MBC directives, the government's operational policies and policy directions.
- c. Recommending to TB/MBC, where required, the merger, any change to the mandate, or dissolution of the Agency.
- d. Recommending to TB/MBC the powers to be given to, or revoked from, the Agency when a change to the Agency's mandate is being proposed.
- e. Meeting with the Chair to discuss issues relating to the fulfilment of the Agency's mandate.
- f. Working with the Chair to develop appropriate measures and mechanisms related to the performance of the Agency.
- g. Reviewing the advice or recommendation of the Chair, as required, on candidates for appointment or re-appointment to the Board.
- h. Making recommendations to Cabinet and the Lieutenant Governor in Council for appointments and reappointments to the Board, pursuant to the process for Agency appointments established by MBC through the AAD.
- i. Receiving and approving the Agency's Transition Plan.
- j. Determining at any time the need for a review or audit of the Agency, directing the Chair to undertake reviews of the Agency on a periodic basis, and recommending to TB/MBC any change(s) to the governance or administration of the Agency resulting from any such review or audit.

- k. When appropriate or necessary, taking action or directing that the Agency take corrective action with respect to the Agency's administration or operations.
- l. Approving the Annual Report of the Agency and ensuring, once approved, that it is made available to the public after tabling.
- m. Informing the Chair of the Government's priorities and broad policy directions for the Agency.
- n. Consulting, as appropriate, with the Chair (and others) on significant new directions or where the Government is considering regulatory or legislative changes that may apply to the Agency.
- o. Developing the Agency's MOU with the Chair, as well as any amendments to it, and signing the MOU into effect after it has been signed by the Chair.
- p. Reviewing and approving the Agency's Annual Business Plan.
- q. Recommending to TB/MBC any provincial funding to be allocated to the Agency.
- r. Outlining the high-level expectations, key commitments and performance priorities for the Agency at the beginning of the annual business planning cycle through the Agency mandate letter.
- s. Reviewing and approving the Agency's by-laws, at the Minister's discretion and subject to s. 17.3 (i) herein.
- t. Approving the fees and other charges, in accordance with the Regulation, that the Agency may levy.

## **8.2 CHAIR**

The Chair is responsible to lead and support the Board by:

- a. Providing leadership to the Agency by working with the Board and CEO, to set the goals, objectives and strategic directions within its mandate.
- b. Providing leadership to the Agency's Board and ensuring that the Board carries out its operational responsibilities for decisions regarding the Agency.
- c. Chairing Board meetings, including the management of the Board's agenda.
- d. Seeking strategic policy direction for the Agency from the Minister.

- e. Ensuring timely communications with the Minister regarding any issues or events that may concern, or can reasonably be expected to concern the Minister in the exercise of responsibilities relating to the Agency.
- f. Consulting with the Minister in advance regarding any activity which may have an impact on the government and Ministry's policies, directives or procedures, or on the Agency's mandate, powers or responsibilities.
- g. Reporting to the Minister as requested on the Agency's activities within agreed upon timelines, including an annual letter confirming the Agency's compliance with all applicable legislation, directives, and accounting and financial policies.
- h. Ensuring that the Agency operates within its approved budget allocation in fulfilling its mandate, and that public funds are used for the purpose intended with integrity and honesty.
- i. Developing the Agency's MOU with the Minister and signing it on behalf of the Board.
- j. Receiving Board approval for the Agency's Transition Plan and submitting for Minister's approval.
- k. Submitting the Agency's Annual Business Plan, budget, annual report and financial reports, on behalf of the Board, to the Minister in accordance with the timelines specified in the applicable TB/MBC and government directives, and Appendix 1 of this MOU.
- l. Providing both the Minister and the Minister of Finance and President of Treasury Board with a copy of every audit report, a copy of the Agency's response to each report, and any recommendation in the report.
- m. Advising the Minister annually on any outstanding audit recommendations per direction of the Board.
- n. Ensuring that members, including the Chair, are informed of their roles and responsibilities and obligations and ensuring that all members receive the necessary training and orientation to carry out their responsibilities.
- o. Ensuring appropriate management systems are in place (including financial, procurement, information technology, human resources) for the effective administration of the Agency.
- p. Carrying out, alongside the CEO, effective public communications and relations for the Agency and, where appropriate, consulting alongside the

CEO with broader public sector entity stakeholders impacted or that may be impacted by the Agency's decisions.

- q. Cooperating with any review or audit of the Agency directed by the Minister or TB/MBC.
- r. Reviewing and approving claims for per diem and expenses of Board members. Fulfilling the role of ethics executive for members and the CEO, promoting ethical conduct and ensuring that all members of the Agency are familiar with the ethical requirements of the *Business Corporations Act*, *PSOA*, and the regulations and the directives made under that act, including in respect of conflict of interest, political activity and the protected disclosure of wrongdoing.
- s. Keeping the Minister informed of upcoming appointment vacancies and providing recommendations for appointments or re-appointments while ensuring regional and sectoral representation.
- t. Ensuring compliance with TB/MBC policy obligations and with applicable law, including *FIPPA*, *PHIPA*, the *Archives and Recordkeeping Act, 2006*, *BPSECA* and the *French Language Services Act*.
- u. Establishing, on recommendation of a Board committee, for Board approval, the performance criteria for the CEO.
- v. Communicating performance criteria to the CEO and reviewing the performance of the CEO on behalf of the Board.

### **8.3 BOARD OF DIRECTORS**

The Board is responsible, upon recommendation and advice from the CEO, for:

- a. Establishing the goals, objectives, and strategic directions for the Agency within its mandate, government policies, as appropriate, and this MOU.
- b. Governing the affairs of the Agency within its mandate set out in the Regulation, its approved Annual Business Plan, and the policy parameters established and communicated in writing by the Minister.
- c. Directing the development and approval of the Agency's Annual Business Plan for submission to the Minister within the timelines agreed upon with the Ministry or this MOU.
- d. Directing the preparation and approval of the Agency's Annual Reports for submission to the Minister for approval within the timelines established by the AAD.

- e. Making decisions consistent with the Annual Business Plan approved for the Agency and ensuring that the Agency operates within its budget allocation.
- f. Ensuring that the Agency uses public funds with integrity and honesty, and only for the business of the Agency based on the principle of value for money, and in compliance with applicable legislation and TB/MBC directives.
- g. Ensuring that the Agency is governed in an effective and efficient manner according to accepted business and financial practices, and in accordance with applicable TB/MBC directives.
- h. Establishing such board committees or oversight mechanisms as may be required to advise the Board on effective management, governance or accountability procedures for the Agency.
- i. Approving the Agency's MOU, and any amendments to the MOU, in a timely manner and authorizing the Chair to sign the MOU, or any amendments to the MOU, on behalf of the Agency.
- j. Approving the Agency's Transition Plan.
- k. Approving the Agency's reports and reviews that may be requested by the Minister from time to time for submissions to the Minister within agreed upon timelines.
- l. Directing the development of an appropriate risk management framework and a risk management plan and arranging for risk-based reviews and audits of the Agency as needed.
- m. Ensuring that conflict of interest rules that the Agency is required to follow are in place for the members of the Board and employees of the Agency.
- n. Establishing performance measures, targets and management systems for monitoring and assessing the Agency's performance.
- o. Directing corrective action on the functioning or operations of the Agency, if needed.
- p. Cooperating with and sharing any relevant information on any risk-based or periodic review directed by the Minister or TB/MBC.
- q. Consulting, as appropriate, with stakeholders on the Agency's goals, objectives and strategic directions.

- r. Providing advice to the Government, through the Minister, on issues within or affecting the Agency's mandate and operations.
- s. Setting and reporting on the strategic direction for the Agency according to the Minister's Agency mandate letter, Agency's proposed business plan, and the Agency's annual report.
- t. Appointing a CEO.
- u. Providing to the CEO only the salary or other remuneration and the benefits as set by the Minister, including rights related to severance, termination, retirement and superannuation.
- v. Establishing and approving the performance criteria for the CEO.
- w. Evaluating the performance of the CEO in consultation with the Board and pursuant to performance criteria established by the Board and the Chair.
- x. Passing by-laws or resolutions regulating its procedures and generally for the conduct and management of the affairs of the Agency, such by-laws will only be effective if the Agency has complied with section 16.3 of this MOU.
- y. Complying with directions given to the Agency by the Minister.

#### **8.4 DEPUTY MINISTER**

The Deputy Minister is responsible for:

- a. Advising and assisting the Minister regarding the Minister's responsibilities for the Agency, including informing the Minister of policy direction, policies and priorities of relevance to the Agency's mandate.
- b. Advising the Minister on the requirements of the AAD, and other directives that apply to the Agency.
- c. Recommending to the Minister, as may be necessary, the evaluation or review, including a risk-based review, of the Agency or any of its programs, or changes to the management framework or operations of the Agency.
- d. Organizing and, where desired by the Deputy Minister, participating in regular meetings and consultations between the Chair and the Minister, and between the Ministry staff and the Agency staff as needed.
- e. Organizing and participating in regular meetings and consultations with the CEO as needed.

- f. Attesting to TB/MBC on the provincial Agency's compliance with the mandatory accountability requirements set out in the AAD and other Applicable Government Directives, the government's operational policies and policy directions based on the annual letter of compliance from the Chair to the Minister.
- g. Ensuring that the Ministry and the Agency have the capacity and systems in place for on-going risk-based management, including appropriate oversight of the Agency.
- h. Ensuring that the Agency has an appropriate risk management framework and a risk management plan in place for managing risks that the Agency may encounter in meeting its program or service delivery objectives.
- i. Undertaking timely risk-based reviews of the Agency, its management or operations, as may be directed by the Minister or TB/MBC.
- j. Consulting with the CEO, as needed, in the development of the Agency's Transition Plan.
- k. Establishing a framework for reviewing and assessing the Agency's business plans and other reports.
- l. Supporting the Minister in reviewing the performance targets, measures and results of the Agency.
- m. Advising the Minister on documents submitted by the Agency to the Minister for review or approval, or both.
- n. Submitting to the Minister, as part of the annual planning process, a risk assessment and management plan for each risk category.
- o. Undertaking and cooperating with reviews of the Agency as may be directed by the Minister or TB/MBC.
- p. Monitoring the Agency on behalf of the Minister while respecting the Agency's authority, identifying needs for corrective action where warranted, and recommending to the Minister ways of resolving any issues that might arise from time to time.
- q. Negotiating a draft MOU with the Chair, as well as any amendments to the MOU, as directed by the Minister.
- r. Consulting with the CEO, as needed, on matters of mutual importance including services provided by the Ministry and compliance with Applicable Government Directives and policies.

- s. Meeting with the CEO, as needed or as directed by the Minister, or on the request of the /or the CEO.
- t. Arranging for administrative, financial and other support to the Agency.
- u. Informing the Chair, in writing, of new government directives or strategic policy direction changes that can reasonably be expected to be of interest or impact upon the Agency and any exceptions to, or exemptions in whole or in part from Applicable Government Directives and policies, or Ministry administrative policies.
- v. When required, submitting a report to the Secretary of TB/MB on the wind-down of the Agency, following the disposition of any assets, completion of any outstanding responsibilities by the Agency, and the termination of any appointments.

## **8.5 AGENCY CHIEF EXECUTIVE OFFICER (CEO)**

The CEO is responsible for:

- a. Managing the day-to-day financial and administrative affairs of the Agency in accordance with the Act, the Regulation, by-laws, the mandate of the Agency, Applicable Government Directives and policies, accepted business and financial practices, and this MOU.
- b. Advising the Chair on the requirements of and the Agency's compliance with the Act, the Regulation, the AAD, as well as other Applicable Government Directives and policies, by-laws and policies, including annually attesting to the Chair on the Agency's compliance with mandatory requirements.
- c. Applying policies and procedures so that public funds are used with integrity and honesty.
- d. Providing leadership and management to the Agency staff, including human and financial resources management, in accordance with the approved business plan, accepted business and financial practices and standards, the Agency's bylaws, Applicable Government Directives and policies.
- e. Hiring and overseeing an executive team with appropriate skills and expertise to enable the Agency to execute its mandate.
- f. Developing, in consultation with the Deputy Minister, the Agency's Transition Plan.

- g. Establishing and applying a financial management framework for the Agency in accordance with applicable Minister of Finance/Treasury Board controllership directives, policies and guidelines.
- h. Establishing and operationalizing a realty policy for the Agency in accordance with Applicable Government Directives, policies and guidelines.
- i. Translating the goals, objectives and strategic directions of the Board into operational plans and activities in accordance with the Agency's approved business plan.
- j. Ensuring that the Agency has the oversight capacity and an effective oversight framework in place for monitoring its management and operations.
- k. Keeping the Board, through the Chair, informed with respect to implementation of policy and the operations of the Agency.
- l. Establishing and applying systems to ensure that the Agency operates within its approved business plan.
- m. Establishing and applying the Agency's risk management framework and risk management plan in place as directed by the Board.
- n. Supporting the Chair and Board in meeting their responsibilities, including compliance with all applicable legislation, directives, policies, procedures and guidelines.
- o. Carrying out in-year monitoring of the Agency's performance and reporting on results to the Board through the Chair.
- p. Keeping the Ministry, through the Deputy Minister, and the Chair advised on issues or events that may concern the Minister, the Deputy Minister and the Chair in the exercise of their responsibilities.
- q. Seeking support and advice from the Ministry, as appropriate, on Agency management issues.
- r. Establishing and applying a system for the retention of Agency documents and for making such documents publicly available when appropriate, for complying with FIPPA, PHIPA and the *Archives and Recordkeeping Act, 2006*, where applicable.
- s. Ensuring that the responsibilities for the institution head are carried out as set out in Regulation 460 for the purposes of FIPPA.

- t. Undertaking timely risk-based reviews of the Agency's management and operations.
- u. Consulting with the Deputy Minister as needed, on matters of mutual importance, including services providing by the Ministry, and on TB/MBC and government directives and Ministry policies.
- v. Cooperating with a periodic review directed by the Minister or TB/MBC.
- w. Fulfilling the role of Ethics Executive under the PSOA for the Agency employees.
- x. Keeping the Board, through the Chair, informed about operational matters.
- y. Preparing the Agency's annual reports and business plans as directed by the Board.
- z. Preparing financial reports for approval by the Board.
- aa. Preparing, for approval by the Board, a performance review system for staff and implementing the system.
- bb. Attesting to the compliance of the Agency to Applicable Government Directives and support the Board to provide the stating of compliance of the Agency.
- cc. Preparing for approval by the Board, conflict of interest rules for staff which is consistent with the standards set out in O. Reg. 381/07 made under the PSOA.
- dd. Ensuring the Agency provides appropriate education and training to its employees.

## **9. Ethical Framework**

- a. The Agency and its Board are subject to section 132 of the *Business Corporations Act* which deals with disclosure by directors of interests in contracts.
- b. The Agency and the Board are responsible for developing conflict of interest and post-service rules for the staff, which are to be in accordance with the *Business Corporations Act*, this MOU, and the principles and rules under O. Reg. 381/07 made under the PSOA.
- c. The members of the Board are subject to the conflict of interest provisions of the AAD and the conflict of interest provisions of the PSOA and its regulations.

- d. Board members shall not use any information gained as a result of their appointment to or membership on the Board for personal gain or benefit. A member who has reasonable grounds to believe that he or she has a conflict of interest in a matter before the Board, or a committee of the Board, shall disclose the nature of the conflict to the Chair at the first opportunity and shall refrain from further participation in the consideration of the matter. The Chair shall cause to be recorded in the minutes of the meeting of the Board any declared conflicts of interest.
- e. In addition, the Agency shall ensure its operations are carried out in all of their aspects without a conflict of interest by any director, officer or employee. For these purposes a conflict of interest includes a situation in which a director, officer or employee of the Agency or any member of their immediate family has outside commitments, relationships or financial interests that could, or could be seen to, interfere with the Agency's objective, unbiased and impartial judgment relating to its operations. For the purposes of this section, "financial interest" shall not include the receipt or delivery of services provided to a person through the Agency in the ordinary course of business.
- f. A director, officer or employee of the Agency shall not accept gifts if a reasonable person might conclude that the gift could influence their duties.
- g. The Chair, as the Ethics Executive for the Board and CEO, is responsible for ensuring that appointees of the Agency are informed of the ethical rules to which they are subject, including the rules on conflict of interest, political activity and protected disclosure of wrongdoing that apply to the Agency. The Ethics Executive for the Chair, under PSOA, is the Integrity Commissioner.

## **10. Reporting Requirements**

### **10.1 ANNUAL BUSINESS PLAN**

- a. Subject to (i) below, the Chair will ensure that the Minister is provided annually with the Agency's business plan covering a minimum of three (3) years from the current Fiscal Year, which includes a financial budget and a risk assessment and management plan, for approval by the Minister. The annual business plan shall be in accordance with the requirements set out in the AAD.
- b. Subject to (i) below, the annual business plan is to be submitted to the Ministry's Chief Administrative Officer or designated equivalent within three months prior to the Agency's fiscal year-end.
- c. The Chair is responsible for ensuring that the Agency's business plan includes a system of performance measures and reporting on the

achievement of the objectives set out in the business plan. The system must include performance goals, how they will be achieved, and targeted results and timeframes.

- d. The Chair will ensure that the business plan includes a risk assessment and risk management plan to assist the Ministry in developing its risk assessment and risk management plan information in accordance with the requirements of the AAD to assess risks, develop and maintain necessary records, and report to TB/MBC.
- e. The Chair will ensure that publicly posted business plans do not disclose: personal information, sensitive employment and labour relations information, solicitor-client privileged information, Cabinet confidential information, trade secrets, information that would prejudice the financial or commercial interests of the provincial Agency in the marketplace, and information that would otherwise pose a risk to the security of the facilities and/or operations of the provincial Agency.
- f. The Minister will review the Agency's annual business plan and will promptly advise the Chair whether or not they concur with the directions proposed by the Agency. The Minister may advise the Chair where and in what manner the Agency's plan varies from government or Ministry policy or priorities as may be required, and the Chair, on behalf of the Board, will revise the Agency's plan accordingly. Business plans are only to be considered valid once the responsible Minister has approved the plan and the approval has been expressed in writing.
- g. In addition, TB/MBC may require the Minister to submit the Agency's business plan to TB/MBC for review at any time.
- h. The Chair, through the CEO, will ensure that its Minister approved business plan is made available to the public in an accessible format, in both official languages, on the Agency's website within 30 days of Minister's approval of the plan.
- i. Transitional - The Agency shall prepare and submit to the Ministry its first Annual Business Plan on January 1, 2022 covering the fiscal year 2022-23.

## **10.2 ANNUAL REPORTS**

- a. Subject to (e) below, the Chair is responsible for ensuring that the Agency's annual report is prepared and submitted to the Minister for approval within 120 days of the Agency's fiscal year end or 90 days if the Auditor General completed the financial audit. The annual report shall be in accordance with the format requirements set out in the AAD.

- b. The Chair will ensure that publicly posted annual reports do not disclose: personal information, sensitive employment and labour relations information, solicitor-client privileged information, Cabinet confidential information, trade secrets, information that would prejudice the financial or commercial interests of the provincial Agency in the marketplace, and information that would otherwise pose a risk to the security of the facilities and/or operations of the provincial Agency.
- c. The Minister will receive, review and approve the Agency's annual report.
- d. The Chair, through the CEO, will ensure that its annual report is publicly posted in an accessible format, in both official languages, on the Agency's website within 30 days of approval by the Minister.
- e. Transitional - The Agency is not required to prepare and submit to the Ministry a separate Annual Report for the period running from November 5, 2020 to March 31, 2021. The Agency shall prepare and submit to the Ministry its first Annual Report no later than July 2022, covering the fiscal year 2021-22.

### **10.3 FINANCIAL REPORTS**

- a. The Chair will appoint one or more auditors who are licensed under the *Public Accounting Act, 2004*. The auditor will audit annually the financial transaction and accounts of the Agency for the previous fiscal year.
- b. The Chair will provide a copy of the auditor's report and any Agency response to the report to the Minister within 3 months after the end of the fiscal year for which the report relates.

### **10.4 OTHER REPORTS**

The Chair is responsible on behalf of the Board for:

- a. Ensuring that the reports and documents set out in Appendix 1 to this MOU are submitted for review and approval by the Minister in accordance with the prescribed timelines.
- b. Supplying specific data and other information, at the request of the Minister or the Deputy Minister, that may be required from time-to-time for the purpose of the Ministry's administration.

## **11. Public Posting Requirements**

- a. The provincial Agency, through the Chair on behalf of the Board, will ensure that the following approved governance documents are posted in an

accessible format, in both official languages, on the Agency's website within the specified timelines:

- Memorandum of Understanding and any Letter of Affirmation – 30 days of signing by both parties;
  - Agency Mandate Letter – 30 days of Minister's issuing;
  - Annual Business Plan – 30 days of Minister's approval;
  - Annual Report – 30 days of Minister's approval.
- b. Posted governance documents should not disclose: personal information, sensitive employment and labour relations information, solicitor-client privileged information, Cabinet confidential information, trade secrets or scientific information, information that would prejudice the financial or commercial interests of the provincial Agency in the marketplace, and information that would otherwise pose a risk to the security of the facilities and/or operations of the provincial Agency.
- c. The provincial Agency, through the Chair on behalf of the Board, will ensure that the expense information for appointees and senior management staff are posted on the Agency or Ministry website, in accordance with the requirements of the MBC Travel, Meal and Hospitality Expenses Directive.
- d. The provincial Agency, through the Chair on behalf of the Board, will ensure that any other applicable public posting requirements are met.

## **12. Communications and Issues Management**

The parties to this MOU recognize that the timely exchange of information on the operations and administration of the Agency is essential for the Minister to meet his/her responsibilities for reporting and responding to the Legislative Assembly on the affairs of the Agency. The parties also recognize that it is essential for the Chair on behalf of the Board to be kept informed of the Government initiatives and broad policy directions that may affect the Agency's mandate and functions.

The Minister and the Chair on behalf of the Board, therefore, agree that:

- a. The Chair will keep the Minister advised, in a timely manner, of all planned events or issues, including contentious matters, that concern or can be reasonably expected to concern the Minister in the exercise of the Minister's responsibilities.
- b. The Minister will consult with the Chair in a timely manner, as appropriate, on broad government policy initiatives or legislation being considered by the

government that may have impact on the Agency's mandate or functions, or which otherwise will have a significant impact on the Agency.

- c. The Minister and the Chair will consult with each other on public communication strategies and publications. They will keep each other informed of the results of stakeholder and other public consultations and discussions.
- d. The Minister and the Chair will meet at least annually, or as requested by either party, to discuss issues relating to the fulfillment of the Agency's mandate, management and operations.
- e. The Deputy Minister or designate and the CEO will meet at least quarterly, or as requested by either party, to discuss issues relating to the delivery of the Board's mandate and the efficient operation of the Agency. The Deputy Minister and the CEO shall provide timely information and advice to each other concerning significant matters affecting the Agency's management or operations.
- f. The Agency and Ministry will adhere to a Public Communications Protocol for ongoing issues management.

### **13. Administrative Arrangements**

#### **13.1 APPLICABLE GOVERNMENT DIRECTIVES**

- a. The Chair, on behalf of the Board, is responsible for ensuring that the Agency operates in accordance with all Applicable Government Directives and policies (e.g. financial and accounting), as well as applicable Ministry financial and administrative policies and procedures. Appendix 2 to this MOU provides additional information on a list of Applicable Government Directives and policies.
- b. The Ministry will inform the Agency of amendments or additions to directives, policies and guidelines that apply to the Agency; however, the Agency is responsible for complying with all directives, policies and guidelines to which it is subject.
- c. In addition to complying with the MBC Realty Directive, the Agency shall comply with the Ministry of Infrastructure Realty Policy including any appendices to this policy when acquiring space for accommodation and program purposes. The Ministry will ensure that the Agency is provided with any updates to this policy.

## 13.2 ACQUISITION OF GOODS AND SERVICES AND DISPOSAL OF ASSETS

- a. Other Included Entity – The Agency shall adhere to the principles and mandatory requirements of Other Included Entities under the OPS Procurement Directive (including Interim Measures, 2014), which may be amended from time to time.
- b. Agency Procurements - The Agency will develop (working with the Ministry) and adhere to, for all procurements it conducts on its own behalf, a procurement policy, including a bid dispute process, that is fair, open and transparent, and which is consistent with: (i) its obligations as an Other Included Entity under the OPS Procurement Directive; (ii) trade procurement obligations to which the Agency may be subject; reflects generally accepted standards of accountability for organizations operating in the public domain; and is periodically reviewed to ensure it remains consistent with applicable Government policy (including any Government policy for various strategies to maximize Ontario benefits from procurement which may include regional benefits, economic development, and inclusivity), as may be introduced at any time or amended from time to time.

The Agency must seek Board approval of the above procurement policy prior to use in conducting its own procurements.

- c. OPS and BPS Procurements - In addition to the above, for any procurements conducted on behalf of OPS ministries and agencies, jointly or separately from procurements undertaken for broader public sector entities, the OPS Procurement Directive in full will apply to such procurements, unless written TB/MBC approval is received to use the Agency's procurement policy for this purpose. For any procurements conducted on behalf of broader public sector entities, the BPS Procurement Directive under the *Broader Public Sector Accountability Act, 2010* will apply to such procurements, unless TB/MBC approval is received to use the Agency's procurement policy for this purpose.
- d. Other - Disposal. The Agency shall not, except in accordance with the Act, sell, lease or otherwise dispose of any assets purchased with Ministry provided funding.
- e. Other - Liability of Crown – The Agency shall ensure, in all contracts entered into, that the Crown does not incur liability under that contract.

### **13.3 LEGAL SERVICES**

- a. All legal services to the Agency shall be provided by Ministry of the Attorney General legal counsel who will continue to report to, be employed by and remain accountable to the Government.
- b. Where additional legal services beyond those determined by the Ministry of the Attorney General are required, they shall be provided to the Agency in accordance with the Ministry of the Attorney General's Corporate Operating Policy on Acquiring and Using Legal Services.
- c. An MOU for legal services shall be established between the Agency and the Ministry of the Attorney General.

### **13.4 CREATION, COLLECTION, MAINTENANCE AND DISPOSITION OF RECORDS**

- a. The Chair, on behalf of the Board, is responsible for ensuring that a system is in place for the creation, collection, maintenance and disposal of records.
- b. The Board, through the Chair, is responsible for ensuring that the provincial Agency complies with all government legislation, directives and policies related to information and records management.
- c. The CEO, the Chair and the Board shall protect the legal, fiscal and other interests of the Agency by implementing reasonable measures to ensure the ongoing viability, integrity, preservation and security of all official records created, commissioned or acquired by the Agency. This includes, but is not limited to, all electronic records, such as emails, information posted on the Agency's website(s), database data sets, and all records stored on personal computers and shared drives.
- d. The Chair, on behalf of the Board, is responsible for ensuring measures are implemented requiring the Agency's employees to create full, accurate and reliable records that document and support significant business transactions, decisions, events, policies and programs.
- e. The Ministry shall take the necessary steps to have the Agency prescribed as a public body under the *Archives and Recordkeeping Act, 2006*. The Board, through the Chair, is responsible for ensuring that the Agency complies with the *Archives and Recordkeeping Act, 2006*. Until the Agency is prescribed under that Act, the Board shall conduct itself as though the Agency were prescribed as a public body.

### **13.5 INTELLECTUAL PROPERTY**

- a. The Chair, on behalf of the Board of Directors, is responsible for ensuring that the legal, financial and other interests of the Government related to

intellectual property are protected in any contract that the Agency may enter into with a third party that involves the creation of intellectual property.

- b. On request, the Agency shall provide the Ministry with copies of any written agreements entered into by the Agency, within reasonable timelines set by the Ministry.

### **13.6 PRIVACY**

- a. The Agency shall be scheduled as an institution under FIPPA. Until the Agency is scheduled under FIPPA as an institution, the Board shall conduct itself as though the Agency were scheduled as an institution.
- b. The Chair and the Minister acknowledge that the Agency shall be bound to follow the requirements set out in FIPPA in relation to the collection, retention, security, use, distribution and disposal of records.
- c. For the purposes of the FIPPA, the CEO shall be named as the institution Head.
- d. The Board recognizes that the sensitive nature of personal information and personal health information (collectively "Personal Information") requires that the Agency is responsible for the careful and responsible management of that information, in accordance with FIPPA and PHIPA.
- e. The Agency covenants that any Personal Information collected or held by it shall be used and disclosed to pursue the objects of the Agency or as otherwise permitted or required by applicable law or judicial process and for no other purposes.
- f. The Agency further covenants that it shall have reasonable measures in place to maintain the security and confidentiality of Personal Information that it holds, controls or that is under its custody.
- g. The Board will ensure that the Agency implements policies and practices to protect the privacy of the individuals whose Personal Information it collects or accesses and to maintain the confidentiality of such Personal Information. All such policies and practices shall comply with applicable law governing the collection, use, disclosure, retention and disposal of Personal Information.
- h. The Board further recognizes its obligation to ensure that all arrangements or agreements entered into by the Agency with third parties shall adhere to the highest standards of privacy and confidentiality, and shall be consistent with the provisions of FIPPA and PHIPA.

- i. The Agency shall prepare a Privacy Impact Assessment to accompany any proposals, whether for new initiatives or changes to existing initiatives, that may affect the privacy of individuals.

### **13.7 SERVICE STANDARDS**

The provincial Agency shall establish customer service and quality standards that are consistent with the appropriate standards of the government, the Ministry and the Ontario Public Service.

- a. The Chair will ensure that the Agency delivers its services at a quality standard that reflects the principles and requirements of the OPS Service Directive.
- b. The Agency will develop a formal process for responding to complaints about the quality of services received by clients of the Agency consistent with the Government's service quality standards.
- c. The Agency's Annual Business Plan will include performance measures and targets for client service and the Agency's response to complaints.
- d. The provincial Agency shall comply with the *Accessibility for Ontarians with Disabilities Act, 2005*.

## **14. Financial Arrangements**

### **14.1 GENERAL**

- a. All financial procedures for the provincial Agency shall be in accordance with applicable TB/MBC and Ministry of Finance directives and guidelines, Ministry corporate financial and administrative policies and procedures, and other Government of Ontario guidelines, directives and policies, as set out in Appendix 2 of this MOU.
- b. When ordered to do so by the Minister of Finance and/or the President of the Treasury Board, pursuant to Section 16.4 of the *Financial Administration Act*, the Agency shall pay into the CRF any money that the Minister of Finance and/or the President of the Treasury Board determines is surplus to its requirements.
- c. Pursuant to Section 28 of the *Financial Administration Act*, the Agency shall not enter into any financial arrangement or commitment, guarantee, indemnity or similar transaction that may increase, directly or indirectly, the indebtedness or contingent liabilities of the Government of Ontario without the written approval of the Minister of Finance and/or the President of the Treasury Board in addition to LGIC approval as required under the Regulation. The Minister's approval is required before seeking statutory

approval from the Minister of Finance and/or President of the Treasury Board.

- d. The provincial Agency's approved operating and capital allocations may be adjusted in a given year if in-year fiscal constraints are ordered by Cabinet or the Minister. The Agency will be provided with notice of changes to its allocation as soon as is reasonably possible. Where the Agency must reallocate resources as a result of its operating and/or capital allocations being adjusted, the Agency shall inform and discuss this with the Ministry before making such changes.

## **14.2 FUNDING**

- a. The provincial Agency shall maintain a bank account in its own name and manage its financial activities, including management of cash in accordance with the Ontario Financing Authority's policy directions.
- b. The Agency is funded by the Government of Ontario, out of the CRF pursuant to an appropriation authorized by the Legislative Assembly, and is subject to adjustments made by the Minister, TB/MBC or the Legislative Assembly. The Ministry will provide funding to the Agency pursuant to this MOU and any required funding agreement. The Agency shall use the funds only for the purpose of carrying out the roles and responsibilities defined in this MOU or any subsequent agreement to which it must adhere.
- c. The CEO will prepare as communicated by the Ministry on an annual basis, estimates of the Agency's expenditures for inclusion in the Ministry's business plan for presentation to the Legislative Assembly. The Chair will deliver these estimates to the Minister in sufficient time to be analyzed and approved by the Minister.
- d. The estimates provided by the Chair may, after appropriate consultation with the Chair by the Minister, be altered as required. The parties acknowledge that TB/MBC has final decision-making authority.
- e. Financial procedures of the Agency must be in accordance with TB/MBC and Ministry of Finance directives and guidelines and other applicable government direction.

## **14.3 FINANCIAL REPORTS**

- a. The Chair, on behalf of the Board, will provide to the Minister audited annual financial statements, and will include them as part of the Agency's annual report. The statements will be provided in a format that is in accordance with the province's stated accounting policies issued by the Office of the Provincial Controller Division.

- b. The Agency will submit its salary information to the Minister of Finance and/or the President of the Treasury Board, through the Ministry, in accordance with the *Public Sector Salary Disclosure Act, 1996*.
- c. The CEO shall be responsible for providing the Ministry with the necessary documentation to support the Agency's expenditures.

#### **14.4 TAXATION STATUS: HARMONIZED SALES TAX (HST)**

- a. The Agency is required to pay the Goods and Services Tax (GST) / Harmonized Sales Tax (HST) on its purchases of taxable property and services where applicable, in accordance with the federal Excise Tax Act. The Agency shall seek to be listed on Schedule A of the Canada-Ontario Reciprocal Taxation Agreement, in order to be eligible to receive GST/HST government rebates. If they do not apply as required or if their application is not accepted, they shall not be eligible to claim the rebates.

### **15. Audit and Review Arrangements**

#### **15.1 AUDITS**

- a. The Agency is subject to periodic review and value-for-money audit by the Auditor General of Ontario under the *Auditor General Act* or by the Ontario Internal Audit Division of Treasury Board Secretariat.
- b. The board shall appoint one or more licensed public accountants to audit the accounts and financial transactions of the Agency for the previous fiscal year.
- c. The Ontario Internal Audit Division may also carry out audits from time to time on various aspects of the agency's operations and internal controls processes.
- d. Regardless of any previous or annual external audit, the Minister may direct that the Agency be audited at any time.
- e. The Auditor General may also audit the accounts and financial transactions of the Agency for any fiscal year.
- f. The Agency will promptly, and in any event no later than 3 months following the end of its fiscal year, provide a copy of every report from an audit to the Minister and the Minister of Finance/President of Treasury Board. The Agency will also provide a copy of its response to the audit report and any recommendations therein. The Agency will advise the Minister annually on any outstanding audit recommendations.

- g. The Chair, on behalf of the Board, may request an external audit of the financial transactions or management controls of the Agency, at the Agency's expense.

## **15.2 OTHER REVIEWS**

- a. The Agency is subject to periodic review initiated at the discretion and direction of TB/MBC or the Minister. The review may cover such matters relating to the Agency that are determined by TB/MBC or the Minister, and may include the mandate, powers, governance structure, operations and/or termination of the Agency.
- b. In requiring a periodic review, the Minister or TB/MBC shall determine the timing and responsibility for conducting the review, the roles of the Chair, the Board, and the Minister, and how any other parties are involved.
- c. A mandate review of the provincial Agency will be conducted at least once every seven years. The latest date of the next review will be 2027/28.
- d. The Minister will consult the Chair, on behalf of the Board, as appropriate during any such review.
- e. The Chair, the CEO and the Board will cooperate in any review.
- f. In the event of a review initiated at the direction of the Minister, the Minister shall submit any recommendations for change that are developed from the results of the review regarding the Agency to TB/MBC for consideration.

## **16. Staffing, Governance and Appointments**

### **16.1 STAFFING REQUIREMENTS**

- a. The Agency, under its authority within the Regulation, may employ the employees that are considered necessary for the proper conduct of the business of the Agency, and those employees shall not be appointed under Part III of the PSOA. The Agency may utilize seconded employees where advisable under the Transition Plan.

### **16.2 CHIEF EXECUTIVE OFFICER**

- a. The Minister shall, subject to BPSECA, set the salary or other remuneration and benefits, including rights relating to severance, termination, retirement and superannuation of the CEO.
- b. The Board may, until advised otherwise by the Minister, temporarily appoint an employee of the Agency to act in the place of the chief executive officer when the CEO is absent or refuses to act or the office of the chief executive

officer is vacant, and while so acting, the employee has all the rights and powers and shall perform all the duties of the chief executive officer.

- c. The CEO shall not be a director of the Agency.

### **16.3 GOVERNANCE AND APPOINTMENTS**

- a. The Agency is governed and managed by the Board, whose members and directors are appointed by the Lieutenant Governor in Council.
- b. The Board shall consist of a maximum of 13 directors, including the Chair. Members and directors of the Agency shall take into account the following background skills sets when recommending to the Minister potential appointees to the Board: procurement, supply chain, provincial and/or enterprise strategy, service delivery transformation, public administration, management, accounting, finance, law, human resources, labour relations, communications or information management. All appointments shall take place on approval by the Lieutenant Governor in Council based on recommendations from the Minister to Cabinet and the Lieutenant Governor in Council pursuant to the process for Agency appointments established by MBC through the AAD.
- c. Unless otherwise authorized by the Ministry and in accordance with the Agency's conflict of interest policies, a person who is a member of a board, the chief executive officer, an officer or an employee of another organization that provides services in Ontario within the mandate of the Agency may not be a member and director of the Agency.
- d. Directors of the Board may hold office for a term of up to three years and may be re-nominated/appointed for up to two additional terms.
- e. The Lieutenant Governor in Council shall appoint a director as Chair and as Vice Chair.
- f. The Board shall meet regularly throughout the year, to a minimum of four times per Fiscal Year.
- g. Quorum shall be a majority of the directors.
- h. The Agency shall provide the Minister with:
  - (i) reasonable notice of any meeting of the board of directors;
  - (ii) the agenda for that meeting;
  - (iii) any material that is to be considered at that meeting; and,
  - (iv) the Minister, or his or her designate, is entitled to attend and to participate, on a non-voting basis, in any meeting of the board of directors.

- i. The Minister may require the Board to submit a by-law or any category of by-law to the Minister for approval, and, if so, the by-law is not effective until the Minister approves the by-law. The Agency shall give notice to the Minister of any proposed change to its by-laws.
- j. The Agency shall ensure that its by-laws are consistent in all respects with this MOU.
- k. If the Minister considers it to be in the public interest to wind up the affairs of the Agency or to amalgamate, he or she may direct the Agency to do all things necessary to accomplish that, including dealing with the assets of the Agency by, among other things, (a) liquidating or selling the assets and paying the proceeds into the CRF; or (b) transferring the assets to the Crown, an Agency of the Crown.

#### **16.4 REMUNERATION**

- a. The Agency shall provide remuneration to the directors as approved by the Lieutenant Governor in Council.
- b. The Chair, as set out under order in council O.C. 1495/2020, is remunerated at an annual rate of Thirty Thousand Dollars (\$30,000.00) plus a per diem rate of Five Hundred Dollars (\$500.00) to a maximum annual amount of One Hundred Thousand dollars (\$100,000.00). The Vice-Chair is remunerated at an annual rate of Ten Thousand Dollars (\$10,000.00) plus a per diem rate of Four Hundred Dollars (\$400.00) to a maximum annual amount of Sixty-Six Thousand Dollars (\$66,000.00). The remaining directors are each remunerated at an annual rate of Five Thousand Dollars (\$5,000.00) plus a per diem rate of Three Hundred Dollars (\$300.00) to a maximum annual amount of Forty-Two Thousand Dollars (\$42,000.00).
- c. A member of the Board may serve the Agency in another capacity but shall not receive any remuneration or reimbursement from the Agency other than the remuneration or reimbursement provided for above.
- d. Travel expenses of board members must comply with the MBC Travel, Meal and Hospitality Expenses Directive. Members and directors are not entitled to reimbursement of professional dues or fees. Subject to the preceding, reasonable expenses related to proper functioning of the Board shall be reimbursed.

## **17. Risk Management, Liability Protection and Insurance**

### **17.1 RISK MANAGEMENT**

- a. The Chair, on behalf of the Board, is responsible for ensuring that a risk management strategy is developed for the Agency, in accordance with the OPS risk management process.
- b. The Agency shall ensure that the risks it faces are dealt with in an appropriate manner.

### **17.2 LIABILITY PROTECTION AND INSURANCE**

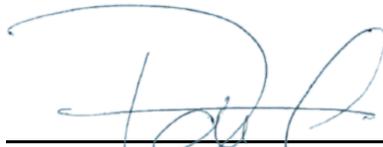
- a. The Agency may provide an indemnity to its directors in accordance with the AAD, the requirements of the Minister of Finance and subject to the approval of the Lieutenant Governor in Council.
- b. The Agency shall put in effect and maintain insurance coverage that is satisfactory to the Ministry to protect itself against all claims that might arise from anything done or omitted to be done by the Agency or its directors, officers, employees, independent contractors or agents, and from anything done or omitted to be done where bodily or personal injury, death or property damage, including loss of use thereof, is caused.
- c. The Agency shall provide the Ministry with certificates of insurance, or other proof of insurance, from time to time, as may be requested by the Ministry.

## **18. Effective Date, Duration, Periodic Review of the MOU and Counterparts**

- a. This MOU becomes effective on the date it is signed by the Minister as the last party to execute it ("Original Effective Date") and continues in effect until it is revoked or replaced by a subsequent MOU signed by the parties.
- b. A copy of the signed MOU and any successor MOU must be provided to the Secretary, Treasury Board/Management Board of Cabinet.
- c. Upon a change in the Minister or Chair, both parties must affirm by letter that this MOU will continue in force without a review (and attach the signed letter to the MOU); or alternatively, they may agree to revise it and sign a new MOU within six (6) months of the change.
- d. A copy of the letter of affirmation, or a new MOU between the Minister and Chair must be provided to the Secretary, Treasury Board/Management Board of Cabinet within six months of the new party or parties' commencement.
- e. Either the Minister or the Chair, on behalf of the Board, may initiate a review of this MOU by written request to the other.

- f. If either of the parties deems it expedient to amend this MOU, they may do so only in writing. Any amendment shall only be effective after approval by the parties.
- g. A full review and replacement of this MOU will be conducted immediately in the event of a significant change to the Agency's mandate, powers or governance.
- h. This MOU shall, at the Minister's discretion, be subject to review and amendment six months following its execution.
- i. At a minimum, and in addition to the initial six-month review, this MOU will be reviewed at least once every 3 years to ensure it is current and consistent with government expectations.
- j. This MOU may be validly executed in counterparts and delivered by means of transmission of signed facsimile or by email transmission of an electronically scanned original signature (such as in PDF file format). Each counterpart shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

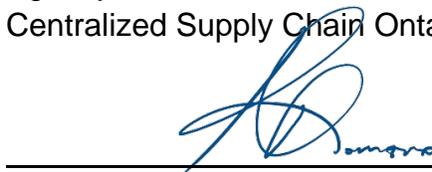
**Signatures:**



Agency Chair  
Centralized Supply Chain Ontario

June 9, 2021

Date



Minister  
Minister of Government and Consumer Services

July 9, 2021

Date

## Appendix 1: Summary of Agency Reporting Requirements

| DUE DATE   | REPORT / DOCUMENT   | NAMES OF RESPONSIBLE OFFICIALS                   |
|--|---|--|
| Submitted annually within three (3) months prior to the Agency's fiscal year end | Agency Business Plan<br>a. Prepares<br>b. Approves<br>c. Provides to Minister<br><br>Note: The Agency will prepare estimates of its expenditures for inclusion in the Ministry's business plan. | a. CEO/Chair/Board<br>b. Board/Chair<br>c. Chair |
| Submitted annually within 120 days of the Agency's fiscal year end               | Annual Report<br>d. Prepares<br>e. Approves<br>f. Provides to Minister  | d. CEO/Chair/Board<br>e. Board/Chair<br>f. Chair |
| Annually   | Audited Financial Statements<br>Financial Reports   | CEO/Chair/Board                                  |
| Compliance Attestation   | Letter to Minister  | Chair  |
| Reviewed at least once every 5 years   | Memorandum of Understanding   | Chair  |

## Appendix 2: Applicable Government of Ontario Directives

1. The following non-exhaustive list of TB/MBC and government directives, guidelines and policies apply to the Agency:

- Agencies & Appointments Directive
- Advertising Content Directive
- Bank Account Policy
- Cash Management Directive
- Contractor Security Screening Operating Policy
- Corporate Policy on Recordkeeping
- Digital and Data Directive
- Expenditure Management Directive
- Financial Record Retention
- Governance and Management of Information and Data Assets Directive, as applicable, in conjunction with the Corporate Policy on Recordkeeping
- Internal Audit Directive
- Major Public Infrastructure Projects: Directive
- Managing, Distributing and Pricing Government Information (Intellectual Property)
- Perquisites Directive
- OPS Procurement Directive, *in part* (as an Other Included Entity)
- Procurement Directive on Advertising, Public and Media Relations and Creative Communications Services
- Realty Directive
- Travel, Meal and Hospitality Expenses Directive
- Visual Identity Directive
- Write-Offs Policy

2. The Agency is responsible for complying with all directives, policies and guidelines to which it is subject, irrespective of whether it is included on the list above.

3. The Ministry will inform the Agency of amendments or additions to directives, policies and guidelines that apply to the Agency.