

# **MEMORANDUM OF UNDERSTANDING**

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**2018**

**Memorandum of Understanding**

**Between**

**The Minister of Infrastructure**

**and**

**The Chair on behalf of the  
Ontario Infrastructure and Lands Corporation**

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The parties to this Memorandum of Understanding (MOU) agree to the following:

## 1. Purpose

- a. The purpose of this MOU is to:
  - i. Establish the accountability relationships between the Minister and the Chair on behalf of the Agency;
  - ii. Clarify the roles and responsibilities of the Minister, the Chair, the Deputy Minister, the CEO, and the Board; and
  - iii. Clarify the operational, administrative, financial, staffing, auditing and reporting arrangements between the Agency and the Ministry.
- b. This MOU should be read together with the *Ontario Infrastructure and Lands Corporation Act, 2011*, the *Ministry of Infrastructure Act, 2011*, and all Applicable Government Directives. This MOU does not affect, modify or limit the powers of the Agency as set out under the *Ontario Infrastructure and Lands Corporation Act, 2011*, or interfere with the responsibilities of any of its parties as established by law. In case of a conflict between this MOU and any act or regulation, the act or regulation prevails.
- c. This MOU replaces the memorandum of understanding between the parties dated March 2015.

## 2. Definitions

In this MOU:

- a. “**AAD**” means the *MBC Agencies and Appointments Directive*, June 2017, as amended from time to time;
- b. “**Agency**” means Ontario Infrastructure and Lands Corporation;
- c. “**Annual Business Plan**” means the annual business plan described in article 10.1 of this MOU;
- d. “**Annual Report**” means the annual report referred to in article 10.2 of this MOU;
- e. “**Applicable Government Directives**” means the Government directives, policies, including operational and ministry policies, standards, protocols and guidelines that apply to the Agency, which are listed in Appendix 2 to this MOU, as may be amended or replaced from time to time;
- f. “**Appointee**” means a member of the Board or officer appointed to the Agency by the Lieutenant Governor in Council, but does not mean an individual employed or appointed by the Agency as staff;
- g. “**Board**” means the board of directors of the Agency;

- h. “**CEO**” means the Chief Executive Officer of the Agency;
- i. “**Chair**” means the Chair of the Board;
- j. “**Client Ministry**” or “**Client Ministries**” means any ministries or other entities that are users of Government Property under the control of the Minister;
- k. “**Deputy Minister**” means the Deputy Minister of the Ministry of Infrastructure or its successor ministry;
- l. “**FAA**” means the *Financial Administration Act*, R.S.O. 1990, c. F.12, as amended from time to time;
- m. “**FIPPA**” means the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. F.31, as amended from time to time;
- n. “**Government**” means government as defined in the MOI Act;
- o. “**Government Property**” means government property as defined in the MOI Act;
- p. “**GREP**” means General Real Estate Portfolio;
- q. “**Letter of Direction**” means the written document provided by the Minister which provides direction to the Agency pursuant to the OILCA;
- r. “**MBC**” means Management Board of Cabinet;
- s. “**MOI Act**” means the *Ministry of Infrastructure Act, 2011*, S.O. 2011, c. 9, Sched. 27 as amended from time to time;
- t. “**Minister**” means the Minister of Infrastructure or such other member of the Executive Council who may be assigned the administration of the OILCA, under the *Executive Council Act*, R.S.O. 1990, c. E. 25, as amended from time to time;
- u. “**Minister of Finance**” means the Minister of Finance or such other member of the Executive Council who may be assigned powers and duties with respect to finance and revenue under the *Executive Council Act*, R.S.O. 1990, c. E. 25, as amended from time to time;
- v. “**Ministry**” means Ministry of Infrastructure, or its successor;
- w. “**MOF**” means the Ministry of Finance, or its successor;
- x. “**MOU**” means this Memorandum of Understanding between the Minister and the Chair;

- y. “**OILCA**” means the *Ontario Infrastructure and Lands Corporation Act, 2011*, S.O. 2011, c. 9, Sched. 32, as amended from time to time;
- z. “**PSOA**” means the *Public Service of Ontario Act, 2006*, S.O. 2006, c. 35, Sched. A, as amended from time to time;
- aa. “**Sponsoring Minister**” means the member of the Executive Council assigned responsibility for a Sponsoring Ministry under the *Executive Council Act*, R.S.O. 1990, c. E. 25, as amended from time to time;
- bb. “**Sponsoring Ministry**” or “**Sponsoring Ministries**” means a ministry that requests the Agency to provide advice or services for matters and projects that are not Government Property under the control of the Minister;
- cc. “**TB/MBC**” means Treasury Board/Management Board of Cabinet;
- dd. “**TBS**” means Treasury Board Secretariat.

### 3. Agency’s Legal Authority and Mandate

#### 3.1 Legal Authority

- a. The legislative authority of the Agency is set out in the OILCA.
- b. The Agency is a corporation without share capital.
- c. At all times, and in discharging all of its responsibilities, the Agency shall comply with applicable legislation, any Minister’s delegations of authority to the Agency, and Applicable Government Directives.
- d. The Agency’s mandate is set out in subsection 4(1) of the OILCA, which states that the Agency’s objects are as follows:

#### **Objects of the Corporation**

4. (1) Subject to a direction of the Minister under subsection (3), the following are the objects of the Corporation:

- 1. To provide financing for infrastructure purposes prescribed under clause 36 (1) (a) to the following: (i) municipalities (ii) eligible public organizations described in subsection (2) and (iii) eligible public organizations as described in section 4.1 .
- 2. To provide advice and services related to Government property, including project management, contract management and development, to the following:

- i. The Minister
- ii. The Government, when directed to do so in writing by the Minister.

2.1 REPEALED: 2015, c. 38, Sched. 7, s. 56 (4).

- 3. To provide financial management for Government property managed by the Ministry or by a Crown agency for which the Minister is responsible.
- 4. To carry out the powers, duties and functions delegated by the Minister to the Corporation under the *Ministry of Infrastructure Act, 2011*.
- 5. To provide advice and services related to real property to public sector organizations prescribed under clause 36 (1) (b) for purposes prescribed under clause 36 (1) (c), when directed to do so in writing by the Minister.
- 6. REPEALED: 2012, c. 8, Sch. 40, s. 1 (3).
- 7. To provide advice and services to the Minister or other members of the Executive Council on financial, strategic or other matters involving the Government, when directed to do so in writing by the Minister.
- 8. To implement or assist in the implementation of transactions involving the Government, when directed to do so in writing by the Minister.
- 9. To provide advice and services, including project management and contract management, related to infrastructure projects in Ontario that are not Government property, when directed to do so in writing by the Minister.
- 10. To engage in such other related activities as the Lieutenant Governor in Council may prescribe under clause 36 (1) (d).

Note: all terms in clause 3.1 (d) of this MOU shall have the meanings ascribed to them in the OILCA, as applicable.

- e. The Minister may grant the Agency broader permissive authority, through Letters of Direction, including annual Letters of Direction, to permit the Agency to engage in such activities consistent with the Agency's objects as the Minister so directs.
- f. In accordance with this MOU, the Minister shall provide the Agency with Letters of Direction in a timely manner and consistent with the agreed upon timelines contained herein.

## 3.2 Realty Services

### 3.2.1 Realty and Accommodation Program

The Agency:

- a. As the Minister's delegate and provider of realty and accommodation services, shall provide realty and accommodation services to Client Ministries. The Agency shall further provide real estate management services and real estate project services as the provincial manager of Government Property, under the responsibility of the Minister, in a manner that supports the implementation of the Government of Ontario's programs and policies related to realty activities and in a manner that is consistent with the Government of Ontario's and Minister's directives, policies and standards concerning Government Property.
- b. Shall be responsible for the financial management of Government Property under the responsibility of the Minister and under the GREP, subject to legislation, any delegation of authority from the Minister to the Agency and any Letter of Direction.
- c. Has authority to manage the Government Property, under the responsibility of the Minister, including land use planning, space utilization, real estate management, acquisition and disposal of realty assets (including disposition of surplus property), strategic planning, right sizing, project and contract management, subject to legislation, any delegation of authority from the Minister to the Agency and any Letter of Direction.
- d. In connection with the Government of Ontario's annual budget planning process, shall work with the Ministry to (1) advise on program forecasts and costs, and (2) advise on real estate strategies and priorities.

### 3.2.2 Other Realty Services

The Agency:

- a. May provide realty and accommodation services to Government entities that are not users of Government Property under the responsibility of the Minister, subject to a Letter of Direction.
- b. May provide advice and services related to real property to those public sector organizations prescribed under the OILCA for the purposes prescribed under the OILCA, subject to a Letter of Direction.
- c. Shall carry out its activities related to the realty and accommodation program and other realty services in a manner consistent with best practices and standards of the real estate industry and comparable public/private entities. The services provided by the Agency to the Ministry shall specifically include the provision of expert real estate services and advice from a Government of Ontario-wide perspective in a professional, accurate, consistent and timely manner.

### 3.3 Infrastructure Projects

- a. When provided with a Letter of Direction, the Agency shall provide advice and services, including project management and contract management,
  - i. related to infrastructure projects related to Government Property, under the responsibility of the Minister;
  - ii. related to infrastructure projects related to Government Property for which the Minister is not responsible; and
  - iii. related to infrastructure projects in Ontario which do not relate to Government Property.
- b. In connection with the Government of Ontario's annual budget planning process, the Agency may work with the Sponsoring Ministry or Client Ministry to advise on procurement methods for infrastructure projects.
- c. The Minister agrees to continue to permit the Agency to engage in planning work related to provincial infrastructure projects and may, through Letters of Direction, including an annual Letter of Direction, permit the agency to undertake planning work related to municipal infrastructure projects.
- d. The Agency shall endeavour to ensure that infrastructure projects are implemented and delivered to specification in a cost-effective and timely manner.
- e. The Agency will support relevant ministries and central agencies with respect to the yearly provincial budget cycle, as well as the quarterly financial and project reporting requirements.

### 3.4 Loan Program

The Agency shall:

- a. Provide financing to municipalities and to eligible public organizations in accordance with the OILCA and subject to Board approval.
- b. Administer the loan program in accordance with the province's policies for the loan program.
- c. Conduct the technical and credit review of loan applications in consultation with relevant partner ministries, if applicable.
- d. Manage approved loans and in the event of executing a notice of payment default and realizing on security, the Agency shall consult with the Ministry.
- e. Notify the Ministry of approved loans that are at risk of default, and provide other reporting on the loan program on a quarterly basis.

### 3.5 Commercial Services and Projects

- a. When provided with a Letter of Direction, the Agency shall implement or assist in the implementation of transactions involving the Government, and shall do so on a full cost recovery basis, including, without limitation:
  - i. providing financial, strategic or other advice in respect of projects or project implementation procedures for Government assets or interests;
  - ii. providing advice, which may include advisory and other services, to municipalities, ministries and other public sector entities. The objective of these services is to share best practices and support capacity in other public sectors;
  - iii. pursuing results that optimize the public interest and such other interests or objectives identified in the Letter of Direction, in fulfilling the role outlined in this section 3.5 of the MOU; and
  - iv. ensuring that these services and projects fit within the Government of Ontario's overall priorities, and identifying the implications and resource requirements to the Ministry if these services and projects affect the Agency's ability to deliver on the Ministry's realty program and the core infrastructure projects which it has been provided a Letter of Direction to carry out.

### 3.6 Other Services

- a. In addition to the Agency's specific responsibilities in relation to sections 3.2, 3.3, 3.4 and 3.5 of this MOU, the Agency shall:
  - i. Work with ministries, agencies, other levels of government and the private sector, to the extent necessary, to ensure its mandate is carried out;
  - ii. Promote the Government of Ontario's infrastructure plan, profile projects and provide communications support to the Ministry for the implementation of these projects; and
  - iii. Ensure the effective and prudent use of public funds by ensuring good value for taxpayers, fairness, transparency and effective controllership.
- b. The Agency may pursue the mandate outlined in section 3.6(a) of this MOU on its own or in collaboration with other publicly-funded organizations.

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

- a. The Agency is designated as a board-governed agency under the AAD.
- b. The Agency is prescribed as a public body under O. Reg.146/10 under the PSOA. It is not organizationally part of the Ministry, but it is considered to be within the Government of Ontario.

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

- a. As set out in section 3 of the OILCA, the Agency is, for all its purposes, a Crown agent, except as follows:
  - i. The Agency may declare in writing in an agreement, security or instrument that it is not acting as a Crown agent for the purposes of the agreement, security or instrument.
  - ii. If the Agency makes a declaration set out in section 5(a)(i) of this MOU, the Agency shall be deemed not to be a Crown agent for the purposes of the agreement, security or instrument and the Crown is not liable for any liability or obligation of the Agency under the agreement, security or instrument.
- b. The Agency has the capacity, rights, powers and privileges of a natural person for carrying out its objects, subject to the limitations placed upon it under the OILCA.

## **6. Guiding Principles**

The parties agree to the following principles:

- a. The Minister represents the interests of the people of Ontario and may set out public interest expectations for the Agency.
- b. The Minister recognizes that the Agency exercises powers and performs duties in accordance with its legal mandate under the OILCA and other applicable legislation, any Minister's delegations of authority to the Agency, and Applicable Government Directives. The Minister further recognizes that the Agency performs work, when permitted to do so, on a full cost recovery basis by business line.
- c. The Minister plays a meaningful role in the development of the policies and programs of the Government and the Minister recognizes that the Agency plays a meaningful role in the implementation of the Government of Ontario's policies and programs. The Minister further recognizes the Agency may act independently, within the permissive authority granted, and in accordance with accepted business and financial practices when implementing the Government of Ontario's policy and programs.
- d. The Chair, for and on behalf of 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 Chair, for and on behalf of the Board, acknowledges that it is accountable to the Minister for governance and oversight of the Agency.
- e. As an agency of the Government of Ontario, the Agency conducts itself according to the management principles of the Government of Ontario. These principles include ethical behaviour; prudent, effective and lawful use of public resources and ensuring good value for taxpayers, fairness, transparency and effective controllership; fairness; high quality service to the public; and openness and transparency to the extent allowed under the law.

- f. The Minister and the Board, through the Chair, are committed to a strong Agency that is empowered to fulfill its statutory 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 statutory responsibilities.
- g. As a part of government, however, not organizationally part of the Ministry, the Agency has operational flexibility in its day to day functions.
- h. The Agency and the Ministry agree to work to avoid duplication of services wherever possible.
- i. The Agency and the Ministry shall work together in a mutually respectful manner.
- j. The Agency shall ensure regular reporting and communications are provided to the Ministry on the timelines set by this MOU and as contemplated by this MOU.
- k. It is acknowledged and understood by both parties that nothing in this MOU shall be construed as limiting the Minister's discretionary authority under the OILCA and that in accordance with this authority, the Minister may amend, limit, revoke or rescind any Letter of Direction to the Agency and/or issue additional Letters of Direction to the Agency at any time.

## **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 Applicable Government Directives, and for reporting to the Legislative Assembly on the Agency's affairs.
- b. For reporting and responding to TB/MBC on the Agency's performance and compliance with Applicable Government Directives.
- c. To Cabinet for the performance of the Agency and its compliance with Applicable Government Directives and broad policy directions.
- d. For receiving and ensuring that the Agency's Annual Report is made available to the public in accordance with legislation and Applicable Government Directives.
- e. For approving the Annual Report within 60 days of receipt of the Annual Report from the Agency and tabling the Annual Report, in accordance with legislation and Applicable Government Directives.

### **7.2 CHAIR**

The Chair, acting 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 OILCA and other applicable legislation, 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.

### **7.3 BOARD OF DIRECTORS**

The Board is accountable, through the Chair, to the Minister for:

- a. the oversight and governance of the Agency;
- b. setting goals, objectives and strategic direction for the Agency within its mandate; and
- c. carrying out the roles and responsibilities assigned to it by the OILCA and other applicable legislation, any Minister's delegation of authority to the Agency, this MOU and Applicable Government Directives.

### **7.4 DEPUTY MINISTER**

The Deputy Minister is accountable:

- a. to the Secretary of the Cabinet and the Minister for the performance of the Ministry in providing administrative and organizational support to the Agency and for carrying out the roles and responsibilities assigned by the Minister, the OILCA and other applicable legislation, this MOU and Applicable Government Directives.
- b. for attesting to TB/MBC on the Agency's compliance with Applicable Government Directives.

### **7.5 CHIEF EXECUTIVE OFFICER**

The CEO is accountable:

- a. 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, the OILCA, this MOU and Applicable Government Directives. The CEO works under the direction of the Chair to implement policy and operational decisions. The CEO reports the Agency's performance results to the Board, through the Chair.
- a. to the Deputy Minister for regular operational reports detailing the status of the Agency's work performed in accordance with the permissive authority granted pursuant to Letters of Direction, in an effort to ensure the Minister is apprised of the Agency's activities.

## 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 Government Directives and broad policy directions.
- c. Recommending to TB/MBC, where required, a 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 on candidates for appointment or re-appointment to the Board.
- h. Making recommendations to Cabinet and the Lieutenant Governor in Council for (1) appointments and reappointments of the Chair and members of the Board, pursuant to the process for agency appointments established by legislation and/or by MBC through the AAD; and (2) appointments of the CEO in accordance with the OILCA.
- i. 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.
- j. When appropriate or necessary, taking action or directing that the Agency take corrective action with respect to the Agency's administration or operations.
- k. Receiving and approving the Agency's Annual Report and ensuring that the Annual Report is made available to the public within 30 days of tabling it in the Legislative Assembly, in accordance with the Applicable Government Directives.
- l. Approving the Annual Report of the Agency within 60 days of receiving the Annual Report from the Agency, in accordance with Applicable Government Directives.
- m. Informing the Chair of the Government's priorities and broad policy directions for the Agency.
- n. Issuing policies under the MOIA and informing the Chair of any policies that impact the Agency.

- o. Consulting, as appropriate, with the Chair (and others) on significant new directions or when the Government is considering regulatory or legislative changes for the Agency regarding the realty program, infrastructure and other projects, and the loan program which may affect the mandate of the Agency. Where possible, any proposed amendments to legislation/regulations and related policies, including Government directives for Government Property as approved by TB/MBC shall be brought forward to the Agency for consultation where possible prior to implementation.
- p. 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.
- q. Reviewing and approving the Agency's Annual Business Plan.
- r. Recommending to TB/MBC any provincial funding to be allocated to the Agency.
- s. Recommending to TB/MBC the amount of the funding to be provided by the Ministry for the operations of GREP, and the net revenue with respect to proceeds to be earned and/or cost savings to be achieved from the disposition of real property, in accordance with the Government of Ontario's fiscal allocation processes such as the Government of Ontario's annual budget planning process.
- t. In accordance with the AAD, issuing an Agency mandate letter at the beginning of the annual business planning cycle. The letter shall outline the high-level expectations, key commitments, and performance priorities for the Agency.
- u. Approving by-laws of the Agency with respect to borrowing, investing, and managing financial risks prior to obtaining approval from the Minister of Finance.
- v. Providing Letters of Direction to the Agency, with the approval of Cabinet where required, with respect to infrastructure projects and other projects and services based on the Government of Ontario's multi-year capital plan and/or other policy or fiscal decisions, including the form for each project.
- w. Providing Letters of Direction to the Agency in a timely manner and specifically within the following timelines, where possible:
  - i. within six weeks of the date of the Cabinet approval/decision that relates to the Ministry and/or that impacts the Agency;
  - ii. within three months of the release of the provincial budget; and
  - iii. within six weeks of the date of the receipt of a letter of request from a non-provincial entity.
  - iv. Should the Minister not be able to meet the timelines noted in i, ii, and iii, the Minister will notify the Agency of the status of the Letter of Direction.

- x. Liaising as necessary with Client Ministries or Sponsoring Ministries with respect to infrastructure, commercial and other project contracts, and for seeking approvals to commit infrastructure, commercial and other project funds where necessary.
- y. Issuing policies and directives in writing to the Agency from time to time, regarding matters relating to the Agency's exercise of its powers and duties, pursuant to subsection 15(1) of OILCA, and regarding the responsibilities and powers delegated to the Agency pursuant to the delegation of authority under subsections 19(2) and 19(3) the MOI Act.
- z. Issuing Letters of Direction to the Agency outlining the activities the Agency should undertake pursuant to subsection 4(1) of the OILCA, including annual Letters of Direction following the tabling of the provincial budget, and issuing directions limiting the scope of objects set out for the Agency pursuant to subsection 4(3) of the OILCA.
- aa. Delegating, where appropriate, to the Deputy Minister any of the responsibilities of the Minister in this MOU, and advising the Agency of any such delegation.

## 8.2 CHAIR

The Chair is responsible for supporting the Board of Directors in:

- a. Providing leadership to the Agency by working with the Board to set the goals, corporate objectives and strategic directions within its mandate.
- b. Providing leadership to the Agency's Board and ensuring that the Board carries out its responsibilities for decisions regarding the Agency.
- c. Chairing Board meetings, including the management of the Board's agenda.
- d. Reviewing and approving claims for per diems and travel expenses for Appointees to the Board in accordance with the *Travel, Meal and Hospitality Expenses Directive*.
- e. Seeking strategic policy direction for the Agency from the Minister.
- f. 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 his responsibilities relating to the Agency.
- g. Consulting with the Minister in advance regarding any activity which may have an impact on the Government of Ontario's and Ministry's policies, directives or procedures, or on the Agency's mandate, powers or responsibilities, as set out in the OILCA.
- h. 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, and Applicable Government Directives, including accounting and financial policies.
- i. 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.
- j. Developing the Agency's MOU with the Minister and signing it on behalf of the Board.

- k. Submitting the Agency's budget, Annual Report and financial reports, on behalf of the Board, to the Minister, in accordance with the timelines specified in Applicable Government Directives and this MOU.
- l. Submitting the Agency's Annual Business Plan, on behalf of the Board, to the Minister, in accordance with the timelines specified in this MOU.
- m. Advising the Minister annually on any outstanding audit recommendations as per the direction of the Board.
- n. Ensuring that Appointees to the Board are informed of their responsibilities under the PSOA with regard to the rules of ethical conduct, including the political activity rules set out under Part V.
- o. Ensuring appropriate management systems are in place (financial, information technology, human resources) for the effective administration of the Agency.
- p. Carrying out effective public communications and relations for the Agency as its chief spokesperson.
- q. Cooperating with any review or audit of the Agency directed by the Minister or TB/MBC.
- r. Keeping the Minister informed of upcoming appointment vacancies and providing recommendations for appointments or re-appointments.
- s. Ensuring compliance with all applicable legislation, any Minister's delegations of authority to the Agency, and any Applicable Government Directives.

### **8.3 BOARD OF DIRECTORS**

The Board is responsible for:

- a. Establishing and approving the goals, corporate objectives, and strategic directions for the Agency within its mandate as defined by the OILCA, Applicable Government Directives, as appropriate, and this MOU.
- b. Governing the affairs of the Agency within its mandate as set out in the OILCA, its approved Annual Business Plan, as described in section 10.1 of this MOU, Applicable Government Directives and the parameters communicated in writing by the Minister.
- c. Directing the development of, and approving, the Agency's Annual Business Plans for submission to the Minister within the timelines agreed upon with the Ministry or this MOU.
- d. Directing the preparation of, and approving, the Agency's Annual Reports for tabling in the Legislative Assembly 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 accordance with this MOU.

- 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 Government 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 reports and reviews that may be requested by the Minister from time to time for submissions to the Minister within agreed upon timelines.
- k. 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.
- l. Where applicable, ensuring that conflict of interest rules that the Agency is required to follow, as set out in O. Reg. 381/07 under the PSOA are in place for the members of the Board and employees of the Agency.
- m. Establishing performance measures, targets and management systems for monitoring and assessing the Agency's performance.
- n. Directing corrective action on the functioning or operations of the Agency, if needed.
- o. Cooperating with and sharing any relevant information on any risk-based or periodic review directed by the Minister or TB/MBC.
- p. Consulting, as appropriate, with stakeholders on the Agency's goals, objectives and strategic directions.
- q. Providing advice to the Government, through the Minister, on issues within or affecting the Agency's mandate and operations.
- r. Setting and reporting on the strategic direction for the Agency according to the Minister's agency mandate letter, the Agency's proposed Annual Business Plan, and the Agency's Annual Report.
- s. Evaluating the performance of the CEO pursuant to performance criteria established by the Board.
- t. Establishing by-laws governing the operations of the Agency, subject to the approval of the Minister and the Minister of Finance, if required.
- u. In accordance with subsection 15(2) of OILCA, implementing policies and directives regarding matters relating to the Agency's exercise of the Agency's powers and duties, received pursuant to subsection 15(1) of OILCA.

## 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 Applicable Government 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. Facilitating regular briefings and consultations between the Chair and the Minister, and between the Ministry staff and Agency staff, as needed.
- e. Attesting to TB/MBC on the Agency's compliance with the mandatory accountability requirements set out in the AAD and other Applicable Government Directives and broad policy directions based on the annual letter of compliance from the Chair to the Minister.
- f. 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.
- g. 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.
- h. Undertaking timely risk-based reviews of the Agency, or its management or operations, as may be directed by the Minister or TB/MBC.
- i. Establishing a framework for reviewing and assessing the Agency's Annual Business Plan and other reports.
- j. Supporting the Minister in reviewing the performance targets, measures and results of the Agency.
- k. Advising the Minister on documents submitted by the Agency to the Minister for review or approval, or both.
- l. Submitting to the Minister, as part of the annual planning process, a risk assessment and management plan for each risk category.
- m. Undertaking reviews of the Agency as may be directed by the Minister.
- n. Cooperating with any review of the Agency as directed by the Minister or TB/MBC.

- o. Monitoring the Agency on behalf of the Minister while respecting the Agency's authority and independence, while identifying needs for corrective action where warranted, and recommending to the Minister ways of resolving any issues that might arise from time to time.
- p. Negotiating a draft MOU with the Chair, as well as any amendments to the MOU, as directed by the Minister.
- q. Consulting with the Agency's CEO, as needed, on matters of mutual importance including services provided by the Ministry and compliance with Applicable Government Directives.
- r. Meeting with the CEO at least once a month and maintaining regular liaison as needed with the Chair and the CEO to discuss matters of mutual importance.
- s. Informing the Chair and CEO, in writing, of new government directives and any exceptions to, or exemptions in whole or in part from TB/MBC directives, government policies, or Ministry policies.
- t. Coordinating any required approvals from the Minister of Finance or President of TBS.\
- u. 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 CHIEF EXECUTIVE OFFICER**

The C E O is responsible for:

- a. Managing the day-to-day financial, analytical, and administrative affairs of the Agency in accordance with the mandate of the Agency, Applicable Government Directives, accepted business and financial practices and this MOU.
- b. Advising the Chair on the requirements of and the Agency's compliance with the AAD, as well as other Applicable Government Directives, and Agency 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 Agency staff, including human and financial resources management, in accordance with the approved Annual Business Plan, accepted business and financial practices and standards, the OILCA, and Applicable Government Directives.
- e. Establishing and applying a financial management framework for the Agency in accordance with applicable Minister of Finance/TB controllership directives, policies and guidelines to support decision-making, and establishing systems to enable the Agency to operate within the approved Annual Business Plan and corporate objectives.

- f. Translating the goals, objectives and strategic directions of the Board into operational plans and activities in accordance with the Agency's approved Annual Business Plan.
- g. Ensuring that the Agency has the oversight capacity and an effective oversight framework in place for monitoring its management and operations.
- h. Keeping the Board, through the Chair, informed with respect to the implementation of policy and the operations of the Agency.
- i. Establishing and applying systems to ensure that the Agency operates within its approved Annual Business Plan.
- j. Establishing and applying the Agency's risk management framework and risk management plan.
- k. Supporting the Chair in meeting his/her responsibilities, including compliance with all applicable legislation and Applicable Government Directives.
- l. Providing recommendations to the Chair for the agendas of Board meetings, ensuring that material for Board and Board committee consideration is prepared in a clear and timely manner consistent with any requirements of the Chair, overseeing the preparation of minutes for review by the Chair, and supporting the operations of the Board to enable the Board to fulfill its legal and governance obligations and function effectively.
- m. Carrying out in-year monitoring of the operational and financial performance, ensuring that the Agency carries out the initiatives related to its mandate as defined by OILCA and this MOU, meeting the expectations and accomplishing the outcomes outlined in any Letter of Direction, including the requirement to provide regular operational reports to the Deputy Minister, operating within its approved budget in fulfilling its mandate, and reporting the performance to the Board on a quarterly and annual basis.
- n. Keeping the Ministry 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.
- o. Seeking support and advice from the Ministry, as appropriate, on Agency management issues.
- p. Seeking the approval of the Minister/ Deputy Minister/ Ministry staff delegate, as appropriate, prior to acquiring for the use of the Government any interest in real property in accordance with the delegation of authority issued from the Minister, as amended from time to time.
- q. Ensuring that the responsibilities of the institution are carried out as set out in FIPPA.
- 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 and the *Archives and Recordkeeping Act, 2006* where applicable.
- s. Undertaking timely risk-based reviews of the Agency's management and operations.

- t. Consulting with the Deputy Minister as needed, on matters of mutual importance, including services provided by the Ministry, and on Applicable Government Directives.
- u. Cooperating with a periodic review directed by the Minister or TB/MBC.
- v. Fulfilling the role of ethics executive for public servants, other than government Appointees, who work in the Agency. Promoting ethical conduct and ensuring that all employees of the Agency are familiar with the ethical requirements of the PSOA and the regulations and directives made under the PSOA, including in respect of conflict of interest, political activity, and the protected disclosure of wrongdoing.
- w. Keeping the Board informed about operational matters.
- x. Preparing the Agency's Annual Reports and Annual Business Plans as directed by the Board.
- y. Preparing financial reports for approval by the Board.
- z. Preparing, for the Board's review and information and the Minister's approval, the annual budget and quarterly/annual financial statements/reports for GREP.
- 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 supporting the Board to provide the stating of compliance of the Agency.
- cc. Reviewing and approving claims for per diems and travel expenses for Agency employees in accordance with the Travel, Meal and Hospitality Expenses Directive.
- dd. Overseeing the Agency's obligations, which include overseeing:
  - i. that the Agency's employees uphold and adhere to the principles of openness, transparency and accountability, and provide information to the Ministry in a professional, accurate, consistent and timely manner;
  - ii. the administration of compensation in a manner consistent with applicable legislation and Applicable Government Directives relating to the Agency's human resources;
  - iii. that the Agency's employees are knowledgeable of and adhere to the Agency's policies and procedures that incorporate all Applicable Government Directives;
  - iv. liaisons with other levels of government, and other persons, who are affected directly or indirectly by decisions of the Agency, and establishing working relationships with other provincial ministries and agencies to ensure a consistent approach to policy interpretation and project implementation;
  - v. that the terms and conditions as set out in the Enterprise Realty Service Agreement (ERSA) which reflects the realty services mandate and clarifies the roles relationships, mutual expectations and accountability mechanisms between the Ministry and the Agency are adhered to;

- vi. revision of existing, or establishing, service agreements with Client Ministries to which the Agency provides realty and accommodation services, subject to the Minister's approval. The service agreements shall set out the services, service levels, standards and fees for the provision of realty and accommodation services and are to be consistent with the ERSA;
- vii. the Agency entering into a project governance framework and project implementation plans with the Ministry for enterprise wide realty and accommodations projects and initiatives;
- viii. the Agency providing short-term and long-term financing to municipalities, universities, and other eligible public organizations in accordance with the OILCA to achieve the province's goals for the loan program while managing the risk of the loan portfolio to minimize fiscal impact to the province; and
- ix. the Agency entering into necessary governance documents, with Client Ministries, Sponsoring Ministries, and other clients for infrastructure projects, or other projects and services and provide Client Ministries, Sponsoring Ministries and other clients with data and information to support fulfilling their reporting requirements under Applicable Government Directives.

## **9. Ethical Framework**

- a. The Appointees are subject to the conflict of interest provisions of the AAD and the ethical conduct provisions of the PSOA and its regulations.
- b. 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.
- c. The Chair, as the Ethics Executive for the Agency, is responsible for ensuring that Appointees 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.
- d. For the purposes of the application of the rules in under O.Reg. 381/07 made under the PSOA, the "designated senior positions" for the Agency are those positions with direct reporting relationships to the CEO, excluding administrative staff.

## **10. Reporting Requirements**

### **10.1 BUSINESS PLAN**

- a. The Chair shall ensure that the Minister is provided annually with the Agency's Annual Business Plan covering a minimum of three 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 Applicable Government Directives.

- b. The Annual Business Plan is to be submitted to the Ministry's Chief Administrative Officer or designated equivalent within timelines set out in Applicable Government Directives.
- c. The Chair is responsible for ensuring that the Agency's Annual Business Plan includes a system of performance measures and reporting on the achievement of the objectives set out in the Annual Business Plan. The system must include performance goals, how they shall be achieved, and targeted results and timeframes.
- d. The Chair shall ensure that the Annual 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 Minister shall review the Agency's Annual Business Plan and shall promptly advise the Chair whether or not he concurs with the directions proposed by the Agency. The Minister may advise the Chair where and in what manner the Agency's Business Plan varies from Government of Ontario or Ministry policy or priorities as may be required, and the Chair, on behalf of the Board, shall revise the Agency's Annual Business Plan accordingly. Annual Business Plans are only to be considered valid once the responsible Minister has approved the Annual Business Plan and the approval has been expressed in writing.
- f. In addition, TB/MBC may require the Minister to submit the Agency's Annual Business Plan to TB/MBC for review at any time.
- g. The Chair, through the CEO, shall ensure that its Minister approved Annual 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 the Minister's approval of the Annual Business Plan.

## **10.2 ANNUAL REPORT**

- a. The Chair is responsible for ensuring that the Agency's Annual Report is prepared and submitted to the Minister for approval in accordance with the section 18 of the OILCA. The Annual Report shall be in accordance with the requirements set out in Applicable Government Directives.
- b. The Minister shall receive and table the Agency's Annual Report in the Legislative Assembly.
- c. The Chair, through the CEO, shall 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 tabling in the Legislature, in accordance with Applicable Government Directives.

## **10.3 PROJECT SPECIFIC REPORTS**

- a. The Agency shall report to the Ministry on a regular basis in a manner satisfactory to the Ministry, with reporting demonstrating whether the Agency is fulfilling its legislative mandate and satisfying any other direction given by the Minister, on the following:

- i. on the performance of the projects and contracts under its management; in particular, the Agency should indicate the on time and on budget performance of infrastructure projects and contracts, and
  - ii. on the status and quality of its infrastructure loans, on a quarterly basis.
- b. The Agency shall provide costing of infrastructure projects, financial information (including a multi-year outlook quarterly, or when relevant, and proposed contingent or other liabilities), risk event information, and statistical evidence based information as relevant for inclusion in and support of the Ministry and Client Ministries/Sponsoring Ministries' annual budget planning process, and quarterly reporting and to support the Ministry's regular reporting.
- c. The Agency shall provide all information as required by any delegation of authority and/or Letter of Direction issued by the Minister.

#### **10.4 OTHER REPORTS**

- a. The Chair is responsible on behalf of the Board for:
  - i. Ensuring that the reports and documents set out in Appendix 1 to this MOU are submitted for review and, where applicable, approval by the Minister in accordance with the prescribed timelines.
  - ii. 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.
- b. The CEO and the Deputy Minister agree to work to establish a regular reporting schedule to support the operationalization of this MOU.

### **11. Public Posting Requirements**

- a. The Agency, through the Chair on behalf of the Board of Directors, shall ensure that the following approved governance documents are posted in an accessible format, in both official languages, on the Agency website within the specified timelines in accordance with Applicable Government Directives:
  - Memorandum of Understanding and any associated 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 tabling in the Legislature
- 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 Agency in the marketplace, and information that would otherwise pose a risk to the security of the facilities and/or operations of the Agency.

- c. The Agency, through the Chair on behalf of the Board of Directors, shall 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 *Travel, Meal and Hospitality Expenses Directive*.
- d. The Agency, through the Chair on behalf of the Board of Directors, shall 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 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 shall 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 his responsibilities.
- b. The Minister shall consult with the Chair in a timely manner, as appropriate, on broad government policy initiatives or legislation being considered by the government that may impact on the Agency's mandate or functions, or which otherwise shall have a significant impact on the Agency.
- c. The Minister and the Chair shall consult with each other on public communication strategies and publications. They shall keep each other informed of the results of stakeholder and other public consultations and discussions.
- d. The Minister and the Chair and CEO shall meet at least quarterly, 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 and the CEO shall meet at least monthly, 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 have established a Public Communications Protocol and shall comply with same for ongoing issues management.
- g. In respect of each project undertaken by the Agency, the Agency shall work in conjunction with the Client Ministry or Sponsoring Ministry and the Ministry's staff to develop a communications plan and protocol.

## **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 TB/MBC, Public Service Commission and government directives, as well as applicable ministry financial and administrative policies and procedures. Appendix 2 to this MOU provides a list of applicable directives and policies.
- b. The Ministry shall 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 shall ensure that the Agency is provided with any updates to this policy.

### **13.2 ADMINISTRATIVE AND ORGANIZATIONAL SUPPORT SERVICES**

Subject to statutory requirements and the TB/MBC directives applicable to a board governed agency, the Agency may establish its own administrative, financial, procurement, human resource and operational policies and guidelines, exercising sound business acumen and operational flexibility. As an agent of the Crown, the Agency shall conduct itself according to the management principles of the Government. These principles include ethical behaviour, accountability, excellence in management, prudent use of public funds and fairness in the marketplace.

### **13.3 LEGAL SERVICES**

The Agency's Legal Services Branch, as headed by the General Counsel and Corporate Secretary, advises the Agency on matters of law. On a number of legal transactions across different business lines, when required, the Agency uses the legal services of external legal counsel. The Agency and the Ministry agree that the Agency has the independent authority to retain external legal counsel and is not subject to the Ministry of the Attorney General's Operating Policy on Acquiring and Using Legal Services.

### **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 Agency complies with all legislation, Applicable Government 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 Board through the Chair is responsible for ensuring that the Agency complies with the *Archives and Recordkeeping Act, 2006*.

### **13.5 INTELLECTUAL PROPERTY**

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

### **13.6 FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY**

- a. The Chair and the Minister acknowledge that the Agency is bound to follow the requirements set out in FIPPA in relation to the collection, retention, security, use, distribution and disposal of records.
- b. The CEO is the institution head for the purposes of FIPPA.

### **13.7 SERVICE STANDARDS**

- a. The Chair shall ensure that the Agency delivers its services at a quality standard that reflects the principles of the Ontario Public Service (OPS) Directive.
- b. The Agency shall develop a process for responding to complaints about the quality of services provided by the Agency.
- c. The Agency's Annual Business Plan shall include performance measures and targets for service standards and the Agency's response to complaints.

## **14. Financial Arrangements**

### **14.1 GENERAL**

- a. The Agency shall be responsible for managing its own financial affairs.
- b. Pursuant to subsection 21(1) of the OILCA, the revenues and investments of the Agency do not form part of the Consolidated Revenue Fund and the revenues of the Agency must be applied to carry out its objects.
- c. The Agency may be funded out of the Consolidated Revenue Fund pursuant to an appropriation authorized by the Legislative Assembly as an annual allocation from the Ministry.

- d. Financial policies and procedures of the Agency must be in accordance with TB/MBC and FAA directives and guidelines and other Applicable Government Directives.
- e. The Agency shall collect revenue, in the form of fees, to address the Agency's costs to provide advice and services related to each of the Agency's business lines, including the realty program, infrastructure projects, loan program, and other projects. The fee structure for each business line shall reflect the Agency's costs that are attributed to the business line.
- f. The Agency is authorized to participate in the Government's Travel Card and P-Card program, and Motor Fleet Services coordinated through Ontario Shared Services.
- g. Before entering into any financial arrangement that could increase the Province's direct or indirect indebtedness or contingent liabilities, in accordance with section 28 of the FAA the Agency shall request that:
  - i. the Minister seek approval from the MOF or the President of TBS, appropriate, or his/her delegate, for any agreements where the Agency signs as a Crown agent or delegate of the Minister; or
  - ii. the Sponsoring Minister seek approval from the MOF, or the President of TBS as appropriate, or his/her delegate, for any agreements where the Agency signs as delegate of the Sponsoring Minister.
- h. Recovered costs and revenues received from GREP from third parties, if any, are paid as received to the Consolidated Revenue Fund.

## **14.2 TREASURY, CREDIT AND CASH MANAGEMENT**

The Agency may obtain services from the Ontario Financing Authority for its borrowing program.

## **14.3 FINANCIAL REPORTS**

- a. The Chair, on behalf of the Board, shall provide to the Minister audited annual financial statements, with segmented disclosure by business line, and shall include them as part of the Agency's Annual Report. The statements shall be provided in a format that is in accordance with Canadian generally accepted accounting principles for governments as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada (Canadian public sector accounting standards).
- b. The Agency shall submit its salary information to the MOF and/or the President of the TB, through the Ministry, in accordance with the *Public Sector Salary Disclosure Act, 1996*.
- c. GREP is consolidated on the books of the Ministry and, as a result, the Agency shall provide to the Ministry the required GREP financial information for consolidation into the Ministry's accounts based on instruction from the Ministry and MOF.

- d. The Agency shall provide to the Ministry the audited annual financial statements for GREP with an audit report addressed to the Minister. The financial statements shall be prepared in accordance with Canadian generally accepted accounting principles for governments as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada (Canadian public sector accounting standards).
- e. The Agency is consolidated on the books of the Province and, as a result, the Agency shall provide to the Ministry the required Agency financial information for consolidation into the public accounts based on instruction from the Ministry and MOF.
- f. The Agency shall provide any additional financial information to the Ministry, upon request.

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

The Agency receives a rebate of the Harmonized Sales Tax. The Agency should consult MOF publications for any changes in tax treatment or procedures for the Agency

### **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 TBS.
- b. The Ontario Internal Audit Division may also carry out an internal audit, if approved to do so by the Ministry's Audit Committee or by the Corporate Audit Committee.
- c. Regardless of any previous or annual external audit, the Minister may direct that the Agency be audited at any time.
- d. The Agency shall promptly provide a copy of every report from an audit to the Minister. The Agency shall also provide a copy of its response to the audit report and any recommendations therein. The Agency shall advise the Minister annually on any outstanding audit recommendations.
- e. The Chair, on behalf of the Board of Directors, may request an external audit of the financial transactions or management controls of the Agency, at the Agency's expense.
- f. The accounts of the Agency shall be audited annually by an auditor (or auditors) appointed by the Board. Pursuant to subsection 22(1) of the OILCA, the Board shall appoint an auditor licensed under the *Public Accounting Act, 2004* to audit the accounts and financial transactions of the Agency annually. Audited financial statements shall be included in the Agency's Annual Report.

- g. On behalf of the Minister, the Board shall appoint an auditor licensed under the *Public Accounting Act, 2004* to audit the accounts and financial transactions of the Ministry portfolio (GREP). The audited annual financial statements shall be provided to the Ministry with an audit report addressed to the Minister.

## **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, policies, and/or operations 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 shall be conducted at least once every seven years. The date of the next review shall be no later than 2023.
- d. The Minister shall consult the Chair, on behalf of the Board, as appropriate during any such review.
- e. The Chair, the Board and the CEO shall 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 and Appointments**

### **16.1 STAFFING REQUIREMENTS**

- a. The Agency may employ or otherwise engage persons it considers necessary for the proper conduct of business of the Agency.
- b. The Agency employees are employed in accordance with section 20 of the OILCA.

### **16.2 APPOINTMENTS**

- a. The Chair is appointed by the Lieutenant Governor in Council pursuant to subsection 9(4) of the OILCA.
- c. The maximum number of Board directors is thirteen, and the minimum is five, as set out in subsection 9(1) of the OILCA.
- d. The members of the Board of the Agency are appointed by the Lieutenant Governor in Council on the recommendation of the Minister pursuant to subsection 9(1) of the OILCA.

The appointments of Board directors, pursuant to subsection 9(2) of the OILCA, are for a term not exceeding three years and for successive terms not exceeding three years each.

### **16.3 REMUNERATION**

- a. Remuneration for Board members is set by the Lieutenant Governor in Council.
- b. As set out in the Order in Council 1696/2005 Board members are each remunerated at a per diem rate of \$500.00 per day and the sum of \$5,000.00 per year.
- c. As set out in the Order in Council 447/2009, the Chair is remunerated at a per diem rate of \$500.00 per day and the sum of \$10,000.00 per year.
- d. Travel expenses of board members must comply with the *Travel, Meal and Hospitality Expenses Directives*. Reasonable expenses 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 deal with in an appropriate manner.

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

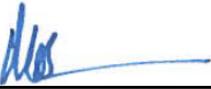
The Agency shall maintain directors' and officers' errors and omissions insurance and any other insurance requirements deemed appropriate by the Board.

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

- 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, TB/MBC.
- c. Upon a change in the Minister or Chair, both parties must affirm by letter that this MOU shall 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 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, TB/MBC 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.

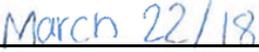
- f. If either of the parties deems it expedient to amend this MOU, they may do so only in writing. Any amendment shall only be effective after approval by the parties.
- g. A full review and replacement of this MOU shall be conducted immediately in the event of a significant change to the Agency's mandate, powers or governance structure as a result of an amendment to the OILCA.
- h. At a minimum, this MOU shall be reviewed at least once every five years to ensure it is current and consistent with government expectations.

## 19. Signatures

  
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Agency Chair, for and on behalf of  
the Board of Directors  
AND LANDS CORPORATION

  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
MINISTER OF INFRASTRUCTURE

  
\_\_\_\_\_  
Date

## Appendix 1: Summary of Agency Reporting Requirements

<b>DUE DATE</b>	<b>REPORT / DOCUMENT</b>	<b>NAMES OF RESPONSIBLE OFFICIALS</b>
N/A – varies.	The Agency will prepare estimates of its expenditures for inclusion in the Ministry's business plan (known as PRRT).	CEO or delegate
Submitted annually within agreed upon timelines.	Agency Annual Business Plan <ul style="list-style-type: none"> <li>a. Prepares</li> <li>b. Approves</li> <li>c. Provides to Minister</li> </ul>	<ul style="list-style-type: none"> <li>a. EVP, General Counsel &amp; Corporate Secretary</li> <li>b. Board or delegate</li> <li>c. Chair</li> </ul>
Completed at least once every 7 years	Agency Mandate Review	Minister
Submitted annually in accordance with section 18 of the OILCA	Annual Report <ul style="list-style-type: none"> <li>a. Prepares</li> <li>b. Approves</li> <li>c. Provides to Minister</li> </ul>	<ul style="list-style-type: none"> <li>a. CFO</li> <li>b. Board</li> <li>c. Chair</li> </ul>
Quarterly	Audit Reports	Board Audit Committee
Annually	Audited Financial Statements for the Agency	Board
Annually	Audited Financial Statements for GREP	Audit Committee of the Board reviews
Quarterly	Interim Financial Statements for the Agency	Board
Quarterly	Interim Financial Statements for GREP	Audit Committee of the Board reviews
Quarterly	Enterprise Risk Management Dashboard	Audit Committee of the Board reviews

<b>DUE DATE</b>	<b>REPORT / DOCUMENT</b>	<b>NAMES OF RESPONSIBLE OFFICIALS</b>
Reviewed at least once every 5 years or when new Chair/Minister is appointed	Memorandum of Understanding	Chair
Annually	Compliance Attestation	Chair/CEO
Annually	Annual report on the state of the real estate portfolio	Divisional President, Real Estate & Lending

## Appendix 2: Applicable Government of Ontario Directives

1. The following TB/MBC and government directives, guidelines and policies apply to the Agency:
  - Agencies & Appointments Directive
  - Accountability Directive
  - Advertising Content Directive
  - Cash Management Directive
  - Communications in French Directive
  - Disclosure of Wrong Doing Directive
  - Government Publications Directive
  - Indemnification Directive
  - Internal Audit Directive
  - Major Public Infrastructure Projects Directive
  - Managing, Distributing and Pricing Government Information Directive
  - Non-Tax Revenue Directive (only applicable to administration of GREP)
  - Open Data Directive
  - Perquisites Directive
  - Procurement Directive, as it applies in part
  - Procurement Directive on Advertising, Public and Media Relations and Creative Communications Services
  - Realty Directive
  - Travel, Meal and Hospitality Expenses Directive
  - Visual Identity Directive
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 shall inform the agency of amendments or additions to directives, policies and guidelines that apply to the agency.