

July 25, 2017

MEMORANDUM OF UNDERSTANDING

Memorandum of Understanding

Between

Minister of Finance

and

Chair of the Ontario Financing Authority (OFA)

Approved by the OFA Board of Directors: June 16, 2017

Signed:

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1. Purpose

- a. The purpose of this Memorandum of Understanding (“MOU”) is to:
 - Establish the accountability relationships between the Minister of Finance and the Chair of the Ontario Financing Authority (“OFA”) on behalf of the OFA.
 - Clarify the roles and responsibilities of the Minister, the Chair, the Deputy Minister, the OFA CEO, and the OFA Board of Directors.
 - Clarify the operational, administrative, financial, staffing, auditing and reporting arrangements between the OFA and the Ministry of Finance.
- b. This MOU should be read together with CIPA. This MOU does not affect, modify or limit the powers of the OFA as set out in CIPA, 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 approved by Management Board of Cabinet on June 14, 2012, and executed by the parties on August 1, 2012.

2. Definitions

In this MOU:

- a. “AAD” means the TB/MBC Agencies & Appointments Directive;
- b. “Agency” means the OFA;
- c. “Annual Business Plan” means the annual business plan described under 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, standards and guidelines that apply to the OFA, as may be amended or replaced from time to time, which are listed in Appendix 2 to this MOU;
- f. “Appointee” means a member of the Board appointed to the OFA by the LGIC, but does not mean an individual employed/appointed by the OFA solely as staff;
- g. “Board” means the Board of Directors of the OFA;
- h. “CEO” means the Chief Executive Officer of the OFA;

- i. “Chair” means the Chair of the Board;
- j. “CIPA” means the *Capital Investment Plan Act, 1993*, S.O. 1993, c. 23, the act that established and governs the OFA;
- k. “Deputy Minister” means the Deputy Minister of Finance;
- l. “Executive Council Act” means the *Executive Council Act*, R.S.O. 1990, c. E. 25, as amended;
- m. “FAA” means the *Financial Administration Act*, R.S.O. 1990, c. F.12, as amended;
- n. “FIPPA” means the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. F. 31, as amended;
- o. “Fiscal year” means the period from April 1 to March 31 of the following year;
- p. “Government” means the Government of Ontario;
- q. “LGIC” means Lieutenant Governor in Council;
- r. “MBC” means Management Board of Cabinet;
- s. “Minister” means Minister of Finance 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;
- t. “Ministry” means Ministry of Finance;
- u. “MOU” means this memorandum of understanding signed by the Minister and the Chair;
- v. “OEFC” means the Ontario Electricity Financial Corporation;
- w. “OFA” means the Ontario Financing Authority;
- x. “Other Acts” mean the FAA, FIPPA, the *Electricity Act, 1998*, S.O. 1998, c. 15, Sched. A, as amended, the *Province of Ontario Savings Office Privatization Act, 2002*, S.O. 2002, c. 8. Sched. H, as amended, and the PSOA;
- y. “President of Treasury Board” means the President of Treasury Board or such other person who may be designated from time to time under the Executive Council Act;
- z. “Province” means the Province of Ontario;
- aa. “PSC” means the Public Service Commission;

bb. “PSOA” means the *Public Service of Ontario Act*, 2006, S.O. 2006, c. 35, Sched. A, as amended;

cc. “TB” means the Treasury Board;

dd. “TB/MBC” means the Treasury Board/Management Board of Cabinet; and,

ee. “Treasury Operations Services” means financial services respecting the management of financial assets and liabilities of the Province or of a Provincial public entity including ancillary advisory and information services, whether or not delivered by a financial institution. Treasury Operations Services do not include consulting services. For greater certainty, ‘Treasury Operations Services’ includes all services acquired in connection with Provincial borrowing, debt management, risk management, cash management, banking and investment activities in the fulfillment of the mandate of the Minister and OFA under the FAA and CIPA, and similar services acquired by the OFA for any public body in the fulfillment of the OFA’s mandate.

3. OFA’s Legal Authority and Mandate

a. The legal authority of the OFA is set out in CIPA.

b. The OFA and its staff also exercise powers and authority under the Other Acts.

c. The mandate of the OFA is to:

- Conduct borrowing and investment for the Province of Ontario and manage the Provincial debt;
- Provide financial services for the Province;
- Advise ministries, Crown agencies, and other public bodies (including the OEFC) on financial matters;
- Assist Crown agencies and other public bodies to borrow and invest money through external sources or through loans from the Province or the OFA; and,
- Provide such other financial services as are considered advantageous to the Province or any public body.

d. The LGIC may formulate policies for the OFA and the Minister may issue directives to it on matters relating to the exercise of its powers and duties under CIPA. The Board must ensure that such policies and directives are implemented promptly and efficiently.

4. Agency Type and Public Body Status

a. The OFA is a board governed provincial agency under the AAD. Specifically, it is an Operational Enterprise agency.

- b. The OFA is prescribed as both a public body and a commission public body under Ontario Regulation 146/10 for the purposes of the PSOA. It is not organizationally part of the Ministry, but it is considered to be within the Government.

5. Crown Agent Status and Corporate Status

- a. The OFA is a Crown agency within the meaning of the *Crown Agency Act*, R.S.O. 1990, c. C.48, as amended.
- b. The OFA is a corporation without share capital.
- c. The OFA has the capacity, rights, powers and privileges of a natural person, subject to the limitations placed upon it under CIPA and limitations imposed by TB/MBC. The following limitations on the OFA's capacity and powers are contained in CIPA:
 - Certain financial powers can be exercised only pursuant to a by-law approved by the Minister of Finance.
 - The OFA may not dispose of all or substantially all its assets; the OFA requires the agreement of the Minister in order to dispose of a part of its business if the disposition will have the effect of replacing employees to whom Part III of the PSOA applies with employees to whom it is not applicable or terminating the application of Part III of PSOA to those employees.
- d. Sections 132 and 136 of the *Business Corporations Act*, R.S.O. 1990, c. C. 38, apply to the OFA.
- e. Pursuant to CIPA, neither the *Corporations Act*, R.S.O. 1990, c. C.38, nor the *Corporations Information Act*, R.S.O. 1990, c. C.39, apply to the OFA.

6. Guiding Principles

The parties agree to the following principles:

- a. The Minister recognizes that the OFA is a statutory entity which exercises powers and performs duties in accordance with its mandate under CIPA.
- b. The Minister recognizes that the OFA plays a meaningful role in the development of the policies and programs of the Government, as well as in the implementation of those policies and delivery of programs.
- c. The Board acknowledges that it is accountable to the Minister, through the Chair, for governance and oversight of the OFA.
- d. 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 OFA.

- e. As an agency of the Government, the OFA conducts itself in accordance with sound business practices and according to the management principles of the Government. These principles include ethical behaviour; prudent, effective and lawful use of public resources; fairness; high quality service to the public; and openness and transparency to the extent allowed under 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. The OFA and the Ministry agree to avoid duplication of services wherever possible.
- h. The OFA and the Ministry will work together in a mutually respectful manner.

7. Accountability Relationships

7.1 Minister

The Minister is accountable:

- a. To Cabinet and the Legislative Assembly for the OFA's fulfilment of its mandate and its compliance with Government policies, and for reporting and responding to the Legislative Assembly on the affairs of the OFA;
- b. For reporting and responding to TB/MBC on the OFA's performance and compliance with Government's applicable directives and operational policies;
- c. To Cabinet for the performance of the OFA and its compliance with the Government's operational policies and broad policy directions;
- d. For receiving and ensuring that the Annual Report is made available to the public within 30 days of tabling it in the Legislative Assembly; and,
- e. For approving and tabling the Annual Report within 60 days of its receipt from the OFA.

7.2 Chair

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

- a. To the Minister for the performance of the OFA in fulfilling its mandate, and for carrying out the roles and responsibilities assigned to the Chair by CIPA, this MOU, and Applicable Government Directives;
- b. For reporting to the Minister, as requested, on the OFA'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 OFA; and,
- d. To the Board for carrying out such duties of the Chair as assigned by the Board.

7.3 Board of Directors

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

7.4 Deputy Minister

- a. The Deputy Minister is accountable to the Secretary of the Cabinet and the Minister for the performance of the Ministry in providing administrative and organizational support to the OFA and for carrying out the roles and responsibilities assigned by the Minister, CIPA, this MOU, and Applicable Government Directives.
- b. The Deputy Minister is accountable for providing assurance to TB/MBC on the OFA's compliance with the mandatory requirements of Applicable Government Directives.
- c. Pursuant to CIPA, the Chair is the Deputy Minister of Finance. Pursuant to subsections 44(4),(5), (9) and (10) of the PSOA, the PSC has delegated powers, duties and functions in relation to human resources management, including the power to dismiss a public servant, to the Deputy Minister. The PSC delegation document is set out in Appendix 5 of this MOU. The Deputy Minister is accountable for exercising this delegated authority in compliance with any relevant legislation, directives or policies in accordance with the mandate of the OFA, and within the parameters of the delegated authority.

7.5 Chief Executive Officer

Under CIPA, the CEO may be a public servant under Part III of the PSOA and/or, appointed by the LGIC. Currently the CEO is employed under Part III of the PSOA and is not appointed by an Order in Council.

- a. The CEO is accountable to the Board for the management and administration of the OFA, the supervision of OFA staff, and carrying out the roles and responsibilities assigned by the Board, CIPA, this MOU, and Applicable Government Directives. The CEO works under the direction of the Chair and the Board to implement policy and operational decisions. The CEO reports the agency's performance results to the Board, through the Chair.
- b. Pursuant to subsections 44(4),(9) and (10), and clause 55(1)(c) of the PSOA, the PSC has delegated powers, duties and functions in relation to human resources management of the OFA to the CEO, who is prescribed for this purpose under the PSOA Regulation 148/10. The PSC delegation document is set out in Appendix 5 of this MOU. The CEO is accountable for exercising this delegated authority in compliance with any relevant legislation, directives or policies in accordance with the mandate of the OFA, and within the parameters of the delegated authority.
- c. The OFA's employees are accountable to the CEO for their performance. The CEO supervises the performance of OFA employees in their responsibilities for the OFA, the Province, and other public bodies, including OEFC.

8. Ethical Framework

- a. The OFA has not developed its own conflict of interest rules. As such, the OFA is required to follow the conflict of interest rules for ministries that are set out in Ontario Regulation 381/07 under the PSOA.
- b. Pursuant to the PSOA (section 58.4), Ontario Regulation 381/07 applies to the OFA, with necessary modifications. To ensure compliance with Ontario Regulation 381/07 as it applies to the OFA, the OFA is required to identify senior positions in the OFA that are "designated senior positions" for the purposes of Ontario Regulation 381/07 as it applies to the OFA. These positions are identified in Appendix 6 of this MOU.
- c. The CEO, as the ethics executive for public servants who are employees of the OFA, is responsible for ensuring that staff of the OFA are informed of the ethical rules to which they are subject, including the rules on confidentiality, conflict of interest, political activity and protected disclosure of wrongdoing that apply to the OFA.
- d. Appointees are subject to the conflict of interest provisions of the AAD and the conflict of interest provisions of the PSOA and its regulations.
- e. Appointees shall not use any information gained as a result of their appointment to or membership on the Board for personal gain or benefit. An Appointee 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.

- f. The Chair, as ethics executive for public servants who are Appointees, is responsible for ensuring that Appointees of the OFA are informed of the ethical rules to which they are subject, including the rules on conflict of interest, confidentiality, political activity and protected disclosure of wrongdoing that apply to the OFA.

9. Roles and Responsibilities

9.1 Minister

The Minister is responsible for:

- a. Reporting and responding to the Legislative Assembly on the affairs of the OFA;
- b. Reporting and responding to TB/MBC on the OFA's performance, compliance with applicable TB/MBC directives, the Government's operational policies and policy directions;
- c. Where required, recommending to TB/MBC: the merger, any change to the OFA's mandate, or dissolution of the OFA;
- d. Recommending to TB/MBC the powers to be given to, or revoked from, the OFA when a change to the mandate of the OFA is being proposed;
- e. Determining at any time the need for a review or audit of the OFA, directing the Chair to undertake reviews of the OFA on a periodic basis, and recommending to TB/MBC any changes to the governance or administration of the OFA resulting from any such review or audit;
- f. When appropriate or necessary, taking action or directing that the OFA take corrective action with respect to the OFA's administration or operations;
- g. Receiving, reviewing and approving, within 60 days of receiving it from the OFA, the Annual Report and ensuring that the Annual Report is tabled in the Legislative Assembly and made available to the public within 30 days after tabling it in the Legislative Assembly;
- h. Informing the Chair of the Government's priorities and broad policy directions for the OFA;
- i. Meeting with the Chair to discuss issues relating to the fulfilment of the OFA's mandate;

- j. Working with the Chair to develop appropriate measures and mechanisms related to the performance of the OFA;
- k. Consulting, as appropriate, with the Chair (and others) on significant new directions or when the Government is considering regulatory or legislative changes for the OFA;
- l. Developing the OFA's MOU with the Chair and signing it, as well as any amendments to it, into effect after it has been signed by the Chair;
- m. Reviewing and approving the Annual Business Plan and promptly advising the Chair whether or not he/she concurs with the directions proposed by the OFA. The Minister may advise the Chair where and in what manner the OFA's plans vary from Government or Ministry policy or priorities as may be required, and the OFA will revise its plan accordingly;
- n. Recommending to TB/MBC any provincial funding to be allocated to the OFA;
- o. Outlining the high-level expectations, key commitments and performance priorities for the OFA at the beginning of the annual business planning cycle through the Agency mandate letter;
- p. Reviewing the advice or recommendation of the Board, through the Chair, on candidates for appointment or re-appointment to the Board;
- q. Moving recommendations forward through the Premier, to Cabinet and the LGIC for appointments and reappointments to the Board, pursuant to the process for agency appointments established by legislation and/or by MBC through the AAD;
- r. Pursuant to CIPA, approving by-laws, as required, for the exercise of certain financial powers by the OFA;
- s. Issuing directives to the OFA on matters relating to the exercise of the OFA's powers and duties under CIPA; and,
- t. Approving agency by-laws and strategic directions, where applicable.

9.2 Role of the Chair

The Deputy Minister is required by CIPA to be the Chair of the OFA. There may be instances where this individual must provide advice to either the Board or the Minister, where advice to one of these parties might conflict with advice provided to the other party. The Chair will ensure that the possibility of such conflict of interest is understood by both parties.

The Chair is responsible for:

- a. Providing leadership to the OFA by working with the Board to set the goals, objectives and strategic directions within its mandate and to ensure the implementation of actions that support them;
- b. Providing leadership to the Board, monitoring the Board's performance, and ensuring that the Board carries out its responsibilities for decisions regarding the OFA;
- c. Chairing Board meetings, including the management of the Board's agenda;
- d. Seeking strategic policy direction for the OFA from the Minister;
- e. Ensuring timely communications with the Minister regarding any issues or events involving the OFA, including decisions or opinions of the Board, that may concern, or can reasonably be expected to concern the Minister in the exercise of his/her responsibilities relating to the OFA;
- 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 OFA's mandate, powers or responsibilities as set out in CIPA;
- g. Monitoring the performance of the OFA;
- h. Reporting to the Minister as requested on the OFA's activities within agreed upon timelines, including an annual letter confirming the OFA's compliance with all applicable legislation, directives, and accounting and financial policies;
- i. Ensuring that the OFA 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 OFA's MOU with the Minister and signing it on behalf of the Board;
- k. Submitting the OFA's Annual Business Plan, multi-year income and expenditure forecast, Annual Report and financial reports, on behalf of the Board, to the Minister for approval in accordance with the timelines specified in the Applicable Government Directives, and Appendix 2 of this MOU;
- l. Providing the Minister and President of Treasury Board with a copy of every audit report issued by the Auditor General of Ontario, a copy of the OFA's response to each such report, and any recommendations in the report;
- m. Advising the Minister annually on any outstanding audit recommendations issued by the Auditor General of Ontario, per the direction of the Board;

- n. Sharing reports and outstanding issues from internal audit engagements undertaken at the request of the OFA Board and with the approval of the OFA's Audit and Risk Management Committee with the Minister upon request;
- o. Ensuring that Appointees are informed of their responsibilities under the PSOA with regard to the rules of ethical conduct (Part IV of the PSOA), including the political activity rules (Part V of the PSOA);
- p. Ensuring appropriate management systems are in place (financial, information technology, human resource) for the effective administration of the OFA;
- q. Ensuring the OFA's compliance with legislative and TB/MBC policy obligations;
- r. Carrying out effective public communications and relations for the OFA as its chief spokesperson;
- s. Cooperating with any review or audit of the OFA directed by the Minister or TB/MBC;
- t. Fulfilling the role of ethics executive for public servants who are Appointees, promoting ethical conduct and ensuring that all Appointees are familiar with the ethical requirements of the PSOA, and the regulations and the directives made under that act, including in respect of conflict of interest, confidentiality, political activity and the protected disclosure of wrongdoing;
- u. Keeping the Minister informed of upcoming appointment vacancies and provide recommendations for appointments or re-appointments;
- v. Reviewing and approving claims for per diems, and expenses for Appointees to the Board for the purposes of the *Public Sector Expenses Review Act, 2009*, S.O. 2009. c. 20, as amended, provided that the Chair may delegate the review and approval of per diem payments¹;
- w. Evaluating the performance of the CEO in consultation with the Board and pursuant to performance criteria established by the Board, including the Chair;
- x. Providing to the Minister the annual Financing, Debt and Electricity Management Plans for the Province and OEFC as prepared by OFA staff and approved by the Board;
- y. Recommending to the Minister proposals affecting the OFA's mandate, management, operations, and funding; and,
- z. Ensuring that a system is in place for the creation, collection, maintenance, and disposal of records; and that the OFA complies with applicable TB/MBC records

¹ The Chair has delegated the review and approval of per diem payments to the Secretary of the OFA.

management directives; and the *Archives and Recordkeeping Act, 2006*, S.O. 2006, c. 34, Sched. A.

9.3 Board of Directors

It is acknowledged that the OFA is an agent of the Crown and that it is intended to implement government policy. Accordingly, the role of the Board is not to formulate government policy. It is primarily to supervise the management of the OFA, including implementation of government policy by it and to provide advice concerning the OFA to OFA management through the CEO and the Chair, and to the Minister through the Chair. The Board does not select, hire or dismiss the Chair or the CEO or other officers, however, should the Province engage in a recruitment or selection process for the OFA CEO under Part III of the PSOA, the Board would expect to be consulted as part of that process.

It is acknowledged that in order to fulfill its capital markets mandate of conducting the Provincial borrowing; managing the debt and managing or supervising the investments of the Province and other crown entities, all within approved risk levels, the OFA must attract and retain highly qualified individuals with unique skills in the OPS (i.e. to plan, price, execute, measure, and monitor values and exposures of financial transactions and positions). Therefore, subject to the approval by the Minister of compensation ranges or any additional benefits, the Board, including the Chair, determines compensation and establishes policies relating to compensation, for prescribed classes of employees as provided under section 8 of CIPA.

9.3.1 Responsibilities

The Board is responsible for:

- a. Approving goals, objectives, and strategic directions for the OFA within its mandate as defined by CIPA, Government policies as appropriate, and this MOU;
- b. Supervising the management of the business and affairs of the OFA within its mandate as set out in CIPA, its approved Annual Business Plan, and the policy parameters established and communicated in writing by the Minister;
- c. Directing the development of, and approving the OFA's Annual Business Plan for submission to the Minister within the timelines established in the AAD;
- d. Directing the preparation of, and approving the OFA's Annual Report for submission to the Minister for tabling in the Legislative Assembly within the timelines established by CIPA or the AAD as applicable;
- e. Setting and reporting on the strategic direction for the OFA according to the Minister's agency mandate letter, the OFA's proposed Annual Business Plan, and the OFA's Annual Report;

- f. Making decisions consistent with the Annual Business Plan approved for the OFA, and ensuring that the OFA operates within its budget allocation;
- g. Ensuring that the OFA manages its affairs in compliance with applicable TB/MBC directives;
- h. Ensuring that the OFA uses public funds with integrity and honesty, and only for the business of the OFA based on the principle of value for money, and in compliance with applicable legislation and TB/MBC directives;
- i. Ensuring that the OFA is governed in an effective and efficient manner according to accepted business and financial practices, and in accordance with applicable TB/MBC directives;
- j. Establishing such board committees or oversight mechanisms as may be required to advise the Board on effective management, governance or accountability procedures for the OFA;
- k. Approving the MOU for the OFA, 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 OFA;
- l. Approving reports and reviews of the OFA that may be requested by the Chair or the Minister from time to time for submission to the Minister within agreed upon timelines;
- m. Directing the development of an appropriate risk management framework, including a risk management plan, as set out in the Annual Business Plan, and arranging for risk-based reviews and audits of the OFA as needed;
- n. Where applicable, ensuring that conflict of interest rules that the OFA is required to follow, as set out in Ontario Regulation 381/07 are in place for Appointees and employees of the OFA;
- o. Establishing performance measures, targets and management systems for monitoring and assessing the OFA's performance, as set out in the OFA's Annual Business Plan;
- p. Directing corrective action on the functioning or operations of the OFA, if needed;
- q. Cooperating with, and sharing as directed, any relevant information on any risk-based or periodic review directed by the Minister or TB/MBC;

- r. Providing advice to the Government, through the Minister, and providing advice to the Minister, through the Chair, on issues within or affecting the OFA's mandate and operations and seeking policy direction from the Government, through the Minister;
- s. Participating in the assessment of the performance of the CEO, and together with the Chair, approving, at least annually, performance criteria, including benchmarks, for compensation purposes, making final determinations of compensation within ranges approved by the Minister, and establishing policies and procedures relating to compensation and/or benefits, for prescribed classes of OFA employees under section 8 of CIPA;
- t. Passing by-laws or resolutions regulating OFA governance and Board policies;
- u. Recommending the establishment of guidelines, policies, and practices under which the agency operates, as appropriate; and,
- v. Ensuring that directives issued by the Minister to the OFA are implemented promptly and efficiently.

9.4 Deputy Minister

The Deputy Minister is responsible for:

- a. Advising and assisting the Minister regarding the Minister's responsibilities for the OFA, including informing the Minister of policy direction, policies and priorities of relevance to the OFA's mandate;
- b. Advising the Minister on the requirements of the AAD and other directives that apply to the OFA;
- c. Recommending to the Minister, as may be necessary, the evaluation or review, including a risk-based review, of the OFA or any of its programs, or changes to the management framework or operations of the OFA;
- d. Facilitating regular briefings and consultations between him/herself as the Chair and the Minister, and between Ministry staff and OFA staff as needed;
- e. Attesting to TB/MBC as required, to the OFA's compliance with the mandatory accountability requirements as set out in the AAD and other applicable TB/MBC directives, the Government's operational policies and policy directions based on the annual letter of compliance from the Chair to the Minister;
- f. Ensuring that the Ministry and the OFA have the capacity and systems in place for on-going risk-based management, including appropriate oversight of the OFA;

- g. Ensuring that the OFA has an appropriate risk management framework, including a risk management plan in place for managing risks that the OFA may encounter in meeting its program or service delivery objectives, as set out in the OFA's Annual Business Plan;
- h. Undertaking timely risk-based reviews of the OFA, its management or operations, as may be directed by the Minister or TB/MBC;
- i. Establishing a framework for reviewing and assessing the OFA's business plans and other reports;
- j. Supporting the Minister in reviewing the performance targets, measures and results of the OFA;
- k. Advising the Minister on documents submitted by the OFA 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 OFA as may be directed by the Minister;
- n. Cooperating with any review of the OFA as directed by the Minister or TB/MBC;
- o. Monitoring the OFA on behalf of the Minister while respecting the OFA'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;
- p. Negotiating a draft MOU, as well as any amendments to the MOU, as directed by the Minister;
- q. Consulting with the OFA's CEO, as needed, or as directed by the Minister, on matters of mutual importance including services provided by the Ministry and compliance with Applicable Government Directives;
- r. Arranging for administrative, financial and other support to the OFA as specified in this MOU;
- s. Informing the CEO, in writing, of new Government directives and any exceptions to or exemptions in whole or in part from TB/MBC directives or Ministry administrative policies; and,
- t. When required, submitting a report to the Secretary of TB/MBC on the wind-down of the OFA, including disposition of any assets, completion of any outstanding responsibilities by the OFA, and the termination of any appointments.

9.5 Chief Executive Officer

The CEO is responsible for:

- a. Managing the day-to-day financial, analytical, and administrative affairs of the OFA in accordance with the mandate of the OFA, Applicable Government Directives, accepted business and financial practices, including capital markets practices, and this MOU;
- b. Advising the Chair on the requirements of and compliance with the AAD, as well as other Applicable Government Directives, OFA by-laws and policies, including annually attesting to the Chair on the OFA's compliance with mandatory requirements of Applicable Government Directives in order to support the Chair in providing a letter to the Minister confirming such compliance;
- c. Applying policies and procedures so that public funds are used with integrity and honesty;
- d. Providing leadership and management to OFA staff, including human and financial resources management, in accordance with the approved Annual Business Plan, accepted business and financial practices and standards, CIPA, and Applicable Government Directives;
- e. Establishing and applying a financial management framework for the OFA in accordance with applicable Minister/TB controllership directives, policies and guidelines;
- f. Translating the goals, objectives and strategic directions of the Board into operational plans and activities in accordance with the OFA's approved Annual Business Plan;
- g. Ensuring that the OFA has the oversight capacity and an effective oversight framework in place for monitoring its management and operations;
- h. Keeping the Board, directly or through the Chair, informed with respect to implementation of policy and the operations of the OFA;
- i. Establishing and applying systems to ensure that the OFA operates within its approved Annual Business Plan;
- j. Establishing and applying the OFA's risk management framework and risk management plan, as set out in its Annual Business Plan;
- k. Supporting the Chair and Board in meeting their responsibilities, including compliance with all applicable legislation, directives, policies, procedures and guidelines;

- l. Carrying out in-year monitoring of the OFA's performance and reporting on results to the Board directly or through the Chair;
- m. Keeping the Ministry and the Chair advised on issues or events that may concern the Minister or the Deputy Minister/Chair in the exercise of their responsibilities;
- n. Seeking support and advice from the Ministry, as appropriate, on OFA management issues;
- o. Establishing a system for the retention of OFA documents and for making such documents publicly available when appropriate, for complying with FIPPA and the *Archives and Recordkeeping Act, 2006*, where applicable;
- p. Undertaking timely risk-based reviews of the OFA's management and operations;
- q. Consulting with the Chair/Deputy Minister as needed, on matters of mutual importance, including services provided by the Ministry, and on TB/MBC and Applicable Government Directives;
- r. Cooperating with any periodic review directed by the Minister or TB/MBC;
- s. Fulfilling the role of ethics executive for public servants, other than Appointees, who work in the OFA. Promoting ethical conduct and ensuring that all members of the OFA are familiar with the ethical requirements of the PSOA and the regulations and directives made under that act, including in respect of conflict of interest, political activity, and the protected disclosure of wrongdoing;
- t. Carrying out human resources management powers, duties and functions under the PSOA pursuant to the PSC delegation dated July 20, 2007 and attached as Appendix 5 to this MOU, and pursuant to policies and procedures established under section 8 of CIPA;
- u. Keeping the Board, directly or through the Chair, informed about operational matters;
- v. Preparing the OFA's Annual Report and Annual Business Plan, subject to any direction from the Board, and presenting them to the Board for approval and implementing the plan as approved;
- w. Preparing financial reports for review/approval by the Board;
- x. Implementing the performance review system mandated by MBC for OFA staff appointed under Part III of the PSOA, excluding designated classes under section 8 of CIPA, and implementing a performance review system for designated classes of employees under section 8 of CIPA as may be approved by the Board;

- y. Fulfilling the responsibilities of Deputy Head where Applicable Government Directives identify this role and do not otherwise define it; and,
- z. Ensuring that the legal, financial and other interests of the Government related to intellectual property are protected, where appropriate, in any contract that the OFA may enter into with a third party that involves the creation of intellectual property.

10. Reporting Requirements

10.1 Business Plan

- a. The Chair will ensure that the Minister is provided annually with the OFA's Annual Business Plan covering a minimum of three years from the current Fiscal year that 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. The Annual Business Plan is to be submitted to the Ministry's Chief Administrative Officer or designated equivalent no later than three months prior to the OFA's Fiscal year end.
- c. The Chair is responsible for ensuring that the 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 will be achieved, targeted results and timeframes.
- d. The Chair will ensure that the Annual Business Plan includes a risk assessment and risk management plan to assist the Ministry to develop its risk assessment and risk management plan information in accordance with the requirement of the AAD to assess risks, develop and maintain necessary records, and report to TB/MBC.
- e. The Chair will ensure that publicly posted Annual 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 OFA in the marketplace, and information that would otherwise pose a risk to the security of the facilities and/or operations of the OFA.
- f. The Minister will review the OFA's Annual Business Plan and will promptly advise the Chair whether or not he/she concurs with the directions proposed by the OFA. The Minister may advise the Chair where and in what manner the OFA's plans vary from government or Ministry policy or priorities as may be required, and the Chair, on behalf of the Board, will revise the OFA's plan accordingly. Annual Business Plans are only to be considered valid once the Minister has approved the plan in writing.

- g. In addition, the Minister or TB/MBC may also request the OFA's Annual Business Plan to be brought forward to TB/MBC for review, as required.
- h. The Chair, through the CEO, will ensure that its Minister-approved Annual Business Plan is made available to the public in an accessible format, in both official languages, on the OFA's website within 30 days of the Minister's approval of the plan.

10.2 Annual Reports

- a. The Chair is responsible for ensuring that the OFA's Annual Report is submitted to the Minister for approval and tabling in the Legislative Assembly. The Chair will submit the Annual Report to the Minister within 90 days after the OFA's Fiscal year end, as required by CIPA.
- b. The Chair is responsible for ensuring that the OFA's Annual Report fulfills the requirements of the AAD.
- c. 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 OFA in the marketplace, and information that would otherwise pose a risk to the security of the facilities and/or operations of the OFA.
- d. The Chair, through the CEO, will ensure that the Annual Report is publicly posted in an accessible format, in both official languages, on the OFA's website within 30 days of tabling in the legislature.
- e. The Minister will receive, review and approve the Annual Report and, pursuant to the requirements of the AAD, must table it in the Legislative Assembly within 60 days of receiving it from the OFA.

10.3 Other Reports

The Chair is responsible on behalf of the Board for:

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

- c. Signing and submitting to the Minister, annually, a letter confirming that the OFA is in substantial compliance with applicable legislation, directives, and accounting and financial policies.

11. Public Posting Requirements

- a. The OFA, 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 OFA's website within the specified timelines:
 - Memorandum of Understanding and any Letter of Affirmation – 30 days of signing by both parties;
 - Agency Mandate Letter – at same time as the Annual Business Plan;
 - Annual Business Plan – 30 days of Minister's approval; and,
 - Annual Report – 30 days of 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 OFA in the marketplace, and information that would otherwise pose a risk to the security of the facilities and/or operations of the OFA.
- c. The OFA, through the Chair on behalf of the Board, will ensure that the expense information for Appointees and designated senior management staff are posted on the OFA website, in accordance with the requirements of the MBC Travel, Meal and Hospitality Expenses Directive.
- d. The OFA, 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 OFA is essential for the Minister to meet his/her responsibilities for reporting and responding to the Legislative Assembly on the affairs of the OFA. The parties also recognize that it is essential for the Chair to be kept informed of the government initiatives and broad policy directions that may affect the OFA's mandate and functions.

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

- 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 his/her responsibilities;
- b. The Minister will consult with the Chair, as appropriate, on broad Government policy initiatives or legislation being considered by the Government that may impact on the OFA's mandate or functions, or which otherwise will have a significant impact on the OFA;
- c. The Minister and the Chair will consult with each other on public communications 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 OFA's mandate, management and operations and the Chair will report to the Minister regarding any issues or events involving the OFA, including decisions or opinions of the Board, that may concern, or can reasonably be expected to concern the Minister in the exercise of his/her responsibilities;
- e. The Deputy Minister and the CEO will meet as required to discuss issues relating to the delivery of the Board's mandate and the efficient operation of the OFA, including any issues relating to the provision of services by the Ministry to the OFA. The Deputy Minister and the CEO shall provide timely information and advice to each other concerning significant matters affecting the OFA's management or operations; and,
- f. The OFA and Ministry will adhere to the Public Communications Protocol in Appendix 3 of the MOU.

13. Administrative Arrangements

13.1 Applicable Government Directives

- a. The Chair, on behalf of the Board, is responsible for ensuring that the OFA operates in accordance with all Applicable Government Directives, as set out in Appendix 2 to this MOU.
- b. The Ministry will inform the OFA of amendments or additions to Applicable Government Directives.
- c. In addition to complying with the MBC Realty Directive, the OFA 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 OFA is provided with any updates to this policy.

d. It is acknowledged that:

The OFA must operate in the domestic and foreign capital markets in order to conduct the Province's Treasury Operations Services. This involves borrowing, debt management, risk management, accounting, reporting, hedging and investing billions of dollars on a continuous basis.

In order to transact effectively in the capital markets, large borrowers such as the Province must constantly compete for access to the market at the most advantageous times and on the best possible terms. This requires confidentiality, flexibility and speed. The OFA must be able to plan the Province's market strategy and individual transactions confidentially, so other market participants cannot take unfair advantage of the Province's position or capitalize on its opportunities. The OFA must also be able to change its plans at any time to adapt to volatile market conditions and to move immediately to take advantage of financial opportunities as they arise.

To avoid the risk of the Province defaulting in a payment or missing an opportunity to transact, the OFA must have specialized state of the art technology and trusted banks and fiscal agents for all relevant jurisdictions. In addition, when conducting the Province's Treasury Operations Services, the OFA must ensure compliance with the regulatory regimes and market standards in the different jurisdictions where the Province's bonds are issued. To effectively market the Province's debt and contain costs through hedging and other financial contracts, the OFA must also engage the services of the major credit rating agencies and it must use the data services and financial indices that are accepted by the market generally and by the counterparties to its transactions.

The procurement of financial services (such as Treasury Operations Services) is not covered by the applicable interprovincial trade agreements or the procurement chapter of the Comprehensive Economic and Trade Agreement ("CETA"). As such, when conducting procurements in connection with Treasury Operations Services, the OFA is not required to follow the OPS Procurement Directive and such procurements are conducted in accordance with the OFA's Board-approved Procurement Policy. The OFA has used since its inception, and will continue to use, efficient, ethical business practices for retaining such necessary services. Other Provincial borrowers, like their private sector counterparts, transact in accordance with market practices. The OFA's methods have traditionally served as a model by other provinces for their own capital markets programs.

Further, due to the nature of the capital markets, the OFA is not required to follow the MBC Contractor Security Screening Operating Policy when fulfilling its mandate of conducting Treasury Operations Services.

13.2 Administrative and Organizational Support Services

- a. The Deputy Minister is responsible for providing the OFA with the administrative and organizational support services listed in Appendix 4 to this MOU, and for negotiating with Ontario Shared Services concerning these services, as appropriate.
- b. Appendix 4 may be reviewed at any time at the request of either party.
- c. The Deputy Minister will ensure that the support or services provided to the OFA are of the same quality as those provided to the Ministry's own divisions and branches.
- d. Terms and conditions for specialized services provided by the Ministry are to be agreed upon between the OFA and the Ministry.
- e. The OFA is classified as a Board Governed Agency, in the AAD, and it is an Operational Enterprise in accordance with applicable policy and directives prescribed by MBC. As such, the OFA may:
 - Perform administrative and specialized functions through its own staff;
 - Obtain such services from external sources; and/or,
 - Obtain administrative and specialized services, such as legal, human resources, freedom of information and communications services, from the Ministry.

13.3 Freedom of Information and Protection of Privacy

- a. The Chair and the Minister acknowledge that the OFA 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 Minister is the institution head for the purposes of FIPPA.
- c. The Minister delegates powers and duties of the head of the OFA for the purposes of FIPPA to specific positions. OFA staff act in accordance with such delegations, as may be amended or superceded from time to time.

13.4 Creation, Collection, Maintenance and Disposition of Records

The Chair, on behalf of the Board, is responsible for:

- a. Ensuring that a system is in place for the creation, collection, maintenance, and disposal of records;
- b. Ensuring that the OFA complies with all Government legislation, directives and policies related to information and records management ;

- c. Ensuring measures are implemented requiring the OFA's employees to create full, accurate and reliable records that document and support significant business transactions, decisions, events, policies and programs; and,
- d. Ensuring that the OFA complies with the *Archives and Recordkeeping Act, 2006*.

The CEO, the Chair and the Board shall protect the legal, fiscal and other interests of the OFA by implementing reasonable measures to ensure the ongoing viability, integrity, preservation and security of all business records created, commissioned or acquired by the OFA. This includes, but is not limited to, all business records that are electronic records stored on the OFA's network, such as emails, information posted on the OFA's website and database data sets.

13.5 Service Standards

- a. The OFA shall establish customer service and quality standards, as applicable, that are consistent with the appropriate standards of the Government, the Ministry, and the Ontario Public Service.
- b. The OFA has in place a process for responding to complaints or inquiries about the quality of services received by members of the public that reflects the Government's service quality standards.
- c. The OFA shall comply with the *Accessibility for Ontarians with Disabilities Act, 2005*, S.O. 2005, c. 11, as amended.

13.6 Intellectual Property

The CEO is responsible for ensuring that the legal, financial and other interests of the Government related to intellectual property are protected, where appropriate, in any contract that the OFA may enter into with a third party that involves the creation of intellectual property.

13.7 Information Technology

The OFA has a minimal dependence on OPS IT Infrastructure, with the exception of its telephony system. The OFA requires an independent, secure and highly available technology infrastructure to support the Government's high volume and high value transactions, often valued in the hundreds of millions of dollars per day. A majority of these transactions are time sensitive and require efficient and accurate resolution within a timeframe of hours, or even minutes. Any failure of any type, and of any size, can deleteriously impact the Province's treasury program obligations that could result in penalty interest payments, or even an event of default on debt obligations, potentially resulting in a downgrade of the Province's credit rating and a material increase in its cost of borrowing. The speed at which financial markets move calls for an agile support infrastructure independent of the rigid management structure typical of large, complex,

multi-stakeholder organizations that leverage shared infrastructure and services. Any obstacles impeding the OFA's ability to quickly adapt to rapidly changing conditions in the financial marketplace has the potential for materially increased cost. Being unencumbered by the Province's centrally managed IT services allows the OFA to implement many market leading technology solutions that support security and reliability in a timely fashion. The OFA's Business Continuity Plan, consisting of a fully functioning virtual environment, is critical to supporting its ongoing operations, and is entirely possible because of the OFA's ability to control and manage its IT infrastructure in the aforementioned circumstance. For greater certainty, the MBC Management and Use of Information and Information Technology (I&IT) Directive does not apply to the OFA.

14. Financial Arrangements

14.1 Funding

- a. The OFA maintains a bank account in its own name and manages its financial activities in accordance with its own policies.
- b. The OFA is primarily funded by the Government, from the Consolidated Revenue Fund and its costs are allocated to the treasury program.
- c. The OFA provides financing to various public bodies based on direction from the Province. Principal repayments received from public bodies by the OFA are forwarded to the Province. The interest rates charged to public bodies will generally be slightly higher than the rate charged on the advances from the Province to fund the loans ("the spread"). The OFA will retain the spread in order to recover the administrative costs of managing the loans.
- d. Based on the OFA's powers of a natural person under CIPA, the OFA may charge fees, commissions or other amounts for financial services provided by it. The OFA may deposit any revenue or other funds received in its own bank accounts. The OFA may borrow and invest on its own account pursuant to a by-law approved by the Minister. The OFA may make banking and other arrangements with the Minister of Finance or any public body and with financial institutions in order to manage monies effectively.
- e. The CEO will prepare estimates of the OFA's expenditures for its Annual Business Plan, and for inclusion in the Ministry's Program Review, Renewal and Transformation. The Chair will deliver these estimates to the Minister in sufficient time to be analyzed and approved by the Minister.
- f. The estimates provided by the OFA may, after appropriate consultation with the Chair, be altered as required.
- g. Financial procedures of the OFA must be in accordance with Applicable Government Directives, as set out in Appendix 2 to this MOU.

- h. When ordered to do so by the Minister and/or the President of Treasury Board, pursuant to section 16.4 of the FAA or section 17(1) of CIPA, the OFA will pay into the Consolidated Revenue Fund any money that the Minister and/or the President of Treasury Board determines is surplus to its requirements.
- i. Pursuant to section 28 of the FAA, the OFA will 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 without the written approval of the Minister.
- j. The OFA'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 OFA will be provided with notice of changes to its allocation as soon as is reasonably possible. Where the OFA must reallocate resources as a result of its operating and/or capital allocations being adjusted, the OFA shall inform and discuss this with the Ministry before making such changes.
- k. The CEO shall be responsible for providing the Ministry with the necessary documentation to support the OFA's expenditures.

14.2 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 OFA'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 Chair will provide, on instruction from the Minister, the OFA's financial information for consolidation into the Public Accounts.
- c. The OFA will submit to the Ministry quarterly expenditure budget – variance reports (quarterly budget to actual variance expense reports).
- d. The OFA will submit to the Ministry and/or the President of Treasury Board, or the Ministry will obtain directly, the OFA's salary information as required in accordance with the *Public Sector Salary Disclosure Act, 1996*, S.O. 1996, c. 1. Sched. A.

14.3 Taxation Status: Harmonized Sales Tax

The OFA is responsible for paying Harmonized Sales Tax ("HST"), where applicable, in accordance with the Federal *Excise Tax Act*, R.S.C., 1985, c. E-15. The OFA recovers HST paid to suppliers through a centrally administered account maintained by the Office of the Provincial Controller Division.

15. Audit and Review Arrangements

15.1 Audits

- a. Pursuant to section 13 of CIPA, the Auditor General of Ontario (“Auditor General”) is the auditor of the OFA. The Auditor General conducts an annual audit of the year-end financial statements and reports the findings to the Board.
- b. The OFA is subject to periodic review and value-for-money audit by the Auditor General of Ontario under the *Auditor General Act*, R.S.O. 1990, c. A. 35, or by the Ontario Internal Audit Division of Treasury Board Secretariat (“Ontario Internal Audit Division”).
- c. 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.
- d. Regardless of any previous or annual external audit, the Minister may direct that the OFA be audited at any time.
- e. The OFA will promptly provide a copy of the report from an audit directed by the Minister, to the Minister and to the Audit and Risk Management Committee of the Board (“ARMC”). The OFA will also provide a copy of its response to the audit report and any recommendations therein. The OFA will advise the Minister annually on any of the audit recommendations that remain outstanding.
- f. The Chair, on behalf of the Board, may request an external audit of the financial transactions or management controls of the OFA at the OFA’s expense.
- g. The Board on the recommendation of ARMC, will authorize and direct internal audits to be conducted in respect of the OFA by the Ontario Internal Audit Division pursuant to an annual Audit and Consulting Plan (“Audit Plan”) approved by the Board on the recommendation of the ARMC. The Ontario Internal Audit Division will be available to the OFA in accordance with the Audit Plan.
- h. The Board may authorize or direct the OFA to retain additional auditors as it deems necessary.

16. Staffing and Appointments

16.1 Staffing

- a. The OFA is staffed by persons employed under Part III of the PSOA.
- b. The OFA, in its dealings with staff employed under Part III of the PSOA, is subject to MBC human resource directives and PSC directives under the PSOA and policies

and procedures established under section 8 of CIPA in relation to prescribed classes of employees.

- c. Pursuant to subsections 44(4),(5), (9) and (10) of the PSOA, the PSC has delegated powers, duties and functions in relation to human resources management to the Deputy Minister. The PSC delegation document is set out in Appendix 5 of this MOU.

16.2 Appointments

- a. The Board shall be composed of the Chair and at least four and not more than twelve other members, as set out in CIPA.
- b. Pursuant to section 5(3) of CIPA, the Deputy Minister is, by virtue of office, the Chair of the Board.
- c. The other members of the Board, including the vice-chair(s), are appointed by the LGIC on the recommendation of the Premier pursuant to section 5(2) of CIPA for a term not exceeding three years and may be reappointed for successive terms not exceeding three years each.
- d. The CEO may be a public servant under Part III of the PSOA and/or, appointed by the LGIC. Currently the CEO is employed under Part III of the PSOA and is not appointed by Order in Council.

16.3 Remuneration

- a. Remuneration for Appointees who are not public servants under Part III of the PSOA, is set by the LGIC.
- b. As set out in Order in Council 819/2008, a vice-chair of the Board who is not employed under Part III of the PSOA is remunerated at a per diem rate of \$550 per day for each day in which they are engaged in the business of the OFA, plus reasonable expenses incurred while performing Board-related duties.
- c. As set out in Order in Council 819/2008, Appointees who are not employed under Part III of the PSOA, and who are not vice-chairs of the Board, are each remunerated at a per diem rate of \$500 per day for each day in which they are engaged in the business of the OFA, plus reasonable expenses incurred while performing Board-related duties.
- d. Travel expenses of Board members must comply with the MBC Travel, Meal and Hospitality Expenses Directive. 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 OFA, in accordance with the AAD risk management process.
- b. The OFA shall ensure that the risks it faces are dealt with in an appropriate manner.

17.2 Liability Protection and Insurance

- a. Section 11(2) of CIPA incorporates sections 134(1) (standard of care), and 136 (indemnification and liability insurance) of the *Business Corporations Act*.
- b. The OFA is covered under the Government's General & Road Liability Protection Program covering third party liability where bodily or personal injury, death, or property damage including loss of use thereof is caused.
- c. The OFA may purchase third party liability insurance coverage to protect itself against claims that might arise from anything done or omitted to be done by the OFA or its directors, officers, employees 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.
- d. Pursuant to the OFA's By-Law #1, the OFA's directors and officers are indemnified by the OFA. Due to this indemnification, and CIPA's prohibition against proceedings against the OFA's directors, officers and employees, currently the OFA does not maintain directors' and officers' errors and omissions insurance.

18. Effective Date and Duration and Periodic Review of the MOU

18.1 Effective Date of 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 memorandum of understanding signed by the parties.
- b. A copy of the signed MOU and any successor memorandum of understanding must be provided to the Secretary, TB/MBC.
- c. If a new Minister or Chair takes office, within six (6) months of the change, 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 both agree to review it and sign a new memorandum of understanding.

- d. A copy of the letter of affirmation, or a new memorandum of understanding between the Minister and the Chair must be provided to the Secretary, TB/MBC within six (6) months of the new party or parties' commencement.
- e. Without affecting the effective date of this MOU, either the Minister or 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 OFA's mandate, powers or governance structure as a result of a material amendment to CIPA or the Other Acts.
- h. At a minimum, this MOU will be reviewed at least once every 5 years to ensure it is current and consistent with Government expectations.

18.2 Other Reviews

- a. The OFA may be subject to periodic review at the discretion and direction of TB/MBC or the Minister. The review may cover such matters relating to the OFA as are determined by TB/MBC or the Minister, and may include the mandate, powers, governance structure and/or operations of the OFA.
- 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 OFA will be conducted at least once every seven years. The first review is anticipated to be conducted by Fiscal year 2019/20.
- d. The Minister will consult the Chair, on behalf of the Board, as appropriate during any such review.
- e. The Chair, CEO, and 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.

19. Signatures

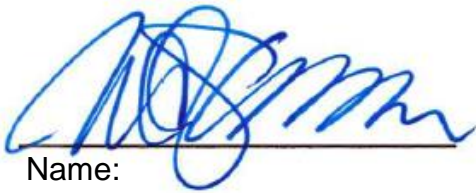


Name:

**Chair
Ontario Financing Authority**

SEP 12 2017

Date



Name:

**Minister
Ministry of Finance**

OCT 23 2017

Date

Appendix 1: Summary of OFA Reporting Requirements

DUE DATE	REPORT/DOCUMENT	NAMES OF RESPONSIBLE OFFICIALS
10 days after approval of Program Review, Renewal & Transformation	Estimates <ul style="list-style-type: none"> • The OFA will prepare estimates of the OFA's expenditures for inclusion in the Ministry's business plan. 	<ul style="list-style-type: none"> • Chair • CEO
Submitted annually in the fourth quarter of the year preceding the first year of the Business Plan	OFA Business Plan <ul style="list-style-type: none"> • Prepares • Approves • Provides to Minister 	<ul style="list-style-type: none"> • OFA staff • OFA Board • Chair
Submitted annually to Minister: Within 90 days of the OFA's fiscal year end (June 29)	Annual Report <ul style="list-style-type: none"> • Prepares • Approves • Provides to Minister 	<ul style="list-style-type: none"> • OFA staff • OFA Board • Chair
Submitted annually to Minister: Within 90 days of the OFA's fiscal year end (June 29)	Auditing Year-end financial statements <ul style="list-style-type: none"> • Prepares • Audit & Sign-Off • Provides to Minister 	<ul style="list-style-type: none"> • OFA staff • Auditor General of Ontario • Chair
Submission Ongoing Submission Quarterly	Internal Audit Reports <ul style="list-style-type: none"> • Prepares • Reviews • Reviews 	<ul style="list-style-type: none"> • Ontario Internal Audit Division • Chair, ARMC, CEO, Secretary • Board
Submission to Board: Quarterly	Quarterly Financial Statements <ul style="list-style-type: none"> • Prepares • Approves 	<ul style="list-style-type: none"> • OFA staff • OFA Board

As required	Financial Reports requested by Minister <ul style="list-style-type: none"> • Prepares • Approves 	<ul style="list-style-type: none"> • OFA staff • Chair
Quarterly (March , June, September, December)	Quarterly expenditure budget – variance reports (Quarterly budget to actual expense variance reports) <ul style="list-style-type: none"> • Prepares • Approves • Provides to Ministry 	<ul style="list-style-type: none"> • OFA staff • CFRO • Manager, Finance & Reporting - Agencies
Annually, on Board approval	Financing, Debt & Electricity Management Plan <ul style="list-style-type: none"> • Prepares • Approves • Provides to minister 	<ul style="list-style-type: none"> • OFA staff • OFA Board • Chair
Annually	Risk Management Plan <ul style="list-style-type: none"> • Prepares • Review • Approves 	<ul style="list-style-type: none"> • OFA staff • Ontario Internal Audit Division • Ontario Internal Audit Division
Reviewed at least every 5 years	MOU <ul style="list-style-type: none"> • Prepares • Approves 	<ul style="list-style-type: none"> • OFA staff • Board, Chair, Minister, MBC
Annually	Letter of compliance to Minister <ul style="list-style-type: none"> • Prepares • Provides Attestation • Provides to Minister 	<ul style="list-style-type: none"> • OFA Staff • CEO • Chair

Appendix 2: Applicable Government of Ontario Directives

1. The following TB/MBC and government directives, guidelines and policies apply to the OFA:*

Governance and Accountability

Accountability Directive
Advertising Content Directive
Agencies and Appointments Directive
Internal Audit Directive
Minister's Staff Commercial Transactions Directive
Open Data Directive
Perquisites Directive

Contractor Security Screening Operating Policy, except for certain treasury operations procurements as noted in section 13.1(d) of this MOU
OPS Physical Security Operating Policy

I&IT Management

Managing, Distributing & Pricing Government Information (Intellectual Property)
Records Schedule Requirements

Procurement

Procurement Directive as it applies to "Other Included Entities" will apply to the OFA except for procurements of Treasury Operations Services for the Province and public bodies which will be conducted in accordance with the OFA's Board of Director-approved OFA Procurement Policy. The *Contractor Security Screening Operating Policy* will not apply to procurement of such services.

General

Communications in French Directive
Government Publications Directive
Visual Identity Directive

Human Resource Management

Classification & Position Administration Directive
Compensation Directive
Confidential Disclosure to Bargaining Agents Directive
Continuation of Existing Classes and Salaries Directive
Disclosure of Wrongdoing Directive (Employees / appointees of public bodies - i.e., agencies)
Employee Benefits Directive
Hours of Work Directive
Human Resources Management Delegation of Authority Directive
Human Resources Management Directive
Merit Increases Directive
Salary Rates/Ranges Directive
Terminology Directive

Attendance Management Policy
Disability Accommodation Policy
Employee Performance Policy
Employee Recognition Policy
Employment Policy
Employment Screening Checks Policy
Executive Pay Administration Policy
Learning & Development Operating Policy
Management Compensation Plan – Pay for Performance Operating Policy
Occupational Health and Safety Policy
Pay on Assignment Operating Policy
Policy on Preventing Barriers in Employment
Respectful Workplace Policy (Policy to Support a Respectful Workplace and Prevent Workplace Harassment and Discrimination)
Self-Funded Leave Plan Policy
SMG1/ITX1 Pay Administration Policy
Workplace Violence Prevention Policy

Business Planning and Financial Management

Accounting Advice Directive
Capital Expenditure Evaluation Directive
Cash Management Directive
Delegation of Authority Directive
Expenditure Management Directive
General Expenses Directive
Indemnification Directive
Realty Directive
Relocation Expenses Directive
Staffing Management & Control
Travel, Meal and Hospitality Expenses Directive

Accountable Advance Operating Policy
Accounting and Financial Reporting Policy
Accounting Policy for Recoveries
Bank Account Policy
Bank Reconciliation Policy
Billing Management and Recording Policy
Centralized Archiving of IFIS Financial Information Policy
Chart of Accounts Policy
Control and Maintenance of IFIS Customer Master Files Policy
Control and Maintenance of Supplier Master Files Policy
Costing and Pricing Policy
Credit Management Policy
Data Integrity Policy
Delegation of Authority Policy
Encumbrance Policy
Financial Record Retention Policy
Financial Signing Authorities Policy
Financial Thresholds Policy
iExpenses Policy
IFIS Corrections Policy

IFIS Foreign Exchange Policy
IFIS Interface Policy
IFIS Payment Override Policy
IFIS Transaction Processing Policy
IFIS User Identification and Responsibilities Policy
Information Access and Disclosure Policy
Interim Payment Authority Policy (section 15 Financial Administration Act)
Inter/Intra Ministry Journals Policy
Internal Control Policy
Loans and Other Accounts Receivable Operating Policy
Ministry of Infrastructure Realty Policy and Accommodation Space Policy
Non-Tax Receivables Collections Policy
Non-Tax Revenue Design Policy
Parking Policy
Payment Card Acceptance Policy
Payment Terms Policy
Prepayment Policy
Receipts Handling & Allocation Policy
Recurring Suppliers Invoices in IFIS Policy
Reorganization in IFIS Policy
Revenue and Accounts Receivable Reporting and Analysis Policy
Revenue Management Policy
Small Value Financial Transactions Policy
Special Purpose Accounts Policy
Stale-dated, Lost or Stolen Cheques Policy
T4A Policy
Tangible Capital Assets Policy
Transfer Payment Recovery Operating Policy
Use of Personal and Confidential Information in OPS Financial Systems Policy
Write-Offs Policy

All standards and guidelines associated with the above-listed directives and policies that apply to the OFA

*list compiled as of May 2017

2. The OFA 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 OFA of amendments or additions to directives, policies and guidelines that apply to the OFA.

Appendix 3: Public Communications Protocol for Ontario Financing Authority and Ontario Electricity Financial Corporation

1. Definitions

“Agency” means the Ontario Financing Authority (“OFA”).

“Government” means the Government of Ontario.

“Minister” means Minister of Finance.

“Ministry” means the Ministry of Finance.

“Capital Markets Communications” means public communications and media responses that relate, or are relevant, to capital markets activities within the mandate of the OFA.

“Public communications” means any material that is communicated to the public, either directly or through the media in:

- Oral form, such as a speech or public presentation
- Printed form, such as a hardcopy report, brochure, etc
- Electronic form, such as a posting to a website, or email distribution.

A “contentious issue” is a matter that is, or may reasonably be expected to be, of concern to the Legislative Assembly, the media or the public, or is likely to result in inquiries being directed to the Minister or Government. Contentious issues may be raised by:

- Members of the Legislative Assembly
- The public
- Media
- Stakeholders
- Service delivery partners.

2. The Agency will comply with the Treasury Board/Management Board of Cabinet Visual Identity Directive and identify itself in all media responses and news releases as an Agency of the Government.
3. The Ministry and the Agency will appoint persons to serve as public communications “leads.”

The Ministry leads are as follows:

- For the preparation of **public communications materials (excluding media responses)**, the lead is a member of the Strategic Communications unit of the Communications Services Branch (“CSB”).
- For all responses to **media inquiries**, the lead is the Senior Media Relations Advisor within the Issues, Media, Correspondence and Research Services unit, CSB.
- For **contentious issues notes**, the lead is a member of the Issues, Media, Correspondence and Research Services unit, CSB.

The Agency leads are:

- the Executive Assistant to the CEO of the OFA
 - the Executive Assistant to the ADM of the Corporate and Electricity Financing Division of the OFA.
4. For the purposes of this protocol, public communications are divided into three categories:
- a. Proactive communications materials such as news releases, communication plans, speeches, advertising strategies, etc.
 - The Agency lead will notify the Ministry lead for the need of any public communication material as far as possible in advance of the due date.
 - The Agency lead will work jointly with the Ministry lead in providing background information for draft materials.
 - The Ministry lead will administer approvals at all levels (Agency, Minister’s Office, and Cabinet Office and Premier’s Office when required*).
 - Final approval from applicable offices is required prior to release of all communication material.
 - Cabinet Office and Premier’s Office approval is generally required on news releases, communication plans, advertising strategies and other communication material, as and when requested by CSB or the Minister’s Office.
 - b. Media responses related to the day-to-day business of the agency and its programs.
 - Media responses should be submitted to the Ministry lead, who will circulate as appropriate to other individuals within the ministry for approvals.
 - Direction or approval on media responses is required from the Minister’s Office prior to release.

- c. Contentious issues that may have direct implications for either the Ministry or Government (including all funding or grant announcements).
- The Agency lead will notify the Ministry lead immediately, who will notify the Minister's Office.
 - The Ministry lead will also advise the Agency of contentious issues that require attention. The Agency lead will provide all required background information on the issue to the Ministry lead who will arrange the preparation of a contentious issues note.

5. Capital Markets Communications

- a. With the exception of advertising, the requirements of paragraph 4(a) do not apply to capital markets communications.
- b. The requirements of paragraph 4(b) do not apply to capital markets communications.
- c. The OFA will notify the Ministry lead immediately of any contentious issues relating to capital markets matters and will work with the Ministry regarding such issues in accordance with paragraph 4(c).
- d. Consistent with past practice, and with the exception of advertising and subject to paragraph 5(c), the OFA will continue to manage its capital markets communications.

Dated as of the X day of April 2017

Appendix 4: Administrative or Organizational Support Services

This Appendix sets out the services to be provided to the OFA by the Ministry or by another source, as requested from time to time:

Services		Providers
1.	Financial Administration: pay and benefits, IFIS, Central Mail	Ontario Shared Services
2.	Human Resources: classification, advice and consultation regarding recruitment procedures and staff relations, job description writing, career counselling and staff development	Ministry of Government and Consumer Services
3.	Corporate educational opportunities and career planning	Ministry of Finance
4	Strategic advice, organizational design, talent and performance management	Ministry of Finance
5.	Audit: internal audit and special investigations	Ontario Internal Audity Division
6.	Legal Services	Ministry of the Attorney General (including Ministry Legal Services branch)
7.	FIPPA: Freedom of Information services	Ministry of Finance
8.	Communications	Ministry of Finance

Appendix 5: Public Service Commission Delegation of Power, Duties and Functions

Public Service Commission

**Delegation of powers, duties and functions
to
prescribed individuals and chairs and deputy ministers
in respect of public servants appointed to work in
Commission public bodies**

**Pursuant to subsections 44(4), (5), (9) and (10) and clause 55(1)(c) of the
*Public Service Act of Ontario, 2006 (PSOA)***

NOTE

**PARAGRAPHS 1 AND 2, AND ONLY PART OF A, B, C OR D, SHALL APPLY TO ANY
ONE COMMISSION PUBLIC BODY (THEREFORE, PARTS A, B, C AND D EACH BEGINS
WITH PARAGRAPHS #3)**

Public Service Commissions
July 20, 2007

PSC Delegations to
Commission Public Bodies

Delegation to deputy ministers and prescribed individuals in respect of public servants appointed to work in a Commission public body pursuant to PSOA subsections 44(4), (5), (9), (10)

1. This instrument sets out the Delegation of Authority under the Public Service of Ontario Act, 2006, (the Act) made under subsection 44(4) of the Act by the Public Service Commission (PSC) to the persons described in Parts A, B, C and D of this document effective the date that the Act is proclaimed
2. All references to section numbers in this document refer to section numbers of the Act.

PART A: For use where delegations are to a PSC delegate who is a public servant in the Senior Management Group and to a deputy minister

Delegation to prescribed PSC delegate in the Senior Management Group

3. Pursuant to clause 44(4)(a), the PSC delegates to the individual prescribed under clause 55(1)(c), if that person is in a position classified within the Senior Management Group, the PSC's powers, duties and functions in respect of public servants appointed to work in the Commission public body for which that person was prescribed, as follows:

PSOA Powers, Duties and Functions	In Relations to
Subsections 32(2), (3), and (4)	Appointing persons to employment by the Crown, for a fixed term or otherwise, to work in a Commission public body, as prescribed under clause 8(1)(b) of the <i>Public Service of Ontario Act, 2006</i> in classifications other than Senior Management Group 3 or 4, Information Technology Executive 3 or 4, Financial Management and Control Group 3 or Crown Counsel 5 Reappointing for one or more further terms persons appointed for a fixed term
Section 34	Imposing disciplinary measures for cause (including suspension but not dismissal)
Subsection 36(1)	Conduction an investigation to determine cause for the purpose of section 34
Subsection 36(2)	Pending the conclusion of an investigation, suspending the public servant for a period not exceeding the period prescribed under clause 55(1)(a)
Subsection 36(3)	Withholding the public servant's salary, wages or any other remuneration, including benefits, during the suspension under section 36: if he or she considers it appropriate to do so, and at the end of the investigation, reimbursing amounts that were withheld if he or she considers it appropriate to do so
Subsection 37(1)	Where a public servant is appointed to employment for a term that is not fixed, directing that the public servant be on probation for a period of not more than one year
Subsection 41(1)	Receiving at least two weeks' notice in writing from a public servant of his or her intention to resign from his or her position
Subsection 41(2)	Recovering from a public servant notice in writing of his or her withdrawal of the notice of intention to resign at any time before its effective date if no person has been appointed or selected for appointment to the position held by the public servant; and Approving the withdrawal of the resignation

4. *Dismissal Delegation to Deputy Minister*

- a. Pursuant to subsection 44(4) , the PSC delegates to the deputy minister of the ministry whose minister is responsible for a Commission public body the power to dismiss a public servant under sections 34, 38 and 39 appointed to employment under subsection 32(2) to work in that Commission public body.
- b. Pursuant to subsection 44(10), a deputy minister shall obtain PSC permission to exercise his or her discretion in respect of subsection 38(1) for a regular employee who is employed in the Senior Management Group 2, 3 or 4, Information Technology Executive 2, 3 or 4, Financial Management and Control Group 2 or 3, Crown Counsel 5 or Ontario Provincial Police Commissioner 1 classifications.
- c. Pursuant to subsection 44(1), the deputy minister may not sub delegate the delegation in paragraph 4a) of this document with respect to subsection 38(1)

5. *Abandonment of Position Delegation to Deputy Minister*

Pursuant to subsection 44(4), the PSC delegates to the deputy minister whose minister is responsible for a Commission public body the power under subsection 42(1) to declare in writing that a public servant appointed to employment under subsection 32(2) to work in that Commission public body has abandoned his or her position and that his or her employment by the crown is terminated.

6. Pursuant to subsection 44(9), the PSC imposes the following restriction on a deputy minister's entitlement under subsection 44(6) to subdelegate to one or more public servants employed under section 32 who work in his or her ministry any of the powers, duties or functions delegated under subsection 44(4) in respect of public servants appointed to work in a Commission public body:
 - A deputy minister may only subdelegate the powers, duties and functions set out in paragraphs 4 and 5 to one or more public servants in positions in classifications within the Senior Management Group or Crown Counsel 5

PART B: For use where delegations are to a PSC delegate who is a public servant in the Management Compensation Plan and to a deputy minister

Delegation to prescribed PSC delegate in the Management Compensation Plan

3. Pursuant to clause 44(4)(a), if the PSC delegate, as prescribed under clause 55(1)(c), is in a position classified in the Management Compensation Plan, the PSC delegates the powers, duties and function in respect of public servants appointed to work in the Commission public body for which that person was prescribed, as follows:

PSOA Powers, Duties and Functions	In Relation To
Subsection 41(1)	Receiving at least two weeks' notice in writing from a public servant of his or her intention to resign from his or her position
Subsection 41(2)	Receiving from a public servant, notice in writing of his or her withdrawal of the notice of intention to resign at any time before its effective date if no person has been appointed or selected for appointment to the position held by the public servant; and Approving the withdrawal of the resignation

Delegation to deputy minister where prescribed PSC delegate is in the Management Compensation Plan

4. Pursuant to subsection 44(4), where the prescribed PSC delegate is in a position classified in the Management Compensation Plan the PSC delegates to the deputy minister of the ministry whose minister is responsible for the Commission public body the following PSC powers, duties and functions in respect of public servants appointed to work in a Commission public body:

Powers, Duties and Functions	In Relation To
Subsections 32(2), (3) and (4)	Appointing persons to employment by the Crown, for a fixed term or otherwise, to work in a Commission public body, as prescribed under clause 8(1)(b) of the <i>Public Service of Ontario Act, 2006</i> in classifications other than those within Senior Management Group 3 or 4, Information Technology Executive 3 or 4, Financial Management and Control Group 3 or Crown Counsel 5 Reappointing for one or more further terms persons appointed for a fixed term
Section 34	Imposing disciplinary measures for cause (including suspension and dismissal)
Subsection 36(1)	Conduction an investigation to determine whether there is a cause for the purposes of section 34
Subsection 36(2)	Pending the conclusion of an investigation, suspending the public servant for a period not exceeding the period prescribed under clause 55(1)(a)
Subsection 36(3)	Withholding the public servant's salary, wages or any other remuneration, including benefits, during the suspension under section 36; if he or she considers it appropriate to do so, and at the end of the investigation, reimbursing amounts that were withheld if he or she considers it appropriate to do so
Subsection 37(1)	Where a public servant is appointed to employment for a term that is not fixed, directing that the public servant be on probation for a period of not more than one year

Powers, Duties and Functions	In Relation To
Subsection 37(2)	Dismissing a public servant while on probation under subsection 37(1) for failure to meet the requirements of his or her position
Subsection 38(1)	Dismissing without cause a public servant who is employed in a class of position that is prescribed under clause 55(1) by giving the public servant reasonable notice or compensation in lieu of notice
Section 39	Dismissing a public servant for the following reasons: <ul style="list-style-type: none"> • A shortage of work • A shortage of funds • The elimination of the public servant's position • A material change in the ministry in which the public servant works
Section 42	Declaring in writing that a public servant has abandoned his or her position and that his or her employment by the Crown is terminated

5. *Dismissal Delegation to Deputy Minister*

- a) Pursuant to subsection 44(4), the PSC delegates to the deputy minister of the ministry whose minister is responsible for a Commission public body the power to dismiss a public servant under sections 34, 38 and 39 appointed to employment under subsection 32(2) to work in that Commission public body.
- b) Pursuant to subsection 44(10), a deputy minister shall obtain PSC permission to exercise his or her discretion in respect of subsection 38(1) for a regular employee who is employed in the Senior Management Group 2, 3 or 4, Information Technology Executive 2, 3 or 4, Financial Management and Control Group 2 or 3, Crown Counsel 5 or Ontario Police Commissioner 1 classifications.
- c) Pursuant to subsection 44(10), the deputy minister may not subdelegate the delegation in paragraph 5a) of this document with respect to subsection 38(1).

6. *Abandonment of Position Delegation to Deputy Minister*

Pursuant to subsection 44(4), the PSC delegates to the deputy minister whose minister is responsible for a Commission public body the power under subsection 42(1) to declare in writing that a public servant appointed to employment under subsection 32(2) to work in that Commission public body has abandoned his or her position and that his or her employment by the Crown is terminated.

7. Pursuant to subsection 44(9), the PSC imposes the following restriction on the deputy minister's entitlement under subsection 44(6) to subdelegate to one or more public servants employed under section 32 who work in his or her ministry any of the powers, duties or functions delegated under subsection 44(4) in respect of public servants appointed to work in a Commission public body:

- A deputy minister may only subdelegate the powers, duties and functions set out in paragraph 4 to one or more public servants in positions in classifications within the Senior Management Group or Crown Counsel 5.

PART C: For use where the delegations are to the chair of the Commission public body and to a deputy minister

Delegation to Commission public body chair

3. Pursuant to clause 44(4)(b), the PSC delegates to the chair of the Commission public body, under clause 55(1)(c), the PSC's powers, duties and functions in respect of public servants appointed to work in a Commission public body for which that person was prescribed as follows:

PSOA Powers, Duties and Functions	In Relation To
Subsections 32(2), (3) and (4)	Appointing persons to employment by the Crown, for a fixed term or otherwise, to work in a Commission public body, as prescribed under clause 8(1)(b) of the <i>Public Service of Ontario Act, 2006</i> , in classifications other than Senior Management Group 3 or 4, Information Technology Executive 3 or 4, Financial Management and Control Group 3 or Crown Counsel 5 Reappointing for one or more further terms persons appointed for a fixed term
Section 34	Imposing disciplinary measures for cause (including suspension and dismissal)
Subsection 36(1)	Conduction an investigation to determine whether there is a cause for the purposes of section 34
Subsection 36(2)	Pending the conclusion of an investigation, suspending the public servant for a period not exceeding the period prescribed under clause 55(1)(a)
Subsection 36(3)	Withholding the public servant's salary, wages or any other remuneration, including benefits, during the suspension under section 36; if he or she considers it appropriate to do so, and at the end of the investigation, reimbursing amounts that were withheld if he or she considers it appropriate to do so
Subsection 37(1)	Where a public servant is appointed to employment for a term that is not fixed, directing that the public servant be on probation for a period of not more than one year
Subsection 41(1)	Receiving at least two weeks' notice in writing from a public servant of his or her intention to resign from his or her position
Subsection 41(2)	Receiving from a public servant, notice in writing of his or her withdrawal of the notice of intention to resign at any time before its effective date if no person has been appointed or selected for appointment to the position held by the public servant; and Approving the withdrawal of the resignation

4. *Dismissal Delegation to Deputy Minister*

- a) Pursuant to subsection 44(4), the PSC delegates to the deputy minister of the ministry whose minister is responsible for a Commission public body the power to dismiss a public servant under sections 34, 38 and 39 appointed to employment under subsection 32(2) to work in that Commission public body.
- b) Pursuant to subsection 44(10), a deputy minister shall obtain PSC permission to exercise his or her discretion in respect of subsection 38(1) for a regular employee who is employed in the Senior Management Group 2, 3 or 4, Information Technology Executive 2, 3 or 4, Financial Management and Control Group 2 or 3, Crown Counsel 5 or Ontario Police Commissioner 1 classifications.

- c) Pursuant to subsection 44(10), the deputy minister may not subdelegate the delegation in paragraph 5a) of this document with respect to subsection 38(1).

5. *Abandonment of Position Delegation to Deputy Minister*

Pursuant to subsection 44(4), the PSC delegates to the deputy minister whose minister is responsible for a Commission public body the power under subsection 42(1) to declare in writing that a public servant appointed to employment under subsection 32(2) to work in that Commission public body has abandoned his or her position and that his or her employment by the Crown is terminated.

6. Pursuant to subsection 44(9), the PSC imposes the following restriction on the deputy minister's entitlement under subsection 44(6) to subdelegate to one or more public servants employed under section 32 who work in his or her ministry any of the powers, duties or functions delegated under subsection 44(4) in respect of public servants appointed to work in a Commission public body:

- A deputy minister may only subdelegate the powers, duties and functions set out in paragraphs 4 and 5 to one or more public servants in positions in classifications within the Senior Management Group or Crown Counsel 5.

PART D: For use where the delegations are to the deputy minister

Delegation to a deputy minister in special cases in respect of public servants appointed to work in a Commission public body

3. Pursuant to subsections 44(4) and (5), the PSC delegates to the deputy ministers listed in column 1 below, for the corresponding Commission public bodies listed in column two, the powers, duties and functions in respect of public servants appointed to work in the Commission public body¹.

PSC Delegate	Commission Public Body
Deputy Minister of Agriculture, Food and Rural Affairs	<ul style="list-style-type: none"> • Agricultural Research Institute of Ontario • Agriculture, Food and Rural Affairs Appeal Tribunal • Board of negotiation established under subsection 172(5) of the Environmental Protection Act • Ontario Farm Products Marketing Commission
Deputy Attorney General	<ul style="list-style-type: none"> • Office of Victims of Rape
Deputy Minister of Children and Youth Services	<ul style="list-style-type: none"> • Child and Family Services Review Board • Custody Review Board
Deputy Minister of Government Services	<ul style="list-style-type: none"> • Advertising Review Board • License Appeal Tribunal
Deputy Minister of Municipal Affairs and Housing	<ul style="list-style-type: none"> • Ontario Mortgage and Housing Corporation • Ontario Mortgage Corporation
Deputy Minister of Northern Development and Mines	<ul style="list-style-type: none"> • Northern Ontario Grown Bonds Corporation • Northern Ontario Heritage Fund Corporation

4. The following are the powers, duties and function referenced in paragraph 3:

PSOA Powers, Duties and Functions	In Relation To
Subsections 32(2), (3) and (4)	<p>Appointing persons to employment by the Crown, for a fixed term or otherwise, to work in a Commission public body, as prescribed under clause 8(1)(b) of the <i>Public Service of Ontario Act, 2006</i>, in classifications other than Senior Management Group 3 or 4, Information Technology Executive 3 or 4, Financial Management and Control Group 3 or Crown Counsel 5</p> <p>Reappointing for one or more further terms persons appointed for a fixed term</p>
Section 34	Imposing disciplinary measures for cause (including suspension and dismissal)
Subsection 36(1)	Conduction an investigation to determine whether there is a cause for the purposes of section 34
Subsection 36(2)	Pending the conclusion of an investigation, suspending the public servant for a period not exceeding the period prescribed under clause 55(1)(a)
Subsection 36(3)	Withholding the public servant's salary, wages or any other remuneration, including benefits, during the suspension under section 36; if he or she considers it appropriate to do so, and at the end of the investigation, reimbursing amounts that were withheld if he or she considers it appropriate to do so

¹Subect to update if a new Commission public body is established

PSOA Powers, Duties and Functions	In Relation To
Subsection 37(1)	Where a public servant is appointed to employment for a term that is not fixed, directing that the public servant be on probation for a period of not more than one year
Subsection 37(2)	Dismissing a public servant while on probation under subsection 37(1) for failure to meet the requirements of his or her position
Subsection 38(1)	Dismissing without cause a public servant who is employed in a class of position that is prescribed under clause 55(1) by giving the public servant reasonable notice or compensation in lieu of notice
Section 39	Dismissing a public servant for the following reasons: <ul style="list-style-type: none"> • A shortage of work • A shortage of funds • The elimination of the public servant's position • A material change in the ministry in which the public servant works
Subsection 41(1)	Receiving at least two weeks' notice in writing from a public servant of his or her intention to resign from his or her position
Subsection 41(2)	Receiving from a public servant, notice in writing of his or her withdrawal of the notice of intention to resign at any time before its effective date if no person has been appointed or selected for appointment to the position held by the public servant; and Approving the withdrawal of the resignation
Section 42	Declaring in writing that a public servant has abandoned his or her position and that his or her employment by the Crown is terminated

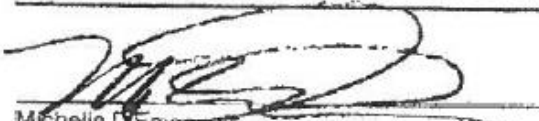
5. Pursuant to subsection 44(10), a deputy minister shall obtain PSC permission to exercise his or her discretion in respect of subsection 38(1) for a regular employee who is employed in the Senior Management Group 2, 3 or 4, Information Technology Executive 2, 3 or 4, Financial Management and Control Group 2 or 3, Crown Counsel 5 or Ontario Police Commissioner 1 classifications.

6. Pursuant to subsection 44(10), a deputy minister may not subdelegate the delegation in paragraph 4 with respect to subsection 38(1).

7. Pursuant to subsection 44(9), the PSC imposes the following restriction on the deputy minister's entitlement under subsection 44(6) to subdelegate to one or more public servants employed under section 44(6) to subdelegate to one or more public servants employed under section 32 who work in his or her ministry any of the powers, duties or functions delegated under subsection 44(4) in respect of public servants appointed to work in a Commission public body:

- With respect to the powers, duties and functions listed in paragraph 4, except those in relation to subsections 41(1) and (2), a deputy minister may only subdelegate the powers, duties and functions set out in paragraph 4 to one or more public servants in positions in classifications within the Senior Management Group or Crown Counsel 5.

Public Service Commission


Michelle D. Falender
Chair


Kim Bellissimo
Secretary

Dated on: July 20, 2007

Appendix 6: “Designated Senior Positions” under Ontario Regulation 381/07

The following list identifies “designated senior positions” in the OFA pursuant to section 14 of Ontario Regulation 381/07:

1. Chair
2. Assistant Deputy Minister
3. XOFA3
4. XOFA2
5. XOFA1
6. SMG2