

Memorandum of Understanding
Between
Minister of Agriculture, Food and Rural Affairs
and
Chair of AgriCorp

March 2021

CONTENTS

1.	Purpose.....	4
2.	Definitions.....	4
3.	Agency’s Legal Authority and Mandate.....	7
4.	Agency Type and Public Body Status.....	7
5.	Corporate Status and Crown Agency Status.....	7
6.	Guiding Principles.....	7
7.	Accountability Relationships.....	9
	7.1 Minister.....	9
	7.2 Chair.....	9
	7.3 Board of Directors / Commission.....	9
	7.4 Deputy Minister.....	9
	7.5 Chief Executive Officer (CEO).....	10
8.	Roles and Responsibilities.....	10
	8.1 Minister.....	10
	8.2 Chair.....	11
	8.3 Board of Directors.....	12
	8.4 Deputy Minister.....	14
	8.5 Agency Chief Executive Officer (CEO).....	15
9.	Ethical Framework.....	17
10.	Reporting Requirements.....	18
	10.1 Business Plan.....	18
	10.2 Annual Reports.....	19
	10.3 Other Reports.....	19
11.	Public Posting Requirements.....	19
12.	Communications and Issues Management.....	20
13.	Administrative Arrangements.....	21
	13.1 Applicable Government Directives.....	21
	13.2 Administrative and Organizational Support Services.....	21
	13.3 Agreements with Third-Parties.....	22
	13.4 Legal Services.....	22
	13.5 Creation, Collection, Maintenance and Disposition of Records.....	22
	13.6 Intellectual Property.....	22
	13.7 Freedom of Information and Protection of Privacy.....	22

13.8	Service Standards.....	23
14.	Financial Arrangements.....	23
14.1	General.....	23
14.2	Funding.....	24
14.3	Financial Reports.....	25
14.4	Taxation Status: Harmonized Sales Tax (HST).....	26
15.	Audit and Review Arrangements.....	26
15.1	Audits.....	26
15.2	Other Reviews.....	27
16.	Staffing and Appointments.....	27
16.1	Staffing Requirements.....	27
16.2	Appointments.....	28
16.3	Remuneration.....	28
17.	Risk Management, Liability Protection and Insurance.....	28
17.1	Risk Management.....	28
17.2	Liability Protection and Insurance.....	28
18.	Effective Date, Duration and Periodic Review of the MOU.....	29
19.	Operational Agreement.....	30
20.	Conflict.....	30
21.	Dispute Resolution Process.....	30
	Signatures.....	31
	Appendix 1: Applicable Government Directives.....	32
	Appendix 2: Applicable Statutes.....	33
	Appendix 3: Director Nomination Process.....	34

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

1. Purpose

- a. The purpose of this Memorandum of Understanding (MOU) is to:
 - Establish the accountability relationships between the Minister of Agriculture, Food and Rural Affairs and the Chair of AgriCorp on behalf of AgriCorp
 - Clarify the roles and responsibilities of the Minister, the Chair, the Deputy Minister, AgriCorp's CEO, and the Agency's Board
 - Clarify the operational, administrative, financial, staffing, auditing and reporting arrangements between AgriCorp and the Ministry of Agriculture, Food and Rural Affairs.
- b. This MOU should be read together with the *AgriCorp Act*. This MOU does not affect, modify or limit the powers of the Agency as set out under the *AgriCorp Act*, or interfere with the legal responsibilities of the parties. In case of a conflict between this MOU and any act or regulation, the act or regulation prevails.
- c. This MOU replaces the Memorandum of Understanding between the parties dated January 20, 2015.

2. Definitions

In this MOU:

- a. "AAD" means the Treasury Board/Management Board of Cabinet 'Agencies & Appointments Directive';
- b. "AODA" means the *Accessibility for Ontarians with Disabilities Act, 2005*, S.O. 2005, c. 11;
- c. "*AgriCorp Act*" means *AgriCorp Act, 1996*, S.O. 1996, c. 17, Schedule A, that governs the agency;
- d. "Agency" means AgriCorp;
- e. "APIA" means *Agricultural Products Insurance Act, 1996*, S.O. 1996, c. 17, Sched. C;
- f. "Annual Business Plan" means the annual business plan described under article 10.1 of this MOU.
- g. "Annual Report" means the annual report referred to in article 10.2 of this MOU.
- h. "Applicable Government Directives" means the government directives, policies, standards and guidelines that apply to the agency, as may be amended or replaced from time to time, which are listed in Appendix 2 to this MOU.
- i. "Appointee" means an individual appointed to the Board of the Agency by the Lieutenant Governor in Council, but does not mean an individual employed or appointed by the Agency as staff;
- j. "*Archives and Record Keeping Act*" means the *Archives and Record Keeping Act, 2006*, S.O. 2006, c. 34, Schedule A;

- k. “*Auditor General Act*” means the *Auditor General Act*, R.S.O. 1990, c. A. 35;
- l. “Board” means the board of directors of AgriCorp;
- m. “CEO” means the Chief Executive Officer of AgriCorp;
- n. “Chair” means the Chair of AgriCorp’s Board;
- o. “Confidential Information” means personal information; sensitive employment or labour relations information; solicitor-client privileged information; Cabinet confidential information; information belonging to the Ministry or other department or agency of the Government; trade secrets; information that would prejudice the financial or commercial interests of AgriCorp in the marketplace; or information that would otherwise pose a risk to the security of the facilities or operations of AgriCorp;
- p. “Constituting instrument” means the *AgriCorp Act*;
- q. “*Corporations Act*” means the *Corporations Act*, R.S.O. 1990, c. C. 38;
- r. “*Corporations Information Act*” means the *Corporations Information Act*, R.S.O. 1990, c. C. 39;
- s. “*Crown Agency Act*” means the *Crown Agency Act*, R.S.O. 1990, c. C. 48;
- t. “CRF” means the Consolidated Revenue Fund;
- u. “Deputy Minister” means the Deputy Minister of the Ministry of Agriculture, Food and Rural Affairs;
- v. “EMCPA” means the *Emergency Management and Civil Protection Act*, R.S.O. 1990, c. E. 9;
- w. “*Executive Council Act*” means the *Executive Council Act*, R.S.O. 1990, c. E. 25, as amended;
- x. “*Financial Administration Act*” means the *Financial Administration Act*, R.S.O. 1990, c. F. 12;
- y. “FIPPA” means the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c.F.31, as amended.
- z. “Fiscal Year” means the period beginning April 1 of one calendar year and ending on March 31 of the following calendar year;
- aa. “FLSA” means the *French Language Services Act*, R.S.O. 1990, c. F. 32;
- bb. “Government” means the Government of Ontario;
- cc. “*Grains Act*” means the *Grains Act*, R.S.O. 1990, c. G. 10;
- dd. “*Insurance Act*” means the *Insurance Act*, R.S.O. 1990, c. I. 8;
- ee. “LGIC” means the Lieutenant Governor in Council;
- ff. “Member” means a Member of the Board of AgriCorp;

- gg. “Minister” means the Minister of Agriculture, Food and Rural Affairs 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*, R.S.O. 1990, c.E.25, as amended;
- hh. “Minister of Finance” means the Minister of Finance or such other person who may be designated from time to time under the *Executive Council Act*;
- ii. “Ministry” means the Ministry of Agriculture, Food and Rural Affairs or any successor to the Ministry;
- jj. “MOU” means this Memorandum of Understanding signed by the Minister and the Chair;
- kk. “Operational Agreement” means the agreement entered by the Ministry and the Agency, as required by section 19 of this MOU;
- ll. “*Pay Equity Act*” means the *Pay Equity Act*, R.S.O. 1990, c. P. 7;
- mm. “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*;
- nn. “PSC” means the Public Service Commission;
- oo. “PSOA” means the *Public Service of Ontario Act, 2006*, S.O. 2006, c. 35, Sched. A, as amended;
- pp. “PSSDA” means the *Public Sector Salary Disclosure Act, 1996*, S.O. 1996, c. 1, Schedule 1;
- qq. “PSOA” means the *Public Service of Ontario Act, 2006*, S.O. 2006, c. 35, Schedule A;
- rr. “TBS” means the Treasury Board Secretariat;
- ss. “TB/MBC” means the Treasury Board/Management Board of Cabinet;

3. Agency's Legal Authority and Mandate

- a. The legal authority of AgriCorp is set out in the *AgriCorp Act*.
- b. AgriCorp also exercises powers and authority under the APIA and the *Grains Act*.
- c. The provincial agency's mandate is set out in s. 2 of the *AgriCorp Act*, which provides:
 1. To administer plans of crop insurance under the APIA and to perform the duties conferred on it by that act; and
 2. To perform any other duties conferred on it under any other act of Ontario, any order of the LGIC or the Governor in Council, or any agreement made between,
 - (a) The Government of Ontario or any of its agencies, and
 - (b) Any one or more of the Government of Canada, any of its agencies, the Agency itself, or any person.

4. Agency Type and Public Body Status

- a. The Agency is designated as a board governed provincial agency under the Agencies and Appointments Directive.
- b. The Agency is prescribed as a public body in accordance with Ontario Regulation 146/10 under the *Public Service of Ontario Act, 2006*. It is not organizationally part of the Ministry, but it is considered to be within the Government.

5. Corporate Status and Crown Agency Status

- a. The Agency is a Crown Agency within the meaning of the *Crown Agency Act*, pursuant to s. 8 of the *AgriCorp Act*.
- b. The Agency has the capacity, rights, power and privileges of a natural person for carrying out its objects, subject to the limitations placed upon it under the *AgriCorp Act*, or limitations imposed by TB/MBC.
- c. The Agency was established as and is a corporation without share capital. The *Corporations Act*, *Corporations Information Act* and the *Insurance Act* do not apply to the Agency.

6. Guiding Principles

The parties agree to the follow principles:

- a. The Minister recognizes that the Agency exercises powers and performs duties in accordance with its legal mandate under the *AgriCorp Act*, the APIA, and the *Grains Act*.
- b. The Minister recognizes that the Agency 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 Chair, on behalf of the Board, acknowledges that it is accountable, through the Minister, to the Legislative Assembly in exercising its mandate. Accountability is a fundamental principle to be observed in the management, administration and operations of the agency. The Board of Directors acknowledges that it is accountable to the Minister, through the Chair, for governance and oversight of the agency.
- d. As an Agency of the Government, the agency conducts itself 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 the law.
- e. The Minister and 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.
- f. The Minister and Chair acknowledge that the timely exchange of information and effective consultation, both between them and between the Ministry and the Agency, are essential in discharging their respective responsibilities under this MOU.

Program/Operational

- g. The Agency is responsible for operational decisions in the delivery of Ministry programs. At the same time, however, the Minister remains accountable to Cabinet and the Legislature for the quality and efficiency of program delivery. He therefore has direct responsibility in implementing reasonable measures to oversee the effectiveness and efficiency of the Agency's operations.
- h. The Minister recognizes the Agency's program, administrative, and operating decisions are to be made independent of direct Ministry control. The Agency acknowledges its decisions in these areas must also comply with all applicable legislation, regulations, Government and Minister's directives, and agreements. Decisions relating directly to individual files for which the Agency is responsible to administer must be made, and seen by the public to be made, independent of the Ministry.
- i. The Agency may enter into new business ventures delivering other agricultural and food programs for the Government, the Government of Canada or the private sector, provided those ventures are consistent with the provisions of the *AgriCorp Act*, other applicable legislation, regulations, Government or Ministerial directives, or agreements, and the Agency receives the prior written approval of the Minister. The process by which the Agency shall obtain the Minister's approval shall be set out in the Operational Agreement.
- j. The Agency and the Ministry will avoid duplication of services wherever possible.
- k. The Agency 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 agency's fulfilment of its mandate and its compliance with government policies, and for reporting to the Legislative Assembly on the agency's affairs.
- b. For reporting and responding to Treasury Board/Management Board of Cabinet on the agency's performance and compliance with government's applicable directives and operational policies.
- c. To the Cabinet for the performance of the agency and its compliance with the government's operational policies and broad policy directions.

7.2 CHAIR

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

- a. To the Minister for the Agency's performance in fulfilling its mandate, and for carrying out the roles and responsibilities assigned to the Chair by the *AgriCorp Act*, the *APIA*, the *Grains Act*, this MOU, and applicable Government directives.
- b. For reporting to the Minister, as requested, on the Agency's activities.
- c. For ensuring timely communications with the Minister regarding any issue that affects, or can reasonably be expected to affect, the Minister's responsibilities for the Agency.

In this MOU, references to the Chair will also include the Board, or that the Chair is acting on behalf of the Board, unless the context indicates otherwise.

7.3 BOARD OF DIRECTORS

The Board is accountable, through the Chair, to the Minister for the oversight and governance of the Agency; setting goals, objectives and strategic direction for the agency within its mandate; and for carrying out the roles and responsibilities assigned to it by the *AgriCorp Act*, the *APIA*, the *Grains Act*, this MOU, and applicable Government directives.

7.4 DEPUTY MINISTER

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 Agency and for carrying out the roles and responsibilities assigned by the Minister, this MOU, and applicable TB/MBC, PSC and government directives.

The Deputy Minister is also accountable for attesting to TB/MBC on the Agency's compliance with applicable Government legislation and directives.

7.5 CHIEF EXECUTIVE OFFICER (CEO)

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

8. Roles and Responsibilities

8.1 MINISTER

The Minister is responsible for:

- a. Reporting and responding to the Legislative Assembly on the affairs of the Agency.
- b. Reporting and responding to TB/MBC on the Agency's performance and compliance with applicable Government directives, and the Government's operational policies and policy directions.
- c. Recommending to TB/MBC, where required, the merger, any change to the mandate, or dissolution of the Agency.
- d. Recommending to TB/MBC the powers to be given to, or revoked from, the Agency when a change to the Agency's mandate is being proposed.
- e. Meeting with the Chair to discuss the fulfilment of the Agency's mandate at least twice yearly.
- f. Working with the Chair to develop appropriate measures and mechanisms related to the performance of the Agency.
- g. Review the advice or recommendation of the chair on candidates for appointment or re-appointment to the Board.
- h. Making recommendations to Cabinet and the LGIC for appointments and reappointments to the Agency, pursuant to the process for agency appointments established by legislation, or by TB/MBC through the AAD.
- i. Determining at any time the need for a review or audit of the Agency, directing the Chair to undertake reviews of the Agency on a periodic basis, and recommending to TB/MBC any change(s) to the governance or administration of the Agency resulting from any such review or audit.
- j. When appropriate or necessary, taking action or directing that the Agency take corrective action with respect to the agency's administration or operations.
- k. Issuing written directives to the Agency pursuant to ss. 5(1) of the *AgriCorp Act*, in accordance with the process set out in the Operational Agreement.

- l. For receiving the agency's annual report and approving the report within 60 calendar days of receiving it.
- m. For tabling the annual report within 30 calendar days of approving it.
- n. For ensuring that the agency's annual report is made available to the public after it is tabled and within 30 calendar days of approving it.
- o. Informing the Chair of the Government's priorities and broad policy directions for the Agency.
- p. Consulting, as appropriate, with the Chair, and others, on significant new directions or when the government is considering regulatory or legislative changes for the Agency.
- q. Developing the Agency's MOU with the Chair, as well as any amendments to it, and signing it into effect after it has been signed by the Chair.
- r. Reviewing and approving the agency's Annual Business Plan.
- s. Recommending to TB/MBC any provincial funding to be allocated to the Agency.
- t. Outlining the high-level expectations, key commitments and performance priorities for the Agency at the beginning of the annual business planning cycle through the Agency mandate letter.

The Minister may delegate any legal authority that has been granted to the Minister as the Minister deems appropriate. The Minister shall follow the process set out in the Operational Agreement for any delegation of the Minister's authority that may affect the Agency.

8.2 CHAIR

The Chair is responsible for:

- a. Providing leadership to the Agency by working with the Board to set the goals, objectives and strategic directions within its mandate.
- b. Providing leadership to the Agency's Board and ensuring that it carries out its responsibilities for decisions regarding the Agency
- c. Chairing Board meetings, including the management of the Board's agenda.
- d. Reviewing and approving claims for per diems and travel expenses for appointees to the Board.
- e. Seeking strategic policy direction for the Agency from the Minister.
- f. Ensuring timely communications with the Minister regarding any issues or events that may concern or can reasonably be expected to concern the Minister in the exercise of his responsibilities relating to the Agency.
- g. Consulting with the Minister in advance regarding any Agency activity which may have an impact on the Government and Ministry's policies, directives or procedures, or on the agency's mandate, powers or responsibilities as set out in the *AgriCorp Act*.

- h. Reporting to the Minister as requested on the Agency's activities within agreed upon timelines, including an annual letter confirming its compliance with all applicable legislation, directives, and accounting and financial policies.
- i. Ensuring that the Agency operates within its approved budget allocation in fulfilling its mandate, and that public funds are used for the purpose intended with integrity and honesty.
- j. Developing the Agency's MOU with the Minister and signing it on behalf of the Board.
- k. Submitting the Agency's business plan, budget, Annual Report and financial reports, on behalf of the Board, to the Minister in accordance with the timelines specified in the applicable Government directives, and Appendix 1 of this MOU.
- l. Providing the Minister, and the Minister of Finance, and President of Treasury Board with a copy of every audit report, a copy of the Agency's response to each report, and any recommendation in the report.
- m. Advising the Minister annually on any outstanding audit recommendations per direction of the Board of Directors.
- n. Ensuring that Members of the Board are informed of their responsibilities under the PSOA with regard to the rules of ethical conduct, including the political activity rules.
- o. Ensuring appropriate management systems are in place (financial, information technology, human resources) for the effective administration of the Agency.
- p. Carrying out effective public communications and relations for the Agency as its chief spokesperson.
- q. Cooperating with any review or audit of the Agency directed by the Minister or TB/MBC.
- r. Fulfilling the role of ethics executive for Members of the Board, promoting ethical conduct, and ensuring that the Members of the Board 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, political activity and the protected disclosure of wrongdoing.
- s. Keeping the Minister informed of upcoming appointment vacancies and providing recommendations for appointments or re-appointments
- t. Ensuring compliance with legislative and TB/MBC policy obligations.

The Chair may delegate any legal authority that has been granted to the Chair as the Chair deems appropriate. The Chair shall follow the process set out in the Operational Agreement for any delegation of the Chair's authority.

8.3 BOARD OF DIRECTORS

The Board of Directors is responsible for:

- a. Establishing the goals, objectives, and strategic directions for the agency within its mandate as defined by the *AgriCorp Act*, Government directives and policies as appropriate, and this MOU.

- b. Governing the affairs of the agency within its mandate as set out in the *AgriCorp Act*, its approved business plan as described in section 10.1 of this MOU, and the policy parameters established and communicated in writing by the Minister.
- c. Directing the development of and approving the agency's business plans for submission to the Minister within the timelines agreed upon with the Ministry or this MOU.
- d. Directing the preparation of, and approving the agency's Annual Reports for submission to the Minister for approval and tabling in the Legislative Assembly within the timelines established by the *AgriCorp Act* or AAD, as applicable.
- e. Making decisions consistent with the Business Plan approved for the Agency and ensuring that it operates within its budget allocation.
- f. Ensuring that the Agency uses public funds with integrity and honesty, and only for the business of the Agency based on the principle of value for money, and in compliance with applicable legislation and Government directives.
- g. Ensuring that the Agency is governed in an effective and efficient manner according to accepted business and financial practices, and in accordance with applicable Government directives.
- h. Establishing such board committees or oversight mechanisms as may be required to advise the Board on effective management, governance or accountability procedures for the Agency.
- i. Approving the Agency's MOU, and any amendments to the MOU, in a timely manner and authorizing the Chair to sign the MOU, or any amendments to the MOU, on behalf of the Agency.
- j. Approving the Agency's reports and reviews that may be requested by the Minister from time to time for submissions to the Minister within agreed upon timelines.
- k. Directing the development of an appropriate risk management framework and a risk management plan and arranging for risk-based reviews and audits of the Agency as needed.
- l. Where applicable, ensuring that conflict of interest rules that the agency is required to follow, as set out in Ontario Regulation 381/07 are in place for the Members of the Board and employees of the Agency.
- m. Establishing performance measures, targets and management systems for monitoring and assessing the Agency's performance.
- n. Directing corrective action on the functioning or operations of the Agency, if needed.
- o. Cooperating with and sharing any relevant information on any risk-based or periodic review directed by the Minister or TB/MBC.
- p. Consulting, as appropriate, with stakeholders on the Agency's goals, objectives and strategic directions.

- q. Providing advice to the government, through the Minister, on issues within or affecting the Agency's mandate and operations.
- r. Setting and reporting on the strategic direction for the Agency according to the Minister's mandate letter, Agency's proposed Business Plan, and the Agency's Annual Report.
- s. Evaluating the performance annually of the CEO in consultation with the Board and pursuant to performance criteria established by the Board and the Chair.
- t. Requiring the CEO to enter into a management agreement meeting the requirements set out in subsection 8.5 of this MOU.
- u. Ensuring that any directive issued by the Minister to the Agency is carried out promptly and efficiently, as required by subsection 5(2) of the *AgriCorp Act*.
- v. Appointing a CEO and setting performance objectives and remuneration terms linked to these objectives for the CEO which give due weight to the proper management and use of public resources.

8.4 Deputy Minister

The Deputy Minister is responsible for:

- a. Advising and assisting the Minister regarding the Minister's responsibilities for AgriCorp, including informing the Minister of policy direction, policies and priorities of relevance to the Agency's mandate.
- b. Advising the Minister on the requirements of the AAD, and other directives that apply to AgriCorp.
- c. Recommending to the Minister, as may be necessary, the evaluation or review, including a risk-based review, of AgriCorp or any of its programs, or changes to the management framework or operations of AgriCorp.
- d. Facilitating regular briefings and consultations between the Chair and the Minister, and between the Ministry and Agency staff as needed.
- e. Attesting to TB/MBC on AgriCorp's compliance with the mandatory accountability requirements set out in the AAD and other Applicable Government Directives, the Government's operational policies and policy directions based on the annual letter of compliance from AgriCorp's Chair to the Minister.
- f. Ensuring that the Ministry and Agency have the capacity and systems in place for on-going risk-based management, including appropriate oversight of the Agency.
- g. Ensuring that the Agency has an appropriate risk management framework and a risk management plan in place for managing risks that it may encounter in meeting its program or service delivery objectives.
- h. Undertaking timely risk-based reviews of AgriCorp, its management, or its operations, as may be directed by the Minister or TB/MBC.

- i. Establishing a framework for reviewing and assessing the Agency's business plans and other reports.
- j. Supporting the Minister in reviewing the performance targets, measures and results of AgriCorp.
- k. Advising the Minister on documents submitted by the Agency to the Minister for review or approval, or both.
- l. Submitting to the Minister, as part of the annual planning process, a risk assessment and management plan for each risk category.
- m. Undertaking reviews of the Agency as may be directed by the Minister.
- n. Cooperating with any review of the Agency as directed by the Minister or TB/MBC.
- o. Monitoring AgriCorp on behalf of the Minister while respecting the agency's authority, identifying needs for corrective action where warranted, and recommending to the Minister ways of resolving any issues that might arise from time to time.
- p. Negotiating a draft MOU with the Chair of the Agency, as well as any amendments to it, as directed by the Minister.
- q. Consulting with the agency's CEO or Chair, as needed, on matters of mutual importance including services provided by the Ministry and compliance with Government directives and policies.
- r. Meeting with the Chair or CEO as needed or as directed by the Minister, or on the request of the Chair or CEO.
- s. Arranging for administrative, financial and other support to the Agency, as specified in this MOU.
- t. Informing the Chair or CEO, in writing, of new Government directives and any exceptions to, or exemptions in whole or in part from Government directives and policies or Ministry administrative policies.
- u. When required, submitting a report to the Secretary of TB/MBC on the wind-down of the Agency, following the disposition of any assets, completion of any outstanding responsibilities by the agency, and the termination of any appointments.
- v. Developing an Operational Agreement with the CEO.
- w. Signing the Operational Agreement with the CEO.

The Deputy Minister may delegate any legal authority that has been granted to the Deputy Minister as the Deputy Minister deems appropriate. The Deputy Minister shall follow the process set out in the Operational Agreement for any delegation of the Deputy Minister's authority that may affect the Agency.

8.5 AGENCY CHIEF EXECUTIVE OFFICER (CEO)

The Chief Executive Officer is responsible for:

- a. Managing the day-to-day financial, operational, and administrative affairs of AgriCorp in accordance with its mandate of the agency, applicable Government Directives, accepted business and financial practices, and this MOU.
- b. Advising the Chair on the requirements of and the Agency's compliance with the AAD, as well as other applicable Government Directives and policies, and Agency by-laws and policies, including annually attesting to the Chair on the Agency's compliance with mandatory requirements.
- c. Applying policies and procedures so that public funds are used with integrity and honesty.
- d. Providing leadership and management to AgriCorp's staff, including human and financial resources management, in accordance with the approved business plan, accepted business and financial practices and standards, the *AgriCorp Act*, and applicable Government Directives.
- e. Establishing and applying a financial management framework for the Agency in accordance with applicable Minister of Finance/Treasury Board 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 agency's approved business plan.
- g. Ensuring that AgriCorp has the oversight capacity and an effective oversight framework in place for monitoring its management and operations.
- h. Keeping the Board informed with respect to implementation of policy and the operations of the Agency.
- i. Establishing and applying systems to ensure that the Agency operates within its approved business plan.
- j. Establishing and applying the agency's risk management framework and risk management plan in place, as directed by the Board.
- 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 Agency's performance and reporting on results to the Board.
- m. Keeping the Ministry and the Chair advised on issues or events that may concern the Minister, the Deputy Minister, or the Chair in the exercise of their responsibilities.
- n. Seeking support and advice from the Ministry, as appropriate, on Agency management issues.
- o. Establishing and applying a system for the retention of Agency records and for making such records publicly available when appropriate, and for compliance with FIPPA and the *Archives and Recordkeeping Act*.
- p. Undertaking timely risk-based reviews of the Agency's management and operations.

- q. Consulting with the Deputy Minister as needed, on matters of mutual importance, including services providing by the Ministry, and on Government directives and Ministry policies.
- r. Ensuring that the Deputy Minister receives a copy of the Board minutes and supporting documentation.
- s. Cooperating with periodic reviews of the Agency directed by the Minister or TB/MBC.
- t. Fulfilling the role of ethics executive for public servants, other than government appointees, who work in the agency, i.e. Agricorp's staff.
- u. Promoting ethical conduct and ensuring that all employees of AgriCorp 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.
- v. Keeping the Board informed about operational matters.
- w. Preparing the agency's Annual Reports and Annual Business Plan as directed by the Board.
- x. Preparing financial reports for approval by the Board.
- y. Preparing, for approval by the Board, a performance review system for staff and implementing the system.
- z. Attesting to AgriCorp's compliance with applicable legislation, directives and policies, and support the Chair in his attestation of that compliance.
- aa. Developing an Operational Agreement with the Deputy Minister.
- bb. Signing the Operational Agreement between the Ministry and the Agency.
- cc. Implementing reasonable measures to see that the Agency has and will maintain appropriate risk management and mitigation strategies to fulfill its obligations under this MOU.

The CEO may delegate any legal authority that has been granted to the CEO as the CEO deems appropriate. The CEO shall follow the process set out in the Operational Agreement for any delegation of the CEO's authority.

9. Ethical Framework

Members of the Board are appointed by the LGIC and are subject to the conflict of interest provisions of the AAD and the conflict of interest provisions of the PSOA and its regulations.

Board members shall not use any information gained as a result of their appointment to or membership on the Board for personal gain or benefit. A Member who has reasonable grounds to believe that he or she has a conflict of interest in a matter before the Board, or a committee of the Board, shall disclose the nature of the conflict to the Chair at the first opportunity and shall refrain from further participation in the consideration of the matter, or take such measures as the Chair may direct. The Chair shall cause to be recorded in the minutes of each meeting of the Board any declared conflicts of interest.

The Chair, as the Ethics Executive for the provincial agency, is responsible for ensuring that appointees of the agency are informed of the ethical rules to which they are subject, including the rules on conflict of interest, political activity and protected disclosure of wrongdoing that apply to the agency.

10. Reporting Requirements

10.1 BUSINESS PLAN

- a. The Chair will ensure that the Minister is provided annually with the agency's Annual Business Plan covering a minimum of three years from the current fiscal year, which includes a financial budget and a risk assessment and management plan, for approval by the Minister. The Annual Business Plan shall be in accordance with the requirements set out in the AAD.
- b. The Annual Business Plan shall be submitted to the Ministry's Chief Administrative Officer or designated equivalent at least three months prior to the Agency'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 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 in developing its risk assessment and risk management plan information in accordance with the requirements of the AAD to assess risks, develop and maintain necessary records, and report to TB/MBC.
- e. The Chair will ensure that publicly posted business plans do not disclose Confidential Information.
- f. The Minister will review the agency's Annual Business Plan and will promptly advise the Chair whether or not he concurs with the directions proposed by the Agency. The Minister may advise the Chair where and in what manner the Agency's plan varies from Government or Ministry policy or priorities, and the Chair, will direct the CEO to revise the Agency's plan accordingly. The Annual Business Plan will only be valid when the Minister has approved it in writing.
- g. In addition, TB/MBC may require the Minister to submit the Agency's Annual Business Plan to TB/MBC for review at any time.
- h. The Chair, through the CEO, will ensure that the approved Annual Business Plan is made available to the public in an accessible format, in both official languages, on the AgriCorp website within 30 days of Minister's approval of it.

10.2 ANNUAL REPORTS

- a. The Chair is responsible for ensuring that the agency's Annual Report is prepared and submitted to the Minister for approval within 90 days of the agency's fiscal year end. The Annual Report shall be in accordance with the requirements set out in the AAD.
- b. The Chair will ensure that publicly posted reports do not disclose Confidential Information.
- c. The Minister will receive, review and approve the agency's annual report. The Minister will receive and table the agency's annual report in the Legislative Assembly.
- d. The Chair, through the CEO, will ensure that its Annual Report is publicly posted in an accessible format, in both official languages, on the AgriCorp website within 30 days of ministerial approval (and after tabling in legislature).

10.3 OTHER REPORTS

The Chair is responsible for:

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

11. Public Posting Requirements

- a. AgriCorp will ensure that the following approved governance documents are posted in an accessible format, in both official languages, on the AgriCorp website within the specified timelines:
 - Memorandum of Understanding and any letter of affirmation – 30 calendar days of signing by both parties
 - Agency mandate letter – no later than the corresponding annual business plan
 - Annual business plan – 30 calendar days of minister's approval
 - Annual report – 30 calendar days of minister's approval (the report must first be tabled in the Legislature).
- b. Posted governance documents should not include Confidential Information.
- c. The Chair will ensure that the expense information for Board Members and senior management staff are posted on the agency or ministry website, in accordance with the requirements of the MBC Travel, Meal and Hospitality Expenses Directive.
- d. The Chair will ensure that any other applicable public posting requirements are met.

12. Communications and Issues Management

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

The Minister and the Chair therefore agree that:

- a. The Chair will keep the Minister advised, in a timely manner, of all planned events or issues, including contentious matters, that concern or can be reasonably expected to concern the Minister in the exercise of his responsibilities.
- b. The Minister will consult with the Chair in a timely manner, as appropriate, on broad Government policy initiatives or legislation being considered by the Government that may impact on AgriCorp's mandate or functions, or which otherwise will have a significant impact on it.
- c. The Minister and the Chair will consult with each other on public communication strategies and publications. They will keep each other informed of the results of stakeholder and other public consultations and discussions.
- d. The Minister and the Chair will meet at least twice yearly, or as requested by either party, to discuss the fulfillment of the agency's mandate, management and operations.
- e. The Deputy Minister and the Chair will meet on a quarterly basis or as the Deputy Minister is directed by the Minister.
- f. The Deputy Minister and the CEO will meet at least every two months, or as requested by either of them, to discuss issues relating to the delivery of AgriCorp's mandate, the efficient operation of the agency, and the provision of any services by the Ministry to AgriCorp.
- g. The Deputy Minister and the CEO shall provide timely information and advice to each other concerning significant matters affecting the Agency's management or operations.
- h. Through consultation with the ministry, AgriCorp will ensure that the Ministry has the opportunity to review, in advance, any non-routine public announcements which may present a ministry communications opportunity.
- i. The Ministry and Agency shall designate positions in the Operational Agreement that are responsible for sharing and coordinating information between the Ministry and the Agency on matters that affect the Agency and the Ministry respectively as well as other duties that may be assigned to them in the Operational Agreement.
- j. The governance framework developed collaboratively between the Ministry and the Agency and predicated upon a transparent "no surprise" approach to communications, planning and relationship management will be included in the Operational Agreement. This includes the committee structure and terms of reference.

- k. The Chair, CEO, Deputy Minister, or designate by the Deputy Minister, may work together, as appropriate, to ensure full and open collaboration on the development of materials for briefings, or appropriate escalation of issues to, the Board and the Minister.

13. Administrative Arrangements

13.1 APPLICABLE GOVERNMENT DIRECTIVES

- a. The Chair, on behalf of the Board of Directors, is responsible for ensuring that the agency operates in accordance with all Applicable Government Directives, as well as applicable Government/Ministry financial and administrative policies and procedures. Appendix 1 to this MOU provides a list of Applicable Government Directives and policies.
- b. The Ministry will inform the Agency of any amendments to directives, policies, or guidelines that apply to the Agency. AgriCorp, however, is responsible for complying with all directives, policies and guidelines to which it is subject.
- c. In addition to complying with the MBC Realty Directive, AgriCorp shall comply with the Ministry of Government Services' Realty Policy including any appendices to this policy when acquiring space for accommodation and program purposes. The Ministry will ensure that the agency is provided with any updates to this policy.
- d. The Ministry may, upon request, provide the Agency with the following support services:
 - 1) Communications;
 - 2) Policy;
 - 3) Financial;
 - 4) Information technology; or
 - 5) Other requested administrative services AgriCorp may request the Ministry deems appropriate to provide.
- e. If the Ministry provides support services to the Agency, the parties agree they shall enter into individual Service Level Agreements for each of the services the Ministry provides to the Agency.
- f. Where the Ministry provides support services to the Agency, the Deputy Minister shall ensure that the support services provided to the Agency are of the same quality as those provided to the Ministry's own divisions and branches.
- g. The Chair, on behalf of the Board of Directors, is responsible for ensuring that clear expectations are established for transfer payment recipients, and for ensuring effective diligence when setting up and monitoring transfer payment contracts to ensure public services are delivered, commitments are fulfilled and the right controls are in place to ensure the prudent use of taxpayers' money.

13.2 ADMINISTRATIVE AND ORGANIZATIONAL SUPPORT SERVICES

- a. AgriCorp provides administrative services to the Board.

13.3 AGREEMENTS WITH THIRD-PARTIES

- a. Approvals process regarding Agricorp entering into New Business Venture agreements with third-parties is set out in the Operational Agreement.

13.4 LEGAL SERVICES

- a. The Ministry of the Attorney General is responsible for providing legal services to the Agency.
- b. Should the Agency require external legal services, those services shall be obtained and provided in accordance with the Ministry of the Attorney General's Corporate Operating Policy on Acquiring and Using Legal Services.

13.5 CREATION, COLLECTION, MAINTENANCE AND DISPOSITION OF RECORDS

- a. The Chair is responsible for ensuring that a system is in place for the creation, collection, maintenance and disposal of records.
- b. The Chair is responsible for ensuring that AgriCorp complies with all government legislation, directives and policies related to information and records management.
- c. The CEO, the Chair, and the Board shall protect the legal, fiscal and other interests of the Agency by implementing reasonable measures to ensure the ongoing viability, integrity, preservation and security of all official records created, commissioned or acquired by it. This includes, but is not limited to, all paper records; electronic records; information posted on the Agency's website(s); database data sets; and all records stored on employees' hardware and shared drives.
- d. The Chair is responsible for ensuring measures are implemented requiring the agency's employees to create full, accurate and reliable records that document and support significant business transactions, decisions, events, policies and programs.
- e. The Chair is responsible for ensuring that Agricorp complies with the *Archives and Recordkeeping Act*.

13.6 INTELLECTUAL PROPERTY

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

13.7 FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY

- a. The Chair and the Minister acknowledge that the agency is bound to follow the requirements set out in the *Freedom of Information and Protection of Privacy Act* (FIPPA) in relation to the collection, retention, security, use, distribution and disposal of records.
- b. The Chair is the institution head for the purposes of the FIPPA.

13.8 SERVICE STANDARDS

- a. AgriCorp shall establish customer service and quality standards that are consistent with the appropriate standards of the Government, the Ministry and the Ontario Public Service.
- b. The Chair will ensure that the agency delivers its services at a quality standard that reflects the principles and requirements of the OPS Service Directive.
- c. AgriCorp has in place a formal process for responding to complaints about the quality of services received by its customers consistent with the Government's service quality standards.
- d. The agency's Annual Business Plan will include performance measures and targets for customer service and the Agency's response to complaints.
- e. AgriCorp shall comply with the AODA.
- f. The Agency's customer services quality review process shall be detailed in the Operational Agreement.

14. Financial Arrangements

14.1 GENERAL

- a. The Agency's financial arrangements shall be in accordance with the requirements of the *AgriCorp Act*, the *APIA*, the *Grains Act*, and the *Financial Administration Act*. Any other financial arrangements provided for other programs the Agency provides on behalf of the Ministry or any other entity shall comply with all applicable acts, as set out in Appendix 2 of this MOU.
- b. The Chair is responsible for ensuring that the Agency's financial statements and financial records are prepared in accordance with such accounting policies and principles as may be directed by TB/MBC or the Minister of Finance, or in default of any directions, with the Canadian Generally Accepted Accounting Principles.
- c. All financial procedures for the provincial agency shall be in accordance with applicable TB/MBC and Ministry of Finance directives and guidelines, Ministry corporate financial and administrative policies and procedures, and other Government guidelines, directives and policies, as set out in Appendix 1 of this MOU.
- d. When ordered to do so by the Minister of Finance or the President of the Treasury Board, pursuant to s. 16.4 of the *Financial Administration Act*, the agency shall pay into the CRF any money that the Minister of Finance or the President of the Treasury Board determines is surplus to its requirements.
- e. Pursuant to s. 28 of the *Financial Administration Act*, the Agency shall not enter into any financial arrangement or commitment, guarantee, indemnity or similar transaction that would increase, directly or indirectly, the indebtedness or contingent liabilities of the Government without the written approval of the Minister of Finance or the President of the Treasury Board. The Minister's approval is required before seeking statutory approval from the Minister of Finance.

- f. AgriCorp's approved operating and capital allocations may be adjusted in a given year if in-year fiscal constraints are ordered by Cabinet or the Minister. The Agency will be provided with notice of changes to its allocation as soon as is reasonably possible. Where it must reallocate resources as a result of its operating or capital allocations being adjusted, the Agency shall inform and discuss this with the Ministry before making such changes.
- g. The Board shall not enter into any financial arrangement or commitment or approve the spending of any money that has the effect of:
 - Approving a budget or increasing the Agency's level of spending beyond what the Ministry has already approved for the Agency, as set out in the Ministry's yearly funding envelope for the Agency, or what the Ministry has indicated the next funding envelope for the Agency may contain or
 - Requiring the Agency to make operational changes that negatively impacts on the Agency's ability to deliver the Ministry's programs without first ensuring the Ministry has been consulted about the financial arrangement or commitment, including the implications to the Ministry's own financial resources, and the Board has obtained the prior written consent of the Minister to the proposed financial arrangement or commitment. The Minister's consent (if it is to be given) shall be provided on a timely basis.
- h. The CEO shall be responsible for providing the Ministry with the necessary documentation to support the agency's expenditures.

14.2 FUNDING

- a. AgriCorp shall maintain a bank account in its own name and manage its financial activities, including leasing, investment and management of cash in accordance with the Ontario Financing Authority's policy directions.
- b. The Agency is partly funded from the CRF pursuant to appropriations authorized by the Legislative Assembly.
- c. The Agency is also partly funded directly from administrative fees collected under the programs it delivers from the recipients of those programs.
- d. The Agency is also partly funded directly from third party agreements.
- e. Recovered costs and other revenues, if any, are paid as received to the CRF, unless the Agency's constituting instrument or Acts/Regulations that the Agency is responsible for administering provides otherwise, and may not be applied to the Agency's administrative expenditures unless otherwise provided by law.
- f. The Agency shall follow its collections policy, or any debt recovery protocol it enters into with the Ministry, in relation to recovering overpayments and other debts that it is owed.
- g. Any money collected under paragraph F (immediately above) shall be dealt with in accordance with the Operational Agreement.

- h. The Chair shall prepare estimates of the Agency's expenditures for inclusion in the Ministry's Multi-Year Plan. The Chair shall deliver these estimates to the Minister in sufficient time to be analyzed and approved by the Minister.
- i. The estimates provided by the Chair may, after appropriate consultation with the Chair, be altered, as required.
- j. All program funding (as distinct from administrative funding) the Agency receives shall be allocated to their specific program funds.
- k. The Chair is responsible for ensuring that program funding (as distinct from administrative funding) the Agency receives is appropriately segregated as well as ensuring the financial integrity of all specific program funds.
- l. The administrative funding level for each Fiscal Year shall be negotiated between the Agency and the Ministry on an annual basis with a three-year forecast at each negotiation to align with the Ministry's Multi-Year Plan.
- m. Where the Agency requires additional administrative funding due to extraordinary circumstances, the Agency and the Ministry will negotiate on a case-by-case basis.
- n. Any "fee for service" arrangement (e.g. delivery agreement) the Agency and the Ministry enter into shall be negotiated between the Agency and the Ministry on a case-by-case basis and set out in the applicable service level agreement.
- o. All revenues generated by the Agency shall be accounted for in the Agency's financial statements.
- p. All income, revenues and profit the Agency earns shall be applied only to the advance of the Agency's objectives, as set out in the *AgriCorp Act, 1996*.

14.3 FINANCIAL REPORTS

- a. The Chair, on behalf of the Board of Directors, will provide to the Minister audited annual financial statements, and will include them as part of the agency's annual report. The statements will be provided in a format that is in accordance with the province's stated accounting policies issued by the Office of the Provincial Controller Division.
- b. The agency will submit its salary information to the Minister of Finance and/or the President of the Treasury Board, through the ministry, in accordance with the PSSDA.
- c. The Chair shall provide, on instruction from the Minister of Finance, the Agency's financial information for consolidation into the Public Accounts.
- d. The CEO shall, as directed by the Board, prepare and present to the Deputy Minister a financial report on a quarterly basis as set out in the Operational Agreement.
- e. The CEO shall prepare and present other financial reports as requested by the Minister or the Deputy Minister.
- f. The Agency shall provide the Ministry with monthly operating reports on the Agency's programs and activities.

14.4 TAXATION STATUS: HARMONIZED SALES TAX (HST)

Collection/Remittance of HST

- a. The agency is responsible for complying with its obligations as a supplier under the federal Excise Tax Act to collect and remit HST in respect of any taxable supplies made by it.

Payment/Recovery of HST

- b. The agency is responsible for paying HST where applicable, in accordance with the Excise Tax Act (Canada).
- c. Under the Canada-Ontario Reciprocal Taxation Agreement, the agency is entitled to claim HST government rebates in respect of any HST paid by the agency to suppliers, subject to any restrictions specified by Finance Canada.
- d. The agency will not claim an HST government rebate in respect of tax for which it has claimed a refund, input tax credit or other rebate under the Excise Tax Act (Canada).
- e. The agency is responsible for providing the Ministry of Finance or the Canada Revenue Agency, upon request, with any information necessary to determine the amount of an HST government rebate.

15. Audit and Review Arrangements

15.1 AUDITS

- a. The agency is subject to periodic review and value-for-money audit by the Auditor General of Ontario under the *Auditor General Act* or by the Ontario Internal Audit Division of Treasury Board Secretariat.
- b. The Ontario Internal Audit Division may also carry out an internal audit, if approved to do so by the Ministry's Audit Committee or by the Corporate Audit Committee.
- c. Regardless of any previous or annual external audit, the Minister may direct that the agency be audited at any time. The Minister shall determine the timing and responsibility of the audit, the roles of the Chair and the Deputy Minister and the manner in which other parties (if any) are to be involved.
- d. The Agency acknowledges the Ministry's authority to conduct an audit of the Agency at any time without notice to the Agency. Therefore, the Ontario Internal Audit Division may carry out an internal audit of the Agency at any time if requested to do so by the Ministry's Audit Committee or the Corporate Audit Committee. However, both the Ministry and the Agency recognize the need to, where possible, preserve auditing resources by avoiding unnecessary duplication. Therefore, the Ministry will, where possible, consult with the Board's Finance & Audit Committee on potential auditing activity. Such consultation will include discussions on the coordination of auditing plans between the Ministry and the Agency. Any audit planning between the Ministry and the Agency shall also take into

account the risk management frameworks and plans of the Ministry and the Agency in order to identify areas or subjects that may need auditing.

- e. The Agency shall plan and undertake internal audits.
- f. The Agency will promptly provide a copy of every report from an audit (not including audits conducted by Agricorp staff on individual customer files) to the Minister, the Minister of Finance, and the President of Treasury Board. The Agency will also provide a copy of its response to the audit report and any recommendations in it. The Agency will advise the Minister annually on any outstanding audit recommendations.
- g. The Chair may request an external audit of the financial transactions or management controls of AgriCorp, at AgriCorp's expense.
- h. The accounts of the Agency shall be audited annually by the Auditor General of Ontario. Audited financial statements will be included in the Agency's Annual Report.

15.2 OTHER REVIEWS

- a. AgriCorp is subject to periodic review initiated at the discretion and direction of TB/MBC or the Minister. The review may cover such matters relating to the agency that are determined by TB/MBC or the Minister, and may include the mandate, powers, governance structure, or operations of the Agency.
- b. In requiring a periodic review, the Minister or TB/MBC shall determine the timing and responsibility for conducting the review, the roles of the Chair, the Board, and the Minister, and whether and how any other parties may be involved.
- c. If a review is initiated at the direction of the Minister, the Minister shall submit any recommendations for change that are developed from the results of the review to the Chair and TB/MBC for consideration.
- d. A mandate review of the provincial agency will be conducted at least once every six years.

16. Staffing and Appointments

16.1 STAFFING REQUIREMENTS

- a. Agency employees are employed under the authority of the *AgriCorp Act, 1996*.
- b. The CEO of the Agency may engage such employees as he deems necessary from time to time.
- c. The Board is responsible for providing strategic direction and oversight of the employment, management, and compensation of staff.
- d. The CEO is responsible for the hiring, management, and compensation of staff.
- e. Agency employees are not subject to Part III of the *Public Service of Ontario Act*.
- f. Directors, officers and employees of the Agency shall maintain the confidentiality of Ministry programs and initiatives and all information they are privy to in the course of their employment or services, both during and following their term of employment or services.

- g. Ministry staff shall maintain the confidentiality of the Agency's programs and initiatives and all information they are privy to in the course of their employment or services, both during and following their term of employment or services.

16.2 APPOINTMENTS

- a. The Chair is appointed by the LGIC on the recommendation of the Minister pursuant to ss. 1(2) and 4(3) of the *AgriCorp Act*, for a term of not more than three years.
- b. The vice-Chair and members of the Board are appointed by the LGIC on the recommendation of the Minister pursuant to ss. 1(2) and 4(3) of the *AgriCorp Act*, for a term of not more than three years.
- c. There is no maximum number of Members or vice-Chairs.
- d. There is no limit to the number of terms for appointments.

16.3 REMUNERATION

- a. Remuneration for board members is set by the LGIC.
- b. As set out in s. 6(4) of the *AgriCorp Act*, remuneration will comply with the policies of TB/MBC.
- c. Travel expenses of board members must comply with the MBC Travel, Meal and Hospitality Expenses Directives. Reasonable expenses shall be reimbursed.

17. Risk Management, Liability Protection and Insurance

17.1 RISK MANAGEMENT

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

17.2 LIABILITY PROTECTION, INDEMNIFICATION AND INSURANCE

- a. Ss. 9(1) of the *AgriCorp Act*, provides that no action or other proceeding for damages may be instituted against any member of the Agency, employees in the service of the Agency or member of any committee established under ss. 6(1) of the *AgriCorp Act*, for any act done in good faith in the execution or intended execution of the person's duty or for any alleged neglect or default in the execution in good faith of that person's duty.
- b. The Parties agree to follow the process set out in the Operational Agreement to apply to the Minister of Finance for an approval under section 28 of the *Financial Administration Act* for the indemnification of the Agency's officers and other selected key staff.

- c. Directors of the Agency are indemnified pursuant to the Class Approval for agencies to indemnify their Directors issued by the Minister of Finance under section 28(1)(b) of the *Financial Administration Act*.
- d. Currently, no officer or employee is indemnified by the Agency beyond the coverage provided by a Directors and Officers Insurance policy maintained in force by the Agency. In the event the Minister of Finance's approval under section 28 of the *Financial Administration Act* is sought and granted, the approval will take precedence over anything contained in this section of the MOU.
- e. The Ministry shall, in consultation with the Agency, set out minimum insurance requirements for the Agency in the Operational Agreement.
- f. Agricorp is not covered by the Province's General & Road Liability Protection Program and will purchase appropriate insurance including but not limited to Commercial General Liability insurance and Directors' and Officers' liability insurance in order to protect itself against claims that might arise from anything done or omitted to be done by Agricorp or its Directors, officers, employees or agents, and from anything done or omitted to be done where bodily or personal injury, death or property damage, including loss of use thereof, is caused. Agricorp will, upon request, provide the Ministry of proof of such insurance.

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

- a. This MOU becomes effective on the date it is signed by the Minister as the last party to execute it ("Original Effective Date") and continues in effect until it is revoked or replaced by a subsequent MOU signed by the parties.
- b. A copy of the signed MOU and any successor MOU must be provided to the Secretary, Treasury Board/Management Board of Cabinet.
- c. Upon a change in the Minister or Chair, both parties must affirm by letter that this MOU will continue in force without a review (and attach the signed letter to the MOU); or alternatively, they may agree to revise it and sign a new MOU within six months of the change.
- d. A copy of the letter of affirmation, or a new MOU between the Minister and Chair must be provided to the Secretary, Treasury Board/Management Board of Cabinet within six months of the new party or parties' commencement.
- e. Either the Minister or the Chair, on behalf of the Board of Directors, may initiate a review of this MOU by written request to the other.
- f. If either of the parties deems it expedient to amend this MOU, they may do so only in writing. Any amendment shall only be effective after approval by the parties.
- g. A full review and replacement of this MOU will be conducted immediately in the event of a significant change to the agency's mandate, powers or governance structure as a result of an amendment to the *AgriCorp Act*.
- 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.

19. Operational Agreement

- a. The Agency and the Ministry shall develop an Operational Agreement that defines the operational relationship between the Ministry and the Agency. The Operational Agreement shall address, but not be limited to: governance; accountability and responsibility arrangements and relationships; delivery expectations and reporting requirements for the programs the Agency delivers on behalf of the Ministry, which will include program development, program delivery and reciprocal performance expectations; financial arrangements; reporting; and audit and review arrangements.
- b. The Agency and the Ministry shall review the Operational Agreement a minimum of every five (5) years or as this MOU is reviewed and updated to ensure that it remains current.

20. Conflict

- a. If there is a conflict between applicable legislation; regulations; TB/MBC and Ministry of Finance directives and policies; the AAD; this MOU; the Operational Agreement; and any service level agreements the Agency and the Ministry may enter whereby the Agency provides services on behalf of the Ministry; the conflict shall be resolved in accordance to the following descending hierarchy:
 - Applicable legislation
 - Applicable regulations
 - TB/MBC directives and policies, including the AAD
 - Ministry of Finance directives and policies
 - This MOU
 - The Operational Agreement
 - Service level or program agreements

21. Dispute Resolution Process

- a. The goal of the collaborative governance model is to resolve issues prior to any need to escalate issues.
- b. Any dispute in relation to or arising out of this MOU shall be resolved in an expeditious and informal manner that will reflect the nature, materiality and urgency of the matter as well as the desire of both the Ministry and the Agency to work in a collaborative and mutually respectful way, as follows:
 1. by discussion between the Senior Director, Program Development (or successor position) and the Director of Farm Finance Branch (or successor position); and if the dispute cannot be resolved at that level, then
 2. by discussion between the Agency's CEO and the ADM Policy (or successor position); and if the dispute cannot be resolved at that level, then

3. by discussion between the Agency's CEO and Chair and the ADM Policy (or successor position) and the Deputy Minister; and if the dispute cannot be resolved at that level, then
4. by discussion between the Agency's Chair, the Deputy Minister and the Minister.

Signatures

Original signed by J Verkaik

Agency Chair
Jason Verkaik
AgriCorp

Date

Original signed by E Hardeman

Minister
Ernie Hardeman
Ministry of Agriculture, Food and Rural Affairs

Date

APPENDIX 1: APPLICABLE GOVERNMENT DIRECTIVES

AgriCorp is classified as an Operational Enterprise board governed provincial agency. It shall comply with the following Government directives and policies applicable for an agency of its classification and all directives/policies as stated in this MOU, including, but not limited to:

Business Planning and Financial Management Directives/Policies

1. Delegation of Financial Management Authority
2. Business Planning and Allocations Directive
3. General Expenses
4. Travel, Meal and Hospitality Expenses Directive
5. Indemnification Directive

Accountability and Governance Directives/Policies

1. Accountability Directive
2. Agencies and Appointments Directive
3. Transfer Payment Accountability Directive
4. Advertising Content Directive
5. Procurement Directive
6. Internal Audit Directive
7. Accessible Customer Service Policy

Information and Information Technology Management Directives/Policies:

1. Visual Identity
2. Corporate Policy on Information and Information Technology (I&IT) Security
3. Corporate Policy on Recordkeeping, 2015

General Directives/Policies:

1. OPS Service Directive
2. "Communications in French" Directive

APPENDIX 2: APPLICABLE STATUTES

The Agency shall comply with all applicable statutes and regulations. the Agency shall comply with the following statutes and the regulations made under, but not limited to:

- *Accessibility for Ontarians with Disabilities Act;*
- *AgriCorp Act;*
- *Agricultural Products Insurance Act;*
- *Archives and Recordkeeping Act;*
- *Broader Public Sector Executive Compensation Act;*
- *Emergency Management and Civil Protection Act;*
- *Financial Administration Act;*
- *Freedom of Information and Protection of Privacy Act;*
- *French Language Services Act;*
- *Grains Act;*
- *Pay Equity Act;*
- *Public Sector Compensation Restraint to Protect Public Services Act, 2010*
- *Public Sector Salary Disclosure Act;* and
- *Public Service of Ontario Act.*

APPENDIX 3: DIRECTOR NOMINATION PROCESS

The objectives of AgriCorp's director nomination process are to promote these goals:

- That every director has the skills, experience, strategic orientation and interest to support the Agency in fulfilling its mandate in an effective and efficient manner.
- That the Board, at any given time and taken as a whole, has the right mix of skills, experience and perspectives to ensure informed decision-making. Consider how to best maintain the Board as representative of both geography and gender, given that the Agency serves the whole province.
- A reasonable level of Board continuity. A system of staggered appointments is helpful, so that the number of new directors appointed at any one time is kept to a minimum.

The Agency's Chair and Board, with support from staff, will put in place a director nomination process as follows:

(1) A pool of potential director candidates will be maintained by AgriCorp. Candidates will be identified as follows:

- The Board will canvass the industry, private sector individuals familiar with the Agency and its mandate, and the Chair and Board Members
- The Minister, through her or his staff, may identify potential candidates from his or her pool of candidates who have expressed interest in public service or from stakeholder recommendations
- Ministry staff may identify potential candidates to the Agency
- Individuals who have indicated their interest to the Public Appointments Secretariat (PAS) through the Public Appointments Management System (PAMS) website

(2) Potential candidates identified in (1) must confirm their interest in serving on the Agency's Board by completion of the PAMS application process.

(3) The qualifications of all potential candidates will be reviewed by the Governance and HR Committee of the Agency's Board.

(4) The Governance and HR Committee may identify a short list of qualified candidates.

(5) The Governance and HR Committee may submit a list of recommended candidates to the Board Chair. The Chair will submit the list to the Minister for consideration.

(6) The Minister may review the Agency's recommendations and select a preferred candidate or candidates for recommendation to the LGIC for appointment.

(7) Re-appointments – The Chair will provide his or her recommendations for reappointment of a Member at least three months prior to the expiry of the director's term.

(8) Ministry staff, on direction from the Minister's office, will complete the required administration to support the appointments/re-appointments process.