

MEMORANDUM OF UNDERSTANDING

Memorandum of Understanding

Between

Minister of Finance

and

Chair of the Ontario Electricity Financial Corporation (OEFC)

Effective Date: December 19, 2019

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

1. Purpose

- a. The purpose of this Memorandum of Understanding ("MOU") is to:
 - Establish the accountability relationships between the Minister of Finance and the Chair of the Ontario Electricity Financial Corporation ("OEFC") on behalf of the Agency.
 - Clarify the roles and responsibilities of the Minister, the Chair, the Deputy Minister, OEFC CEO, and OEFC Board of Directors.
 - Clarify the operational, administrative, financial, staffing, auditing and reporting arrangements between the OEFC and the Ministry of Finance.
- b. This MOU should be read together with the *Electricity Act, 1998*, SO 1998, c 15, Sched A, as amended (the "Act"). This MOU does not affect, modify or limit the powers of OEFC as set out under the Act, or interfere with the responsibilities of any of its parties as established by law. In case of a conflict between this MOU and any act or regulation, the act or regulation prevails.
- c. This MOU replaces the Memorandum of Understanding between the parties dated May 7, 2018.

2. Definitions

In this MOU:

- a. "AAD" means the Treasury Board/Management Board of Cabinet Agencies & Appointments Directive;
- b. "Act" means the *Electricity Act, 1998*, SO 1998, c 15, Sched A, as amended;
- 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 OEFC, which are listed in Appendix 2 to this MOU, as may be amended or replaced from time to time;
- f. "Appointee" means a member appointed to OEFC by the Minister or by the LGIC, but does not mean an individual employed or appointed by OEFC as staff;
- g. "Auditor General" means the Auditor General of Ontario;
- h. "Board" means the board of directors of the OEFC;
- i. "CEO" means the Chief Executive Officer of the OEFC;
- j. "Chair" means the Chair of the OEFC;
- k. "Days" means calendar days;

- l. “Deputy Minister” means the Deputy Minister of Finance;
- m. “FAA” means the *Financial Administration Act*, RSO 1990, c F.12, as amended;
- n. “FIPPA” means the *Freedom of Information and Protection of Privacy Act*, RSO 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 the Management Board of Cabinet;
- s. “Minister” means the 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*, RSO 1990, c E.25, as amended;
- t. “Ministry” means the Ministry of Finance or any successor to the Ministry;
- u. “MOU” means this Memorandum of Understanding signed by the Minister and the Chair;
- v. “OEFC” means Ontario Electricity Financial Corporation;
- w. “OFA” means the Ontario Financing Authority;
- x. “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*, RSO 1990, c E.25, as amended;
- y. “OPS” means Ontario Public Service;
- z. “PSC” means the Public Service Commission;
- aa. “PSOA” means the *Public Service of Ontario Act, 2006*, SO 2006, c 35, Sched A, as amended;
- bb. “TBS” means the Treasury Board Secretariat; and
- cc. “TB/MBC” means the Treasury Board/Management Board of Cabinet.

3. OEFC’s Legal Authority and Mandate

- a. The legal authority of OEFC is set out in the Act. Under the Act, Ontario Hydro was restructured into five corporations: Ontario Power Generation Inc., Hydro One Inc., the Independent Electricity System Operator, the Electrical Safety Authority and OEFC.
- b. OEFC is the legal continuation of Ontario Hydro and is a corporation without share capital. Pursuant to the Act, OEFC’s mandate includes the following:
 - Managing its debt, financial risks and liabilities, including the debt of the former Ontario Hydro.
 - Managing the former Ontario Hydro’s non-utility generator contracts.

- Receiving all payments and administering other assets, liabilities, rights and obligations of the Corporation that were not transferred to another of the Ontario Hydro successor corporations and disposing of any of these items as it deems appropriate or as directed by the Minister.
 - Providing financial assistance to the successor corporations of Ontario Hydro.
 - Entering into financial and other agreements relating to the supply and demand management of electricity in Ontario.
 - Performing any additional objects as specified by the LGIC.
- c. The Minister may issue directives to OEFC on matters relating to the exercise of its powers and duties under the Act. The Board shall ensure that such directives are implemented promptly and efficiently.

4. Agency Type and Public Body Status

- a. OEFC is designated as a board-governed provincial agency under the AAD.
- b. OEFC is prescribed as a public body in accordance with Ontario Regulation 146/10 under the PSOA. It is not organizationally part of the Ministry, but it is considered to be within government.

5. Corporate Status and Crown Agency Status

- a. OEFC is a Crown Agency within the meaning of the *Crown Agency Act*, RSO 1990, c C.48, as amended.
- b. OEFC is a corporation without share capital, continued under the Act.
- c. OEFC has the capacity, rights, powers and privileges of a natural person, subject to the limitations placed upon it under the Act and limitations imposed by TB/MBC.
- d. Pursuant to the Act, neither the *Corporations Act*, RSO 1990, c C.38, as amended nor the *Corporations Information Act*, RSO 1990, c C.39, as amended apply to OEFC.
- d. The following provisions of the *Business Corporations Act*, RSO 1990, c B.16, as amended apply to OEFC, with necessary modifications:
1. Section 16 (capacity to act outside Ontario).
 2. Subsections 126 (3) and (4) (quorum requirements).
 3. Subsection 129 (1) (resolutions in writing).
 4. Subsections 136 (1) and (3) to (6) (indemnification of directors, etc.).

6. Guiding Principles

The parties agree to the follow principles:

- a. The Minister recognizes that OEFC exercises powers and performs duties in accordance with its legal mandate under the Act.
- b. The Board of Directors acknowledge 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 OEFC. The Board of Directors acknowledges that it is accountable to the Minister, through the Chair, for governance and oversight of OEFC.
- c. As an agency of the Government, OEFC 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.
- d. The Minister and the Board of Directors, 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 OEFC and fulfillment of its statutory responsibilities.
- e. OEFC and the Ministry agree to avoid duplication of services wherever possible.
- f. OEFC and the Ministry will work together in a mutually respectful manner.
- g. OEFC shall conduct its affairs and operations with a focus on ensuring the best interest of Ontario taxpayers and citizens are considered.
- h. OEFC shall conduct its affairs with a focus on ensuring red tape burden reduction is a priority for all internal and external processes.

7. Accountability Relationships

7.1 Minister

The Minister is accountable:

- a. To Cabinet and the Legislative Assembly for OEFC's fulfilment of its mandate and its compliance with government policies, and for reporting to the Legislative Assembly on OEFC's affairs.
- b. For reporting and responding to TB/MBC on OEFC's performance and compliance with Applicable Government Directives and operational policies.
- c. To Cabinet for the performance of OEFC and its compliance with the Government's operational policies and broad policy directions.

7.2 Chair

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

- a. To the Minister for OEFC's performance in fulfilling its mandate, and for carrying out the roles and responsibilities assigned to the Chair by the Act, this MOU, and Applicable Government Directives.
- b. For reporting to the Minister, as requested, on OEFC'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 OEFC.

7.3 Board of Directors

The Board of Directors is accountable, through the Chair, to the Minister for the oversight and governance of OEFC; setting goals, objectives and strategic direction for OEFC within its mandate subject to direction from the Minister; and for carrying out the roles and responsibilities assigned to it by the 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 OEFC and for carrying out the roles and responsibilities assigned by the Minister, the Act, this MOU, and Applicable Government Directives. The Deputy Minister is accountable for providing assurance to TB/MBC on OEFC's compliance with the requirements of Applicable Government Directives.

7.5 Chief Executive Officer (CEO)

- a. The OEFC CEO is appointed by the LGIC on the recommendation of the Minister. Consistent with the operation of OEFC by the OFA, the OFA CEO is also the OEFC CEO.
- b. The CEO is accountable to the Board for the management and administration of OEFC, and carrying out the roles and responsibilities assigned by the Board, the Act, this MOU and Applicable Government Directives. The CEO works under the direction of the Chair to implement policy and operational decisions. The CEO reports OEFC's performance results to the Board, through the Chair.

8. Ethical Framework

- a. OEFC has not developed its own conflict of interest rules. As such, OEFC 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 (paragraph 4 of section 58), Ontario Regulation 381/07 applies to OEFC, with necessary modifications. To ensure compliance with Ontario Regulation 381/07 as it applies to OEFC, OEFC is required to identify senior positions in OEFC that are "designated senior positions" for the purposes of Ontario Regulation 381/07 as it applies to OEFC. These positions are identified in Appendix 5 of this MOU.

- c. Appointees are subject to the conflict of interest provisions of the AAD and the conflict of interest provisions of the PSOA and its regulations.
- d. 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.
- e. The Chair, as the Ethics Executive for public servants who are Appointees, is responsible for ensuring that appointees of OEFC 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 OEFC.

9. Roles and Responsibilities

9.1 Minister

The Minister is responsible for:

- a. Reporting and responding to the Legislative Assembly on the affairs of OEFC.
- b. Reporting and responding to TB/MBC on OEFC's performance and compliance with applicable TB/MBC directives, the Government's operational policies and policy directions.
- c. Recommending to TB/MBC, where required, the merger of OEFC, any change to OEFC's mandate, or dissolution of the Agency.
- d. Recommending to TB/MBC the powers to be given to, or revoked from, OEFC when a change to OEFC's mandate is being proposed.
- e. Meeting with the Chair to discuss issues relating to the fulfilment of OEFC's mandate.
- f. Working with the Chair to develop appropriate measures and mechanisms related to the performance of OEFC.
- g. Reviewing the advice or recommendation of the Chair, made in consultation with the CEO, on candidates for appointment or reappointment to the Board.
- h. Making recommendations to the LGIC through Cabinet for appointments and reappointments to the Board, pursuant to the process for agency appointments established by legislation and/or by MBC through the AAD.
- i. Determining at any time the need for a review or audit of OEFC, directing the Chair to undertake reviews of OEFC on a periodic basis, and recommending to TB/MBC any changes to the governance or administration of OEFC 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 OEFC's administration or operations.

- k. Reviewing and approving, within 60 Days of receiving it from OEFC, the Annual Report, and ensuring that the Ministry tables the Annual Report in the Legislative Assembly within 30 Days of the Minister's approval (when the Legislative Assembly is not sitting the Ministry will file the Annual Report with the Clerk's Office).
- l. Ensuring that the Annual Report is made available to the public on OEFC's website after tabling in the Legislative Assembly and within 30 Days of approving it.
- m. Informing the Chair of the Government's priorities and broad policy directions for OEFC.
- n. Consulting, as appropriate, with the Chair (and others) on significant new directions or when the Government is considering regulatory or legislative changes for OEFC.
- o. Developing OEFC's MOU with the Chair, as well as any amendments to it, and signing the MOU into effect after it has been signed by the Chair.
- p. Reviewing and approving the Annual Business Plan and promptly advising the Chair whether or not he concurs with the directions proposed by OEFC. The Minister may advise the Chair where and in what manner OEFC's plans vary from Government or Ministry policy or priorities as may be required, and OEFC will revise its plan accordingly.
- q. Recommending to TB/MBC any provincial funding to be allocated to OEFC.
- r. Outlining the high-level expectations, key commitments and performance priorities for OEFC at the beginning of the annual business planning cycle through the OEFC mandate letter.
- s. Approving OEFC by-laws and strategic directions, where applicable.

9.2 Chair

The Deputy Minister also serves as OEFC Chair. The Minister recommends the designation of the Chair to the LGIC. There may be instances where this individual must provide advice to one of the parties (either OEFC Board or the Minister), where this advice might conflict with advice provided to the other party. The Chair will ensure that the possibility of such conflict of interest is understood by the parties.

The Chair is responsible for:

- a. Providing leadership to OEFC 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 OEFC.
- c. Chairing Board meetings, including the management of the Board's agenda.
- d. Reviewing and approving claims for per diems and expenses for Appointees to the Board who are public servants employed under Part III of the PSOA, for the purposes of the *Public Sector Expenses Review Act, 2009*, SO 2009, c 20, as amended, provided that the Chair may delegate the review and approval of per diem

payments. As such, the Chair has delegated the review and approval of per diem payments to the Secretary of OEFC.

- e. Seeking strategic policy direction for OEFC from the Minister.
- f. Ensuring timely communications with the Minister regarding any issues or events involving the OEFC, including decisions or opinions of the Board, that may concern, or can reasonably be expected to concern the Minister in the exercise of his responsibilities relating to OEFC.
- g. 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 OEFC's mandate, powers or responsibilities as set out in the Act.
- h. Monitoring the performance of OEFC.
- i. Reporting to the Minister as requested on OEFC's activities within agreed upon timelines, including an annual letter confirming OEFC's compliance with all applicable legislation, directives, and accounting and financial policies.
- j. Ensuring that OEFC operates within its approved budget allocation in fulfilling its mandate, and that public funds are used for the purpose intended with integrity and honesty.
- k. Developing OEFC's MOU with the Minister and signing it on behalf of the Board.
- l. Submitting OEFC's Annual Business Plan, budget, multi-year income and expenditure forecast, 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 the Summary of OEFC Reporting Requirements as set out in Appendix 1 of this MOU.
- m. Providing both the Minister and the President of Treasury Board with a copy of every audit report issued by the Auditor General, a copy of OEFC's response to each such report, and any recommendations in the report.
- n. Advising the Minister annually on any outstanding audit recommendations issued by the Auditor General per direction of the Board.
- o. Sharing reports and outstanding issues from internal audit engagements undertaken at the request of the Board and with the approval of OEFC's Audit and Risk Management Committee with the Minister upon request.
- p. Ensuring that Appointees are informed of their responsibilities under the PSOA with regard to the rules of ethical conduct (Part IV of the PSOA), and the political activity rules (Part V of the PSOA).
- q. Ensuring appropriate management systems are in place (financial, information technology, human resources) for the effective administration of OEFC.
- r. Carrying out effective public communications and relations for OEFC as its chief spokesperson.
- s. Cooperating with any review or audit of OEFC 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 statute, including in respect of conflict of interest, political activity and the protected disclosure of wrongdoing.
- u. Signing the MOU for OEFC as authorized by the Board.
- v. Keeping the Minister informed of upcoming appointment vacancies and providing recommendations for appointments or reappointments.
- w. Ensuring OEFC's compliance with legislative and TB/MBC policy obligations.
- x. Ensuring that a system is in place for the creation, collection, maintenance, and disposal of records; and that OEFC complies with applicable TB/MBC records management directives and the *Archives and Recordkeeping Act, 2006*, SO 2006, c 34, Sched A.
- y. Providing to the Minister the annual Province of Ontario Financing and Debt Management Plan, as prepared by OFA staff and approved by the Board, in so far as it pertains to OEFC, as distinguished from the Province.
- z. In consultation with the CEO, identifying candidates for appointment to the Board for recommendation to the Minister.

9.3 Board of Directors

It is acknowledged that OEFC 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 OEFC, including the implementation of government policy by it and to provide advice concerning OEFC 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.

Pursuant to section 58(2) of the Act, members of the Board are appointed by the LGIC on the recommendation of the Minister. The Chair, in consultation with the CEO, identifies qualified candidates for appointment to the Board, and makes recommendations to the Minister for consideration. Candidates are generally identified from within the OPS. Occasionally, an individual who is on the Board at the time of his/her retirement from employment with the OPS may be recommended for a continued appointment to the Board as a non-OPS member, in which case the appointment proceeds by way of application through the Public Appointments Secretariat. Accordingly, the Board is not responsible for, and does not engage in, succession planning in relation to Board membership or composition.

The Board is responsible for:

- a. Approving goals, objectives, and strategic directions for OEFC within its mandate as defined by the Act, Government policies as appropriate, and this MOU.

- b. Supervising the management of the business and affairs of OEFC within its mandate as set out in the Act, its approved Annual Business Plan, and the policy parameters established and communicated in writing by the Minister.
- c. Directing the development of and approving OEFC's Annual Business Plan for submission to the Minister within the timelines established in the AAD.
- d. Directing the preparation of and approving OEFC's Annual Report for submission to the Minister for approval and tabling in the Legislative Assembly within the timelines established by the Act and the AAD.
- e. Setting and reporting on the strategic direction for OEFC according to the Minister's agency mandate letter, proposed Annual Business Plan, and the Annual Report.
- f. Making decisions consistent with the Annual Business Plan approved for OEFC, and ensuring that OEFC operates within its budget allocation for operating expenses.
- g. Ensuring that OEFC manages its affairs in compliance with applicable TB/MBC directives.
- h. Ensuring that OEFC uses public funds with integrity and honesty, and only for the business of OEFC based on the principle of value for money, and in compliance with applicable legislation and TB/MBC directives.
- i. Ensuring that OEFC 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 OEFC.
- k. Approving the MOU for OEFC, 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 OEFC.
- l. Approving reports and reviews of OEFC 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 OEFC as needed.
- n. Where applicable, ensuring that conflict of interest rules that OEFC is required to follow, as set out in Ontario Regulation 381/07 under the PSOA are in place for Appointees.
- o. Establishing performance measures, targets and management systems for monitoring and assessing OEFC's performance, as set out in the Annual Business Plan.
- p. Directing corrective action on the functioning or operations of OEFC, 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 OEFC's mandate and operations and seeking policy direction from the Government, through the Minister.
- s. Passing by-laws or resolutions regulating OEFC governance and Board policies.
- t. Recommending the establishment of guidelines, policies, and practices under OEFC operates, as appropriate.
- u. Ensuring that directives issued by the Minister to OEFC 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 OEFC, including informing the Minister of policy direction, policies and priorities of relevance to OEFC's mandate.
- b. Advising the Minister on the requirements of the AAD, and other directives that apply to OEFC.
- c. Recommending to the Minister, as may be necessary, the evaluation or review, including a risk-based review, of OEFC or any of its programs, or changes to the management framework or operations of OEFC.
- 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 on OEFC's compliance with the mandatory accountability requirements 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 OEFC have the capacity and systems in place for on-going risk-based management, including appropriate oversight of OEFC.
- g. Ensuring that OEFC has an appropriate risk management framework and a risk management plan in place for managing risks that OEFC may encounter in meeting its program or service delivery objectives.
- h. Undertaking timely risk-based reviews of OEFC, its management or operations, as may be directed by the Minister or TB/MBC.
- i. Establishing a framework for reviewing and assessing OEFC's business plans and other reports.
- j. Supporting the Minister in reviewing the performance targets, measures and results of OEFC.

- k. Advising the Minister on documents submitted by OEFC 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 OEFC as may be directed by the Minister.
- n. Cooperating with any review of OEFC as directed by the Minister or TB/MBC.
- o. Monitoring OEFC on behalf of the Minister while respecting OEFC'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 OEFC, as well as any amendments to the MOU, as directed by the Minister.
- q. Consulting with the CEO, as needed, on matters of mutual importance including services provided by the Ministry and compliance with Applicable Government Directives.
- r. Meeting with the CEO as needed or as directed by the Minister, or on the request of the CEO.
- s. Arranging for administrative, financial and other support to OEFC, as specified in this MOU.
- t. 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.
- u. When required, submitting a report to the Secretary of TB/MBC on the wind-down of OEFC, following the disposition of any assets, completion of any outstanding responsibilities by OEFC, and the termination of any appointments.

9.5 Chief Executive Officer (CEO)

Since the day-to-day operations of OEFC are administered by the OFA, and to a lesser extent, by the Ministry of Finance (see sections 13 and 16 of this MOU), the role of CEO is primarily supervisory. Consistent with the operation of OEFC by the OFA, the OFA CEO is also the OEFC CEO and performs responsibilities for OEFC in both roles.

The Chief Executive Officer is responsible for:

- a. Managing the day-to-day financial, analytical, and administrative affairs of OEFC in accordance with the mandate of OEFC, 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, and OEFC by-laws and policies, including annually attesting to the Chair on OEFC'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. Establishing and applying a financial management framework for OEFC in accordance with applicable Minister and Treasury Board controllership directives, policies and guidelines.
- e. Translating the goals, objectives and strategic directions of the Board into operational plans and activities in accordance with OEFC's Annual Business Plan.
- f. Ensuring that OEFC has the oversight capacity and an effective oversight framework in place for monitoring its management and operations.
- g. Keeping the Board, through the Chair, informed with respect to implementation of policy and the operations of OEFC.
- h. Establishing and applying systems to ensure that OEFC operates within its approved business plan.
- i. Establishing and applying OEFC's risk management framework and risk management plan, as set out in its Annual Business Plan.
- j. Supporting the Chair and Board in meeting their responsibilities, including compliance with all applicable legislation, directives, policies, procedures and guidelines.
- k. Carrying out in-year monitoring of OEFC's performance and reporting on results to the Board directly or through the Chair.
- l. 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.
- m. Seeking support and advice from the Ministry, as appropriate, on agency management issues.
- n. Establishing a system for the retention of OEFC documents and for making such documents publicly available when appropriate, for complying with FIPPA and the *Archives and Recordkeeping Act, 2006*, SO 2006, c 34, Sched A, where applicable.
- o. Undertaking timely risk-based reviews of OEFC's management and operations.
- p. Consulting with the Chair/Deputy Minister as needed, on matters of mutual importance, including services provided by the Ministry, and on Applicable Government Directives.
- q. Cooperating with a periodic review directed by the Minister or TB/MBC.
- r. Keeping the Board, directly or through the Chair, informed about operational matters.
- s. Preparing OEFC's Annual Report and Annual Business Plan, subject to any direction from the Board, presenting them to the Board for approval, and implementing the plan as approved.
- t. Preparing financial reports for review and approval by the Board.

- u. Attesting to the compliance of the OEFC to applicable directives and policies and support the Board of Directors to provide the stating of compliance of OEFC.
- v. Fulfilling the responsibilities of Deputy Head where applicable TB/MBC Directives identify this role and do not otherwise define it.
- w. Ensuring that the legal, financial and other interests of the Government in intellectual property are protected, as appropriate, in any contract that OEFC may enter into with a third party that involves the creation of intellectual property.
- x. Providing leadership and management to OFA staff performing services for OEFC, including financial resources management.
- y. Consulting with the Chair on identifying candidates for appointment to the Board, for recommendation to the Minister.

10. Reporting Requirements

10.1 Business Plan

- a. The Chair will ensure that the Minister is provided annually with OEFC'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 provided to the Minister no later than one month before the start of OEFC's Fiscal year, and 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 OEFC'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, and 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 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 OEFC in the marketplace, and information that would otherwise pose a risk to the security of the facilities and/or operations of OEFC.
- f. The Minister will review OEFC's Annual Business Plan and will promptly advise the Chair whether or not he concurs with the directions proposed by OEFC. The Minister may advise the Chair where and in what manner OEFC's plan varies from government or Ministry policy or priorities as may be required, and the Chair, on

behalf of the Board, will revise OEFC's plan accordingly. 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 OEFC's Annual Business Plan to be brought forward to TB/MBC for review as required.
- h. The Chair, through the CEO, will ensure that the Minister-approved Annual Business Plan is made available to the public in an accessible format, in both official languages, on OEFC's website within 30 Days of its approval by the Minister.

10.2 Annual Reports

- a. The Chair is responsible for ensuring that OEFC'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 no later than 90 Days after OEFC receives audited financial statements from the Auditor General, or within such date as provided for by an extension by the Minister, which shall not be later than the day the Public Accounts for the Fiscal year are submitted to the LGIC.
- b. The Chair will ensure that publicly posted Annual Reports do not disclose: personal information, sensitive employment and labour relations information, solicitor-client privileged information, Cabinet confidential information, trade secrets, information that would prejudice the financial or commercial interests of OEFC in the marketplace, and information that would otherwise pose a risk to the security of the facilities and/or operations of OEFC.
- c. The Chair is responsible for ensuring that OEFC's Annual Report fulfills the requirements of the AAD.
- d. The Minister will review, and approve the Annual Report within 60 Days of receiving it from OEFC and, pursuant to the requirements of the AAD, the Ministry must table it in the Legislative Assembly within 30 Days of the Minister's approval of the Annual Report (when the Legislative Assembly is not sitting, the Ministry will file the report with the Clerk's Office).
- e. The Chair, through the CEO, will ensure that the Annual Report is publicly posted in an accessible format, in both official languages, on OEFC's website after it has been tabled in the Legislative Assembly and within 30 Days of the Minister's approval.
- f. When distributing annual reports, digital formats, and channels for distribution must be used unless otherwise required (e.g. by directive, legislation).

10.3 Other Reports

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

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

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

11. Public Posting Requirements

- a. OEFC, 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 OEFC's website within the specified timelines:
 - Memorandum of Understanding – 30 Days of Minister's approval;
 - Any Letter of Affirmation – 30 Days of signing by both parties
 - Agency Mandate Letter – no later than the posting of the Annual Business Plan;
 - Annual Business Plan – 30 Days of Minister's approval; and,
 - Annual Report – after it has been tabled in the Legislative Assembly and within 30 Days of the Minister's approval.
- b. Posted governance documents should not disclose: personal information, sensitive employment and labour relations information, solicitor-client privileged information, Cabinet confidential information, trade secrets or scientific information, information that would prejudice the financial or commercial interests of OEFC in the marketplace, and information that would otherwise pose a risk to the security of the facilities and/or operations of OEFC.
- c. The Chair, on behalf of the Board, will ensure that the expense information for Appointees are posted on OEFC's website, in accordance with the requirements of the MBC Travel, Meal and Hospitality Expenses Directive.
- d. 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 OEFC is essential for the Minister to meet their responsibilities for reporting and responding to the Legislative Assembly on the affairs of OEFC. 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 OEFC's mandate and functions.

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

- a. The Chair will keep the Minister advised, in a timely manner, of all planned events or issues, including contentious matters, that concern or can be reasonably expected to concern the Minister in the exercise of their 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 OEFC's mandate or functions, or which otherwise will have a significant impact on OEFC.

- 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 as required to discuss issues relating to the fulfillment of OEFC's mandate, management and operation and the Chair will report to the Minister regarding any issues or events involving OEFC, including decisions or opinions of the Board, that may concern, or can reasonably be expected to concern the Minister in the exercise of their 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 OEFC and the provision of services by the Ministry to OEFC. The Deputy Minister and the CEO shall provide timely information and advice to each other concerning significant matters affecting OEFC's management or operations.
- f. OEFC and the Ministry will adhere to the Public Communications Protocol set out in Appendix 3 to this MOU, as may be amended from time to time.

13. Administrative Arrangements

13.1 Applicable Government Directives

- a. The Chair, on behalf of the Board, is responsible for ensuring that OEFC operates in accordance with all Applicable Government Directives, as set out in Appendix 2 to this MOU.
- b. The Ministry will inform OEFC of amendments or additions to Applicable Government Directives.

13.2 Administrative and Organizational Support Services

- a. The Deputy Minister is responsible for providing OEFC 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 OEFC 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 OEFC and the Ministry.
- e. OEFC is a board-governed provincial agency in the AAD.. As such, OEFC may:
 - perform administrative and specialized functions directly;
 - 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.

- f. Since OEFC does not have staff, it does not perform any of the above noted administrative or specialized functions directly. It currently performs these activities through third party agreements with the OFA and the Ministry of Finance.

13.3 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 OEFC complies with all government legislation, directives and policies related to information and records management.
- c. Ensuring measures are implemented requiring OFA employees, on behalf of OEFC to create full, accurate and reliable records that document and support significant business transactions, decisions, events, policies and programs.

The CEO, the Chair and the Board shall protect the legal, fiscal and other interests of OEFC by implementing reasonable measures to ensure the ongoing viability, integrity, preservation and security of all official records created, commissioned or acquired by OEFC. 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 OEFC's website, and database data sets.

13.4 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 OEFC may enter into with a third party that involves the creation of intellectual property.

13.5 Freedom of Information and Protection of Privacy

- a. The Chair and the Minister acknowledge that OEFC is bound to follow the requirements set out in the FIPPA in relation to the collection, retention, security, use, distribution and disposal of records.
- b. The CEO is the institution head for the purposes of FIPPA.
- c. The CEO delegates powers and duties of the head of OEFC for the purpose of FIPPA to specific positions. OFA staff act in accordance with such delegations, as may be amended or superseded from time to time.

13.6 Service Standards

- a. With the exception of a website maintained by the OFA, OEFC does not provide services to the public. The OFA, on behalf of OEFC, has in place a process reflecting the Government's service quality standards for responding to complaints or inquiries received by members of the public pertaining to the website.
- b. OEFC shall comply with the *Accessibility for Ontarians with Disabilities Act, 2005*, SO 2005, c 11, as amended.

14. Financial Arrangements

14.1 General

- a. All financial procedures for OEFC shall be in accordance with Applicable Government Directives, as set out in Appendix 2 of this MOU.
- b. When ordered to do so by the Minister or the President of the Treasury Board, pursuant to section 16.4 of the FAA, OEFC shall pay into the Consolidated Revenue Fund any money that the Minister or the President of the Treasury Board determines is surplus to its requirements.
- c. Pursuant to section 28 of the FAA, OEFC shall not enter into any financial arrangement or commitment, guarantee, indemnity or similar transaction that may increase, directly or indirectly, the indebtedness or contingent liabilities of the Government without the written approval of the Minister or the President of the Treasury Board.
- d. OEFC'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. OEFC will be provided with notice of changes to its allocation as soon as is reasonably possible. Where OEFC must reallocate resources as a result of its operating and/or capital allocations being adjusted, OEFC shall inform and discuss this with the Ministry before making such changes.
- e. The CEO shall be responsible for providing the Ministry with the necessary documentation to support OEFC's expenditures.

14.2 Funding

- a. OEFC fulfills its mandate of servicing and retiring the debt and other liabilities of the former Ontario Hydro by utilizing revenues and cash flows from the following sources:
 - Outstanding notes receivable from the Province, Ontario Power Generation Inc., and Independent Electricity System Operator, and the interest earned on these notes;
 - Debt Retirement Charge ("DRC"), which ceased to be payable as of April 1, 2018;
 - Payments-in-lieu of corporate income, capital and property taxes, made by Ontario Power Generation Inc. and municipal electrical utilities;
 - Gross Revenue Charges paid by hydro-electric facilities;
 - Provincial portion of corporate income taxes paid by Hydro One Inc.; and,
 - Electricity sector dedicated income.
- b. In addition, pursuant to the Act, the Province borrows and on-lends funds to OEFC as required.
- c. It is understood that, pursuant to a ministerial directive, management of OEFC's debt, cash management, banking, accounting and financial reporting will be conducted on behalf of OEFC by the OFA.

- d. The collection of the DRC and payments-in-lieu of taxes will be conducted by Ministry of Finance staff.
- e. OEFC will produce estimates of the cost of the above services to be included in the Annual Business Plan. OEFC will deliver these estimates to the Minister in sufficient time to be reviewed and approved by the Minister. The estimates provided by OEFC may, after appropriate consultation with the Chair, be altered as required.
- f. Pursuant to the Act, and despite the FAA, the revenues received by OEFC do not form part of the Consolidated Revenue Fund. OEFC may deposit any revenue or other funds received in its own bank accounts. OEFC may make banking and other arrangements with the Minister or the OFA and with financial institutions in order to manage monies effectively. OEFC may borrow, invest funds, and manage financial risks on its own account pursuant to by-laws approved by the Minister.
- g. Financial procedures of OEFC must be in accordance with Applicable Government Directives and other applicable government direction.

14.3 Financial Reports

- a. The Chair, on behalf of the Board, will provide to the Minister audited annual financial statements, and will include them as part of the 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 CEO will provide OEFC's financial information for consolidation into the Public Accounts.
- c. The OFA will provide to the Ministry quarterly expenditure budget variance reports (quarterly budget to actual expense variance reports) for OEFC.

14.4 Taxation Status: Harmonized Sales Tax (HST)

- a. OEFC is responsible for complying with its obligations as a supplier under the federal *Excise Tax Act*, R.S.C., 1985, c. E-15 (the "ETA").
- b. Under the Canada-Ontario Reciprocal Taxation Agreement, OEFC is entitled to claim HST government rebates in respect of any HST paid by it to suppliers for its activities relating to the management of the Ontario Hydro corporation's outstanding debt, and subject to any restrictions specified by Finance Canada. OEFC recovers HST paid to suppliers through a centrally administered account maintained by the Office of the Provincial Controller Division.
- c. OEFC 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 ETA.
- d. OEFC is responsible for providing the Ministry or the Canada Revenue Agency, upon request, with any information necessary to determine the amount of an HST government rebate.

- e. Other than with respect to its activities relating to the management of the Ontario Hydro corporation's outstanding debt, OEFC is not entitled to claim any other HST government rebates.
- f. OEFC is expected to claim any refunds, input tax credits or other rebates under the ETA for which it is eligible.

15. Audit and Review Arrangements

15.1 Audits

- a. Pursuant to section 80 of the Act, the Auditor General is the auditor of OEFC. The Auditor General conducts an annual audit of the year-end financial statements and reports the findings to the Board.
- b. OEFC is subject to periodic review and value-for-money audit by the Auditor General under the *Auditor General Act*, RSO 1990, c A.35, or by the Ontario Internal Audit Division of TBS.
- c. The Ontario Internal Audit Division of TBS 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 OEFC be audited at any time.
- e. OEFC will promptly provide a copy of every audit report issued by the Auditor General to the Minister and the President of Treasury Board. OEFC will also provide a copy of its response to the audit report and any recommendations therein. OEFC will advise the Minister annually on any outstanding audit recommendations.
- f. The Chair, on behalf of the Board, may request an external audit of the financial transactions or management controls of OEFC, at OEFC's expense.

16. Staffing and Appointments

16.1 Staffing Requirements

OEFC does not have its own staff because the OFA, together with the Ministry of Finance, conduct OEFC's activities. Certain OFA staff members are designated as officers of OEFC for the purpose of executing agreements and other documents on its behalf.

16.2 Appointments

- a. The Board shall be composed of at least two and not more than 12 directors appointed by the LGIC on the recommendation of the Minister, as set out in the Act.
- b. The Chair is appointed by the LGIC, on the recommendation of the Minister, pursuant to section 58(4) of the Act.
- c. One or more Vice-Chairs of OEFC may be appointed by the LGIC on the recommendation of the Minister, pursuant to section 58(5) of the Act.

- d. The CEO is appointed by the LGIC on the recommendation of the Minister, pursuant to section 59 of the Act.

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 511/99, Board members who are not public servants under Part III of PSOA are each remunerated at a per diem allowance rate of \$200 and are also reimbursed for reasonable expenses incurred in the exercise of their duties as members of the Board.
- c. Travel expenses of Appointees 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, is responsible for ensuring that a risk management strategy is developed OEFC, in accordance with the AAD Risk Management process.
- b. OEFC shall ensure that the risks it faces are dealt with in an appropriate manner.

17.2 Liability Protection and Insurance

- a. Ontario Regulation 115/99 under the Act incorporates subsections 136(1) and (3) (indemnification and liability insurance) of the *Business Corporations Act*, RSO 1990, c B.16, as amended.
- b. OEFC may purchase third party liability insurance coverage to protect itself against claims that might arise from anything done or omitted to be done by OEFC or its directors or officers, and from anything done or omitted to be done where bodily or personal injury, death or property damage, including loss of use thereof, is caused.
- c. Pursuant to OEFC's By-Law #1, OEFC's directors and officers are indemnified by OEFC. Due to this indemnification, and the Act's prohibition against proceedings against OEFC's directors, officers and employees, currently OEFC does not maintain directors' and officers' errors and omissions insurance.

18. Effective Date, 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 and continues in effect until it is revoked or replaced by a subsequent MOU signed by the parties.
- b. A copy of the signed MOU and any successor MOU must be provided to the Secretary, TB/MBC.

- c. Upon a change in the Minister or Chair, both parties must affirm by letter that this MOU 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, TB/MBC within six months of the new party or parties' commencement.
- e. Without affecting the effective date of this MOU, either the Minister or the Chair, on behalf of the Board, may initiate a review of this MOU by written request to the other.
- f. If either of the parties deems it expedient to amend this MOU, they may do so 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 OEFC's mandate, powers or governance structure as a result of a material amendment to the 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.

18.2 Other Reviews

- a. OEFC may be subject to periodic review initiated at the discretion and direction of TB/MBC or the Minister. The review may cover such matters relating to OEFC that are determined by TB/MBC or the Minister, and may include the mandate, powers, governance structure and/or operations of OEFC.
- 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 OEFC 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 the Board will cooperate in any review.
- g. 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 OEFC to TB/MBC for consideration.

19. Signatures

Original signed by Greg Orenscak

December 6, 2019

Chair
Ontario Electricity Financial Corporation

Date

Original signed by Rod Phillips

December 19, 2019

Minister
Ministry of Finance

Date

Appendix 1: Summary of OEFC Reporting Requirements

SUBMISSION DATE	REPORT/DOCUMENT	NAMES OF RESPONSIBLE OFFICIALS
10 Days after approval of Multi-Year Planning and Performance Measurement	Estimates <ul style="list-style-type: none"> • OEFC will prepare estimates of OEFC's expenditures for inclusion in the Ministry's business plan. 	<ul style="list-style-type: none"> • Chair • CEO
Submitted annually to Minister no later than one month before the start of OEFC's Fiscal year	OEFC Business Plan <ul style="list-style-type: none"> • Prepares • Approves • Provides to Minister 	<ul style="list-style-type: none"> • OFA staff • OEFC Board • Chair
Submitted annually to Minister no later than 90 Days after OEFC receives audited financial statements from the Auditor General, or within such date as provided for by an extension by the Minister	Annual Report <ul style="list-style-type: none"> • Prepares • Approves • Provides to Minister 	<ul style="list-style-type: none"> • OFA staff • OEFC Board • Chair
Submitted to Minister as part of Annual Report (no later than 90 Days after OEFC receives audited financial statements from the Auditor General, or within such date as provided for by an extension by the Minister)	Audited Year-End Financial Statements <ul style="list-style-type: none"> • Prepares • Approves • Audit opinion • Provides to Minister 	<ul style="list-style-type: none"> • OFA staff • OEFC Board • Auditor General 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, AC, CEO, Secretary, OFA staff • OEFC Board
Submission to Board: Quarterly	Quarterly Financial Statements <ul style="list-style-type: none"> • Prepares • Approves 	<ul style="list-style-type: none"> • OFA staff • OEFC 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 (April, 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 • CEO • Chief Financial and Risk Officer, OFA
First fiscal quarter, on Board approval	Financing and Debt Management Plan <ul style="list-style-type: none"> • Prepares • Approves • Provides to Minister 	<ul style="list-style-type: none"> • OFA Staff • OEFC Board • Chair
Annually, as part of Business Plan	Risk Management Plan <ul style="list-style-type: none"> • Prepares • Review • Approves 	<ul style="list-style-type: none"> • OFA staff • Ontario Internal Audit Division • OEFC Board
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

Appendix 2: Applicable Government of Ontario Directives

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

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

Procurement

Procurement Directive as it applies to "Other Included Entities"

Communication

Communications in French Directive
Visual Identity Directive

Realty Management

Realty Directive

Human Resource Management

Disclosure of Wrongdoing Directive (employees / appointees of public bodies)
Terminology Directive

Business Planning and Financial Management

Accounting Advice Directive
Cash Management Directive
Expenditure Management Directive
Indemnification Directive
Travel, Meal and Hospitality Expenses Directive

Accounting and Financial Reporting Policy

Bank Account Policy

Billing Management and Recording Policy

Credit Management Policy

Data Integrity Policy

- *Data Integrity Guidelines*

Delegation of Financial Management Authority Policy

Environmental Contamination Financial Management Policy

Financial Record Retention Policy

Financial Thresholds Policy

Interim Payment Authority Policy (section 15 Financial Administration Act)

Internal Control Policy

- *Internal Control Guidelines*

Loans and Other Accounts Receivable Operating Policy

Non-Tax Receivables Collections Policy

- *Set-Off Guideline*
- *Revenue and Receivables Guidelines*

Non-Tax Revenue Design Policy

Payment Terms Policy

Prepayment Policy

- *Prepayment Guidelines*

Receipts Handling and Allocation Policy

- *Electronic Payments from Clients Best Practices*

Revenue and Accounts Receivable Reporting and Analysis Policy

Revenue Management Policy

Risk Management Policy

- *OPS Enterprise Risk Management Framework*

Stale-dated, Lost or Stolen Cheques Policy

Write-Offs Policy

HST Guide

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

*list compiled as of November 2019

2. OEFC 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 OEFC of amendments or additions to directives, policies and guidelines that apply to OEFC.

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

1. Definitions

“Agency” means the Ontario Electricity Financial Corporation.

“Government” means the Government of Ontario.

“Minister” means the Minister of Finance.

“Ministry” means the Ministry of Finance.

“OFA” means the Ontario Financing Authority.

“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, brochures, etc., or
- Electronic form, such as a posting to a website, 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 of Ontario.
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. Public communication 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 April 2017

Appendix 4: Administrative or Organizational Support Services

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

Services		Providers
1.	Financial Administration: pay and benefits, IFIS, Central Mail	Ministry of Government Services
2.	Audit: internal audit and special investigations	Ontario Internal Audit Division
3.	Legal Services*	Ministry of the Attorney General (including Ministry Legal Services branch) and the Ontario Financing Authority
4.	FIPPA: Freedom of Information services*	Ministry of Finance and the Ontario Financing Authority
5.	Communications*	Ministry of Finance and the Ontario Financing Authority
6.	Revenue collection, reporting and related services in respect of the payments pursuant to the Act (latest Memorandum of Understanding between the Ministry of Revenue and OEFC effective as of June 1, 2011)	Ministry of Finance
7.	Other: administrative or organizational support services*	Ontario Financing Authority

*Pursuant to a Memorandum of Understanding between the OFA and OEFC effective as at April 1, 2016.

Appendix 5: “Designated Senior Positions” under Ontario Regulation 381/07

The following list identifies “designated senior positions” in OEFC pursuant to Part II, section 14 of Ontario Regulation 381/07:

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