

Memorandum of Understanding
Between
Minister of Northern Development, Mines, Natural Resources
and Forestry
and
Chair of Temagami Forest Management Corporation

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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 (this “MOU”) is to:
 - Establish the accountability relationships between the Minister of Northern Development, Mines, Natural Resources and Forestry and the Chair of the Temagami Forest Management Corporation on behalf of the Agency.
 - Clarify the roles and responsibilities of the Minister, the Chair, the Deputy Minister, the GM, and the Agency’s board of directors.
 - Clarify the operational, administrative, financial, staffing, auditing and reporting arrangements between the Temagami Forest Management Corporation and Ministry of Northern Development, Mines, Natural Resources and Forestry.
- b. This MOU should be read together with the Act and the Regulation. This MOU does not affect, modify or limit the powers of the Agency as set out under the Act and the Regulation, 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.

2. Definitions

In this MOU:

- a. “AAD” means the Treasury Board/Management Board of Cabinet Agencies & Appointments Directive;
- b. “Act” means the *Ontario Forest Tenure Modernization Act, 2011, S.O. 2011, Chapter 10*;
- c. “Agency” or “provincial agency” or “TFMC” means Temagami Forest Management Corporation;
- d. “Annual Business Plan” means the annual business plan described under article 10.1 of this MOU.
- e. “Annual Report” means the annual report referred to in article 10.2 of this MOU.
- f. “Applicable Government Directives” means the government directives, policies, standards and guidelines that apply to the Agency, as may be amended or replaced from time to time, which are listed in Appendix 2 to this MOU.
- g. “Appointee” means a member appointed to the Agency by the Lieutenant Governor in Council, but does not mean an individual employed or appointed by the Agency as staff;
- h. “Board” means the board of directors of the Temagami Forest Management Corporation;
- i. “By-Laws” means by-laws of the Agency which, unless otherwise explicitly, provided, have been ratified by the Board and approved by the Minister, and, if required by the Act, by the Minister of Finance;
- j. “CFSA” means the Crown Forest Sustainability Act, 1994, S.O. 1994, Chapter 25;
- k. “Chair” means the chair of the Board;
- l. “Constituting instrument” means the Act and the Regulation that established the Agency;
- m. “Deputy Minister” means the Deputy Minister of Ministry of Northern Development, Mines, Natural Resources and Forestry;

- n. "Executive Council Act" means the *Executive Council Act*, R.S.O. 1990, c. E. 25, as amended;
- o. "FIPPA" means the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c.F.31, as amended.
- p. "Fiscal Year" means the fiscal year of an Ontario local forest management corporation, including TFMC, which commences on April 1 in each year and ends on March 31 of the following year;
- q. "GM" means the general manager of the Agency appointed pursuant to section 11 of the Act;
- r. "Government" means the Government of Ontario;
- s. "Management Unit" has the meaning set out in the CFSA;
- t. "MBC" means the Management Board of Cabinet;
- u. "Member" means a member of the Temagami Forest Management Corporation and director of the Board in accordance with section 6(1) of the Act;
- v. "Minister" means the Minister of Northern Development, Mines, Natural Resources and Forestry 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;
- w. "Minister's Directive" means any directive issued by the Minister to the Agency pursuant to section 22 of the Act.
- x. "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;
- y. "Ministry" means the Ministry of Northern Development, Mines, Natural Resources and Forestry or any successor to the Ministry;
- z. "MOU" means this Memorandum of Understanding;
- aa. "President of Treasury Board" means this President of Treasury Board of Ontario or such other person who may be designated from time to time under the Executive Council Act;
- bb. "PSC" means the Public Service Commission;
- cc. "PSOA" means the *Public Service of Ontario Act, 2006*, S.O. 2006, c. 35, Sched. A, as amended;
- dd. "Regulation" means Ontario Regulation [O. Reg 111/12] and any other Ontario Regulation made under the Act pertaining to the Agency;
- ee. "TBS" means the Treasury Board Secretariat;
- ff. "TB/MBC" means the Treasury Board/Management Board of Cabinet;
- gg. "TMU" means the Temagami Management Unit.

3. Agency's Legal Authority and Mandate

- a. The legal authority of the Temagami Forest Management Corporation is set out in the Act and the Regulation.
- b. The provincial agency's mandate is set out in section 5 of the Act, which states that the Agency's objects are:

1. To hold forest resource licences and manage Crown forests in a manner necessary to provide for the sustainability of Crown forests in accordance with the *Crown Forest Sustainability Act, 1994* and to promote the sustainability of Crown forests.
2. To provide for economic development opportunities for aboriginal peoples.
3. To manage its affairs to become a self-sustaining business entity and to optimize the value from Crown forest resources while recognizing the importance of local economic development.
4. To market, sell and enable access to a predictable and competitively priced supply of Crown forest resources.
5. To carry out such other objects as may be prescribed by regulation.

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 to be 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 government.

5. Corporate Status and Crown Agency Status

- a. The Agency is a “Crown Agency” within the meaning of the *Crown Agency Act*.
- b. The provincial agency has the capacity, rights, power and privileges of a natural person for carrying out its objects, subject to the limitations placed upon it under the Act and/or limitations imposed by Treasury Board/Management Board of Cabinet.
- c. The Agency is a corporation without share capital.

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 Act and the Regulation, and in accordance with the CFSA.
- b. The Minister recognizes that the Agency plays a meaningful role in the development of the policies and programs of the Government of Ontario, as well as in the implementation of those policies and delivery of programs.
- c. The Board acknowledges that it is accountable, through the Minister, to the Legislative Assembly in exercising its mandate. Accountability is a fundamental principle to be observed in the management, administration and operations of the Agency. The Board acknowledges that it is accountable to the Minister, through the Chair, for governance and oversight of the Agency.
- 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 Board, through the Chair, are committed to a strong agency that is empowered to fulfill its statutory mandate efficiently and effectively. They share the goal of establishing and maintaining a co-operative relationship that facilitates the efficient administration of the Agency and fulfillment of its statutory responsibilities.
- f. The Agency and the Ministry agree to avoid duplication of services wherever possible.
- g. 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.
- d. For receiving and ensuring that the Annual Report is made available to the public within 30 days of approval by the Minister.
- e. For approving the Annual Report within 60 days of receipt of the Annual Report from the Agency.

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 Act and the Regulation, Minister's Directives, By-Laws, this MOU, and applicable TB/MBC, PSC and Applicable Government Directives.
- b. For reporting to the Minister, as requested, on the Agency's activities.
- c. For ensuring timely communications with the Minister regarding any issue that affects, or can reasonably be expected to affect, the Minister's responsibilities for the Agency.

7.3 Board of Directors

The Board is accountable, through the Chair, to the Minister for: 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 Act and the Regulation, Minister's Directives, By-Laws, the CFSA and forest resource licences issued to it, this MOU, and applicable TB/MBC, PSC and other 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, the Act and Regulation, this MOU, and applicable TB/MBC, PSC and Applicable Government Directives.

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

7.5 General Manager

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

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. Issuing Minister's Directives.
- c. Considering draft By-Laws of TFMC for approval.
- d. Reporting and responding to TB/MBC on the Agency's performance and compliance with applicable TB/MBC directives, the government's operational policies and policy directions.
- e. Recommending to TB/MBC, where required, the merger, any change to the mandate, or dissolution of the Agency.
- f. 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.
- g. Meeting with the Chair to discuss issues relating to the fulfilment of the Agency's mandate.
- h. Working with the Chair to develop appropriate measures and mechanisms related to the performance of the Agency.
- i. Review the advice or recommendation of the Chair on candidates for appointment or re-appointment to the Board.
- j. Making recommendations to Cabinet and the Lieutenant Governor in Council for appointments and reappointments to the Agency, pursuant to the process for agency appointments established by legislation and/or by MBC through the AAD.
- k. 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.
- l. When appropriate or necessary, taking action or directing that the Agency take corrective action with respect to the Agency's administration or operations.

- m. Receiving and approving the Annual Report and ensuring that the Annual Report is made available to the public within 30 days of approving it.
- n. Approving the Annual Report within 60 days of receiving the Annual Report from the Agency.
- 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 any amendments to this MOU with 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. Outlines 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.
- u. Informing the Chair of forest resources commitments that pertain to the TMU.

8.2 Chair

The Chair is responsible to support the Board 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 Board and ensuring that the Board carries out its responsibilities for decisions regarding the Agency.
- c. Chairing Board meetings, including the management of the Board's agenda.
- d. Reviewing and approving claims for per diems and travel expenses for appointees to the Board.
- e. Seeking strategic policy direction for the Agency from the Minister.
- f. Ensuring timely communications with the Minister regarding any issues or events that may concern, or can reasonably be expected to concern, the Minister in the exercise of his responsibilities relating to the Agency.
- g. Consulting with the Minister in advance regarding any activity which may have an impact on the Government and Ministry's policies, Minister's Directives, directives or procedures, or on the Agency's mandate, powers or responsibilities as set out in the Constituting Instrument.
- h. Reporting to the Minister as requested on the Agency's activities within agreed upon timelines, including an annual letter confirming the Agency's compliance with all applicable legislation, Minister's Directives, directives, and accounting and financial policies.
- i. Ensuring that the Agency operates within its approved Annual Business Plan in fulfilling its mandate, and that public funds are used for the purpose intended with integrity and honesty.
- j. Establishing and applying a system for the retention of agency documents and for making such documents publicly available when appropriate, for complying with the *Freedom of Information and Protection of Privacy Act* and the *Archives and Recordkeeping Act* where applicable.
- k. Submitting the Annual Business Plan, budget, Annual Report and financial reports, on behalf of the Board, to the Minister in accordance with the timelines specified in the applicable TB/MBC directives and Applicable Government Directives, and Appendix 1 of this MOU.

- l. Providing both the Minister and the Minister of Finance and President of Treasury Board with a copy of every audit report, a copy of the Agency's response to each report, and any recommendation in the report.
- m. Advising the Minister annually on any outstanding audit recommendations per direction of the Board.
- n. Ensuring that Members are informed of their responsibilities under 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 public servants who are government appointees to, or employees of, the TFMC promoting ethical conduct and ensuring that all Members are familiar with the ethical requirements of PSOA, and the regulations and the directives made under PSOA, 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.

8.3 Board of Directors

The Board is responsible for:

- a. Establishing the goals, objectives, and strategic directions for the Agency within its mandate as defined by the Act and the Regulation, Minister's Directives and government policies as appropriate and this MOU.
- b. Governing the affairs of the Agency within its mandate as set out in the Act and the Regulation, its approved Annual Business Plan, and the policy parameters established and communicated in writing by the Minister.
- c. Directing the development of, and approving, the Annual Business Plan for submission to the Minister within the timelines agreed upon with the Ministry or as otherwise specified in this MOU.
- d. Directing the preparation of, and approving, the Annual Reports for submission to the Minister for approval within the timelines established by the Constituting Instrument or the AAD, as applicable.
- e. Making decisions consistent with the Annual Business Plan approved for the Agency and ensuring that the Agency operates within its budget allocation.
- f. Ensuring that the Agency uses public funds with integrity and honesty, and only for the business of the Agency based on the principle of value for money, and in compliance with the Act, Regulation, applicable legislation, Minister's Directives and TB/MBC directives.
- g. Ensuring that the Agency is governed in an effective and efficient manner according to accepted business and financial practices, and in accordance with applicable TB/MBC directives.
- h. Establishing such board committees or oversight mechanisms as may be required to advise the Board on effective management, governance or accountability procedures for the Agency.

- i. Approving any amendments to the MOU in a timely manner and authorizing the Chair to sign any such 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 (or as have been approved and published by the Conflict of Interest Commissioner on the Commissioner's website) are in place for the members of the Board and employees of the Agency.
- m. Establishing performance measures, targets and management systems for monitoring and assessing the Agency's performance.
- n. Directing corrective action on the functioning or operations of the Agency, if needed.
- o. Cooperating with and sharing any relevant information on any risk-based or periodic review directed by the Minister or TB/MBC.
- p. Consulting, as appropriate, with stakeholders on the Agency's goals, objectives and strategic directions.
- q. Providing advice to the Government, through the Minister, on issues within or affecting the Agency's mandate and operations.
- r. Setting and reporting on the strategic direction for the Agency according to the Minister's agency mandate letter, Agency's proposed Annual Business Plan, and the Annual Report.
- s. Ensuring that Minister's Directives are implemented promptly and efficiently and are complied with by TFMC.
- t. Ensuring TFMC carries out licence obligations, including forest management activities, within the TMU in accordance with any forest resource licences it holds.
- u. Evaluating the performance of the GM in consultation with the Board and pursuant to performance criteria established by the Board and the Chair.
- v. Appointing a GM and setting performance objectives and remuneration terms linked to these objectives for the GM which give due weight to the proper management and use of public resources.
- w. Ensuring that the responsibilities for the institution head are carried out as set out in Regulation 460 for the purposes of the *Freedom of Information and Protection of Privacy Act*.

8.4 Deputy Minister

The Deputy Minister is responsible for:

- a. Advising and assisting the Minister regarding the Minister's responsibilities for the TFMC, including informing the Minister of policy direction, policies and priorities of relevance to the Agency's mandate.

- b. Advising the Minister on the requirements of the AAD, and other directives that apply to the TFMC, including Minister's Directives.
- c. Recommending to the Minister, as may be necessary, the evaluation or review, including a risk-based review, of the TFMC or any of its programs, or changes to the management framework or operations of the TFMC.
- d. Facilitating regular briefings and consultations between the Chair and the Minister, and between the Ministry staff and the Agency staff as needed.
- e. Attesting to TB/MBC on the provincial agency'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 the Agency have the capacity and systems in place for on-going risk-based management, including appropriate oversight of the Agency.
- g. Ensuring that the Agency has an appropriate risk management framework and a risk management plan in place for managing risks that the Agency may encounter in meeting its program or service delivery objectives.
- h. Undertaking timely risk-based reviews of the TFMC, its management or operations, as may be directed by the Minister or TB/MBC.
- i. Establishing a framework for reviewing and assessing the Annual Business Plans and other reports.
- j. Supporting the Minister in reviewing the performance targets, measures and results of the Agency.
- k. Advising the Minister on documents submitted by the Agency to the Minister for review or approval, or both.
- l. Submitting to the Minister, as part of the annual planning process, a risk assessment and management plan for each risk category.
- m. Undertaking reviews of the Agency as may be directed by the Minister.
- n. Cooperating with any review of the Agency as directed by the Minister or TB/MBC.
- o. Monitoring the Agency on behalf of the Minister while respecting the Agency's authority, 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 any amendments to this MOU with the Chair, as directed by the Minister.
- q. Consulting with the GM or Chair, as needed, on matters of mutual importance including services provided by the Ministry and compliance with TB/MBC directives, Minister's Directives and Ministry policies.
- r. Meeting with the Chair or GM as needed or as directed by the Minister, or on the request of the Chair or GM.
- s. Arranging for administrative, financial and other support to the Agency, as specified in this MOU.
- t. Informing the Chair or GM, in writing, of new Applicable Government Directives and any exceptions to, or exemptions in whole or in part from TB/MBC directives, government policies, or Ministry administrative policies or new Minister's Directives.

- 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, including but not limited to ensuring that any of the Agency's outstanding liabilities related to forest management under the CFSA or other applicable legislation that are owed to the Crown are satisfied before the Agency's assets and liabilities are transferred in accordance with the Act, and the termination of any appointments.

8.5 General Manager (GM)

The GM is responsible for:

- a. Managing the day-to-day financial, analytical, and administrative affairs of the Agency in accordance with the mandate of the Agency, Minister's Directives, TB/MBC and 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 TB/MBC directives and Applicable Government Directives and policies, Minister's Directives and the By-laws and the Agency's 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 for the purpose intended with integrity and honesty.
- d. Providing leadership and management to the Agency staff, including human and financial resources management, in accordance with the approved Annual Business Plan, accepted business and financial practices and standards, the Constituting Instrument, 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 approved Annual Business Plan.
- g. Ensuring that the Agency has the oversight capacity and an effective oversight framework in place for monitoring its management and operations.
- h. Keeping the Board, through the Chair, informed with respect to implementation of policy and the operations of the Agency.
- i. Establishing and applying systems to ensure that the Agency operates within its approved Annual Business Plan.
- j. Establishing and applying the Agency's risk management framework and risk management plan in place as directed by the Chair/Board.
- k. Supporting the Chair and Board in meeting 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 through the Chair.
- m. Keeping the Ministry and the Chair advised on issues or events that may concern the Minister, the Deputy Minister and the Chair in the exercise of their responsibilities.
- n. Seeking support and advice from the Ministry, as appropriate, on agency management issues.

- o. Undertaking timely risk-based reviews of the Agency's management and operations.
- p. Consulting with the Deputy Minister as needed, on matters of mutual importance, including services providing by the Ministry, and on TB/MBC and Applicable Government Directives and Ministry policies and Minister's Directives.
- q. Cooperating with a periodic review directed by the Minister or TB/MBC.
- r. Fulfilling the role of ethics executive for public servants, other than government appointees, who work in the Agency. Promoting ethical conduct and ensuring that all members of the Agency are familiar with the ethical requirements of the PSOA and the regulations and directives made thereunder, including in respect of conflict of interest, political activity, and the protected disclosure of wrongdoing.
- s. Keeping the Board, through the Chair, informed about operational matters.
- t. Preparing the Annual Reports and Annual Business Plans as directed by the Board.
- u. Preparing financial reports for approval by the Board.
- v. Preparing, for approval by the Board, a performance review system for staff and implementing the system.
- w. Attesting to the compliance of the Agency to applicable directives and policies and support
- x. the Board to provide the stating of compliance of the Agency.

9. Ethical Framework

The Members are subject to the conflict of interest provisions of the AAD and the ethics rules and conflict of interest provisions of PSOA and its regulations.

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

The Chair, as the ethics executive for the provincial agency, is responsible for ensuring that appointees and staff 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 Annual Business Plan

- a. The Chair will ensure that the Minister is provided annually with the Agency's business plan covering a minimum of three (3) years from the current Fiscal Year, which includes a financial budget and a risk assessment and management plan, for approval by the Minister. The annual business plan shall be in accordance with the requirements set out in the AAD, the Act and the Regulation, and any Minister's Directives.
- b. The annual business plan is to be submitted to the Ministry's Chief Administrative Officer or designated equivalent within three months prior to the end of the Agency's Fiscal Year.

- c. The Chair is responsible for ensuring that the Agency's business plan includes a system of performance measures and reporting on the achievement of the objectives set out in the business plan. The system must include performance goals, how they will be achieved, and targeted results and timeframes.
- d. The Chair will ensure that the business plan includes a risk assessment and risk management plan to assist the Ministry in developing its risk assessment and risk management plan information in accordance with the requirements of the AAD to assess risks, develop and maintain necessary records, and report to TB/MBC.
- e. The Chair will ensure that publicly posted business plans do not disclose: personal information, sensitive employment and labour relations information, solicitor-client privileged information, Cabinet confidential information, trade secrets, information that would prejudice the financial or commercial interests of the provincial agency in the marketplace, and information that would otherwise pose a risk to the security of the facilities and/or operations of the provincial agency.
- f. The Minister will review the Agency's annual business plan and will promptly advise the Chair whether 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 as may be required, and the Chair, on behalf of the Board, will revise the Agency's plan accordingly. Business plans are only to be considered valid once the responsible Minister has approved the plan and the approval has been expressed in writing.
- g. In addition, TB/MBC may require the Minister to submit the Agency's business plan to TB/MBC for review at any time.
- h. The Chair, through the GM, will ensure that its Minister approved business plan is made available to the public in an accessible format, in both official languages, on the provincial agency website within 30 days of Minister's approval of the plan.

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 120 days of the Fiscal Year end. The annual report shall be in accordance with the requirements set out in the AAD and the Act.
- b. The Chair will ensure that publicly posted annual reports do not disclose: personal information, sensitive employment and labour relations information, solicitor-client privileged information, Cabinet confidential information, trade secrets, information that would prejudice the financial or commercial interests of the provincial agency in the marketplace, and information that would otherwise pose a risk to the security of the facilities and/or operations of the provincial agency.
- c. The Minister will receive, review and approve the Agency's annual report.
- d. The Chair, through the GM, will ensure that its annual report is publicly posted in an accessible format, in both official languages, on the provincial agency website within 30 days of approval by the Minister.

10.3 Other Reports

The Chair is responsible on behalf of the Board for:

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

11. Public Posting Requirements

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

12. Communications and Issues Management

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

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

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

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

13. Administrative Arrangements

13.1 Applicable Government Directives

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

13.2 Administrative and Organizational Support Services

- a. The Deputy Minister is responsible for providing the Agency with the administrative and organizational support services if required, and for negotiating with Ontario Shared Services concerning these services, as appropriate.
- b. The Deputy Minister will ensure that the support or services provided to the Agency are of the same quality as those provided to the Ministry's own divisions and branches.
- c. The Deputy Minister will identify the senior OPS employee to participate on the selection committee for the appointment of the GM.
- d. The Ministry will identify a program lead to the GM as appropriate.
- e. The Ministry's program lead will meet with the GM on a regular basis to discuss performance and administrative requirements of the Agency.

13.3 Management Fees

- a. The Board shall implement an approach for the setting and collection of management fees in accordance with the document 'Hybrid Management Fee Model Description – Principles and Guidelines – August 19, 2020' developed by the local Temagami Forest Tenure Modernization Advisory Team and as may be amended from time to time in accordance with the aforementioned document.

13.4 Legal Services

- a. The Agency may retain private legal counsel to represent it in respect of certain routine corporate and commercial work, provided that the Government shall provide the Agency with legal services in respect of matters of significant Crown interest. More specifically, private legal counsel may be retained to provide legal advice on routine forestry operations related contracts and activities, such as those related to silviculture, contracts for harvesting, the selling of forest resources, forestry road and bridge construction and maintenance, equipment purchases, leasing and other procurements, and other general corporate or commercial work that does not implicate any elements of Crown interest, as well as, when the Board wishes, where the matter would involve a conflict of interest if undertaken by Government legal counsel. For clarity, Government legal counsel shall perform all legal work associated with the organization and establishment of the Agency, including its initial governance documents, banking, human resources and Government approvals.

13.5 Creation, Collection, Maintenance and Disposition of Records

- a. The Chair, on behalf of the Board, is responsible for ensuring that a system is in place for the creation, collection, maintenance and disposal of records.
- b. The Board, through the Chair, is responsible for ensuring that the provincial agency complies with all government legislation, directives and policies related to information and records management.
- c. The GM, the Chair and the Board shall protect the legal, fiscal and other interests of the Agency by implementing reasonable measures to ensure the ongoing viability, integrity, preservation and security of all official records created, commissioned or acquired by the Agency. This includes, but is not limited to, all electronic records, such as emails, information posted on the Agency's website(s), database data sets, and all records stored on personal computers and shared drives.
- d. The Chair, on behalf of the Board, is responsible for ensuring measures are implemented requiring the Agency's employees to create full, accurate and reliable records that document and support significant business transactions, decisions, events, policies and programs.
- e. The Board through the Chair is responsible for ensuring that the Agency complies with the *Archives and Recordkeeping Act, 2006*, S.O. 2006, Chapter 34, Schedule A.

13.6 Intellectual Property

- a. The Chair, on behalf of the Board, is responsible for ensuring that the legal, financial and other interests of the Government related to intellectual property are protected in any contract that the Agency may enter into with a third party that involves the creation of intellectual property.
- b. The Managing, Distributing and Pricing Government Information (Intellectual Property) Directive will provide guidance on the application and requirements with respect to intellectual property produced by or for agencies.

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. The provincial agency shall establish customer service and quality standards that are consistent with the appropriate standards of the government, the Ministry and the Ontario Public Service.
- 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. The TFMC will develop by December 31, 2021 a formal process for responding to complaints about the quality of services received by customers of the Agency consistent with the Government's service quality standards.
- d. The Annual Business Plan will include performance measures and targets for customer service and the Agency's response to complaints.
- e. The provincial agency shall comply with the *Accessibility for Ontarians with Disabilities Act*.

14. Financial Arrangements

14.1 General

- a. All financial procedures for the provincial agency shall be in accordance with applicable TB/MBC and Ministry of Finance directives and guidelines, Ministry corporate financial and administrative policies and procedures, and other Government guidelines, directives and policies, which, as of the date hereof are set out in Appendix 2 of this MOU.
- b. When ordered to do so by the Minister of Finance and/or the President of the Treasury Board, pursuant to Section 16.4 of the *Financial Administration Act*, the Agency shall pay into the Consolidated Revenue Fund of the Government any money that the Minister of Finance and/or the President of the Treasury Board determines is surplus to its requirements.
- c. Pursuant to Section 28 of the *Financial Administration Act*, the Agency shall not enter into any financial arrangement or commitment, guarantee, indemnity or similar transaction that may increase, directly or indirectly, the indebtedness or contingent liabilities of the Government without the written approval of the Minister of Finance and/or the President of the Treasury Board. The Minister's approval is required before seeking statutory approval from the Minister of Finance.
- d. The GM shall be responsible for providing the Ministry with the necessary documentation to support the Agency's expenditures.
- e. The Agency's financial arrangements shall be in accordance with the requirements of the Act, the Regulations and all other applicable provincial and federal legislation, including section 7(4) of the Act, which prohibits that the Agency from borrowing money, investing or managing financial risk unless such activity is authorized by a by-law and, in addition to the consent of the Minister, the Minister of Finance has consented to such by-law.

- f. TFMC will follow the applicable process to access funding from the Forestry Futures Trust (as referenced in section 51 of the CFSA) to support the start-up financing needs.
- g. The Agency will develop its own financial by-laws for approval by the Minister and the Minister of Finance, consistent with the Act.
- h. The Agency's objects include managing its affairs to become a self-sustaining business entity, and it will operate on a self-sustaining basis, relying on its generated revenues.
- i. The Board shall determine the maximum expenditure that may be authorized by the GM.

14.2 Funding

- a. The provincial agency 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 and the Act.
- b. Financial procedures of the Agency must be in accordance with TB/MBC and Ministry of Finance directives and guidelines and other Applicable Government Directives.
- c. Recovered costs and other revenues, if any, shall be used to further its objects, including to the administrative expenditures of the Agency, and for no other purpose, in accordance with the Act.

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 Government's stated accounting policies issued by the Office of the Provincial Controller Division.
- b. The Agency will submit its salary information to the Minister of Finance and/or the President of the Treasury Board, through the Ministry, in accordance with the *Public Sector Salary Disclosure Act, 1996*.

14.4 Taxation Status

- a. The Agency will charge, collect, and remit all applicable taxes, where required by law.

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 Minister shall have an independent forest audit conducted in accordance with Ontario Regulation 160/04 (as it may be amended, superseded or replaced from time to time).
- c. The Ontario Internal Audit Division may also carry out an internal audit, if approved to do so by the Ministry's Audit Committee or by the Corporate Audit Committee.

- d. Regardless of any previous or annual external audit, the Minister may direct that the Agency be audited at any time.
- e. The Agency will promptly provide a copy of every report from an audit to the Minister and the Minister of Finance/President of Treasury Board. The Agency will also provide a copy of its response to the audit report and any recommendations therein. The Agency will advise the Minister annually on any outstanding audit recommendations.
- f. The Chair, on behalf of the Board, may request an external audit of the financial transactions or management controls of the Agency, at the Agency's expense.

15.2 Other Reviews

- a. TFMC 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 and/or operations of the Agency.
- b. In requiring a periodic review, the Minister or TB/MBC shall determine the timing and responsibility for conducting the review, the roles of the Chair, the Board, and the Minister, and how any other parties are involved.
- c. A mandate review of the provincial agency will be conducted at least once every seven years. The date of the next review will be during the 2026/27 Fiscal Year.
- d. The Minister will consult the Chair, on behalf of the Board, as appropriate during any such review.
- e. The Chair, GM and the Board will cooperate in any review.
- f. In the event of a review initiated at the direction of the Minister, the Minister shall submit any recommendations for change that are developed from the results of the review regarding the Agency to TB/MBC for consideration.

16. Staffing and Appointments

16.1 Delegation of Human Resources Management Authority

- a. Where the PSC has delegated its powers, duties and functions in relation to human resources management to the Deputy Minister, Chair or prescribed individual under Ontario Regulation 148/10, that person is accountable for exercising that authority in compliance with any relevant legislation, directives or policies in accordance with the mandate of the TFMC, and within the parameters of the delegated authority.

16.2 Staffing Requirements

- a. Agency employees are employed under section 12 of the Act, and the Agency may employ such persons as it considers necessary for its purposes, in accordance with the job classifications, personnel qualifications, duties, powers and salary ranges, as approved by the Minister.
- b. The GM is employed under section 11 of the Act and will be recruited and hired by the Board in accordance with a Board policy, to be developed, setting out the process. The process will include a role for an OPS employee on the selection committee.

- c. The GM will be paid by the Agency the remuneration and expense allowance as may be fixed by the Agency and approved by the Minister.
- d. The Agency may obtain professional assistance pursuant to section 13 of the Act.
- e. The GM and employees of the Agency are or will be classified as public servants, for a public body, as defined under PSOA.

16.3 Appointments

- a. The Chair and vice-chair are designated by the Lieutenant Governor in Council on the recommendation of the Minister pursuant to section 6(4) of the Act
- b. The Members are appointed by the Lieutenant Governor in Council on the recommendation of the Minister pursuant to section 6 of the Act.
- c. Candidates who have applied to be a Member will be assessed according to a set of qualifications or a skills matrix.
- d. Appointees to the Agency are or will be classified as public servants, for a public body, as defined under PSOA.
- e. The maximum number of Members is 12, as set out in the Act.

16.4 Remuneration

- a. Remuneration for Members is set by the Lieutenant Governor in Council.
- b. As set out in Order in Council 1805/2020, as may apply, the Chair is remunerated at a per diem rate of \$300, the Vice-Chair is remunerated at a per diem rate of \$200, and the Members are each remunerated at a per diem rate of \$175.
- c. Travel expenses of 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, 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 and Insurance

- a. In accordance with section 6(7) of the Act, subsection 134(1) (standard of care) and section 136 (indemnification and liability insurance) of the *Business Corporations Act* apply to the Agency with modifications.

- b. As more particularly described in section 14 of the Act, the Crown and Members, officers and employees of the Agency are immune from actions or other civil proceedings for acts done in good faith in furtherance of their duty to the Agency.
- c. The Agency shall obtain all the insurance that would be considered appropriate for a prudent business in similar circumstances to the Agency including comprehensive general liability insurance and directors' and officers' liability insurances. Subject to section 28 of the Financial Administration Act, if applicable, the Agency may provide indemnities to its directors and officers in accordance with section 136 of the Business Corporations Act.

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 memorandum of understanding within six (6) months of the change.
- d. A copy of the letter of affirmation, or a new memorandum of understanding between the Minister and Chair must be provided to the Secretary, Treasury Board/Management Board of Cabinet within six months of the new party or parties' commencement.
- e. Either the Minister or the Chair, on behalf of the Board, may initiate a review of this MOU by written request to the other.
- f. If either of the parties deems it expedient to amend this MOU, they may do so only in writing. Any amendment shall only be effective after approval by the parties.
- g. A full review and replacement of this MOU will be conducted immediately in the event of a significant change to the Agency's mandate, powers or governance structure as a result of an amendment to the Act or the CFSA.
- 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.

Signatures



December 6, 2021

Agency Chair
Temagami Forest Management Corporation

Date



March 7, 2022

Minister
Ministry of Northern Development, Mines, Natural Resources and Forestry

Date

Appendix 1: Summary of Agency Reporting Requirements

REPORT / DOCUMENT	NAMES OF RESPONSIBLE OFFICIALS	DUE DATE
Annual Business Plan a. Prepares b. Approves c. Provides to Minister	a. General Manager b. Board c. Chair	Submitted annually within three (3) months prior to the Fiscal Year end
Annual Report a. Prepares b. Approves c. Provides to Minister	a. General Manager b. Board c. Chair	Submitted annually within 120 days of the Fiscal Year end
Post Travel Expenses	General Manager	Submitted quarterly
Audited Financial Statements/ Financial Reports a. Prepares b. Approves c. Provides to Minister	a. General Manager b. Board c. Chair	Submitted annually with Annual Report
Memorandum of Understanding	Minister / Chair	Review and revise as required, best practice every 5 years
Compliance Attestation a. Prepares b. Approves c. Provides to Minister	a. General Manager b. Board c. Chair	Submitted annually, by April 30th

Appendix 2: Applicable Government of Ontario Directives

1. The following TB/MBC and government directives, guidelines and policies apply to the Agency:
 - Agencies & Appointments Directive
 - Advertising Content Directive
 - Open Data Directive
 - Perquisites Directive
 - Procurement Directive, as it applies in part to “Other Included Entities”
 - Procurement Directive on Advertising, Public and Media Relations and Creative Communications Services
 - Realty Directive
 - Travel, Meal and Hospitality Expenses Directive
 - Visual Identity Directive
2. The TFMC is responsible for complying with all directives, policies and guidelines to which it is subject, irrespective of whether it is included on the list above.
3. The Ministry will inform the Agency of amendments or additions to directives, policies and guidelines that apply to the Agency.