

Memorandum of Understanding
Between
Minister of Finance and
Chair of the Ontario Financing
Authority

Proposed for Board approval-in-principle, December 2024

Signatures

I have read, understood and concur with this MOU dated [Date] and will abide by the requirements for this MOU and the AAD.



Minister

December 3, 2025

Date

I have read, understood and concur with this MOU dated [Date] and will abide by the requirements for this MOU and the AAD.

A handwritten signature in black ink, appearing to be "J. Smith", written over a horizontal line.

OFA Chair

November 14, 2025

Date

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The parties to this memorandum of understanding agree to the following:

1. Preamble

- a. Provincial agencies deliver important and valued services to the people of Ontario. In delivering these public services, provincial agencies are accountable to the Government through the responsible minister.
- b. Provincial agencies must use public resources efficiently and effectively to carry out their mandates, as established by their respective constituting instruments and in alignment with the key priorities of the provincial government. Their operations are guided by the key principles of the AAD.
- c. The parties to this MOU acknowledge that the agency is part of government and is required to comply with legislation, government directives, policies and guidelines applicable to them. Further, the agency may be required to ensure that their directives and policies adhere to certain government directives, policies and guidelines, including those for human resources, while being mindful of collective agreement and bargaining obligations.

2. Purpose

- a. The purpose of this MOU is to:
 - Establish the accountability relationships between the Minister of Finance and the Chair of the Board of the Ontario Financing Authority on behalf of the OFA.
 - Clarify the roles and responsibilities of the Minister, the Chair, the Deputy Minister, the CEO and the Board.
 - Clarify the operational, administrative, financial, staffing, auditing and reporting arrangements between the OFA and the Ministry of Finance.
- b. This MOU should be read together with CIPA. This MOU does not affect, modify or limit the powers of the OFA as set out in CIPA, or interfere with the responsibilities of any of its parties as established by law. In case of a conflict between this MOU and any act or regulation, the act or regulation prevails.
- c. This MOU replaces the memorandum of understanding between the parties dated June 11, 2021.

3. Definitions

In this MOU:

- a. “AAD” means the Agencies and Appointments Directive, issued by Management Board of Cabinet;
- b. “Agency” or “provincial agency” means Ontario Financing Authority;
- c. “Annual Report” means the annual report referred to in article 10.2 of this MOU;
- d. “Applicable Government Directives” means the Government directives, policies, standards and guidelines that apply to the OFA;
- e. “Appointee” means a member appointed to the Board by the LGIC, but does not mean an individual employed or appointed by the OFA as staff;
- f. “Artificial intelligence system” means a machine-based system that, for explicit or implicit objectives, makes inferences, from the input it receives, in order to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments;
- g. “Board” means the Board of Directors of the Ontario Financing Authority;
- h. “Business Plan” means the annual business plan described under article 10.1 of this MOU;
- i. “CEO” means the chief executive officer of the Ontario Financing Authority;
- j. “Chair” means the Chair of the Ontario Financing Authority;
- k. “CIPA” means the Capital Investment Plan Act, 1993;
- l. “Consultant” means a person or entity that under an agreement, other than an employment agreement, provides expert or strategic advice and related services for consideration and decision-making;
- m. “Deputy Minister” means the Deputy Minister of Finance;
- n. “FAA” means the Financial Administration Act;
- o. “FIPPA” means the *Freedom of Information and Protection of Privacy Act*;
- p. “Fiscal Year” means the period from April 1 to March 31 of the following year;
- q. “Government” means the Government of Ontario;
- r. “LGIC” means the Lieutenant Governor in Council;
- s. “MBC” means the Management Board of Cabinet;

- t. “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*;
- u. “Ministry” means the Ministry of Finance or any successor to the ministry;
- v. “MOU” means this memorandum of understanding signed by the Minister and the Chair;
- w. “OPS” means the Ontario Public Service;
- x. “President of the Treasury Board” means this President of the Treasury Board or such other person who may be designated from time to time under the *Executive Council Act*;
- y. “PSC” means the Public Service Commission;
- z. “PSOA” means the Public Service of Ontario Act, 2006;
- aa. “TBS” means the Treasury Board Secretariat;
- bb. “TB/MBC” means the Treasury Board/Management Board of Cabinet;
- cc. “Treasury Operations Services” means financial services respecting the management of financial assets and liabilities of the Province or of a Provincial public body including ancillary advisory and information services, whether or not delivered by a financial institution. For greater certainty, Treasury Operations Services includes all services acquired in connection with Provincial borrowing, debt management, risk management, cash management, banking and investment activities in the fulfillment of the mandate of the Minister and OFA under the FAA and CIPA, and similar services acquired by the OFA for any public body in the fulfillment of the OFA’s mandate. Treasury Operations Services do not include consulting services.

A reference to an act, regulation or a Government directive or policy in this MOU refers to that act, regulation, directive or policy as may be amended or replaced from time to time.

Agency’s Legal Authority and Mandate

- a. The legal authority of the OFA is set out in CIPA.
- b. The OFA also exercises powers and authority under numerous acts, including the FAA and the Province of Ontario Savings Office Privatization Act, 2002.
- c. The mandate of the OFA is to:
 - Conduct borrowing, investment and financial risk management for the Province;

- Manage the Provincial debt;
- Manage the Province's key financial relationships with investors, financial institutions, rating agencies and public bodies.
- Provide centralized financial services to the Province including banking and cash management;
- Advise ministries, Crown agencies and other public bodies on financial policies and projects;
- Assist Crown agencies and other public bodies to borrow and invest money;
- Act at the direction of the Province in lending to certain public bodies;
- Invest on behalf of some public bodies;
- With Ontario Power Generation Inc., manage the investment activities of the Ontario Nuclear Funds;
- Carry out the day-to-day operations of Ontario Electricity Financial Corporation and provide a broad range of financial services to Infrastructure Ontario;
- Provide such other financial services as are considered advantageous to the Province or any public body; and
- Any additional objects as directed by the LGIC.

4. Agency Type, Function and Public Body Status

- a. The OFA is designated as a board-governed provincial agency with an Operational Enterprise function under the AAD.
- b. The OFA is prescribed as both a public body and a Commission public body under Ontario Regulation 146/10 under PSOA.

5. Corporate Status and Crown Agency Status

- a. The OFA is a Crown agency within the meaning of the *Crown Agency Act*.
- b. The OFA is a corporation without share capital.
- c. The OFA has the capacity, rights, power and privileges of a natural person, subject to the limitations placed upon it by CIPA or imposed by TB/MBC.

- d. Pursuant to CIPA, sections 132 and 136 of the Business Corporations Act apply to the OFA, but neither the Not-for-Profit Corporations Act, 2010 nor the Corporations Information Act apply to the OFA.

6. Guiding Principles

The parties agree to the following principles:

- a. **Accountability:** Provincial agencies deliver public services and are accountable to the Government through the responsible minister. In delivering on their mandate, provincial agencies balance operational flexibility with the minister's accountability for the provincial agency to Cabinet, the Legislative Assembly and the people of Ontario. Accountability of the minister for each provincial agency cannot be delegated.

Every provincial agency complies with all applicable legislation and OPS directives and policies. Further, agencies ensure that their directives and policies adhere to certain Government directives, policies and guidelines, including those for human resources, while being mindful of collective agreement and bargaining obligations. This includes applicable legislation and directives related to procurement.

- b. **Responsiveness:** Provincial agencies align their mandate and operations with Government priorities and direction. Open and consistent communication between provincial agencies and their responsible ministry helps ensure that Government priorities and direction are clearly understood and helps to manage risks or issues as they arise. Provincial agencies deliver a high standard of public service that meets the needs of the population that they serve.
- c. **Efficiency:** Provincial agencies use public resources efficiently and effectively to carry out their mandates, as established by their respective constituting instruments. They operate in a cost-effective manner, and pursue efficiencies throughout the agency's service delivery and administration.
- d. **Sustainability:** Provincial agencies operate in a way so that their current form is sustainable over the long-term while delivering a high standard of service to the public.
- e. **Transparency:** Good governance and accountability practices for provincial agencies are complemented by transparency in the form of public posting of governance and accountability documents including the business plan, annual report, MOU and expenses information.

7. Accountability Relationships

7.1 Minister

The Minister is accountable:

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

7.2 Chair

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

- a. To the Minister for the OFA's performance in fulfilling its mandate, and for carrying out the roles and responsibilities assigned to the Chair by CIPA, this MOU, and Applicable Government Directives.
- b. For reporting to the Minister, as requested, on the OFA's activities.
- c. For ensuring timely communications with the Minister regarding any issue that affects, or can reasonably be expected to affect, the Minister's responsibilities for the OFA.
- d. To the Minister to confirm the OFA's compliance with legislation, Government directives, and applicable accounting, financial, and I&IT policies.

7.3 Board of Directors

The Board is accountable, through the Chair, to the Minister for the oversight and governance of the OFA; setting goals, objectives and strategic direction for the OFA as outlined in the annual letter of direction; and for carrying out the roles and responsibilities assigned to it by CIPA, this MOU, and Applicable Government Directives.

7.4 Deputy Minister

The Deputy Minister reports to the Secretary of the Cabinet and is responsible for supporting the Minister in the effective oversight of provincial agencies. The Deputy Minister is accountable for the performance of the Ministry in providing administrative

and organizational support to the OFA and for carrying out the roles and responsibilities assigned by the Minister, CIPA, this MOU, and Applicable Government Directives.

The Deputy Minister is also accountable for attesting to TB/MBC on the OFA's compliance with applicable directives to the best of their knowledge and ability.

Pursuant to CIPA, the Deputy Minister is, by virtue of office, the Chair.

7.5 Chief Executive Officer

Under CIPA, the CEO may be a public servant employed under Part III of PSOA or appointed by the LGIC.

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

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 OFA.
- b. Reporting and responding to TB/MBC on the OFA's performance and compliance with applicable directives, the Government's operational policies and policy directions.
- c. Meeting with the Chair at least quarterly on: Government and Ministry priorities for the OFA; OFA, Board, Chair and CEO performance; emerging issues and opportunities; agency high risks and action plans including direction on corrective action, as required; and OFA Business Plan and capital priorities.
 - i. As a best practice, meetings are to be quarterly. The Minister may delegate some of the meetings to an associate minister or parliamentary assistant. The Minister should meet with the Chair at least twice per year, with one meeting focused on OFA, Board, Chair and CEO performance.
 - ii. If the Minister deems the OFA to be low risk, the Minister may reduce the

number of meetings to twice a year, instead of quarterly, with one meeting focused on OFA, Board, Chair and CEO performance.

- d. Informing the Chair of the Government's priorities and broad policy directions for the OFA and setting expectations for the OFA in the annual letter of direction.
- e. Working with the Chair to develop appropriate measures and mechanisms related to the performance of the OFA.
- f. Reviewing the advice or recommendation of the Chair on candidates for appointment or re-appointment to the Board.
- g. Making recommendations to Cabinet and the LGIC for appointments and reappointments to the OFA, pursuant to the process for agency appointments established by legislation and/or by MBC through the AAD.
- h. Determining at any time the need for a review or audit of the OFA, directing the chair to undertake reviews or audits of the OFA on a periodic basis, and recommending to TB/MBC any change(s) to the governance or administration of the OFA resulting from any such review or audit.
- i. Signing the MOU into effect after it has been signed by the Chair.
- j. Receiving the OFA's annual business plan and approving or providing suggested changes to the plan no later than 30 calendar days from receiving it.
- k. Ensuring that the OFA's business plan is made available to the public no later than 30 calendar days from approving it.
- l. Receiving the OFA's annual report and approving the report no later than 60 calendar days of the Ministry's receipt of the report from the OFA.
- m. Ensuring the OFA's annual report is tabled no later than 30 calendar days from approval and then made available to the public.
- n. Recommending to TB/MBC any provincial funding to be allocated to the OFA.
- o. When appropriate or necessary, taking action or directing that the OFA take corrective action with respect to the OFA's administration or operations.
- 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 OFA.
- q. Recommending to TB/MBC the application of the OPS Procurement Directive.

- r. Recommending to TB/MBC, where required, the merger, any change to the mandate, or dissolution of the OFA.
- s. Recommending to TB/MBC the powers to be given to, or revoked from, the OFA when a change to the OFA's mandate is being proposed.
- t. Approving compensation ranges and any additional benefits for prescribed classes of OFA employees under section 8 of CIPA.

8.2 Chair

Pursuant to CIPA, the Deputy Minister is, by virtue of office, the Chair. There may be instances where this individual must provide advice to either the Board or the Minister, where advice to one of these parties might conflict with advice provided to the other party. The parties to this MOU are aware and understand the possibility of such conflict of interest.

The Chair is responsible to support the Board by:

- a. Providing leadership to the OFA's Board and ensuring that the Board carries out its fiduciary responsibilities for decisions regarding the OFA.
- b. Providing strategic leadership to the OFA by working with the Board to set the goals, objectives and strategic directions as outlined in the annual letter of direction.
- c. Ensuring compliance with legislative and TB/MBC policy obligations.
- d. Reporting to the Minister as requested on the OFA's activities within agreed upon timelines, including an annual letter confirming the OFA's compliance with all applicable legislation, directives, and accounting, financial and I&IT policies.
- e. Meeting with the Minister at least quarterly on: Government and Ministry priorities for the OFA; OFA, Board and CEO performance; emerging issues and opportunities; OFA high risks and action plans including direction on corrective action, as required; and OFA business plan and capital priorities.
 - i. As a best practice, meetings are to be quarterly. The Minister may delegate some of the meetings to an associate minister or parliamentary assistant. The Minister should meet with the chair at least twice per year, with one meeting focused on OFA, Board and CEO performance.
 - ii. If the Minister deems the OFA to be low risk, the Minister may reduce

the number of meetings to twice a year, instead of quarterly, with one meeting focused on OFA, Board, Chair and CEO performance.

- 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 their responsibilities relating to the OFA.
- g. Ensuring the OFA is fulfilling the Government's priorities and expectations from the annual letter of direction, and achieving its key performance measures.
- h. Informing the Minister on progress on achieving the Government's priorities and broad policy directions for the OFA as outlined in the annual letter of direction.
- i. Working with the Minister to develop appropriate measures and mechanisms related to the performance of the OFA.
- j. Utilizing the OFA's skills matrix to advise the Minister of any competency skills gaps on the Board and provide recommendations for recruitment strategies, appointments, or re-appointments as needed, including advising the Minister on Appointee attendance and performance.
- k. Cooperating with any review or audit of the OFA.
- l. Requesting an external audit of the financial transactions or management controls of the OFA, at the OFA's expense, if required.
- m. Advising the Minister, annually at minimum, on any outstanding audit recommendations/issues.
- n. Sharing all audit engagement reports (including those prepared by their own internal audit function and/or those reported to the Chair) with the Minister (and when requested, with the President of the Treasury Board).
- o. Seeking strategic policy direction for the OFA from the Minister.
- p. Signing the OFA's MOU on behalf of the Board, along with the CEO.
- q. Submitting the OFA's business plan/attestation memo, budget, annual report/attestation memo and financial reports, on behalf of the Board, to the Minister in accordance with the timelines specified in the applicable Government directives and this MOU.
- r. Ensuring that the OFA operates within its approved budget allocation in fulfilling its mandate, and that public funds are used for the purpose intended with integrity and honesty.

- s. Consulting with the Minister in advance regarding any activity which may have an impact on the Government and Ministry's policies, directives or procedures, or on the OFA's mandate, powers or responsibilities as set out in CIPA or other acts.
- t. Chairing Board meetings, including the management of the Board's agenda.
- u. Reviewing the performance of the CEO annually in consultation with the Board.
- v. Reviewing and approving claims for per diems and travel expenses for Appointees.
- w. Ensuring appropriate management systems are in place (financial, information technology (including cyber security), human resources, procurement) for the effective administration of the OFA.
- x. Establishing and implementing artificial intelligence (AI) risk management in alignment with the principles of the Responsible Use of AI Directive and requirements in section 6.3, ensuring that they fulfill the role outlined for "Provincial Agency Heads or Equivalent" in the Responsible Use of AI Directive.
- y. Carrying out effective public communications and relations for the OFA as required by the Communications Protocol set out in Appendix 1 to this MOU.
- z. Acknowledging the importance of promoting an equitable, inclusive, accessible, anti-racist and diverse workplace within the OFA, and supporting a diverse and inclusive workplace within the OFA.
- aa. Ensuring that Appointees are informed of their responsibilities under PSOA with regard to the rules of ethical conduct, including the political activity rules.
- bb. Fulfilling the role of ethics executive for Appointees, promoting ethical conduct and ensuring that Appointees are familiar with the ethical requirements of PSOA, and the regulations and the directives made under that Act, including in respect of conflict of interest, political activity and the protected disclosure of wrongdoing.

8.3 Board of Directors

The Board is responsible for:

- a. Managing and controlling the affairs of the OFA.
- b. Ensuring the OFA is governed in an effective and efficient manner and the OFA uses public funds with integrity and honesty, and only for the business of the OFA based on the principle of value for money, and in compliance with applicable

legislation and Applicable Government Directives.

- c. Ensuring the OFA is fulfilling the Government's priorities and expectations from the annual letter of direction in the establishment of goals, objectives, and strategic directions for the OFA.
- d. Establishing robust performance measures, targets and management systems, and monitoring and assessing the OFA's performance measures, targets and management systems.
- e. Governing the affairs of the OFA in fulfilling the Government's priorities and expectations from the annual letter of direction as set out in its approved business plan as described in section 10.1 of this MOU, and the policy parameters established and communicated in writing by the Minister.
- f. Directing the development of, and approving the OFA's business plans for submission to the Minister within the timelines established by the AAD.
- g. Directing the preparation of, and approving the OFA's annual reports for submission to the Minister for approval and tabling in the Legislative Assembly within the timelines established by the AAD.
- h. Approving the OFA's reports and reviews that may be requested by the Minister from time to time for submissions to the Minister within agreed upon timelines.
- i. Making decisions consistent with the business plan approved for the OFA and ensuring that the OFA operates within its budget allocation.
- j. Ensuring the CEO is fulfilling their responsibilities as outlined in this MOU and the AAD.
- k. Reviewing the performance of the CEO annually in consultation with the Chair.
- l. Ensuring that the OFA is governed in an effective and efficient manner according to accepted business and financial practices, and in accordance with Applicable Government Directives.
- m. Establishing such Board committees or oversight mechanisms as may be required to advise the Board on effective management, governance or accountability procedures for the OFA.
- n. Approving the OFA's MOU, and any amendments to the MOU, subject to TB/MBC approval, in a timely manner and authorizing the Chair to sign the MOU, or any amendments to the MOU, on behalf of the OFA.

- o. Directing the development of an appropriate risk management framework and a risk management plan and arranging for risk-based reviews and audits of the OFA as needed.
- p. Where applicable, ensuring that conflict of interest rules that the OFA is required to follow, as set out in Ontario Regulation 381/07 under PSOA, are in place for the Appointees and employees of the OFA.
- q. Directing corrective action on the functioning or operations of the OFA, if needed.
- r. Cooperating with and sharing any relevant information on any risk-based or periodic review directed by the Minister or TB/MBC.
- s. Consulting, as appropriate, with stakeholders on the OFA's goals, objectives and strategic directions.
- t. Providing advice to the Government, through the Minister, on issues within or affecting the OFA's mandate and operations.
- u. Establishing and implementing policies and procedures related to compensation of prescribed classes of OFA employees under section 8 of CIPA, within ranges approved by the Minister, including performance evaluation.

8.4 Deputy Minister

Pursuant to CIPA, the Deputy Minister is, by virtue of office, the Chair. There may be instances where this individual must provide advice to either the Board or the Minister, where advice to one of these parties might conflict with advice provided to the other party. The parties to this MOU are aware and understand the possibility of such conflict of interest.

The Deputy Minister is responsible for:

- a. Advising and assisting the Minister regarding the Minister's oversight responsibilities for the OFA, including informing the Minister of policy direction, policies and priorities of relevance to the OFA's mandate.
- b. Advising the Minister on the requirements of the AAD, ensuring governance and accountability documents accurately adhere to the requirements of the AAD, and other directives that apply to the OFA.
- c. Attesting to TB/MBC on the OFA's compliance with the mandatory accountability requirements set out in the AAD and other applicable directives, the government's operational policies and policy directions based on the annual letter of compliance

from the Chair to the Minister to the best of their knowledge and ability.

- d. Reporting/responding, within prescribed timelines, to TBS on compliance tracking.
- e. Informing the CEO, in writing, of new government directives and any exceptions to, or exemptions in whole or in part from directives, government policies, or Ministry administrative policies.
- f. Facilitating regular briefings and consultations with the Minister in the Deputy Minister's capacity as Chair, and between the Ministry staff and OFA staff as needed.
- g. Meeting with the OFA's CEO at least quarterly on matters of mutual importance, including emerging issues and opportunities, Government priorities and progress on annual letter of direction, OFA business plans and results and OFA high risks and action plans.
- h. Meeting with the OFA's CEO regularly and as required to discuss Certificate of Assurance exceptions and fraud instances and their related action plans.
- i. Supporting the Minister in reviewing the performance targets, measures and results of the OFA.
- j. Signing the OFA's MOU, acknowledging their responsibilities.
- k. Undertaking reviews of the OFA as may be directed by the Minister.
- l. Cooperating with any review of the OFA as directed by the Minister or TB/MBC.
- m. Ensuring the review of and assessing the OFA's business plan and other reports.
- n. Requesting information and data as needed to fulfill obligations under the AAD.
- o. Monitoring the OFA on behalf of the Minister while respecting the OFA's authority, identifying needs for corrective action where warranted, and recommending to the Minister ways of resolving any issues that might arise from time to time.
- p. Providing regular feedback to the Minister on the performance of the OFA.
- q. Supporting Ministers and Minister's offices in monitoring and tracking upcoming and existing vacancies on the Board, particularly where there is a legislated minimum number of members and to maintain quorum.
- r. Recommending to the Minister, as may be necessary, the evaluation or review, including a risk-based review, of the OFA or any of its programs, or changes to the

management framework or operations of the OFA.

- s. Ensuring that the Ministry and the OFA have the capacity and systems in place for on-going risk-based management, including appropriate oversight of the OFA.
- t. Ensuring that the OFA has an appropriate risk management framework and a risk management plan in place for managing risks that the OFA may encounter in meeting its program or service delivery objectives.
- u. Undertaking timely risk-based reviews of the OFA, its management or operations, as may be directed by the Minister or TB/MBC.
- v. Submitting to the Minister, as part of the annual planning process, a risk assessment and management plan for each risk category, and for each business line (as applicable).
- w. Consulting with the OFA's CEO, as needed, on matters of mutual importance including services provided by the Ministry and compliance with directives and Ministry policies.
- x. Working with the CEO to address any issue that may arise.
- y. Arranging for administrative, financial and other support to the OFA, as specified in this MOU.

8.5 Chief Executive Officer

The CEO is responsible for:

- a. Being accountable to the Board, including where the CEO is appointed by the LGIC.
- b. Managing the day-to-day operational, financial, analytical, and administrative affairs of the OFA in accordance with the mandate of the OFA, Applicable Government Directives, accepted business and financial practices, and this MOU.
- c. Supporting the Chair and Board in meeting their responsibilities, including compliance with all applicable legislation, directives, policies, procedures and guidelines.
- d. Advising the Chair on the requirements of and the OFA's compliance with the AAD, Applicable Government Directives and OFA by-laws and policies, including annually attesting to the Chair on the OFA's compliance with mandatory requirements.
- e. Attesting to the compliance of the OFA to Applicable Government Directives and supporting the Board to provide the statement of compliance of the OFA.

- f. Ensuring that the OFA meets the requirements of the AAD.
- g. Meeting with the Deputy Minister at least quarterly on matters of mutual importance, including: emerging issues and opportunities; government priorities and progress on annual letter of direction; OFA business plans and results; and, OFA high risks, the action plan and advice on corrective action as required.
- h. Meeting with the Deputy Minister or an approved delegate regularly and as required to discuss Certificate of Assurance exceptions and fraud instances and their related action plans.
- i. Keeping the Chair and Board informed of operational matters and the implementation of policy and the operations of the OFA.
- j. Keeping the Minister 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.
- k. Translating the goals, objectives and strategic directions of the Board, as set out in the annual letter of direction, into operational plans and activities in accordance with the OFA's approved business plan.
- l. Carrying out in-year monitoring of the OFA's performance and reporting on results to the Board directly or through the Chair.
- m. Undertaking timely risk-based reviews of the OFA's management and operations.
- n. Cooperating with a periodic review directed by the Minister or TB/MBC.
- o. Signing the OFA's MOU, along with the Chair.
- p. Preparing the OFA's annual report and business plan as directed by the Board.
- q. Establishing and applying systems to ensure that the OFA operates within its approved business plan.
- r. Providing leadership and management to the OFA staff, including human and financial resources management, in accordance with the approved business plan, accepted business and financial practices and standards, CIPA and Applicable Government Directives.
- s. Establishing and applying a financial management framework for the OFA in accordance with applicable Minister/Treasury Board controllership directives, policies and guidelines.
- t. Applying policies and procedures so that public funds are used with integrity and

honesty.

- u. Ensuring that the OFA has the oversight capacity and an effective oversight framework in place for monitoring its management and operations.
- v. Providing information and reporting as requested by the Minister, Deputy Minister, Ministry and/or TBS, and within timelines set out by the Minister, Deputy Minister, Ministry and/or TBS.
- w. Establishing and applying the OFA's risk management framework and risk management plan in place.
- x. Seeking support and advice from the Ministry, as appropriate, on OFA management issues.
- y. Establishing and applying a system for the retention of OFA documents and for making such documents publicly available when appropriate, for complying with FIPPA and the Archives and Recordkeeping Act where applicable.
- z. Carrying out effective public communications and relations for the OFA as required by the Communications Protocol set out in Appendix 1 to this MOU.
- aa. Fulfilling the role of ethics executive for employees of the OFA.
- bb. Promoting ethical conduct and ensuring that all OFA employees are familiar with the ethical requirements of PSOA and the regulations and directives made under that Act, including in respect of conflict of interest, political activity, and the protected disclosure of wrongdoing.
- cc. Preparing financial reports for approval by the Board.
- dd. Implementing a performance review system for employees.
- ee. Carrying out human resources management powers, duties and functions under PSOA pursuant to a delegation by the PSC, and under policies and procedures established under section 8 of CIPA.

9. Ethical Framework

The OFA is required to follow the conflict-of-interest rules set out in Ontario Regulation 381/07 under PSOA.

Appointees are subject to the conflict-of-interest provisions of the AAD and the conflict of interest provisions of PSOA and its regulations.

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 they have 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 Appointees, is responsible for ensuring that Appointees of the OFA are informed of the ethical rules to which they are subject, including the rules on conflict of interest, political activity and protected disclosure of wrongdoing that apply to the agency.

10. Reporting Requirements

10.1 Business Plan

- a. The Chair will ensure that the Minister is provided annually with the OFA's business plan covering a minimum of three (3) years from the upcoming fiscal year, unless otherwise specified by TB/MBC, for approval by the Minister. The annual business plan shall be in accordance with the requirements set out in the AAD.
- b. The draft annual business plan is to be submitted to the Ministry's chief administrative officer or designated equivalent no later than 90 calendar days prior to the beginning of the OFA's fiscal year start, and the Board-approved business plan is to be submitted to the Minister for approval no later than 30 calendar days prior to the beginning of the OFA's fiscal year.
- c. The Chair will ensure that the business plan demonstrates the OFA's plans in fulfilling the government priorities set out in the annual letter of direction. When the business plan is submitted to the Minister for approval, an attestation memo from the OFA Chair must also be submitted that details how the OFA plans to achieve each Government priority.
- d. The Chair is responsible for ensuring that the OFA'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.
- e. The Chair will ensure that the business plan includes a summary of HR impacts, including: current number of employees expressed as full-time equivalents and current number of executives.

- f. The Chair will ensure that the business plan includes a risk assessment and risk management plan. This will 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.
- g. The Chair will ensure that the business plan includes an inventory of the OFA's AI use cases in accordance with requirements of the Responsible Use of AI Directive.
- h. 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 OFA in the marketplace, and information that would otherwise pose a risk to the security of the facilities and/or operations of the OFA. If necessary, this confidential information, included in the Minister-approved business plan, may be redacted in the publicly posted version.
- i. The Minister will review the OFA's annual business plan and will promptly advise the Chair whether or not they concur with the directions proposed by the OFA. The Minister may advise the Chair where and in what manner the OFA'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 OFA'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.
- j. The Minister will approve or provide suggested changes to the business plan no later than 30 calendar days from the Minister's receipt of the report. In certain circumstances, Minister approval may be given to only certain portions of a business plan as submitted by an OFA.
- k. The parties acknowledge that TB/MBC may require the Minister to submit the OFA's business plan to TB/MBC for review at any time.
- l. The Chair, through the CEO, will ensure that the Minister approved business plan is made available to the public in an accessible format (to comply with the Accessibility for Ontarians with Disabilities Act, 2005), in both official languages (to comply with the French Language Services Act), on the OFA website no later than 30 calendar days from Minister's approval of the plan.

10.2 Annual Reports

- a. The Chair will ensure that the Ministry is provided annually with the OFA's annual

report. The annual report shall be in accordance with the requirements set out in the AAD.

- b. The annual report is to be submitted to the Ministry no later than 90 calendar days from the OFA's receipt of the audited financial statement from the Auditor General.
- c. The Chair will ensure that the annual report includes a summary of HR impacts, including: number of employees expressed as full-time equivalents, and number of executives.
- d. The Chair will ensure that publicly posted annual reports do not disclose: personal information, sensitive employment and labour relations information, solicitor-client privileged information, Cabinet confidential information, trade secrets, information that would prejudice the financial or commercial interests of the OFA in the marketplace, and information that would otherwise pose a risk to the security of the facilities and/or operations of the OFA.
- e. The Chair will ensure that the annual report demonstrates how the OFA has fulfilled the expectations and Government priorities set out in the annual letter of direction. When the annual report is submitted to the Minister for approval, an attestation memo from the OFA Chair must also be submitted that details how the OFA has achieved each Government priority.
- f. The Minister will approve the annual report no later than 60 calendar days from the Ministry's receipt of the report, and will table the report in the Legislative Assembly no later than 30 calendar days from approval.
- g. The Chair, through the CEO, will ensure that the Minister-approved annual report is publicly posted in an accessible format (to comply with the Accessibility for Ontarians with Disabilities Act, 2005), in both official languages (to comply with the French Language Services Act), on the OFA website after the report has been tabled in the Legislature and no later than 30 calendar days from Minister's approval of the report.
- h. When distributing annual reports, digital formats and channels for distribution must be used unless otherwise required (e.g., by directive, legislation).

10.3 Human resources and compensation

- a. The CEO will ensure that the OFA provides workforce, compensation and operational data as set out in the AAD Operational Policy.
- b. The CEO will also ensure that the OFA reports on HR and compensation policies in

its business plans and annual reports, in accordance with the requirements of the AAD, AAD Operational Policy, and articles 10.1 and 10.2 of this MOU.

- c. The CEO will also ensure that the OFA provides any other additional workforce, compensation and operational data as requested by TBS.

10.4 Other Reports

The Chair is responsible on behalf of the Board for:

- a. Ensuring that all required reports and documents, including those set out in the AAD and CIPA, 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.

11. Public Posting Requirements

- a. The OFA, through the Chair on behalf of the Board, will ensure that the following approved governance documents are posted in an accessible format (to comply with the Accessibility for Ontarians with Disabilities Act, 2005), in both official languages (to comply with the French Language Services Act), on the OFA website no later than the specified timelines:
 - Memorandum of understanding – 30 calendar days of signing by all parties
 - Annual letter of direction – no later than the corresponding annual business plan
 - Annual business plan – 30 calendar days of Minister's approval
 - Annual report – 30 calendar days of Minister's approval (the report must first be tabled in the Legislature).
- b. Posted governance documents should not disclose: personal information, sensitive employment and labour relations information, solicitor-client privileged information, Cabinet confidential information, trade secrets or scientific information, information that would prejudice the financial or commercial interests of the OFA in the marketplace, and information that would otherwise pose a risk to the security of the facilities and/or operations of the OFA.
- c. The OFA, through the Chair on behalf of the Board, will ensure that the expense information for Appointees and senior management staff are posted on the OFA website in accordance with the requirements of the Travel, Meal and Hospitality

Expenses Directive.

- d. The OFA, through the Chair on behalf of the Board, will ensure that any other applicable public posting requirements are met.

12. Communications and Issues Management

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

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

- a. The Chair, and the CEO as necessary, will consult with the Minister, in a timely manner, of all planned announcements, 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 advise the Chair, and the CEO as necessary, in a timely manner, as appropriate, on broad Government policy initiatives or legislation being considered by the Government that may impact on the OFA's mandate or functions, or which otherwise will have a significant impact on the OFA.
- c. The Minister will advise the Chair, and the CEO as necessary, and the Chair will consult with the Minister on public communication strategies and publications. They will keep each other informed of the results of stakeholder and other public consultations and discussions as they relate to the OFA's mandate and functions.
- d. The Minister and the Chair will meet at least quarterly on: Government and Ministry priorities for the OFA; OFA, Board, Chair and CEO performance; emerging issues and opportunities; OFA high risks and action plans including direction on corrective action, as required; and OFA business plan and capital priorities.
 - i. As a best practice, meetings are to be quarterly. The Minister may delegate some of the meetings to an associate Minister or parliamentary assistant. The Minister should meet with the Chair at least twice per year, with one meeting focused on OFA, Board, Chair and CEO performance.
 - ii. If the Minister deems the OFA to be low risk, the Minister may reduce

the number of meetings to twice a year, instead of quarterly, with one meeting focused on OFA, Board, Chair and CEO performance.

- e. The Deputy Minister and the CEO will meet at least quarterly to discuss matters of mutual importance including: emerging issues and opportunities; Government priorities and progress on annual letter of direction; OFA business plan and results; and OFA high risks, the action plan and advice on corrective action as required.
 - i. The Deputy Minister and the CEO shall provide timely information and advice to each other concerning significant matters affecting the OFA's management or operations.
- f. The OFA and Ministry will comply with the Public Communications Protocol set out in Appendix 1 to this MOU for ongoing issues management, public communications and paid advertising.

13. Administrative Arrangements

13.1 Applicable Government Directives

- a. The Chair, on behalf of the Board, is responsible for ensuring that the OFA operates in accordance with all Applicable Government Directives. This includes, but is not limited to, the list of directives and policies found on the InsideOPS Directives and Policies page.
- b. The Ministry will inform the OFA of amendments or additions to legislation, Government directives, policies and guidelines that apply to the OFA; however, the OFA is responsible for complying with all legislation, government directives, policies and guidelines to which it is subject. Information on corporate direction is available on the InsideOPS Directives and Policies page.
- c. All agencies are part of Government and are required to comply with legislation, government directives, policies and guidelines applicable to them. Further, agencies may be required to ensure that their directives and policies adhere to certain Government directives, policies and guidelines, including those for human resources, while being mindful of collective agreement and bargaining obligations.
- d. The OFA is considered an Other Included Entity under the OPS Procurement Directive and the Directive applies in part. The OFA must establish its own procurement policy as set out in the OPS Procurement Directive.
- e. The parties acknowledge that:

- The OFA operates in domestic and foreign capital markets. The OFA engages in borrowing, debt management, risk management, accounting, reporting, hedging and investing billions of dollars on a continuous basis.
 - In recognition of these unique and unavoidable circumstances, in 2012 TB/MBC approved an exemption from the Procurement Directive requirements for procurements by the OFA of Treasury Operation Services. In accordance with that exemption, the OFA instead procures Treasury Operation Services in accordance with the Board-approved OFA Procurement Policy.
 - In addition, in 2012 the OFA was also exempted from complying with the Contractor Security Screening Operating Policy for Treasury Operations Services.
 - The continuity of the Treasury Operation Services exemptions from the Procurement Directive and Contractor Security Screening Operating Policy was confirmed by TBS and the Ministry of Government and Consumer Services in 2019.
 - In 2019, it was determined that the OFA would comply with the Procurement Directive's Interim Measures in respect of Treasury Operations Services by way of a one-time report. That report was submitted and accepted in 2020.
- f. The Minister, Deputy Minister, Ministry, and OFA undertake to maintain and obtain such further exemptions or approvals as are necessary to support OFA procurement of Treasury Operations Services in a manner which reflects the timing and demands of the capital markets in which it operates.
- g. The Governance and Management of Information Technology Directive and any policies, standards or guidelines under that directive do not apply to the OFA.
- The OFA controls and manages its own information technology infrastructure to support the high volume and high-value transactions it conducts on behalf of the Government.
 - This independent infrastructure allows for agility and expedited resolution of issues in order to be responsive to and reflective of the financial markets in which it operates.
- h. However, with a view towards promoting alignment and security, the OPS and OFA shall coordinate on matters related to cyber security, and shall collaborate to support OFA access to centralized OPS applications and resources. The OPS and OFA shall also seek opportunities to enhance access to communication and collaboration across technology channels.

13.2 Administrative and Organizational Support Services

- a. The Deputy Minister is responsible for providing the OFA with the administrative and organizational support services listed in Appendix 2 to this MOU, and for negotiating with Ontario Shared Services or other providers concerning these services, as appropriate.
- b. Appendix 2 may be reviewed at any time at the request of either party.
- c. The Deputy Minister will ensure that the support or services provided to the OFA are of the same quality as those provided to the Ministry's own divisions and branches.

13.3 Agreements with Third Parties

The OFA has the capacity, rights, power and privileges of a natural person, subject to the limitations placed upon it by CIPA or imposed by TB/MBC, to contract with third parties.

13.4 Legal Services

- a. The OFA is responsible for the provision of its own legal services and may retain outside legal services.
- b. Ministry of the Attorney General counsel shall provide legal services to the OFA in respect of any provincial program or activity administered by the agency, and the OFA may also engage Ministry of the Attorney General counsel in respect of other legal services.

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 OFA complies with all Government legislation, directives and policies related to information and records management.
- c. The CEO, the Chair and the Board shall protect the legal, fiscal and other interests of the OFA by implementing reasonable measures to ensure the ongoing viability, integrity, preservation and security of all official records created, commissioned or acquired by the OFA. This includes, but is not limited to, all electronic records, such as emails, information posted on the OFA's website, 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 OFA'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 OFA complies with the *Archives and Recordkeeping Act, 2006*.

13.6 Cyber Security

- a. Agencies are responsible and accountable for the ownership and management of cyber security risks and related impacts within their organization.
- b. The OFA must ensure adequate systems, protocols and procedures are established and maintained to ensure cyber resilience, recovery and maturity.
- c. OFA's cyber security practices and protocols should be regularly reviewed and updated to address new and emerging cyber security threats.
- d. The OFA should align with any applicable policies and standards issued by the OPS, such as the Government of Ontario Information Technology Standards (GO-ITS) 25.0 and any other relevant GO-ITS standards, Corporate Policy on Information Sensitivity Classification, Corporate Policy on Cyber Security and Cyber Risk Management, Governance and Management of Information and Data Assets Directive.

13.7 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 OFA may enter with a third party that involves the creation of intellectual property.

13.8 Freedom of Information and Protection of Privacy

- a. The Chair and the Minister acknowledge that the OFA is bound to follow the requirements set out in FIPPA in relation to the collection, retention, security, use, distribution, disclosure, access and correction and disposal of records.
- b. The Minister is designated as the head of the OFA for the purposes of FIPPA.

13.9 Service Standards

- a. The OFA shall establish customer service and quality standards that are consistent with the appropriate standards of the Government, the Ministry and the OPS.
- b. The Chair will ensure that the OFA delivers its services at a quality standard that reflects the principles and requirements of the OPS Service Directive.
- c. The Chair will ensure that the OFA designs, delivers and implements its digital services, whether internally built or procured, to reflect the principles and requirements outlined in the Digital and Data Directive, including Ontario's Digital Service Standard.
- d. The OFA has in place a formal process for responding to complaints about the quality of services received by members of the public consistent with the Government's service quality standards.
- e. The OFA's annual business plan will include performance measures and targets for customer service and the agency's response to complaints.

13.10 Diversity and Inclusion

- a. The OFA, through the Chair on behalf of the Board, acknowledges the importance of promoting an equitable, inclusive, accessible, anti-racist and diverse workplace within the OFA.
- b. The Chair, on behalf of the Board, will support a diverse and inclusive workplace within the OFA by:
 - i. Developing and encouraging diversity and inclusion initiatives to promote an inclusive environment free of workplace discrimination and harassment; and
 - ii. Adopting an inclusive process to ensure all voices are heard.
- c. The Chair, on behalf of the Board, is responsible for ensuring that the OFA operates in accordance with the *Human Rights Code*, *Accessibility for Ontarians with Disabilities Act, 2005*, *French Language Services Act* and *Pay Equity Act*.

14. Financial Arrangements

14.1 General

All financial procedures for the OFA shall be in accordance with Applicable Government Directives, ministry and corporate financial and administrative policies and procedures.

- a. When ordered to do so pursuant to section 16.4 of the FAA or section 17(1) of CIPA, the OFA shall pay into the Consolidated Revenue Fund any money that is determined to be surplus to its requirements.
- b. Pursuant to section 28 of the FAA, the OFA 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 of Ontario without the approval of the Minister, unless the transaction is exempted from the application of section 28.
- c. The OFA's approved operating and capital allocations may be adjusted in a given year if in-year fiscal constraints are ordered by Cabinet or the Minister. The OFA will be provided with notice of changes to its allocation as soon as is reasonably possible. Where the OFA must reallocate resources as a result of its operating and/or capital allocations being adjusted, the OFA shall inform and discuss the changes with the Ministry before making such changes.
- d. The OFA will report to TBS when it has sought external advice on matters where: (i) the effectiveness of the advice depends on a particular accounting treatment or presentation in the financial statements; (ii) the outcome or consequences of the advice has or will have a material effect on the financial statements; and (iii) where there could be reasonable doubt as to the appropriateness of the related accounting treatment or presentation under the relevant financial reporting framework.
- e. The CEO shall be responsible for providing the Ministry with the necessary documentation to support the OFA's expenditures.

14.2 Funding

- a. The OFA maintains a bank account in its own name and manages its financial activities in accordance with its own policies.
- b. The OFA is funded by the Government, out of the Consolidated Revenue Fund pursuant to an appropriation authorized by the Legislative Assembly, and is subject to adjustments made by the Minister, TB/MBC or the Legislative Assembly.
- c. The CEO will prepare estimates of the OFA's expenditures for inclusion in the Ministry's business plan for presentation to the Legislative Assembly. The OFA will deliver these estimates to the Minister in sufficient time to be analyzed and approved by the Minister. The estimates provided by the OFA may, after appropriate consultation with the Chair,

be altered as required. Recovered costs and revenue may be retained by the OFA or paid to the CRF, as deemed appropriate by the CEO during the development of the estimates of the OFA's expenditures.

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 OFA's annual report. The statements will be provided in accordance with instructions issued by the Office of the Provincial Controller Division.
- b. The OFA will submit its salary information to the Ministry in accordance with the *Public Sector Salary Disclosure Act, 1996*.

14.4 Taxation Status: Harmonized Sales Tax (HST)

- a. The OFA is responsible for complying with its obligations as a supplier under the federal Excise Tax Act (Canada) to collect and remit HST in respect of any taxable supplies made by it.
- b. The OFA is responsible for paying HST where applicable, in accordance with the Excise Tax Act (Canada).
- c. The OFA is listed on Schedule A of the Canada-Ontario Reciprocal Taxation Agreement and may claim HST Government Rebates in respect of any HST paid or payable by the OFA, subject to any restrictions specified by Finance Canada.
- d. The OFA will not claim an HST Government Rebate in respect of HST paid or payable by it for which it has claimed a refund, input tax credit or other rebate under the Excise Tax Act (Canada).
- e. The OFA is responsible for providing the Ministry and/or the Canada Revenue Agency, upon request, with any information necessary to determine the amount of an HST Government Rebate.
- f. The OFA is responsible for informing the Ministry within 30 days if its name is changed, it merges with another agency, its mandate or major activities are significantly changed, it undergoes a significant reorganization or change to its legal structure, and if it ceases operations or is dissolved.

14.5 Realty

- a. The Chair, on behalf of the Board, is responsible for ensuring that the OFA operates in

accordance with the MBC Realty Directive.

- b. Appendix B of the Realty Directive sets out the Mandatory Office Space Standards and Office Space Planning Practices that must be complied with when acquiring space for accommodation and program purposes.
- c. The Chair recognizes that all lease agreements for provincial agencies without realty authority are under the administration and control of the Minister of Infrastructure.
- d. The OFA will align hybrid work policies with the OPS and identify and assess office optimization opportunities to reduce office realty footprint and find cost reductions.

15. Audit and Review Arrangements

15.1 Audits

- a. Pursuant to section 13 of CIPA, the Auditor General is the auditor of the OFA. The Auditor General audits the OFA's annual financial statements and reports the findings to the Board.
- b. The OFA is subject to periodic review and value-for-money audit by the Auditor General of Ontario under the Auditor General Act or by the Ontario Internal Audit Division of TBS.
- c. The OFA can request and/or must accept the provision of internal audit services by the Ontario Internal Audit Division in accordance with the Internal Audit Directive.
- d. Regardless of any previous or annual external audit, the Minister or the Chair (on behalf of the Board) may direct that the OFA be audited at any time. The results of such audit should be shared by the Chair to the Minister in accordance with article 8.2.
- e. The OFA will share all engagement reports (including those prepared by their own internal audit function and/or those reported to the agency's Chair) with the Minister and Deputy Minister (and when requested, with the President of the Treasury Board). The OFA will advise the respective Minister and Deputy Minister annually, at a minimum, on any outstanding recommendations/issues.
- f. The OFA will share its approved audit plan with the Minister and Deputy Minister, (and when requested, with the President of the Treasury Board) to support understanding of OFA risks.
- g. The Chair, on behalf of the Board, may request an external audit of the financial transactions or management controls of the OFA, at the OFA's expense.

15.2 Other Reviews

The OFA 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 OFA that are determined by TB/MBC or the Minister, and may include the mandate, powers, governance structure and/or operations of the OFA, including finance, human resources/labour relations and OFA processes.

- a. 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.
- b. A mandate review of the OFA will be conducted at least once every six years. The date of the next review will be as per TBS.
- c. The Minister will consult the Chair, on behalf of the Board, as appropriate during any such review.
- d. The Chair, CEO and Board will cooperate in any review.
- e. 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 OFA 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, CEO 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 OFA, and within the parameters of the delegated authority.

16.2 Staffing Requirements

- a. The OFA is staffed by persons employed under Part III of PSOA.
- b. The OFA, in its dealings with staff employed under Part III of PSOA, is subject to MBC human resource directives and PSC directives under PSOA and to policies and procedures established under section 8 of CIPA in relation to prescribed classes of employees.

- c. The agency will provide to TBS workforce, compensation and operational data as set out in the AAD Operational Policy.

16.3 Appointments

- a. The Board shall be composed of the Chair and at least four and not more than 12 other members, as set out in CIPA.
- b. Pursuant to subsection 5(3) of CIPA, the Deputy Minister is, by virtue of office, the Chair.
- c. The vice-chair and other Appointees are appointed by the LGIC on the recommendation of the Premier pursuant to section 5 of CIPA for a term not exceeding three years and may be reappointed for successive terms not exceeding three years each.
- d. The Chair must utilize the OFA's skills matrix and recruitment strategy in advising the Minister of any competency skills gaps on the Board and providing any recommendations for appointments or re-appointments, including advising the Minister on Appointee attendance and performance.

16.4 Remuneration

- a. Remuneration for Appointees is set by the LGIC. As set out in Order in Council 819/2008, provided the Appointee is not a deputy minister or employed under Part III of PSOA, a vice-chair of the Board is remunerated at a per diem rate of \$550 and other Appointees are remunerated at a per diem rate of \$500.
- b. Provincial agencies, including Appointees, must comply with the Travel, Meal and Hospitality Expenses Directive issued by MBC. Legitimate authorized expenses incurred during the course of government business shall be reimbursed. Expenses for Appointees under the Directive are subject to requirements for public disclosure of expense information.

17. Risk Management, Liability Protection and Insurance

17.1 Risk Management

Ministers and ministries are accountable for working with their provincial agencies to ensure effective management of risks. The Ministry and OFA will meet to discuss agency high risks and action plans including direction on corrective action.

The Chair, on behalf of the Board, is responsible for ensuring that a risk management strategy is developed and in place for the OFA, in accordance with the AAD and the

OPS Enterprise Risk Management Directive and Risk Management process.

The OFA shall ensure that the risks it faces are addressed in an appropriate manner.

17.1.1 Artificial Intelligence Risk Management

The Chair, on behalf of the Board, is responsible for ensuring that AI risk management is undertaken in alignment with the principles and requirements of the Responsible Use of AI Directive.

- a. The OFA shall implement AI risk management in alignment with the requirements outlined in Section 6.3 of the Responsible Use of Artificial Intelligence Directive.
 - The OFA shall ensure the management of technology risks in a documented and appropriate manner.
 - The OFA will identify threats and risks, assess their potential impact, severity and likelihood, and document the risks and actions taken to address them.
- b. The OFA shall ensure that a business process exists for accountable executives to document their ongoing efforts to treat (resolve, mitigate, or accept) risks throughout the technology lifecycle.
- c. The OFA shall publish a list of AI use cases as part of the Business Plan.
- d. The OFA shall track and report quarterly on IT threats and technology risks and vulnerabilities, and associated risk treatment efforts. This includes reporting on AI use cases and associated risk management.
- e. The OFA shall ensure that IT systems can meet the confidentiality, integrity, and availability requirements of all information and that systems can adequately safeguard or dispose of information according to its sensitivity level.

17.2 Liability Protection and Insurance

- a. Subsection 11(2) of CIPA provides that sections 132 and 136 the Business Corporations Act apply to the OFA, its directors and officers. Pursuant to a by-law approved by the Minister, the OFA shall indemnify Appointees, officers and others in the circumstances described therein.
- b. The OFA is covered under the Government of Ontario's General and Road Liability Protection Program (GRLPP) for bodily injury, personal injury, property damage and advertising liability claims made by third parties.

- c. The OFA agrees to purchase and maintain any additional insurance coverage that a prudent organization in the business of the Agency would maintain.

18. Compliance and Corrective Actions

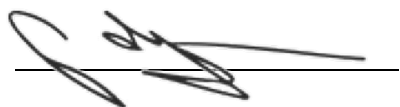
- a. Open and consistent communication between provincial agencies and their responsible ministry helps ensure that Government priorities and direction are clearly understood and helps to manage risks or issues as they arise.
- b. Situations may arise through the course of monitoring where corrective action is required. Corrective action refers to the steps taken to remedy non-compliance with this directive. Corrective action supports agencies in delivering on desired outputs and/or outcomes, and meeting the terms and conditions established by this directive.
- c. If a Ministry initiates corrective action, it must be progressive in nature and in proportion to the risk associated with the degree of non-compliance. The degree of corrective action should only be increased if the agency's non-compliance continues. It is important that ministries document all actions, and provide timely and clear communication to the agency Chair or senior executives relating to potential corrective actions. This may include letters of direction by the accountable Minister and/or the President of the Treasury Board as required.
- d. Before engaging in more severe corrective actions, Ministries must consult with TBS and legal counsel.

19. Effective Date, Duration and Review of the MOU

- a. This MOU becomes effective on the date it is signed by the Minister as the last party to execute it ("Original Effective Date") and continues in effect until it is revoked or replaced by a subsequent MOU signed by the parties.
- b. A copy of the signed MOU and any successor MOU must be provided to the Secretary, TB/MC no later than seven calendar days from being signed.
- c. Upon a change in Minister, Deputy Minister, Chair or CEO of the OFA, the newly appointed individual must review and sign this MOU no later than four months from the new appointment.

Signatures

I acknowledge my role and the requirements as set out in this MOU and the AAD.



Deputy Minister

Ministry of Finance

November 14, 2025

Date

I acknowledge my role and the requirements as set out in this MOU and the AAD.



OFA Chief Executive Officer

October 1, 2025

Date

Appendix 1: Public Communications Protocol

1. Purpose

The communications protocol sets out a framework for the ministry and agency to collaborate on public communications opportunities led by the agency.

The communications protocol applies to both the agency's implementation of its legislated mandate and the promotion of the work it does. It will also support the minister's accountability to the Legislative Assembly and to Cabinet for the same.

2. Definitions

- a. "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 or interview to be broadcast;
 - Printed form, such as a hard copy report
 - Electronic form, such as a posting to a website
 - Paid advertising, such as digital or print campaign.
- b. "Capital markets communications" means public communications that relate, or are relevant to, capital markets activities within the mandate of the OFA or the services it provides to OEFC.
- c. A "contentious issue" is a matter that is, or may reasonably be expected to be, of concern to the Legislative Assembly 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.

3. The agency will comply with the TB/MBC Visual Identity Directive.
4. The ministry and the agency will appoint persons to serve as public communications “leads”.
 - The ministry lead is the Director, Communications, Ministry of Finance.
 - The agency lead is the Director, Corporate Affairs, OFA.
5. For the purpose of this protocol, public communications other than capital markets communications are divided into three categories:
 - a. **Media responses or communications products related to the routine business** of the agency and its programs that **do not** have direct implications for either the ministry or the government, or could not be considered a government priority.
 - Media responses, news releases or other communications products are to be shared with the ministry lead on an appropriate and timely cadence (i.e., daily) who will circulate as appropriate to other individuals within the ministry.
 - **Note:** Funding related announcement are not considered routine business and must be escalated to category B. Contentious issues must be escalated to category C.
 - b. **Communications products and/or plans where provincial or ministerial messaging on government priorities would enhance the agency’s or the government’s profile**, or would provide opportunities for local government announcements
 - **For all non-contentious items that might generate media interest**, the agency lead will notify the ministry lead of upcoming communications plans and products a minimum of three (3) business weeks in advance.
 - **For non-contentious items which provide government messaging opportunities** or involve funding announcements, the agency must request approval of communications products seven (7) business days prior to the date required.
 - **Final approval** is required from the minister’s office and will be sought via the ministry lead. If the agency were not to receive comments or approval from the minister’s office or ministry lead within forty-eight (48) hours of the date on which the item is to be issued, the agency should escalate a follow-up, noting

that they will proceed accordingly.

- **Non-contentious media responses** are to be shared with the ministry lead on an appropriate and timely cadence (i.e., daily) who will circulate as appropriate to other individuals within the ministry. Contentious media responses follow the process below.
- c. **Contentious issues, media responses, and news releases** that may have direct implications for either the ministry or the government, or are likely to result in inquiries being directed to the minister or government.
- The agency lead will notify the ministry lead immediately upon becoming aware of the issue and will notify the minister's office simultaneously. The ministry lead may also advise the agency of contentious issues that require attention. The agency will provide all required background information on the issue to the ministry lead, who will arrange to have a contentious issues note prepared.
 - The agency must obtain ministry approval prior to issuing media responses or news releases in this category. The agency lead will provide the media response or news releases to the ministry lead who will initiate the approval process within the ministry.
 - Final approval on media responses and news releases in this category is required from the minister's office.
6. Capital markets communications shall be managed by the OFA. The OFA shall comply with the requirements of paragraph 5(c) in respect of any capital markets communications which would otherwise be described in that paragraph.
7. Advertising, including capital markets communications.
- To deliver on the long-range demands of planning advertising, the agency will provide the ministry with its annual marketing plan three (3) months in advance of its start date (on the agency's fiscal year).
 - Agency to share campaign briefs with the ministry a minimum of two (2) weeks in advance of briefing creative/media (agency) partners. Ministry to ensure alignment on campaign objectives and messaging.
 - Advertising materials and campaigns can be reviewed by the ministry's MO.
 - Final messaging and creative to be shared with the ministry at least two (2) weeks before going live.

Appendix 2: Administrative or Organizational Support Services

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

1. OPS enterprise-wide services and applications e.g. pay and benefits, WIN, IFIS, central mail, FORTE, LearnON, InsideOPS, etc.
2. Human Resources support, including classification, advice and consultation regarding recruitment procedures and staff relations, job description writing, career counselling and staff development.
3. Corporate educational opportunities and career planning.
4. Strategic human resource advice, organizational design, talent and performance management support.
5. FIPPA: Freedom of Information services.
6. Information and Technology advisory services.
7. Cyber security support services.