

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE MINISTER OF NATURAL RESOURCES

AND

CHAIR of

NAWIINGINOKIIMA FOREST MANAGEMENT CORPORATION

July 2013

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1.0 PURPOSE

- a. The purpose of this Memorandum of Understanding (MOU) is to:
 - Set out the accountability relationships between the Minister of Natural Resources and the Chair of the Nawiinginokiima Forest Management Corporation on behalf of the Corporation
 - Clarify the roles and responsibilities of the Minister, the Chair, the Deputy Minister, the General Manager, and the Corporation's Board of Directors
 - Set out the expectations for the operational, administrative, financial, staffing, auditing and reporting arrangements between the Nawiinginokiima Forest Management Corporation and the Ministry of Natural Resources.
- b. This MOU should be read together with the *Ontario Forest Tenure Modernization Act, 2011* and the Regulation, as defined. This MOU does not affect, modify or limit the powers of the Corporation as set out in the *Ontario Forest Tenure Modernization Act, 2011* and Regulation, or interfere with the responsibilities of any of its parties as established by law. In the event of a conflict between this MOU and any applicable act or regulation, the act or regulation prevails. In the event of any conflict between a Minister's Directive and this MOU, the Minister's Directive shall prevail.

2.0 DEFINITIONS

In this MOU:

- a. "Act" means *Ontario Forest Tenure Modernization Act, 2011*, S.O. 2011, Chapter 10;
- b. "AEAD" means the Treasury Board/Management Board of Cabinet Agency *Establishment and Accountability Directive*;
- c. "Appointee" means a director or other member appointed to the Corporation by the Lieutenant Governor in Council, but does not mean an individual appointed by the Corporation as staff;
- b. "By-Laws" means by-laws of the Corporation 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;
- d. "Board" means the Board of Directors of the Nawiinginokiima Forest Management Corporation
- e. "CFSA" means the *Crown Forest Sustainability Act, 1994*, S.O. 1994, Chapter 25;
- f. "Chair" means the Chair of the Nawiinginokiima Forest Management Corporation;
- g. "Constituting instrument" means the Act and the Regulation
- h. "Corporation" means the Nawiinginokiima Forest Management Corporation;
- i. "Deputy Minister" means the Deputy Minister of Ministry of Natural Resources;

- j. “General Manager” means the general manager of the Corporation
- k. “Management Area” means the collective Management Units set out in FRL’s issued to the Nawiinginokiima Forest Management Corporation
- l. “Management Units” has the meaning set out in the CFSA;
- m. “MBC” means Management Board of Cabinet;
- n. “Minister” means Minister of Natural Resources;
- o. “Minister’s Directives” mean Minister’s directives that are issued from time to time to the Corporation in accordance with the Act;
- p. “Ministry” means the Ministry of Natural Resources;
- q. “PSOA” means the *Public Service of Ontario Act, 2006*, S.O. 2006, c. 35, Sched. A.;
- r. “Regulation” means Ontario Regulation 111/12 and any other Ontario Regulation made under the Act pertaining to the Corporation;
- s. “FRL” means a forest resource licence, issued pursuant to Section 26 or Section 27 of the CFSA;
- t. “TB” means Treasury Board.

3.0 AGENCY’S LEGAL AUTHORITY AND MANDATE

- a. The legal authority for the Corporation is set out in the Act and Regulation.
- b. The objects of Nawiinginokiima Forest Management Corporation are:
 1. To hold forest resource licences and manage Crown forests in accordance with the CFSA 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 that optimizes 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 made under the Act.

4.0 CROWN AGENT STATUS

- a. The Corporation is a Crown agent for all purposes pursuant to Section 4 of the Act.

5.0 AGENCY CLASSIFICATION

- a. The Corporation is classified as an Operational Enterprise Corporation under the AEAD.

6.0 GUIDING PRINCIPLES

The parties agree to the following principles:

- a. The Minister acknowledges that the Corporation exercises powers and performs duties in accordance with its objects.
- b. The Chair and Board acknowledge that accountability is a fundamental principle to be observed in the management, administration and operations of the Corporation. The Board acknowledges that they are accountable to the Minister, through the Chair, for governance and oversight of the Corporation.
- c. As a Crown agent, the Corporation conducts itself according to the management principles of the government of Ontario. These principles include ethical behaviour; prudent, efficient, and lawful use of public resources; fairness; high quality service to the public; and openness and transparency to the extent allowed under law.
- d. The Corporation and the Ministry agree to avoid duplication of services wherever possible.

7.0 ACCOUNTABILITY RELATIONSHIPS

7.1 Minister

The Minister is accountable:

- a. to Cabinet and the Legislative Assembly for reporting and responding to the Legislative Assembly on the affairs of the Corporation;
- b. for attesting, reporting and responding to TB/MBC on the Corporation's performance and compliance with the government's applicable directives and operational policies;
- c. to the Cabinet for the performance of the Corporation and its compliance with government's operational policies and broad policy directions;
- d. for receiving and ensuring that the Corporation's annual report is made available to the public after tabling in the Legislative Assembly, as may be required by the AEAD.

7.2 Chair

The Chair is accountable:

- a. to the Minister for the performance of the Corporation in fulfilling its objects, 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 and Ministry of Finance directives;
- b. for reporting to the Minister, as requested, on the Corporation'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 Corporation.

7.3 Board of Directors

- a. The Board is accountable to the Minister through the Chair, for oversight and governance of the Corporation, setting goals, objectives and strategic direction for the Corporation within its objects, and for carrying out the roles and responsibilities assigned to it by Act, the Regulations, by-laws, Minister's Directives, the CFSA, the FRLs issued to NFMC, applicable TB/MBC and Ministry of Finance directives, and this MOU.

7.4 Deputy Minister

- a. The Deputy Minister is accountable to the Secretary of the Cabinet and the Minister for the performance of the Ministry in providing administrative and organizational support to the Corporation and for carrying out the roles and responsibilities assigned by the Minister, applicable TB/MBC and Ministry of Finance directives and this MOU.

7.5 General Manager

- a. The General Manager is accountable to the Board, through the Chair, for the management of the Corporation's operations and staff. The General Manager works under the direction of the Chair to implement policy and operational decisions. The General Manager reports the Corporation's performance results to the Board, through the Chair.

8.0 CONFLICT OF INTEREST

- a. The Chair is responsible for ensuring that appointees and staff of the Corporation

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 Corporation.

9.0 ROLES AND RESPONSIBILITIES

9.1 The Minister

The Minister is accountable to Cabinet and to the Legislative Assembly for:

- a. Reporting and responding to the Legislative Assembly on the affairs of the Corporation;
- b. Issuing Minister's Directives to the Corporation in accordance with the Act;
- c. Considering draft By-Laws of the Corporation for approval;
- d. Attesting, reporting and responding to TB/MBC on the Corporation's performance, including Board performance, compliance with applicable TB/MBC directives, the government's operational policies and policy directions;
- e. Where required, recommending to TB/MBC corporate changes, including merger, any change to the Corporation's objects, winding-up or dissolution of the Corporation;
- f. Recommending to TB/MBC the powers to be given to, or revoked from, the Corporation when a change in the objects of the Corporation is being proposed;
- g. Determining at any time the need for a review or audit of the Corporation, and recommending to TB/MBC any changes to the governance or administration of the Corporation resulting from any such review or audit;
- h. When appropriate or necessary, taking action or directing that corrective action be taken with respect to the Corporation's administration or operations;
- i. Receiving the Corporation's annual report and ensuring that it is made available to the public after tabling it in the Legislative Assembly as may be required by the AEAD;
- j. Informing the Chair of the government's priorities and broad policy directions for the Corporation, including the development and delivery of new forest management policies, and other relevant natural resource management programs, all of which shall be consistent with the Corporation's objects;

- k. Consulting, as appropriate, with the Chair (and others) on significant new directions or when the government is considering regulatory or legislative changes for the Corporation;
- l. Developing the Corporation's MOU with the Chair and signing it into effect after it has been signed by the Chair;
- m. Reviewing and approving the Corporation's annual business plan;
- n. Recommending to TB/MBC any provincial funding to be allocated to the Corporation;
- o. Directing the Chair to undertake periodic reviews of the Corporation and making subsequent recommendations to TB/MBC;
- p. Informing the Chair of forest resources commitments that pertain to the Management Area;
- q. Recommend the Corporation's draft MOU to TB/MBC for approval before it is signed by the parties;
- r. Reviewing and approving requests from the Chair for salary/merit increases for the General Manager;
- s. Reviewing and approving the Corporation's staffing and compensation strategy for employees and officers, including any amendments, as submitted by the Chair;
- t. Review the advice or recommendation of the Chair on candidates for appointment or re-appointment to the Board.

9.2 Chair

The Chair is responsible for:

- a. Providing leadership to the Corporation;
- b. Ensuring the implementation of actions that support the goals, objectives and strategic direction of the Corporation;
- c. Seeking strategic policy direction for the Corporation from the Minister;
- d. 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/her responsibilities relating to the Corporation;
- e. Consulting with the Minister in advance regarding any activity which may have an impact on the government and Ministry's policies, Minister's Directives or procedures, or on the Corporation's objects, powers or responsibilities as set out in the Corporation's constituting instrument;
 - f. Monitoring the performance of the Corporation;
 - g. Reporting to the Minister as requested on the Corporation's activities within agreed upon timelines;
 - h. Ensuring that the Corporation operates in accordance with its objects;
 - i. Developing the Corporation's MOU with the Minister and signing it on behalf of the Board;
 - j. Leading the Corporation in the pursuit of appropriate business ventures consistent with its objects;
 - k. Reviewing and approving the Corporation's business plan, budget, annual report and financial reports, and submitting them to the Minister in accordance with the time lines specified in the applicable TB/MBC and Ministry of Finance directives, and this MOU
 - l. Submitting the Corporation's business plan to the Minister for approval as authorized by the Board and in accordance with the Act and Regulation;
 - m. Providing both the Minister and the Minister of Finance with a copy of every audit report, a copy of the Corporation's response to each report, and any recommendations in the report;
 - n. Advising the Minister annually on any outstanding audit recommendations;
 - o. Making sure that appropriate management systems are in place (financial, information technology, human resource) for the effective administration of the Corporation;
 - p. Making sure that an appropriate framework is in place for Corporation staff and appointees to receive adequate orientation and training;
 - q. Making sure that Corporation staff and appointees are aware of and comply with applicable TB/MBC, Ministry of Finance directives and Minister's Directives;
 - r. Making sure a process for responding to and resolving complaints from the public

- and Corporation clients/customers is in place;
- s. Carrying out effective public communications and relations for the Corporation as its chief spokesperson;
 - t. Cooperating with any periodic review of the Corporation directed by the Minister or TB/MBC;
 - u. Fulfilling the role of ethics executive for public servants who may be appointees to the Board, promoting ethical conduct and ensuring that all members are familiar with the ethical requirements of the PSOA, and the regulations and the directives made under the PSOA, including in respect of conflict of interest, political activity and the protected disclosure of wrongdoing;
 - v. Providing leadership to the Board and monitor the Board's performance;
 - w. Keeping the Minister informed of upcoming appointment vacancies and provide recommendations for appointments or re-appointments
 - x. Reviewing and approving claims for *per diems* and expenses of Board members, unless the Corporation receives a Directive from the Minister setting out a different process in respect of the Chair and/or Vice-Chair.
 - y. Evaluating the performance of the General Manager in consultation with the Board and pursuant to performance criteria established by the Board and the Chair;
 - z. Submitting recommendations for salary/merit increases for the General Manager, consistent with the set range, to the Minister for approval;
 - aa. Submitting the Corporation's staffing and compensation strategy for employees and officers, including any amendments, to the Minister for approval;
 - bb. Submitting draft by-laws of the Corporation to the Minister and, where required by the Act, to the Minister of Finance for approval.

9.3 Board of Directors

The Board is responsible for:

- a. Setting the goals, objectives, and strategic directions for the Corporation consistent with its objects as set out in the Act, the Regulation, By-Laws, Minister Directives, government policies as appropriate and this MOU;

- b. Directing the affairs of the Corporation and setting overall priorities so as to fulfill its objects;
- c. Developing a procedure that describes the process for hiring the General Manager, which will include the use of a selection committee comprised of board members and at least one senior OPS employee;
- d. Overseeing the business affairs of the Corporation as required by the Act, Regulation, By-Laws, Minister's Directives, Corporation by-laws, any vision statement and the Corporation's Business Plan;
- e. Ensuring that Minister's Directives are implemented promptly and efficiently and are complied with by the Corporation;
- f. Directing the development of the Corporation's annual business plan, annual report, and other reports in keeping with TB/MBC's requirements and the Act, Regulation and this MOU;
- g. Approving the MOU for the Corporation in a timely manner and authorizing the Chair to sign it on behalf of the Corporation;
- h. Approving the Corporation's plans, reports, and reviews as required or requested by the Minister, for submission to the Minister within the timelines agreed upon with the Ministry or this MOU;
- i. Making decisions consistent with the business plan approved for the Corporation and ensuring the Corporation operates within its budget;
- j. Ensuring the Corporation manages its affairs and uses public funds prudently and for the business of the Corporation based on the principle of value for money, and in compliance with the Act, Regulation, applicable legislation, Minister's Directives and TB/MBC directives;
- k. Ensuring that Corporation's funds are used with integrity, honesty, fairness and effective controllership;
- l. Establishing such board committees or oversight mechanisms as may be required to advise the Board on effective management, governance or accountability procedures for the Corporation;
- m. Establishing such advisory committees pursuant to by-laws made in respect thereof as may be desirable to advise the Board on selected matters;
- n. Ensuring the establishment of and approval of performance measures, targets and management systems for monitoring and assessing the Corporation's

- including staff performance;
- 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 Corporation as needed;
 - p. Directing the development of additional conflict of interest rules for members of the Board and employees of the Corporation and seeking, through the Chair, the approval of the conflict of interest commissioner;
 - q. Directing corrective action on the functioning or operations of the Corporation, if needed;
 - r. Advising the Minister concerning the affairs of the Corporation and seek policy direction from the government through periodic meetings with the Minister or his/her designate;
 - s. Cooperating with and sharing any relevant information on any risk-based or periodic review directed by the Minister or TB/MBC;
 - t. Consulting, as appropriate, with stakeholders on the Corporation's goals, objectives and strategic directions, and procedures;
 - u. Providing advice to the government, through the Minister, on issues within or affecting the Corporation's objects and operations;
 - v. Ensuring the Corporation carries out forest management activities within the Management Area and other licence obligations in accordance with the FRLs that it holds.

9.4 Deputy Minister

The Deputy Minister is responsible for:

- a. Advising and assisting the Minister regarding the Minister's responsibilities for the Corporation;
- b. Advising the Minister on the requirements of the AEAD, the Government Appointees Directive and other directives that apply to the Corporation, including Minister's Directives;
- c. Recommending to the Minister, as may be necessary, the evaluation or review, including a risk-based review, of the Corporation or any of its programs, or changes to the management framework or operations of the Corporation;

- d. Facilitating regular briefings and consultations between the Chair and the Minister, and between Ministry staff and Corporation staff;
- e. Attesting to TB/MBC as required, to the Corporation's compliance with the mandatory accountability requirements set out in the AEAD;
- f. Ensuring that the ministry and the Corporation have the capacity and systems in place for on-going risk-based management, including appropriate oversight of the Corporation;
- g. Ensuring that the Corporation has an appropriate risk management framework and a risk management plan in place for managing risks that the Corporation may encounter in meeting its program or service delivery objectives;
- h. Undertaking timely risk-based reviews of the Corporation, its management or operations, as may be directed by the Minister or TB/MBC;
- i. Establishing a framework for reviewing and assessing the Corporation's business plans and other reports;
- j. Supporting the Minister in reviewing the performance target, measures and results of the Corporation;
- k. Advising the Minister on documents submitted by the Corporation 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 Corporation as directed by the Minister ;
- n. Cooperating with any review of the Corporation as directed by the Minister or TB/MBC;
- o. Monitoring the Corporation on behalf of the Minister while respecting the Corporation's authority; identifying needs for corrective action, where warranted; and recommending to the Minister ways of resolving any contentious issues that might arise from time to time;
- p. Negotiating a draft MOU with the Chair of the Corporation as directed by the Minister;
- q. Consulting with the Corporation's General Manager 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 as needed or as directed by the Minister;
 - s. Arranging for administrative, financial and other support to the Corporation as specified in this MOU;
 - t. Informing the Chair, in writing, of new government directives and any exceptions to or exemptions in whole or part from TB/MBC directives or Ministry administrative policies or new Minister's Directives;
 - u. When required, submitting a report to the secretaries of TB/MBC on the wind-down of the Corporation, disposition of any assets, completion of any outstanding responsibilities by the Corporation, including but not limited to ensuring that any of the Corporation's outstanding liabilities related to forest management under the CFSA or other applicable legislation that are owed to the Crown are satisfied before the Corporation's assets and liabilities are transferred in accordance with the Act, and the termination of any appointments.

9.5 General Manager

- a. Managing the day-to-day operations of the Corporation in accordance with Act, Regulation, Minister's Directives, TB/MBC, Ministry of Finance directives, accepted business and financial practices and this MOU;
- b. Developing compensation strategy for approval of the Board and the Minister;
- c. Advising the Chair on compliance with the AEAD as well as other applicable TB/MBC and Ministry of Finance directives, Minister's Directives and Corporation by-laws and policies;
- d. Applying policies so that public funds are used with integrity and honesty;
- e. Providing leadership and management to Corporation staff, including financial resources management;
- f. Establishing and applying a financial management framework for the Corporation in accordance with applicable Minister of finance controllership directives, policies and guidelines;
- g. Translating the goals, objectives and strategic directions of the Board into operational plans and activities in accordance with the Corporation's approved business plan;
- h. Ensuring that the Corporation has the oversight capacity and an effective

oversight framework in place for monitoring its management and operations;

- i. Keeping the Board, through the Chair informed with respect to implementation of policy and the operations of the Corporation;
- j. Establishing appropriate systems (e.g. financial, information technology, human resources) for the effective administration of the Corporation (operates within its approved business plan);
- k. Ensuring that the Corporation has an appropriate risk management framework and risk management plan as directed by the Chair/Board;
- l. Supporting the Chair and Board in meeting their responsibilities;
- m. Preparing, for approval by the Board, a performance review system for staff and implementing the system;
- n. Preparing for approval by the Board, performance measures, targets and management systems for monitoring and assessing the Corporation's performance;
- o. Carrying out in-year monitoring of the Corporation's performance and reporting on results to the Board through the Chair;
- p. 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;
- q. Seeking support and advice from the Ministry, as appropriate, on Corporation management issues;
- r. Establishing a system for the retention of Corporation 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;
- s. Seeking out and negotiating the delivery of business arrangements for the Corporation;
- t. Undertaking timely risk-based reviews of the Corporation's management and operations;
- u. Consulting with the Deputy Minister, as needed, on matters of mutual importance, including services provided by the Ministry, and on TB/MBC and Ministry of Finance directives and Ministry policies and Minister's Directives;

- v. Cooperating with a periodic review directed by the Minister or TB/MBC;
- w. Ensuring the effective and efficient delivery of all programs and services by providing the proper allocation of resources including staff and budget;
- x. Preparing annual business plans and annual reports for the Corporation, as directed by the Board
- y. Preparing financial reports for approval by the Board;
- z. Communicating the Corporation's long-term vision to all employees and ensure that the Corporation's planning processes reflect new Board directions and market opportunities;
- aa. Fulfilling the role of ethics executive for public servants, other than government appointees, who work in the Corporation. Promoting ethical conduct and ensuring that all members of the Corporation are familiar with the ethical requirements of the PSOA and the regulations and directives made under that Act, including in respect of conflict of interest, political activity, and the protected disclosure of wrongdoing;
- bb. Advising the Board on the financial and market viability of entering new business ventures consistent with the Corporation's objects.

10.0 REPORTING REQUIREMENTS

10.1 Business Plan

- a. The Chair will ensure that the Minister is provided annually with the Corporation's business plan covering a minimum of three years from the current fiscal year that includes a financial budget and a risk management plan, for approval. The annual business plan is to be submitted to the Minister by December 31st of each year or within the timelines established by the Minister;
- b. The Chair is responsible for ensuring that the Corporation's annual business plan fulfills the requirements of the AEAD, the Act and the Regulation and any Minister's directives;
- c. 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 requirement of the AEAD, to assess risks, develop and maintain necessary records and report to TB/MBC;

- d. The Minister will review the Corporation's business plan and will promptly advise the Chair whether or not he/she concurs with the directions proposed by the Corporation. The Minister will advise the Chair where and in what manner the Corporation's plans vary from government or ministry policy or priorities as may be required, and the Corporation will revise its plan accordingly;
- e. The Chair is responsible for ensuring that the Corporation's business plan includes a system of performance measures, including any established by the Minister for the Corporation, 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 target results and time frames;
- f. In addition, TB/MBC may require the Minister to submit the Corporation's business plan to TB/MBC for review at any time.

10.2 Annual Report

- a. The Chair is responsible for ensuring that the Corporation's annual report fulfills the requirements of the AEAD and that it is submitted to the Minister for tabling in the Legislative Assembly. The Chair will submit the annual report to the Minister within 120 days of the Corporation's fiscal year end.
- b. The fiscal year of an Ontario local forest management corporation commences on April 1 in each year and ends on March 31 of the following year.

10.3 Other Reports

The Chair is responsible for:

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

11.0 COMMUNICATIONS

The parties to this MOU recognize that the timely exchange of information on the operations and administration of the Corporation is essential for the Minister to meet his/her responsibilities for reporting and responding to the Legislative Assembly on the affairs of the

Corporation. The parties also recognize that it is essential for the Chair to be kept informed of the government initiatives and broad policy directions that may affect the Corporation's objects and functions.

The parties, therefore, agree as follows:

- a. The Chair will keep the Minister advised, in a timely manner, of all planned events and issues that concern or can be reasonably expected to concern the Minister in the exercise of the his/her responsibilities.
- b. The Minister will consult with the Chair, as appropriate, on broad government policy initiatives or legislation being considered by the government that may impact on the Corporation's objects or functions.
- c. The Minister and the Chair will consult with each other on public communications strategies and publications and 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 Corporation's objects, 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 efficient operation of the Corporation and the provision of services by the ministry to the Corporation.
- f. The Corporation and Ministry may develop a Public Communications Protocol and include as a schedule to this MOU.

12.0 ADMINISTRATIVE ARRANGEMENTS

12.1 Applicable Treasury Board/Management Board of Cabinet and Ministry of Finance Directives

- a. The Chair is responsible for ensuring that the Corporation operates in accordance with all applicable TB/MBC and Ministry of Finance directives, as well as applicable ministry financial and administrative policies and procedures. Appendix 2 to this MOU provides a list of key applicable directives and policies.
- b. The Chair is responsible for ensuring that the legal, financial and other interests of the government in intellectual property are protected in any contract that the Corporation may enter into with a third party that involves the creation of intellectual property.

12.2 Administrative and Organizational Support Services

- a. The Deputy Minister is responsible for providing the Corporation with the administrative and organizational support services if required;
- b. The Deputy Minister will ensure that the support or services provided to the Corporation 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 General Manager.
- d. The Ministry's program lead will meet with the General Manager on a regular basis to discuss performance, and administrative requirements of the Corporation.

12.3 Freedom of Information and Protection of Privacy

- a. The Chair is the institution head for the purposes of the Freedom of Information and Protection of Privacy Act.

12.4 Records Management

- a. The Chair 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 Corporation complies with the TB/MBC Management of Recorded Information Directive.
- c. The Board through the Chair is responsible for ensuring that the Corporation complies with the *Archives and Recordkeeping Act*, 2006, S.O. 2006, Chapter 34, Schedule A.

12.5 Client/Customer Service

- a. The Chair will ensure that the Corporation delivers its services at a quality standard that reflects the principles and requirements of the OPS Service Directive.
- b. The Corporation will develop by December 2013 a formal process for responding to complaints about the quality of services received by clients/customers of the Corporation consistent with the government's service quality standards.

- c. The Corporation's annual business plan will include performance measures and targets for client/customer service and the Corporation's response to complaints.

12.6 Administrative Policies and Procedures

- a. The Board shall ensure the maintenance of financial and administrative procedures and controls for efficient and effective accounting and reporting of the operations of the Corporation in accordance with the Act, Regulations, TB/MBC Directives, Minister's Directives and applicable agreements.
- b. The General Manager shall develop and maintain administrative procedures consistent with the general management principles of Government while exercising entrepreneurial skills and maintaining operational flexibility.
- c. Administrative policies particular to the Corporation shall be approved by the Board of Directors.
- d. The Corporation shall adhere to the requirements of the *Freedom of Information and Protection of Privacy Act*, the *French Language Services Act*, the *Accessibility for Ontarians with Disabilities Act*, the Ontario Human Rights Code and all other applicable provincial and federal legislation.
- e. The Corporation shall follow the conflict of interest and post-service direction as set out in the *Public Service of Ontario Act, 2007* for a public body.
- f. Without the prior approval of the Minister, and in accordance with the Act, Regulations, by-laws and Minister's directives, the Corporation may not create new programs, make major changes to existing programs, and undertake any other initiatives that impact upon the total financial viability of the Corporation.

13.0 FINANCIAL ARRANGEMENTS

13.1 Funding

- a. When ordered to do so by the Minister of Finance, pursuant to Section 16.4 of the *Financial Administration Act*, the Corporation shall pay into the Consolidated Revenue Fund any money that the Minister of Finance determines is surplus to its requirements;
- b. Pursuant to Section 28 of the *Financial Administration Act*, the Corporation 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 written approval of the Minister of Finance. The Minister's approval is required before seeking

statutory approval from the Minister of Finance.

- c. The Corporation's financial arrangements shall be in accordance with the requirements of the Act, Regulations and all other applicable provincial and federal legislation.
- d. NFMC will follow the applicable process to access funding from the Forestry Futures Trust to support the start-up financing needs.

13.2 Financial Records and Reports

- a. The Board shall cause books of accounts and records to be kept in accordance with the Act and with generally accepted accounting principles, and the Corporation establishes and maintains and accounting systems satisfactory to the Minister.
- b. The books, record, system, and management practices referred to above shall be kept and maintained in such a manner as will provide reasonable assurance that the:
 - assets of the Corporation are safeguarded and controlled;
 - transactions of the Corporation are in accordance with the Act, the Regulation, Minister's Directives and any by-laws and policies of the Corporation, and the financial, human and physical resources of the Corporation are managed economically and efficiently and their operations are carried out effectively.
- c. The General Manager is responsible for ensuring that the Provincial Auditor is furnished with any information that the Auditor requires regarding the Corporation's powers, duties, activities, organization, financial transactions and methods of business.
- d. The Auditor General shall have free access to all books, accounts, financial records, electronic data processing records, reports, files and all other papers, things or property belonging to the Corporation that the Auditor needs to perform his/her duties.
- e. The Corporation will submit to the Ministry of Finance its salary information according to the *Public Sector Salary Disclosure Act*.

13.3 Other Financial Matters

- a. The Corporation'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.

- b. The Corporation will charge, collect and remit all applicable taxes, where required by law.
- c. The Board of Directors shall determine the maximum expenditure that may be authorized by the General Manager.
- d. The Chair will provide to the Minister the Corporation's audited annual financial statements, and will include them as part of the Corporation's annual report.
- e. The Corporation will develop its own financial by-laws for approval by the Minister and the Minister of Finance, consistent with the Act.

14.0 AUDIT AND REVIEW ARRANGEMENTS

14.1 AUDITS

- a. The Corporation 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.
- b. The Minister shall have an independent forest audit conducted in accordance with the regulation made under the CFSA with respect to independent forest audits.
- 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 annual external audit, the Minister may direct that the Corporation be audited.
- e. The Corporation will promptly provide a copy of every report from an audit to the Minister and the Minister of Finance. The Corporation will also provide a copy of its response to the audit report and any recommendations therein. The Corporation will advise the Minister annually on any outstanding audit recommendations.
- f. The Chair may request an external audit of the financial transactions or management controls of the Corporation at the Corporation's expense.

15.0 STAFFING AND APPOINTMENTS

15.1 Staffing and Professional Assistance

- a. The General Manager of the corporation is employed under Section 11 of the Act and will be recruited and hired by the Board of Directors in accordance with a Board policy, to be developed, setting out the process. This process will include a role for an OPS employee on the selection committee.
- b. The General Manager will be paid by the corporation the remuneration and expense allowance as may be fixed by the corporation and approved by the Minister.
- c. Corporation employees are employed under Section 12 of the Act and the Corporation 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.
- d. The Corporation may obtain professional assistance pursuant to Section 13 of the Act.
- e. The General Manager and employees of the Corporation are or will be classified as public servants, for a public body, as defined under the *Public Service of Ontario Act, 2007*.

15.2 Appointments

- a. The members of the Board of Directors for the Corporation are appointed by Lieutenant-Governor-in-Council on the recommendation of the Minister pursuant to section 6 of the Act.
- b. The Lieutenant-Governor-in-Council on the recommendation of the Minister pursuant to section 6 of the Act shall designate one of the members as Chair and at least one of the members as Vice-Chair of the Corporation.
- c. Appointees to the Corporation are or will be classified as public servants, for a public body, as defined under the *Public Service of Ontario Act, 2007*.

16.0 LIABILITY PROTECTION AND INSURANCE

- a. Based upon advice from the Risk Management and Insurance Services (RMIS) of Ontario Shared Services, the Corporation shall obtain all the insurance that would be

considered appropriate for a prudent business in similar circumstances to the Corporation including comprehensive general liability insurance and directors and officers liability insurance. Subject to section 28 of the Financial Administration Act, if applicable, the Corporation may provide indemnities to its directors and officers in accordance with subsection 136(4.2) of the Business Corporations Act.

17.0 EFFECTIVE DATE AND DURATION AND PERIODIC REVIEW OF THE MOU

17.1 Effective Date of MOU

- a. This MOU becomes effective on the date it is signed by the parties.
- b. The MOU expires after five years from the date of the minister's signature. The MOU will remain in force for no more than six additional months after its expiry date until a signed MOU is provided to the Secretary of Management Board of Cabinet. New MOUs must be approved by TB/MBC prior to signing by both parties.
- c. If a new Minister or Chair takes office before this MOU expires, the Minister and Chair must affirm by letter that the MOU will continue in force without a review; or alternatively, they may agree to revise it. A copy of the letter of affirmation between the Minister and Chair must be provided to the Secretary, Management Board of Cabinet within six months of the new party or parties' commencement.
- d. Without affecting the effective date of this MOU, either the Minister or Chair may initiate a review of this MOU by written request to the other.
- e. A full review of this MOU will be conducted prior to its expiry not more than five years following the date it came into effect, or immediately in the event of a significant change to the Corporation's objects, powers or governance structure as a result of an amendment to the Act.
- f. A statute, regulation, directive or policy named in this MOU includes any amendments made to them.

17.2 Reviews

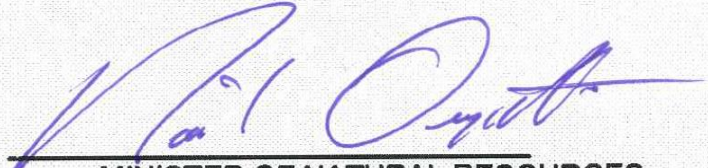
- a. Nawiinginokiima Forest Management Corporation may be subject to a review at the discretion and direction of TB/MBC or the Minister. The review may cover such matters relating to the Corporation that are determined by TB/MBC or the Minister, and may include the objects, powers, governance structure and/or operations of the Corporation

- b. The Minister will consult the Chair as appropriate during any such review
- c. The Chair, Board and General Manager will cooperate in any review.

TO WITNESS WHEREOF the Minister has subscribed his/her signature and affixed the seal of the Ministry of Natural Resources and the Corporation has affixed its corporate seal at the hands of its officers duly authorized in that behalf.

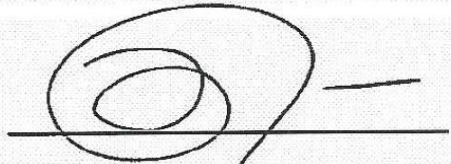
SIGNED, SEALED AND DELIVERED
in the presence of

as to the execution by the Minister
of Natural Resources
for the Province of Ontario



MINISTER OF NATURAL RESOURCES

DATE: November 7, 2013.



as to the execution by the Chair
for the Nawiingnokiima
Forest Management Corporation



CHAIR, NAWIINGNOKIIMA FOREST
MANAGEMENT CORPORATION

DATE: July 14/13.

Approval page with signatures 1

APPENDIX 1: SUMMARY OF AGENCY REPORTING REQUIREMENTS

DUE DATE	REPORT/DOCUMENT	NAMES OF RESPONSIBLE OFFICIALS
	The Corporation will prepare estimates of the Corporation's expenditures for inclusion in the ministry's business plan.	General Manager
	Corporation Business Plan <input type="checkbox"/> Prepares <input type="checkbox"/> Approves <input type="checkbox"/> Provides to minister	<input type="checkbox"/> General Manager <input type="checkbox"/> Board of Directors, Minister <input type="checkbox"/> Chair
	Annual Report <input type="checkbox"/> Prepares <input type="checkbox"/> Approves <input type="checkbox"/> Provides to minister	<input type="checkbox"/> General Manager <input type="checkbox"/> Board of Directors <input type="checkbox"/> Chair
	Auditing	
	Audited Financial Statements Financial Reports	
	MOU	Chair

APPENDIX 2 - SELECT LIST OF CURRENT DIRECTIVES APPLICABLE TO NAWIINGINOKIIMA FOREST MANAGEMENT CORPORATION

- Agency Establishment and Accountability Directive
- Government Appointees Directive
- Procurement Directive – Specific sections pertaining to “Other Included Entities”¹
- Travel, Meal and Hospitality Directive
- Accessibility Standards for Customer Service
- Accountability Directive
- Advertising Content Directive
- Delegation of Authority Key Directive

Note: “applicable” directives includes any successor to the above directives, presuming that they might be revised or updated over the course of the duration MOU. Also, any new Directives that may be established and which apply to NFMC will be communicated to the NFMC.

¹ An interpretive document may be prepared to describe procurement requirements for NFMC.