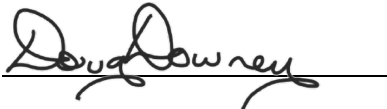

Memorandum of Understanding
Between
The Attorney General of Ontario
and
The Chair of the Alcohol and
Gaming Commission of Ontario

March 4, 2026

Signatures

I have read, understood and concur with this MOU dated March 4, 2026 and will abide by the requirements for this MOU and the AAD.

A handwritten signature in black ink, appearing to read "Doug Downey", is written over a horizontal line.

The Honourable Doug Downey
Attorney General

March 13, 2026

Date

I have read, understood and concur with this MOU dated March 4, 2026 and will abide by the requirements for this MOU and the AAD.



Dave Forestell

Chair, Alcohol and Gaming Commission of Ontario

March 4, 2026

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 Agencies and Appointments Directive (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 memorandum of understanding (MOU) is to:
 - Establish the accountability relationships between the Minister and the Chair of the AGCO.
 - Clarify the roles and responsibilities of the Minister, the AGCO chair, the Deputy Minister, the chief executive officer (CEO) of the AGCO, and the AGCO's board of directors.
 - Clarify the operational, administrative, financial, staffing, auditing and reporting arrangements between the AGCO and the Ministry of the Attorney General that support the accountability requirements within a framework which recognizes that the board makes independent regulatory decisions.
- b. This MOU should be read together with the *Alcohol and Gaming Commission of Ontario Act, 2019*, S.O. 2019, c. 15, Sched. 1. This MOU does not affect, modify or limit the powers of the agency as set out under the *Alcohol and Gaming Commission of Ontario Act, 2019*, S.O. 2019, c. 15, Sched. 1 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 2022.

3. Definitions

In this MOU:

- a. "AAD" means the Agencies and Appointments Directive, issued by Management Board of Cabinet;
- b. "AGCOA" means the Alcohol and Gaming Commission of Ontario Act, 2019, S.O. 2019, c. 15, Sched. 1, as amended from time to time;
- c. "Agency", "provincial agency" or "AGCO" means the Alcohol and Gaming Commission of Ontario;
- d. "Annual Report" means the annual report referred to in article 10.2 of this MOU;
- e. "Applicable Government Directives" means the government directives, policies, standards and guidelines that apply to the AGCO;
- 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 Alcohol and Gaming Commission of Ontario;
- 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 AGCO ;
- j. "Chair" means the Chair of the Alcohol and Gaming Commission of Ontario;
- k. "CLA" means the Cannabis Licence Act, 2018, S.O. 2018, c. 12, Sched. 2, as amended from time to time;
- l. "Constituting instrument" means the act that established the AGCO; or the AGCOA;
- m. "CoA" means Certificate of Assurance;
- n. "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;
- o. "CRF" means the Consolidated Revenue Fund as defined by the *Financial Administration Act*;
- p. "Deputy Minister" means the Deputy Attorney General;

- q. "Designated Executive" means designated executive defined in the *Broader Public Sector Executive Compensation Act, 2014*, S.O. 2014;
- r. "Executive Council Act" means the *Executive Council Act*, R.S.O. 1990, c. E. 25, as amended;
- s. "FAA" means the *Financial Administration Act*, R.S.O. 1990, c. F.12, as amended from time to time;
- t. "FIPPA" means the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c.F.31, as amended;
- u. "Fiscal Year" means the period from April 1 to March 31;
- v. "GCA" means the *Gaming Control Act, 1992*, S.O. 1992, c. 24, as amended from time to time;
- w. "Government" means the Government of Ontario;
- x. "HRLA" means *Horse Racing Licence Act, 2015*, S.O. 2015, c. 38, Sched. 9, as amended from time to time;
- y. "LGIC" means the Lieutenant Governor in Council, as amended from time to time;
- z. "LLCA" means *Liquor Licence and Control Act, 2019*, S.O. 2019, c. 15, Sched. 22, as amended from time to time;
- aa. "MBC" means the Management Board of Cabinet;
- bb. "Member" means an individual appointed to the agency by the Lieutenant Governor in Council, but does not mean an individual employed or appointed by the agency as staff;
- cc. "Minister" means the Attorney General of Ontario or such other person who may be designated from time to time as the responsible minister in relation to this MOU in accordance with the *Executive Council Act*, R.S.O. 1990, c.E.25, as amended;
- dd. "Minister of Finance" means the Minister of Finance or such other person who may be designated from time to time under the *Executive Council Act*;
- ee. "Ministry" means the Ministry of the Minister or any successor to the ministry;
- ff. "MOU" means this memorandum of understanding signed by the Minister and the Chair;
- gg. "OIC" means Order in Council;
- hh. "OLG" means the Ontario Lottery and Gaming Corporation;
- ii. "OPS" means the Ontario Public Service;
- jj. "Other acts" mean the following acts, including any amendments to those acts and the relevant

regulations made thereunder:

- *Liquor Licence and Control Act, 2019*;
- *Gaming Control Act, 1992*;
- *Horse Racing Licence Act, 2015*; and
- *Cannabis Licence Act, 2018*.

kk. "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;

ll. "PSC" means the Public Service Commission;

mm. "PSOA" means the *Public Service of Ontario Act, 2006*, S.O. 2006, c. 35, Sched. A, as amended;

nn. "Registrar" means the Registrar, as defined in the AGCOA;

oo. "TBS" means the Treasury Board Secretariat;

pp. "TB/MBC" means the Treasury Board/Management Board of Cabinet.

Agency's Legal Authority and Mandate

- a. The legal authority of the Alcohol and Gaming Commission of Ontario is set out in the *Alcohol and Gaming Commission of Ontario Act, 2019*, S.O. 2019, c. 15, Sched. 1.
- b. The Alcohol and Gaming Commission of Ontario also exercises specific powers and authority given to it under the *LLCA*, the *GCA*, the *HRLA*, and the *CLA*.
- c. The AGCO's mandate is set out in the *AGCOA*. Subsection 3(1) of the *AGCOA*, states that the agency's objects are to exercise the powers and perform the duties assigned to it under the Act or any other Act, and to administer the *LLCA*, *CLA*, *HRLA* and *GCA*, and the regulations made under them. Pursuant to subsection 3(2) of the *AGCOA*, the agency must exercise its powers and perform its duties in the public interest and in accordance with the principles of honesty and integrity, and social responsibility.
- d. The AGCO provides administrative support to the Registrar in the carrying out of the Registrar's powers under the *GCA*, the *LLCA*, the *CLA* and the *HRLA* whereby the Registrar inspects or investigates registrants, licence holders, permit holders, authorization holders and applicants.
- e. The AGCO has an arbitration role under the *Ontario Lottery and Gaming Corporation Act, 1999* in respect of OLG lotteries, whereby members of the AGCO Board, or others selected by the AGCO Chair, may arbitrate disputes between persons claiming prizes from the OLG.
- f. The Registrar is responsible for administering Order in Council 208/2024, which authorizes licensing of charitable or religious organizations for the purpose of conducting and managing lottery schemes in Ontario and certain lottery schemes to be conducted and managed in Ontario and one or more other provinces or territories.

4. Agency Type, Function and Public Body Status

- a. The agency is designated as a board-governed provincial agency with a Regulatory (with governing board) function under the AAD.
- b. The agency is prescribed as a public body in accordance with Ontario Regulation 146/10 under the *PSOA*.

5. Corporate Status and Crown Agency Status

- a. The agency is a Crown agency within the meaning of the *Crown Agency Act*.
- b. The provincial agency has the capacity, rights, power and privileges of a natural person for carrying out its objects, subject to the limitations placed upon it under the *AGCOA* and/or limitations imposed by Treasury Board/Management Board of

Cabinet.

- c. The AGCO is a corporation without share capital continued under the *AGCOA*.
- d. The *Corporations Information Act* does not apply to the AGCO. Provisions of the *Not-for-Profit Corporations Act, 2010* may apply to the AGCO if prescribed as such by a regulation under the *AGCOA*. No such provisions have been prescribed.

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 Ontario Public Service (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.
- f. **Impartial decision-making** is the paramount requirement.

7. Accountability Relationships

7.1 Minister

The Minister is accountable:

- a. To Cabinet and the Legislative Assembly for the agency's fulfilment of its mandate and its compliance with applicable government policies and directives, and for reporting to the Legislative Assembly on the AGCO's affairs.
- b. For reporting and responding to Treasury Board/Management Board of Cabinet on the AGCO's performance and compliance with government's applicable direction, including directives and operational policies.
- c. To the Cabinet for the performance of the AGCO and its compliance with the government's operational policies and broad policy directions.

7.2 Chair

The Chair, acting on behalf of the board of directors, is accountable:

- a. To the Minister for the AGCO's performance in fulfilling its mandate, and for carrying out the roles and responsibilities assigned to the chair by the AGCOA and the other Acts, this MOU, and applicable government directives and policies.
- b. For reporting to the Minister, as requested, on the AGCO'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 AGCO.
- d. To the Minister to confirm the AGCO's compliance with applicable legislation, government directives, and accounting, financial, and I&IT policies.

7.3 Board of Directors

The Board of Directors is accountable, through the Chair, to the Minister for the oversight and governance of the AGCO; setting goals, objectives and strategic direction for the AGCO as outlined in the annual letter of direction; and for carrying out the roles and responsibilities assigned to it by the AGCOA and the other Acts, this MOU, and applicable other government directives and policies.

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 AGCO and for carrying out the roles and

responsibilities assigned by the Minister, the AGCOA and the other Acts, this MOU, and applicable government directives and policies.

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

7.5 Chief Executive Officer (CEO)

Where the CEO is employed under the agency's authority and not under Part III of the *Public Service of Ontario Act, 2006*, the CEO is accountable to the board for the management and administration of the AGCO, the supervision of AGCO staff, and carrying out the roles and responsibilities assigned by the board, the AGCO's constituting instrument, this MOU and government directives. The CEO works under the direction of the chair to implement policy and operational decisions. The CEO reports the AGCO'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 AGCO.
- b. Reporting and responding to TB/MBC on the AGCO'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 AGCO; agency, Board, Chair and CEO performance; emerging issues and opportunities; agency high risks and action plans including direction on corrective action, as required; and agency 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 agency, Board, Chair and CEO performance.
 - ii. If the Minister deems the AGCO to be low-risk, the Minister may reduce the number of meetings to twice a year, instead of quarterly, with one meeting focused on agency, Board, Chair and CEO performance.
- d. Informing the Chair of the government's priorities and broad policy directions for the AGCO, and setting expectations for the AGCO in the annual letter of direction.

- e. Working with the Chair to develop appropriate measures and mechanisms related to the performance of the AGCO.
- f. Reviewing the advice or recommendation of the Chair on candidates for appointment or reappointment to the Board.
- g. Making recommendations to Cabinet and the Lieutenant Governor in Council for appointments and reappointments to the agency, pursuant to the process for AGCO 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 AGCO, directing the Chair to undertake reviews or audits of the agency on a periodic basis, and recommending to TB/MBC any change(s) to the governance or administration of the AGCO resulting from any such review or audit.
- i. Signing the MOU into effect after it has been signed by the Chair.
- j. Receiving the AGCO'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 AGCO's business plan is made available to the public no later than 30 calendar days from approving it.
- l. Receiving the AGCO's annual report and approving the report no later than 60 calendar days of the ministry's receipt of the report from the AGCO.
- m. Ensuring the 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 AGCO.
- o. When appropriate or necessary, taking action or directing that the AGCO take corrective action with respect to the AGCO'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 AGCO.
- 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 AGCO.
- s. Recommending to TB/MBC the powers to be given to, or revoked from, the agency when a change to the AGCO's mandate is being proposed.
- t. Recommending the remuneration of members of the AGCO Board, vice-chair and Chair to the LGIC.

8.2 Chair

The Chair is responsible to support the Board by:

- a. Providing leadership to the AGCO's Board and ensuring that the Board carries out its fiduciary responsibilities for decisions regarding the AGCO.
- b. Providing strategic leadership to the agency 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 AGCO's activities within agreed upon timelines, including an annual letter confirming the AGCO'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 AGCO; agency, Board and CEO performance; emerging issues and opportunities; agency high risks and action plans including direction on corrective action, as required; and agency 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 agency, board and CEO performance.
 - ii. If the Minister deems the AGCO to be low-risk, the Minister may reduce the number of meetings to twice a year, instead of quarterly, with one meeting focused on agency, 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 AGCO.
- g. Ensuring the AGCO 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 AGCO 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 AGCO.
- j. Utilizing the AGCO'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 AGCO on

appointee attendance and performance.

- k. Cooperating with any review or audit of the AGCO.
- l. Requesting an external audit of the financial transactions or management controls of the AGCO, at the AGCOs expense, if required.
- m. Advising the Minister and deputy 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 AGCO's Chair) with the Minister and deputy Minister (and when requested, with the President of the Treasury Board).
- o. Seeking strategic policy direction for the AGCO from the Minister.
- p. Signing the AGCO's MOU on behalf of the Board, along with the CEO or equivalent.
- q. Submitting the AGCO'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 AGCO 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 AGCO's mandate, powers or responsibilities as set out in the AGCOA.
- 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 and Deputy Minister.
- v. Reviewing and approving claims for per diems and travel expenses for Board members.
- w. Ensuring appropriate management systems are in place (financial, information technology (including cyber security), human resources, procurement) for the effective administration of the AGCO.
- 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 AGCO as required by the Communications Protocol.
- z. Acknowledging the importance of promoting an equitable, inclusive, accessible, anti-racist and diverse workplace within the AGCO, and supporting a diverse and inclusive workplace within the AGCO.
- aa. Ensuring that board members are informed of their responsibilities under the *PSOA* with regard to the rules of ethical conduct, including the political activity rules.
- bb. Fulfilling the role of ethics executive for public servants who are **government appointees** to the AGCO including Board members, and for the CEO, promoting ethical conduct and ensuring that all members of the AGCO are familiar with the ethical requirements of the *PSOA*, and the regulations and the directives made under that Act, including in respect of conflict of interest, political activity and the protected disclosure of wrongdoing.
- cc. Selecting members of the Board, or others, to arbitrate disputes between persons claiming prizes from the OLG (in accordance with Ontario Regulation 198/00 under the *Ontario Lottery and Gaming Corporation Act, 1999*).

8.3 Board of Directors

The Board is responsible for:

- a. Managing and controlling the affairs of the AGCO.
- b. Ensuring the AGCO is governed in an effective and efficient manner and the AGCO uses public funds with integrity and honesty, and only for the business of the agency based on the principle of value for money, and in compliance with applicable legislation and directives and policies.
- c. Ensuring the AGCO 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 AGCO.
- d. Establishing robust performance measures, targets and management systems, and monitoring and assessing the AGCO’s performance measures, targets and management systems.
- e. Governing the affairs of the AGCO 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 AGCO's business plans for submission to the Minister within the timelines established by the AAD.
- g. Directing the preparation of, and approving the AGCO's annual reports for submission to the Minister for approval and for tabling in the Legislative Assembly, within the timelines established by the AAD or the AGCO's constituting instrument as applicable.
- h. Approving the AGCO'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 AGCO and ensuring that the agency 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 and deputy Minister.
- l. Ensuring that the AGCO is governed in an effective and efficient manner according to accepted business and financial practices, and in accordance with applicable directives and policies.
- 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 AGCO.
- n. Approving the AGCO'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 AGCO.
- 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 AGCO as needed.
- p. Where applicable, ensuring that conflict of interest rules that the agency is required to follow, as set out in Ontario Regulation 381/07 under the *PSOA* (or as have been approved and published by the Integrity Commissioner on the Commissioner's website and are in place for the members of the Board and employees of the AGCO.
- q. Directing corrective action on the functioning or operations of the AGCO, 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 AGCO's goals, objectives and strategic directions.
- t. Providing advice to the government, through the Minister, on issues within or affecting the AGCO's mandate and operations.
- u. Appointing a chief executive officer (CEO) and Registrar as well as setting performance objectives and remuneration terms linked to these objectives for the CEO which give due weight to the proper management and use of public resources.

8.4 Deputy Minister

Deputy Minister responsibilities may be fulfilled by a delegate approved by the Secretary of Cabinet.

The Deputy Minister is responsible for:

- a. Advising and assisting the Minister regarding the Minister's oversight responsibilities for the AGCO, including informing the Minister of policy direction, policies and priorities of relevance to the AGCO'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 AGCO.
- c. Attesting to TB/MBC on the provincial agency'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 agency 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 or equivalent, 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. Ensuring regular briefings and consultations between the chair and the Minister at least quarterly, and between the ministry staff and the AGCO staff as needed.
- g. Meeting with the AGCO's CEO or equivalent at least quarterly on matters of mutual importance, including emerging issues and opportunities, government priorities and progress on annual letter of direction, AGCO business plans and results and agency high risks and action plans.
- h. Meeting with the AGCO's CEO or equivalent regularly and as required to discuss CoA

exceptions and fraud instances and their related action plans.

- i. Supporting the Minister in reviewing the performance targets, measures and results of the AGCO.
- j. Signing the AGCO's MOU, acknowledging their responsibilities.
- k. Undertaking reviews of the AGCO as may be directed by the Minister.
- l. Cooperating with any review of the AGCO as directed by the Minister or TB/MBC.
- m. Ensuring the review of and assessing the AGCO's business plan and other reports.
- n. Requesting information and data as needed to fulfill obligations under the AAD.
- o. Monitoring the AGCO on behalf of the Minister while respecting the AGCO'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 AGCO.
- q. Providing annual feedback on the performance of the AGCO and CEO to the chair.
- r. Supporting ministers and minister's offices in monitoring and tracking upcoming and existing vacancies on boards, particularly where there is a legislated minimum number of members and to maintain quorum.
- s. Recommending to the Minister, as may be necessary, the evaluation or review, including a risk-based review, of the AGCO or any of its programs, or changes to the management framework or operations of the AGCO.
- t. Ensuring that the ministry and the AGCO have the capacity and systems in place for on- going risk-based management, including appropriate oversight of the AGCO.
- u. Ensuring that the AGCO has an appropriate risk management framework and a risk management plan in place for managing risks that the AGCO may encounter in meeting its program or service delivery objectives.
- v. Undertaking timely risk-based reviews of the AGCO, its management or operations, as may be directed by the minister or TB/MBC.
- w. 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).
- x. Consulting with the agency's CEO or equivalent, as needed, on matters of mutual importance including services provided by the ministry and compliance with

directives and ministry policies.

- y. Working with the CEO to address any issue that may arise.
- z. Arranging for administrative, financial and other support to the agency, as specified in this MOU.

8.5 Chief Executive Officer (CEO)

The chief executive officer is responsible for:

- a. Being accountable to the Board.
- b. Managing the day-to-day operational, financial, analytical, and administrative affairs of the AGCO in accordance with the mandate of the AGCO, applicable government directives and policies, 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 AGCO's compliance with the AAD, as well as other government directives and policies, and AGCO by-laws and policies, including annually attesting to the chair on the AGCO's compliance with mandatory requirements.
- e. Attesting to the compliance of the AGCO to applicable directives and policies and supporting the board of directors to provide the statement of compliance of the AGCO.
- f. Ensuring that the provincial agency 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; AGCO business plans and results; and, agency 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 CoA 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 AGCO.
- j. 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.

- 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 AGCO's approved business plan.
- l. Carrying out in-year monitoring of the AGCO's performance and reporting on results to the Board through the Chair.
- m. Undertaking timely risk-based reviews of the AGCO's management and operations.
- n. Cooperating with a periodic review directed by the Minister or TB/MBC.
- o. Signing the AGCO's MOU, along with the Chair, on behalf of the Board.
- p. Preparing the AGCO's annual report and business plan as directed by the board.
- q. Establishing and applying systems to ensure that the AGCO operates within its approved business plan.
- r. Providing leadership and management to the AGCO staff, including human and financial resources management, in accordance with the approved business plan, accepted business and financial practices and standards, the AGCO's constituting instrument, and government directives.
- s. Establishing and applying a financial management framework for the AGCO in accordance with applicable Minister of Finance/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 AGCO 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 AGCO's risk management framework and risk management plan in place [as directed by the chair and the board].
- x. Seeking support and advice from the ministry, as appropriate, on AGCO management issues.
- y. Establishing and applying a system for the retention of agency documents and for making such documents publicly available when appropriate, for complying with the *Freedom of Information and Protection of Privacy Act* and the *Archives and Recordkeeping Act* where applicable.
- z. Carrying out effective public communications and relations for the AGCO as

required by the Communications Protocol.

- aa. Fulfilling the role of ethics executive for employees of the AGCO.
- bb. Promoting ethical conduct and ensuring that all members of the AGCO 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.
- cc. Preparing financial reports for approval by the Board.
- dd. Preparing, for approval by the Board, a performance review system for staff and implementing the system.

9. Ethical Framework

The members of the Board who are appointed by the Lieutenant Governor in Council are subject to the conflict of interest provisions of the AAD and the conflict of interest provisions of the PSOA and its regulations.

Board members shall not use any information gained as a result of their appointment to or membership on the board for personal gain or benefit. A member who has reasonable grounds to believe that 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 the Board and the CEO, is responsible for ensuring that they 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 AGCO.

The CEO, as the ethics executive for the provincial agency, is responsible for ensuring that staff of the AGCO 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 AGCO.

10. Reporting Requirements

10.1 Business Plan

- a. The Chair will ensure that the Minister is provided annually with the AGCO'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 AGCO'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 provincial AGCO's fiscal year.
- c. The Chair will ensure that the business plan demonstrates the AGCO'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 AGCO Chair must also be submitted that details how the AGCO plans to achieve each government priority.
- d. The Chair is responsible for ensuring that the AGCO'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 AGCO's artificial intelligence (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 AGCO in the marketplace, and information that would otherwise pose a risk to the security of the facilities and/or operations of the AGCO. 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 AGCO's annual business plan and will promptly advise the chair whether or not they concur with the directions proposed by the AGCO. The Minister may advise the chair where and in what manner the AGCO's plan varies from government or ministry policy or priorities as may be required, and the chair, on behalf of the board of directors, will revise the AGCO'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 agency.
- k. The parties acknowledge that TB/MBC may require the Minister to submit the AGCO'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 AGCO 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 AGCO'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 provincial agency's receipt of the audited financial statement where the Auditor General is the auditor of record.
- 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 AGCO in the marketplace, and information that would otherwise pose a risk to the security of the facilities and/or operations of the AGCO.
- e. The Chair will ensure that the annual report demonstrates how the AGCO 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 AGCO Chair must also be submitted that details how the AGCO 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 AGCO 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 AGCO provides workforce, compensation and operational data as set out in the AAD Operational Policy.
- b. The CEO will also ensure that the AGCO 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 AGCO 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 the AGCO's constituting instrument, 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 AGCO, 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 AGCO 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, information that would prejudice the financial or commercial interests of the AGCO in the marketplace, and information that would otherwise pose a risk to the security of the facilities and/or operations of the AGCO.
- c. The AGCO, through the Chair on behalf of the Board, will ensure that the expense information for appointees and senior management staff are posted on the agency or ministry website, in accordance with the requirements of the Travel, Meal and Hospitality Expenses Directive.
- d. The provincial agency, through the Chair on behalf of the Board, will ensure that any other applicable public posting requirements are met.

12. Communications and Issues Management

The parties to this MOU recognize that the timely exchange of information on the plans, strategies, operations and administration of the AGCO is essential for the Minister to meet their responsibilities for reporting and responding to the Legislative Assembly on the affairs of the AGCO. The parties also recognize that it is essential for the chair on behalf of the board of directors to be kept informed of government initiatives and broad policy directions that may affect the AGCO'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 AGCO's mandate or functions, or which otherwise will have a significant impact on the AGCO.
- 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 AGCO's mandate and functions.
- d. The Minister and the Chair will meet at least quarterly on: government and ministry priorities for the AGCO; agency, Board, Chair and CEO performance; emerging issues and opportunities; agency high risks and action plans including direction on corrective action, as required; and agency 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 agency, Board, Chair and CEO performance.
- ii. If the Minister deems the AGCO to be low-risk, the Minister may reduce the number of meetings to twice a year, instead of quarterly, with one meeting focused on agency, 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; agency business plan and results; and agency 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 AGCO's management or operations.
 - f. The AGCO 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.
 - g. The CEO is limited in the information that they can provide to the Minister, Deputy Minister or Ministry staff regarding specific regulatory matters including due diligence inquiries, inspections, investigations or decisions that are carried out as part of their role as Registrar of the AGCO.
 - h. Inquiries received by the Ministry regarding a regulatory matter being considered by the Registrar must be re-directed to the AGCO without comment. Any response made by the Ministry to the inquiring party will indicate that the inquiry has been forwarded to the AGCO and that the Minister and/or the Ministry cannot comment on a regulatory decision of the Registrar.

13. Administrative Arrangements

13.1 Applicable Government Directives

- a. The Chair, on behalf of the Board, is responsible for ensuring that the AGCO operates in accordance with all applicable government directives and policies. 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 AGCO of amendments or additions to legislation, government directives, policies and guidelines that apply to the AGCO; however, the AGCO 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. Procurement:
The OPS Procurement Directive applies in full except in respect of the acquisition of administrative services (e.g. corpay and WIN) and of Legal Services.

The Procurement Directive on Advertising, Public and Media Relations and Creative Communications Services applies in full.

13.2 Administrative and Organizational Support Services (as applicable)

- a. 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.
- b. Subject to statutory requirements and applicable government directives, the Agency may establish its own administrative, financial, procurement, human resources and operational policies and guidelines, exercising sound business acumen and operational flexibility.

13.3 Agreements with Third Parties

- a. Any agreement entered into by the AGCO with third parties will comply with the applicable procurement directives, as outlined in the InsideOPS Directives and Policies page.

13.4 Legal Services

- a. The AGCO is responsible for the provision of its own legal services but may, where appropriate and mutually agreed upon in accordance with an arrangement between the Agency and the Ministry of the Minister (MAG), use Ministry legal services.
- b. In keeping with the guiding principle of prudent use of public resources, when retaining outside legal assistance, AGCO will be guided by the best practices for the retention of outside legal counsel as may be set out by Ministry policies from time to time.

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 AGCO 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 AGCO by implementing reasonable measures to ensure the ongoing viability, integrity, preservation and security of all official records created, commissioned or acquired by the AGCO. This includes, but is not limited to, all electronic records, such as emails, information posted on the AGCO's website(s), database data sets, and all records stored on personal computers and shared drives.
- d. The Chair, on behalf of the Board, is responsible for ensuring measures are implemented requiring the AGCO's employees to create full, accurate and reliable records that document and support significant business transactions, decisions, events, policies and programs.
- e. The Board, through the Chair, is responsible for ensuring that the agency complies with the *Archives and Recordkeeping Act, 2006*, S.O. 2006, Chapter 34, Schedule A.

13.6 Cyber Security

- a. Agencies are responsible and accountable for the ownership and management of cyber security risks and related impacts within their organization.
- b. Agencies must ensure adequate systems, protocols and procedures are established and maintained to ensure cyber resilience, recovery and maturity.
- c. An agency's cyber security practices and protocols should be regularly reviewed and updated to address new and emerging cyber security threats.
- d. Agencies 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, Governance and Management of Information Technology 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 AGCO 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 AGCO is bound to follow the requirements set out in the *Freedom of Information and Protection of Privacy Act (FIPPA)* in relation to the collection, retention, security, use, distribution, disclosure, access and correction and disposal of records.
- b. The CEO is the institution head for the purposes of the FIPPA.

13.9 Service Standards

- a. The AGCO shall establish customer service and quality standards that are consistent with the appropriate standards of the government, the ministry and the Ontario Public Service.
- b. The Chair will ensure that the AGCO 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 AGCO 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 AGCO has in place a formal process for responding to complaints about the quality of services received by customers of the AGCO consistent with the government's service quality standards.
- e. The AGCO's annual business plan will include performance measures and targets for customer service and the AGCO's response to complaints.

13.10 Diversity and Inclusion

- a. The AGCO, through the Chair on behalf of the Board, acknowledges the importance of promoting an equitable, inclusive, accessible, anti-racist and diverse workplace within the AGCO.
- b. The Chair, on behalf of the Board, will support a diverse and inclusive workplace within the AGCO 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 AGCO 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 AGCO shall be in accordance with applicable government directives, ministry and corporate financial and administrative policies and procedures.

- a. When ordered to do so by the Minister of Finance and/or the President of the Treasury Board, pursuant to Section 16.4 of the *Financial Administration Act*, the AGCO shall pay into the Consolidated Revenue Fund any money that the Minister of Finance and/or the President of the Treasury Board determines is surplus to its requirements.
- b. Pursuant to Section 28 of the *Financial Administration Act*, the AGCO 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 of Finance and/or the President of the Treasury Board. The Minister's approval is required before seeking statutory approval from the Minister of Finance or President of the Treasury Board.
- c. The AGCO'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 AGCO will be provided with notice of changes to its allocation as soon as is reasonably possible. Where the AGCO must reallocate resources as a result of its operating and/or capital allocations being adjusted, the AGCO shall inform and discuss the changes with the ministry before making such changes.
- d. The AGCO 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 AGCO's expenditures.

14.2 Funding

- The AGCO 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.
- The CEO will prepare estimates of the agency's expenditures for inclusion in the ministry's business plan for presentation to the Legislative Assembly. The Chair will deliver these estimates to the Minister in sufficient time to be analyzed and approved by the Minister.
- The estimates provided by the Chair may, after appropriate consultation with the Chair, be altered as required. The parties acknowledged that TB/MBC has final decision making authority.
- Financial procedures of the AGCO must be in accordance with TB/MBC and Ministry of Finance directives and guidelines and other applicable government direction.
- The AGCO's funding arrangements are laid out in the AGCOA.

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 agency's annual report. The statements will be provided in accordance with instructions issued by the Office of the Provincial Controller Division.
- b. The AGCO 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)

Collection/Remittance of HST

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

Payment of HST

- b. The AGCO is responsible for paying HST where applicable, in accordance with the *Excise Tax Act (Canada)*.

HST Recovery

- c. The agency 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 agency, subject to any restrictions specified by Finance Canada.
- d. The agency 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 agency is responsible for providing the Ministry of Finance and/or the Canada Revenue Agency, upon request, with any information necessary to determine the amount of an HST Government Rebate.
- f. The agency is responsible for informing the Ministry of Finance 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 AGCO 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 AGCO 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. The AGCO is subject to periodic review and value-for-money audit by the Auditor General of Ontario under the *Auditor General Act* or by the Ontario Internal Audit Division of Treasury Board Secretariat.
- b. The AGCO 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.
- c. Regardless of any previous or annual external audit, the minister or the Chair (on behalf of the board of directors) may direct that the agency 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.
- d. The AGCO will share all engagement reports (including those prepared by their own internal audit function and/or those reported to the AGCO's chair) with the Minister and deputy Minister (and when requested, with the President of the Treasury Board). The AGCO will advise the Minister and deputy Minister annually, at a minimum, on any outstanding recommendations/issues.

- e. The AGCO 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 AGCO risks.
- f. The Chair, on behalf of the Board may request an external audit of the financial transactions or management controls of the AGCO, at the agency's expense.
- g. The accounts of the AGCO shall be audited annually by the Auditor General of Ontario. Audited financial statements will be included in the AGCO Annual Report.

15.2 Other Reviews

The AGCO is subject to periodic review initiated at the discretion and direction of TB/MBC or the Minister. The review may cover such matters relating to the agency that are determined by TB/MBC or the Minister, and may include the mandate, powers, governance structure and/or operations of the agency, including finance, human resources/labour relations and agency 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 provincial agency will be conducted at least once every six years. The date of the next review will be 2029-30.
- c. The Minister will consult the Chair, on behalf of the Board, as appropriate during any such review.
- d. The Chair and 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 AGCO to TB/MBC for consideration.

16. Staffing and Appointments

16.1 Staffing Requirements

- a. AGCO employees are employed under subsection 9(1) of the AGCOA.
- b. Additionally, the AGCO has a Bureau of the Ontario Provincial Police (OPP) assigned to it that is staffed by persons employed under Part III of the *PSOA*.
- c. The AGCO will provide to TBS workforce, compensation and operational data as set out in the AAD Operational Policy.

16.2 Designated Executives

The AGCO shall provide total compensation to its designated executives, including the CEO, in accordance with the legislation, directives, policies and guidelines applicable to them.

16.3 Appointments

- a. The Chair is appointed by the Lieutenant Governor in Council on the recommendation of the Premier pursuant to subsection 5(1) of the AGCOA. There is no fixed term of appointment.
- b. The chair and vice-chair(s) of the AGCO are designated by the Lieutenant Governor in Council on the recommendation of the Premier pursuant to subsection 5(3) of the AGCOA. There is no fixed term of appointment.
- c. The maximum number of members is 11, as set out in subsection 5(1) of the AGCOA.
- d. The chair must utilize the AGCO'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

Remuneration for board members is set by the Lieutenant Governor in Council.

- a. Provincial agencies, including board members, 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 board members 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 AGCO 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 AGCO, in accordance with the AAD and the OPS Enterprise Risk Management Directive and Risk Management process.

The AGCO 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 artificial intelligence (AI) risk management is undertaken in alignment with the principles and requirements of the Responsible Use of AI Directive.

- a. The AGCO shall implement AI risk management in alignment with the requirements outlined in Section 6.3 of the Responsible Use of Artificial Intelligence Directive.
 - The AGCO shall ensure the management of technology risks in a documented and appropriate manner.
 - The AGCO will identify threats and risks, assess their potential impact, severity and likelihood, and document the risks and actions taken to address them.
- b. The AGCO 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 AGCO shall publish a list of AI use cases as part of the Business Plan.
- d. The AGCO 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 AGCO 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. All current and former members of the AGCO Board are indemnified by the Government from any legal liability including any related costs and expenses that may result from their activities on behalf of the AGCO Board, while they are or were members of the AGCO Board, provided they are not otherwise covered under an insurance policy or claims fund, and that they act honestly and in good faith with a view to the best interests of the AGCO and do not act with dishonesty, negligence or willful misconduct.
- b. This indemnity is given with the approval of the Minister of Finance under section 28 of the *FAA*, in the forms attached as Appendix 2 to this MOU.
- c. The AGCO 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, subject to program coverage. The AGCO agrees to purchase and maintain any additional insurance coverage that a prudent organization in the business of the AGCO 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, Treasury Board/Management Board of Cabinet, no later than seven calendar days from being signed.
- c. Upon a change in Minister, Deputy Minister, Chair or CEO of a board-governed provincial agency, 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.



David Corbett
Deputy Attorney General

March 5, 2026

Date

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



Dr. Karin Schnarr
Chief Executive Officer

March 5, 2026

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. 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, except in relation to matters that deal with compliance activities of the AGCO. For example, the Directive does not apply to AGCO vehicles used for law enforcement purposes or to vehicles provided to AGCO employees as part of their compensation package.

4. The ministry and the agency will appoint persons to serve as public communications "leads".

- The ministry lead is the Director of Communications or designate.
- The agency lead is the Chief Communications and Service Experience Officer or designate.

5. For the purpose of this protocol, public 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, as required.

- 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.
- d. **Communications, including public communications**, related to items pertaining to the Registrar's authority as set out AGCOA and any acts administered by the AGCO, its regulations, and the Registrar's Standards and requirements, are excluded from the requirements of the Communications Protocol. This includes communications regarding:
- Licensing or registration decisions.
 - Inspections or investigations.
 - Any other actions or decisions made by the Registrar pursuant to regulatory authority.
 - The AGCO will, however, alert the Ministry of any potentially contentious matter in a timely way and provide any related public communications to the Ministry upon its publication to ensure their awareness.

6. Advertising

- 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: Form of Indemnity for AGCO Board Members

In consideration of your agreement to be appointed to act as a member of the board of the Alcohol and Gaming Commission of Ontario (“AGCO”), the undersigned, His Majesty the King in right of Ontario as represented by the Attorney General (the “Province”) hereby agrees, subject to the terms hereof, to indemnify and hold harmless you and your heirs and legal personal representatives against and from any and all losses, costs, damages, expenses and liabilities of whatsoever kind, including amounts paid to defend, resist or settle any proceeding, whether actual or threatened, or to satisfy a judgment or to conduct any appeal and including all legal fees and other expenses (a “Claim” or collectively, the “Claims”) which you may reasonably sustain or incur or become subject to by reason of your being or having been a member of the AGCO board, but this indemnity does not apply with respect to Claims:

- (a) arising from any circumstances for which coverage is provided and paid for under an insurance policy or claims fund to the extent that you are indemnified or covered under such policy or fund;
- (b) in which you did not act honestly and in good faith with a view to the best interests of the AGCO; or
- (c) brought about or contributed to by your dishonesty, negligence or willful misconduct, if a judgment or other final adjudication adverse to you establishes that there was dishonesty, negligence or willful misconduct on your part which was material to the cause of action as adjudicated.

In order to be entitled to indemnification hereunder, you must comply with the following terms and conditions:

- (i) if you receive a notice of Claim or Claims, whether actual or threatened, you shall forthwith deliver to the Province (through the Agency and Tribunal Relations Branch and/or the Justice Policy Branch) a notice setting forth in reasonable detail all available particulars of the Claim;
- (ii) upon the written request of the Province, you shall furnish to the Province copies of all documents and provide any other information relating to the Claim(s) that is in your possession or under your control;

- (iii) as requested by the Province and at the cost of the Province you shall take all reasonable steps necessary to secure and preserve your rights in respect of the Claim(s) and, to the extent that you have a right to commence a proceeding against another person (whether for damages or indemnification or otherwise) in respect of a matter for which you claim indemnification from the Province hereunder, you shall, if requested by the Province and at its cost, assign that right to the Province and subrogate the Province to that right to the extent of the amounts paid by the Province or for which the Province is liable hereunder;
- iv) you shall not voluntarily assume any liability in respect of or settle or compromise a Claim or any proceeding relating thereto without obtaining the Province's prior written consent;
- (v) at its cost, the Province shall have the right to participate in or assume control of the negotiation, settlement or defence of the Claim(s) and any proceedings related thereto or appeal thereof, but the Province may not settle any action commenced against you without your written consent;
- (vi) if the Province elects at its cost to participate in or assume control of the negotiation, settlement or defence of the Claim(s) and any proceedings relating thereto or appeal thereof, you shall aid the Province in securing information and evidence and the attendance of any witnesses and cooperate fully with the Province (except in a pecuniary way) in connection with the same, and you shall agree to be represented by legal counsel chosen by the Province, unless, in the opinion of such legal counsel, there would arise a conflict of interest preventing such legal counsel from representing you, and, where it is such legal counsel's opinion that a conflict of interest prevents their representing you, you will be entitled, subject to the Province's prior written approval, to retain legal counsel of your choice (it being understood that the Province may withhold its approval in relation to any counsel proposed by you who does not agree to retainer terms, including fees, consistent with the policies of the Ministry of Attorney General of Ontario), and the fees and expenses of your counsel incurred in your representation shall be costs to which this indemnity extends;
- (vii) if the Province is not also party to the Claim, without cost to you, if requested by the Province, you shall consent to any order or leave that may be required for the Crown to be added as a party or to be allowed to make representations on its own behalf without being a party; and

- (viii) the expenses incurred by you in investigating, defending or appealing any Claim(s) shall, at your request, be paid by the Province as may be appropriate to enable you to properly investigate, defend or appeal such Claim(s), with the understanding that if it is ultimately determined that you are not entitled to be indemnified hereunder for any reason herein stated, you shall immediately repay such amount(s) so paid, which shall become payable as a debt due to the Crown.

For greater clarify, this indemnity shall apply to Claim(s) that are referable to the period during which you were a member of the AGCO board, and of which notice is received by the Province either during the period you are a member or after you cease to be a member.

IN WITNESS WHEREOF, the undersigned has duly executed this indemnity this

day of _____, 20XX.

HIS MAJESTY IN RIGHT OF ONTARIO, as represented by the Attorney General