The Role of Management Boards in the Public Sector

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Introductory Note on Terminology

In the public sector, terminology is not always a reliable indicator of function, and the term “board” can refer to a range of very different entities. This is true even within a single jurisdiction. For example, the Government of Canada includes a number of organizations whose title includes the term “board” in a sense different from that used in this paper – referring variously to administrative tribunals (the Immigration and Refugee Board), organizations with a regulatory mandate (the National Energy Board), investigative and advisory bodies (the Canadian Transportation Accident Investigation and Board), operational agencies (the National Film Board) and organizations mandated to manage public monies (the Canada Pension Plan Investment Board, which in turn has a board of directors). Neither is the term a guide to organizational form – a “board” may be anything from a ministerial department to a statutory agency, a departmental corporation or a Crown corporation. The situation is comparable at the provincial level.¹

This paper is concerned with boards of directors mandated to oversee the management of public sector organizations. In the private sector, such boards are a characteristic feature of corporate governance. This is also true in the Government of Canada, where management boards are part of the governance framework of Crown corporations and a number of so-called departmental corporations, though not elsewhere.² In the Government of Ontario, by contrast, management boards are used in a broader swath of organizations.

Context: Core Responsibilities of Boards of Directors

Boards of directors have been a prominent feature of private sector corporate governance since the 19th century, although the role of boards as the authoritative representative of shareholder interests evolved incrementally. Indeed, the responsibility of directors for the effectiveness of corporate governance underwent a forceful re-articulation (and arguably a re-invention) at the turn of the 21st century, in the wake of a series of high-profile corporate failures that spawned a number of major reports and legislative initiatives in both Canada and the United States.

Under a classic analytical model, boards serve as mechanisms for addressing the principal-agency dilemma in a context of widely dispersed or otherwise hands-off company ownership on the one hand and professional management by non-owners on

¹ Ontario’s use of “board” taxonomy also extends to organizations that are adjudicative (Ontario Municipal Board), advisory (Financial Disclosure Advisory Board), operational enterprises (Liquor Control Board) and regulatory (Advertising Review Board). Both federally and provincially reference is made to the “ABC” sector, meaning agencies, boards and commissions.
² They need not always be referred to as boards of directors. For example, the board of the Social Sciences and Humanities Research Council is referred to as its Governing Council.
the other. In this model, professionals manage the company and the board ensures that it is well managed in terms of corporate (and ultimately shareholder) best interests (shareholder value being understood, in the private sector, almost exclusively in financial terms). In particular, the board constrains management’s inherent incentive to appropriate a maximum of corporate resources to its own purposes (including its own compensation). This is accomplished through a systematic and presumably expert monitoring of management performance, practices and decisions by directors with a clear sense of fiduciary responsibility. Post-2000 reforms across jurisdictions and in both the private and public sectors heightened the direct accountability of directors for internal control, through (inter alia) stricter internal audit, financial literacy and due diligence requirements, more “independent” boards (principally meaning reduced management participation), and more robust regimes for avoiding or managing conflicts of interest. Other provisions, sometimes set out in guidelines or best practices codes, such as the Canadian Securities Administrators Corporate Governance Guidelines, included requirements for board mandates (explicitly setting out areas of responsibility) and specific arrangements for the orientation and assessment of directors.

While oversight is a central board responsibility, it is inadequate to see the board exclusively in terms of its watchdog function. In most organizations, the board’s stewardship role requires taking the lead in setting an organizational vision and strategic direction. This includes setting high-level medium and long-term objectives for organizational performance (broadly conceived), the strategy for realizing those objectives, the metrics for measuring them and the risk tolerance for their pursuit. Most boards, at least in the private sector, will also set direction through the selection and/or assessment of senior personnel, including self-assessment, committee membership selection, and director succession and continuity. Boards will also determine or approve broad resource allocation (i.e., in the budget or corporate plan) and (at varying levels of detail) the policy suite that governs organizational procedures and practices, including delegations of authority and approval limits.

The skill set that directors bring to these responsibilities will naturally vary with the organization. However, in sweeping terms there are two approaches to board composition – the expertise-driven board versus the representative board whose members bring the perspective of particular stakeholders. In practice many boards, particularly in the public sector, will mix these orientations. However, even in the case of a “stakeholder” board, the fiduciary responsibility of the directors remains to act in the best interests of the corporation: they may express particular perspectives, but when the time comes to vote they are expected to look beyond any particular interests those perspectives may represent. Moreover, the trend in corporate governance is towards competency based boards.
While the directors’ job is to see that the organization is well managed rather than to manage it themselves, this principle translates into a broad spectrum of board engagement that will vary according to the function and maturity of the organization, the particular circumstances in which it finds itself (e.g., steady state versus crisis) and the style of the board and its chair. This spectrum ranges from “advisory” boards to those that are more oversight oriented to those that are highly operationally engaged. Most boards, especially in mature organizations, will fall into the middle of the spectrum, but even here there is significant scope for variation, from those that adopt a relatively soft touch, collaborative approach with management to those that are more inclined to exercise a challenge function or intervene periodically in transactional matters.

**Distinctive Features of Public Sector Organizations**

While there are many parallels between boards in publicly traded companies and those of public sector organizations, particularly in the case of entities with a corporate form and commercial orientation, it is easy to take the parallels too far. In this connection, at least five important areas of difference can be identified.

First, the “ownership” of public sector organizations is not widely held: public organizations are more akin to wholly owned subsidiaries than to publicly traded companies. Admittedly, this analogy is also imperfect because a public sector organization is typically a creature of Parliament rather than the government of the day, and as such is legally mandated to act outside direct government control. Nevertheless, there is a much more immediate relationship between the organization and its “shareholder” than the one that drives the governance regime of publicly traded companies.

Secondly, however “arm’s-length” a public sector organization may be, the responsible minister or government as a whole will always retain at least some residual direct authorities – recommending appointments, issuing directives, setting policies or regulations, approving the corporate plan, seeking appropriations, etc. The government will enter into memoranda of understanding and performance agreements with the organization and its appointees. All of this again puts the public sector “shareholder” in a very different situation than its private sector counterpart. Typically, the government rather than the board appoints the CEO and this will inevitably impact on the relationship between the two, even if that relationship is conducted largely through the board.

Third, public sector organizations are instruments of public policy. They invariably have public policy mandates, which are seldom as straightforward as profit maximization. Put differently, shareholder value is a complex concept in a public sector body. Arguably, a director’s fiduciary duty has to be viewed in the light of such a
mandate, and it will be difficult to understand the organization’s best interests without having some regard to its place within the larger public policy agenda, which ultimately must be articulated by the government of the day. The organization’s mandate will also impose parameters on a board’s capacity to set strategic direction for the organization – for example, its capacity to withdraw from existing business lines or to pursue new ones.

A fourth major distinction, closely related to the third, is the body of values and ethics that apply to the public sector. Even beyond the formal conduct norms and accountability regime that may apply to public sector appointees and their organizations (from codes of conduct to review by watchdogs to appearances before parliamentarians) the public sector has cultural norms that include accountability, probity, frugality and a distinctive mixture of transparency and discretion.

Finally, the government of the day is itself a trustee and must account to the legislature for the organization’s performance. Even in the case of the most autonomous organizations, the responsible minister is accountable for their overall effectiveness in delivering on their mandates, and if there is systemic failure the legislature will rightly look to the minister to use all tools at the government’s disposal address it. Moreover, it is an accepted practice in our system that the organization must support the minister’s accountability, by keeping him or her advised of emerging developments (“no surprises”), by providing the information needed to answer to the legislature, and sometimes through the appearances of its own senior officers before the legislature’s committees.

In the light of these differences, and bearing in mind the tools available to the government, it is to be expected that – even in the case of organizations with boards and certainly in the case of those without boards – the government will always retain a significant role in giving broad strategic to public sector organizations. The line between legitimate direction and political interference will vary from one arm’s-length body to another, and for those with boards managing this line will always be one of the challenging realities of public sector directorship.

**The Use of Boards in the Government of Canada**

As previously noted, the use of boards of management in the Government of Canada is essentially restricted to organizations that are corporate in form – that is, Crown corporations as well as a smaller number of what are known as departmental corporations that, broadly speaking, have a more direct relationship with the responsible minister.

Consistent with what was said earlier, it is possible to explain the non-use of boards in ministerial departments and (to a lesser extent) in non-corporate agencies at least
partly in terms of the principal-agency framework. That is, these organizations are run more or less directly by their principals.

In the case of ministerial departments, government control over broad strategic direction is taken for granted. Beyond this, however, ministers also have the “management and direction” of their departments, making them the formal repositories of managerial authority. By both delegation arrangements and statute, day-to-day management of the department is the responsibility of the deputy (who, since 2007, has been designated the “accounting officer” for the organization), but the minister-deputy minister relationship is understood to be highly interactive.

Equally important, however, is the framework within which the deputy minister operates. Above all, the deputy is accountable for the department’s adherence to the Treasury Board policy suite, which, although streamlined in recent years, remains comprehensive and highly prescriptive. The Treasury Board’s policy role, combined with its responsibilities as the employer of most public servants and its role in assessing the management performance of deputies and their departments (e.g., under the Management Accountability Framework) can be seen to correspond the oversight function of many management boards.

Part of the management space not occupied by the Treasury Board belongs to other oversight regimes and the watchdogs who administer them. The most significant of these is the Public Service Commission, which oversees a uniquely restrictive staffing system, currently under a network of delegation agreements. Additional oversight and transparency regimes include those administered by the Auditor General, the Information and Privacy Commissioners, the Official Languages Commissioner and the Public Sector Integrity Commissioner.

For Crown corporations, exemption from the Treasury Board and Public Service Commission regimes is a defining element of their independence (although they have increasingly been brought within the ambit of other transparency and oversight regimes such as Access to Information and that of the Auditor General pursuant to changes introduced in the Federal Accountability Act). In fact, while the level of substantive “policy” or “mandate” independence of Crowns varies (and is seldom as strict as that of, say, the decision-making processes of quasi-judicial bodies), their authority to operate outside of the government’s day-to-day management rules is seen as essential to their capacity to operate efficiently in a market or service delivery context.

In the case of “arm’s-length” or “distributed governance” organizations other than Crown corporations, the situation is more nuanced. The level of direct government control applicable to these organizations varies considerably, mainly depending on their functions, but what distinguishes them is that they exercise certain powers, duties and functions in their own right and not simply as extensions of the responsible
minister. However, in virtually every case their employees are public servants and they are subject to Treasury Board policies, although they may have “separate employer” status which accords them independence in collective bargaining. Accordingly, the argument can also be made in their case that a centralized regime addresses the key management oversight functions of a board.

The Government of Canada’s use of boards in departmental corporations offers a mix of models, and as such a potential testing ground for the extension of management boards beyond their traditional corporate context. Not all departmental corporations have a management board (e.g., the Canadian Border Services Agency does not) and of those that do, not all are exempt from Treasury Board policies (e.g., the Social Sciences and Humanities Research Council is subject to TB policies while the Canada Revenue Agency is not).

**Case Study: Canada Revenue Agency**

The Canada Revenue Agency (CRA) offers a significant case study given the size and importance of the organization, its conversion from ministerial department to service agency in corporate form in 1999, and the explicit restriction of its board’s authority to managerial matters as opposed to the agency’s substantive program responsibilities as administrator of Canada’s taxation system. It is not difficult to appreciate the need for such scoping of the board’s mandate, or, put differently, it would be hard to envisage a government delegating authority over so fundamental a program area, sensitive from a political, policy and confidentiality perspective, to an arm’s-length board. That said, the model tends to underscore the possibility of using boards for a much broader swath of government organizations than has traditionally been the case in the federal machinery of government, extending even to departments with core program responsibilities under direct ministerial control. Thus, while the CRA’s governance structure remains unique, its acknowledged success has led other federal organizations to seek similar arrangements in the hope of enhancing their administrative effectiveness.

A key point to note about the CRA board is its federal/provincial/territorial (FPT) composition, reflecting the joint FPT nature of the program the CRA administers. The 15-member board comprises four federal nominees (including the Chair and the CRA Commissioner-CEO), one nominee from each of the ten provinces and one nominated by the territories on a rotating basis. In accounting for the uniqueness of the CRA model, the federal government could point in part to its role in ensuring collective FPT stewardship of tax administration. But despite these composition provisions, CRA directors are not intended to represent the particular interests of the jurisdictions that nominate them. The directors characteristically have had long and distinguished careers, mainly in the private sector, with business, accounting and legal expertise featuring prominently.
The board's stewardship/oversight mandate incorporates many functions previously performed by the Treasury Board and Public Service Commission as well as Public Works and Government Services – overseeing general administrative policy, the agency’s organization, management of its financial, human and IT resources, internal services, real property, contracts and internal audit. It approves the Annual Report and Financial Statements and is responsible for developing the Corporate Plan and monitoring its implementation.

The board may not direct the Commissioner in the administration of program legislation or access taxpayer information, but may advise the Minister regarding the general administration and enforcement of program legislation. The Commissioner, currently a career public servant, is positioned much as a deputy minister both in terms of program responsibility (e.g., he exercises delegated ministerial authorities) and with respect to his relationship with the Minister, which is not conducted through the board.

The board uses four principal tools in its work: performance reporting, financial reporting, policy monitoring and people evaluation. In practice it exercises a systems-level oversight and challenge function, assuring itself that robust management practices and internal controls are in place, including appropriate monitoring, reporting and enterprise risk management. It assesses CRA management practices and results annually under a Board of Management Oversight Framework (complementary to the MAF), and also sets performance objectives and conducts and annual assessment for the Commissioner (which feeds into PCO’s assessment process) and other senior executives. It also contributes to the strategic direction of the agency by assessing corporate strategies within its own spheres of responsibility and by assessing CRA’s capacity to deliver on its long-term strategic framework (“Vision 2020”). Given the diverse expertise of its directors, the board has also served as a source of ideas on specific issues and initiatives, such as the management of surplus funds that have been carried over.

While CRA continues to have separate employer status, pursuant to the 2012 Budget Implementation Act, its negotiating mandate will now require Treasury Board approval. Given the size of the organization and the composition of its workforce, the CRA’s compensation settlements not only have direct fiscal significance but also impact on the labour market for other Government of Canada organizations. However, it should be noted that the board, mindful of the need not to “go rogue”, has always consulted with Treasury Board on CRA’s negotiating mandate.

**The Use of Boards in the Government of Ontario**

More than 80% of public sector expenditure in Ontario is done through distributed governance or “arm’s-length” organizations, and the Government of Ontario includes some 566 “agencies”. These bodies vary enormously in their function, form, size and
relationship to government. As in the Government of Canada, their nomenclature is diverse and inconsistent. The broadest distinction used by the province is between “classified” and “non-classified” agencies. As of February 21, 2013 there were 196 classified agencies, and 370 non-classified agencies in what is often referred to as the “ABC sector”.

Non-classified agencies include any to which the government makes at least one representative appointment but they are generally excluded from the government’s financial and administrative requirements, including its single most important accountability instrument, the *Agency Establishment and Accountability Directive*. They may be self-funding, self-regulating (such as the governing bodies of certain professions) or self-governing (such as college and university boards). The category also includes certain significant utilities, such as Hydro One.

This paper is concerned with the boards of classified agencies (which was also the focus of the December 2010 *Report of the Special Advisor on Agencies* – the Burak Report). These bodies are generally constituted by statute, regulation or order in council, and the Ontario government makes the majority of appointments. Ontario uses a classification system that places them into any of seven functional categories (adjudicative, advisory, regulatory, trust, operational enterprise, operational service and Crown foundation). As already noted, Ontario makes wider use of boards than the federal government: advisory and adjudicative agencies, as well as some regulatory agencies do not have boards, but most other classified agencies do, including all operational enterprise and operational service agencies. In addition to being more widely used, boards in Ontario follow a broader range of models – for example, certain boards (such as those that are stakeholder-driven) tend to play more of a coordinating than a managerial role.

In addition to their constituent legal instruments and the *Agency Establishment and Accountability Directive*, classified agencies are subject Ontario’s *Financial Administration Act* and various directives such as the *Government Appointees Directive*. The Burak Report observed that there are inconsistencies as to which policies apply to which agency, including those of the same classification, with no clear rationale for the distinctions. One of its recommendations was that the classification designation be reviewed to ensure their continued relevance. From the perspective of most boards, the key additional elements of the accountability framework are a multi-year memorandum of understanding and the agency’s annual business plan. In a limited number of ministries, an annual mandate letter is also used.

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3 From a list provided by a Senior Program Consultant in the Public Appointments Secretariat in the Government of Ontario’s Ministry of Government Services, dated 02/21/2013.

4 The Burak Report is the name commonly used to refer to the *Report of the Special Advisor on Agencies* report that was submitted by Rita Burak to Ontario’s Minister of Government Services in December of 2010.
Within the Ontario government, oversight responsibility for these organizations is divided. The Ministry of Government Services (MGS) provides secretariat support for Cabinet’s Board of Management, and also leads in advising on the creation, classification, merging and winding up of agencies. As such, it is the source of the Agency Establishment and Accountability Directive. MGS also produces many governance tools, such as position descriptions and competencies, codes of conduct and learning tools. However, the Department of Finance oversees “fiscally significant agencies” such as the LCBO, Ontario Lottery and Gaming and the Deposit Insurance Corporation, and as such sets policies and controls for functions with financial implications. (It should be noted that Finance Canada also plays an important role in the oversight of financial Crowns, for example in approving their borrowing plans.)

Unlike the majority of Government of Canada boards, Ontario’s boards normally operate within the framework of centralized Management Board rules. This does not appear to unduly diminish their roles, perhaps in part because these rules tend to be more principles-based than Treasury Board policies at the federal level. And while Canada’s Crown corporations, as well as the CRA, tend to see independence from Treasury Board policies as a hallmark of their operational autonomy, the argument could be made that the sphere in which operations tend to differ most markedly is that of human resources management.

Ontario also differs from the federal government in explicitly accepting that the CEO’s accountability to the Minister is through the board (despite the fact that CEO’s are not necessarily board appointees) and Burak effectively endorsed this model. While the federal government’s 2005 Report on Crown Corporation Governance appeared to accept this principle, in fact it has not been its characteristic understanding of the accountability relationship. Anecdotally, it does appear that on the whole CEO’s in Ontario agencies are more likely to conduct their relationship with the minister through the board. Whether this results in a lower level of operational engagement by the minister’s office is not clear.

The Burak Report

The Report of the Special Advisor on Agencies (Burak Report) was submitted to the Minister of Government Services by Rita Burak (a former Secretary of the Cabinet, Government of Ontario) on December 2010. That report, which remains to be implemented, made 14 recommendations in two categories: strengthening agency board governance and accountability, and improving ministry and central agency monitoring and evaluation practices. A summary of the recommendations is attached as Annex A.

On the whole, the report was circumspect and did not identify glaring problems with the existing governance regime, either inherently or by comparison with other jurisdictions.
Its broad thrust was to rationalize and clarify the system in order to support more consistent adherence to high standards, as well as to provide more coordinated government direction and greater reassurance to legislatures and the public that agency operations are in hand.

That said, Recommendation 1 called for the adoption of a comprehensive board governance framework that was plainly intended to capture the full complement of contemporary best practices, while Recommendation 4 called for the governance and accountability regime to be enshrined in legislation, and Recommendation 6 called for agency MOUs to be reviewed and revised to reflect this new framework. It also called for increased guidance and orientation for boards and their chairs, notably in understanding the government environment and ethos. And though it touched very lightly on recent scandals, noting that “there has been recent public emphasis on procurement and expense issues”, it recommended changes in the frequency and threshold of audit reports “on these sensitive topics”.

With regard to the role of the government, the thrust was towards mechanisms to ensure more coordination, focus and, as much as possible, a single-window for managing the relationship. Specifically, it called for the centralization and expansion of responsibility for agency oversight within one of the central agencies, whose responsibilities would include annual reporting to Cabinet on agency compliance, and financial and operational performance. Within each ministry, Burak recommended designating a lead executive to support the minister and deputy, and coordinate agency interactions.
Issues for Discussion

Public versus Private Sector Boards

- How do the roles of private and public sector boards differ? What are the implications for a director’s fiduciary duties? How do you draw the line between legitimate government engagement and interference?

- How should the minister-board-CEO relationship work? Is it all right for the CEO to work directly with the minister and MO? Does it make a difference if the CEO is appointed by the government instead of the board?

- Do directors drawn from the private sector really understand the public sector environment and public sector values? What can be done to improve the situation – is an “orientation session” enough?

- Unlike publicly traded companies, public sector organizations are supposed to act as part of a larger, coordinated whole. Are current risk management practices too enterprise focused?

Boards in the Government of Canada

- To what extent does the Treasury Board substitute as a management board for most GoC organizations? Are there any gaps in this model? Should boards be used more widely at the federal level – if so, when?

- How does the board’s role differ from organization to organization in the GoC – e.g., service agency versus commercial Crown? Is this effective?

Boards in Ontario

- Is it overkill to have an enterprise-level board and a central management board for the same organization? Does Ontario have too many boards?

- Are there any differences in the government-board relationship between Ontario and the GoC? Does this reflect different levels of operational orientation? Different levels of capacity at the center?

- Burak essentially called for a centralization and rationalization of board governance – was this to avoid discussing specific problems? What is at the hear of Ontario’s recent board scandals?

When Do Boards Add Value?

- Do public sector boards add value? How good are the directors? Are there other models – e.g., advisory boards established at the deputy head’s discretion?
Annex A: Recommendations of the Burak Report

1. The government adopt a comprehensive governance framework for the boards of all board-governed agencies, to include the following elements:
   a. Board mandate statement including,
      i. Board’s authority
      ii. Memorandum of understanding with the minister
   b. Statement of fiduciary responsibilities, agency oversight responsibilities, and accountabilities to government
   c. Statement of responsibility in relation to risk oversight
   d. Statement of responsibility in relation to the CEO/management, human resources, and compensation
   e. Committee structure and role description, at a minimum audit and finance and governance committees
   f. Roles and responsibilities statements/position descriptions for the chair of the board, the CEO, the chairs of committees, and directors
   g. Board succession planning and advice to government on competencies required
   h. Profile/matrix of skills required on the board
   i. Conflict of interest policy and codes of ethics/conduct
   j. Board operations (conduct of meetings, materials, in camera sessions, etc.)
   k. Board orientation, including orientation to government
   l. Director remuneration and expense reimbursement
   m. Board indemnification
   n. Ongoing director education and development
   o. Board self assessment and individual board member assessment

2. The government ensure that all elements of the framework are operational at the board level, by providing the following support:
   a. An updated and expanded “Tools for Agency Governance” document
   b. An orientation module specifically aimed at assisting chairs of agencies in understanding the government environment, including the accountability framework, the roles of the ministries and central agencies, legislative committees and officers, and the essential public service role of agencies.
   c. Access to ongoing governance education for agency appointees, through suppliers/supplier institutions identified by government.
3. The government establish a forum for agency chairs and CEOs to come together on a regular, but not necessarily frequent, basis with ministers and senior government officials in order to share best practices and keep abreast of government initiatives.

4. The government establish in legislation the governance and accountability framework for board-governed agencies to ensure that all elements are transparent and subject to review by the legislature. The legislation should contain the following elements:
   a. A purpose statement to set out the government’s intention to compel high standards of governance, accountability, transparency and efficiency in its agencies
   b. Powers, accountabilities, and responsibilities of ministers
   c. Powers and responsibilities of the central agencies of government
   d. Responsibilities and accountabilities of agencies
   e. The framework of accountability policies that apply to agencies
   f. The new governance framework requirements and direction on the public disclosure of these practices Codes of conduct and conflict of interest
   g. Codes of conduct and conflict of interest
   h. Competency, recruitment, and appointment of members.

5. The government review the policy application and classification designation among the board-governed agencies to ensure that these differences are still relevant and do not impede good governance or accountability.

6. The government revise agency memoranda of understanding to reflect the proposed governance framework.

7. The annual discussion that takes place between the minister and the agency chair/board regarding the agency business plan should focus on results and be followed with a formal ministerial response.

8. The materiality threshold for board-governed agency audit authorities be changed as it relates to expenses for board members and senior executives and procurement, providing annual or more frequent audit reports for the boards on these sensitive topics.

9. A process be established for the timely public reporting of results achieved by agencies on an annual basis and that the process be followed by agencies and ministries.

10. Each ministry formally establish a designated lead executive to assist the minister, the Minister’s Office, and the deputy minister in fulfilling their accountability for its agencies and to provide single window coordination point for agencies. This lead executive would be responsible for the internal coordination of the following:
   a. Data base
b. Agency board appointments, including consistent tax treatment of appointees’ per diems

c. Support on memoranda of understanding, business plans, and annual reports
d. Consultation
e. Information on ministry requests/requirements
f. Support in establishing contacts and facilitating meetings
g. Advice to the deputy minister on the agency relationship
h. Functions delegated by the deputy minister
i. Coordination with the Minister’s Office

11. The government centralize and expand within one of the central agencies full responsibility for all aspects of corporate oversight of and governance support for agencies. This organization would have the following responsibilities:
   a. Full data base on agencies including classification, reporting documents, and appointments status
   b. Appointments support to the Premier’s Office
c. Agency policy development responsibility
d. Keeping abreast of governance trends
e. Training and development of appointees
f. Corporate analysis and reports
g. Centralizing and expanding on the input provided to internal corporate audit.

12. The central organization provide Cabinet with an annual analysis of the ministries’ compliance with oversight with regard to their agencies.

13. The central organization provide Cabinet with an annual report on the status of the financial and operational performance of board-governed agencies and provide an analysis of whether the agencies’ mandates are being met and are still relevant.

14. The Ontario Internal Audit Division conduct system-wide governance reviews of agencies from time to time to gauge progress on the implementation of the proposed governance framework.