



**SHAREHOLDER'S LETTER OF EXPECTATIONS**

**BETWEEN**

**THE MINISTER OF SMALL BUSINESS, TECHNOLOGY and ECONOMIC  
DEVELOPMENT  
(AS REPRESENTATIVE OF THE SHAREHOLDER,  
THE GOVERNMENT OF BRITISH COLUMBIA)**

**AND**

**THE CHAIR OF THE BRITISH COLUMBIA INNOVATION COUNCIL  
(AS REPRESENTATIVE OF THE COUNCIL)**

**FOR 2011/12**

**PURPOSE**

This Letter of Expectations between the Shareholder and Council is an agreement on their respective roles, responsibilities and on corporate mandate including high level strategic priorities, public policy issues and performance expectations as documented in the Shareholder's Expectations Manual for British Columbia Crown Agencies<sup>1</sup>. The Letter is the basis for the development of the Council's Service Plans and Annual Service Plan Reports, and is reviewed and updated annually. The Letter does not create any legal or binding obligations on the parties and is intended to promote a co-operative working relationship.

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<sup>1</sup> The Province of British Columbia's Crown Agency Accountability System (<http://www.gov.bc.ca/caro/publications/index.html>) establishes guiding principles for the governance of Crown corporations. The Shareholder's Expectations Manual identifies roles and responsibilities for the Shareholder and Crown corporations, and provides for a Shareholder's Letter of Expectations (Letter) to be jointly developed.

## COUNCIL ACCOUNTABILITIES

Government has provided the following mandate direction to the Council in order to ensure the Council fulfils its objectives as stated in Section 3, Objectives of Council, of the *British Columbia Innovation Council Act*:

- a) Encourage development and application of advanced or innovative technology and the talent that drives it to meet the needs of industry in British Columbia including the implementation, administration and funding of programs and the organization and management of projects and initiatives that serve to further the objectives set out in this section;
- b) Consider all matters brought to its attention by the Minister and if required by the Minister report its findings to the Minister;
- c) Formulate recommendations to the government respecting the acquisition, development and dissemination of scientific, technological and scholarly knowledge to promote the industrial, economic and social development of British Columbia,
- d) Advise the Minister on implementation of science policy;
- e) Gather and organize information on scientific research;
- f) Facilitate discussions on science policy with Canada or a province or with an interested person;
- g) Recommend to the Minister the establishment and awarding of fellowships, scholarships, exhibitions, bursaries, grants and prizes to encourage development of improved technology and retention of skilled research personnel in British Columbia; and
- h) Evaluate research and development proposals and make recommendations to the Minister respecting funding of these proposals.

The Council's actions and decisions shall be broadly guided by the principle of maximizing value for money. This philosophy shall be articulate in both actions and reporting. The activities of the Council shall be compliant with Government's investment principles for the advancement of research and innovation in British Columbia, as articulated in the British Columbia Research and Innovation Strategy.

To achieve this mandate direction, and in response to the Shareholder's general direction, frameworks and principles, the Council will:

- ensure that the Council's priorities reflect government's goals of building a strong economy; job creation; infrastructure and private sector investment; First Nations reconciliation; and climate action initiatives;
- conduct its affairs to achieve its mandate and the performance expectations of the Shareholder, with the principles of integrity, efficiency, effectiveness, and customer service;
- display annual *Financial Information Act* – Statement of Financial Information and Executive Compensation Disclosure Schedules, a Remuneration for Appointees to Crown Agency Boards Schedule and Corporate Governance Disclosure in an easily accessible website location; and
- inform the Shareholder immediately if the Council is unable to meet the performance and financial targets identified in its Service Plan.

The Shareholder also sets broad policy direction to ensure the Council's operation and performance is consistent with government's strategic priorities and Fiscal Plan; as such the Council will:

- comply with the Shareholder's requirements to be carbon neutral under the *Greenhouse Gas Reduction Targets Act*, including: accurately defining, measuring, reporting on and verifying the greenhouse gas emissions from the Council's operations; implementing aggressive measures to reduce those emissions and reporting on these reduction measures and reduction plans; and offsetting any remaining emissions through investments in the Pacific Carbon Trust, which will invest in greenhouse gas reduction projects outside of the Council's scope of operations;
- ensure the Shareholder is advised in advance of the release of any information requests by the Council under the *Freedom of Information and Protection of Privacy Act*;
- ensure any debit/credit card payment services provided to the public are in compliance with the international Payment Card Industry (PCI) Data Security Standards;
- for Corporations subject to the *Public Sector Employers Act*, ensure the Council's membership in the Crown Corporation Employers' Association is in good standing;
- annually assess the Board appointment process to ensure that succession results in a balance of renewal and continuity of Board membership, and provide the results of this assessment to the Shareholder for consideration;
- ensure that Board appointments to Crown corporation subsidiaries comply with Board Resourcing and Development Office's Best Practice Guidelines and are approved by Cabinet; and
- comply with government's requirement that lobbyists not be engaged to act on behalf of the Council in its dealings with government.

In addition, the Shareholder directs the Council to take the following specific actions in the 2011/2012 fiscal year:

- i) In light of the current fiscal situation, conduct an assessment and provide a summary report by October 1, 2011 outlining how well the University Industry Liaison Offices and the British Columbia Regional Science and Technology Network member councils are meeting their stated goals and performance measures;
- ii) Work with BCFRST Foundation to develop a new Strategic Plan, including programming and budget recommendations, for the \$50 million Natural Resources and Applied Sciences Research (NRAS) Endowment by October 1, 2011;
- iii) Continue to drive the development of a network of incubators and accelerators to develop entrepreneurial talent and commercialize technology through startups, and continue to drive partnerships between academia and industry through directed and applied research projects, and through this encourage additional industry investment in research and technology; and,
- iv) Provide advice to the Minister, as requested, in support of the advancement of technology commercialization and the entrepreneurial science and technology culture in British Columbia.

## **SHAREHOLDER'S RESPONSIBILITIES**

The Shareholder is responsible for the legislative, regulatory and public policy framework in which Crown corporations operate. In order to meet these responsibilities and support achievement of government's performance expectations, the Shareholder will:

- issue performance management guidelines, including guidelines for Service Plans and Annual Service Plan Reports (<http://www.gov.bc.ca/caro/publications/index.html>); and
- review and provide feedback and final approval of the Corporation's Service Plans and Annual Service Plan Reports.

The Shareholder has developed policies for Ministries and Crown corporations for Capital Asset Management (<http://www.fin.gov.bc.ca/tbs/camf.htm>) and Remuneration Guidelines for Appointees to Crown Agency Boards (<http://www.gov.bc.ca/caro/publications/index.html>). The Shareholder has also issued the Best Practice Guidelines – BC Governance and Disclosure Guidelines for Governing Boards of Public Sector Organizations (<http://www.lcs.gov.bc.ca/brdo/governance/index.asp>). During the term of this Letter, the Shareholder may provide additional policy direction to the Crown agency sector, and will communicate such direction to the Corporation as decisions are made.

The Shareholder will also, on a continuing basis, monitor the achievement of the goals, objectives, performance and financial targets and risk assessments identified in the Council's Service Plan.

Specific to the Council, the Shareholder:

- Approves the Council's mandate as defined under the *British Columbia Innovation Council Act*;
- Continues the Council as an agent of the Crown; and
- Provides feedback to the Council in regards to any future NRAS programming that is being considered by the Council.

## **AREAS OF SHARED ACCOUNTABILITY:**

### **Reporting**

The Shareholder and the Council are committed to transparency and accountability to the public. The Shareholder has put in place a public reporting structure which is set out in the *Budget Transparency and Accountability Act*, the *Financial Administration Act*, and the *Financial Information Act* and has provided the Council with an Information Requirements and Events Calendar which sets out financial and performance reporting requirements (<http://www.gov.bc.ca/caro/publications/index.html>). The Council agrees that it will meet these financial and performance reporting requirements. If government determines that changes to the reporting requirements are necessary, the Shareholder will communicate these to the Council.

The parties agree that, as a matter of course, each will advise the other in a timely manner of any issues that may materially impact the business of the Council and/or the interests of the Shareholder, including information on any risks to achieving financial forecasts and performance targets.

It is agreed that the Council will post the most recent signed copy of the Shareholder's Letter of Expectations on its website. Crown Agencies Resource Office will also post a signed copy of the Letter on its website.

## Review and Revision of this Letter

The Minister of Small Business, Technology and Economic Development is accountable for undertaking reviews of this Letter and monitoring its implementation. The Crown Agencies Resource Office is responsible for co-ordinating the overall process for preparing Letters of Expectation, and may assist the Minister in undertaking reviews of this Letter and monitoring its implementation. If deemed necessary by either party, the Shareholder and the Council will discuss any issues and may agree to amend this Letter on a more frequent than annual basis.



Honourable Iain Black  
Minister of Small Business, Technology  
And Economic Development

*Oct 14, 2010*

Date



Greg Aasen  
Chair, British Columbia Innovation  
Council

*Oct 7, 10*

Date

cc. Honourable Gordon Campbell  
Premier

Allan Seckel  
Deputy Minister to the Premier and Cabinet Secretary

Graham Whitmarsh  
Deputy Minister and Secretary to Treasury Board  
Ministry of Finance

Don Fast  
Deputy Minister  
Ministry of Small Business, Technology and Economic Development

Dean Rockwell  
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Marie Ty  
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