

**From:** "Wenezenki-Yolland, Cheryl AEIT:EX"  
<Cheryl.WenezenkiYolland@gov.bc.ca>  
**Date:** 5 November, 2012 6:28:58 AM PST  
**To:** John Jacobson <jjacobson@bcic.ca>, "Berkes, Andrea AEIT:EX"  
<Andrea.Berkes@gov.bc.ca>  
**Cc:** "Turner, Shauna JTST:EX" <Shauna.Turner@gov.bc.ca>, "MacDonald,  
Cairine AEIT:EX" <Cairine.MacDonald@gov.bc.ca>, "Meadows, Jennifer L  
AEIT:EX" <Jennifer.Meadows@gov.bc.ca>  
**Subject: Re: Funding**

Thank you for the update John.

Andrea, we do need to initiate a note for the minister. I believe it will come from shauna's team.

Cheryl Wenezenki-Yolland

On 2012-11-04, at 10:59 PM, "John Jacobson" <jjacobson@bcic.ca> wrote:

Good evening Shauna, Cairine and Cheryl

It looks like the members of the BC Regional Science and Technology Network, the collective organization for the regional Science Council partners that BCIC has funded for the last decade or so, believe that they can solve their funding problem by having a dialog with the Minister. This is not an unexpected outcome.

Lori Ackerman wears a lot of hats: she's the Mayor of Fort St. John, the Executive Director of Sci-tech North, and the chair of the BC Regional Science and Technology Network (BCRSTN). The BCRSTN had a conference call on Friday to discuss BCIC's funding model for their groups. S13

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I briefed Shauna on this issue last week, and I discussed a small part of it with Cairine at dinner on Friday in Nanaimo. Cheryl, I'm not sure that this will come across your desk, but I wanted you to know in case it starts getting some profile.

I'm surprised and pleased that I got a heads-up from Lori. S13

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At this point, other than to acknowledge Lori's note, I don't plan to respond. I've said everything that I can (to Lori and her fellow RSTN members) and at this

point it's between the RSTN and the Ministry. If you need me to do something or work with someone on a briefing note, please let me know.

Cheers

JJ

-----Original Message-----

From: Lori Ackerman [<mailto:lori@scitechnorth.bc.ca>]

Sent: Sunday, November 04, 2012 6:25 PM

To: John Jacobson

Subject: Funding

Good evening John,

Just to give you a heads up that there could be a call from Minister Yap's office.

We are still seeking clarification of the funding and I realized that if the Ministry letter went to your Board, they will likely not be willing to release it. So we are requesting it from the Ministry. I know you will understand our need for this information when I tell you that this funding model could shut down up to 6 Councils at the end of March 2013.

Have a wonderful evening,

Lori

Lori Ackerman

Typed and sent on iPad



## **GOVERNMENT'S LETTER OF EXPECTATIONS**

**BETWEEN**

**THE MINISTER OF JOBS, TOURISM AND INNOVATION  
(AS REPRESENTATIVE OF THE GOVERNMENT OF BRITISH COLUMBIA)**

**AND**

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

**FOR 2012/13**

### **PURPOSE**

This Letter of Expectations (the Letter) provides the government's annual direction to the Crown corporation and is an agreement on the parties' respective accountabilities, roles, and responsibilities. The Letter confirms the Council's mandate and priority actions, articulates the key performance expectations as documented in the Shareholder's Expectations Manual for British Columbia Crown Agencies<sup>1</sup>, and forms the basis for the development of the Council's Service Plan and Annual Service Plan Report. 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 Government 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 the government's investment principles for the advancement of research and innovation in British Columbia, as articulated in the British Columbia Research and Innovation Strategy.

## **SPECIFIC CORPORATION ACCOUNTABILITIES**

To achieve this mandate, the Council is directed to take the following specific actions in the 2012/13 fiscal year:

- Work in partnership with the government to implement the approved recommendations outlined in the 2011/12 British Columbia Innovation Council Mandate Review; and,
- 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.

## **GENERAL COUNCIL ACCOUNTABILITIES**

Over the past decades, British Columbians have come to expect high quality products and services delivered by their Crown corporations. The Province is well served by our Crown corporations and it is up to the Boards and Senior Management teams of these organizations to manage in the best interests of the Province and our citizens.

As a Crown corporation, it is critical that the operations of the entity be done as efficiently as possible, in order to ensure families are provided with services at the lowest cost possible. In addition, it is expected that Crown corporations, to the greatest extent possible, participate in the Government's open data and public engagement opportunities.

British Columbians rightly expect openness and transparency from both their Government and Crown corporations and it is incumbent upon both parties to be as open and transparent as possible with citizens.

Government sets broad policy direction to ensure the Corporation's operation and performance is consistent with government's strategic priorities and Fiscal Plan, and as such, the Corporation will:

- Ensure that the Corporation's priorities reflect Government's goals of putting families first; creating jobs and building a strong economy; and open government and public engagement;
- Prior to commencing collective bargaining or initiating changes to non-union compensation on or after January 1, 2012, coordinate with Government to develop detailed plans for funding proposed compensation changes or other incentives under the Province's Cooperative Gains Mandate. Plans must be based on real savings and must not include proposals for:
  - increased funding from Government,
  - reductions in service, or
  - transferring the costs of existing services to the public,
  - but may include revenue generation opportunities.

Plans must be reviewed and approved by Government before any proposed changes to union or non-union compensation are made. Any changes to an approved plan also require approval by

Government.

Commencing the effective date of any changes to the collective agreement and/or non-union compensation plans, the Corporation must report annually to Government on the implementation of a plan, including information on progress in meeting savings targets;

- Government is undertaking reviews of all Crown corporations. The Corporation is expected to participate in the review as requested, and to implement the results of the review;
- At this time of fiscal constraint, government has initiated a review of incentive pay and will be communicating with Boards in early 2012;
- Conduct its affairs 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;
- Inform Government immediately if the Corporation is unable to meet the performance and financial targets identified in its Service Plan;
- Comply with Government'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 Corporation'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 Corporation's scope of operations;
- Ensure Government is advised in advance of the release of any information requests by the Corporation 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 Data Security Standards;
- For Corporations subject to the *Public Sector Employers Act*, ensure the Corporation'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 Corporation in its dealings with government.

## **GOVERNMENT'S RESPONSIBILITIES**

### **SPECIFIC GOVERNMENT RESPONSIBILITIES**

Specific to the Council, the government will:

- Undertake the 2011/12 British Columbia Innovation Council Mandate Review in participation with the Council; and,
- Identify specific actions that the government plans to undertake to support the direction provided in the Council Accountabilities section above.

### **GENERAL GOVERNMENT RESPONSIBILITIES**

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

- Issue performance management guidelines, including annual guidelines for Service Plans and Annual Service Plan Reports (<http://www.gov.bc.ca/caro/publications/index.html>);
- Review and provide feedback and final approval of the Council's Service Plans and Annual Service Plan Reports; and,
- On a quarterly basis, meet with the Council to review the achievement of the goals, objectives, performance and financial targets and risk assessments identified in the Council's Service Plan, and provide direction to the Council as required.

The government has developed the following policies and resources to support the ministries and Crown corporations with their regulatory and public policy requirements:

- Shareholder's Expectations Manual for British Columbia's Crown Agencies (<http://www.gov.bc.ca/caro/publications/index.html>);
- 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>);
- Remuneration Guidelines for Appointees to Crown Agency Boards (<http://www.aved.gov.bc.ca/psec/appointeenumeration.htm>)

- Capital Asset Management Framework (<http://www.fin.gov.bc.ca/tbs/camf.htm>)

## AREAS OF SHARED ACCOUNTABILITY

### REPORTING

The government and the Council are committed to transparency and accountability to the public and have reporting and disclosure requirements in the *Budget Transparency and Accountability Act*, the *Financial Administration Act*, and/or the *Financial Information Act*. The government provides an Information Requirements and Events Calendar


(<http://www.gov.bc.ca/caro/publications/index.html>) to the ministries responsible and the Crown corporations that set out the dates the Crown corporations must submit their financial information, service plans, annual service plan reports, and other information to government in order to meet the statutory reporting dates and other government requirements.

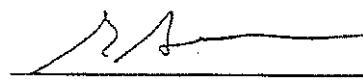
The parties agree that each will advise the other in a timely manner of any issues that may materially affect the business of the Council and/or the interests of the government, including information on any risks to achieving financial forecasts and performance targets.

The Council will post the most recent signed copy of the government's Letter of Expectations on its website and the Crown Agencies Resource Office will post a signed copy of the Letter on its website.

### REVIEW AND REVISION OF THIS LETTER

The Minister of Jobs, Tourism and Innovation is accountable for undertaking reviews of this Letter and monitoring its implementation. The government and the Council may agree to amend this Letter on a more frequent than annual basis.

  
Honourable Pat Bell  
Minister of Jobs, Tourism and Innovation

  
Greg Aasen  
Chair, British Columbia Innovation Council

Jan 13, 2012  
Date

Jan 25, 2012  
Date

cc Honourable Christy Clark  
Premier



John Dyble  
Deputy Minister to the Premier and Cabinet Secretary

Peter Milburn  
Deputy Minister and Secretary to Treasury Board  
Ministry of Finance

Dana Hayden  
Deputy Minister  
Ministry of Jobs, Tourism and Innovation

Mark Payne  
Chief Executive Officer  
British Columbia Innovation Council

Marie Ty  
Executive Director  
Crown Agencies Resource Office



TWENTY TWO C PARTNERS INC

# **Core Mandate Review Report:**

## **BC Innovation Council**

**September 2011**

Pages 11 through 58 redacted for the following reasons:

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Our Ref: 68748

OCT 02 2012

Ms. Jill Leversage  
Chair, Board of Directors  
British Columbia Innovation Council  
9th Floor, 1188 West Georgia Street  
Vancouver, B.C. V6E 4A2

Dear Ms. Leversage:

Further to the Mandate Review completed by the former Ministry of Jobs, Tourism and Innovation, now the Ministry of Advanced Education, Innovation and Technology (AEIT), this Letter of Direction is intended to provide specific guidance to the British Columbia Innovation Council (BCIC) regarding its mandate and future programming. I would like to confirm that BCIC is to continue as a Crown corporation, with the mandate to develop entrepreneurial talent and advance commercialization in British Columbia. BCIC's focus will be to competitively position British Columbia in today's global knowledge economy in order to provide significant employment opportunities and a high standard of living for British Columbians. BCIC will also retain key relationships with the BC Regional Science and Technology Network (BCRSTN) and the University Industry Liaison Offices (UILOs), and should endeavour to support priority sectors of the provincial technology ecosystem as identified in the BC Technology Strategy.

As a result of the Review, I would request that BCIC move forward with the following recommendations:

1. Divest itself of all non-core responsibilities, including Science Fairs and secondary school programs;
2. Incubate and develop key programs in partnership with AEIT and deliver programs through well-established partners that use outcomes-based reporting and transparent practices;
3. Align BCIC's board governance model with Board Resourcing and Development Office (BRDO) policies and best practices;

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Ministry of Advanced Education,  
Innovation and Technology and  
Minister Responsible for Multiculturalism

Office of the  
Minister

Mailing Address:  
PO Box 9080 Stn Prov Govt  
Victoria BC V8W 9E2

Location:  
Parliament Buildings  
Victoria

4. Develop a new set of outcome-based performance measures as part of a rigorous approach to planning and evaluation, and extend these metrics to partner selection and reporting; and
5. Diversify programming to expand entrepreneurship programs and support in priority sectors as outlined in the BC Jobs Plan.

More specifically, the Board should also give consideration to the following additional recommendations in order to align with the best practices of Crown corporations:

- Set up a board structure compatible with other Crown corporations, with an accompanying contract for fulfilling the duties of a board director, formalize conflict-of-interest rules, and define board director expectations and accountabilities, including attendance and time commitment expected.
- Work with BRDO to complete board recruitment, ensuring the gaps in skills and competencies are taken into account and BC Jobs Plan sectors are represented, and deliver a formal on-boarding and orientation to new board directors to ensure they understand their role and accountabilities.
- Recruit and select BCIC executives and staff using a competency profile and a strong, transparent recruiting process including references.
- Work with the Public Service Employers Council and BRDO to ensure compensation is appropriate for the CEO; the board may need to undertake a market compensation study in order to make a case for its recommended salary range.
- Develop a performance contract for the CEO that includes development and execution of an operating plan that is directly a result of the strategic plan to build the right organizational structure, roles, competencies and capacity for a highly credible organization.

With specific regard to the operations of BCIC, it is further recommended that the following actions be taken in 2012/13:


- Develop a full strategic plan, including assumptions, financial and economic information, external socio-economic research, risks and specific risk mitigation strategies, data from industry partners and government (the shareholder's expectations), and AEIT's strategic priorities and advice.
- Develop and formalize a process for funding partner proposals that includes specific criteria, ideally including a peer-review process, and hold the executive team accountable for implementation and measurement of satisfaction amongst key stakeholders, such as industry partners, UILOs and BCRSTN Councils.

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The Board is further directed to meet with AEIT officials in Fall 2012 to review and follow up on the implementation of these directives. Meetings with AEIT Executive and the BCIC Board Chair and CEO should also occur on a quarterly basis to discuss specific goals and performance measures to be used in the upcoming Service Plan and Service Plan Annual Reports.

AEIT officials and I look forward to continuing to work in close partnership with BCIC to ensure the Council's mandate and programming align with Government's priorities, including the BC Jobs Plan and recently released BC Technology Strategy.

Sincerely,

A handwritten signature in black ink, appearing to read "John Yap". The signature is stylized with a large, sweeping initial "J" and a long, horizontal stroke extending to the right.

John Yap  
Minister