



SHAREHOLDER'S LETTER OF EXPECTATIONS

BETWEEN

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

AND

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

PURPOSE

This Shareholder's Letter of Expectations between the Shareholder and the Council is an agreement on the respective roles and responsibilities of each, and serves as the basis of agreement between the Shareholder and the Council on corporate mandate including high-level performance expectations, public policy issues and strategic priorities¹. It will be reviewed annually and updated as required. The Shareholder's Letter of Expectations should inform the development of the Council's Service Plans and Annual Service Plan Reports. The Letter applies to the Shareholder and the Council. This Letter does not create any legal or binding obligations on the part of the Shareholder or the Council but rather is intended to define and promote a positive and co-operative working relationship.

¹ The Province of British Columbia's *Governance Framework for Crown Corporations* (http://www.gov.bc.ca/cas/down/govframe_redraft.pdf) establishes guiding principles for the governance of Crown corporations. The Governance Framework also identifies roles and responsibilities for the Shareholder and Crown corporations and provides for a Shareholder's Letter of Expectations (Letter) to be jointly developed

Government has provided the following direction to BC Arts Council:

- to provide support for the arts and cultural community in BC;
- to provide an opportunity for people to participate in the arts in BC; and
- to provide an open, accountable and impartially administered process for managing provincial arts-related funds.

The Parties hereby specifically agree that:

COUNCIL ACCOUNTABILITIES

In responding to government's performance expectations and the general and specific frameworks and direction of the Shareholder, the Council will:

- conduct its affairs to achieve its mandate and the performance expectations and objectives of the Shareholder, including establishing and implementing corporate strategies, policies, programs, plans and financial outcomes that are consistent with the Shareholder's general direction and consistent with principles of efficiency, effectiveness, and customer service;
- prepare Service Plans with clearly articulated goals, objectives, strategies and performance measures and targets, and annual reports that detail progress toward achieving those goals;
- conduct its operations and financial activities in a manner consistent with the legislative, regulatory and policy framework established by the Shareholder;
- develop and implement strategies to manage risks identified in the Service Plan;
- provide the Shareholder with reports and other information that would enable the Shareholder to carry out its responsibilities;
- provide information to the Shareholder if the Council is unable to meet the targets identified in its Service Plan; and
- take appropriate action to ensure that if Shareholder-directed transactions affect the Service Plan or financial targets of the Council, the Shareholder is informed of any impacts.

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:

- establish, review, revise and communicate Crown corporations' mandates;
- establish the overall and Crown-specific financial frameworks under which Crown corporations operate (borrowing, investment, and payment to the Shareholder);
- issue performance management guidelines, including guidelines for service planning and annual reports (<http://www.gov.bc.ca/cas/rpts/>);

- provide strategic input and advice to Crown corporations in the development of their Service Plans and Annual Reports;
- provide broad policy direction and confirmation of general frameworks/principles to Crown corporations, within which the Crown corporations may establish and apply specific policies/processes;
- advise Crown corporations of government's priorities, strategic decisions and public policy and performance objectives and expectations that may impact the Crown corporations; and
- issue directives or orders or sponsor submissions on behalf of Crown corporations that may be required to seek decisions or policy direction by the Executive Council or its committees, in order to facilitate Crown corporations fulfilling their mandates and achieving the performance targets outlined in Crown corporations' Service Plans.

The Shareholder has recently developed policies for ministries and Crown corporations for Capital Asset Management (<http://www.fin.gov.bc.ca/tbs/camf.htm>), First Nations accommodation, and Board remuneration policies for Crown agencies. As well, during the term of this Letter, the Shareholder also anticipates providing policy direction in a number of areas that will affect Crown corporations, including:

- CEO and executive compensation;
- risk management;
- zoning and land use;
- property taxation;
- climate change;
- donations; and
- environmental remediation.

The Shareholder will also, on a continuing basis, monitor the achievement of the goals, objectives and targets identified in Crown corporations' Service Plans.

Specific to the Corporation, the Shareholder:

- approves the Council's mandate under the *Arts Council Act* to:
 - consult and collaborate with arts and cultural organizations, artists and artists' organizations, ministries of the government, local governments and other communities of interest in carrying out its purposes,
 - allocate the money appropriated annually for the council by the Legislature, and
 - support arts and culture in British Columbia through the following:
 - (i) public education, research and advocacy;
 - (ii) awarding grants to any person or organization from the money appropriated for the council;

(iii) the production and distribution of information about the council and the arts and culture in British Columbia.

AREAS OF SHARED ACCOUNTABILITY:

Communications

It is agreed by both the Shareholder and the Council that, to ensure effective and efficient day-to-day communications and relationship building, officials representing both parties will be tasked with implementing the contents of this Letter and keeping the Minister Responsible and the Board of Directors informed of progress in a timely fashion.

Reporting

The Shareholder and the Council are committed to enhanced transparency and accountability to the public. The Shareholder has put in place a public reporting structure set out in the *Budget Transparency and Accountability Act*, the *Financial Administration Act*, and the *Financial Information Act*. The Shareholder will provide the Council with a financial reporting calendar and details of performance reporting requirements (<http://www.gov.bc.ca/cas>). 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.

It is agreed by both the Shareholder and the Council that there will be advance discussion and review of key strategic documents such as Service Plans, Quarterly Reports and Annual Reports. These discussions will be completed sufficiently in advance to ensure effective and timely input by the Shareholder.

In addition to these financial and performance reporting requirements, the Council agrees to provide information to the Shareholder related to risks and opportunities anticipated in achieving financial forecasts.

The Council will work with the Shareholder to maximize opportunities to profile arts issues and events to mutual advantage, and all significant Council communications and publications will be provided to the Shareholder for review and comment at least two business days prior to publication.

The Shareholder and the Council 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 or the interests of the Shareholder.

Review and Revision of this Letter

In addition to co-ordinating the overall process for preparing this Letter on behalf of the Shareholder, the Crown Agencies Secretariat is accountable for 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.



Honourable John Les
Minister of Small Business
and Economic Development

OCT. 7 / 04
Date



Donald Shumka
Chair of the Board
BC Arts Council

Oct. 19, 2004
Date

cc. Honourable Gordon Campbell
Premier

Brenda Eaton
Deputy Minister to the Premier, Corporate Planning and Restructuring
Office of the Premier

Dana Hayden
Deputy Minister and CEO
Crown Agencies Secretariat