

Alberta Innovates

Mandate and Roles Document

The Mandate and Roles Document for the Alberta Innovates corporation (the Corporation) has been developed collaboratively between the Minister of Economic Development and Trade (the Department) and the Corporation to reflect a common understanding of their respective roles, responsibilities and accountabilities in accordance with the *Alberta Research and Innovation Act* and Regulation and the *Alberta Public Agencies Governance Act* (Act).

Legislative Authority

Alberta Innovates is a research and innovation corporation established by section 6.1(3) of the *Alberta Research and Innovation Act*.

The object of the Corporation is to support research and innovation activities aligned with Government of Alberta priorities including, without limitation, activities directed at discovery, commercialization and application of knowledge.

The Corporation is to do either or both of the following:

- a) Meet the research and innovation priorities of the Government of Alberta in the following areas or in a combination of the areas:
 - Agriculture
 - Forestry
 - Energy
 - Health
 - The Environment
 - Any other area determined under the regulations
- b) Foster the development and growth of new and existing industries through research and innovation.

Applicable Legislation

The Corporation has responsibilities under, and is subject to, several statutes and regulations under those statutes, including the:

- *Alberta Research and Innovation Act* and Regulation
- *Alberta Public Agencies Governance Act* (APAGA)
- *Fiscal Planning and Transparency Act*
- *Financial Administration Act*
- *Freedom of Information and Protection of Privacy Act* (FOIP)
- *Public Sector Compensation Transparency Act* (PSCTA)
- *Public Interest Disclosure (Whistleblower Protection) Act*
- *Public Service Employee Relations Act*
- *Reform of Agencies, Boards and Commissions Compensation Act*
- *Government Organization Act* (section 11)
- *Public Sector Pension Plans Act*

The Corporation is also required to comply with certain domestic and international trade agreements to which Alberta or Canada, as the case may be, is a party (e.g. New West Partnership Trade Agreement).

1. Corporation Vision and Mandate

The vision of Alberta Innovates is to be indisputably recognized as a leader – provincially, nationally and internationally – in catalyzing research and innovation in Alberta.

The mandate of the Corporation is:

- Outcomes Oriented: The Corporation accelerates progress in research and innovation with a focus on commercialization, which is particularly aligned with Alberta's world-class strengths, contributing to tangible outcomes that offer value to Albertans, such as a more diversified economy, enhanced environmental performance and a healthier population.
- User-Driven and Responsive: The Corporation takes a responsive, market/user-driven approach that enables Alberta's innovators across current and emerging sectors by providing a single-entry point to meet a range of needs such as:
 - Network/partners across the research and innovation continuum;
 - Funders;
 - Business/technical expertise and applied research services to de-risk and accelerate research and innovation to the next level for impactful application; and
 - Building capacity of Alberta's next generation of innovators.
- Collaborative: The Corporation catalyzes coordinated approaches to drive outcomes through partnerships across all orders of government, the private sector (particularly entrepreneurs), academia and other research and innovation stakeholders.
- Strategic: The Corporation advises the Government of Alberta on its policy development, bringing innovation leadership, foresight and expertise to the Government of Alberta's overarching system strategy for research and innovation and programs, and leverages the Corporation's strategic partnerships across stakeholders and multiple Government of Alberta ministries.
- Transparent and Accountable: The Corporation will demonstrate and communicate the tangible value of public investment in innovation to Albertans, via success stories and performance measures.

2. Duties and Responsibilities

The Minister

The Government of Alberta is responsible for the legislative, regulatory and policy frameworks in which the Corporation operates.

The Minister is accountable to the Legislature for the Corporation. The Minister reports to the Legislature on the business affairs of the Corporation and answers questions about the Corporation.

The Minister:

- Recommends to the Government of Alberta the appointment of the Corporation's Board of Directors, Chair and Vice Chair based on her/his assessment that the appointees have the appropriate knowledge, skills, competencies, experience, attributes and values to assist the Corporation in achieving its outcomes and performing its functions.
- Recommends to the Government of Alberta the research and innovation outcomes and targets, supported by the Corporation's strategy and business plans, and works collectively with respective Ministers to endorse the actions needed to achieve outcomes and targets.
- Approves research and innovation system policy and overarching system strategy development led by the Department utilizing the advice and input of the Corporation. The Minister garners the endorsement of respective Ministers to take responsibility for utilizing the approved policies and strategies that leverage our strengths and accelerate research and innovation advances that meet the needs of Albertans.
- Approves the Corporation's business plan, budget and annual report which enable the Minister to gauge performance of the Corporation and ensure that it is fulfilling its mandate in compliance with Government of Alberta policies and direction.
- Reviews the Corporation's mandate and purpose, at least every seven years, to determine if the work of the Corporation is still relevant to the needs of Albertans, if it is aligned with Government of Alberta priorities, and if the operations and functions are being carried out in a manner that can achieve Government of Alberta priorities and the Corporation's mandate and if the Corporation's governance structure remains appropriate to its mandate and functions.

The Deputy Minister (includes the Department of Economic Development and Trade (Department))

The Deputy Minister supports the Minister and acts under the general direction of the Minister on matters relating to the Corporation's mandate and performance. The Deputy Minister, or anyone acting on his behalf, such as the Assistant Deputy Minister, Science and Innovation Division, Economic Development and Trade, is responsible for the activities outlined below:

- Maintains regular contact and communication with the Board Chair and Chief Executive Officer (CEO) to support the Corporation with its delivery of programs and services, and to advise the Corporation of Government of Alberta policies or direction in relation to:

- the Corporation’s business plan, budget, and annual report preparation.
- implementation of research and innovation system outcomes and targets.
- development and/or implementation (in coordination with respective Government of Alberta ministries) of research and innovation system policy (including overarching system strategy) and related action plans.
- initiating/building strategic relationships with other levels of government and with other organizations/companies to attract high growth partnerships and agreements.

To meet the responsibilities delegated to the Corporation, the Government of Alberta and the Deputy Minister are responsible for supporting the Corporation in the following areas:

- Orientation on Government of Alberta expectations of the Corporation’s Board of Directors (the Board).
- Financial Resources, as the Government of Alberta is the Corporation’s primary source of funding.

Board Chair

The Chair represents the Board and its interests, as well as the interests of the Corporation, in dealing with the Minister, the Deputy Minister, the CEO, and stakeholders within and beyond the Government of Alberta. As such, the Chair develops strong working relationships and maintains open lines of communication with these parties. The Chair provides leadership to the Board and effectively facilitates its work.

The Chair is responsible for:

- Overseeing the performance of the CEO.
- Overseeing the review and approval by the Board of the Corporation’s strategic plan business plan, and annual report.
- Planning and managing Board meetings.
- Ensuring that the Board, and its committees, have opportunities to meet independent of management.
- Administering the Code of Conduct and Conflict of Interest Policy and ensuring that conflict of interest matters relative to respective members are addressed by the Board.
- Informing the Minister and Deputy Minister on a timely basis (verbally and/or in writing) of:
 - Material developments and significant emergent issues, incidents and opportunities; and
 - Mitigation approaches and updates on the resolution of issues and incidents which have escalated from emergent to critical status.

This will be particularly important in relation to implementation of research and innovation system outcomes and targets as outlined by the Government of Alberta, and implementation of research and innovation system policy (including overarching system strategy).

- Ensuring that the Board conducts an annual evaluation of its own performance, (including its committees, the Chair, Vice-Chair and individual Directors) and the performance of the CEO. The Chair brings forward results of the evaluations for Board review, discusses opportunities to improve Board effectiveness, and may use findings to recommend Board renewal through recruitment of new members, or replacement of existing members.
- Monitoring the effectiveness of the Board and, where cause exists, recommending to the Minister, with a copy to the Deputy Minister, the removal of a Board Director.
- Receiving a Board Director's resignation and sending a copy of that resignation to the Minister and the Deputy Minister within 5 business days of the Director's resignation.

The Board

Accountable to the Minister, the Board is responsible for the governance of the Corporation and overseeing the management of the Corporation's business affairs. This includes oversight of the Corporation's CEO, as well as the Corporation's budget, expenditure authority, and human resources policies.

Directors must act honestly and in good faith, leaving aside personal interests to advance the public interest and the mandate of the Corporation. This includes supporting the CEO in all matters that will assist the CEO achieve the research and innovation mandate and outcomes of the Corporation.

The Board is responsible for:

- Collaborating with the Minister and Deputy Minister to define the research and innovation outcomes and targets and liaising, in coordination with the Department, with respective Ministers to endorse the actions needed to achieve outcomes and targets.
- Advising the Minister and Deputy Minister on research and innovation system policy and overarching research and innovation system strategy led by the Department.
- Approving the Corporation's strategic plan.
- Approving and recommending for submission to the Minister all matters which require approval, as prescribed by applicable legislation, including the Corporation's business plan and annual report which is to report on respective business plan years. Business plans and annual reports are to be submitted for each fiscal year in the form and at a time acceptable to the Minister.
 - Business planning practices and processes should:

- Align with research and innovation outcomes and targets, as set by the Government of Alberta.
 - Consider principal risks, and appropriate mitigation strategies, associated with the Corporation's business.
- Once business plans and annual reports have the Minister's final approval, they will be made available to the public via the Corporation's website, as required by the *Fiscal Planning and Transparency Act*, Section 10(3).
- Identifying appropriate Board governance processes to assist in fulfilling its mandate including:
 - The development of bylaws including those which govern roles and responsibilities of Directors and Officers.
 - Frequency of meetings and use of teleconference participation.
- Establishing the Corporation's Code of Conduct, Conflict of Interest and Confidentiality policies and ensuring that all directors comply. A copy of these policies will be provided to the Minister and will be made available to the public through the Corporation's website.
- Communicating (via the Chair) with the Minister/Deputy Minister on items of mutual concern, and ensuring that all material developments and significant emergent issues of the Corporation are disclosed to the Minister/Deputy Minister on a timely basis.
- Establishing committees that are useful for good governance and oversight of the Corporation and ensuring that a written mandate of each committee is reviewed and approved annually. The Board has established the following standing committees:
 - Executive Committee
 - Audit/Finance
 - Governance and Human Resources
 - Strategy and Business Planning
- Monitoring the financial performance of the Corporation, ensuring that, with the advice of the external auditors, the financial results are reported on a timely and regular basis and in accordance with any legislated requirements and the Generally Accepted Accounting Principles (GAAP) to ensure adequate and appropriate financial stewardship.
- Monitoring the overall performance and activities of the Corporation and identifying any material developments and significant emergent issues and opportunities that are to be disclosed on a timely basis by the Chair to the Minister and the Deputy Minister, particularly in relation to the implementation of research and innovation system outcomes and policy (including overarching system strategy).

- Overseeing compliance with all relevant Government of Alberta policies, procedures and standards by which the Corporation operates and ensuring that the Corporation operates, always, in compliance with all applicable laws and regulations, and to the highest ethical standards;
- Appointing the CEO; setting CEO compensation (subject to Ministerial approval and applicable legislation); determining CEO powers, duties and functions; and monitoring and evaluating the CEO's performance.
- Ensuring that adequate plans are in place for management development and succession and conducting an annual review of such plans;
- Developing a competency profile or matrix that outlines the skills, experience and knowledge that Directors require as a collective. When vacancies arise, these profiles or matrices will facilitate identification of the competencies required of the recruited Director, and will support the Minister in identifying appropriate candidates.
- Providing an orientation to new Directors about the Corporation, including governance practices.
- Providing ongoing development opportunities for the Directors;
- Ensuring that every Director, officer and employee of the Corporation complies with the legislation that the Corporation is subject to, and the bylaws of the public Corporation / corporation.
- Conducting an annual evaluation of the performance of the Board (including its committees, the Chair, Vice-Chair and individual Directors) and reviewing the results of the evaluations to identify opportunities for improving Board effectiveness.
 - Individual Director evaluations may be used to identify opportunities to improve each Director's competence and to inform potential re-appointments.

The CEO

Reporting to the Board, the CEO leads the management of the Corporation within the mandate, policies, standards and budget approved by the Board and in alignment with Government of Alberta policy or direction. This will involve leading the Corporation while making a significant impact on the Alberta research and innovation system. The CEO and the Corporation will work on a local, national and international level in developing innovative solutions towards achieving a socially acceptable, diversified, and prosperous economy for Alberta.

The CEO is responsible for the:

- Development and implementation of the Corporation's strategy, as approved by the Board and within the standards and policies of the Corporation; this includes delivering programs and services within the standards and policies of the Corporation and the Government of Alberta.

- Implementation of strategies and action plans related to the research and innovation outcomes and targets established by the Government of Alberta.
- Development of the Corporation's three-year business plans (with annual updates) and annual reports in accordance with the guidelines provided by the Minister.
- Day-to-day management of the Corporation.
- Delegation of authority to employees and others.
- Establishment of appropriate systems for the general administration, staffing and financial management and control of the Corporation to ensure adequate and appropriate stewardship.
- Monitoring of performance and taking corrective action when problems are identified.
- Management of the Corporation's risk in providing services and care of the Corporation's assets; the status of these risks being periodically reviewed by the Board. The CEO is charged with the responsibility to assure that the Board and its committees are kept well informed of changing risks on a timely basis.
- Provision of support to the Board to allow it to carry out its governance responsibilities.
- Maintaining effective communications and working proactively with the Board Chair, the Deputy Minister, senior staff in the Ministry, other Ministries as required, stakeholders such as post-secondary institutions and other stakeholders (within and outside Alberta); this is particularly important when the Corporation is:
 - Developing and implementing Corporation level strategy in alignment with Government of Alberta direction and policies;
- Consulted for input/advice regarding development of research and innovation system outcomes, targets and policy (including overarching system strategy).
- Administration of the Code of Conduct, Conflicts of Interest and Confidentiality policies to ensure that conflict of interest matters relative to the respective employees are addressed.
- "Chief Officer" duties in fulfilling all legislative requirements as designated by the *Public Interest Disclosure (Whistleblower Protection) Act* and Regulation.
- Addressing how the Corporation interacts with the public and establishing procedures that clearly identify consultation with the Government of Alberta and the roles and responsibilities between the Corporation and the Government of Alberta regarding communicating with the public.

Subsidiaries

The CEO will work closely with the leadership of the subsidiary organizations of the Corporation to build alignment to the Government of Alberta's direction while also considering industry requirements.

C-FER Technologies (1999) Inc. and InnoTech Alberta Inc. are wholly owned subsidiaries of the Corporation.

- C-FER Technologies (1999) Inc.'s mandate is to enable the energy industry to implement new technology and novel engineering solutions in challenging applications. C-FER focuses on:
 - Supporting globally competitive commerce in Alberta by facilitating the use of leading edge technology by oil and gas, and pipeline operators involved in the development of very challenging resources.
 - Building new large-scale test equipment that is not available anywhere else in the world. This unique testing capability is augmented by engineering expertise in the following areas: Oil Sands, Arctic Operations, Pipelines, and Deepwater Developments.
 - Addressing issues associated with safety, efficiency and minimizing the effect of operations on the environment,
 - Facilitating Joint Industry Projects (JIPs) to solve problems that are common to upstream operators and pipeline companies.

Located in Edmonton, C-FER has two facilities with a world-class laboratory in which full-scale equipment qualification testing can be performed, at high pressure, temperature, and load conditions, as well as in sour environments. The Exploration and Production (E&P) Division focuses on work related to drilling and completion, and production operations. The Pipeline and Structures (P&S) Division conducts work in the areas of pipeline design and construction, and pipeline integrity management.

- InnoTech Alberta Inc. has been established to assist the Corporation in carrying out its mandate. InnoTech's primary focus will be to facilitate the conversion of applied research to economic, social and environmental benefits for Alberta.

Working with the Corporation, InnoTech will link basic research and commercial outcomes in accordance with the strategic directions for research and innovation as set out by the Government of Alberta. This will be achieved by operating laboratories, performing applied research and development, and delivering laboratory services in key areas of strength, in multiple locations within the province for government and industry clients.

3. Recruitment and Appointment of Directors

In this Mandate and Roles document, a Director means a Board member.

Directors are appointed by the Government of Alberta and collectively constitute the Board. Appointments are for fixed terms, with the potential for re-appointment based on satisfactory performance as assessed by the Chair and the Minister, to a maximum of ten (10) years of continuous service. The Board shall make recommendations to the Minister on the preferred length of Director fixed terms to reduce risk of board turnover and to manage Board continuity and succession planning.

The Government of Alberta is committed to an open, transparent, competency-based recruitment and appointment process for Alberta's public agencies. This commitment helps ensure that governing boards are comprised of a diverse range of qualified individuals, who can effectively execute their mandates in the best interest of Albertans. (*Source: Guidebook for Appointments to Alberta's Public Agencies, Public Agencies Secretariat, Government of Alberta.*)

- The Public Agencies Secretariat (PAS) tracks appointment term expiries and notifies the Minister's and Deputy Minister's Office 12 months in advance.
- The Department and the Board (in consultation with the CEO) develop the proposed recruitment plan including the recruitment posting, position profile, competency matrix and an external advertising plan (optional). The Minister's approval of the recruitment plan is required before the recruitment process can begin. The Minister may contact the Board Chair or Deputy Minister to discuss the plan and request changes.
- After the Minister's approval of the recruitment plan, the Department submits the document to PAS at least one week in advance of the desired posting date; PAS publishes the recruitment posting and director profile on the Government of Alberta Public Agencies, Boards and Commissions website. The Department is responsible for any external advertising requirements such as targeted newspaper ads and social media. Advertising is coordinated through the Alberta Government of Alberta's central advertising agency.
- When the recruitment closes, the Department and the Board screen the applications based on the director profile and competency matrix, and develop a recommended short list of applicants.
 - Candidates will be assessed based on applicable skills/competencies, knowledge, experience, attributes and values identified by the Board and approved by the Minister.
 - Conflict of interest and other screening shall be completed before a list of suitable candidates is prepared for submission to the Minister.
- The Department sends the recommended short list of applicants to the Minister for approval. The Minister reviews the short list and may consult with the Premier's Office. The Minister approves the shortlist of applicants to be interviewed and directs the Department to schedule the interviews.
- Interviews are conducted by a panel comprised of representatives from the following: the Minister's Office, the Board and an external executive search firm, as identified in the recruitment plan. (Deputy Minister's Office representation is optional.)
- When interviews are concluded, the Department provides the list of qualified candidates to the Minister for approval. The package may include a recommendation for the Minister. The Minister selects the applicant(s) to be recommended to Cabinet for appointment and directs the Department to draft the final appointment package. (Board appointments are approved by Cabinet through an Order in Council which is signed by the Lieutenant Governor and published on the Queen's Printer website.)

- The Minister notifies the successful applicant(s) of their appointment and the Department or search firm notifies unsuccessful candidates.

4. Interaction between the Corporation and the Department

The Corporation will:

- Provide the Department with advice and input, as required, on Department led activities such as the development of research and innovation system outcomes, targets, and policies (including overarching system strategy).
- Advise the Department of any security incidents, including privacy breaches.
- Provide the Department advance notice of public announcements.
- Consult, as required, with the Department when:
 - Developing and implementing the Corporation's strategy.
 - Preparing budgets, business plans and annual reports.
- Consult, as required, with other relevant Government of Alberta departments when:
 - Developing the Corporation's strategy.
 - Preparing business plans and annual reports.

For each of the above stated activities, the Corporation will advise the Department of potential or existing issues that both parties need to be aware of and/or that need to be addressed by one or both parties.

The Department will:

- Consult with the Corporation when:
 - Developing or refining research and innovation system level outcomes, targets (with related measures), and policies (including overarching system strategy).
 - Initiating/building strategic relationships with other orders of government and with other organizations/companies to attract and manage high growth partnerships and agreements.
- Provide guidance to the Corporation when advising on Government of Alberta direction related to budgets, business planning and annual reporting.

For each of the above stated activities, the Department will advise the Corporation of potential or existing issues that both parties need to be aware of and/or that need to be addressed by one or both parties.

Key Department Contact:

- The Deputy Minister, or anyone acting on his behalf, such as the Assistant Deputy Minister, Science and Innovation Division (SI), Economic Development and Trade.

Other Department Contacts:

- On governance and accountability related issues - including the *Alberta Research and Innovation Act* and Regulation (and related legislation); the research and innovation system outcomes and targets; Corporation budget, business planning and annual reporting; and Research Capacity funding - Executive Director, Innovation System Engagement, (SI).
- On issues related to research and innovation system policies (including overarching system strategies and programs):
 - Science and Innovation Policy and Strategy - Executive Director.
 - Technology Partnerships and Investments - Executive Director.

5. Administration

Review of the Mandate and Roles Document

The Mandate and Roles document shall be in effect for not more than three years. It must be renewed, amended or replaced three years from the date when the last party signs this document.

The Mandate and Roles document may be amended at any time; any amendment must be signed by the Chair and the Minister.

Transparency

Copies of the Mandate and Roles document will be filed with the Minister of Economic Development and Trade, the Corporation and the Public Agencies Secretariat. In support of the principle of transparency, this document will also be easily available to the public on the Corporation's website.

Periodic Corporation Review

The mandate and operations of every public agency must be reviewed by the responsible Minister at least every seven years or earlier, if there is a significant reorganization of government functions or if the Government of Alberta wishes to realign its priorities. A review of the Corporation will be scheduled for no later than 2024.

[Original signed by Judy Fairburn]

Judy Fairburn, Board Chair
Alberta Innovates

Date: March 22, 2017

[Original signed by Minister Bilous]

Honourable Deron Bilous, Minister
Economic Development and Trade

Date: May 9, 2017