



Crown Agency Governance in BC

Reflections on 7 Years of Reform

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Presentation Overview

- **Crown Agency Sector in BC**
- **Key Issues**
- **Key Reforms**
- **Balancing Autonomy and Accountability**
- **Key Results**
- **Next Steps**



Crown Agency Sector in BC

- Over 200 different Crown Agencies
- Annually, deliver over \$30B in services
- 10 out of government's 15 \$1B+ organizations are Crown Agencies – only 5 are ministries
- Deliver public goods or services: Social Services, Hydro-electricity, Universities, Schools
- Deliver services that need shared government and market involvement: P3's, Liquor Retailing, Auto Insurance, Independent Power Generation



Crown Agency Sector in BC

➤ Commercial Crown Corporations in BC:

- BC Hydro and Power Authority
- BC Lottery Corporation
- BC Railway Company
- BC Transmission Corporation
- Insurance Corporation of BC
- Liquor Distribution Branch

➤ Annual revenues = \$13B+

➤ Annual dividends = \$2B+



Why Reform?

- **Events in 1990's led government to re-examine its role with BC Crown Agencies (e.g., compromised credibility due to scandal; unclear mandates; poorly defined roles and responsibilities; and, numerous stakeholder boards)**

- **In 1996, the OAG recommended the Province:**
 - **commit to good governance practices standards**
 - **provide clear direction and set performance expectations**
 - **hold Crown Agencies accountable**



Key Reforms

- **Distributed Accountability** – shared responsibility for public funds
- **Transparency** – clear government direction and clear planning and reporting
- **No Surprises** – communicate to address the unexpected

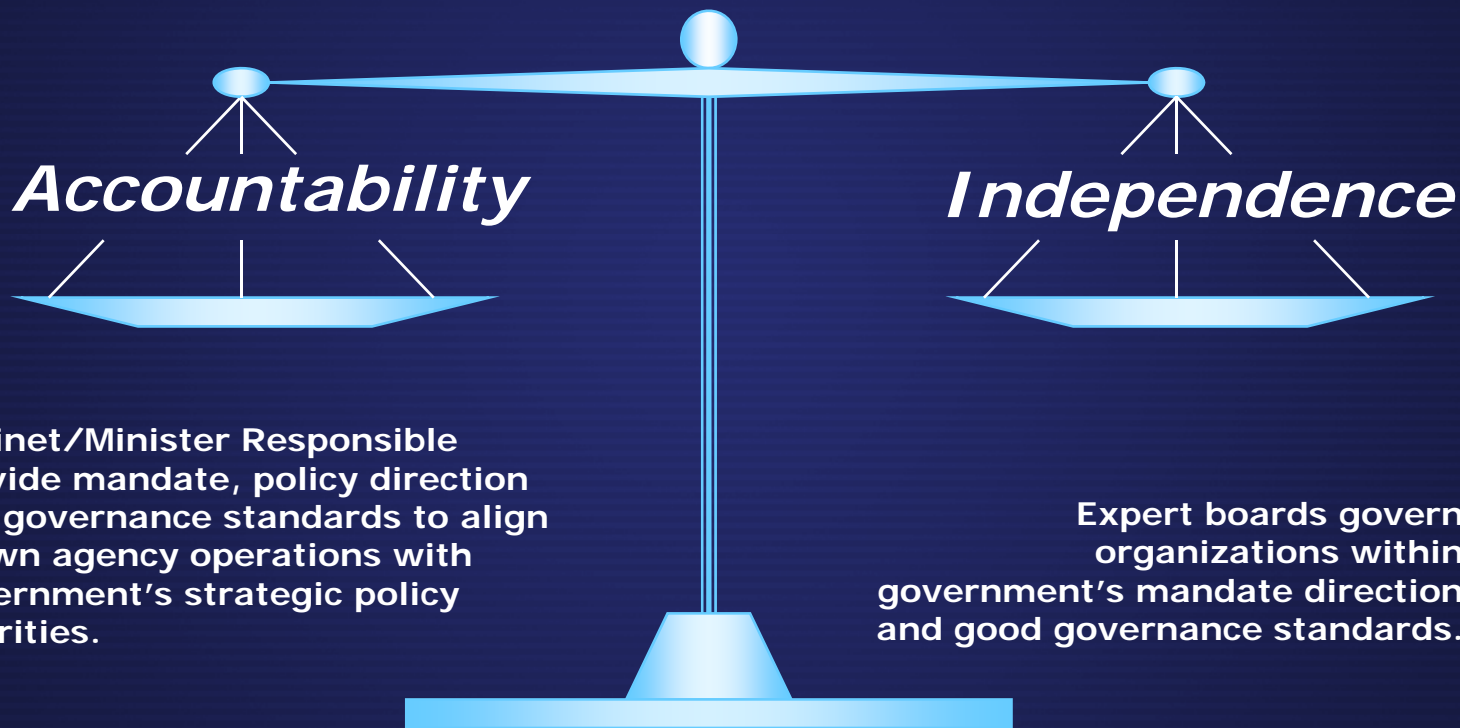


Key Reforms

- 1. Comprehensive Mandate Review of all Crown Agencies**
- 2. Skills Based Transparent Board Appointments**
- 3. Best Practice Corporate Governance Standards**
- 4. Transparent Planning and Reporting Regime**
(Budget Transparency and Accountability Act, BC Reporting Principles)
- 5. Enhanced Legislative Oversight** (Select Standing Committee on Crowns, Plans and Reports tabled)
- 6. Best Practice Accountability System** (Letters of Expectation, clear roles)



Balancing Accountability and Independence



Cabinet/Minister Responsible provide mandate, policy direction and governance standards to align Crown agency operations with government's strategic policy priorities.

Expert boards govern organizations within government's mandate direction and good governance standards.

Crown Agency Accountability System ensures good governance, accountability and transparency standards are overseen and met, to recognized standards.

Crown agencies are provided with business flexibility to achieve performance targets.



Key Results

- 1. Policy Alignment** of Crown Agencies to Government Strategic Plan
- 2. Transparency** - mandate direction, planning and reporting, board appointments
- 3. Good Governance** – board stability, best practice governance standards with high level of adherence
- 4. Improved Performance** – no fiscal plan surprises, increased revenues
- 5. Credibility** – third party validation from Auditor General, Conference Board of Canada, international/national peers



Next Steps

- **Enhanced Training** for board members, government and Crown Agency staff
- **Board self-assessments**
- **Enhanced Crown Agency performance and benchmarking**
- **Increased harmonization of Crown Agencies and government** (common approach to Climate Action etc.)



Questions?



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