SPECIES AT RISK CONSERVATION TRUST

operating as the

SPECIES CONSERVATION ACTION AGENCY

Annual Report FY 2023-2024

Contents

Message from the Chair

A grateful thank-you is extended to my fellow Board members, the Minister of the Environment, Conservation and Parks (Minister), the staff of the Ministry of the Environment, Conservation and Parks (Ministry) and our own Agency staff for their collective support this past year. Their efforts have contributed to the fulfillment of key deliverables as outlined in the FY 2023-2024 Letter of Direction from the minister to the Species Conservation Action Agency (Agency).

The Agency engaged an interim CEO, and under their leadership advanced the Agency's move to full independence from the Ministry, developed the Agency's inaugural Three-Year Business Plan and ensured full transparency of the Agency's activities.

A highlight of the upcoming year will be the sharing of the Agency's Funding Plans and the launching the funding program to support species a risk protection and recovery activities. The many organizations and individuals engaged in these activities will be important partners in meeting these objectives.

Ian Barrett
Chair
Species Conservation Action Agency

Agency Overview

The Species at Risk Conservation Trust, operating as the Species Conservation Action Agency (Agency), is a board-governed Provincial Agency responsible for administering and managing the Species at Risk Conservation Fund (Fund). Since April 2022, businesses, municipalities and individuals have had the option to pay a species conservation charge into the Fund rather than complete certain on-the-ground actions as a condition of their permit, agreement or conditional exemption under the *Endangered Species Act, 2007* (ESA). The Agency's mandate is to protect and recover select species at risk and their habitats through investments from the Fund.

The Agency:

- is committed to contributing to the conservation of the province's rich biodiversity;
- will finance strategic and coordinated actions that support positive outcomes for designated species at risk (i.e., conservation fund species); and
- will protect and recover conservation fund species and their habitats through investments from the Fund.

In 2019, amendments to the ESA were enacted, establishing the Fund, to fund activities that are reasonably likely to protect or recover conservation fund species, i.e., species on the Species at Risk in Ontario List designated for the purpose of the Fund. In 2021, the Agency was established by Ontario Regulation 651/21 under the ESA, with its objects set out in the ESA. The Agency is responsible to the Minister of the Environment, Conservation and Parks (the Minister).

The Agency shall:

- receive all money from allowable sources and deposit the money into the Fund;
- determine which activities are eligible for funding from the Fund;
- enter into funding agreements with persons to ensure that the funded activities are carried out in accordance with the purpose of the Fund;
- administer and manage the money in the Fund;
- pay money out of the Fund in accordance with the purpose of the Fund and in accordance with the ESA and any Minister's guidelines; and
- perform the duties and exercise the powers assigned to the Agency by the ESA and the regulations.

As of April 29, 2022, regulations came into effect that:

- designate conservation fund species (O. Reg. 829/21);
- prescribe how species conservation charges are to be calculated and paid (O. Reg. 829/21); and
- allow for the option of payment of species conservation charges by businesses, municipalities and individuals when they engage in activities under certain prescribed conditional exemptions (O. Reg. 830/21).

Once fully operational, the Agency will:

- develop funding plans for each conservation fund species in accordance with O. Reg. 651/21 (Funding Plans) to guide decisions regarding the types of activities that the Agency plans to prioritize to receive funds from the Fund. Prior to spending any Fund money in respect of a conservation fund species, the Agency must publish on the Agency's website the Funding Plan in respect of that species;

- determine what projects and activities to fund for the protection or recovery of the conservation fund species. Activities that receive funding must comply with the agency's objects and contribute to the protection or recovery of these species; and
- provide information on the approach to funding projects and activities when available.

The vision for the Fund is to undertake species protection and recovery activities that deliver long-term, measurable results and that benefit from a pooled funding approach.

In addition to the legislation and regulations that govern the work of the Agency, the Agency is further guided by a Memorandum of Understanding (MOU), updated in April 2024 and the FY 2023-2024 Minister's Letter of Direction. The purpose of the MOU is to:

- establish the accountability relationship between the Minister and the Chair;
- clarify the roles and responsibilities of the Minister, the Chair, the Deputy Minister, the CEO, and the Board; and
- clarify the operational, administrative, financial, staffing, auditing and reporting arrangements between the Agency and the Ministry.

A copy of the Agency's FY 2023-2024 Letter of Direction can be found in Appendix C.

Fiscal Year 2023-2024 Actions

In FY 2023-2024 the Agency continued to achieve several milestones in the set-up of the organization's administrative and operating systems, to enable full independence from the Ministry.

Key accomplishments included:

- Appointing an interim CEO in January 2024, while a competitive process was underway for the hiring of a permanent CEO.
- Advancing the start-up of the Agency's operations, with a move towards full independence.
- Completing the Agency's accountability requirements, including the filing of the 2022-2023 Annual Report and the development of a Three-Year Business Plan for the fiscal period 2024-2027.
- Launching the development of funding plans for Bobolink/Eastern Meadowlark and Butternut.

Impact of Risk Events on Results Achieved

The most significant risk event impacting the ability of the Agency to achieve the results in the timeframe outlined in the MOU and in the Letter of Direction were the process delays in launching the recruitment for the CEO position. Securing a permanent CEO is essential to implementing the mechanics of the Fund (e.g., development of species-specific Funding Plans) and planning for strategic species protection and recovery initiatives. While the hiring of an interim CEO in January 2024 partially mitigated the impact, the hiring delays contributed significantly to delays in achieving key deliverables.

Board of Directors

The Species Conservation Action Agency membership allows for three to five voting members, comprised of:

- one chair;
- up to two vice-chairs; and
- up to three members

All members are appointed by the Lieutenant Governor in Council.

Board of Directors (2023-2024 members)	Member Since	Term	Total Remuneration Paid from April 1, 2023 to March 31, 2024
Ian Barrett, Chair	August 31, 2023	31-Aug-2023 – 30-Aug-2026	$0
Dolf DeJong, Vice-Chair	January 27, 2022	27-Jan-2023 – 26-Jan-2026	$3,360.00
Sally Krigstin	January 27, 2022	27-Jan-2023 – 26-Jan-2026	$900.00
Paul Norris	January 27, 2022	27-Jan-2023 – 26-Jan-2026	$1,200.00
Samuel VanderVeer	March 16, 2023	16-Mar-2023 – 15-Mar-2026	$0

Appointees are remunerated according to Schedule A - Level 1 of the Agencies and Appointments Directive.

Species at Risk Conservation Fund

As of March 31, 2024

Conservation Charges Revenue by Species	April 1, 2023 – March 31, 2024	April 1, 2022 – March 31, 2023
Bobolink and Eastern Meadowlark	$1,650,280	$ -
Butternut	$716,285	$752,855
Barn Swallow	$10,340	$260,234
Total	**$2,376,905**	**$1,013,089**

Financial Performance

A total of $2,376,905 has been received by the Agency for the fiscal period 2023-2024, from the payment of species conservation charges into the Fund and interest revenue of $99,333.

The Ministry has committed to an amount of up to $702,500 to support the Agency during its start-up operations and has incurred a total of $243,928 as of March 31, 2024. The start-up funds are to be repaid by the Agency to the Ministry by the end of fiscal year 2026-2027.

In 2023-2024 the Agency spent approximately 5% of its revenues on Agency operations.

The audited financial statements for the year ended March 31, 2024 are in Appendix B.

Appendix A: SCAA FY 2023-2024 Achievements in Relation to the FY 2023-2024 Minister's Letter of Direction

The following summarizes the SCAA's accomplishments in meeting the expectations set out in the agency's FY 2023-2024 Letter of Direction from the Minister (attached as Appendix C).

Significant progress was achieved with the hiring of the interim CEO in January 2024.

Key 2023-2024 achievements:

Become Fully Operational

- An interim CEO was hired in January 2024, while the competitive recruitment for the permanent CEO was ongoing. Two experienced part-time staff were also hired to support the completion of key deliverables.
- The Agency's inaugural Three-Year Business Plan covering FY 2024-2027 was developed, incorporating a Human Resource Plan, a Risk Management Framework, Performance Measures and Targets, and an Operational Policy.
- The ongoing set-up of the Agency's operations was advanced.
- The Board approved a SCAA Procurement Policy, Delegation of Financial Management Authority, Human Resource Policy and Pay-for-Performance Framework.

Develop Procurement Package for Preparation of Species-Specific Funding Plans

- Initiated the development of funding plans for Butternut and Eastern Meadowlark / Bobolink, with a target date of late fall 2024 for the posting of the funding plans.

Ensure Transparency

- The Agency submitted its inaugural FY 2022-2023 Annual Report and Three-Year Business Plan (2024-2027) to the Ministry for approval and public posting.
- An updated MOU was signed in April 2024 and posted publicly on May 10, 2024.
- Effective communications remain a cornerstone of the Agency's relationship with the Ministry.

Completion of additional key Letter of Direction deliverables are anticipated for early FY 2024-2025. These include preparing and publishing species-specific funding plans and the approach for disbursing Funds, aligned with the funding plans.

Appendix B: FY 2023-2024 Audited Financial Statements

Financial Statements of Species at Risk Conservation Trust (known as Species Conservation Action Agency)

March 31, 2024

Table of contents

Management’s Responsibility for Financial Reporting

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting policies and methods, and making decisions affecting the measurement of transactions in which objective judgment is required. Species Conservation Action Agency (“SCAA”) did not have its own management until January 2, 2024, with the Ministry of the Environment, Conservation and Parks supporting the Agency operations and considered management until this point.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors are composed entirely of Directors who are neither management nor employees of SCAA. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in these statements. The Board has the responsibility of meeting with management and auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Board is also responsible for recommending the appointment of the SCAA’s external auditors.

The Office of the Auditor General of Ontario is appointed by the Board of Directors to audit the financial statements. The Auditor's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with Canadian public sector accounting standards. The Independent Auditor's Report outlines the scope of the Auditor's examination and opinion.

July 15, 2024

On behalf of management:

Kathryn Gold

____

Kathryn Gold
Chief Executive Officer
Species Conservation Action Agency

Office of the Auditor General of Ontario
Bureau du vérificateur général de l'Ontario

INDEPENDENT AUDITOR'S REPORT

To the Species at Risk Conservation Trust

Opinion

I have audited the financial statements of the Species at Risk Conservation Trust (operating as the Species Conservation Action Agency) (SCAA), which comprise the statement of financial position as at March 31, 2024, and the statements of operations and accumulated surplus, changes in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the SCAA as at March 31, 2024 and the results of its operations, changes in its net financial assets and its cash flow for the year ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the SCAA in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the SCAA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the SCAA either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the SCAA's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SCAA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the SCAA's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the SCAA to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Toronto, Ontario
July 15, 2024

Jeremy Blair, CPA, CA, LPA
Assistant Auditor General

Statement of Financial Position

As at March 31, 2024

	2024	2023
Financial assets		
Cash	$ 3,494,706	$ 1,048,605
Interest receivable	$ 12,308	$ 4,066
GST/HST receivable	$ 3,630	$ -
	$ 3,510,644	**$ 1,052,671**
Liabilities		
Accounts payable & accrued liabilities	$ 84,833	$ 21,649
Due to Province of Ontario (Note 3)	$ 243,928	$ 192,600
	$ 328,761	**$ 214,249**
Net financial assets	**$ 3,181,883**	**$ 838,422**
Non-financial assets		
Prepaid expenses	$ 2,888	$ 3,292
	$ 2,888	**$ 3,292**
Accumulated surplus	**$ 3,184,771**	**$ 841,714**

The accompanying notes are an integral part of the financial statements.

Approved by the Board of Directors

Ian Barrett
Chair, Board of Directors

Statement of Operations and Accumulated Surplus

For the year ended March 31, 2024

	2024	2023
Revenues		
Species conservation charges revenue (Note 4)	$ 2,376,905	$ 1,013,089
Interest income	$ 99,333	$ 18,159
	$ 2,476,238	**$ 1,031,248**
Expenses (Note 3)		
Payroll expenses	$ 58,214	$ -
Legal and professional fees	$ 44,505	$ 149,577
Recruitment	$ 15,000	$ 2,800
Board expenses	$ 5,460	$ 5,410
Insurance	$ 3,936	$ 5,033
Dues and subscriptions	$ 3,411	$ 2,500
Other general and administrative expenses	$ 2,408	$ 12,936
Bank charges	$ 247	$ 225
	$ 133,181	**$ 178,481**
Annual operating surplus	**$ 2,343,057**	**$ 852,767**
Accumulated surplus (deficit), beginning of year	**$ 841,714**	**$ (11,053)**
Accumulated surplus, end of year	**$ 3,184,771**	**$ 841,714**

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Net Financial Assets
For the year ended March 31, 2024

		2024		2023
Annual operating surplus	$	2,343,057	$	852,767
Change in non-financial assets				
Prepaid expenses	$	404	$	(542)
Increase in Net financial assets	**$**	**2,343,461**	**$**	**852,225**
Net financial assets (debt), beginning of year	$	838,422	$	(13,803)
Net financial assets, end of year	**$**	**3,181,883**	**$**	**838,422**

The accompanying notes are an integral part of the financial statements.

Statement of Cash Flows
For the year ended March 31, 2024

		2024		2023
Operating activities				
Annual operating surplus	$	2,343,057	$	852,767
Changes in working capital accounts				
Interest receivable	$	(8,242)	$	(4,066)
Prepaid expenses	$	404	$	(542)
Accounts payable and accrued liabilities	$	63,184	$	21,649
GST/HST receivable	$	(3,630)	$	-
Due to Province of Ontario	$	51,328	$	178,797
Change in working capital accounts	**$**	**103,044**	**$**	**195,838**
Cash provided by operating activities	**$**	**2,446,101**	**$**	**1,048,605**
Increase in cash	**$**	**2,446,101**	**$**	**1,048,605**
Cash, beginning of year	$	1,048,605		**-**
Cash, end of year	**$**	**3,494,706**	**$**	**1,048,605**

The accompanying notes are an integral part of the financial statements.

Notes to the Financial Statements

For the year ended March 31, 2024

1. Nature of the agency

The Species at Risk Conservation Trust known as the Species Conservation Action Agency ("SCAA" or the "Agency") is a board-governed provincial agency reporting to the Ministry of Environment, Conservation and Parks (the "Ministry"). SCAA was established on September 16, 2021, under *Ontario Regulation 651/21* under the *Endangered Species Act, 2007* ("ESA").

The Agency's objectives as set out in the ESA are to manage the Species at Risk Conservation Fund (the "Fund") in accordance with the Fund's purpose which is to provide for the funding of activities that are reasonably likely to protect or recover conservation fund species or support their protection or recovery. The Agency must administer and manage the money in the Fund including the receipt of species conservation charges, determine which activities are eligible for funding, enter into funding agreements to ensure funded activities are carried out in accordance with the purpose of the Fund, and perform the duties and exercise the powers assigned to the Agency by the ESA and Regulation.

As a Crown Agency of the Province of Ontario, SCAA is exempt from federal and provincial income taxes under the Income Tax Act ("Canada").

2. Summary of significant accounting policies

a) Basis of accounting

The Financial Statements are prepared by the management of SCAA in accordance with the accounting standards established by the recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA Canada").

b) Revenues

(i) Species conservation charges revenue

Revenue is recognized when SCAA receives a payment from the payor. Regulations under the *Endangered Species Act, 2007* ("ESA") set out the circumstances under which a person registering to an exemption may choose to pay a species conservation charge to the SCAA. The Ministry is responsible for the administration and enforcement of the ESA. The SCAA receives the species conservation charge payment and issues a receipt to the proponent. All amounts received are deposited into the Fund.

A person who has paid a species conservation charge may request a partial or full refund of their payment if the request for a refund is received by the SCAA within 120 days of the payment, the activity related to the refund has not begun. The Ministry is responsible for reviewing and approving the request. Once approved, the SCAA refunds the species conservation charge to the proponent and records a reduction in revenue.

(ii) Interest income

Interest income is recorded on an accrual basis and recognized as earned.

c) Expenses

Expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes expenses as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Notes to the Financial Statements

For the year ended March 31, 2024

2. Summary of significant accounting policies (continued)

d) Cash

Cash includes balances with banks. Interest earned on cash balances is recorded as interest income on the statement of operations and accumulated surplus.

e) Financial instruments

SCAA’s financial assets are cash, GST/HST receivable and interest receivable. Liabilities are accounts payable, and due to Province of Ontario. Cash, interest receivable, GST/HST receivable, accounts payable and due to Province of Ontario are initially recognized at amortized cost, and subject to an insignificant risk of change in value so carrying value approximates fair value.

f) Related party transactions

Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by related parties.

g) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

3. Related party transactions

SCAA is a Crown Agency of the Province of Ontario and is therefore a related party to other organizations that are controlled by or subject to significant influence by the Province.

Prior to January 1, 2024 SCAA did not have employees to manage its day-to day operations. To support SCAA's early operations, the Ministry incurred start-up costs on behalf of the SCAA, with the exception of bank charges. In fiscal 2024, the Ministry incurred expenses totaling $51,328 (2023 - $ 175,506) and prepaid expenses of $ 2,888 (2023 - $ 3,292). The SCAA is obligated to reimburse the Ministry for these start-up costs by the end of the fiscal year 2026-2027.

The Due to the Province balances are separately disclosed on the Statement of Financial Position.

Other related party transactions included, $4,746 (2023 – $17,728) of the Species conservation charges revenue from Ontario Power Generation and $Nil (2023 – $7,964) from Metrolinx which are both included in the Statement of Operations and Accumulated Surplus.

In addition, the Ministry provided staff to manage the SCAA's day-to-day operations. Salaries and benefits of Ministry staff were absorbed by the Ministry and are not included in the Statement of Operations and Accumulated Surplus.

Notes to the Financial Statements

For the year ended March 31, 2024

4. Species conservation charges revenue

The following table details the disaggregation of the SCAA's species conservation charges revenue by designated conservation fund species:

	2024	2023
Bobolink and Eastern Meadowlark	**$ 1,650,280**	$ -
Butternut	**$ 716,285**	$ 752,855
Barn Swallow	**$ 10,340**	$ 260,234
	$ 2,376,905	$ 1,013,089

As of January 25, 2023, Barn Swallow was down-listed on the Species at Risk in Ontario list from threatened to special concern. The species conservation charges received during fiscal 2024 related to activities that were in progress at the time of down-listing.

5. Financial instruments risk management

Liquidity risk is the risk that the SCAA will not be able to meet its cash flow obligations as they fall due. As noted in Note 3, the Ministry currently pays for the majority of SCAA's expense transactions. Amounts Due to the Province are non-interest bearing and are expected to be repaid by the end of fiscal year 2026-27.

6. Budget

The SCAA continued to build its operations in 2023-2024 and did not have a Board approved budget for the period April 1, 2023 to March 31, 2024.

Appendix C: Minister’s Letter of Direction for the FY 2023-24

November 9, 2022

Doug Varty
Chair, Species Conservation Action Agency
Email: douglasrvarty@gmail.com

Dear Mr. Varty,

Thank you for your leadership this past year as Chair of the Species Conservation Action Agency (SCAA or Agency). Under your guidance, the Board has made progress, including setting up the Species at Risk Conservation Fund (Fund) and accepting species conservation charges, undertaking activities to recruit a CEO and establishing the Agency’s initial governance policies. To continue building on these achievements, I am sharing my 2023-24 expectations and priorities for the SCAA.

As Chair, you play a vital role in ensuring the SCAA achieves its mandate. It is important that the Agency’s goals, objectives, and strategic initiatives continue to align with our government’s priorities and direction. As part of the government of Ontario, agencies are expected to act in the best interests of the people of Ontario and ensure that they provide value for money to taxpayers.

I expect you and the Board to manage the Fund in a sustainable, transparent, responsible, and flexible manner that will restore, protect, and maintain the needs of the conservation fund species. Prudent spending must focus on effective recovery actions for conservation fund species in alignment with the purpose of the Fund.

The Agency’s operational and administrative finances, supported by the Fund, will remain independent from the province. The Agency is expected to repay the Ministry of the Environment, Conservation and Parks (ministry) for any startup funds by 2026-27.

Below are the items that I would like to see SCAA prioritize and accomplish in the next year.

Become Fully Operational

- Hire a CEO within the next year.
- Continue to take steps for the Agency to become fully operational, independent of the ministry, including managing and administering the Fund, developing and implementing operational policies and procedures and recruiting qualified employees.
- Continue to plan and implement resources to carry out the Agency’s objectives including developing a sound human resources plan and strategies to attract and retain qualified employees. The SCAA is intended to be nimble and scalable based on the amount of revenues generated.

- Implement the Agency's 2023-2026 Business Plan and associated Operational Policy and deliver on other reporting requirements including completion of an Annual Report to ensure effective implementation of the Agency's objectives. This should include implementing strategies identified in the 2023-2026 Business Plan and associated Operational Policy to minimize spending on administrative and operational costs from the Fund to ensure the Agency is spending funds on high value projects that will support the protection and recovery of conservation fund species.
- Provide an Interim Report in January 2023 to update the ministry on the Agency's progress since its establishment.
- Strategically plan and manage the Agency's operations in a manner that is fiscally responsible and financially sustainable and meets all legal requirements and government directives in consideration of monies received in the Fund.

Increase Revenues

- Work with the ministry to identify opportunities to improve uptake of the Fund option.
- Explore approaches to increase the Fund's revenues to allow for large-scale province-wide strategies to protect eligible species and their habitat.

Develop and Deliver Species-Specific Funding Plans

- Establish a framework to measure and manage progress for eligible conservation fund species.
- Continue to take steps to prepare and publish species-specific Funding Plans for each conservation fund species before disbursing funds for a given species and post the funding plans on the Agency's website.
- Develop an approach to disbursing funds in alignment with the Funding Plans that is transparent and fair in consideration of future oversight, monitoring, and reporting responsibilities.
- Spend funds on projects that are highly beneficial to conservation fund species, and ensure funds are spent within a reasonable time and in a manner consistent with the Funding Plans.

Ensure Transparency

- Quantify results and outcomes to provide the Minister with an update 30 days prior to the submission of the Annual Report, on how the Agency's species-specific Funding Plans have worked to benefit and protect the eligible conservation fund species and include these results and outcomes in the Annual Report.
- Report publicly on the Agency's website, through the Annual Report, on its financial affairs including how it is carrying out its objects and meeting the purposes of the Fund.
- The Annual Report is expected to include an analysis of the Agency's operational and financial performance and actions to be taken if performance measures and targets identified in the Business Plan are not achieved.
- Continue to maintain an effective system of communication with the ministry, stakeholders and the public to ensure information is available on the effectiveness of the Agency and funded activities.

In addition to my own expectations provided, below are government-wide commitments for board-governed provincial agencies that the SCAA is expected to meet, where applicable. Please see the attached guide for further details of each priority. These include:

1. **Competitiveness, Sustainability and Expenditure Management**
    - Identifying efficiencies and savings through innovative practices, and/or improved program sustainability.
    - Operating within the agency's financial allocations.
    - Complying with applicable direction related to supply chain centralization, including contract harmonization for planned and pending procurements, accounting practices and realty interim measures for agency office space.
    - Leveraging and meeting benchmarked outcomes for compensation strategies and directives.

2. **Transparency and Accountability**
    - Abiding by applicable government directives and policies and ensuring transparency and accountability in reporting.
    - Adhering to accounting standards and practices, and responding to audit findings, where applicable.
    - Identifying appropriate skills, knowledge and experience needed to effectively support the board's role in agency governance and accountability.

3. **Risk Management**
    - Developing and implementing an effective process for the identification, assessment, and mitigation of agency risks, including COVID-19 impacts and any future emergency risks.

4. **Workforce Management**
    - Optimizing your organizational capacity to support the best possible public service delivery, including redeploying resources to priority areas, where needed.
    - Supporting the implementation of the Community Jobs Initiative (CJI) by identifying opportunities to relocate new or existing agencies to lower cost communities.

5. **Diversity and Inclusion**
    - Developing and encouraging diversity and inclusion initiatives by promoting an equitable, inclusive, accessible, anti-racist and diverse workplace.
    - Adopting an inclusion engagement process to ensure all voices are heard to inform policies and decision-making.

6. Data Collection

- Improving how the agency uses data in decision-making, information sharing and reporting, to inform outcome-based reporting and improve service delivery.
- Increasing data sharing with Supply Ontario when applicable regarding procurement spending and planning, contract arrangements and vendor relations to support data-driven decision-making.

7. Digital Delivery and Customer Service

- Exploring and implementing digitization for online service delivery, where applicable, to ensure customer service standards are met.
- Using a variety of approaches or tools to ensure service delivery in all situations, including pursuing delivery methods that have evolved since COVID-19.

By delivering on these priorities, we can help to ensure that the SCAA continues to fulfill its ambitious mandate. I look forward to these priorities reflected in the Agency's 2023-26 Business Plan and in ongoing Agency operations.

Thank you and your fellow Board members for your continued commitment to the SCAA. Your work and ongoing support is invaluable to me and the people of Ontario.

Should you have any questions, please feel free to contact my office.

Sincerely,

David Piccini
Minister of the Environment, Conservation and Parks

c: Serge Imbrogno, Deputy Minister
Ministry of the Environment, Conservation and Parks

SCAA Board of Directors

Susan Ecclestone, Director
Species at Risk Branch