



Canada Foundation for Innovation
Fondation canadienne pour l'innovation

Notes for a presentation

by

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to the

**LEGISLATIVE COMMITTEE ON
BILL C-2**

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Check Against Delivery

Thank you.

The Canada Foundation for Innovation is committed to the principles of accountability and is comfortable with the broad objectives of the Accountability Act. It is difficult at this time to comment in detail on the implications for the CFI of Bill C-2 given its complexity and breadth, but I would note that the CFI has always acted within the spirit of the legislation that the Act addresses.

By way of background, the CFI was created by an Act of Parliament in 1997 as an independent corporation. The Funding Agreement between the CFI and the Government of Canada, approved by Treasury Board, sets out the terms and conditions under which the CFI must operate. The CFI is governed by a Board of Directors that sets strategic objectives in the context of the funding agreement and makes the final decisions on projects to be funded based on rigorous merit review.

As such, our key concern will be to ensure that Bill C-2 does not inadvertently jeopardize the integrity of the merit-based awards system that is fundamental to CFI's mandate.

The CFI has numerous accountability measures already in place and incorporates the principles of accountability into every facet of our operations.

For example:

- The CFI annual report is tabled in Parliament through the Minister of Industry, and includes information not only on financial performance, but also on funded projects, evaluations, results, and corporate plans.
- The CFI submits to the Minister the results of independent third-party evaluations of its programs to assess its overall performance in achieving the national objectives identified in the Agreement.
- The CFI submits to the Minister an annual corporate plan that includes planned expenditures, objectives, and performance expectations.
- Further, the Agreement provides that the Minister may require that an audit of the books and records of the CFI be carried out to ensure compliance with the terms of the Agreement.

From its inception, the Board has taken prudent measures to ensure sound accountability and governance practices. We have implemented a strong internal control environment to carry out our activities. These controls are widely accepted in the business and public community and are reviewed by external auditors. Moreover, independent audit firms conduct contribution audits of funded projects to ensure the proper use of public funds.

The CFI promotes an open and transparent approach to communications with a focus on information sharing while respecting the privacy of its client institutions and their researchers.

We have adopted a policy on Privacy and Access to information that provides a right of public access to information and is subject to only a few necessary exceptions to protect the personal information of applicants and reviewers that is critical to the integrity of the merit review system.

In conclusion, as was stated in Budget 2006: “*Foundations have become important vehicles for implementing policy, particularly in areas such as research and development, where expert knowledge, third-party partnerships and peer review are especially important*”.

The key concern, from the perspective of our Board of Directors, is the need to ensure that Bill C-2 does not jeopardize the very nature of the Foundation and the principles on which it was created. The foundation governance model has allowed the CFI to be efficient, accountable, transparent, and flexible enough to adapt to emerging needs in a highly competitive global research environment.

Thank you.