

Agence des partenariats public-privé du Québec



*Partenariats
public-privé*

Québec 

➤ 2005-2006 Annual Report

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Mr. Michel Bissonnette

President of the National Assembly
Parliament Building
Québec City

Dear Sir,

I am delighted to submit the first Annual Report of the Agence des partenariats public-privé du Québec, along with the audited financial statements for the 2005-2006 fiscal year

The report covers the Agency's first year of activity.

Yours sincerely,



Monique Jérôme-Forget

President of the Conseil du trésor and Minister responsible
for the Government Administration

Québec City, July 2006

Monique Jérôme-Forget

President of the Conseil du trésor and Minister responsible for the
Government Administration

Dear Madam,

On behalf of the board of directors and personnel, I am pleased and proud to present the first Annual Report of the Agence des partenariats public-privé du Québec.

The Report covers activities carried out in the year ending March 31, 2006, along with the financial statements and the report of the Auditor General of Québec, as required by the Act respecting the Agence des partenariats public-privé du Québec (R.S.Q. c. A-7.002).

Yours sincerely,



Claude A. Garcia

Chair, Board of Directors



Pierre Lefebvre,

Chief Executive Officer

Québec City, July 2006

Message from the Chair of the Board

The creation of the Agence des partenariats public-privé du Québec, pursuant to the Act adopted in December 2004, was one of the very first steps in the Québec government's plan to modernize the State apparatus in general, and relations with the private sector in particular.

The Agency's role was to provide a real-life example of new methods, in terms of its organization as well as its operations. At the end of this first year, we are proud to be able to say "mission accomplished".

As is only right, the board of directors was the first element of the Agency to reflect this new approach. In addition to the Agency's Chief Executive Officer, it is composed of eight people, four from the public sector and four from the private sector.

This equal division between the public and private sectors is set out in the constituting Act, and has proved to be an asset in both the governance and the development of the Agency's activities. Individually and collectively, the board members are able to contribute a broad range of experience and expertise that has been of benefit to both the discussions and the resolutions concerning the Agency's present and future actions.

From the outset, the Agency's board of directors has taken care to apply and even stay ahead of the new governance rules for State-owned corporations, as set out in the government's policy on the modernization of State agency governance procedures. Clearly, the Agency's governance approach meets many of the policy's criteria, including separation of the positions of Chair and Chief Executive Officer, and equal representation of men and women on the board of directors.

These characteristics of the board, combined with the quality of the men and women who are its members, have transformed it into a unique and most effective forum that has played a significant role in the promotion of best practices for public-private partnerships.

We believe the board of directors is the first-line player for implementation of the Agency's actions and, ultimately, for the carrying out of its mission.

Throughout this first year of existence, the board members have played a vital role in establishing and implementing the processes required to structure and carry out the Agency's activities, in terms of human resources and infrastructures as well as governance policies and rules, and the rules concerning supervision of the financial statements.

The board of directors has formed two committees for this purpose, each composed of members from its own ranks, to which it has delegated specific responsibilities and duties.

The Human Resources Committee is responsible for introducing human resources policies. It is involved in the selection and appointment of the Agency's principal managers, and plays an important role in assessing the performance of the Chief Executive Officer. The Committee must also recommend remuneration standards and scales to the board of directors, along with other conditions of employment for the Agency's managers and employees.

The Audit Committee assists the board of directors with its duty of supervising the way in which management fulfills its responsibilities relating to financial information. The Committee meets with management, examines the financial statements and recommends their approval to the board of directors.

“ These characteristics of the board, combined with the quality of the men and women who are its members, have transformed it into a unique and most effective forum that has played a significant role in the promotion of best practices for public-private partnerships. ”

Claude A. Garcia
Chair, Board of Directors



One of the first actions taken by the board of directors during the year was to prepare and adopt a Code of Ethics and Conduct for members of the board of directors, and a separate Code of Ethics and Conduct for employees. The full text of both Codes has been included in this first Annual Report. They are based extensively on the Statement of Values of Québec's Public Administration, a translation of which may be found in the Appendix.

In view of the Agency's mission and the nature of its actions, and given our goal of ensuring transparency and rigour in the management of the Agency's affairs, the board of directors intends to give its full attention to the enforcement and control of these rules of conduct. We believe the Agency's credibility and legitimacy depend among other things on the integrity of each and every person involved in achieving its mission.

The Agence des partenariats public-privé du Québec has been entrusted with an extremely important mission that, in the current social, political and economic context, constitutes both a challenge and an unprecedented opportunity to contribute to the collective development of Québec.

The Agency's board of directors is involved fully and extensively in the achievement of this mission, and the respective skills of its individual members provide the tools it needs to seize the challenge and grasp the opportunities for development.

The work accomplished during this first year is an eloquent testimony to the commitment of the board members, and I extend my own personal and most sincere thanks for their support and contribution.

I would also like to mention the valuable contributions of Carole Boisvert and Florent Gagné, both of whom left the board during the year.

Lastly, in my capacity as Chair, I give my assurance that we will continue our efforts with the necessary diligence and attention.

A handwritten signature in black ink, appearing to read "Claude A. Garcia".

Claude A. Garcia
Chair of the Board of Directors

Message from the Chief Executive Officer

The first financial year of the Agence des partenariats public-privé du Québec has been a period of intense activity. During the year, every single member of the board of directors and every single member of the team worked hard to acquire the human and material resources needed to pursue the mission and move forward with infrastructure projects.

This Annual Report for fiscal year 2005-2006, ending on March 31, 2006, briefly describes the Agency's actions during the period, along with its contribution to the development of specific public-private partnership projects.

It is difficult to convey all the energy, intensity, concentration and enthusiasm shown by the Agency's personnel throughout its first year of existence. In any case, we are extremely satisfied with what has been accomplished so far, and are even more determined to continue our efforts in the coming year.

CREATION OF THE AGENCY

In June 2004, the Conseil du trésor tabled a framework policy on public-private partnerships, setting out a "structured process for the evaluation of projects offering public-private partnership potential".

The following December, the Act respecting the Agence des partenariats public-privé du Québec established a framework within which the proposed process would be brought into application.

The framework policy and constituting Act were therefore the founding elements of the Agence des partenariats public-privé du Québec, and structure both its organization and its methods.

Today, these two elements have become an essential point of reference for the Agency team, as well as for its public and private sector partners.

MISSION

"The mission of the Agency is to contribute, through its advice and expertise, to the renewal of public infrastructures and the enhancement of services delivered to citizens through public-private partnerships."

The above mission statement appears in the Act respecting the Agence des partenariats public-privé du Québec. It constitutes the guiding principle on which the Agency is based, and towards which the efforts of the Agency's team are directed.

The two key words in the mission statement, namely "advice" and "expertise", are particularly meaningful. For the Agency to fulfill its mission, it must recruit and retain professionals from the public and private sectors with the expertise required to contribute as effectively as possible to the smooth running of its activities and the success of its interventions.

During start-up and the first year of the Agency's operations, a large part of the available energy and resources was directed towards the human component, which is of fundamental importance.

Today, we are pleased and proud to be able to inform our clients – government departments and public agencies, as well as private-sector partners – that they now have access to a team of experienced professionals from both the public and the private sectors. In addition, many of our human resources are familiar with public-private partnerships or have international experience that has proved to be both valuable and necessary.

“ The mission of the agency is to contribute, through its advice and expertise, to the renewal of public infrastructures and the enhancement of services delivered to citizens through public-private partnerships. ”

Pierre Lefebvre
Chief Executive Officer



ACTIVITIES

The Agency's team of professionals, supported by a highly competent administrative workforce, is divided between two offices, one in Québec City, which is also the Agency's head office, and one in Montreal.

Clearly, the acquisition and layout of the Agency's physical infrastructures required a great deal of effort in the first year of operation, and we are extremely satisfied with the results achieved.

The Agency also spent a lot of time and resources on the development and implementation of specific public-private partnerships (PPPs).

One example is the completion of Highway 25. In accordance with its mandate, the Agency acts as joint manager of the public-private partnership process, with the Ministère des Transports, and its professionals are actively involved in the various steps of the process that will lead to the selection of a private sector partner for the project.

The first step in the process – the request for qualification – was launched by the Ministère des Transports in December 2005. A total of three candidates qualified. They will shortly be invited to present a detailed proposal for a public-private partnership aimed at completion of the project.

We are extremely proud to state that the request for qualification document was of very high quality, containing detailed information for potential candidates and the general public alike.

The Agency's contribution to the completion of Highway 25 clearly reflects the approach that we have applied since our inception – a disciplined, professional approach based on transparency and the desire to serve our public and private sector partners as effectively as possible.

In addition to this project, the Agency's team was also actively involved in examining and implementing other public-private partnerships in three sectors in particular, namely transportation, health and culture.

Throughout 2005-2006, the Agency used a number of forums (conferences, lunchtime meetings, symposiums, etc.) to present and discuss PPP project management issues and best practices to a growing audience. The Agency's presence and visibility at events such as this are an integral part of its mission to provide information, and will be sustained at their present rate in the coming months.

THE AGENCY OF TOMORROW

At the end of its first year, the Agence des partenariats public-privé du Québec can be proud of having acquired the tools it needs to develop its activities and pursue its mission.

The coming months will be spent consolidating these tools – physical infrastructures and professional support resources – so that the Agency is able to play its role of carrying out the projects of its public sector partners as efficiently and as advantageously as possible.

The new tools will include a documentation and information centre as well as a website. They will help the Agency to be more efficient in circulating and

promoting best practices in public-private partnerships, among government departments and public agencies as well as private companies and the general public.

We are aware of the scope of our task and the major challenges we face in the short and longer terms. Our achievements in this first year, combined with the quality of our team, have given us the resources we need to approach that task and meet those challenges successfully.

In short, we are confident that the Agence des partenariats public-privé du Québec will reach cruising speed in the coming year and will be in an excellent position to help implement large-scale, structural projects.

A handwritten signature in black ink, appearing to read 'Pierre Lefebvre', with a stylized flourish extending from the end.

Pierre Lefebvre
Chief Executive Officer

Members of the Board of Directors

The affairs of the Agence des partenariats public-privé du Québec are administered by a board of directors composed of its Chief Executive Officer, who is a member of the board by virtue of office, and eight other members appointed by the Government, four of whom are from public bodies and four from the private sector.

The list below reflects the composition of the board of directors as of March 31, 2006.

Claude A. Garcia
Chair

Christiane Barbe
Deputy Minister at the Ministère
de la Culture et des Communications du Québec

Nathalie Bourque
Vice-President, World Communications, CAE

Marcel Boyer
Professor, Department of Economic Science,
Université de Montréal

Denys Jean
Vice-Chair
Deputy Minister at the Ministère des Transports
du Québec
(replacing Florent Gagné)

AUDIT COMMITTEE
Judith Ann Kavanagh, Chair

Marcel Boyer

Nathalie Parenteau

Juan Roberto Iglesias
Deputy Minister at the Ministère de la Santé
et des Services sociaux du Québec

Judith Ann Kavanagh
Consultant

Pierre Lefebvre
Chief Executive Officer of the Agence
des partenariats public-privé du Québec

Nathalie Parenteau
Manager, Public Agency Funding and Financial
Documentation, Ministère des Finances du Québec
(replacing Carole Boisvert)

HUMAN RESOURCES COMMITTEE
Marcel Boyer, Chair

Christiane Barbe

Judith Ann Kavanagh

Organizational Structure

This section describes the Agency's profile, mission and role, and presents its human and material resources.

The Agence des partenariats public-privé du Québec was created pursuant to Bill 61, adopted on December 15, 2004. It is a legal person mandated by the Gouvernement du Québec.

The Agency has its headquarters in Québec City, and also has offices in Montreal. In addition, it offers a centre providing information and documentation on a wide variety of subjects relating to public-private partnerships.

The Agence des partenariats public-privé du Québec is led by a Chief Executive Officer (CEO) appointed by the Government, and its affairs are administered by a board of directors composed of the Chief Executive Officer and eight other members, also appointed by the Government, four of whom are from public bodies and four from the private sector. The positions of CEO and Chair of the Board may not be held concurrently.

OUR MISSION

The mission of the Agence des partenariats public-privé du Québec is to contribute, through its advice and expertise, to the renewal of public infrastructures and the enhancement of services delivered to citizens through public-private partnerships.

OUR ROLE

The Agence des partenariats public-privé du Québec advises the Government on any public-private partnership matter, particularly as regards project selection and prioritization.

In addition, the Agency informs public bodies, the business community and the general public on the concept of public management in the public-private partnership mode. It also promotes best practices.

Lastly, the Agency provides expert services to public bodies for evaluation of the feasibility of their projects in the public-private partnership mode, and for the negotiation, conclusion and management of public-private partnership contracts.

IMPLEMENTATION ACTIVITIES

The first steps in the creation of the Agence des partenariats public-privé du Québec, namely the appointment of Pierre Lefebvre as its Chief Executive Officer and the appointment of the members of the board of directors, were taken in the spring of 2005.

Subsequently, the Agency's energy and resources were directed towards identifying, preparing and implementing the means required to undertake its activities and pursue its mission.

Infrastructures

Physical infrastructure (premises, equipment, communication networks, etc.) took up much of the Agency's effort during the first year, as it established an effective presence in both Québec City, where it has its head office, and Montreal, where most of the large corporations likely to become involved in public-private partnership projects are located. At the end of its first year, the Agency is delighted to report that this part of its work has been successfully completed, and it now has the tools it needs to pursue its mission.

Human Resources

At the same time, the Agency gave priority to staffing, a task that involved establishing job descriptions in the professional and support categories, and then selecting and hiring people to fill them.

Given the specific nature of its role, the Agency sought out professionals from both the public and private sectors with international experience and PPP expertise.

This particular profile reflects a key concern for the Agency, namely attracting the best available skills in areas relevant to the implementation of public-private partnerships, and building an international-calibre centre of expertise.

As of March 31, 2006, the Agence des partenariats public-privé du Québec had 17 employees.

Activities

METHODOLOGICAL FRAMEWORK

Most of the Agency's activities are concerned with analysis of public infrastructure projects using the public-private partnership approach, and disseminating and promoting best PPP practices. To do this, the Agency applies a methodological framework defined in the Public-Private Partnership Framework Policy published in June 2005, and in Bill 61, the Act respecting the Agence des partenariats public-privé du Québec, adopted in December 2005.

The Agency also has a Guide to the preparation of business case, which sets out a rigorous, structured approach to project analysis.

Definition of Public-Private Partnership

A public-private partnership, or PPP, is a long-term contract through which a public agency joins forces with a private sector enterprise, with or without financial input from the private firm, for the design, production and operation of public projects.

The contract sets out the division of responsibilities, risks and benefits, and stipulates the results to be achieved in order to provide better service to the general public.

The PPP approach may be used for infrastructure and equipment projects, and for the provision of services to the general public, and may in some cases involve a financial participation by the private firm.

The Public-Private Partnership Framework Policy

The goals of the Policy are:

- > To give priority to best practices for the provision of public services;
- > To provide public agencies with a structured approach, thus ensuring that projects are carried out in such a way as to provide the best possible price/quality ratio for the citizens of Québec;
- > To obtain the support of the actors concerned.

Ten guiding principles have been derived from these goals, primarily to support public agencies engaging in PPP projects, and also to obtain the support of the actors concerned.

The process of selecting a private sector partner involves preparing a business case and establishing a procurement process.

The Business Case

The business case methodology was developed by the Secretariat of the Conseil du trésor. Its purpose is to structure all relevant project information in order to help decision-makers to assess the public-private partnership option and select the best solution for the case in question.

Basically, the process of preparing a business case can be divided into ten steps, as shown below.

The Ten Steps in the Business Case Preparation Process*

1	NEED	Description, documentation and testing of the need.
2	ANTICIPATED RESULTS	Setting goals, establishing anticipated results and defining performance requirements.
3	POTENTIAL SOLUTIONS	Range and comparative analysis of potential solutions.
4	ASSESSMENT AND CHOICE OF SOLUTION	Defining and applying the assessment criteria, and selecting the most viable solution.
5	ASSESSMENT OF THE PPP APPROACH	Assessment of the applicability and feasibility of the PPP delivery approach.
6	TESTING	Checking with decision-making authorities to see whether the chosen solution should be further examined in order to establish the delivery approach providing the best value for money for the public funds being invested.
7	REFERENCE PROJECT	Financial analysis of the most probable solution using the PPP delivery approach.
8	PUBLIC COMPARATOR	Financial analysis of the most probable solution using the conventional delivery approach.
9	VALUE ANALYSIS	Quantitative and qualitative analysis of steps 7 and 8, to establish the value for money for the public funds being invested.
10	PREPARATION AND TESTING OF THE BUSINESS CASE	Testing of the business case with the decision-making authorities concerned, and application of the project using the PPP approach, where applicable.

If the business case concludes that the project offers potential for the PPP approach, a procurement process must be established.

*The business case preparation guide can also be consulted on the Agency's website at www.ppp.gouv.qc.ca.

Procurement Process

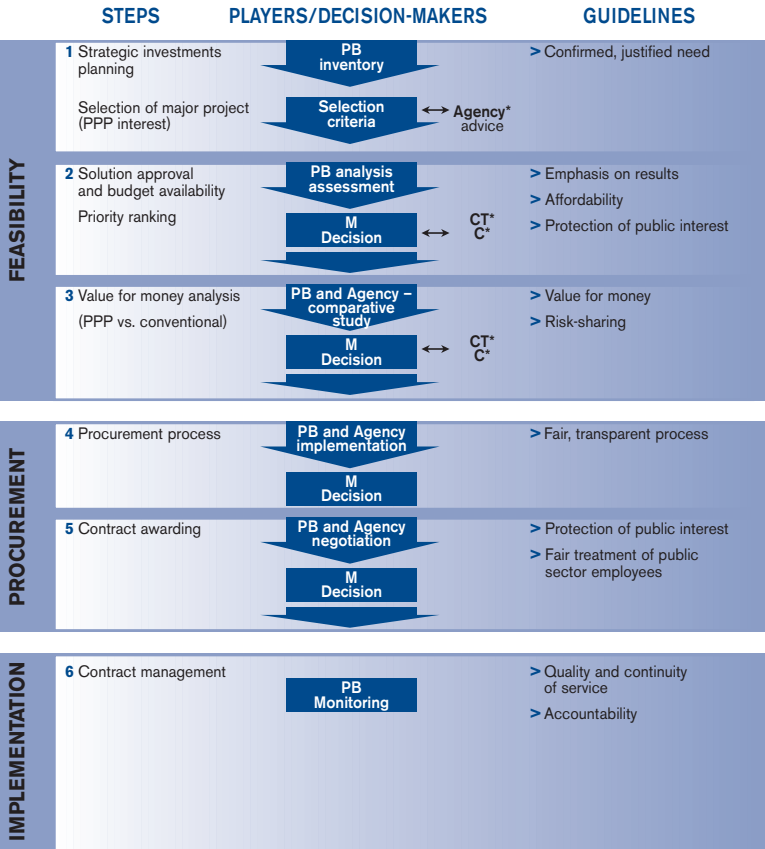
The procurement process involves establishing the approach to be used in selecting a private sector partner, and comprises the following elements: request for expression of interest, request for qualification, request for proposals, and signature of the partnership contract. A brief description of each of these elements can be found below:

- > request for expression of interest: Obtains expressions of interest from the business community, along with comments on the proposed project. This step is optional, depending on the nature of the project.
- > Request for qualification: Candidates submitting qualifying bids must provide evidence of their technical ability to design and build the infrastructure, their technical ability to operate and maintain the infrastructure as part of a PPP, their ability to finance the work and their ability to set up a financing arrangement.
- > request for proposals: Allows qualified firms and consortia to present specific proposals, including a technical component and a price.
- > Signature of the partnership contract: Conclusion of the agreement between the selected private sector partner and the government. Among other things, the contract stipulates the division of risk and the performance criteria that will be applied.

It should be noted that the principal steps in the procurement process are audited by an external resource. In other words, a process auditor must certify that the procurement process has been implemented in accordance with the stated principles.

Once the contract has been signed, a monitoring process is implemented to ensure the quality and continuity of the service.

The following table shows how the Agency's methodological framework fits into the government's PPP approval process.



Legend:

Agency: Agence des partenariats public-privé du Québec
PB: Public bodies
M: Minister

CT: Conseil du trésor
CM: Cabinet
***:** If necessary

PROJECTS

The Agency's constituting Act states that a government department "must use the services of the Agency for any project for which a public-private partnership is considered, if the department is directly or indirectly the main source of financing for the project and if the project is considered to be a major one according to the criteria determined by the Government for that purpose".

The Government has adopted an order-in-council stipulating that a project is "major" when it satisfies one of the following criteria:

- > The project's estimated value (capital cost) is \$40 million or more;
- > The estimated discounted value of payments from all sources spread throughout the term of the public-private partnership is \$75 million or more;
- > The project is a pilot experiment that will be reproduced on a larger scale.

To ensure that PPP projects are managed efficiently, the Agency enters into service agreements with the government departments and public agencies concerned.

Immediately after its inception, the Agency took over a number of specific projects that were under consideration in various government departments. These projects are described briefly below. The descriptions reflect the main steps taken as of March 31, 2006, in the private partner selection process.

Highway 25

Design, construction, operation, maintenance and financing of a 7.2 km, four-lane toll highway between Henri-Bourassa Boulevard in Montreal and Highway 440 in Laval, including a six-lane, 1.2 kilometre bridge.

- > The Agency worked with the Ministère des Transports du Québec (MTQ) to prepare the business case, which was then submitted to the Government for approval;
- > With regard to the procurement process, a request for qualification was issued on December 22, 2005. The Agency then submitted its opinion to the Conseil du trésor;
- > On March 31, 2006, the MTQ officially announced the selection of three qualified candidates;
- > The process auditor submitted a report on the request for qualification.

Highway 30

Design, construction, financing, operation and maintenance of a 42-kilometre, four-lane toll highway in Montérégie, to the south-west of Montreal (35 km between Vaudreuil-Dorion and Châteauguay, plus a 7-km section connecting to Route 201 in Salaberry-de-Valleyfield).

- > The Agency worked with the MTQ to prepare the business case;
- > The Agency submitted its opinion on the request for qualification to the Conseil du trésor.

Rest Areas

Construction, operation, maintenance and financing of seven rest areas on Québec's highways and roads.

- > The business case was produced by the Ministère des Transports du Québec in collaboration with the Agency;
- > A document entitled "Request for Expressions of Interest and Request for Information" was published in July 2005;
- > The request for qualification was issued in June 2006.

Long-term Residential Care Centre (CHSLD)

Design, construction, operation and financing of a pilot project involving a CHSLD in Montérégie.

- > The Agency worked with the Ministère de la Santé et des Services sociaux (MSSS) to prepare the business case;
- > A request for expressions of interest was issued in June 2006.

Centre hospitalier de l'Université de Montréal (CHUM) and McGill University Health Centre (MUHC)

CHUM: Construction of a 700-bed hospital over an area of 250,000 m² at 1000 St-Denis, including the site of the Hôpital Saint-Luc.

MUHC: Construction of a university hospital complex, with a 500-bed campus on the present site of the Glen Railway Yard and a 332-bed campus on the Mountain.

- > The Government, under section 10 of the Agency's constituting Act, asked the Agency to initiate the process for the PPP components of the CHUM and MUHC projects, in collaboration with the Executive Director appointed by the Government, and more specifically to complete the initial business case for the components in question.

A Major New Cultural Complex in Montreal

Design, construction, financing, operation and maintenance of a new cultural complex in Montreal.

- > The Agency worked with the Ministère de la Culture et des Communications du Québec to define the project, which was made public in June 2006.

Olympic Stadium

Design, construction, financing, maintenance and operation of the roof of Montreal's Olympic Stadium.

- > The Agency is assisting the Régie des installations olympiques in this process.

INFORMATION AND COMMUNICATION

Generally speaking, the Agency's mandate with regard to information and communication, as stipulated in its constituting Act, is:

- > To make available, for use by interested persons, a centre of knowledge and expertise on all issues relating to public-private partnerships;
- > To collect and examine information on public-private partnership experiments carried out in Canada and abroad;
- > To inform public agencies, the business community and the general public about the concept of management in public-private partnership mode.

Outreach

Throughout the year, members of the Agency's staff spoke at events on public-private partnership issues in Québec, elsewhere in Canada and the United States.

The Agency's Chief Executive Officer was also interviewed in the media and gave his opinion of PPPs. The Agency, in addition to issuing press releases on individual events, produced a corporate brochure describing the Agency, its mandate and its methodology, in order to fulfill certain communication needs.

Website

An independent website was created in 2006. It presents the Agency's basic documentation (Bill 61, Public-Private Partnership Framework Policy and the Business Case Guide), as well as descriptions of the Agency's current projects. It also contains more general information on public-private partnership contracts.

The website will be used to circulate reference information on Québec's PPP experience, and on PPP experiments in Canada and the rest of the world. In the longer term, it should become Québec's PPP portal.

Information and Documentation Centre (IDC)

As part of its mission, the Agency is currently working to create an Information and Documentation Centre (IDC), which will become a veritable focus of knowledge and expertise. The Centre will provide valuable support for project implementation, and will also meet public information needs. A significant effort will be made to identify PPP knowledge both at home and abroad.

To develop expertise and facilitate access to information, a digital documentation bank will be created and made available via the Agency's website.

These various examples of the Agency's communication strategy clearly illustrate its desire to work transparently and to respond as best it can to requests for information from government departments, the media, researchers and the general public.

Financial Statements and Report of the Auditor General of Québec

This section sets out the Agency's results for the 2005-2006 fiscal year. The Agency officially came into operation on April 18, 2005, the date on which its Chief Executive Officer first entered office. Accordingly, the financial statements cover the period from April 18, 2005 to March 31, 2006.

The year 2005-2006 was the Agency's start-up year. As stipulated in section 69 of its constituting Act, a total of \$2,467,250 was taken from the Consolidated Revenue Fund to finance its activities.

When the Agency hires external consultants for the public-private partnership projects of government departments and agencies, fees are invoiced to them. An amount of \$157,867 has therefore been added to the revenues for 2005-2006 as consultation fees invoiced to departments and agencies.

Total revenues for 2005-2006 were therefore \$2,629,095.

As far as expenditures are concerned, nearly half the Agency's revenues went to pay the salaries and fringe benefits of its personnel.

The Agency paid a total of \$917,371 for professional and administrative services. This amount includes the above-mentioned consultation fees, which are chargeable to the projects of government departments and agencies. It also includes the fees invoiced by consultants working directly on Agency activities. The remaining \$420,117 was spent mainly on the Agency's operating expenses.

The Agency did not declare a surplus at the end of 2005-2006.

Lastly, the Agency's financial statements and the report of the Auditor General of Québec are set out below. According to the Auditor General's report, "the financial statements, in every major respect, provide an accurate reflection of the Agency's financial situation on March 31, 2006".

Agence des partenariats public-privé du Québec

Financial Statements for the Year Beginning on April 18, 2005 and Ending on March 31, 2006

23	Management's Report
25	Auditor's Report
26	Statement of Operations and Surplus
27	Balance Sheet
28	Cash Flow
29	Notes to the Financial Statements

Management's Report

The financial statements of the Agence des partenariats public-privé du Québec were drawn up by management, which is responsible for all aspects of preparation and presentation, including the estimates and principal opinions. Management's responsibility extends to the selection of accounting policies that respect the accounting principles that are generally accepted in Canada. The financial information contained in the remainder of the annual report is consistent with the information presented in the financial statements.

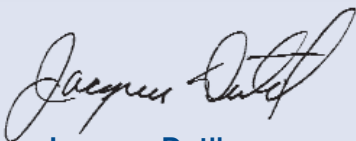
To carry out its responsibility, management maintains a system of internal accounting controls designed to offer a reasonable guarantee that the assets of the Agency have been adequately protected and that financial operations have been correctly recorded at the appropriate time, duly approved and used as a basis for the preparation of reliable financial statements.

The Agency acknowledges that it is responsible for managing its affairs in accordance with the legislation and regulations governing it.

The board of directors oversees the way in which management fulfills its responsibilities in respect of the financial information, and has approved the financial statements. It is assisted by the audit committee, whose members are not part of the management team. The committee meets with management and the auditor, examines the financial statements and recommends that the board approve them.

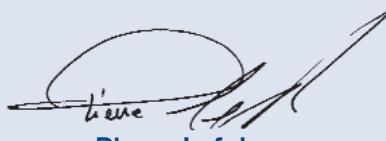
The Auditor General of Québec has audited the financial statements of the Agency, in accordance with Canadian generally accepted auditing standards. The Auditor's Report describes the nature and scope of the audit and sets out the auditor's opinion. The Auditor General has full and free access to the audit committee to discuss elements relevant to the audit.

Chair



Jacques Dutil

Chief Executive Officer



Pierre Lefebvre

Québec City, June 5, 2006

Auditor's Report

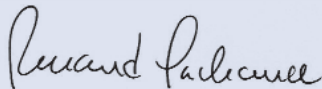
To the National Assembly

I have audited the balance sheet of the Agence des partenariats public-privé du Québec as at March 31, 2006, and the statement of operations and surplus along with the statement of cash flows for the period starting on April 18, 2005 and ending on March 31, 2006. These financial statements are the responsibility of the Agency's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2006 and the results of its operations and its cash flows for the period starting on April 18, 2005 and ending on March 31, 2006 in accordance with Canadian generally accepted accounting principles.

The Auditor General of Québec



Renaud Lachance, CA

Québec City, June 5, 2006

AGENCE DES PARTENARIATS PUBLIC-PRIVÉ DU QUÉBEC
STATEMENT OF OPERATIONS AND SURPLUS FOR THE PERIOD STARTING ON APRIL 18, 2005
AND ENDING ON MARCH 31, 2006

	2006 (11 months)
REVENUE	
Contribution from the Gouvernement du Québec (note 3)	\$2,467 250
Transfer of Government assistance	3,978
Consulting fees	157,867
	2,629,095
EXPENSES	
Salaries and fringe benefits	1,291,607
Professional and administrative services	917,371
Rent	203,847
Travel and representation	86,954
Communication	46,298
Materials and supplies	52,812
Amortization of fixed assets	24,619
Amortization of intangible assets	1,221
Interest on long-term debt	3,461
Bank charges	905
	\$2,629,095
NET PROFIT AND CLOSING SURPLUS	\$-

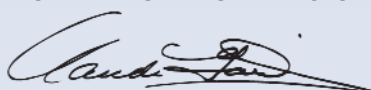
The notes form an integral part of the financial statements.

AGENCE DES PARTENARIATS PUBLIC-PRIVÉ DU QUÉBEC
BALANCE SHEET AS AT MARCH 31, 2006

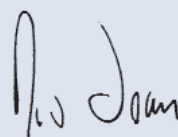
	2006
ASSETS	
Current assets	
Cash	\$217,668
Receivables (note 4)	285,086
Prepaid expenses	18,590
	521,344
Capital assets (note 5)	509,883
	\$1,031,227
LIABILITIES	
Current liabilities	
Accounts payable	\$190,115
Owing to the Gouvernement du Québec, no interest or repayment terms	258,213
Short-term portion of long-term debt (note 7)	66,822
Provision for vacations (note 8)	99,367
	614,517
Provision for sick leave (note 8)	116,473
Deferred Government assistance – amortized cost	19,890
Long-term debt (note 7)	280,347
	1,031,227
SURPLUS	-
	\$1,031,227

The notes form an integral part of the financial statements.

FOR THE BOARD OF DIRECTORS



Claude A. Garcia, Chair



Denys Jean, Vice-Chair

AGENCE DES PARTENARIATS PUBLIC-PRIVÉ DU QUÉBEC
STATEMENT OF CASH FLOW FOR THE PERIOD STARTING ON APRIL 18, 2005
AND ENDING ON MARCH 31, 2006

	2006
OPERATING ACTIVITIES	(11 months)
Net profit	\$-
Elements with no impact on cash flow	
Transfer of Government assistance	(3,978)
Amortization of fixed assets	24,619
Amortization of intangible assets	1,221
	21,862
Variations in assets and liabilities related to operations	
Prepaid expenses	(18,590)
Receivables	(285,086)
Accounts payable	187,394
Owing to the Government	258,213
Provision for vacation	99,367
Provision for sick leave	116,473
	357,771
Cash flow from operating activities	379,633
INVESTING ACTIVITIES	
Acquisition of fixed assets	(133,015)
Acquisition of intangible assets	(14,384)
Cash flows from investing activities	(147,399)
FINANCING ACTIVITIES	
Cash flow from financing activities:	
Long-term debt	(14,566)
INCREASE IN CASH	\$217,668
OPENING CASH	-
CLOSING CASH	\$217,668

Interest paid during the period totalled \$2,790.

During the period, fixed assets and intangible assets were acquired against receivables, in an amount of \$2,721.

The Agency acquired assets totalling \$361,735 in return for a long-term debt of an equivalent amount.

The notes form an integral part of the financial statements.

AGENCE DES PARTENARIATS PUBLIC-PRIVÉ DU QUÉBEC
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2006

1. CONSTITUTION AND PURPOSE

The Agence des partenariats public-privé du Québec (the Agency) is a legal person within the meaning of the Civil Code, and was constituted pursuant to chapter 1 of the Act respecting the Agence des partenariats public-privé du Québec (R.S.Q., A-7.002), which came into force on April 18, 2005.

The Agency's mission is to contribute, through its advice and expertise, to the renewal of public infrastructures and the enhancement of services delivered to citizens through public-private partnerships.

Under chapter 2 of its constituting Act, the Agency is a mandatary of the State, and is therefore not subject to income taxes in Québec or Canada.

When the Agency was created, employees were transferred from the Secrétariat du Conseil du trésor, in accordance with section 60 of its constituting Act.

2. ACCOUNTING POLICIES

Under Canadian generally accepted accounting principles, the Agency's management must use estimates and assumptions as a basis for the Agency's financial statements. The estimates and assumptions have an impact on the assets and liabilities recognition, on the presentation of contingent assets and liabilities on the date on which the financial statements are prepared, and on the income and expenses recognition during the period covered by the financial statements. Actual results may differ from the estimates.

Fixed Assets

The fixed assets are recorded at cost. They are depreciated using the straight line method for the following depreciation periods:

Computer equipment	3 years
Office furniture and equipment	5 years
Leasehold improvements	5 years

The Agency regularly examines the carrying amount of its fixed assets by comparing carrying amount with future undiscounted cash flows that should be generated by the asset. Any surplus of the carrying amount over the fair value is recorded in the statement of operations of the period during which depreciation was established.

Subsidies for the acquisition of fixed assets are recorded as deferred Government assistance and are transferred the operations using the same method and depreciation rates as for the subsidized fixed assets to which they refer.

Intangible Assets

Intangible assets including software are recorded at cost and are depreciated over their useful life (three years) using the straight-line method.

They are subjected to a depreciation test when events or changes of situation suggest that their carrying amount may not be recoverable.

Any surplus of the carrying amount over the fair value is recorded in the operations of the period during which depreciation was established.

Revenue Recognition

Revenues from the collection of consulting fees are recognized where there is convincing evidence of the existence of an agreement, the service has been rendered, its price has been established or is able to be established, and recovery is reasonably certain.

Services Received at No Cost

The cost of certain salaries and fringe benefits that were paid out of the budgets of government departments and agencies are not presented in the financial statements.

Pension Plan

Defined contribution plan accounting is applied to the government's multi-employer defined benefit plan because the Agency does not have enough information to apply defined benefit plan accounting methods.

3. CONTRIBUTION FROM GOVERNMENT

Under section 69 of the constituting Act, amounts required for the purposes of the Act in 2005-2006 were taken out of the Consolidated Revenue Fund. The contribution recorded as revenue for the period corresponds to the related expenses undertaken by the Agency.

4. RECEIVABLES

	2006
Gouvernement du Québec*	\$127,219
Ministère des Transports du Québec	126,744
Ministère de la Culture et des Communications	31,123
	285,086

* This is the amount that will be transferred to the Agency for the transfer of employees from the Secrétariat du Conseil du trésor (notes 1 and 8).

5. CAPITAL ASSETS

	As at March 31, 2006		
	Cost	Accumulated Amortization	Net
Fixed assets			
Leasehold improvements	\$361,735	\$15,504	\$346,231
Office furniture and equipment	87,870	2,073	85,797
Computer and office automation equipment*	71,734	7,042	64,692
	521,339	24,619	496,720
Intangible assets			
Software	14,384	1,221	13,163
Total	\$535,723	\$25,840	\$509,883

* The "Computer and office automation equipment" item includes computers received at no cost from the Gouvernement du Québec, valued at \$23,868.

6. BANK LOAN

The Gouvernement du Québec, via Order-in-Council 169-2006, authorized the Agency to contract a bank line of credit. The line of credit is guaranteed by the Gouvernement du Québec and is renewable every year.

As of March 31, 2006, the Agency had not contracted the line of credit.

7. LONG-TERM DEBT

Loan from the Société immobilière du Québec

	2006
Fixed rate of 4.69%, repayable in monthly instalments of \$3,471, maturing on October 31, 2010	\$171,488
Fixed rate of 4.70%, repayable in monthly instalments of \$ 3,278, maturing on March 31, 2011	175,681
	347,169
Minus: Short-term portion	66,822
	\$280,347

The capital instalments to be paid in the next five years are as follows:

2007	66,822
2008	69,310
2009	72,635
2010	76,121
2011	62,281
	\$347,169

8. FRINGE BENEFITS

Pension Plan

The personnel of the Agency participate in the Government and Public Employees Retirement Plan (RREGOP) or in the Pension Plan of Management Personnel (PPMP). These multi-employer pension plans are defined benefit plans and include guarantees upon retirement and upon death.

The Agency's contributions recorded the financial statements for the period amounted to \$38,735. The Agency's obligations under these government plans are limited to its employer's contributions.

Provision for Sick Leave and Vacations

	Vacations	Sick Leave	Total
Amount for the period			
Increase following the arrival of employees (note 1)	\$37,091	\$90,128	\$127,219
Increase ascribable to the period	107,129	29,362	\$136,491
Benefits paid during the period	(44,853)	(3,017)	\$(47,870)
	\$99,367	\$116,473	\$215,840

9. RELATED PARTY TRANSACTIONS

In addition to the related party transactions already disclosed in the financial statements and posted at their exchange value, the Agency is related to all government departments and special funds and to all agencies and enterprises controlled directly or indirectly by the Gouvernement du Québec, or subject either to joint control or to a significant joint influence by the Gouvernement du Québec. Other than the transaction explained in Note 5, concerning the transfer of computers to the Agency, which were recorded at their carrying amount, the Agency has not entered into any commercial transactions with these related parties, other than in the normal course of its activities and on the usual commercial conditions. These transactions are not disclosed separately in the financial statements.

10. FINANCIAL INSTRUMENTS

Fair Value

The fair value of the short-term financial instruments is equal to their carrying amount due to their short-term maturity date.

The fair value of the long-term debt is equal to its carrying amount, because the prevailing market conditions on March 31, 2006, are similar to the prevailing conditions at the time the long-term debt was contracted.

Credit Risk

The Agency's exposure to credit risk is equal to the carrying amount of its financial assets.

Interest Rate Risk

The volatility of interest rates impacts upon the fair value of the Agency's financial assets and liabilities (market risk related to interest rate).

The long-term debt bears interest at a fixed rate. Because the Agency plans to reimburse these loans in their entirety upon maturity, the risks to which it is exposed as a result of its long-term debt are minimal.

CODE OF ETHICS AND CONDUCT FOR MEMBERS OF THE AGENCY'S BOARD OF DIRECTORS

SECTION I

PURPOSE AND FIELD OF APPLICATION

1. This code of ethics and conduct sets out the standards of ethics and professional conduct applicable to the directors of the Agence des partenariats public-privé du Québec (hereinafter referred to as the Agency).
2. The Code applies to members of the Agency's board of directors (hereinafter referred to as the directors).

SECTION II

STANDARDS OF ETHICS AND PROFESSIONAL CONDUCT

3. The directors and experts appointed to work at the Agency, as part of their mandate, shall assist the Agency in carrying out its mission and achieving its objectives.

Where applicable, the directors shall also contribute to the proper administration of the public property entrusted to them.

The directors shall function with due respect for the law, with honesty, loyalty, prudence, diligence, efficiency, attentiveness and fairness.

4. When performing their duties, directors shall comply with the standards of ethics and professional conduct set out in the Act respecting the Ministère du Conseil exécutif and the Regulation respecting the ethics and professional conduct of public office holders (R.S.Q., c. M-30, ss. 3.0.1. and 3.0.2), and with the rules set out in this code of Ethics and Conduct. Where there is divergence between the two, the most stringent standards and rules shall apply.

When in doubt, directors shall act in accordance with the spirit of the standards and rules. In addition, they shall organize their personal affairs so as to ensure that they do not hinder the performance of their duties.

5. Directors shall exhibit discretion in respect of the information they obtain in the performance of their duties, and shall at all times respect the confidential nature of such information.

6. When performing their duties, directors shall make their decisions independently of partisan political considerations.

7. Directors shall avoid placing themselves in situations where their personal interest conflicts with the requirements of their position.

They shall disclose to the Agency any direct or indirect interest they may have in an agency, enterprise or association that may place them in a situation of conflict of interest, and shall also disclose any rights that may be set up against the Agency, indicating the nature and value of such rights where applicable.

8. A director who has a direct or indirect interest in an agency, enterprise or association that brings his or her personal interest into conflict with the Agency's interest shall, upon pain of revocation of office, disclose that interest in writing to the Chair of the Board of Directors, and where applicable shall abstain from taking part in any deliberations and decisions relating to the agency, enterprise or association in which he or she has an interest. The director shall also withdraw from the session for the duration of the deliberations and for the vote on the issue in question.

9. Directors shall not mingle the property of the Agency with their own property, and shall not use the property of the Agency for their own benefit or for the benefit of a third party.

10. Directors shall not use information obtained in the performance of their duties for their own benefit or the benefit of a third party.

11. Directors shall not accept gifts, hospitality or other benefits, other than those that are customary and of modest value.

Any other gift, hospitality or benefit received shall be returned to the giver or be handed to the Agency.

12. Directors shall not directly or indirectly grant, solicit or accept favours or undue advantages for themselves or for a third party.

13. When performing their duties, directors shall not be influenced by offers of employment.

14. A director who has ceased to perform his or her duties shall behave in such a way as to avoid obtaining undue advantage from his or her previous position with the Agency.

15. A director who has ceased to perform his or her duties shall not disclose confidential information obtained while he or she was a director, or provide advice to any person whatsoever based on information not available to the general public and relating to the Agency or another organization or enterprise with which he or she had significant direct contact during the years preceding the end of his or her term of office.

16. The Chair of the Board of Directors shall ensure that directors comply with the standards of ethics and conduct.

17. The Agency shall take the steps required to ensure that information provided by directors pursuant to these rules remains confidential.

CODE OF ETHICS AND CONDUCT FOR THE AGENCY'S EMPLOYEES

PREAMBULE

Under its constituting Act, the Agence des partenariats public-privé du Québec must establish standards of ethics and conduct for its personnel. The standards must contain provisions covering the requirements set out for civil servants in the Public Service Act (R.S.Q., chapter F-3.1.1).

Sections 4 to 12 of the Regulation respecting ethics and discipline in the public service (G.O.Q. II, 6 November 2002, p. 7639), sections 1 to 14 and the schedules, and the Déclaration de valeurs de l'administration publique québécoise form the basis of ethical standards in the public service.

Most of these documents can be found in the brochure entitled L'éthique dans la fonction publique québécoise. The document, published by the Ministère du Conseil exécutif in 2003, is intended as a reference for the general values and rules of ethics applicable to Québec's civil service. It served as a basis for this Code.

SECTION I

PURPOSE AND FIELD OF APPLICATION

1. This Code of Ethics and Conduct sets out the standards of ethics and professional conduct applicable to the employees of the Agence des partenariats public-privé du Québec (hereinafter referred to as the Agency) in the performance of their duties.

2. This Code applies to all employees of the Agency and of its subsidiaries.

SECTION II

PRINCIPLES

3. Ethics must be based on more than rules. If in doubt about the rules, employees should refer to the standards on which the rules are based. It was for this reason that the Déclaration de valeurs de l'administration publique québécoise was officially tabled in the National Assembly on November 21, 2002. The values it promotes are competency, impartiality, integrity, loyalty and respect.

4. The rules applicable to the civil service, which served as a basis for this Code, have been adjusted to suit the particular mission and functions of the Agency.

The Agency's client base is composed of Québec government departments and agencies, and the Agency does not offer direct service to the general public. This code therefore deals with service to customers or clients, and not with service to the general public. The Agency's services involve numerous business relationships with the private sector, and this aspect requires a more specifically targeted set of rules governing all the Agency's business relationships.

SECTION III

OBLIGATIONS OF EMPLOYEES

5. The obligations of employees have been grouped together under four headings:

- > Work performance;
- > Relationship with the organization;
- > Exclusivity of service;
- > Services to government departments and public agencies;
- > Conduct.

Work Performance

6. Work performance includes two types of obligations, namely the obligation of application and the obligation of competency.

The obligation of application means that employees must be present at work, perform their duties diligently, respect their working hours, organize their work so as to minimize travel and time-wasting, and not be absent without good reason or prior authorization.

The obligation of competency means that employees must perform the tasks assigned to them by providing the service required within the time allowed, in an appropriate and effective manner, to the satisfaction of the client.

Lastly, employees must update their knowledge in order to maintain the level of competency required to perform their duties effectively.

Relationship with the Organization

7. To carry out its mission, the Agency must call upon a range of resources that are required to work as part of a team. Employees therefore do not work alone; they maintain contacts with all the Agency's other employees in order to provide top quality services to clients in accordance with the Agency's goals.

Employees must respect and obey their line superiors, and owe loyalty and allegiance to the constituted authority. The constituted authority can then coordinate the effort and resources required to carry out the Agency's mission and achieve its goals.

The obligation to respect and obey line superiors means that employees must perform the tasks assigned to them. They must perform not only the duties inherent to their position, but also any other duties entrusted to them by their superior. An employee who believes a request is unfair or unreasonable may discuss it with his or her superior and then, if necessary, refer it to the competent authorities.

The obligation of loyalty and allegiance to the constituted authority means above all that employees must adhere to the democratic standards governing our society. They must defend the interests of their employers, the Agency and the Government, and avoid causing them prejudice, for example by using inappropriate language, behaving inappropriately, or disclosing confidential information.

Exclusivity of Service

8. The obligation to provide exclusivity of service means that employees must, at the very least, come to work in a state that allows them to perform their duties effectively, and must also, during working hours, devote all their time to the performance of the duties entrusted to them.

An employee who is involved, or is considering the possibility of becoming involved in a position outside the Agency, whether remunerated or not, must ensure that the other position does not or will not have an impact on his or her application or performance, or on the quality of his or her work for the Agency, and does nor or will not result in a situation of conflict of interest.

All employees who hold positions outside the Agency must notify their superiors thereof. Like all other employees, they are required to act honestly, as defined earlier. More explicitly, the obligation to provide exclusivity of service means that employees are forbidden, on Agency premises, to perform work of any kind deriving from a position or function outside the Agency, and are also forbidden to use Agency resources for that purpose (personnel, material and equipment).

Services to Government Departments and Public Agencies

9. The provision of service to government departments and public agencies is a core element of the Agency's mission. The organization must therefore focus on client satisfaction, and this involves treating clients with due respect and diligence.

The obligation to treat clients with respect means that employees must be polite and courteous, and must not engage in discrimination or harassment. Employees must listen to clients, provide expertise and advice for their projects, help them to formulate their needs, advise them about potential solutions and inform them about the impact of their decisions.

The obligation of diligence means that employees must process the files entrusted to them in a timely manner, transparently and fairly, within the legislative and administrative framework governing the operations of the Agency and of the Government.

Conduct

10. There are numerous obligations relating to conduct, touching upon several different aspects including honesty, impartiality, and avoidance of conflicts of interest. These obligations are inherent to all organizations. However, the particular status of the Agency means that there are also some additional obligations relating to discretion, political neutrality and reserve.

a) Discretion

The obligation of discretion means that employees must keep secret any fact or information of a confidential nature that comes to their attention in the performance of their duties. This obligation also means that employees must be discreet about facts and information that, if disclosed, may be prejudicial to the public interest, the constituted authority, a government department, an agency or a supplier, or may breach the privacy of individuals or hinder the private activities of enterprises.

The obligation of discretion also means that employees must abstain from accessing or attempting to access confidential information that is not required for the performance of their duties, even if they do not intend to disclose it.

Accordingly, any employee who plans to publish a document or give an interview on a subject related to his or her duties or to the activities of the Agency must obtain prior authorization from his or her superior.

b) Political Neutrality and Reserve

The obligation of political neutrality binds employees in the performance of their duties. The obligation of reserve applies equally to the employee's public and professional lives.

The obligation of political neutrality means that employees, when performing their duties, must abstain from all partisan work. It also means that they must set aside their personal opinions in order to perform their work as objectively as possible.

The obligation of reserve applies to public demonstrations of an employee's political opinions, and is more general in scope in that it applies to the employee's actions inside and outside the Agency. It does not, however, mean that the employee must remain silent, give up his or her freedom of expression or forego the exercise of his or her political rights; on the contrary, the employee is a full citizen and is entitled to enjoy the privileges of that status.

There is nothing to prevent an employee from joining a political party, attending a political meeting or paying a contribution to a political party, a local branch of a political party or a candidate in an election, in accordance with law.

The specific situation of each employee is an important factor in respecting the obligation of reserve. For example, employees holding management positions are required to exhibit greater reserve, since any statement or action of a political nature on their part may have a significant impact. At the same time, certain employees may acquire a level of prestige and credibility in their region or professional community, and this, too requires a high level of reserve. The circumstances surrounding a statement or action of a political nature must also be taken into consideration.

c) Honesty

The obligation to act honestly means that employees must never be involved in theft, fraud or breach of trust.

The obligation to act honestly also means that employees must avoid all forms of corruption or attempted corruption. For example, they must not accept sums of money or other consideration, over and above the remuneration to which they are entitled, in connection with the performance of their duties. Similarly, they must not grant, solicit or accept favours or undue advantages for themselves or for another person, nor use the information or property of the Agency for their own advantage.

The obligation to act honestly also means that employees must demonstrate intellectual honesty in respect of the mandates entrusted to them.

d) Impartiality

Employees must perform their duties impartially and objectively. They must avoid all preference or bias that is incompatible with the notions of justice and fairness.

The obligation to act impartially means that employees must avoid making decisions based on prejudice, in particular prejudice relating to a person's gender, race, colour, sexual orientation, disability, religion or political convictions. It also means that employees, when performing their duties (e.g. selecting personnel, selecting professional contractors, selecting suppliers, etc.), must act in accordance with the Agency's interests. To do this, they must give priority to merit, allow for competition and avoid all favouritism. They must also avoid making decisions based on their own personal interests or to please relatives, friends, acquaintances or specific enterprises.

e) Absence of Conflicts of Interest

The notion of conflict of interest should be taken in its broadest sense. For a conflict of interest to exist, it is sufficient for there to be a potential situation or apparent conflict of interest – that is, a possibility that a personal interest, whether pecuniary or not, would be placed ahead of the organization's interest. For a conflict of interest to exist, it is therefore not necessary for an employee actually to have benefited from his or her position to serve his or her personal interests, or to have gone against the Agency's interests. The risk alone is sufficient to call the Agency's credibility into question.

The obligation to avoid conflicts of interest means that employees must renounce any direct or indirect interest in an enterprise that brings their personal interest into conflict with the duties of their position. It also means that an employee who observes a real, potential or apparent conflict of interest must immediately inform his or her superiors, so that they can decide on the measures to be taken.

SECTION IV RESPONSIBILITIES

11. Every employee must be familiar with the content of this Code of Ethics and Conduct, and with any other policies, directives or procedures that may clarify the scope and application of the code.

The obligations of honesty, impartiality, avoidance of conflicts of interest and exclusivity of service mean that employees must advise their superiors if they hold an interest in or are not at arm's length with an enterprise that does business directly or indirectly with the Agency or with the Government, or if they find themselves in a situation that involves a real, potential or apparent conflict of interest. An employee who holds a position outside the Agency must notify his or her superiors thereof, in order to agree upon the line of conduct required.

12. Failure to comply with these rules shall lead to the imposition of administrative and disciplinary measures, up to and including dismissal.

13. In addition to complying with this code of ethics, employees who are members of a professional corporation contemplated in the Professional Code shall also comply with the code of ethics of their profession.

STATEMENT OF VALUES FOR QUÉBEC'S PUBLIC ADMINISTRATION

The public administration is entrusted with a mission of public interest due to the important services it provides for the population of Québec, and the fact that those services are financed by the community as a whole.

In pursuing its mission, the public administration must not only demonstrate efficiency, but must also uphold certain fundamental values. The Public Service Act reflects these values by enacting standards of conduct including application, competency, loyalty, respect, integrity, impartiality, neutrality, discretion and reserve. The Act respecting the Ministère du Conseil exécutif also provides for the imposition of standards of ethics and conduct for public administrators.

These fundamental values are all the more important in view of the independence of action, accountability and transparency required of the public administration pursuant to the Public Service Act, and the priority given to serving the public.

All members of Québec's public administration, whether they are managers, civil servants or employees, have an impact on the quality of the services available to the public and the pursuit of the public interest. They determine how the relationship between the public administration and the citizens of Québec is perceived.

The basis for all this is a set of ethical values that serve as a foundation for the actions of members of the public administration. The most important of these values are set out below.

Competency

All members of the public administration shall perform their tasks in a professional manner. They shall apply their knowledge, skills and experience with a view to achieving the anticipated results. They are responsible for their own decisions and actions, and for making proper use of the resources and information at their disposal.

Impartiality

All members of the public administration shall exhibit neutrality and objectivity. They shall make decisions in accordance with the applicable rules, giving fair treatment to everyone. They shall perform their duties without partisan considerations.

Integrity

All members of the public administration shall conduct themselves in a fair and honest way. They shall avoid placing themselves in situations of indebtedness to another person, who may then influence them unduly in the performance of their duties.

Loyalty

All members of Québec's public administration shall be aware that they are its representatives in dealings with the general public. They shall perform their duties with due respect for the democratic will freely expressed by the citizens of Québec.

Respect

All members of the public administration shall show consideration to the persons with whom they interact when performing their duties. They shall exhibit courtesy and discretion and shall listen to the persons with whom they come into contact in the course of their duties. They shall also exhibit diligence and avoid all forms of discrimination.

Information

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