



**BRITISH
COLUMBIA**

The Best Place on Earth

SHAREHOLDER'S LETTER OF EXPECTATIONS

BETWEEN

**THE MINISTER OF ADVANCED EDUCATION AND LABOUR MARKET
DEVELOPMENT**

**(AS REPRESENTATIVE OF THE SHAREHOLDER,
THE GOVERNMENT OF BRITISH COLUMBIA)**

AND

**THE CHAIR OF THE INDUSTRY TRAINING AUTHORITY
(AS REPRESENTATIVE OF THE AUTHORITY)**

PURPOSE

This Shareholder's Letter of Expectations between the Shareholder and the Authority is an agreement on the respective roles and responsibilities of each, and serves as the basis of agreement between the Shareholder and the Authority on corporate mandate including: high-level performance expectations; public policy issues; and strategic priorities¹. It will be reviewed annually and updated as required. The Shareholder's Letter of Expectations is the basis for the development of the Authority's Service Plans and Annual Service Plan Reports. The Letter applies equally to the Shareholder and the Authority. The Letter does not create any legal or binding obligations on the part of the Shareholder or the Authority but rather is intended to define and promote a positive and co-operative working relationship.

¹ The Province of British Columbia's Crown Agency Accountability System (CAAS) (http://www.gov.bc.ca/cas/attachments/shareholder's_expectations_manual_2006.pdf) establishes guiding principles for the governance of Crown corporations. The CAAS identifies roles and responsibilities for the Shareholder and Crown corporations, and provides for a Shareholder's Letter of Expectations (Letter) to be jointly developed.

AUTHORITY ACCOUNTABILITIES

In addition to the duties of the Authority set out in the *Industry Training Authority Act*, Government has provided the following mandate direction to the Authority:

- through innovation and collaboration, develop training that is relevant and responsive to industry, community and labour market needs;
- expand access to training to underrepresented groups in all regions of the province;
- attract more young people into trades training, promoting the benefits and rewards of a trades career path, and assist the transition from school to work;
- demonstrate the link between effective skills training and improved productivity and global competitiveness;
- create avenues for training delivery and certification processes that are efficient, effective, and flexible; and
- ensure labour mobility under the Agreement on Internal Trade; the Trade, Investment and Labour Mobility Agreement; and bi-lateral agreements of governments, to ensure appropriate recognition of worker skills developed elsewhere, and to support multi-lateral and bi-lateral labour mobility initiatives.

In responding to government's performance expectations and the general and specific frameworks and direction of the Shareholder, the Authority will:

- conduct its affairs to achieve its mandate and the performance expectations and objectives of the Shareholder, including establishing and implementing corporate strategies, policies, programs, plans and financial outcomes that are consistent with the Shareholder's general direction and with principles of integrity, efficiency, effectiveness, and customer service;
- conduct its operations and financial activities in a manner consistent with the legislative, regulatory and policy framework established by the Shareholder;
- prepare Service Plans with clearly articulated goals, strategies, performance measures and targets, and Annual Reports that describe the Authority's progress toward achieving those goals, and post both documents on its website;
- display all annual Statement of Financial Information schedules prepared under the *Financial Information Act* in an easily accessible location on its website (some of this information is included in Annual Reports and does not need to be otherwise displayed);
- develop and implement strategies to manage risks identified in the Service Plan;
- comply with the Shareholder's requirements to make the Public Sector carbon neutral by 2010, including: accurately defining, measuring, reporting on and verifying the greenhouse gas emissions from the Authority's operations; implementing aggressive measures to reduce those emissions and reporting on these reduction measures and reduction plans; and offsetting any remaining emissions through investments in the Pacific Carbon Trust, which will invest in greenhouse gas reduction projects outside of the Authority's scope of operations;

- encourage staff involvement in developing ideas and new solutions to meet government's climate change objectives, including energy conservation programs and fleet and traffic management initiatives, and report on results achieved;
- support the Shareholder's Healthier Choices Initiative, including ensuring that all non-contracted vending machines located in facilities owned or leased by the Authority have food products which meet the Shareholder's Nutrition Guidelines for Vending Machines in Public Buildings, and that contracted vending machines be transitioned to the Nutrition Guidelines for Vending Machines in Public Buildings as soon as practicable upon expiry of their contracts;
- provide the Shareholder with reports and other information that would enable the Shareholder to carry out its responsibilities; and
- provide information to the Shareholder immediately if the Authority is unable to meet the performance and financial targets identified in its Service Plan.

In addition, the Shareholder directs the Authority to take the following specific actions:

Relevant and Responsive Training

- provide the policy framework and funding to support active, effective and sustainable industry engagement and leadership through Industry Training Organizations;
- work with Industry Training Organizations and other stakeholders to develop policies and standards to support the delivery of training programs, approaches for competency-based qualification assessments, theoretical and practical assessments, and credentials for programs administered by the Authority;
- continue to work with Industry Training Organizations and other stakeholders to refine program development and quality assurance processes;
- develop and implement a strategy to improve apprenticeship completion rates based on the findings of the National Apprenticeship Survey and other related research;
- continue to expand regional availability of technical training where appropriate; and
- through innovation and collaboration, work with industry and public and private training institutions to ensure the trades training system: is accessible and current; is relevant and responsive; optimizes the utilization and value of industry training capacity; and increases the efficiency of administration and management.

Access to Training for Underrepresented Groups

- consult with the newly formed Aboriginal Apprenticeship Advisory Council and other stakeholders to guide the development and delivery of the Aboriginal Apprenticeship strategy to increase awareness, access and participation in apprenticeship training;
- work with Industry Training Organizations and other stakeholders to identify and support initiatives for women and immigrants that will increase their participation in industry training;
- develop an action plan to address gaps in essential skills; and

- consult with the Minister's Council on Employment for Persons with Disabilities and provide information to Industry Training Organizations regarding supports and training tax credits available for persons with disabilities.

Attracting Young People

- ensure high levels of awareness and intent to participate in trades training by young people through communications and marketing activities;
- continue to support initiatives that will increase high school students' participation in and completion of industry training programs;
- identify continuation to apprenticeship rates for the Authority's high school apprenticeship program participants and develop strategies to improve the rates; and
- continue to work collaboratively with the K-12 system on the provision and expansion of youth industry training programs.

Efficient, Effective and Flexible Training Delivery

- maximize value for training system participants in collaboration with public and private post-secondary institutions;
- continue to work with public post-secondary institutions to explore and implement strategies for increasing the trades training utilization and capacity in the public post-secondary system;
- implement the Authority's new information management system to improve efficiency, customer service, access to information, and reporting;
- designate private trades training institutions that meet the Authority's standards and enhance capacity and innovation;
- work to reduce wait times for apprentices to access technical training; and
- collaborate with trades training providers to expand training accessibility and flexibility through the introduction of flexible technical training models where feasible.

Labour Mobility

- participate in and influence for the benefit of industry pan-Canadian initiatives such as the Canadian Council of Directors of Apprenticeship, the Red Seal program, and the Canadian Apprenticeship Forum;
- continue to work collaboratively with Alberta and other regulatory authorities to fully implement article 13 of the Trade, Investment and Labour Mobility Agreement to enhance the mobility of trained workers;
- work towards full labour mobility for the trades under the Agreement on Internal Trade;
- develop, sign and implement labour mobility agreements with other jurisdictions and sectors, on behalf of the province, subject to Minister's approval;
- continue to promote the expansion of the Red Seal program to enhance labour mobility; and

- develop an assessment model, tools and mechanisms for the efficient and effective assessment and recognition of internationally trained workers, including work with the Canadian Council of Directors of Apprenticeship to pilot an alternative assessment methodology for Red Seal trades.

Customer Service/Administration

- operate the business of the Authority in an efficient and effective manner for the benefit of its customers and the Shareholder;
- in consultation with the Shareholder, develop and implement an action plan to address issues identified by the 2008 Audit of the Trades Training System by the Office of the Auditor General of British Columbia;
- ensure high-quality program standards, high levels of client satisfaction with the Authority's services, and effective stakeholder relationships;
- work to reduce wait times for apprentices to access technical training; and
- ensure transparency of mechanisms for reconsideration and appeal of decisions of the Authority.

SHAREHOLDER'S RESPONSIBILITIES

The Shareholder is responsible for the legislative, regulatory and public policy framework in which Crown corporations operate. In order to meet these responsibilities and support achievement of government's performance expectations, the Shareholder will:

- establish, review, revise and communicate the Crown corporations' mandate;
- establish and communicate the general and Crown-specific financial frameworks under which the Crown corporation operate (borrowing, investment, and payment to the Shareholder);
- issue performance management guidelines, including guidelines for Service Plans and Annual Reports (<http://www.gov.bc.ca/cas/publications/index.html>);
- provide input and feedback to the Crown corporation in the development of its Service Plans and Annual Reports;
- provide broad policy direction and confirmation of general frameworks/principles to the Crown corporation, within which the Crown Authority may establish and apply specific policies/processes;
- advise the Crown corporation of government's priorities, strategic decisions and public policy and performance objectives and expectations that may impact the Crown corporation; and
- issue directives, orders or sponsor submissions on behalf of the Crown corporation that may be required to seek decisions or policy direction by the Executive Council or its committees, in order to facilitate the Crown corporation fulfilling its mandate and achieving the performance targets outlined in its Service Plans;

The Shareholder has developed policies for ministries and Crown corporations for Capital Asset Management (<http://www.fin.gov.bc.ca/tbs/camf.htm>) and Board remuneration policies for Crown agencies (<http://www.gov.bc.ca/cas/publications/index.html>). The Shareholder has also issued Best Practice Guidelines for board governance and disclosure (<http://www.lcs.gov.bc.ca/brdo/governance/index.asp>). During the term of this Letter, the Shareholder may provide additional policy direction to the Crown agency sector, and will communicate any such direction, including implementation expectations, to Crown corporations as decisions are made.

The Shareholder will also, on a continuing basis, monitor the achievement of the goals, objectives and performance and financial targets identified in Crown corporations' Service Plans.

Specific to the Authority, the Shareholder:

- approves the Authority's mandate for industry training development and delivery under the *Industry Training Authority Act*;
- continues the Authority as an agent of the Crown;
- confirms the role of the Minister of Finance as fiscal agent to the Authority, providing the Authority with access to government financing and banking services;
- provides in writing to the Authority funding details for the next fiscal year, no later than March 31 plus a funding estimate for the following two fiscal years. This information is provided for planning purposes and recognizes that a public post-secondary institution may make a claim against the Province for the cost of industry training programs which are unfunded (as they extend beyond the period for which funding was originally specified) if Provincial funding through the Authority is discontinued. In accordance with government's annual budget process, funding is voted by the legislature on an annual basis and may be subject to change;
- provides all available information necessary for the Authority to facilitate implementation of the industry training system;
- reviews, monitors and evaluates programs, services and performance indicators to ensure compliance with the Authority's Service Plan and the *Industry Training Authority Act*;
- consults with the Authority in developing the government's annual expenditure and capital plans, in order to consider the financial requirements of the Authority;
- consults with and seeks input from the Authority on relevant programming when considering proposed capital expansion at public post-secondary institutions;
- consults with and continues to work with the Authority on periodic reviews of facility capacity and requirements for effective delivery of trades training;
- provides policy direction related to multi-lateral and bi-lateral agreements of government in support of labour mobility, trade and investment;
- confirms labour market policy and direction to support development of a skilled workforce and position the province for economic growth; and
- consults with the Authority in developing labour market information resources, in order to consider the information requirements of the Authority.

AREAS OF SHARED ACCOUNTABILITY:

Communications

It is agreed by both the Shareholder and the Authority that, to ensure effective and efficient day-to-day communications and relationship building, officials representing both parties will be tasked with implementing the contents of this Letter and keeping the Minister Responsible and the Board of Directors informed of progress in a timely fashion.

The Shareholder and the Authority agree that any joint announcements related to the Authority shall be released simultaneously. Development of key communications tools will be conducted jointly or in close consultation.

The Authority agrees to acknowledge the financial contribution of the Shareholder in any news releases, announcements or special joint communications and will use the Provincial Government logo in accordance with communications protocols and as requested by the Shareholder.

Reporting

The Shareholder and the Authority are committed to transparency and accountability to the public. The Shareholder has put in place a public reporting structure which is set out in the *Budget Transparency and Accountability Act*, the *Financial Administration Act*, and the *Financial Information Act*. The Shareholder has provided the Authority with a reporting calendar which sets out financial and performance reporting requirements (<http://www.gov.bc.ca/cas/publications/index.html>). The Authority agrees that it will meet these financial and performance reporting requirements. If government determines that changes to the reporting requirements are necessary, the Shareholder will communicate these to the Authority.

It is agreed by both the Shareholder and the Authority that there will be advance discussion and review of key documents such as Service Plans, Quarterly Financial Reports and Annual Reports. These discussions will be completed sufficiently in advance of deadlines to ensure the opportunity for effective and timely input by the Shareholder.

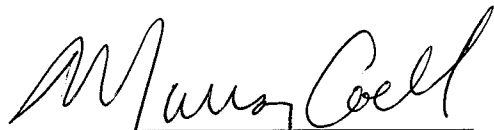
In addition to these financial and performance reporting requirements, the Authority agrees to provide information to the Shareholder related to risks and opportunities anticipated in achieving financial forecasts and performance targets.

The Shareholder and the Authority agree that, as a matter of course, each will advise the other in a timely manner of any issues that may materially impact the business of the Authority or the interests of the Shareholder.

It is agreed that the Authority will post the most recent signed copy of the Shareholder's Letter of Expectations on its website. Crown Agencies Secretariat will also post a signed copy of the Letter on its website.

Review and Revision of this Letter

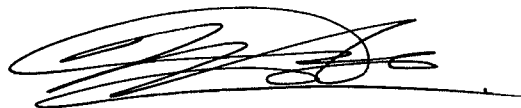
The Minister of Advanced Education and Labour Market Development is accountable for undertaking reviews of this Letter and monitoring its implementation. The Crown Agencies Secretariat is responsible for co-ordinating the overall process for preparing Shareholder's Letters of Expectation, and may assist the Minister in undertaking reviews of this Letter and monitoring its implementation. If deemed necessary by either party, the Shareholder and the Authority will discuss any issues and may agree to amend this letter on a more frequent than annual basis.



Honourable Murray Coell
Minister of Advanced Education and
Labour Market Development

Feb 22/09

Date



Frank Borowicz
Chair, Industry Training Authority

03/19/09

Date

cc. Honourable Gordon Campbell
Premier

Jessica McDonald
Deputy Minister to the Premier and Cabinet Secretary

Chris Trumpy
Deputy Minister and Secretary to Treasury Board
Ministry of Finance

Graham Whitmarsh
Associate Deputy Minister of Revenue
Ministry of Finance

Chris Johnson
A/Assistant Deputy Minister and
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Crown Agencies Secretariat

Robin Ciceri
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Ministry of Advanced Education and
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Kevin Evans
Chief Executive Officer
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