

# annual report



INDUSTRY  
TRAINING AND  
APPRENTICESHIP  
COMMISSION



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# annual report

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INDUSTRY  
TRAINING AND  
APPRENTICESHIP  
COMMISSION



2000/2001

## Message from the Board

The 2000/2001 fiscal year was something of a watershed year for the Industry Training and Apprenticeship Commission and its vision of a world-class industry-driven training system. On the one hand, we witnessed an increasing recognition of looming skill shortages in trades and technical occupations. On the other hand, the lack of awareness about the value of industry training and apprenticeship among young people and those who influence them remains an ongoing challenge.

There was barely a week that passed without media coverage of the skills gap –some of it ITAC generated and some of it nationally-based. Canada and the world are awakening to the possibility that within less than a decade there simply will not be the skilled workforce to meet the needs of the economy. In B.C., there is a growing awareness that the number of workers leaving the workforce will exceed the number entering by 2010.

ITAC reviewed its strategic plan last fall and reaffirmed its four strategic priorities:

1. to increase awareness among K to 12 students and youth and those who influence them, and among industries and employers;
2. to respond to the opportunities and training needs in the high technology sector, as part of a broader strategy of working with growing sectors of the

*Allan Bruce*

Allan Bruce, Vice-Chair



economy where training, new designations and new types of credentials can address skill shortages;

3. to develop more flexible, responsive training through new delivery methods and curriculum revision, and through more flexible ITAC business practices; and,
4. to increase ITAC's share of government funding while pursuing alternate funding options and cost-efficiencies to reduce our reliance on government.

ITAC and its Board took a hard look at the skill shortage issue in the well-received report, *Ensuring a Skilled Workforce for British Columbia*, in which we called on all sectors to play an active role in addressing the shortage. We distributed the report to over 2,000 individuals and organizations and hundreds of interested people accessed it on our web site. It is a call to action to business, labour, educators and government to work with ITAC toward solutions. 'Lip service' and rhetoric will not be enough.

ITAC's role as steward of work-based training and our mandate to promote industry-driven trades and technical learning and credentialing have never been more critical. As the Commission supports training in an ever-changing economy, ITAC's role is expanding and changing as well. Change will be constant, progressive, at times even extreme, and the Board will support the Commission as it adapts to meet the challenges of the coming decade.



A handwritten signature in brown ink that reads "D. Hughes". The signature is written in a cursive, flowing style.

David Hughes, Vice-Chair

## 2000-2001 BOARD OF DIRECTORS

Partners: Business | Labour | Education | Government

Parker, Dale  
Board Chair\*

Lanyon, Stan  
Board Chair\*\*\*

Armstrong, Gerry  
Ministry of Advanced Education,  
Training & Technology

Benekritis, Bernice  
Workforce Effectiveness,  
TELUS Communications Inc.

Biln, Darcy  
International Brotherhood of  
Electrical Workers, Local 213

Bradford, Dan  
B.C. Government & Services  
Employees' Union

Bruce, Allan  
International Union of Operating  
Engineers Training Plan

Conroy, Kathy  
College of New Caledonia\*

Davies, John  
Provincial Council of Carpenters

Dryden, Lou  
North Island College\*\*

Gillespie, Brian  
British Columbia Institute  
of Technology\*

Gilliland, Liz  
Ministry of Women's Equality\*\*

Gomez, Kathy  
Pacifica Paper\*

Hughes, David  
Sierra Systems Consultants Inc.

Jochen, Kerry (ex officio)  
ITAC

Kassam, Taj  
Sandman Hotels and Inns

Keis, Arlene  
AVCORP Industries, Inc.\*

Knittel, Werner  
Canadian Manufacturers  
& Exporters

Langan, Joy  
Communications, Energy  
& Paperworkers Union

Locke, Tom  
HUB Consulting Services

Love, Linda  
Malaspina University College

MacLeay, Murray  
B.C. Construction Association\*\*

McMurray, Hilarie  
Ministry of Women's Equality\*

Oliver, Cindy  
College Institute  
Educators Association\*\*

Penikett, Tony  
Ministry of Labour\*\*

Quirk, Joanne  
International Alliance  
of Theatrical and Stage Employees

Robertson, Dave  
B.C. Construction Association\*

Ruggles, Lori  
Telecommunications  
Workers Union

Sinclair, Kelly  
United Food and Commercial  
Workers Union, Local 2000  
Training Centre

Sourisseau, Paul  
Interior Forest Labour  
Relations Association\*\*

Startup, Mark  
Retail Merchants  
Association of B.C.\*\*

Tully, Betty  
Tully & Company Ltd.

Warren, Gary  
Canadian Auto Workers,  
Local 2301

\* Term ended Fiscal 2000 - 2001  
\*\* Term began Fiscal 2000 - 2001  
\*\*\* Appointed March 01, 2001

## MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



Kerry Jothen

This report marks ITAC's third full year of operation. Fiscal year 2000/2001 was a productive one in which we continued to

make strides toward our goal of a flexible, responsive and relevant training system for British Columbians. We are well-positioned for significant change in the next few years.

In ITAC's first three years, we increased individual training client outputs by approximately 50 per cent and funding for training by approximately 30 per cent. Apprenticeships reached their highest level since 1981 - 16,000 registrants.

ITAC remained on target to meet the strategic priorities the Board of Directors established, reaching and often exceeding our annual performance targets with staff continually challenged to develop creative and innovative business practices.

Looking back on the year's achievements, three fundamental factors ensured our success:

1. dedicated staff and meaningful contributions from Board members, advisory committees, business and labour organizations, educators and trainers and the provincial government;
2. significantly raising awareness about skill shortages and trades

and technical career options for high school students and youth; and,

3. key industry partnerships with high technology, small business, aerospace and other sectors.

The year's successes included:

- ▷ a substantial increase in training opportunities,
- ▷ increased outputs in every program area,
- ▷ expanded training spaces in high growth sectors,
- ▷ the development of a flexible delivery strategy,
- ▷ the continued growth of industry partnerships in all sectors,
- ▷ a new youth strategy centred on a revamped web site ([www.learnandearn.bc.ca](http://www.learnandearn.bc.ca)) and new youth promotional materials,
- ▷ the completion and distribution of a paper on *Work-Based Training Investment Options* by Kjell Rubenson and Hans Schuetze of University of British Columbia,
- ▷ the completion of a skill shortages paper and the implementation of its action plan.

While ITAC made steady progress in the past year, we still face major challenges. Chief among these is working with business, educators, labour and government in a concerted effort to address skill

shortages. The Commission is working, and will continue to work, to improve flexibility by broadening training and learning options. ITAC will be refining its business practices to increase its flexibility and responsiveness to industry and other customers and pursuing new occupational designations, training models and credentials.

I thank ITAC staff for their continuing commitment and professionalism in support of our goals and clients. Our progress is a reflection of their dedication and hard work.

I also thank the members of the ITAC Board of Directors for their continued leadership,

vision and support of ITAC staff. Thanks to our industry advisory committees, our business and labour partners, education and training providers and all other partners of ITAC for their support.

We have a great opportunity to make 2001/2002 a fulfilling and exciting year of positive change and results.



Kerry Jothen,  
Chief Executive Officer



KELOWNA'S FIRST SECONDARY SCHOOL APPRENTICES  
RECEIVE JOURNEY PERSON QUALIFICATIONS



# Corporate Governance

## Corporate Profile

The Industry Training and Apprenticeship Commission (ITAC) is an agency of the provincial government, created with the introduction of the Industry Training and Apprenticeship Act in 1997. The Commission is an industry-driven agency empowered to streamline the work-based training system, find new ways of broadening access to apprenticeship and entry-level trades training, create new flexible industry training models, and make training more responsive to employer, employee and labour market needs.

ITAC has established a cohesive, integrated advisory structure to help achieve its mandate and strategic goals. In order to broaden the nature, type and scope of advice provided to the Board and staff, ITAC's advisory structure provides strategic policy, technical and/or operational advice and recommendations.

- ▷ Trade Advisory Committees - over 60 committees of representatives from business, labour, education and government.
- ▷ Chairs Advisory Committee - up to 16 Trade Advisory Committee Chairs with equal representation from business and labour.
- ▷ Program Advisory Committees - post-secondary education and industry representatives and provincial articulation committees.

Additionally, ITAC meets or holds forums with industry groups and sectors on specific topics and priority policy issues.

ITAC had a staff of 105 full-time equivalents as of March 31, 2001. The Chief Executive Officer leads administration and is accountable to the Board. The staff is organized into five functional units: Operations, Policy and Planning, Finance and Administration, Marketing and Communications and the Chief Executive Officer's office. Executive staff are located in a corporate office in Burnaby and field staff are located in 15 offices around the province.

ITAC provides service through contracts with public, private and not-for-profit educational and training institutions or agencies delivering training programs. In 2000/2001, ITAC delivered programs and services in partnership with 27 public and private training institutions in the post-secondary education and secondary school sectors, and a host of other organizations. During this period, ITAC funded training for more than 25,500 individuals and, in total, supported over 29,000 training clients.

## Board of Directors

The members of the governing board are appointed by the Lieutenant Governor in Council on the recommendation of the Ministers under the Act. The Minister of Labour and the Minister of Advanced Education, Training and Technology are jointly responsible for the administration of

the Act. The Board consists of not more than 25 appointed individuals representing business, labour, education and training, and government.

## Board Committees

The ITAC Board created six subcommittees: four standing committees and two task groups. They have the authority to recommend and/or approve Commission policies related to their terms of reference. These committees meet regularly to address issues, develop policies and set strategic direction.

### Planning and Priorities

The Planning and Priorities Standing Committee ensures Board governance policies and procedures are in place and followed. When appropriate, the committee reviews and prioritizes recommendations from other Standing Committees and Task Groups that have strategic, broad

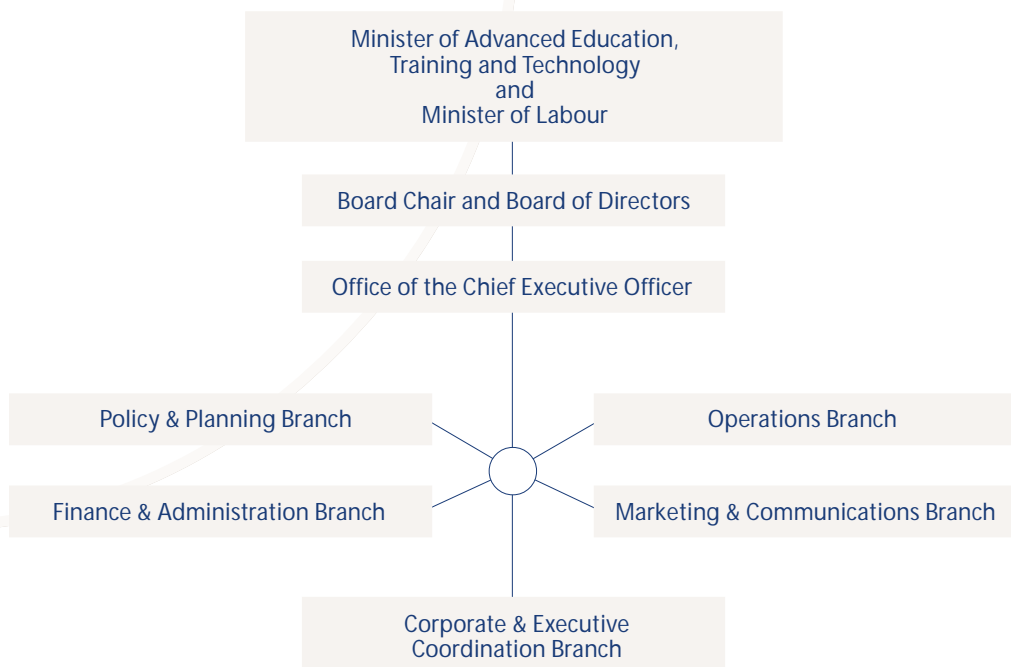
policy and/or broad financial implications for ITAC.

### Credentials and Designations

The Credentials and Designations Standing Committee establishes and reviews the process for designating new trades and occupations. This includes the requirements of Section 12 of the Act to make recommendations to the Board regarding credentials issued to trainees or apprentices and to set standards or requirements for issuing credentials.

### Finance and Administration

The Finance and Administration Standing Committee makes recommendations to the full Board of the Commission regarding financial, administrative and budget matters. This committee ensures we meet our fiduciary responsibility under the Act.



## Programs

The Programs Standing Committee recommends approval of an industry training or apprenticeship program for every trade and occupation designated under the Act.

This includes:

- ▷ establishing program requirements and standards ensuring program linkages with apprenticeship, co-op, entry level training, secondary school apprenticeship and other relevant industry training programs;
- ▷ overseeing the development, implementation and evaluation of pilot programs that respond to emerging industry training needs;
- ▷ determining program curriculum development and review processes;
- ▷ reviewing program design and delivery practices and trends in other jurisdictions; and,
- ▷ recommending actions on other program issues.

## Task Group on Under-represented Groups

The promotion of equity and diversity is a priority for ITAC. Part of our mandate is to ensure that all British Columbians have access to the industry training and apprenticeship system. The Commission established a Task Group on Under-represented Groups (URG) to ensure that ITAC addresses equity and diversity issues. ITAC has doubled URG program funding since the Commission's first budget and a number of projects were funded to benefit under-represented groups.

## Task Group on Promotions and Awareness

This Task Group makes recommendations regarding promotions, marketing, awareness and communications. The group:

- ▷ generates ideas for enhancing ITAC's promotions, awareness building, marketing and communications;
- ▷ recommends specific actions to achieve ITAC's objectives;
- ▷ supports, validates and/or participates in ITAC promotion and awareness events;
- ▷ consists of business, labour, education and staff representatives; and,
- ▷ facilitates linkages between ITAC and external agencies around promotions and awareness activities.



HAIRDRESSING COMPETITOR  
AT THE SKILLS CANADA  
COMPETITION

# Strategic Plan

The ITAC vision is to create a dynamic industry training and apprenticeship system, which contributes to the competitiveness of the BC economy by ensuring a highly skilled and well-trained workforce for the province.

In the fall of 2000, ITAC's Board of Directors identified four strategic priorities:

1

## PROMOTIONS AND AWARENESS

Promotion of trades and technical careers and training are critically important for ITAC to increase awareness among: 1) K to 12 students and youth, and those who influence them such as peers, parents, teachers and media; and 2) among industries and employers.

2

## RESPONDING TO HIGH TECHNOLOGY AND OTHER GROWTH SECTORS

ITAC needs to respond to the opportunities and needs in the high technology sector, as part of a broader strategy of responding to the needs of growing sectors of the economy where training, new designations and new kinds of credentials can address skills shortages.

3

## FLEXIBLE DELIVERY AND FLEXIBLE PROGRAM AND SERVICE DELIVERY

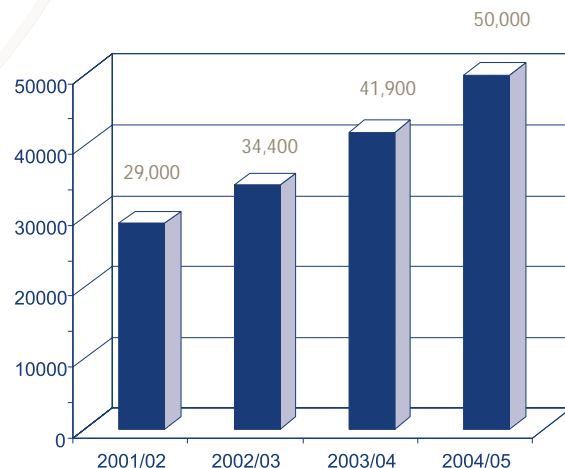
ITAC needs to develop more flexible, responsive training through new delivery methods and curriculum revision. Internally, the Commission needs to speed up decision cycles, update business practises and respond quickly to trends and opportunities.

4

## FUNDING

ITAC needs to capture a larger share of government funding while reducing its reliance on government funding through the pursuit of alternate funding options and cost-efficiencies.

ITAC's strategic objectives guide the Commission in achieving the following training output targets:



# Milestones 2000/01

- ▷ Trades and technical training opportunities increased 12% to over 25,000.
- ▷ Training spaces increased by 2,650 across all of ITAC's program areas.
- ▷ An increase in registered apprentices - to over 16,000 by the end of 2000 - the highest level since 1981 and higher than the overall rate of employment growth in B.C.
- ▷ Approval of new designations including 2nd assistant camera, dairy production technician, gas turbine repair technician, yacht builder and telecommunication craftsperson.
- ▷ Expansion of training spaces in industry/occupational growth sectors.
- ▷ Funding for converting hydraulics skills upgrading course to on-line training and funded an development of action plan to convert parts and warehousing to on-line training.
- ▷ Expansion of Secondary School Apprenticeship program to 675 students.
- ▷ Development of a flexible delivery strategy.
- ▷ Continual growth of industry training partnerships in all sectors.
- ▷ Increased the proportion of women in apprenticeships (7.0%), nearly twice the Canadian average.
- ▷ Establishment of curriculum and first training intake for a building maintenance worker pilot in the fall of 2000.
- ▷ Development of a new youth focused web site.
- ▷ Development of a new youth video.
- ▷ Profiled on BC Opportunities television campaign.
- ▷ Development of a 13-part women in trades and technologies video.
- ▷ Participation in Knowledge Network's "Planet Education" series.
- ▷ Sponsorship of and participation in 3rd annual Skills Canada competition.
- ▷ Completion and distribution of skill shortages paper.
- ▷ Launch of ITAC Edge Awards & celebration of 65th anniversary of apprenticeship in B.C.
- ▷ Completion and distribution of policy paper on trades and technical skill requirements by Roslyn Kunin and Paul Gallagher.
- ▷ Completion and distribution of training investment options by Kjell Rubenson and Hans Schuetze.

# Finance and Administration

## Professional support services

The Finance and Administration Branch provides and coordinates financial, human resource, facilities, systems and administrative services to support the organization in meeting its strategic goals.

## Recent Accomplishments

- ▷ Initiated employee recognition: the 'STAR' program
- ▷ Established staff working group to develop a comprehensive Human Resource Plan
- ▷ Established Information Systems Steering Committee
- ▷ Developed and approved Information Systems Plan

- ▷ Implemented personal productivity tools such as desktop faxing and file management systems
- ▷ Enhanced Trade Advisory Committee database
- ▷ Began Microsoft Office 2000 rollout
- ▷ Streamlined contract management process for regional administrators and ITAC headquarters

## Future Directions

- ▷ An annual Finance and Administration Branch Plan.\*
- ▷ An annual Finance and Administration Branch Review.

The table below outlines major areas of expenditure. More details appear in the audited statements on page 18 of this report.

2000-2001 PROGRAM EXPENDITURES (000s)	
Entry Level Trades Training (post-secondary institutions)	\$ 43,772
Apprenticeship Technical Training	17,043
Industry Training Expansion	1,887
Program Development and Curriculum	463
Secondary School Apprenticeship	80
Under-Represented Group Initiatives	361
Skills Upgrading	595
Awareness and Marketing	415
Trade Advisory Committees	282
Program Expenditures	<u>64,898</u>

\* Specific goals in the areas of finance, human resources, facilities, systems and administration are outlined in the 2001/2002 Finance and Administration Branch Plan. A copy is available upon request.

# Programs

The fundamentals for ITAC rest on a province-wide training network of diverse programs blending supervised on-the-job experience with technical or theoretical institutional instruction.

Programs range over a variety of work-based learning situations— from giving secondary school students their first opportunities to qualify as apprentices for designated trades, to upgrading the skills of experienced workers. All of this

depends on partnerships. ITAC makes the system work by bringing together individual employers, unions and public and private educational institutions across the province. With its partners' help, the Commission took a 2000/2001 funding increase of 6.99 per cent and leveraged it into 12 per cent more training spaces across the province. It meant 2,650 new spaces for British Columbians last year. The table below shows how the programs made use of last year's increased number of spaces.

<b>Entry Level Trades Training</b> Public college and institute programs providing basic theoretical and practical knowledge as pre-employment or pre-apprenticeship training for various trades.	2000-2001 5,646 students	1999-2000 5,513 students	1998-1999 5,534 students	1997-1998 5,526 students
<b>Apprenticeship Technical Training</b> A combination of on-the-job training with individual employers and in-school technical instruction that leads to certification in designated trades, occupations or crafts. These programs are delivered by private and public institutions, primarily the latter.	2000-2001 12,448 apprentices	1999-2000 12,762 apprentices	1998-1999 12,891 apprentices	1997-1998 12,400 apprentices
<b>Industry Training</b> New training models using work-based training.	2000-2001 1,838 workers	1999-2000 1,598 workers	1998-1999 Not applicable	1997-1998 Not applicable
<b>Secondary School Apprenticeship</b> Work-based training for young people while they continue their high school studies.	2000-2001 675 students	1999-2000 498 students	1998-1999 398 students	1997-1998 325 students
<b>Skills Upgrading</b> Programs allowing workers already certified in specific trades or occupations to upgrade for new methods and technologies.	2000-2001 4,671 workers	1999-2000 2,377 workers	1998-1999 1,658 workers	1997-1998 1,500 workers
<b>Under-Represented Groups</b> Projects undertaken with business, labour and education to bring the proportion of work-based training held by under-represented groups - women, aboriginal people, visible minorities and others - in line with their share of the provincial population.	2000-2001 409 participants	1999-2000 289 participants	1998-1999 242 participants	1997-1998 50 participants
<b>OVERALL FISCAL-YEAR TOTALS</b> All training categories combined.	2000-2001 25,687 participants	1999-2000 23,037 participants	1998-1999 20,723 participants	1997-1998 19,801 participants

# Programs

## Supporting Program and Service Delivery

The skill and knowledge that apprentices, students and workers gain from ITAC training depends on the efforts of Commission staff and dozens of advisory committees made up of volunteers primarily from business, labour, education and government. During 2000/2001, their work included:

- ▷ Curriculum upgrades in electrician, carpenter, joiner, sheet metal worker, recreational vehicle service technician, metal fabricator, heavy duty mechanic and planer mill technician.
- ▷ Revised Certificate of Qualification examinations for: set dresser, script supervisor, assistant location manager, third assistant director, auto glass installer, commercial transport ELTT equivalency, and log builder.
- ▷ Updated training guides and program outlines for a number of trades.
- ▷ Introduced Essential Skills for Supervisors program via Malaspina College. The program will provide supervisory skills for trades people and other skilled workers currently working in industry and a formal link between trades and vocational qualifications and advanced standing in the program. The program will be offered initially at Malaspina College and may be expanded throughout the province.
- ▷ Completed pilot phase of review of all ELTT and apprenticeship programs with automotive service technician and cook programs selected as pilots for the review. Final report on pilots to be released July 2001. Process to complete review of remaining 62 programs established with anticipated completion by fall 2001.
- ▷ Supporting the third year of funding for Career Technical Centres. Programs continue to grow and are now operating in eight centres across the province. Programs interface with local community colleges and cover a wide range of ITAC program areas.
- ▷ As part of the Canadian Council of Directors of Apprenticeship, ITAC supports and participates in the development and administration of interprovincial trade designations, the development and maintenance of national exam banks, and translation workshops. ITAC held a number of interprovincial examination bank workshops and validated the National Occupational Analysis for three interprovincial trades.
- ▷ Exploring the potential for delivering training via e-learning in a technical environment.



- ▷ Supporting Women in Trades and Technology programs at the College of the Rockies and Selkirk College.
- ▷ Supporting the entry of secondary school students into apprenticeships by providing \$1,000 scholarships to 160 students.

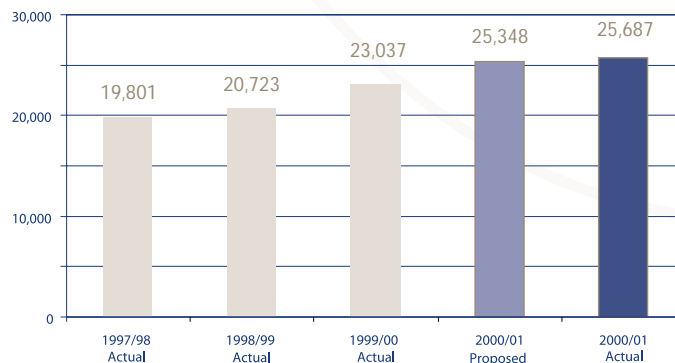


## Performance Plan

In response to the requirements set out in the new Budget Transparency and Accountability Act, ITAC will submit its Performance Plan by April 30th 2001. This Plan will outline the Commission's mandate, vision, operating principles and values that underpin our programs and activities. The Plan will also outline strategic objectives, strategies and targets that ITAC will focus on for the period 2001/02 - 2003/04, and how ITAC will account for its performance.

In fiscal 2000/01, ITAC exceeded targets and achieved a total of 25,687 training spaces. We exceeded our targets mainly as a result of increases in Industry Training and Skills Upgrading programs.

ACTUAL AND PROPOSED TRAINING SPACES 1997/98 TO 2000/01





INDUSTRY  
TRAINING AND  
APPRENTICESHIP  
COMMISSION

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2001

### **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of the Industry Training and Apprenticeship Commission have been prepared by management in accordance with generally accepted accounting principles. The financial statements present fairly the financial position of the Commission as at March 31, 2001 and the results of its operations and the changes in its financial position for the year ended.

Management is responsible for the integrity of the financial statements and has established systems of internal control to provide reasonable assurance that assets are safeguarded, transactions are properly authorized, and financial records are properly maintained to facilitate the preparation of reliable financial statements in a timely manner.

The Auditor General of British Columbia has performed an independent audit of the Industry Training and Apprenticeship Commission. The Auditor's Report outlines the scope of this independent audit and expresses an opinion of the financial statements of the Industry Training and Apprenticeship Commission.

Kerry Jothen  
Chief Executive Officer



## Report of the Auditor General of British Columbia

*To the Members of the Board of Directors  
of the Industry Training and Apprenticeship Commission, and*

*To the Minister of Advanced Education,  
Province of British Columbia:*

I have audited the balance sheet of the *Industry Training and Apprenticeship Commission* as at March 31, 2001 and the statements of revenues and expenses and cash flows for the year then ended. These financial statements are the responsibility of the Commission'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 *Industry Training and Apprenticeship Commission* as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Wayne Strelloff, CA  
Auditor General

Victoria, British Columbia  
May 25, 2001

## INDUSTRY TRAINING AND APPRENTICESHIP COMMISSION

### BALANCE SHEET AS AT MARCH 31, 2001

	2001	2000
<b>Assets</b>		
Balance in the Special Account (Note 3)	\$ 3,792,802	\$ 2,031,075
Accounts Receivable	10,106	3,941
Prepaid Expenses	6,138	212
Capital Assets (Note 4)	800,372	424,756
	<u>\$ 4,609,418</u>	<u>\$ 2,459,984</u>
<b>Liabilities</b>		
Grants and Contributions Payable	\$ 492,473	\$ 498,201
Other Accounts Payable and Accrued Liabilities	538,621	101,926
Accrued Employee Leave Entitlements (Note 5)	400,015	384,980
Deferred Capital Contributions (Note 6)	800,372	-
	<u>2,231,481</u>	<u>985,107</u>
<b>Accumulated Excess of Revenues over Expenses</b>	<u>2,377,937</u>	<u>1,474,877</u>
	<u>\$ 4,609,418</u>	<u>\$ 2,459,984</u>

*The accompanying notes are an integral part of these financial statements.*

Approved by the Board of Directors:



A/Chair



Chief Executive Officer

## INDUSTRY TRAINING AND APPRENTICESHIP COMMISSION

### STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
<b>Revenues</b>		
Contributions from the Province (Note 8)	\$ 73,668,000	\$ 70,105,000
Licenses and Permits	251,792	210,778
Amortization of Deferred Contributions	478,628	-
	<u>74,398,420</u>	<u>70,315,778</u>
<b>Expenses</b>		
Contributions to Industry Training and Apprenticeship Programs	64,103,859	61,674,618
Salaries and Benefits	6,023,636	5,696,631
Building Occupancy Charges (Note 8)	913,618	725,959
General Office and Business Expenses	455,343	430,895
Information Systems Operating Costs (Note 8)	615,946	378,549
Travel	483,897	343,568
Professional Services	159,090	224,836
Printing, Publications and Marketing	247,546	389,597
Trade Advisory Committees	282,516	126,689
Board Fees and Expenses	35,284	67,692
Depreciation	270,299	150,934
	<u>73,591,034</u>	<u>70,209,968</u>
<b>Excess of Revenues over Expenses For the Year</b>	807,386	105,810
<b>Accumulated Excess of Revenues over Expenses, Beginning of Year</b>	1,474,877	1,369,067
<b>Accounting Changes (Note 10)</b>	95,674	-
<b>Accumulated Excess of Revenues over Expenses, End of Year</b>	<u>\$ 2,377,937</u>	<u>\$ 1,474,877</u>

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

## INDUSTRY TRAINING AND APPRENTICESHIP COMMISSION

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
<b>Cash Equivalents Provided by Operating Activities</b>		
Excess of Revenues over Expenses for the year	\$ 807,386	\$ 105,810
Items not affecting Cash Equivalents		
Amortization of Deferred Capital Contributions	(478,628)	-
Depreciation	270,299	150,934
(Decrease) Increase in Grants and Contributions Payable	(5,728)	201,398
Increase in Other Accounts Payable and Accrued Liabilities	436,695	51,143
Increase in Accrued Employee Leave Entitlements	15,035	70,680
(Increase) Decrease in Accounts Receivable	(6,165)	69,212
(Increase) in Prepaid Expenses	(5,926)	(212)
	<u>1,032,968</u>	<u>648,965</u>
<b>Cash Equivalents Provided by Financing Activities</b>		
Deferred Capital Contribution Received	1,279,000	-
<b>Cash Equivalents Used by Investing Activities</b>		
Purchase of Capital Assets	(550,241)	(393,900)
<b>Increase in Cash Equivalents</b>	<b>1,761,727</b>	<b>255,065</b>
<b>Cash Equivalents, Beginning of Year</b>	<b>2,031,075</b>	<b>1,776,010</b>
<b>Cash Equivalents, End of Year</b>	<b><u>\$ 3,792,802</u></b>	<b><u>\$ 2,031,075</u></b>
<b>Represented by:</b>		
Balance in the Special Account	<u>\$ 3,792,802</u>	<u>\$ 2,031,075</u>

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

## INDUSTRY TRAINING AND APPRENTICESHIP COMMISSION

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2001

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#### Note 1 The Commission

The Industry Training and Apprenticeship Commission (the Commission) was established on November 28, 1997 as a corporation and agent of the Provincial government under the authority of the *Industry Training and Apprenticeship Act*.

The mandate of the Commission is to:

- create an industry driven training and apprenticeship system;
- identify, monitor and assess the needs of the British Columbia labour market for skilled persons;
- expand the number of skilled persons in designated trades and occupations;
- increase the proportion of under-represented groups in designated trades and occupations;
- integrate education and training systems to ensure a smooth transition from school to the workplace;
- promote and encourage continuous skills upgrading, learning and certification;
- develop and expand a system of provincially recognized credentials for designated trades and occupations; and
- ensure efficient and effective use of resources through the coordination and integration of industry training and apprenticeship programs.

#### Note 2 Significant Accounting Policies

##### (a) Basis of Accounting

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

##### (b) Revenues and Expenses

Contributions received from the Province are recorded as revenue on an accrual basis. Capital funding provided by the Province is recorded as deferred contributions, and recognized as revenue on the same basis as depreciation expense relating to the capital asset.

Contributions are recognized as expenses in the period that the events giving rise to the contribution occurred, as long as:

- (i) payment has been authorized;
- (ii) eligibility criteria, if any, have been met by the recipient; and
- (iii) a reasonable estimate of the contribution can be made.

## INDUSTRY TRAINING AND APPRENTICESHIP COMMISSION

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2001

#### Note 2 Significant Accounting Policies – continued

##### (c) Capital Assets

Capital assets are recorded at cost and are depreciated on a straight-line basis over the estimated useful life of the assets as follows:

- Computer Hardware and Software - 3 years;
- Office Furniture and Equipment - 5 years;
- Tenant Improvements - 5 years;
- System Development Work In Process - not depreciated until completed.

#### Note 3 Balance in the Special Account

The *Industry Training and Apprenticeship Act* establishes the Industry Training and Apprenticeship Special Account in the general fund of the Province of British Columbia.

This Special Account consists of:

- money transferred from a vote;
- assessments made on employees or employers for the cost of maintaining an industry training or apprenticeship program;
- fees for services; and
- any other revenues received by the Commission.

Money may be paid out of the Special Account for projects or initiatives undertaken by the Commission, and for the costs of operating and administering the Commission. The Special Account balance includes the accumulated excess of revenues over expenses that may not be spent without additional Treasury Board approval.

#### Note 4 Capital Assets

	Cost	Accumulated Depreciation	Net Book Value
Computer Hardware and Software	\$ 885,501	\$ 431,016	\$ 454,485
Office Furniture and Equipment	365,669	217,877	147,792
Tenant Improvements	81,821	2,727	79,094
System Software Development In Progress	119,001		119,001
	<u>\$1,451,992</u>	<u>\$ 651,620</u>	<u>\$ 800,372</u>



## INDUSTRY TRAINING AND APPRENTICESHIP COMMISSION

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2001

#### Note 5 Accrued Employee Leave Entitlements

The Commission is responsible for the leave entitlements earned by its employees, including those that existed prior to its incorporation on November 28, 1997. The Balance in the Special Account includes a cash transfer made to provide for the latter liability.

#### Note 6 Deferred Capital Contributions

Capital funding provided by the Province of British Columbia is recorded as deferred capital contributions as funds are advanced for capital asset acquisitions. These deferred capital contributions are recognized as revenue on the same basis as the depreciation expense relating to the capital asset. This method of accounting has been prospectively applied in the current year.

The balance is made up of the following:

	2001	2000
Capital Assets	\$ 800,372	-
Unspent Capital Funding	-	-
	<u>\$ 800,372</u>	<u>-</u>

Changes in Deferred Capital Contributions are as follows:

	2001	2000
Balance, beginning of year	-	-
Contributions received during the year	\$ 1,279,000	-
Amount amortized to revenue	<u>(478,628)</u>	<u>-</u>
Balance, end of year	<u>\$ 800,372</u>	<u>-</u>

## INDUSTRY TRAINING AND APPRENTICESHIP COMMISSION

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2001

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#### Note 7 Employee Benefit Plans

The Commission and its employees contribute to the Public Service Pension Plan in accordance with the Public Sector Pension Plans Act. The plan is a multi-employer defined benefit plan, and is administered by the British Columbia Pension Corporation on behalf of several public sector organizations.

Under this plan and other collective agreements, the Commission makes set contributions to provide for pension, health care and other retirement benefits to its employees. The Commission recognizes these contributions as the cost of providing employee benefits, and records them as an expense in the year when contribution payments are made. The Commission has adopted this method of accounting for employee future benefits since the plan administrator does not allocate underlying assets and liabilities of the plan to individual organizations participating in the plan.

The most recent actuarial valuation (March 31, 1999) has determined that the plan is in a surplus position. Effective January 1, 2001, the Public Service Pension Plan's management changed to a joint trusteeship whereby the management, risks and benefits are shared between the employers and employees. Previously, these matters were sole responsibility of the Province of British Columbia and its organizations.

#### Note 8 Related Party Transactions

- (a) The Commission received \$74,947,000 (2000 - \$70,105,000) from the Ministry of Advanced Education, Training and Technology. The operating component of \$73,668,000 is reported in the Statement of Revenues and Expenses. The Commission uses these revenues to make contributions to industry training and apprenticeship programs at universities, colleges and training schools in British Columbia, and to fund the operations of the Commission. The capital component is \$1,279,000 of which \$800,372 is reported as Deferred Capital Contributions on the Balance Sheet.
- (b) All office facilities are leased through the British Columbia Buildings Corporation. Total lease payments for the year ended March 31, 2001 were \$913,618 (2000 - \$725,959).

ITAC Staff, Linking Learning and Work in 2000/2001 The efforts of business, labour, education and government, and the ITAC Board of Directors would go unrealized if it

were not for the continued commitment, dedication and hard work of the ITAC staff members. A year of great strides accomplished by a great staff.

Rose Ackerman  
Ken Kelly  
Jim Armstrong  
Heather Kennedy  
Peter Armstrong  
Madeleine Kilcullen  
Bob Barten  
Gerry Lengert  
Ken Bauder  
Cathy Lightfoot  
Debbie Beauregard  
Rick Linton  
Dan Bialobzyski  
Rolf Lippold  
Greg Biggs  
Eva Lum  
Ray Brochu  
Neil Marshall  
Ellen Brodie  
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Brenda Doppert  
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Marian Dudas  
Jamie Premack  
Linda Easy  
Kim Proulx  
Jim Edgar  
Lynn Ranger  
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Brian Robertson  
Mary Edwards  
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Kerbey Young  
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Ran Yu



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