



UPDATED SHAREHOLDER'S LETTER OF EXPECTATIONS

BETWEEN

**THE MINISTER OF ECONOMIC DEVELOPMENT AND MINISTER
RESPONSIBLE FOR ASIA-PACIFIC INITIATIVE AND THE OLYMPICS
(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 of 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 should inform the development of the Authority's Service Plans and Annual Service Plan Reports. The Letter applies to the Shareholder and the Authority. This 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 cooperative working relationship.

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

This Shareholder's Letter of Expectations replaces any previous such documents between the Shareholder and the Authority.

AUTHORITY ACCOUNTABILITIES

Government has provided the following mandate direction to the Industry Training Authority, this includes:

- developing training that is relevant and responsive to industry, community and labour market needs;
- expanding access to training to underrepresented groups in all regions of the province;
- attracting more young people into trades training, promoting the benefits and rewards of a trades career path and assisting the transition from school to work;
- developing flexible, innovative methods for the delivery of training; and
- ensuring labour mobility under the Agreement on Internal Trade 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 consistent with principles of efficiency, effectiveness, and customer service;
- prepare Service Plans with clearly articulated goals, objectives, strategies and performance measures and targets, and Annual Service Plan Reports that detail 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);
- conduct its operations and financial activities in a manner consistent with the legislative, regulatory and policy framework established by the Shareholder;
- develop and implement strategies to mitigate risks identified in the Service Plan;
- provide the Shareholder with reports and other information that would enable the Shareholder to carry out its responsibilities;
- provide timely information to the Shareholder if the Authority is unable to meet the targets identified in its Service Plan; and
- take appropriate action to ensure that if Shareholder-directed transactions affect the Service Plan or financial targets of the Authority, the Shareholder is informed of any impacts.

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

- allocate funding and oversee the management and delivery of programs and services;
- develop an Industry Training Model that ensures industry leadership and accountability as well as efficient and effective use of resources including the establishment of new Industry Training Organizations;
- develop a training model that anticipates the province's need for training of apprentices and trainees including the volume and types of apprentices required;
- implement a financial and accountability framework to ensure efficient use of funding on the part of training providers including standardizing the cost and credits for entry-level trades training;
- monitor programs, services and establish performance indicators for service providers that are consistent with expected performance outlined in the Authority's Service Plan;
- award, or authorize, with Minister's permission, the award of industry training credentials to trainees who complete industry training programs;
- maintain a registry of trainees, industry training agreements and training records for trainees;
- work with industry to develop policies and standards to support the delivery of training programs, approaches for competency-based qualification assessments, examinations, and credentials for programs administered by the Authority;
- develop for Minister's approval policies, standards and processes for the delegation of powers such as the delivery of training programs, the administration of assessments and the award of credentials, and seek the Minister's permission before delegation of such powers;
- make information on standards for programs and credentials available to the public and potential trainees, including processes for recognition of training in other programs and jurisdictions;
- ensure transparency of processes related to powers of the Authority such as the eligibility of trainees for registration with the Authority, and mechanisms for appeal of decisions of the Authority;
- provide program and occupational data to meet interprovincial government requirements where such obligations are in place;
- compensate the Chief Executive Officer (CEO) in accordance with government's compensation policy for salary and bonus systems;
- follow government policy direction regarding general frameworks and principles related to trade, investment and labour mobility, including:
 - a) competitive tendering through fair, open and transparent processes. The processes will apply to administrative contracts effective immediately and contracts with private trainers effective 2009/10;
 - b) compliance with bi-lateral and multi-lateral agreements of governments regarding labour mobility for regulated workers;
- work with public post-secondary institutions and private trainers to manage and fund the development of programs that offer industry training credentials;

- as part of its Service Plan, set targets for new program development and maintenance of existing program standards through partnerships with industry;
- work with other regulatory authorities to enhance the mobility of trained workers; and
- develop assessment tools and mechanisms for the efficient and effective assessment and recognition of internationally trained workers.

SHAREHOLDER RESPONSIBILITIES

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

- establish, review, revise and communicate Crown corporations' and the Authority's mandates;
- establish the overall and specific financial frameworks under which the Authority operates (borrowing, investment, and payment to Shareholder);
- issue performance management guidelines, including guidelines for service planning and reports (<http://www.gov.bc.ca/cas/rpts/>);
- provide strategic input and advice to the Authority in the development of their Service Plans and Annual Reports;
- provide broad policy direction and confirmation of general frameworks/principles to the Authority, within which the Authority may establish and apply specific policies/processes;
- advise the Authority of government's priorities, strategic decisions and public policy and performance objectives and expectations that may impact them; and,
- issue directives or orders, or sponsor submissions on behalf of the Authority that may be required to seek decisions or policy direction by the Executive Council or its committees, in order to facilitate the Authority in fulfilling their mandate and achieving the performance targets outlined in their 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. The Shareholder has also issued Best Practice Guidelines for Board governance and disclosure to be implemented by April 2006 (<http://www.fin.gov.bc.ca/ooop/brdo/corporateguidelines.pdf>). During the term of this Letter, the Shareholder may provide policy direction to the Crown 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 targets identified in the Authority's 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 with the same rights and benefits as the Province;
- 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. 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 new industry training system;
- reviews, monitors and evaluates programs, services and performance indicators to ensure compliance with the Authority's Service Plan;
- consults with the Authority in developing the government's annual expenditure and capital plans, in order to consider the financial requirements of the Authority;
- 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
- confirms directives related to public health and safety.

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.

Reporting:

The Shareholder and the Authority are committed to enhanced transparency and accountability to the public. The Shareholder has put in place a public reporting structure set out in the *Budget Transparency and Accountability Act*, the *Financial Administration Act*, and the *Financial Information Act*. The Shareholder will provide the Authority with a financial reporting calendar and details of performance reporting requirements (<http://www.gov.bc.ca/cas>). 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 strategic documents such as Service Plans, Quarterly Financial Reports and Annual Reports. These discussions will be completed sufficiently in advance of deadlines to ensure 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.

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 Economic Development is responsible and 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 Expectations, and may assist the Ministry in undertaking reviews and monitoring implementation. If deemed necessary by either party, the Shareholder and the Authority will discuss any issues and may agree to amend this Letter.



Honourable Colin Hansen
Minister of Economic Development and
Minister Responsible for Asia-Pacific Initiative
and the Olympics



Bev Briscoe, Chair
Industry Training Authority

Date July 4, 2006

Date June 21/06

pc: Honourable Gordon Campbell
Premier

Jessica McDonald
Deputy Minister to the Premier and Cabinet Secretary

Dana Hayden
Deputy Minister
Strategic Policy, Natural Resources and the Economy

Tamara Vrooman
Deputy Minister and Secretary to Treasury Board
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Molly Harrington
A/Chief Executive Officer
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Deputy Minister
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Brian Clewes
Chief Executive Officer
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