



The Best Place on Earth

## **SHAREHOLDER'S LETTER OF EXPECTATIONS**

### **BETWEEN**

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

### **AND**

**THE CHAIR OF THE OPEN LEARNING AGENCY  
(AS REPRESENTATIVE OF THE CORPORATION)**

## **PURPOSE**

This Shareholder's Letter of Expectations between the Shareholder and the Corporation is an agreement on the respective roles and responsibilities of each, and serves as the basis of agreement between the Shareholder and the Corporation on corporate mandate including high-level performance expectations, public policy issues and strategic priorities<sup>1</sup>. It will be reviewed annually and updated as required. The Shareholder's Letter of Expectations is the basis for the development of the Corporation's Service Plans and Annual Service Plan Reports. The Letter applies to the Shareholder and the Corporation. This Letter does not create any legal or binding obligations on the part of the Shareholder or the Corporation but rather is intended to define and promote a positive and co-operative working relationship.

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<sup>1</sup> The Province of British Columbia's Crown Agency Accountability System (CAAS) ([http://www.gov.bc.ca/cas/down/shareholder's\\_expectations\\_manual\\_\(version%208\)\\_june\\_2\\_06.pdf](http://www.gov.bc.ca/cas/down/shareholder's_expectations_manual_(version%208)_june_2_06.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 Shareholder's Letter of Expectations (Letter) to be jointly developed.

## **CORPORATION ACCOUNTABILITIES**

- Government has provided the following mandate direction to the Open Learning Agency under the *Open Learning Agency Act* and the yet to be proclaimed *Knowledge Network Corporation Act*. The purposes of the corporation, as British Columbia's public education broadcaster, are to:
  - a. carry on the business of broadcasting and communications to provide unique, quality educational programming to British Columbians,
  - b. promote life-long learning in British Columbia by providing quality educational programming,
  - c. inform and educate British Columbians about their province and about issues that are relevant to them,
  - d. provide British Columbians with a unique television experience, and
  - e. collaborate with the independent television and web media production sectors in British Columbia.

In responding to government's performance expectations and the general and specific frameworks and direction of the Shareholder, the Corporation 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 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 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 Corporation'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 Corporation'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;

- 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 Corporation is unable to meet the targets identified in its Service Plan.

In addition, the Shareholder directs the Corporation to take the following specific actions consistent with the Corporation's authority under the *Open Learning Agency Act* and the *Knowledge Network Corporation Act*, as applicable:

Retain the building and property at 4355 Mathissi Place, Burnaby, British Columbia until such time that the Shareholder directs that it be transferred to another public post-secondary institution.

Until the Mathissi Place building and property are transferred, maintain and manage the building and property, and report to the Shareholder on matters pertaining to operating costs, tenant issues, major repairs, capital upgrades and any other matters that materially affect the value and future use of the building by the public post-secondary system.

- Undertake capital upgrades necessary to convert Knowledge Network's (KN's) studio and broadcast facilities from an analogue platform to a digital platform. These upgrades are to conform to the timeline, budget and specifications described in Knowledge Network's digital transformation plan, which was submitted to the Ministry of Advanced Education (AVED) on August 17, 2007.
- Undertake activities necessary to pursue the goals described in KN's strategic plan, which was submitted to AVED on July 25, 2007. Specifically, the Corporation will:
  - Brand Knowledge Network as British Columbia's only independent,<sup>2</sup> digital, commercial-free educational media service that reflects the province's diversity and multiculturalism and supports the lifelong pursuit of knowledge.
  - Initiate a major expansion of original local and regional television and internet programming that informs and educates British Columbians about their province and engages them in daily issues that are relevant to their lives.
  - Collaborate with British Columbia's independent television and internet-content production sector through public-private partnerships.
  - Increase self-generated revenue by establishing media partnerships with both public and private sector organizations and enterprises, and increase

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<sup>2</sup> The word "independent" here means only that KN is unaffiliated with network broadcasters and that it enjoys freedom of expression and journalistic, creative and programming independence. As a provincial Crown agency, KN is accountable to the Government of British Columbia as its sole shareholder. KN derives its mandate and the majority of its operational funding from government, and is subject the British Columbia Crown Agency Accountability System.

individual philanthropic donations by expanding the membership of Partners In Knowledge.

- Recruit and develop a team with the necessary skills to transform the network from an analogue to a digital service, and the capability to engage the independent production sector to collaborate in providing British Columbians with a unique television experience.

Include in these activities television and/or internet programming that reflect:

- the spirit of Act Now BC;
- BC's role as the gateway between Canada and the Asia Pacific;
- the promotion of literacy; including early learning initiatives and adult literacy;
- Aboriginal communities, culture and issues;
- climate change awareness and education on ways to preserve the planet for future generations;
- the experiences and interests of all age groups including young children, youth, and seniors; and,
- the celebration and commemoration of the 150th anniversary of British Columbia as a Crown colony.

Where appropriate, work with the public education system to coordinate educational programming.

## **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 Crown corporations' mandates;
- establish the overall and Crown-specific financial frameworks under which Crown corporations operate (borrowing, investment, and payment to the Shareholder);
- issue performance management guidelines, including guidelines for service planning and annual reports (<http://www.gov.bc.ca/cas/rpts/>);
- provide strategic input and advice to Crown corporations in the development of their Service Plans and Annual Reports;
- provide broad policy direction and confirmation of general frameworks/principles to Crown corporations, within which the Crown corporations may establish and apply specific policies/processes;

- advise Crown corporations of government's priorities, strategic decisions and public policy and performance objectives and expectations that may impact the Crown corporations; and
- issue directives or orders or sponsor submissions on behalf of Crown corporations that may be required to seek decisions or policy direction by the Executive Council or its committees, in order to facilitate Crown corporations fulfilling their mandates and achieving the performance targets outlined in Crown corporations' 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 (<http://www.fin.gov.bc.ca/oop/brdo/corporateguidelines.pdf>). During the term of this Letter, the Shareholder may provide 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 targets identified in Crown corporation's Service Plans.

Specific to the Corporation, the Shareholder:

- Approves the Corporation's mandate to operate broadcasting undertakings devoted primarily to the field of educational broadcasting under the *Open Learning Agency Act* and the yet to be proclaimed *Knowledge Network Corporation Act*;
- May make grants to the Corporation;
- Confirms the role of the Minister of Finance as fiscal agent to the Corporation, providing the Corporation with access to government financing and banking services;
- Will bring into force the *Knowledge Network Corporation Act* and Repeal the *Open Learning Agency Act* following a successful outcome of the Corporation's application to the Canadian Radio-television and Telecommunications Commission to acquire a broadcasting licence in the name of the Knowledge Network Corporation; and
- Provides information on government initiatives that may be incorporated into educational programming.

## **AREAS OF SHARED ACCOUNTABILITY:**

### **Communications**

It is agreed by both the Shareholder and the Corporation 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 Corporation 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 has provided the Corporation with a reporting calendar which sets out financial and performance reporting requirements (<http://www.gov.bc.ca/cas>). The Corporation 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 Corporation.

It is agreed by both the Shareholder and the Corporation 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.

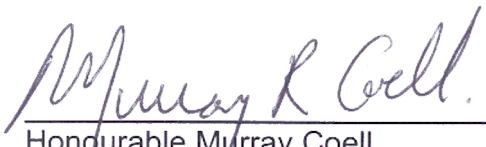
In addition to these financial and performance reporting requirements, the Corporation agrees to provide information to the Shareholder related to risks and opportunities anticipated in achieving financial forecasts.

The Shareholder and the Corporation 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 Corporation or the interests of the Shareholder.

It is agreed that the Corporation will post the most recent signed copy of the Shareholder 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 is accountable for undertaking reviews of this Letter and monitoring its implementation. The Crown Agencies Secretariat is responsible for coordinating 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 Corporation will discuss any issues and may agree to amend this letter.



Honourable Murray Coell  
Minister of Advanced Education

May 22/08  
Date



Dr. Ronald Burnett  
Chair, Open Learning Agency

May 12, 2008  
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

Molly Harrington  
Chief Executive Officer  
Assistant Deputy Minister  
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