

Industry Training Authority

2016/17 ANNUAL SERVICE PLAN REPORT



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Board Chair's Accountability Statement



The *Industry Training Authority 2016/17 Annual Service Plan Report* compares the corporation's actual results to the expected results identified in the *2016/17 – 2018/19 Service Plan*.

I am accountable for those results as reported.

A handwritten signature in black ink, appearing to read "Gwyn Morgan". The signature is fluid and cursive.

Gwyn Morgan, C.M.
Board Chair

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Chair/CEO Report Letter

The Board and leadership of the Industry Training Authority (ITA) share a commitment to delivering on the direction outlined in ITA's 2016/17 Mandate Letter. We continue to build on the progress achieved since 2014 in implementing changes to align with [B.C.'s Skills for Jobs Blueprint](#), (the Blueprint), the recommendations contained in the McDonald Report,¹ and ITA's LNG Action Plan.

Ensuring that the [Taxpayer Accountability Principles](#) are put into action across the organization is fundamental to this commitment. Over the past year, ITA has:

- Continued implementation of an engagement plan to increase communication and understanding between ITA and government. The plan established quarterly meetings, with standardized agendas focused on results and strategic decision-making.
- Updated the orientation materials for new Board members and executive staff and confirmed that ITA's current Board and executives have reviewed and adopted the accountability framework and the Taxpayer Accountability Principles.
- Ensured that all Board members are signatories to the Mandate Letter, and that the Board and all ITA staff now annually review, sign, and agree to abide by the [Organizational Code of Conduct and Conflict of Interest Policy](#).

Additional ongoing actions include:

- The Board Chair communicates with the Minister on a regularly scheduled basis and as required;
- The CEO and Deputy Minister hold monthly meetings to ensure open communications and exchange of current information;
- The CEO attends monthly meetings of the Labour Market Priorities Board;
- Both the Deputy Minister and Assistant Deputy Minister regularly attend ITA Board meetings; and
- Quarterly meetings are held between the Minister and Board Chair.

The Industry Training Authority continues to focus on creating a more responsive and effective trades training system for British Columbia.



A handwritten signature in black ink, appearing to read "Gwyn Morgan".

Gwyn Morgan, C.M.
Board Chair



A handwritten signature in black ink, appearing to read "Gary Herman".

Gary Herman
Chief Executive Officer

¹ McDonald, Jessica. (2014) [The Industry Training Authority and Trades Training in BC: Recalibrating for High Performance](#).

Purpose of the Organization

The Industry Training Authority (ITA) is responsible for managing, promoting and supporting the industry training, apprenticeship, and trades certification system in B.C. to help meet the province's need for skilled workers. ITA supports apprentices and employer sponsors with a dedicated call centre, Apprenticeship Advisors on the ground and an Industry Relations team. In addition, the certification of apprentices is aided by the Completions and Assessment departments. ITA also sets the standards for trades qualifiers to obtain certification based on work experience obtained outside of the apprenticeship system. Further authorities are defined in Part 3 of the [Industry Training Authority Act](#). ITA's mandate and accountabilities are elaborated annually through a Mandate Letter signed by each member of the board and the Minister of Jobs, Tourism and Skills Training.

Strategic Direction and Context

ITA's [2016/17 Mandate Letter](#), dated February 4, 2016, outlined ITA's direction and reinforced strategic priorities which informed ITA's 2016/17 – 2018/19 Service Plan. Specific direction from the Mandate Letter and strategic actions are outlined in Appendix B.

The ITA operates under the provincial government's [Taxpayer Accountability Principles](#) which strengthen accountability, promote cost control, and ensure organizations operate in the best interest of taxpayers. ITA has complied with this direction for 2016/17 by: executing the engagement plan; implementing an evaluation framework to measure performance against the Taxpayer Accountability Principles; and meeting all required accountabilities.

Guided by the Blueprint and McDonald Report, ITA has initiated significant transformations since 2014 to improve industry relations and labour market intelligence through the creation of Sector Advisory Groups. Important initiatives include: implementing the LNG Action Plan; re-aligning training investment with an increase of over 800 foundation seats in top in-demand trades; encouraging innovation in training delivery through new pilot projects funded through the Labour Market Demand Fund; and developing new capabilities to support apprentices and employers across the province by deploying Apprenticeship Advisors across B.C.. ITA is on track to meet its obligations outlined in these key directives. All ITA commitments arising from the McDonald Report were addressed by the end of 2016/17, and work is continuing to deliver results on the LNG Action Plan and the Blueprint.

In 2016/17, in accordance with ITA's updated legislation, the corporation published a new strategic plan based on extensive stakeholder consultations. The 2017-19 Three Year Strategic Plan articulates a sharper ITA focus on quality, innovation and collaboration.

ITA's strategies to navigate financial and operating risks encountered over the course of the year are detailed in the Financial Report section.

Report on Performance

ITA achieved or exceeded its targets for four of seven performance measures in 2016/17 including: Sponsor Value Index, Employers' and Credential Holders' Satisfaction with ITA Credentials², 100 Per Cent Implementation of CCDA Harmonized Trades, and Percentage of ITA-Funded Foundations seats in Top In-Demand Trades. The ITA made a business driven decision to change the methodology for the following three performance measures: Total Registered Sponsors, Number of Credentials Issued, and Continuation Rates from Foundation Programs to Apprenticeship and as such, these three performance measure results are not comparable against the 2016/17 established targets. Details for the methodology changes are detailed under each specific performance measure. ITA has achieved all of the items outlined in the Mandate Letter with the exception of achieving all performance targets (see Appendix B for details).

Over the past year, ITA has taken the following actions to implement the Taxpayer Accountability Principles:

- Continued implementation of the ITA's Taxpayer Accountability Principles strategic engagement plan to improve accountability and foster relationships between government and ITA. This included: bi-weekly meetings between the Deputy Minister and CEO; CEO participation in monthly Labour Market Priority Board meetings with the Deputy Minister; COO participation in bi-weekly Labour Market Priority Board meetings with the Assistant Deputy Minister; and regular attendance by both the Deputy Minister and Assistant Deputy Minister at ITA board meetings.
- Provided information to the Board and to ITA staff on the accountability framework and the Taxpayer Accountability Principles.
- Ensured that the Board and all ITA's senior leadership have signed and agree to comply with ITA's Code of Conduct and Conflict of Interest Policy.
- Utilized an evaluation framework to measure performance against the Taxpayer Accountability Principles.

Each of the performance measures in this annual report supports at least one aspect of the Taxpayer Accountability Principles.

Goals, Strategies, Measures and Targets

Goal 1: Demonstrate increased industry engagement in skills training and an increased number of employers sponsoring apprentices.

Strategies

In accordance with the strategies outlined under Goal 1 in ITA's 2016/17 – 2018/19 Service Plan, ITA successfully:

- Deepened and strengthened engagement with industry, including Sector Advisory Groups, to inform ITA's multi-year training targets by identifying the needs of industry and delivering an enhanced industry relations management framework;

² Within the margin of error

- Continued to refine strategic sector priorities for the Sector Advisory Groups and engage a broad cross-section of industry to better inform the industry-led training system and to identify and deploy innovative best practices in trades training;
- Used new and existing outreach, marketing and recruitment tools to increase the number of employer sponsors with a campaign utilizing Customer Relationship Management tools to engage, inform and recruit employer sponsors; and
- Tested fresh approaches, in partnership with Kamloops Chamber of Commerce, to reach new businesses to provide them with information on apprenticeship and recruiting new employer sponsors.

Performance Measure 1 - Total Registered Sponsors

The number of sponsors is an approximate indication of the availability of employers and sponsors to support the work-based training portion of apprenticeship. Sponsors register to support apprentices if they perceive that the trades training system provides a positive outcome for them and for their organization.

Targets for total registered sponsors were aligned with the target for the number of credentials issued and the level of sponsorship participation required to support those targets, as well as industry hiring capacity.

This performance measure supports ITA’s alignment with the Taxpayer Accountability Principle of *Service*.

Performance Measure	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Target ¹	2016/17 Actual ²	2017/18 Target	2018/19 Target
Total Registered Sponsors	9,548	9,958	10,298	10,500	11,210	11,000	11,500

Data Source: ITA Direct Access information management system. The Direct Access system was custom designed to meet ITA’s specific customer service and performance management requirements. It is subject to clear data-entry procedures and business rules.

¹ Targets are based on an increase of 500 registered sponsors, from the previous year’s target.

² The 2016/17 actual results are based on a different methodology than what was used in establishing the target and as such, results are not comparable. Several registered sponsors represent multiple employers (this includes Group Training Organizations and Joint Training Boards) and account for at least 804 additional employers in BC which are included in this figure.

Discussion

ITA wants to ensure that more employers engage in apprenticeship, since roughly only one in five employers of tradespersons train apprentices. ITA has increased the number of registered sponsors to a total of 11,210 sponsors. The calculation of the total number of sponsors has undergone two changes in methodology this year. First, the ITA improved the tracking of youth participating in the Youth Train in Trades (formerly known as ACE IT) program and no longer counts sponsors previously attached to this program. Secondly, some registered sponsors represent multiple employers (this includes Group Training Organizations and Joint Training Boards) and were previously counted as only one sponsor. The methodology this year has been updated to count employers within these group sponsors to more accurately reflect the total number of sponsors. This accounts for 804 employers and are included as registered sponsors this year.

This growth in registered sponsors is credited to a comprehensive industry outreach and

engagement approach. Over the past year, the Industry Relations team has worked closely with the Sector Advisory Groups to learn more about the specific needs of employer sponsors across all sectors. Other new initiatives proving to be effective include: a new campaign utilizing Customer Relationship Management tools to reach and recruit employer sponsors, and ITA’s partnership with the Kamloops Chamber of Commerce to offer new businesses information on apprenticeship. Based on the success of ITA’s partnership with the Kamloops Chamber of Commerce, the initiative will be expanded into a province-wide partnership with the BC Chamber of Commerce.

Growth in the B.C. economy has shifted away from industries linked to commodity prices, with the result that the demand for skilled labour has softened slightly. With the projected gap between supply and demand for high opportunity skilled trades in B.C. narrowing³, ITA continues to monitor and evaluate the targets for this performance measure and will remain flexible to the needs of industry. ITA will explore opportunities to replace the measure with the number of employers to better understand employer participation in apprenticeship.

Performance Measure 2 - Sponsor Value Index

The willingness of sponsors to take on apprentices – and encourage other employers to do so – is dependent on the perceived value of apprenticeships to their business. Employers must believe that their involvement in apprenticeship provides a return on investment and that the administrative requirements are reasonable.

The Sponsor Value Index is a measure of sponsor-perceived benefits of hiring apprentices. It offers insights that can guide improvements to program delivery and training outcomes. Based on an annual survey of 1037 employer sponsors, it is calculated using satisfaction and importance ratings using the following four statements:

- Training/skills of apprentices align with company needs
- Apprentices increase profitability
- Sponsorship provides recruiting/retention advantages
- Administrative requirements of sponsorship are manageable

This performance measure supports ITA’s alignment with the Taxpayer Accountability Principles of *Cost Consciousness (Efficiency)* and *Service*.

Performance Measure	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Sponsor Value Index	77	77	78	80	80	80	80

Data Source: Since 2012/13, Sents Market Research has been commissioned by ITA to conduct the survey for this performance measure. Data is collected by combined telephone and online surveys. Industry best practices and quality assurance methodologies are employed throughout the process. 2016/17 results are based on a December 2016 survey of 1037 sponsors. The score reflects weighted rating relative to several aspects of sponsorship value.

Discussion

ITA’s Sponsor Value Index result climbed for the third consecutive year. The score of 80 on this index is considered optimal, and is consistent with practice in many private sector organizations.

³ British Columbia 2025 Labour Market Outlook

While the majority of sponsors are satisfied/very satisfied with apprenticeship value in each of the four measurement areas of the index, the highest satisfaction rates were attained in two areas: the recruitment and retention benefits of apprenticeship, and the alignment of apprentice training and skills with company needs. ITA credits this achievement to continuous improvements in support for employer sponsors; to communications and outreach efforts; and to the relationships built through the work of ITA's Apprenticeship Advisor and Industry Relations teams across the province.

Goal 2: Demonstrate improved completion rates and transition to employment for youth, adults and under-represented groups.

Strategies

ITA successfully implemented each of these strategies in 2016/17:

- Developed and implemented apprentice completion initiatives;
- Implemented a customer support model that provides a personalized experience to apprentices and employer sponsors, resulting in an increase of successful apprenticeships;
- Strengthened data-driven decision-making through improved research and analysis capabilities, by developing and implementing business intelligence tool sets, and by utilizing Labour Market Outlook reports developed by B.C.'s Labour Market Information Office;
- Implemented enhancements to ITA's youth programs to ensure better continuity from high school to apprenticeship through the introduction, in conjunction with the Ministry of Education, of the Skills Exploration and in-depth Trade Samplers courses;
- Developed and implemented a refreshed trades guide and other youth-oriented communications materials, including a rebranding of existing programs and a realignment to improve career pathways;
- Developed new youth "trades sampler" modules, beginning in Grade 10, to encourage skills exploration and to better inform trades career decisions;
- Utilized the Canada Job Fund-Employment Services and Supports Program (with funding aligned with all the Top 10 Trades) to deliver 24 programs to help under-represented and multi-barriered individuals enter trades exploration (sampler) programs that ladder participants into employment and/or support participants with continuing into trades Foundation training; and
- Developed a high-performance ITA culture and commitment to continue to expand internal expertise.

Performance Measure 3 - Continuation Rates for Foundation Programs

This measure reflects ITA's emphasis on ensuring that investments in pre-apprenticeship programs are closely aligned with workplace needs; that they are focused on trade-specific job readiness; and that they provide effective pathways to apprenticeship. Targets reflect levels of improvement and align with the targeted number of credentials issued over time.

This performance measure supports ITA's alignment with the Taxpayer Accountability Principle of *Service*.

Performance Measure	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual ¹	2017/18 Target	2018/19 Target
Continuation from Foundation Programs to Apprenticeship	54%	57%	53%	58%	51%	60%	60%

Data Source: ITA Direct Access information management system. This measures the percentage of individuals who successfully complete a Foundation program and become an apprentice registered with ITA 12 months from their Foundation credential achievement date. This measure includes results for ITA youth program participants from the Youth Train in Trades (formerly ACE IT) and Youth Work in Trades (formerly SSA) programs. ITA will begin to separate measuring of continuation rates from youth programs to apprenticeship, which will be reported through a separate Youth report.

¹ Changes to the welding credentialing model have resulted in a transition from the Certificate of Qualification for Welder Level C to Certificates of Completion for Welder Foundation programs. As a result, welder foundation participants are not included in the 2016/17 actual.

Discussion

In 2016/17, ITA implemented measures to help youth, under-represented and multi-barriered individuals prepare for trades careers. Measures include:

- New Skills Exploration and Trade Sampler courses introduced in 2016/17, which provided high school students with greater exposure to a variety of possible trades careers, potentially improving future continuation rates; and
- Utilizing Canada Job Fund-employment Services and Supports Program funding to connect 1,260 participants with trades exploration opportunities.

The 2016/17 results for this performance measure have been impacted by a softening industry demand for apprentices resulting in a shortage of apprenticeship opportunities.

ITA is transitioning to new program architecture to better align with other Canadian apprenticeship jurisdictions as the Red Seal harmonization initiative rolls out. ITA's updated Welder Credentialing model directs Welder Foundation graduates to a full apprenticeship pathway, rather than the previous modular pathway which resulted in issuance of multiple certificates of qualification at each level. The methodology to calculate the number of credentials has been updated and adjusted to 51% for 2016/17 to reflect changes to the program structure. Future targets will be revised to include the change in the credentialing model.

While additional funding from AVED provided a welcome boost in the number of Foundation seats, the industry demand for apprentices was lower than anticipated and Foundation program graduates were faced with a shortage of apprenticeship opportunities. ITA continues to work with industry and training providers to align funding increases for Foundation programs with industry demand.

Performance Measure 4 - Number of Credentials Issued

Each credential issued verifies that an additional member of the workforce possesses the occupational skills needed to carry out a particular trade. This benefits both individuals and employers. Credentials issued are the culmination of ITA's work. All other performance measures either influence outcomes of this measure or indicate the efficiency with which it

is being achieved. Targets are set to align with projected mid-term provincial labour market requirements, while accounting for recent participation trends and typical training progression.

This performance measure supports ITA’s alignment with the Taxpayer Accountability Principle of *Service*.

Performance Measure	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual ²	2017/18 Target	2018/19 Target
Number of Credentials Issued ¹	7,059	7,514	7,640	7,938	8,641	8,335	8,752

Data Source: ITA Direct Access information management system.

¹ Targets are based on a 5 per cent increase, from the previous year’s target.

² Changes to the welding credentialing model have resulted in a transition from the Certificate of Qualification for Welder Level C to Certificates of Completion for Welder Foundation programs. As a result, welder foundation participants are included in the 2016/17 actual.

Discussion

The number of workers receiving ITA Certificates of Qualification has increased for the third consecutive year. Revisions to the welding credentialing model have resulted in a transition from the Certificate of Qualification for Welder Level C to Certificates of Completion for Welder Foundation programs. The methodology to calculate the number of credentials has been updated and adjusted to 8,641 for 2016/17 to reflect the changes in program structure. Future targets will be revised to include the change in the credentialing model.

In 2016/17, ITA’s two largest customer-facing teams (Customer Support and Apprenticeship Advisors) were fully migrated to a new customer relationship management system. This enabled implementation of a comprehensive customer support model aimed at helping employer sponsors and apprentices remove known completion barriers so that apprentices can cross the finish line to certification. In addition, Apprenticeship Advisors and Customer Support teams conducted a proactive outreach campaign to apprentices impacted by Harmonization, with the goal of mitigating potential barriers to completion.

Performance Measure 5 - Satisfaction with ITA Credentials

Credentials are ITA’s primary output. Their value rests in the satisfaction that customers – both credential holders and employers – have with the product. Satisfied customers mean that an ITA ‘ticket’ has real value. Employers rely on it as a measure of competency and productivity, and workers covet it as a key to employability and pride.

The level of satisfaction with ITA credentials is an indicator of how well ITA is serving its customers, meeting the needs of industry with relevant program standards, contributing to career opportunities and supporting prosperity.

Employers and credential holders are surveyed about several potential outcomes of holding a credential, including:

- Demonstrating skill sets to employers,
- Competitive employment/promotion advantage,
- Contribution to earning potential and employer profitability, and

- Ability to work across Canada or abroad.

Customer satisfaction targets in the private sector are generally set at 80 per cent, or four out of five customers reporting satisfaction.

This performance measure supports ITA’s alignment with the Taxpayer Accountability Principle of *Service*.

Performance Measure	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Satisfaction with ITA Credentials:							
• Employers	77%	79%	80%	80%	80%	80%	80%
• Credential Holders	84%	85%	83%	86%	83% ¹	86%	86%

Data Source: Based on a December 2016 survey of 300 employers and 909 credential holders.

¹ This result is within the margin of error of +/- 3.3%.

Discussion

Satisfaction levels since 2013 have been largely consistent, with rising employer satisfaction levels, and customer requests for Red Seal workers at an all-time high. ITA’s emphasis on outreach and sponsor/apprentice support, through the Industry Relations and Apprenticeship Advisor teams, continues to drive these high satisfaction ratings. Employers voiced particularly strong support in three areas: credentials are valued and requested by customers; credential holders are able to meet company skill needs; and classroom technical training leads to increased knowledge of the trade and improved skills and ability. Rates of satisfaction for credential holders remain consistent with last year at 83 per cent, which is three per cent below target levels but within the margin of error (+/- 3.3 per cent).

Goal 3: Align policies and programs to support the implementation of provincial and Pan-Canadian apprentice harmonization and mobility.

Apprentice mobility is essential to support a flexible and dynamic skilled labour force. ITA is working with provincial and territorial partners to modernize the apprenticeship system across Canada, providing apprentices with more opportunities to gain the training needed to complete their apprenticeships.

Strategies

ITA successfully implemented each of these strategies in 2016/17:

- Implementing the Pan-Canadian Apprenticeship Mobility Protocol;
- Working with other provincial stakeholders to implement the Forum of Labour Market Ministers (FLMM) Pan-Canadian Harmonization Initiative through the Canadian Council of Directors of Apprenticeship (CCDA);
- Working with other provinces and territories to ensure that British Columbia supports harmonization of all 7 scheduled Red Seal Trades by March 2017 (Heavy Duty Equipment Technician has been moved to Phase 2 where it complements Truck &

- Transport Mechanic and the Crane trades have been combined);
- Consulting industry training stakeholders in British Columbia to ensure that they are abreast of Pan-Canadian Harmonization Initiatives and that they are prepared to support implementation in this province;
 - Facilitating the deployment of apprentices from British Columbia and Newfoundland and Labrador by removing barriers to employment and certification; and
 - Continuing to develop the partnership between British Columbia and Nova Scotia to enhance partnerships across the shipbuilding and marine industries to increase the mobility of apprentices, improve the sharing of labour market information and promote innovation and participation in the sector’s trades.

Performance Measure 6 - Mobility and Harmonization Initiatives Implemented for Apprentices

This performance measure supports ITA’s alignment with the Taxpayer Accountability Principle of *Service*.

Performance Measure	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
100% Implementation of CCDA Harmonized Trades	N/A	N/A	100% of preparatory work completed	100%	100%	100%	100%

Data Source: Canadian Council of Directors of Apprenticeship (CCDA). Targets are in line with the schedule for implementation of Technical Training Level 1 by agreed upon dates.

Discussion

This performance measure was introduced in ITA’s 2015/16 Service Plan. ITA continues to work on Pan-Canadian Harmonization Initiatives through the Canadian Council of Directors of Apprenticeship (CCDA), which receives direction from the Forum of Labour Market Ministers. Adjusted implementation timelines are supported by Employment and Social Development Canada. ITA’s harmonization initiatives are on track to meet these targets.

Signing of the B.C. – Nova Scotia MOU concerning Shipbuilding and Industrial Marine Industries’ Initiatives and Apprentice Mobility in 2016 has laid a foundation for collaboration between the two provinces’ marine industries, leading to improvements in apprentice mobility, inter-provincial training and data sharing.

Goal 4: *Funding for apprenticeship training investments and services meets labour market needs and jobs in demand.*

Strategies

ITA successfully implemented each of these strategies in 2016/17:

- Initiated multi-year planning process aligned with industry-validated training targets, utilizing newly created Sector advisory Group strategic sector priorities;
- Linked ITA training investment to best available labour market information and targeted training investments to align with labour market needs and in-demand jobs;
- Developed and implemented new tools to make better use of data to drive decision-making

and to find more efficiencies in the training system;

- Developed and implemented an analytic framework to ensure that ITA’s training investments provide the best return on investment for adult and youth programs;
- Pilot tested innovative trades training practices using Labour Market Demand Funds; and
- Implemented the confirmed actions for ITA’s LNG Action Plan; applied recommendations in the McDonald Report; and fulfilled commitments outlined in [B.C.’s Skills for Jobs Blueprint](#).

Performance Measure 7 - Match Labour Market Information Data with Training Investment in the High Opportunity Trades

Industry needs people with the right skills, in the right place, at the right time. ITA works to ensure that its training investments take into account the most accurate labour market information available – validated by industry – to ensure that training resources are aligned with projected labour market demand.

This performance measure supports ITA’s alignment with the Taxpayer Accountability Principle of *Cost Consciousness (Efficiency)*.

Performance Measure	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Percentage of ITA-funded Foundation seats in High Opportunity Trades	72%	72%	72%	76%	86%	78%	80%

Data Source: B.C. 2025 Labour Market Outlook (list based on high opportunity trades by job openings).

¹ Targets are based on a 2 per cent increase, from the previous year’s target.

Discussion

When targets were initially developed for this measure they were based on the high-demand trades identified on the 2025 Labour Market Outlook and did not include industry feedback. ITA launched Sector Advisory Groups in 2015 to provide industry input into operational decisions, such as training investment. Subsequently, through extensive discussions with Sector Advisory Groups, ITA learned that there are additional, major needs for people to enter the Automotive sector and other key trades, which are experiencing or projecting a shortage of skilled trades workers. In response to industry demand, ITA adjusted foundation seat funding to meet these projected needs. ITA’s Foundation programs train students to move into apprenticeships that meet a projected demand for skilled labour. By focusing Foundation program funding on the top in-demand trades, ITA is ensuring that apprentices are training for the right jobs at the right time.

ITA is meeting the *Blueprint* commitments to align skills training investments with high opportunity trades. Decisions about training investment are weighted and filtered using the best available labour market information. Provincial data is validated by industry through the Sector Advisory Groups, and ITA has developed new tools to utilize this data to inform training investment decisions.

Labour Market Demand funds totaling just over \$760,000 have supported eight pilot course deliveries to test innovative trades training practices including blended (online and classroom) delivery of Professional Cook 3, Piping Trades, Electrician Level 1, and Plumber Level 1.

Financial Report

Discussion of Results

In 2016/17, with support from the Ministry of Jobs, Tourism and Skills Training (JTST) and Ministry of Education, ITA obtained Treasury Board approval to distribute up to \$15 million of its accumulated surplus over a 3-year period to provide grants to school districts purchasing trades training equipment required to support the delivery of one of ITA's youth trades programs. This results in ITA running a deficit for a 3-year period - 2016/17 being the first year with a commitment of \$7.5 million.

Revenues

ITA's 2016/17 revenues consisted mainly of core funding of \$96.4 million from the provincial government, a \$2.0 million increase over the prior year in support of youth trades programs.

ITA was funded an additional \$11.5 million through the Canada Job Fund Program (CJFP) to continue to support the engagement and training of under-represented and multi-barriered groups in the trades.

ITA generated approximately \$1.3 million through assessments, investment income and royalties – revenues that fund the production of learning resources and the management of exam challenge assessments.

Expenditures

Expenditures in 2016/17 reflect strategic direction provided in ITA's Mandate Letter and commitments outlined in ITA's Service Plan. In 2016/17, ITA focused on aligning policies and programs to support the pan-Canadian apprentice harmonization and mobility initiatives, as well as launching new youth programs while continuing alignment of training funding with labour market needs, facilitating industry engagement and improving accessibility of training for under-represented and multi-barriered groups.

Fiscal 2016/2017 was the second year of full operations after the transition of services from the external Industry Training Organizations (ITOs) to ITA. ITA is committed to investing more than 80% of its financial resources in training, and realigning the remaining 20% to best deliver on its mandate by achieving the outcomes articulated in the Mandate Letter.

During Fiscal 2016/17, ITA received additional funding from Canada Job Fund for continued support and training of under-represented and multi-barriered groups in the trades. This funding is reflected in the increased revenues noted above, as well as in increased expenditures in Training Investment.

ITA also distributed \$7.5 million in grants to school districts in support of the Youth Trades Capital Equipment Program (YTCEP). This expenditure is reflected in the Training Investment. During 2016/17, several operating budget pressures had to be managed: new Pan-Canadian harmonization and apprentice mobility initiatives; additional communications support for the new youth initiatives; and additional amortization as a result of investment in ITA's new digital platform. Throughout the year, ITA managed its resources to fund all these new initiatives.

2016/17 Surplus

Effective surplus and expense management strategies resulted in operating surplus of \$25 thousand, 0.02% of total expenses. However the approved \$7.5 million distribution of funds to the schools districts resulted in a total deficit of \$7.475 million.

As a Crown agency, ITA is precluded from incurring debt, and annual operating surpluses are transferred to accumulated surplus, which is restricted to expenditures for capital assets. However, because Treasury Board approved ITA to spend up to \$15 million of its accumulated surplus over the 2016/17 – 2018/19 period, in 2016/17, ITA was able to use its accumulated surplus to provide grants totaling \$7.5 million to school districts for YTCEP.

ITA had no capital projects greater than \$50 million in 2016/17. In Fiscal 2016/17, a total of \$1.8 million was directed towards capital expenditures: \$1.5 million was used in the development of a new digital platform designed to increase industry, apprentice and youth engagement, improve customer service, and provide ITA with business intelligence to better align training investment with market demand. Another \$300 thousand was directed to regular infrastructure requirements. ITA funds its capital expenditure from its core operating funds.

Financial Resource Summary Table ¹

\$ millions	2013/14	2014/15	2015/16	2016/17	2016/17	2016/17	2015/16 - 16/17
	Actual	Actual	Actual	Budget	Actual	Variance	Variance
FUNDING AND REVENUES							
Ministry - General Funding	94.444	94.444	94.444	96.434	96.434	-	1.990
Ministry - Other Funding and Grants	14.842	9.204	11.104	10.190	11.550	1.360	0.446
Federal Funding	0.009	0.007				-	-
Other Revenue	1.329	1.452	1.512	1.418	1.284	-0.134	- 0.228
Total Funding and Revenues	110.624	105.107	107.060	108.042	109.268	1.226	2.208
EXPENDITURES							
Industry Engagement	2.828	1.547	1.623	0.950	0.635	- 0.315	- 0.988
Define Standards	3.090	2.161	1.672	1.630	2.505	0.875	0.833
Deliver Assessments and Certifications	2.014	2.117	2.143	2.400	2.059	-0.341	-0.084
Invest in Training Pathways	93.066	87.655	88.276	91.512	98.808	7.296	10.532
Customer Contact Centre	1.157	2.315	3.063	3.100	3.141	0.041	0.078
Communications	1.596	2.619	2.690	0.775	2.261	1.486	-0.429
Business Support	5.621	6.502	7.168	7.675	7.336	-0.339	0.168
Total Expenditures	109.372	104.916	106.635	108.042	116.745	8.703	10.110
Net (Deficit)/Surplus ²	1.252	0.191	0.425	-	-7.477	-7.477	-7.902
Total Liabilities	4.315	5.157	5.404	5.379	3.240	-2.139	-2.164
Accumulated Surplus	22.214	22.405	22.830	22.830	15.353	-7.477	-7.477

Note 1: The above financial information was prepared based on current Generally Accepted Accounting Principles.

Note 2: ITA was approved for a deficit up to \$7.5M to support the Youth Trades Capital Equipment Program.

Auditors Report and Audited Financial Statements

**Financial Statements of Industry Training Authority for the
year ended March 31, 2017**

**Industry Training Authority
Management's Report
for the year ended March 31, 2017**

Management's Report

Management's Responsibility for the Financial Statements

THE FINANCIAL STATEMENTS HAVE BEEN PREPARED BY MANAGEMENT IN ACCORDANCE WITH CANADIAN PUBLIC SECTOR ACCOUNTING STANDARDS AND THE INTEGRITY AND OBJECTIVITY OF THESE STATEMENTS ARE MANAGEMENT'S RESPONSIBILITY.

Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.


Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements at every meeting and external audited financial statements yearly. The Board also discusses any significant financial reporting or internal control matters prior to their approval of the financial statements.

The external auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Industry Training Authority and meet when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of Industry Training Authority


Gary Herman
Chief Executive Officer
May 10, 2017


Farnaz Riahi CPA, CA
Chief Financial Officer



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Vancouver BC V6C 3L2 Canada

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Industry Training Authority

We have audited the accompanying financial statements of the Industry Training Authority, which comprise the Statement of Financial Position as at March 31, 2017 and the Statements of Operations and Changes in Accumulated Surplus, Changes in Net Financial Assets and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly in all material respects, the financial position of Industry Training Authority as at March 31, 2017 and its results of operations, changes in net financial assets, and cash flows for the year then ended, in accordance with Canadian public sector accounting standards.

BDO Canada LLP

Chartered Professional Accountants

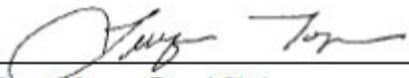
Vancouver, British Columbia
May 10, 2017

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Industry Training Authority
Statement of Financial Position
As at March 31, 2017
in thousands of dollars

	<u>Note</u>	<u>March 31, 2017</u>	<u>March 31, 2016</u>
Financial Assets			
Cash		8,667	17,808
Accounts receivable		28	94
Due from government/other government organizations	3	3,490	4,437
		12,185	22,339
Liabilities			
Accounts payable and accrued liabilities	4	1,560	2,212
Due to government/other government organizations	6	1,680	3,192
Deferred revenue	7	943	1,036
		4,183	6,440
Net financial assets		8,002	15,899
Non-financial assets			
Tangible capital assets	9	6,711	6,404
Prepaid expenses		640	527
		7,351	6,931
Accumulated surplus		15,353	22,830
Contractual obligations	10		

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



Gywn Morgan, Board Chair



MJ Whitemarsh, Audit Committee Chair

Industry Training Authority
Statement of Operations and Changes in Accumulated Surplus
For the Year Ended March 31, 2017
in thousands of dollars

Note (Note 13)	Budget	March 31, 2017	March 31, 2016
Revenues			
Provincial general funding	96,434	96,434	94,444
Provincial grants and other	10,190	11,550	11,104
Operating	400	366	441
Fees	450	464	506
Investment income	450	336	355
Other	118	118	210
	108,042	109,268	107,060
Expenses			
	<i>11</i>		
Engage industry (non standards work)	950	635	1,623
Define standards	1,630	2,505	1,672
Deliver assessments and certification	2,400	2,059	2,143
Invest in training pathways	91,512	98,808	88,276
Customer support	3,100	3,141	3,063
Communicate	775	2,261	2,690
Business support	7,675	7,336	7,168
	108,042	116,745	106,635
Annual (deficit)/surplus	<i>1</i>	(7,477)	425
Accumulated surplus at the beginning of the year		22,830	22,405
Accumulated surplus at end of year		15,353	22,830

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

Statement of Changes in Net Financial Assets
For the Year ended March 31, 2017
in thousands of dollars

	Budget (Note 13)	March 31, 2017	March 31, 2016
Annual operating (deficit)/surplus	-	(7,477)	425
Acquisition of tangible capital assets	(1,800)	(1,767)	(1,763)
Amortization of tangible capital assets	1,525	1,460	1,314
Write-downs on tangible capital assets	-	-	3
	(275)	(307)	(446)
Acquisition of prepaid expense	-	(113)	307
	(275)	(7,897)	286
(Decrease)/increase in net financial assets	(275)	(7,897)	286
Net financial assets at beginning of year	15,899	15,899	15,613
Net financial assets at end of year	15,624	8,002	15,899

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

Statement of Cash Flows
in thousands of dollars

	March 31, 2017	March 31, 2016
Operating transactions		
Annual (deficit)/surplus	(7,477)	425
Non-cash items included in annual (deficit)/surplus increase/(decrease):		
Amortization	1,460	1,314
Write-downs on tangible capital assets	-	3
Change in prepaid expenses	(113)	307
Change in receivables	1,013	(2,112)
Change in payables and accrued liabilities	(2,164)	247
Change in deferred revenue	(93)	628
Cash (used)/provided by operating transactions	(7,374)	812
Capital transactions		
Cash used to acquire tangible capital assets	(1,767)	(1,763)
Cash applied to capital transactions	(1,767)	(1,763)
Decrease in cash during the year	(9,141)	(951)
Cash at beginning of year	17,808	18,759
Cash at end of year	8,667	17,808

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

Industry Training Authority
Notes to Financial Statements
for the year ended March 31, 2017

1. Nature of Operations

Industry Training Authority (ITA) is a Crown agency established on January 2, 2004 and operates under the authority of the *Industry Training Authority Act*. ITA reports to the Legislative Assembly through the Ministry of Jobs, Tourism and Skills Training. The mandate of the ITA is to oversee occupational standards, credentialing, and apprenticeship for skilled trades and occupations in demand by industry and the BC labour market. It serves the public interest ensuring industry standards and credentials are in place for skilled trades and occupations, while providing individuals with accessible technical apprenticeship training opportunities that are closely linked to workplace opportunities. These services are grouped into the following key areas: industry engagement, standards, assessment and certification, training investment delivery and labour supply initiatives, customer support and communications.

On April 29, 2014 the Province announced it was accepting all recommendations made by Independent Review Lead Jessica L. McDonald in her report: *The Industry Training Authority and Trades Training in BC: Recalibrating for High Performance*. While ITA's current role was re-confirmed, implementation of the report's recommendations will have an impact on the operations of ITA. To March 31, 2017, ITA has implemented all 29 recommendations.

In Fiscal 2016/17, ITA obtained Treasury Board and Ministry approval to invest up to \$15M of its Accumulated Surplus in Youth Trade Equipment Capital Program over a 3 year period, leading to an expected deficit during those years. The expenditure for Fiscal 2016/17 was \$7.5M. The program was established by JTST and Ministry of Education, in liaison with ITA, to support the capital equipment requirement for school districts to provide the new ITA youth trade training programs.

ITA is exempt from income taxes under the *Income Tax Act*.

2. Summary of Significant Accounting Policies

a. Basis of accounting

The financial statements are prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants Canada.

b. Tangible capital assets

Tangible capital assets are recorded at cost, which included amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of assets.

The cost, less residual value, of the tangible capital assets, is amortized on a straight-line basis over their estimated useful lives as follows:

**Industry Training Authority
Notes to Financial Statements
for the year ended March 31, 2017**

2. Summary of Significant Accounting Policies – continued

b. Tangible capital assets – continued

Furniture and equipment	5 years
hardware and software	Computer
improvements	3-10 years Leasehold
	Until the end of the lease term

Amortization is charged from the date the asset is put into use until it is taken out of use. Assets under construction are not amortized until the asset is put into productive use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to ITA's ability to provide credentials and services. The net write-downs are accounted for as expense in the statement of operations.

c. Employee future benefits

i. The employees of ITA belong to the Public Service Pension Plan, which is a multi-employer joint trustee plan. This plan is a defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and highest earnings averaged over five years. Inflation adjustments are contingent upon available funding.

The joint trustee board of the plan determines the required plan contributions annually.

The contribution of ITA to the plan is recorded as an expense for the year.

ii. The costs of insured benefits reflected in these financial statements are the employer's portion of the insurance premiums owed for the coverage of employees during the period.

d. Prepaid expenses

Prepaid expenses include payments to private trainers for classes spanning the fiscal year end as well as other operational expenses and are charged to expense over the periods expected to benefit from the prepaid.

e. Revenue recognition

Revenues are recognized in the period when the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impractical.

Industry Training Authority
Notes to Financial Statements
for the year ended March 31, 2017

2. Summary of Significant Accounting Policies – continued

e. Revenue recognition - continued

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability and are taken into revenue in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue in the period when they are used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

f. Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Grants and transfers are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

g. Foreign currency translation

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions.

Monetary assets and liabilities denominated in a foreign currency are translated at the rate of exchange in effect at the reporting date. Revenues and expenses are translated at the rate prevailing at the transaction date. Foreign currency translation gains and losses are included in profit or loss in the period in which they arise.

h. Financial instruments

The fair value of a financial instrument is the estimated amount that ITA would receive or pay to settle a financial asset or financial liability as at the reporting date.

The fair values of cash, accounts receivable, due from government/other government organizations, accounts payable and accrued liabilities and due to government/other government organizations approximate their carrying values given their short-term maturities.

**Industry Training Authority
Notes to Financial Statements
for the year ended March 31, 2017**

2. Summary of Significant Accounting Policies – continued

i. Measurement uncertainty

The preparation of financial statements is in conformity with Canadian public sector accounting standards. These standards require management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include: collectability of accounts receivable and due from government/other government organizations, the useful life of tangible capital assets and rates for amortization.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

3. Due from Government and Other Government Organizations

	(in \$ thousands)	
	Mar 31, 2017	Mar 31, 2016
Provincial government	3,329	4,353
Federal government	86	83
Other government organizations	75	1
	3,490	4,437

4. Accounts Payable and Accrued Liabilities

	(in \$ thousands)	
	Mar 31, 2017	Mar 31, 2016
Accounts payable and accrued liabilities	1,376	2,080
Salaries and benefits payable	23	-
Accrued vacation pay	161	132
	1,560	2,212

**Industry Training Authority
Notes to Financial Statements
for the year ended March 31, 2017**

5. Employee Future Benefits

ITA and its employees contribute to the Public Service Pension Plan in accordance with the *Public Sector Pensions Act*. BC Pension Corporation administers the plan, including payment of pension benefits to employees to whom the act applies. The Public Service Pension Plan is a multi-employer, defined benefit plan.

Information about obligations for retirement benefits and other employee future benefits is as follows:

a. Retirement and other employee future benefits – pension plan

ITA and its employees contribute to the Public Service Pension Plan in accordance with the Public Sector Pensions Act. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The maximum contribution rate for eligible employees was 9.43% (2016: 9.43%). ITA’s maximum contribution rate is 10.93% (2016: 10.93%). During the year ended March 31, 2017, ITA contributed \$703 (2015: \$664) to the plan. These contributions are ITA’s pension benefit expense. No pension liability for this type of plan is included in the financial statements. An actuarial valuation is conducted every three years to assess the financial position of the Public Service Pension Plan’s (PSPP’s) pension fund. The latest actuarial valuation as at March 31, 2014 indicated a funding surplus of \$392,000 for basic pension benefits on a going concern basis. The actuary does not attribute portions of the unfunded liability to individual employers. The next valuation will be as at March 31, 2017, with results available in early 2018.

b. Long-term disability life insurance and health care benefits

ITA provides life insurance, dental and health care benefits to employees on long-term disability leave for a period of two years after the date of disability. The insurance carrier waives the life insurance premium for employees on long-term disability; however, ITA is responsible for the payment of the premium costs of medical, dental and Medical Services Plan under this plan. These costs are event driven and are recorded when the long term disability event occurs. The costs of salary compensation paid to employees on long-term disability leave are fully insured through employee paid contributions and are not included in this plan.

6. Due to Government and Other Government Organizations

	(in \$ thousands)	
	Mar 31, 2017	Mar 31, 2016
Federal government	1	1
Provincial government	324	577
Other government organizations	1,355	2,614
	1,680	3,192

**Industry Training Authority
Notes to Financial Statements
for the year ended March 31, 2017**

6. Due to Government and Other Government Organizations - continued

ITA's liabilities to government and other government organizations are all amounts payable that are due within 30 days. Other government organizations includes: colleges, universities and school districts.

7. Deferred Revenue

ITA received \$530 and \$814 in tenant inducements for leasehold improvements to the Richmond office in fiscal 2012 and 2016 respectively. This revenue is being deferred and recognized over the term of the lease.

	(in \$ thousands)		
	Balance Apr 1, 2016	Receipts to revenue	Transferred Balance Mar 31, 2017
Tenant inducement Richmond Office	1,036	-	(118)
Province - teacher technical training		25	-
1,036		25	(118)
			943

8. Fiscal Risk Management

a. Financial management risk objectives and policies

In the normal course of operations, ITA is exposed to financial risks that have the potential to negatively impact its financial performance. These risks may include credit risk and liquidity risk.

b. Credit risk

Credit risk is the risk that the ITA's counterparties will fail to meet their financial obligations to the ITA, causing a potential financial loss.

Accounts receivable primarily consists of amounts due from other governments/other government organizations; therefore, collection risk is low. ITA does not consider its exposure to credit risk to be material.

c. Liquidity risk

Liquidity risk is the risk that the ITA may be unable to generate or obtain sufficient cash or its equivalent in a timely and cost effective manner to meet its commitments as they come due.

ITA has in place a planning, budgeting and forecasting process to determine the funds required to support the ITA's normal operating requirements. ITA's annual budgets are approved by the Board of Directors.

9. Tangible Capital Assets

2017 (in \$ thousands)

Furniture and hardware and	Computer			Mar 31, 2017
equipment	software	Leasehold improvements	Total	
Cost				
Opening balance	1,366	9,629	1,780	12,775
Additions	25	1,716	26	1,767
Disposals	-	(352)	-	(352)
Closing Balance	1,391	10,993	1,806	14,190
Accumulated Amortization				
Opening balance	805	5,164	402	6,371
Additions	297	984	179	1,460
Disposals	-	(352)	-	(352)
Closing Balance	1,102	5,796	581	7,479
Net book value	289	5,197	1,225	6,711

2016 (in \$ thousands)

Furniture and hardware and	Computer			Mar 31, 2016
equipment	software	Leasehold improvements	Total	
Cost				
Opening balance	1,318	7,929	1,769	11,016
Additions	48	1,704	11	1,763
Disposals	-	(4)	-	(4)
Closing Balance	1,366	9,629	1,780	12,775
Accumulated Amortization				
Opening balance	521	4,313	224	5,058
Additions	284	852	178	1,314
Disposals	-	(1)	-	(1)
Closing Balance	805	5,164	402	6,371
Net book value	561	4,465	1,378	6,404

10. Contractual Obligations

ITA has entered into a number of multiple-year contracts for operating leases for premises. The lease commitments are for space costs and exclude operating costs. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

Office Leases

(in \$ thousands)

Mar 31, 2018	430
Mar 31, 2019	423
Mar 31, 2020	434
Mar 31, 2021	436
Mar 31, 2022	437
There-after	1,246

11. Expenses by Object

The following is a summary of expenses by object:

	(in \$ thousands)	
Mar 31, 2017		Mar 31, 2016
Training provider services (including Youth)	86,876	78,286
CJF-ESS contractor services	10,906	9,019
Compensation and staff development	9,220	8,762
Communications	1,901	2,301
Other operating costs	3,178	3,505
Information systems/telecommunications	1,590	1,738
Other administrative costs	679	834
Amortization	1,460	1,314
Building occupancy	935	874
Loss on disposal /writeoff	-	2
116,745		106,635

12. Related Party Transactions

ITA has the following transactions with the government and other government controlled organizations.

	(in \$ thousands)	
	Mar 31, 2017	Mar 31, 2016
Transfers from:		
Ministry of Jobs, Tourism & Skills Training		
- core funding	96,434	94,444
- projects CJF-ESS/LMA, LMP	11,550	11,104
Ministry of Technology, Innovation & Citizens' Services	366	441
Post secondary institutions	131	-
	108,481	105,989
Transfers to:		
Post secondary institutions	72,115	69,107
School districts	13,266	4,546
Public Service Pension Plan	703	664
Ministry of Technology, Innovation & Citizens' Services	740	651
Ministry of Education	766	655
Ministry of Health	133	119
Ministry of Jobs, Tourism & Skills Training	22	11
BC Stats	19	19
Ministry of Finance	5	-
Ministry of Environment	1	-
Ministry of Transportation & Infrastructure	-	141
	87,770	75,913

13. Budgeted Figures

Budgeted figures have been provided for comparison purposes and have been approved by the Board of Directors. These budgeted figures were included in ITA's 2016/17 Service Plan.

Appendix A – Additional Information

Corporate Governance

All information pertaining to Board governance on ITA’s website meets the requirements outlined by the Board Resourcing and Development Office’s board governance disclosure requirements. For more information on corporate governance, please visit our website at:

<http://www.itabc.ca/leadership/governance-ita>.

Additional Information:

- ITA Organizational Overview
- ITA 2016/17 Mandate Letter
- Taxpayer Accountability Principles
- Glossary of Terms
- *The Industry Training Authority and Trades Training in BC: Recalibrating for High Performance*, Jessica McDonald, 2014
- B.C.’s Skills for Jobs Blueprint
- ITA LNG Action Plan

Appendix B – Crown Corporations Mandate and Actions Summary

In the 2016/17 Mandate Letter from the minister responsible⁴, the Industry Training Authority received direction on strategic priorities for the 2016/17 fiscal year. These priorities and the Crown Corporation’s resulting actions are summarized below:

Mandate Letter Direction	Crown Corporation’s Action
<p>1. Achieve the targets and performance measures, including apprenticeship and completion rates, as set by government to meet the skilled trades needs of B.C.’s labour market and report in ITA’s Annual Report.</p>	<p>ITA achieved its targets for four of seven performance measures in 2016/17: Sponsor Value Index, Satisfaction with ITA Credentials⁵; 100% Implementation of CCDA Harmonized Trades, and Percentage of ITA-Funded Foundation Seats in Top In-Demand Trades.</p> <p>ITA did not meet the target for total registered sponsors, number of credentials issues, or continuation rates from Foundation programs to Apprenticeship.</p> <p>Discussion of specific actions for each of the seven Performance Measures is detailed in the Report on Performance.</p>
<p>2. Develop a multi-year strategic implementation plan that outlines how ITA will achieve priority number one. The plan will be submitted to the Minister by June 30, 2016 and will include:</p> <p>a. Current and developing strategies (i.e. completion rate strategy), and</p> <p>b. Additional strategies to:</p> <ul style="list-style-type: none"> • Foster a culture of innovation and partnership in the delivery of apprenticeship training, including implementation of ideas and initiatives flowing from innovation forums • Better utilize research, data and evaluation to inform policy and program changes • Expand internal expertise and capacity, and • Align policy and programs 	<p>In 2016/17 ITA undertook extensive stakeholder consultation and developed and validated a Three-Year Strategic Plan 2017 – 2019. The multi-year strategic plan was submitted to the Ministry by June 30, 2016.</p> <p>The plan identified four goals:</p> <ol style="list-style-type: none"> 1. Improve Quality 2. Right Skills, Right Place, Right Time 3. Innovation and Collaboration 4. Information and Support <p>These goals formed the basis of ITA’s 2017/18 Service Plan.</p>

⁴ The Honourable Shirley Bond, Minister of Jobs, Tourism and Skills Training and Minister Responsible for Labour

⁵ Within the margin of error.

<p>with Red Seal and pan-Canadian initiatives</p>	
<p>3. With the Ministry, clarify respective roles, responsibilities and expectations to establish clear accountabilities for ITA and the Ministry. This will be developed by June 30, 2016, and implemented by December 31, 2016.</p>	<p>ITA worked with the Ministry to clarify respective roles, responsibilities and expectations to establish clear accountabilities for ITA and the Ministry by June 30, 2016.</p>
<p>4. Implement outstanding ITA-led actions and recommendations coming out of the B.C. Skills for Jobs Blueprint, McDonald Report and ITA LNG Action Plan by June 30, 2016.</p>	<p>ITA was on track to meet its obligations in each of these directives.</p> <ul style="list-style-type: none"> • All ITA commitments arising from the McDonald Report were addressed by the end of 2016/17 • Implemented the confirmed actions for ITA’s LNG Action Plan, applied recommendations in the McDonald Report and fulfilled commitments outlined in B.C.’s Skills for Jobs Blueprint by June 30, 2016.