Industry Training Authority

2021/22 Annual Service Plan Report

August 2022



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Board Chair's Accountability Statement



The *Industry Training Authority 2021/22 Annual Service Plan Report* compares the corporation's actual results to the expected results identified in the *2021/22 – 2023/24 Service Plan* created in April 2021. I am accountable for those results as reported.

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Cindy Oliver Board Chair July 13, 2022

Industry Training Authority

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Letter from the Board Chair & CEO

The Industry Training Authority's (ITA) Board of Directors is pleased to report that the ITA has met all performance measures set out in the 2020/21-2022/23 Service Plan. This is only the second time in the ITA's history that it has met and/or exceeded all targets.

The <u>ITA's 2021/22 Mandate Letter</u>, directed to the Board Chair, outlined five foundational principles that were fundamental to how the ITA operated: putting people first, lasting and meaningful reconciliation, equity and anti-racism, a better future through fighting climate change, and a strong sustainable economy that works for everyone.

Putting people first was at the core of how the ITA adapted to the challenges British Columbians faced during the second year of the COVID-19 pandemic. The ITA put its employees, apprentices and trades system partners first in a number of ways including updating virtual training guidelines, deploying improved technology and access to information, and ensuring employees had a safe work environment while continuing to support all of our customers.

The ITA also recognized the importance of the principles of reconciliation and equity through growing and expanding programs for Indigenous and under-represented groups in the skilled trades while continuing to adopt a Gender-Based Analysis Plus lens. As an organization that values training, the ITA prioritized the learning of its own employees through multiple virtual sessions including a session on education and reflection leading into the National Day for Truth and Reconciliation. The ITA's Board also values continuous learning, specifically in the areas of Indigenous culture and equity, diversity and inclusion. Part of board training includes evaluating the ITA's priorities to ensure alignment with B.C.'s *Declaration on the Rights of Indigenous Peoples Act* and the Truth and Reconciliation Commission: Calls to Action. The ITA's Board and all of the ITA's employees also annually review the <u>Organizational Code of Conduct and Conflict of Interest Policy</u>.

The other two principles that guided the ITA's work included fighting climate change and building the strong sustainable economy. CleanBC continued to be adopted not just through the ITA's own work but through the ITA's work with system partners to adapt trades training needs to support the future low carbon economy. By building awareness, reducing the stigma and promoting the Skilled Trades as viable careers in the inaugural *Find Your Trade* campaign, the ITA helped future-proof B.C.'s labour force which is critical to the province's strong economy.

Finally, the Board and leadership at ITA responded to the new direction from Government with the introduction of the Skilled Trades BC Act on February 10th, 2022. The ITA welcomes the transition to SkilledTradesBC, a modernized crown agency responsible for promoting the skilled trades to the broader public, while also overseeing the implementation of Skilled Trades Certification. The ITA supported the Ministry of Advanced Education and Skills Training by engaging with trades system partners on four specific policy areas. The Board then provided its recommendations around Skilled Trades Certification legislation to the Minister in a letter from the Board Chair. The ITA's Sector Advisory Groups also played a critical role in these engagements and in 2021/22, the ITA created an additional Sector Advisory Group, Residential Construction, to

Industry Training Authority

continue to remain abreast of industry trends, specifically in trades that will be part of the initial trades in Skilled Trades Certification.

It is an exciting time for skilled trades in our province as we continue to elevate skilled trades profession to be seen as well paying, highly resilient careers that play a pivotal role in our economy.

Cindy Oliver Chair, Industry Training Authority July 13, 2022 Shelley Gray CEO, Industry Training Authority July 13, 2022

Purpose of the Annual Service Plan Report

The Annual Service Plan Report is designed to meet the requirements of the <u>Budget Transparency</u> <u>and Accountability Act</u> (BTAA), which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the BTAA, the Crown Corporation's Board is required to report on the actual results of the Crown's performance related to the forecasted targets documented in the previous year's Service Plan.

Purpose of the Organization

The ITA leads and coordinates British Columbia's trades training and apprenticeship system. The ITA works with employers, apprentices, industry, labour, training providers, schools, Indigenous communities and Government to support apprenticeships, set program standards, issue credentials and promote increased opportunities in the trades.

The ITA is responsible for managing, supporting and promoting British Columbia's trades training and apprenticeship system. Established under the *Industry Training Authority Act*, the ITA's purposes are: a) to manage and support a trades training and apprenticeship system in British Columbia; b) to ensure that the trades training and apprenticeship system meets the Province's need for skilled workers; c) to work with the Government to achieve the Government's objectives respecting the trades training and apprenticeship system; and, d) to promote industry training programs, by encouraging employers and individuals to participate in those programs.

Other authorities are defined in <u>Part 3 of the Industry Training Authority Act</u>. The ITA's mandate and accountabilities are developed through a <u>Mandate Letter</u>, which is signed by the Minister of Advanced Education and Skills Training and each member of the <u>ITA's Board</u>.

Strategic Direction

The strategic direction set by Government in 2020 and expanded upon in the Board Chair's 2021-22 Mandate Letter from the Minister Responsible shaped the goals, objectives, performance measures, and financial plan outlined in the 2021/22 ITA Service Plan as well as actual results reported on in this annual report.

Operating Environment

B.C.'s economy is recovering from the impacts of the COVID-19 and climate-related disasters, and demand for skilled trades workers remains strong. According to the BC Labour Market Outlook: 2021 Edition, approximately 85,000 new job openings are expected in the trades by 2031, and the ITA continues to work closely with system partners to promote skilled trades as a career of choice.

In June 2021, the ITA participated as a subject matter expert in engagement led by the Ministry of Advanced Education and Skills Training regarding the introduction of Skilled Trades Certification. The ITA also conducted its own targeted engagement sessions and a public survey on the four regulation policy areas (exemptions, temporary authorizations, ratios and scope of trades) and to identify supports needed.

In February 2022 the Government announced the Skilled Trades BC Act. The Act highlights a modernized and renewed vision for the ITA, solidifying our purpose in building a strong, resilient skilled trades labour force to help British Columbians prepare for the changing economy.

The ITA made progress on its digital expansion and leveraged new technologies to enable more agile business practices to meet changing client needs. The development of the new client portal with increased self-service capabilities is anticipated to launch later in 2022.

As the COVID-19 pandemic entered its second year in 2021, the ITA continued to follow government protocols to ensure the safety of staff and customers. ITA supported its training partners to leverage technology, adapt training delivery methods, and continues to support apprentices in the new hybrid learning environment.

The ITA launched the new <u>Find Your Trade</u> campaign in November 2021 to raise awareness of the different career paths and showcase more than 100 trades programs across B.C. Additionally, ITA hosted several webinars which were attended by hundreds of new and aspiring apprentices to learn about starting a successful career in the skilled trades.

Report on Performance: Goals, Objectives, Measures and Targets

The Industry Training Authority met all measures and targets set out in the 2021/22 Annual Service Plan for only the second time since the introduction of the Industry Training Authority.

Goal 1: B.C. has an inclusive skilled trades training and apprenticeship system that reflects our diverse population.

Objective 1.1: Create a more inclusive, diverse, and accessible trades training culture.

Key Highlights

- The ITA continued to develop an Equity, Diversity, Inclusion, and Access strategy for B.C.'s skilled trades workforce and continued to spearhead the establishment of Community Based Training Models.
- In partnerships with key organizations in the trades, the ITA delivered initiatives to help create a more inclusive and diverse trades training culture.
 - o The ITA worked closely with the BC Centre for Women in the Trades (BCCWITT) to expand the Regional Representative program (local trades woman who act as ambassadors and mentors for those new to the trades) and delivered more sessions to more participants. This program increases opportunities for tradespeople from under-represented groups, including Indigenous peoples, women, 2SLGBTQIA+, persons with disabilities, and new Canadians, to participate in leadership skills development training.
 - o The ITA expanded delivery of the Be More Than a Bystander training to trades instructors and delivered more sessions to more participants. Participants in this program learn how to break the silence on workplace harassment, bullying, and violence.
- As part of our commitment to advancing true and lasting reconciliation, the ITA worked collaboratively with Indigenous communities and the ITA's Indigenous Advisory Council to achieve the following:
 - Connected Indigenous apprentices with Indigenous supports including Indigenous departments located within public post-secondary institutions and Indigenous support organizations.
 - o Entered three additional memorandums of understanding (MOUs) with Indigenous communities, totalling 19 MOUs signed or being finalized.
 - o Implemented 19 Community Based Training Models in support of training and direct entry for Indigenous apprentices with a total of 201 participants.
- The ITA improved its Youth programs in the following ways:
 - o Expanded communication channels with youth and stakeholders,
 - o Offered financial support to improve access to employment and training,

o Implemented new service agreements with school districts to provide support for students transitioning to careers.

Performance Measure(s)	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
1.1a Increase of women entering under-represented trades ¹ apprenticeships ²	601	690	782	705	720
1.1b Increase of Indigenous peoples entering into apprenticeships ²	879	915	1,220	950	985
1.1c Increase the proportion of women in under-represented trades ^{1,2}	5.4%	5.6%	5.7%	5.8%	6.0%
1.1d Increase the proportion of Indigenous peoples in apprenticeships ²	7.9%	7.4%	8.1%	7.6%	7.9%

¹Under-represented trades are those where women represent less than 25% of the apprenticeship population. Prior to July 31, 2020, the definition excluded only the Red Seal trades of Baker, Cook, Hairstylist and Landscape Horticulturist.

Discussion of Results

Increase the number of women entering into under-represented trades apprenticeships is an indicator of the ITA's success in attracting women into trades where their participation rates have historically been low. In 2021/22, the ITA exceeded its target by 13 percent with the largest increases seen in the Construction Electrician, Carpenter, Automotive Service Technician, Heavy Duty Equipment Technician, and Cabinetmaker (Joiner) trades.

Increase the number of Indigenous peoples entering into apprenticeships is an indicator of the ITA's success in attracting a greater number of Indigenous peoples into the trades. In 2021/22, the ITA exceeded its target by 33 percent, with significant increases seen in the Carpenter, Construction Electrician, Construction Craft Worker (Labourer), Heavy Duty Equipment Technician and Automotive Service Technician trades.

Increase the proportionality of women in under-represented trades is an indicator of the ITA's success in addressing barriers such as sexism, bullying and harassment, shifting culture, and changing stereotypes associated with a workforce predominately populated by men. In 2021/22, there were 2,819 women in under-represented trades out of a total of 49,536 active apprentices. The ITA exceeded its target for the proportion of women in under-represented trades, achieving 5.7 percent. This exceeds the target of 5.6 percent.

² Data Source: The ITA's Direct Access Information System is the registration online portal for all apprentices and sponsors in British Columbia. The database includes current as well as lapsed apprentices and sponsors and is accessed through confidential online log-in by the access holder. The Industry Training Authority uses the information to track registrations and certifications of participants in the trades training system.

Increase the proportionality of Indigenous peoples in apprenticeships is an indicator of the ITA's success in: 1) changing the culture of the trades by eliminating racism and building more inclusive and diverse workplace, 2) addressing the barriers Indigenous peoples experience when working in the trades, and 3) changing the composition of the trades so that it is more representative of the province's population.

In 2021/22, there were 2,819 women in under-represented trades and 3,994 Indigenous apprentices out of a total of 49,536 active apprentices. The ITA exceeded its target for the proportion of women in under-represented trades, achieving 5.7 percent. This exceeds the target of 5.6 percent. The ITA also exceeded its target for the proportion of Indigenous apprentices, achieving 8.1 percent, versus the target of 7.4 percent.

Goal 2: Apprentices and employers have the information and support they need for success.

Objective 2.1: Support more apprentices to complete their apprenticeship journey to build B.C.'s workforce.

Key Highlights

- The ITA sought input from system partners to inform Skilled Trades Certification policy development. The ITA hosted two virtual information sessions, nine focus groups, four Indigenous dialogues and industry-led discussion to seek feedback on how to best support the trades training and apprenticeship system to transition to Skilled Trades Certification. More than 700 people provided input via a comprehensive survey.
- The ITA made significant progress on establishing a Compliance department to support Skilled Trades Certification implementation, including appointing leadership positions to help determine operational measures to support new lines of business.
- In 2021/2022, the ITA grew its Apprenticeship Advisor team from 20 to 25. This team provides guidance to apprentices and employer sponsors on navigating the trades training system and raising awareness of Skilled Trades Certification.
- The ITA continued to offer individualized resources to apprentices who may need additional assistance to complete the necessary requirements, including access to refresher training courses, tutoring, additional exam preparation and writing support.

Performance Measures	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
2.1a Number of Certificates of Qualification issued ¹	4,631	5,100	5,572	5,300	5,800
2.1b Number of Certificates of Qualification issued to women ¹	396	420	424	500	530
2.1c Number of Certificates of Qualification issued to Indigenous peoples ¹	216	235	280	245	270
2.1d Youth participating in skilled trades ¹	7,627	8,100	8,825	8,600	9,100

Data Source: The ITA's Direct Access Information System

Discussion of Results

The number of credentials issued is a reflection of the effectiveness of the trades training and apprenticeship system as a whole. This includes recruitment to apprenticeship, availability of work-based and technical training, effective assessment tools, and supports for program

completion. The number of credentials issued is strongly influenced by external factors such as fluctuations in the economy and labour market, and the value employers place on certification.

Number of Certificates of Qualification issued increased after the decline caused by COVID-19. The number of Certificates of Qualification issued increased year on year to 5,572 from 4,631. The ITA exceeded the target for this measure by 9 percent. Significant increases were seen in the Construction Electrician, Industrial Mechanic (Millwright), Plumber, and Heavy-Duty Equipment Technician trades.

Number of Certificates of Qualification issued to women increased to 424 in 2021/22 from 396 in 2020/21. The ITA exceeded the 2021/22 target for this measure. The largest increases were seen in the Landscape Horticulturist, Construction Electrician, and Industrial Mechanic (Millwright) trades.

Number of Certificates of Qualification issued to Indigenous peoples increased to 280 in 2021/22 from 216 in 2020/21, with Carpenter, Welder, Heavy Duty Equipment Technician, Automotive Glass Technician, and Construction Electrician trades experiencing the largest growth. The ITA exceeded the 2021/22 target for this measure.

Youth Program enrolments were strong and returned to pre-pandemic levels. The measure is the count of youth between the ages of 16 and 26 who enter an apprenticeship program to gain work experience or take technical trades training while in high school during the fiscal year. In 2021/22, 8,825 youth between the ages of 16 and 26 entered Work in Trades, Train in Trades, or an apprenticeship. The ITA exceeded the target for this measure by 9 percent.

Goal 3: B.C.'s skilled trades training and apprenticeship system is innovative to support changes in technology and our future learners.

Objective 3.1: With the ITA's partners, improve access to the trades training and apprenticeship system through innovation, efficiency, and technology.

Key Highlights

- The ITA supported continued learning and training while navigating the pandemic. The ITA provided additional funding to help training providers realign their programs to support online and in-class learning.
- The ITA continued to work with training providers to develop an Essential Practical Skills framework to help institutions identify which practical skills required in-person teaching.
- The ITA customer experience team provided support by phone and email to answer questions, support registration and schedule exams. In 2021/22, the team answered 40,074 telephone inquiries, responded to 57,500 emails, and processed 32,500 forms related to registration, certification, and work-based training hours.
- Work continues organization-wide to modernize the ITA's infrastructure and systems, including the rollout of cloud-based business services, exam management system and the development of a new customer portal.

Performance Measure(s)	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
3.1a Employer Satisfaction with ITA Support ¹	81%	≥80%	81%	≥80%	≥80%
3.1b Apprentice Satisfaction with ITA Support ¹	81%	≥80%	81%	≥80%	≥80%

¹ Data Source: Sentis Market Research has been commissioned by the ITA to conduct the survey for this performance measure. Data is collected by online surveys. Research best practices and quality assurance methods are employed throughout the process. Survey analysis includes a margin of error in which the targets must fall.

Discussion of Results

Employer sponsor satisfaction with ITA support results demonstrate that current employer sponsors were highly satisfied with the level of support they received when interacting with the ITA's staff. The results illustrate that the ITA is consistently delivering high-quality service. In 2021/22, the ITA received over 1,297 responses from current employer sponsors, with the highest satisfaction rating being: "ITA staff have the knowledge to answer your questions", followed by "when there's a problem, ITA staff show sincere interest in solving it". The 81 percent rating achieved this year is one percentage point above target (≥80%).

Apprentice satisfaction with ITA support is an indicator of apprentices' satisfaction with the various supports the ITA offers, including available regional supports. In 2021/22, the ITA received over 2,684 responses from active apprentices, with the highest satisfaction rating being "ITA staff have the knowledge to answer your questions". This year's satisfaction rating of 81 percent is one percentage point above target ($\geq 80\%$).

Goal 4: B.C.'s skilled trades training and apprenticeship system has transparent and comprehensive information to support its learners and partners in decision making.

Objective 4.1: Increase accountability and transparency for B.C.'s trades training and apprenticeship system.

Key Highlights

- The ITA completed its performance management framework to improve accountability and transparency within B.C.'s trades training system.
- In 2021/22, the ITA improved data transparency through the following initiatives:
 - Launched an Open Data initiative making available five data sets, spanning ten years of information.
 - o Posted 163 Freedom of Information responses.
 - O Identified seven objectives, 20 outcomes and 52 metrics to establish a baseline measurement of the performance of the trades training and apprenticeship system.

Performance Measure(s)	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
4.1a Publish system measurement metric results	N/A	Baseline Metrics	Baseline Established	TBD	TBD
4.1b Publish data sets in Open Data format	N/A	5	5	≥12	≥24

Discussion of Results

The ITA continued to make trades training and apprenticeship evidence-based data more readily available by publishing responses to Freedom of Information requests. These documents allow the public and partners to learn more about the ITA and the trades training apprenticeship system. The ITA also published five comprehensive data sets spanning ten years of data in the Government's Data Catalogue. By making this data readily available, the ITA has enabled the public and its partners to undertake data and trend analysis, unique to their needs.

The ITA established a comprehensive set of performance objectives and outcomes and established baseline measurement of these through the measurement of 52 metrics. The metrics are designed to measure system results and ultimately increase collaboration with partners and accountability within the system overall. The measurement results have been published to the Government and will be shared more broadly following discussions between the Government and the ITA on implementation.

Financial Report

For the auditor's report and audited financial statements, <u>see Appendix B.</u> These can also be found on the ITA website.

Discussion of Results

In fiscal 2021/22, the ITA's total revenues were \$118.2 million, and total operating expenses \$118.1 million resulting in a reported surplus of \$0.1 million, or 0.08 percent of expenses.

The ITA's main source of revenue is funding from the Ministry of Advanced Education and Skills Training, amounting to 87.4 percent of total revenues.

The ITA also received \$13.91million in funding for trades training through the Canada-BC Workforce Development Agreement and the Women in Construction Fund. ITA generated \$1.0 million of revenue through operations and investment income to support its operations, representing 0.8 percent of total revenues.

The ITA's expenses are focused predominantly on training investment, operations, engagement and business operations. The ITA invested 81.7 percent of its expenses into direct training support for apprentice and pre-apprentice programs, while another 9.5 percent is invested in indirect apprentice and pre-apprentice support, including, program and standard development, exam management, trades qualifier assessment and engagement and inclusion activities. ITA's business support, which includes information technology, comprises another 8.8 percent of expenses.

Highlights

Revenues

The ITA's 2021/22 revenues consisted mainly of core funding of \$98.9 million received from the Government and an additional funding of \$4.3 million to support the ITA in preparing its operations and infrastructure for Skilled Trades Certification implementation. In 2021/22, the ITA was provided \$13.5 million through the Canada-BC Workforce Development Agreement to continue targeted training of under-represented and multi-barriered groups in the trades. The ITA was also funded \$0.4 million through the Women in Construction Fund, a federal government initiative to encourage more women to participate in apprenticeships and to support a skilled, inclusive, certified, and productive trades workforce.

The ITA generated approximately \$1.0 million through assessments, investment income and royalties. This revenue funds the production of learning resources and supports the management of exams and challenge assessments.

Expenditures

The ITA's expenditures reflect the strategic direction provided in the 2021/22 Mandate Letter and the commitments outlined in its Service Plan. The ITA continued to fund Post Secondary Institutes to deliver trades training in line with labour market needs, facilitating industry engagement and improving accessibility of training for under-represented and multi-barriered groups. This year, in line with the evolving public health orders in relations to COVID-19, the ITA moved its operations from mostly remote operations to a hybrid work model and supported its team and its customers through a combination of in person, online, phone and e-mail.

The ITA continued to support all training providers impacted by COVID-19 ensuring they received adequate funding while their in-class delivery and capacity may have been affected. The main goal of the ITA and the training providers continues to be focused on apprentices being able to continue their technical training in a safe environment and learners having access to pathways into apprenticeship.

The ITA continued its commitment to investing more than 80 percent of its financial resources into training, while realigning the remaining amount to best deliver on its mandate by achieving the outcomes articulated in its Mandate Letter. In fiscal 2021/22, approximately 40 percent of the funding supported apprenticeships programs, 28 percent supported pre-apprenticeship programs, 13 percent supported workforce development while the remaining 19 percent supported other training initiatives, including youth programming.

In addition to funding apprentice and pre-apprenticeship training, the ITA invests \$3.1 million in engagement and outreach to support achieving key outcomes including championing access to trades career for under-represented groups including women and indigenous people, as well as supporting the Skilled Trades Certification engagements. The ITA invests \$8.2 million in operations, supporting clients throughout their apprenticeship journey. ITA's Customer Experience, Apprenticeship Advisors, and the Exam Management teams provide hands-on support, including administrative and exams supports, while the Program Standards team working with industry, training providers and subject matter experts ensure that trades program standards are reviewed on a regular basis and aligned with provincial and national standards.

Business support expenditures while below 10 percent of total costs include information technology, rent and corporate infrastructure.

In addition to Canada-BC Workforce Development Agreement funding, during fiscal 2021/22 the ITA received the final federal funding from the Women in Construction Fund supporting more women to participate in apprenticeships and to support a skilled, inclusive, certified, and productive trades workforce. As an example, the funding supports Indigenous and non-Indigenous women in rural and remote communities to explore trades careers. It offers supports such as preand post-employment counselling, essential skills training, and on the job training and practicums.

2021/22 Surplus

Effective financial management strategies resulted in operating surplus of \$0.1 million or 0.08 percent of total expenses. As a Crown agency, the ITA is precluded from incurring debt, and annual operating surpluses are transferred to accumulated surplus, which is restricted to expenditures for capital assets.

Capital

The ITA had no capital projects greater than \$50 million in 2021/22. A total of \$3.1 million was invested in capital expenditures, mostly for information technology to increase industry, apprentice, and youth engagement, improve customer service, and provide the ITA with business intelligence to better align training investment with market demand. The ITA funds its capital expenditure from its core operating funds.

Liabilities

Liabilities were aligned with budget and reflect normal operations.

Financial Summary

\$ millions	2020/21 Actual	2021/22 Budget	2021/22 Actual	2021/22 Variance			
Revenue							
Core Operating Grant from Province	98.877	98.877	103.271	4.394			
Project Based Funding from Province 2	16.025	17.813	13.490	-4.323			
Project Based Funding from Federal	0.382	-	0.420	0.420			
Other Income	1.205	1.003	0.976	-0.027			
Total Revenue	116.489	117.693	118.157	0.464			
Expenses							
Training Investment	96.940	97.174	96.545	-0.629			
Operations	7.328	8.360	8.203	-0.157			
Engagement	2.004	2.796	3.067	0.271			
Business Support	8.482	7.819	8.949	1.130			
Capital Asset Amortization	1.357	1.544	1.342	-0.202			
Total Expenses	116.111	117.693	118.106	0.413			
Net Income	0.378	-	0.051	0.051			
Total [Liabilities/Debt]	-9.276	-7.467	-7.759	-0.292			
Capital Expenditures	1.913	2.000	3.118	1.118			
Accumulated Surplus	-8.936	-8.558	-8.987	-0.429			

Note 1: The above financial information was prepared based on current Generally Accepted Accounting Principles. **Note 2:** Project based funding is dependent upon the results of the procurement process or an application review process undertaken throughout the fiscal year. The current budgets include the Workforce Development Agreement (WDA), which included additional COVID-19 support in 2020/21 and to a lesser amount in 2021/22.

Financial Statements of Industry Training Authority for the year ended March 31, 2022

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.

The 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 judgement, 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

Shelley Gray

Chief Executive Officer

Farnaz Riahi CPA, CA Chief Financial Officer

May 9, 2022



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Independent Auditor's Report

To the Members of the Audit Committees of Industry Training Authority

Opinion

We have audited the financial statements of the Industry Training Authority, which comprise the Statement of Financial Position as at March 31, 2022, and the Statements Operations and Changes in Accumulated Surplus, Changes in Net Financial Assets, and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Industry Training Authority as at March 31, 2022, and its results of operations, change in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Industry Training Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Industry Training Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Industry Training Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Industry Training Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to
 fraud or error, design and perform audit procedures responsive to those risks, and obtain audit
 evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting
 a material misstatement resulting from fraud is higher than for one resulting from error, as fraud
 may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal
 control.
- Obtain an understanding of internal control relevant to the audit 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 Industry Training Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Industry Training Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Industry Training Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Charted Professional Accountants

Vancouver, British Columbia May 16, 2022

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, 2022

in thousands of dollars

	Note	2022	2021
Financial Assets			
Cash		2,549	3,768
Accounts receivable		15	165
Due from government	3	4,983	7,037
		7,547	10,970
Liabilities			
Accounts payable and accrued liabilities	4	4,010	5,486
Due to government/other government organizations	6	3,025	2,969
Deferred revenue	7	677	821
Obligations under capital lease	10	47	
		7,759	9,276
Net (debt) financial assets	<u> </u>	(212)	1,694
Non-financial assets			
Tangible capital assets	9	8,717	6,941
Prepaid expenses		482	301
		9,199	7,242
Accumulated surplus		8,987	8,936
Contractual obligations	10	<u> </u>	
Cindy Oliver	Audit & Risk Committee Chair		
Board Chair	riuuri a	THISK COMMI	cico Chan

Industry Training Authority Statement of Operations and Changes in Accumulated Surplus For the Year Ended March 31, 2022

in thousands of dollars

	No4a	Budget	2022	2021
	Note	(Note 13)	2022	2021
Revenues				00.055
Provincial core operating		98,877	103,271	98,877
Provincial project based funding		17,813	13,490	16,025
Federal funding received		-	420	382
Operating		250	291	249
Fees		355	418	322
Investment income		300	148	365
Other		118	118	269
	-	117,693	118,156	116,489
Expenses	11			
Training Investment		97,174	96,545	96,940
Operations		8,360	8,203	7,328
Engagement		2,796	3,066	2.004
Business Support		9,363	10,291	9,839
	-	117,693	118,105	116,111
Annual surplus	-	_	51	378
Accumulated surplus at the beginning of the year	•	_	8,936	8,558
Accumulated surplus at end of year			8,938	8,936

Industry Training Authority

Industry Training Authority Statement of Changes in Net (Debt) Financial Assets For the Year Ended March 31, 2022

in thousands of dollars

	Budget (Note 13)	2022	2021
Annual operating surplus		51	378
Acquisition of tangible capital assets	(2,000)	(3,118)	(1,913)
Asset write-downs and write-offs	-	-	422
Amortization of tangible capital assets	1,544	1,342	1,357
	(456)	(1,775)	(134)
Net effect of prepaid expenses		(181)	122
(Decrease)/increase in net financial assets	(456)	(1,906)	366
Net financial assets at beginning of year	1,694	1,694	1.328
Net (debt) financial assets at end of year	1,238	(212)	1,694

Industry Training Authority Statement of Cash Flows For the Year Ended March 31, 2022

in thousands of dollars

	2022	2021
Operating transactions		
Annual surplus	51	378
Non-cash items included in annual surplus:		
Amortization	1,342	1,357
Write-downs on tangible capital assets	-	422
Change in non-cash operating items		
Change in prepaid expenses	(181)	122
Change in receivables	2,204	(3,690)
Change in payables and accrued liabilities	(1,373)	3,314
Change in deferred revenue	(144)	210
Cash provided by operating transactions	1,899	2,104
Capital transactions		
Cash used to acquire tangible capital assets	(3,118)	(1,913)
(Decrease)/Increase in cash during the year	(1,219)	191
Cash at beginning of year	3,768	3,577
Cash at end of year	2,549	3,768

1. Nature of Operations

Industry Training Authority (ITA) is a Crown agency of the Government of the Province of British Columbia, was 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 Advanced Education, Skills and 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: training investment, operations, engagement, and business support.

On March 10th, 2022, the new Skilled Trades BC Act (the "Act") received Royal Assent and is awaiting enactment by cabinet. The Act will replace the Industry Authority Act and expand ITA's mandate in the areas of compliance and the supporting of higher numbers of British Columbian's entering skilled trade jobs and developing sustainable careers. The Act will also change ITA's name to SkilledTradesBC. Governance and board composition will remain unchanged, and SkilledTradesBC will continue as a Crown Agency.

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.

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:

Furniture and equipment 5 years
Capital Lease - Printers 8 years
Computer hardware and software 3-10 years
Leasehold improvements 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 an 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 trusteed 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 for rent and 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.

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.

h. Financial instruments

Cash accounts receivable, due from government, accounts payable and accrued liabilities and due to government/other organizations and measured at cost. The carrying values of these financial instruments approximates their fair value, given their short-term maturities.

i. Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions. This affects 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 use of estimates include: collectability of accounts receivable and due from government/other government organizations, the useful life of tangible capital assets.

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

	2022	2021
Provincial government	4,833	6,953
Federal government	150	84
	4,983	7,037

4. Accounts Payable and Accrued Liabilities

	2022	2021
Accounts payable and accrued liabilities	3,737	5,159
Accrued vacation pay	271	274
Salaries and benefits payable	2	53
	4,010	5,486

5. Employee Future Benefits

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 (a jointly trusteed pension plan). The Public Service Pension Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at March 31, 2021, the plan has about 68,000 active members and approximately 52,000 retired members.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long- term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The latest actuarial valuation as at March 31, 2020, indicated a funding surplus of \$2,667 million for basic pension benefits on a going concern basis. ITA paid \$883 (2021: \$811) for employer contributions to the plan in fiscal 2022. The next valuation will be as at March 31, 2023.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

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 and dental 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

	2022	2021
Federal government	1	1
Provincial government	256	556
Other government organizations	2,768	2,412
	3,025	2,969

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

The Ministry of Advanced Education and Skills Training provided \$350 to support Indigenous communities to deliver community-based training and education to improve their employment opportunities at home.

The federal government provided \$9 (2021: \$699) to support the multi-year Women in Construction initiative that is now completed. This revenue has been fully recognized as having been spent on eligible activities.

	Balance	Receipt	Transferred	Balance
	2021		to revenue	2022
Tenant inducement Richmond Office	445	-	(118)	327
Women In Construction Initiative	376	9	(385)	-
Community Based Indigenous Skills Trades Training	-	350	-	350
_	821	359	(503)	677

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.

Industry Training Authority

Industry Training Authority Notes to Financial Statements For the Year Ended March 31, 2022 in thousands of dollars

b. Credit risk - continued

Accounts receivable primarily consists of amounts due from other governments; 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, the Ministry of Advanced Education and Skills Training and the Treasury Board.

9. Tangible Capital Assets

2022 (in \$ thousands)

	Furniture and equipment	Computer hardware and software	Leasehold improvements	Total
Cost				
Opening balance	1,465	16,214	1,806	19,485
Additions	140	2,978	-	3,118
Disposals	(59)	(10)	-	(69)
Closing Balance	1,546	19,182	1,806	22,534
Accumulated Amortization				
Opening balance	1,431	9,900	1,213	12,544
Additions	26	1,158	158	1,342
Disposals	(59)	(10)		(69)
Closing Balance	1,398	11,048	1,371	13,817
Net book value	148	8,134	435	8,717

2021 (in \$ thousands)

	Furniture and equipment	Computer hardware and software	Leasehold improvements	Total
Cost				
Opening balance	1,470	15,070	1,806	18,346
Additions	2	1,911	-	1,357
Asset write-downs and write-offs	(7)	(767)	-	(774)
Closing Balance	1,465	16,214	1,806	19,485
Accumulated Amortization Opening balance	1,417	9,067	1,055	11,539
Additions	21	1,178	158	1,357
Disposals	(7)	(345)	-	(352)
Closing Balance	1,431	9,900	1,213	12,544
Net book value	34	6,314	593	6,941

10. Obligations under leases

a. Capital leases

Capital lease payments for leased printers, including principal and interest are as follows:

Year	Amount
2023	11
2024	10
2025	10
2026	10
Thereafter	9
	50
Less: Interest at rate of 2.45% per annum	3
Present value of minimum lease payments	47

b. Operating lease

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.

Year	Amount
2023	441
2024	460
2025	345

11.Expenses by Object

The following is a summary of expenses by object:

	Budget	2022	2021
Training provider services (including Youth)	78,541	81,808	79,912
WDA-CJF and WIC contractor services	17,430	13,491	16,118
Compensation and staff development	12,316	12,387	10,921
Communications	606	783	242
Other operating costs	2,803	2,941	1,829
Information systems/telecommunications	1,886	2,680	2,849
Other administrative costs	1,384	1,524	1,316
Amortization	1,544	1,342	1,357
Asset write-downs and write-offs	-	-	422
Building occupancy	1,183	1,149	1,145
	117,693	118,105	116,111

12. Related Party Transactions

ITA is related through common control to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Transactions with these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

	2022	2021
Revenues:		
Ministry of Advanced Education and Skills Training		
- core funding	103,271	98,877
- projects WDA-CJF	13,490	16,025
Ministry of Citizens' Services	291	249
	117,052	115,151
Expenses:		
Post secondary institutions	70,335	72,330
School districts	8,838	6,019
Ministry of Citizens' Services	998	851
Public Service Pension Plan	883	881
Ministry of Education	360	356
Ministry of Finance	198	180
Ministry of Labour	12	13
Ministry of Tourism, Arts & Culture	4	44
Ministry of Environment	1	2
Ministry of Jobs, Economic Development		
& Competitiveness	2	2
	81,631	80,608

Industry Training Authority

Industry Training Authority Notes to Financial Statements For the Year Ended March 31, 2022 in thousands of dollars

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 2021-22 Service Plan.

14.COVID-19 Impacts

The COVID-19 pandemic has disrupted operations for organizations worldwide since the 2020 calendar year. While there has been no material impact on IYTA's fiscal 2022 year, and ITA has continued to fulfill its mandate, the pandemic continues to evolve. As a result, the full potential impact of the pandemic on ITA remains indeterminable at this time.

Appendix A: Additional Information

Organizational Overview

The ITA is a Crown agency established on January 2, 2004 and operates under the authority of the *Industry Training Authority Act*. ITA's executive leadership team comprises four executives. ITA's Chief Executive Officer reports directly to ITA's Board and Board Chair, Chief Operating Officer, Chief Financial Officer and Chief Strategy & Compliance Officer. The ITA executive team is supported through its senior leadership team.

Based in Richmond, the ITA leads and coordinates British Columbia's trades training and apprenticeship system. ITA's vision, mission and values include:

Vision	To create an inclusive, world-class training and apprenticeship system that meets the needs of British Columbia's economy.
Mission	To build the trades careers that build B.C.
Values	Inclusiveness. We value, recognize and support the rights of all individuals to be accepted in their workplaces without biases based on differences of any kind.
	Respect. We value mutual respect in everything we do and how we do it. Nothing is more important than the respect we have for our people and the trust we put in their skills.
	Excellence. We value a superior experience for all of our customers, internal and external, sensing their needs and exceeding their expectations.
	<i>Innovation</i> . We value the spirit and practice of innovation. We believe that change fosters the constant improvement that is crucial for success.
	Collaboration. We value the opinion of others, openness and transparency. With everyone at the table, and everything on the table, we deliver the best results.

Corporate Governance

ITA is governed by a nine-person <u>Board of Directors</u>, appointed by the Minister responsible, one of whom is appointed as Chair. <u>The Board of Directors</u> is committed to continuously improving governance through transparency, professional development of directors and annual board assessments.

Contact Information

For more information on the Industry Training Authority contact:

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