

TERMS OF REFERENCE FOR THE BOARD

I. PURPOSE

- A.** The Industry Training Authority Board of Directors (the “Board”) has a primary responsibility to foster the Authority’s short and long-term success consistent with the Board’s responsibility to the Government, employers and learners, and other stakeholders.
- B.** The Board is a fully functioning governing body. Its role is fiduciary and includes a wide range of interests and responsibilities typically associated with a governing body: strategic planning, risk management, organizational and management capacity, internal control, ethics and values, and communications with the Government, employers and learners, and other stakeholders.
- C.** The Board has the responsibility to oversee the conduct of the Authority’s business and to supervise management, which is responsible for the day-to-day operation of the Authority. In supervising the conduct of the business, the Board, through the Chief Executive Officer (the “CEO”), will set the standards of conduct for the Authority.
- D.** These terms of reference are prepared to assist the Board and management in clarifying responsibilities and ensuring effective communication between the Board and management.

II. COMPOSITION AND BOARD ORGANIZATION

- A.** The Board Chair and directors are appointed by the Government.
- B.** All directors shall be independent from management and have no material interest in the Authority.
- C.** The Board operates by delegating to management certain of its authorities, including spending authorizations, and by reserving certain powers to itself. The current spending authorizations are outlined in Tab B-4 of the Board Manual.
- D.** Certain of the Board’s responsibilities may be delegated to Board committees. The responsibilities of those committees will be as set forth in their terms of reference, as amended from time to time.

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III. DUTIES AND RESPONSIBILITIES

A. Managing the Affairs of the Board

The Board retains the responsibility for managing its own affairs, including the responsibility to:

- i) annually review, in conjunction with the CEO, the skills and experience represented on the Board in light of the Authority's strategic direction, for the purpose of recommending the criteria and potential candidates who meet the criteria to the Government when appointing directors;
- ii) on the recommendation of the Chair, appoint, determine the composition of, and set the mandate for, Board committees;
- iii) annually implement an appropriate process for assessing the effectiveness of the Board, the Board Chair, committees and directors in fulfilling their responsibilities;
- iv) ensure that all new directors receive a comprehensive orientation;
- v) ensure there is an ongoing director education program in place;
- vi) assume responsibility for the Authority's governance practices and ensure they meet the needs of Government, the Authority, and the public; and
- vii) appoint the Secretary to the Board.

B. Human Resources

The Board has the responsibility for:

- i) the appointment and succession of the CEO and monitoring the CEO's performance;
- ii) approving terms of reference for the CEO;
- iii) approving the CEO's compensation;
- iv) annually approve objectives for the CEO;

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- v) reviewing the CEO's performance at least annually, against agreed upon annual objectives;
- vi) approving:
 - a) the annual compensation policy/program for employees; and
 - b) new benefit programs or material changes to existing programs;
- vii) ensuring succession planning programs are in place, including programs to train and develop management;
- viii) to the extent feasible, satisfying itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Authority.
- ix) providing advice and counsel to the CEO in the execution of the CEO's duties.

C. Mission, Strategy and Plans

The Board has the responsibility to:

- i) participate with management in the development of, and ultimately approve, the Authority's Mission, Vision, and Values;
- ii) adopt a process for developing, reviewing and assessing the Strategic Plan and Service Plan;
- iii) participate with management in the development of, and ultimately approve, the Authority's Strategic Plan, Service Plan and Business (Annual Plan), taking into consideration the parameters outlined in the Letter of Expectations agreed to with the Ministry;
- iv) working with management, establish clear benchmarks for performance against which the Service, Strategic and Business Plans can be measured; and
- v) monitor the Authority's performance against these plans.

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D. Industry Training Programs

The Board has the responsibility to:

- i) ensure that management establishes processes to assess the effectiveness and efficiency of industry Training Programs funded by the Authority;
- ii) ensure that management establishes processes to confirm that Training Programs funded by the Authority are meeting established competency standards; and
- iii) reviews on an annual basis audits of training programs funded by the Authority to ensure that standards are being met, and programs are meeting the performance expectations set out in the Service, Strategic and Business Plans .

E. Financial and Risk Issues

The Board has the responsibility to:

- i) take reasonable steps to ensure the implementation and integrity of the Authority's internal control and management information systems;
- ii) ensure management identifies the principal financial and non-financial risks of the Authority and implements appropriate systems and programs to manage these risks;
- iii) monitor operational and financial results;
- iv) approve annual financial statements, and approve release thereof by management; and
- v) recommend appointment of external auditors and approve auditor's fees.

F. Policies and Procedures

The Board has the responsibility to:

- i) approve and monitor compliance with all significant policies and procedures by which the Authority is operated;

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- ii) direct management to ensure the Authority operates at all times within applicable laws and regulations and to the highest ethical and moral standards;
- iii) monitor compliance with the Code of Conduct and Conflict of Interest Policy; and
- iv) review significant new policies or material amendments to existing policies.

G. Communications

The Board must pay particular attention to the fact that it operates within a highly public environment. The actions of the Authority have a significant public impact and therefore, the Board must ensure communications with Government, employers, learners, and other stakeholders are appropriate and effective.

The Board has the responsibility to:

- i) ensure the Authority has in place a policy to enable management and the Board to communicate effectively with Government, employers, learners, stakeholders, and the public generally, including measures for receiving feedback from stakeholders;
- ii) ensure the financial performance of the Authority is adequately and promptly reported to the Government;
- iii) ensure financial results are reported fairly and in accordance with generally accepted accounting principles;
- iv) ensure timely reporting of any other developments that have a significant and material effect on the Authority; and
- v) report annually to the Government on the Board's stewardship for the preceding year (Annual Report).

IV. GENERAL LEGAL OBLIGATIONS OF THE BOARD OF DIRECTORS

- A.** The Board is responsible for directing management to ensure legal requirements have been met, and documents and records have been properly prepared, approved and maintained.

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- B.** Directors are under a fiduciary duty to the Authority to carry out the duties of their office:
- i) honestly and in good faith;
 - ii) in the best interests of the Authority; and
 - iii) with the care, diligence, and skill of a reasonably prudent person.
- C.** Directors have specific statutory duties and obligations under employment and financial reporting law as well as under the withholding provisions of taxation law.