



CITO
Annual Report
Fiscal 2007/08

Contents:

- Introduction
- Overview of Construction Sector
- Overview of CITO
- Board Structure
- Strategic Goals and Objectives
- Review and Update of Program Standards
 - Full review programs
 - In-progress programs
- Development of Board Governance Model
- Development of a Financial Model for CITO Administration
- Completion of Scoping of CITO Operational Model
- Developing a Communications & Consultation Mechanism
- Engage with Industry & Training Providers to Develop a Training Plan for the Industry
- Completion of Apprenticeship
- Summary
- Performance Targets Matrix
- Appendix #1
 - Accredited Programs
 - Recognized Programs
 - Foundation
- Financial Statements

CITO Annual Report

Fiscal 2007, 2008

Introduction:

This report will provide a summary of the activities and accomplishments of the Construction Industry Training Organization for fiscal 2007, 2008. As this will be inclusive of fourth quarter activities January through April 2008 no formal fourth quarter report will be completed. This will include the status of each of the five goals established for the year; audited financial statements; and information on other activities involving CITO. Fiscal 2007, 2008 was CITO's first full year of operation as an ITO and the organizational goals established for the year focused primarily around establishing core business practices and developing organizational capacity; addressing urgent program standards issues; and developing an operational model and implementation plan for "Full Service" as an ITO.

Overview of Construction Sector:

The Construction Industry is one of the largest and most active components of the BC industrial base, and is one of the principle drivers of economic activity in British Columbia. The Construction Industry encompasses a wide range of sectors or sub-sectors including: Institutional, Commercial, Industrial, High Rise Multi Family Residential, Roadway and Highway, Bridge and Civil construction. Companies and employers within the industry range from small owner operator enterprises to large corporate organizations including both open shop and unionized workplaces. The industry contributes over \$15 billion to the economy annually, providing direct employment for over 140,000 British Columbians making it one of the largest employers in the province. Activity in the industry is strong and this is expected to continue for a number of years to come. This is being driven by strong public and private sector investments including construction of the 2010 Olympic venues, resource and industrial development, growth in transportation infrastructure, and continued pressure in the housing market.

Overview of CITO:

CITO is the Industry Training Organization for the BC Construction Industry and is responsible for the development of a skilled workforce to serve the needs of the industry. This includes the upgrading and maintenance of standards and credentials to Industry, Provincial, and National standards. The main focus of activity for CITO will be within the Industrial Commercial and Institutional construction sectors. CITO is currently responsible for the following trades programs:

Board Structure:

The CITO board is composed of eleven (11) members. The selection of candidates for the first CITO board was conducted by an independent third party organization selected by the Industry Training Authority. Board members were selected based on specific criteria and are representative of a broad cross section of the industry. Subsequent appointments to the CITO board have been based upon selection criteria developed by the CITO board and articulated in board by-laws. The board structure consists of a Chair, a Vice Chair and four sub or standing committees. The sub-committees are responsible for governing distinct components of the CITO mandate. These are:

- Finance and Audit
- Governance
- Program Standards
- Training & Planning

Board members:

- Dan Mott Board Chair
- Kurt Krampfl Vice Chair
- Karen Bazylewski
- Randy Callaghan
- Bob Cowan
- Richard (Dick) Coxford
- C.P. (Ken) deRooy
- Ken Hall
- Laura Stanton
- Greg Hubbard

Strategic Goals and Objectives:

CITO's goals for 07, 08 are listed below. The status of each of goal is described below. The primary focus of activity has been in the two areas identified by the board as high priorities: program standards and developing an operational model and transition plan to move to "Full Service" status.

Goals:

- Review and updating of program standards
- Development of board governance model
- Development of financial model
- Complete scoping of operational model, full service, for CITO
- Develop and implement a Communications & Consulting mechanism for CITO

- Participate in the training plan process for delivery of apprentice and other training program

The following is a summary of progress on each of the above goals.

Review and update of program standards:

CITO is responsible for 29 trades within the ICI Construction sector. As many of these program had not been reviewed in recent years and were considered out of date this area was identified as a high priority for CITO. In fiscal 07, 08 CITO's agreed upon objective was to conduct four full program reviews and to finish complete the work on two programs already in progress. These included:

Full review programs:

- Roofer
- Sheet Metal Worker
- Joiner Cabinet Maker
- Plumber

In-progress programs:

- Electrician
- Carpenter

The work on these six programs has been substantively completed: This included reviewing and updating the program outlines, updating program profiles, and developing standard level exam banks.

In addition to the above CITO also undertook the review and updating of two additional trades programs: Dry Wall Finisher, and Glazier.

CITO has also developed an operational model to field test and validate the level examination banks. At the time of writing a successful pilot of the model had been completed at one institution. Field testing and validation will be expanded to additional institutions and training providers in fiscal 2008, 2009.

In order to complete program standards work effectively CITO has put in place a number of policies and processes to facilitate the process:

- Securing and developing in-house program development staff
- Developing board policy with regard to industry consultation:
 - Terms of reference for CITO Trade Committees (governance)
 - Standards for program updating: standard processes, templates, completion and response times
 - Field testing and validation process and standards for examinations

- Developing a three to five year updating cycle for all CITO programs.

CITO staff has also undertaken communication and promotional activities to support the program development process. This has included: communication with stakeholders, interaction with industry groups, and presentations to educational and other groups.

Development of Board Governance Model:

The core elements of the board structure were established in 2006 when the board took up its duties.

The development of an effective and transparent governance model including a policy framework and related processes and procedures to support board operations was identified as a priority for CITO. Development work on Board governance model was substantively completed in fiscal 07, 08. This included:

- Background research was conducted with other organizations similar in structure and function to provide baseline information and context for CITO.
- A retreat was held for the Board Governance Sub-Committee in November 2007 to develop an operational policy framework for board. This included: terms of appointment for directors including Chair, Vice Chair, Secretary Treasurer; the establishment of a sub-committee structure including Finance, Program Standards, Training & Planning, Sub-Committee Chair Governance, and Executive Committees.
- A governance policy manual was developed detailing all governance policies and procedures for CITO.

Development of a financial model for CITO administration:

The CITO Board determined that the development of a transparent financial model for the organization was a priority in its first full year of operation. This development of the financial model was substantively completed in fiscal 07, 08. This included the development of policy in:

- Payroll
- Accounts payable
- Purchasing
- Budget administration

Completion of scoping of CITO operational model:

The development of a “Full Service” model and implementation plan for CITO was identified by the Board as a high priority for the organization in 07, 08. At the “Full Service” level, nineteen areas of responsibility will be devolved to CITO from the ITA. Assuming responsibility for these tasks is a complex undertaking and will require careful planning to develop an operational model, identify the resources required and develop the operational capacity. It is important that the board, staff and stakeholders have a clear understanding of the magnitude of the task and the resources required to bring it to completion. The development of a Communication &

Consultation process, which is also a goal for CITO in this fiscal year, is closely related to the development of the full service model and has been included as part of the development process.

CITO engaged the services of Ference Weicker & Company a professional consulting firm to assist in developing the model and implementation plan. A considerable amount of work has been done on this initiative to date including:

- Completion of an environmental scan
- Analysis of tasks/responsibilities
- Development of a matrix of activities
- Background research and analysis of similar tasks with other jurisdictions
- Interviews with key stakeholders regarding tasks/model
- Initial analysis of required resources
- Development of options for “Full Service”
- Development of draft Communications & Consultation model

Next steps on the project will include conducting stakeholder consultations across the system to seek feedback and input; the development of a final model; determining required resources; and developing and launching an implementation plan.

As the project has evolved it has become clear that the initial goal for moving to “Full Service” status in the later part of fiscal 07, 08 was not realistic. Indications are that the transition to “Full Service” will be phased in over a two year period.

Note: CITO was successful in securing funding from Service Canada to support the Scoping process.

Developing a Communications & Consultation mechanism:

One of the key priorities identified by the board in 07, 08 was the development of a Consultation & Communication model for CITO. The ability to communicate effectively and to secure feedback and input from stakeholders will be crucial to the success of the organization. The Communication & Consultation model will be need to address two specific areas of activity: To facilitate ongoing consultation between CITO and its stakeholders; and to enable consultation on specific issues on an ad-hoc or as needed basis.

Substantive progress has been made in this area. The development of the Consultation & Communication model is being developed as an element of the Scoping project described above.

Engage with industry and training providers to develop a training plan for the industry:

Work on this goal is currently in progress. In the first quarter of 07, 08 CITO staff developed a discussion paper to provide background, context, and to identify issues that should be considered when developing a training plan. The paper also outlined a model that would meet the needs of the Construction Industry. This process was suspended at the request of the ITA to enable them to address communication issues with the Post Secondary System. In the fourth quarter of 07, 08

CITO initiated discussions with the Trades Training Consortium to move this initiative forward. Work on Training Plan development will carry forward into fiscal 08, 09.

Completion of Apprenticeship:

The completion rate for apprenticeship is recognized as an important issue for the industry that CITO address in the future. No specific goals were established for CITO in 07, 08 around this issue but it was felt that the organization should stay in touch with the issues. Staff have participated in and supported a provincial survey, supported by Service Canada, to explore the reasons that apprentices do not complete their apprenticeships. The results of the survey will inform any future potential initiatives that CITO may undertake in this area.

Summary:

In its first full fiscal year CITO has substantively met or exceeded its goals and objectives for the year. This included establishing core operational capacity; developing operational policies and procedures; developing in-house expertise in program development; and moving forward with the planning process for the “Full Service” model.

Performance Targets Matrix:

Goal 1:

Performance Measure	Target	
	2006/2007 Actual	2007/2008 Forecast
Completion of Board Governance Model and manual	Process fully developed including governance manual Sept 07	Completed

Goal 2:

Performance Measure	Target	
	2006/2007 Actual	2007/2008 Forecast
Development of a financial model for CITO	Model fully developed and documented Sept 07	Completed

Goal 3:

Performance Measure	Target	
	2006/2007 Actual	2007/2008
Complete scoping of CITO operational model	Phase one of Scoping process complete Sept 07, in cooperation with ITA. Completion of Scoping and implementation of full service model in subsequent fiscal years	Substantively Complete

Goal 4:

Performance Measure	Target	
	2007-2008	
Development and implementation of training plan process for schools and institutions	Review and sign off on training plan 08/09 fiscal	Process fully implemented for fiscal 09/10 In Process

Goal 5:

Performance Measure	Target	
	2006/2007 Actual	2007/2008 Forecast
Number of training programs with updated standards		Updating of 4 new programs Development of transition strategy for program work currently underway: up to 14 programs Exceeded Target

Goal 6:

Performance Measure	Target	
	2006/2007 Actual	2007/2008 Forecast
Development of a Consultation & Communication mechanism for CITO	Phase one complete Sept 07. Complete process developed as a component of the Scoping exercise and implementation of full service model	Substantively Complete

Appendix #1.

Accredited Programs:

- Boilermaker (Construction)
- Bricklayer (Mason)
- C.O.R.E (Foundation)
- Cabinetmaker (Joiner)
- Carpenter
- Concrete Finisher (Cement Mason)
- Construction Electrician (Electrician)
- Floor Covering Installer
- Glazier
- Insulator (Heat & Frost)
- Ironworker (General)
- Lather (Wall & Ceiling Installer)
- Painter/Decorator
- Plumber
- Refrigeration & Air Conditioning Mechanic (Refrigeration Mechanic)
- Reinforcing Steel Installer
- Roofer
- Sheet Metal Worker
- Sprinkler System Installer
- Tiler

Recognized Programs:

- Architectural Sheet Metal
- Construction Formwork Technician
- Domestic/Commercial Gasfitter
- Drywall Finisher
- Elevator Mechanic
- Hardwood Floor Layer
- Piledriver/Bridgeworker
- Plasterer
- Security Alarm Installer

Foundation:

- Architectural Sheet Metal
- Boilermaker (Construction)
- Bricklayer (Mason)
- C.O.R.E (Foundation)
- Cabinetmaker (Joiner)

- Carpenter
- Concrete Finisher (Cement Mason)
- Construction Electrician (Electrician)
- Construction Formwork Technician
- Domestic/Commercial Gasfitter
- Drywall Finisher
- Floor Covering Installer
- Glazier
- Hardwood Floor Layer
- Ironworker (General)
- Painter/Decorator
- Plumber
- Refrigeration & Air Conditioning Mechanic (Refrigeration Mechanic)
- Security Alarm Installer
- Sheet Metal Worker
- Sprinkler System Installer

CITO
Income Statement 04/01/2007 to 03/31/2008

REVENUE

Funding

ITA Core Funding	397,242.00
ITA Project Funding	502,000.00
Future Funding to Malaspina 08/09	-40,000.00
Carry over from 2007	<u>25,251.00</u>
Total Funding	<u>899,242.00</u>
Ban Interest Earned	\$2,795.60
TOTAL REVENUE	<u>884,493.00</u>

EXPENSE

Allocations

Equipment Purchase	<u>62,601.73</u>
Total Allocations	<u>62,601.73</u>

Payroll Expenses

Wages & Salaries	265,047.68
EI Expense	1,787.25
CPP Expense	3,364.23
WCB Expense	255.77
Employee Benefits	<u>4,300.58</u>
Total Payroll Expense	<u>274,755.51</u>

General & Administrative Expenses

Accounting & Legal	4,440.49
Advertising & Promotions	3,141.85
Contractors - Other	385,582.16
Future Funding to Malaspina Univ 08/09	-40,000.00
Business Fees & Licenses	213.50
Monthly Parking	4,351.33
Courier & Postage	1,592.63
Insurance	4,931.00
Interest & Bank Charges	-2,661.96
Office Supplies	13,301.27
Catering - Board	2,778.66

Catering - Other	7,105.32
Miscellaneous Expenses	1,126.62
Rent	41,456.48
Repair & Maintenance	15,617.57
Telephone	5,725.85
Cell & Blackberry	3,438.34
Travel & Entertainment - Dave Coleman	1,884.71
Travel & Entertainment - George	9,725.08
Travel & Entertainment - Office	355.96
Travel & Entertainment - Board	15,564.15
Travel & Entertainment - Projects	32,910.54
Travel & Entertainment - Stephen	<u>584.71</u>
Total General & Admin. Expenses	<u>513,166.26</u>
TOTAL EXPENSE	<u>850,523.50</u>
NET INCOME	<u><u>33,969.50</u></u>

CITO
Balance Sheet As at 03/31/2008

ASSET

Current Assets

Petty Cash	200.00	
Chequing Bank Account	101,480.76	
		<hr/>
Total Cash		101,680.76
Prepaid Expenses		<u>3,963.00</u>
Total Current Assets		<u>105,643.76</u>

Capital Assets

Office Furniture & Equipment	87,868.21	
Accum. Amort. -Furn. & Equip.	<u>-17,479.57</u>	
Net - Furniture & Equipment		<u>70,388.64</u>
Total Capital Assets		<u>70,388.64</u>
TOTAL ASSET		<u>176,032.40</u>

LIABILITY

Current Liabilities

Accounts Payable		54,238.87
GST Paid on Purchases	<u>-11,430.93</u>	
GST Owing (Refund)		<u>-11,430.93</u>
Total Current Liabilities		<u>42,807.94</u>

Capital Fund

Capital Fund		<u>87,130.92</u>
Total Capital Fund		<u>87,130.92</u>
TOTAL LIABILITY		<u>129,938.86</u>

EQUITY

Retained Earnings

Retained Earnings - Previous Year		12,124.04
Current Earnings		<u>33,969.50</u>
Total Retained Earnings		<u>46,093.54</u>
TOTAL EQUITY		<u>46,093.54</u>

LIABILITIES AND EQUITY		<u>176,032.40</u>
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