



**BRITISH
COLUMBIA**

The Best Place on Earth

SHAREHOLDER'S LETTER OF EXPECTATIONS

BETWEEN

**THE MINISTER OF SMALL BUSINESS AND REVENUE
(AS REPRESENTATIVE OF THE SHAREHOLDER,
THE GOVERNMENT OF BRITISH COLUMBIA)**

AND

**THE CHAIR OF THE BRITISH COLUMBIA ASSESSMENT AUTHORITY
(AS REPRESENTATIVE OF THE CORPORATION)**

PURPOSE

This Shareholder's Letter of Expectations between the Shareholder and the Corporation is an agreement on the respective roles and responsibilities of each and serves as the basis of agreement between the Shareholder and the Corporation on the corporate mandate, including high-level performance expectations, public policy issues and strategic priorities¹. It will be reviewed annually and updated as required. The Shareholder's Letter of Expectations is the basis for the development of the Corporation's Service Plans and Annual Service Plan Reports. The Letter applies to the Shareholder and the Corporation. This Letter does not create any legal or binding obligations on the part of the Shareholder or the Corporation but, rather, is intended to define and promote a positive and co-operative working relationship.

¹ The Province of British Columbia's Crown Agency Accountability System (CAAS) (http://www.gov.bc.ca/cas/attachments/shareholder's_expectations_manual_2006.pdf) establishes guiding principles for the governance of Crown corporations. CAS also identifies roles and responsibilities for the Shareholder and Crown corporations and provides for a Shareholder's Letter of Expectations (Letter) to be jointly developed.

CORPORATION ACCOUNTABILITIES

Government has provided the following mandate direction to the British Columbia Assessment Authority (the Corporation):

- establish and maintain property assessments that are uniform in the whole of British Columbia in accordance with the *Assessment Act*; and
- support the achievement of government's strategic priorities as articulated in government's Strategic Plan.

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

- conduct its affairs to achieve its mandate and the performance expectations and objectives of the Shareholder, including establishing and implementing corporate strategies, policies, programs, plans and financial outcomes that are consistent with the Shareholder's general direction and consistent with principles of efficiency, effectiveness and customer service;
- prepare Service Plans with clearly articulated goals, objectives, strategies and performance measures and targets and Annual Reports that detail progress toward achieving those goals and post both documents on its website;
- display all annual Statement of Financial Information schedules prepared under the *Financial Information Act* in an easily accessible location on its website (some of this information is included in annual reports and does not need to be otherwise displayed);
- conduct its operations and financial activities in a manner consistent with the legislative, regulatory and policy framework established by the Shareholder;
- develop and implement strategies to manage risks identified in the Corporation's 2008-2010 Service Plan.
- comply with the Shareholder's requirements to make the public sector carbon neutral by 2010, including: accurately defining, measuring, reporting on and verifying the greenhouse gas emissions from the Corporation's operations; implementing aggressive measures to reduce those emissions and reporting on these measures and reduction plans; and offsetting any remaining emissions through investments in the Pacific Carbon Trust, which will invest in greenhouse gas reduction projects outside of the Corporation's scope of operations;
- encourage staff involvement in developing ideas and new solutions to meet government's climate change objectives;
- provide the Shareholder with reports and other information that would enable the Shareholder to carry out its responsibilities; and
- provide information to the Shareholder immediately if the Corporation is unable to meet the targets identified in its Service Plan.

In addition, the Shareholder directs the Corporation to take the following specific actions:

- Participate in the Minister's announced review of the farm classification process and regulations to ensure the property assessment system is fair, equitable and supports the British Columbia agriculture plan and a healthy future for British Columbia families. The review will include a comprehensive review and analysis of the farm assessment regulations with a focus on simplifying and streamlining the regulations, while at the same time ensuring they are fair, equitable and transparent.
 - Timeline: July 2009
- Work closely with the ministry on 2008 legislative initiatives and future projects as required by the Minister.
 - Timeline: Ongoing
- Continue to enhance the customer service focus of the property assessment system, focusing on streamlining and simplifying processes for taxpayers. Specifically, the Corporation will focus on taxpayer fairness and equity to ensure timely and meaningful customer service takes place on all issues.
 - Timeline: Ongoing
- Continue to work with the ministry to improve Property Assessment Review Panel operations through business process improvements. This includes ensuring there is sufficient flexibility in operations and scheduling to enable hearings that are convenient and of sufficient length for complete presentations, and that information provided to the public is timely and accessible. The Ministry would lead this.
 - Timeline: Ongoing
- Continue to review the methodology used to determine the assessed value and classification of properties and determine if there are other, more appropriate options. Specifically, the Corporation will continue to enhance its working relationship and undertake timely, meaningful consultation with stakeholder groups who have properties affected by annual update factors and rates prescribed by the Corporation.
 - Timeline: Ongoing
- Continue to report out to the Shareholder on the progress and development of a performance measurement system to benchmark the Corporation's operations against those of other North American assessment jurisdictions. These measurements should include benchmarks that measure service quality to taxpayers.
 - Timeline: September 2008
- Ensure property assessment services provided by the Corporation throughout the province are fair, equitable and uniform, while providing a level of service that is of the highest quality and meets customers', and the ministry's expectations through continuous improvement in its Service Commitment and Service Standards.
 - Timeline: Ongoing

- Develop and implement programs to attract, develop, and retain qualified and motivated staff.
 - Timeline: Ongoing

- Continue to seek new proactive solutions and opportunities to streamline and simplify operational efficiencies while meeting service delivery targets.
 - Timeline: Ongoing

- Develop and implement a strategy to return the Corporation's unappropriated equity to the taxpayers of British Columbia by using these funds to keep the Corporation's financing levy increases to a minimum over the next three years.
 - Timeline: October 2008

SHAREHOLDER'S RESPONSIBILITIES

The Shareholder is responsible for the legislative, regulatory and public policy framework in which Crown corporations operate. In order to meet these responsibilities and support the achievement of government's performance expectations, the Shareholder will:

- establish, review, revise and communicate Crown corporations' mandates;
- establish the overall and Crown-specific financial frameworks under which Crown corporations operate (borrowing, investment and payment to the Shareholder);
- issue performance management guidelines, including guidelines for service planning and annual reports (<http://www.gov.bc.ca/cas/publications/index.html>);
- provide strategic input and advice to Crown corporations in the development of their Service Plans and Annual Reports;
- provide broad policy direction and confirmation of general frameworks/principles to Crown corporations, within which the Crown corporations may establish and apply specific policies/processes;
- advise Crown corporations of government's priorities, strategic decisions and public policy and performance objectives and expectations that may impact the Crown corporations; and
- issue directives or orders, or sponsor submissions on behalf of Crown corporations, that may be required to seek decisions or policy direction by the Executive Council or its committees, in order to facilitate Crown corporations fulfilling their mandates and achieving the performance targets outlined in Crown corporations' Service Plans;

The Shareholder has developed policies for ministries and Crown corporations for Capital Asset Management (<http://www.fin.gov.bc.ca/tbs/camf.htm>) and Board remuneration policies for Crown agencies (<http://www.gov.bc.ca/cas/publications/index.html>). The Shareholder

has also issued Best Practice Guidelines for Board governance and disclosure (<http://www.lcs.gov.bc.ca/brdo/governance/index.asp>). During the term of this Letter, the Shareholder may provide policy direction to the Crown agency sector and will communicate any such direction, including implementation expectations, to Crown corporations as decisions are made.

The Shareholder will also, on a continuing basis, monitor the achievement of the goals, objectives and targets identified in Crown corporations' Service Plans.

Specific to the Corporation, the Shareholder:

- approves the Corporation's mandate to produce and maintain assessments that are fair, equitable, and uniform throughout British Columbia in accordance with the *Assessment Act*;
- confirms that the Board of Directors will be fully responsible and accountable for the mandate of the Corporation, which must be carried out in accordance with the *Assessment Act*, the *Assessment Authority Act* and in compliance with policy directives which may be issued through Cabinet regulations;
- confirms the role of the Minister of Finance as fiscal agent to the Corporation, providing the Corporation with access to government financing and banking services;
- reviews any assessment policy recommendations from the Corporation and sponsors any related legislative and regulatory proposals; and
- consults with the Corporation on any legislative, regulatory or policy changes proposed by the ministry, Cabinet or the Shareholder that may have an impact on the Corporation or its activities.

AREAS OF SHARED ACCOUNTABILITY

Communications

It is agreed by both the Shareholder and the Corporation that, to ensure effective and efficient day-to-day communications and relationship building, officials representing both parties will be tasked with implementing the contents of this Letter and keeping the Minister responsible and the Board of Directors informed of progress in a timely fashion.

Reporting

The Shareholder and the Corporation are committed to enhanced transparency and accountability to the public. The Shareholder has put in place a public reporting structure set out in the *Budget Transparency and Accountability Act*, the *Financial Administration Act* and the *Financial Information Act*. The Shareholder has provided the Corporation with a reporting calendar which sets out financial and performance reporting requirements (<http://www.gov.bc.ca/cas/publications/index.html>). The Corporation agrees that it will meet these financial and performance reporting requirements. If government determines that changes to the reporting requirements are necessary, the Shareholder will communicate these to the Corporation.

It is agreed by both the Shareholder and the Corporation that there will be advance discussion and review of key strategic documents such as Service Plans, Quarterly Financial Reports and Annual Reports. These discussions will be completed sufficiently in advance of deadlines, to ensure effective and timely input by the Shareholder.

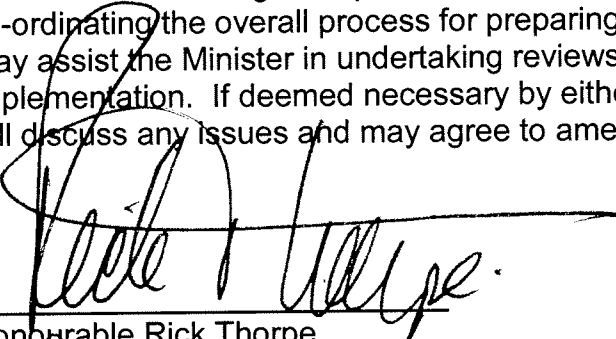
In addition to these financial and performance reporting requirements, the Corporation agrees to provide information to the Shareholder related to risks and opportunities anticipated in achieving financial forecasts.

The Shareholder and the Corporation agree that, as a matter of course, each will advise the other in a timely manner of any issues that may materially impact the business of the Corporation or the interests of the Shareholder.

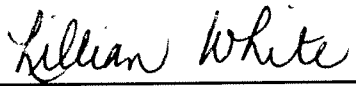
It is agreed that the Corporation will post the most recent signed copy of the Shareholder's Letter of Expectations on its website. Crown Agencies Secretariat will also post a signed copy of the Letter on its website.

Review and Revision of this Letter

The Minister of Small Business and Revenue is accountable for undertaking reviews of this Letter and monitoring its implementation. The Crown Agencies Secretariat is responsible for co-ordinating the overall process for preparing Shareholders' Letters of Expectation and may assist the Minister in undertaking reviews of this Letter and monitoring its implementation. If deemed necessary by either party, the Shareholder and the Corporation will discuss any issues and may agree to amend this Letter.


Honourable Rick Thorpe
Minister of Small Business and Revenue

March 12/08
Date


Lillian White
Chair, BC Assessment

Mar 24/08
Date

cc: Honourable Gordon Campbell
Premier

Jessica McDonald
Deputy Minister to the Premier and Cabinet Secretary

Chris Trumpy
Deputy Minister and Secretary to Treasury Board
Ministry of Finance

Robin Ciceri
Deputy Minister
Ministry of Small Business and Revenue

Doug Rundell
Chief Executive Officer
BC Assessment

Molly Harrington
Chief Executive Officer
Assistant Deputy Minister
Crown Agencies Secretariat

