



OFFICE OF THE
AUDITOR GENERAL
MANITOBA

Department of Education and Training

**Management of Manitoba's Apprenticeship
Program**

July 2017

Web Site Version

Our vision

The Office of the Auditor General is an accessible, transparent and independent audit office, serving the Manitoba Legislature with the highest standard of professional excellence.

Our mission

To provide the Legislative Assembly with high quality audits and recommendations, and to focus our resources on areas of strategic importance to the Assembly.

Our values

- Respect
- Honesty
- Integrity
- Openness

Our priorities

- Strengthen the management systems and practices of government organizations
- Provide Members of the Legislative Assembly with relevant and useful information on the performance of government entities
- Support the Public Accounts Committee in its efforts to improve the performance of government organizations
- Manage our internal business efficiently, effectively and economically

Our critical success factors

- Independence from government
- Reliable audit opinions and conclusions
- Relevance of audit work performed
- Knowledge, skills and abilities of our staff



July 2017

The Honourable Myrna Driedger
Speaker of the House
Room 244, Legislative Building
450 Broadway
Winnipeg, Manitoba R3C 0V8

Honourable Ms. Driedger:

It is an honour to provide you with my report titled, *Management of Manitoba's Apprenticeship Program*, to be laid before Members of the Legislative Assembly in accordance with the provisions of Sections 14(4) and 28 of *The Auditor General Act*.

Respectfully submitted,

Norm Ricard, CPA, CA
Auditor General

Table of Contents

Auditor General's comments	1
Main points	2
Response from Manitoba Education and Training	6
Background	7
Audit approach	13
Findings and recommendations	14
1. Gaps in oversight of in-school training	14
1.1 Processes for accrediting in-school training need improvement	14
1.1.1 Accreditation process based on industry standards	14
1.1.2 Inadequate assurance that accredited courses meet all requirements	14
1.1.3 Pilot to streamline accreditation of high-school courses not risk-based	17
1.1.4 Limited quality assurance over unaccredited block-release training courses	18
1.2 Issues in purchasing training	19
1.2.1 Funding to training providers fragmented, but greater coordination planned	19
1.2.2 No competitive purchasing; unfilled seats cost \$3 million in 2014/15	19
1.2.3 \$2.7 million spent for online courses, but few offerings and enrollment low	20
2. Inadequate processes for ensuring the quality of on-the-job training	22
2.1 Weaknesses in assessing and approving various employer applications	22
2.1.1 Gaps in verifying an employer's eligibility to register an apprentice	22
2.1.2 Designated-trainer status granted without verifying self-declarations	24
2.1.3 Ratio adjustments approved despite not meeting legislated requirements	25
2.2 Weaknesses in monitoring and supporting workplace training	27
2.2.1 Visits to monitor workplace training infrequent, undocumented, not risk-based	27
2.2.2 Employers only report hours worked by apprentices, not types of tasks done	29
2.2.3 Limited supports to help journeypersons mentor apprentices	30

- 3. Weaknesses in overseeing and supporting apprentice progress 31**
 - 3.1 Some gaps in awarding credit and issuing certificates of qualification 31**
 - 3.1.1 Processes for recognizing prior training and experience need improvement..... 31
 - 3.1.2 Most certificates issued after all requirements met 33
 - 3.2 Processes for monitoring and supporting apprentice progress need improvement... 34**
 - 3.2.1 Progress towards program completion inadequately monitored 34
 - 3.2.2 Adequacy of support for essential-skills upgrading not evaluated..... 36
- 4. Weak planning and performance reporting 37**
 - 4.1 Strategic planning needs improvement 37**
 - 4.1.1 Strategies developed to increase participation in the apprenticeship system..... 37
 - 4.1.2 Gaps in occupational forecasting, risk management, and goals and targets 38
 - 4.2 Weak performance reporting 40**
 - 4.2.1 Few measures focused on training quality and results; some data unreliable 40
 - 4.2.2 Public performance information needs improvement 41

Auditor General's comments

Apprenticeships give workers an opportunity to obtain valued credentials through a combination of workplace and in-school training. Once their training is complete, these skilled workers (including electricians, carpenters, plumbers and others) help meet the needs of employers and provide valuable services to all Manitobans.

Apprenticeship Manitoba (a branch of the Department of Education and Training) administers the province's apprenticeship program. Its records show the number of active apprentices grew 93% between 2006/07 and 2015/16, from 5,850 to 11,307—but the total number of apprentices completing their programs remained flat. Unfortunately, completion rates are not calculated overall or by trade; nor is there adequate information on the satisfaction of apprentices and employers with the apprenticeship program. This information would help Apprenticeship Manitoba better understand the challenges confronting the apprenticeship system, as well as its successes.



We are also concerned with weaknesses we found in Apprenticeship Manitoba's oversight of both on-the-job (workplace) and in-school training. For example, its visits to workplaces to monitor training were infrequent, undocumented and not risk-based. And it lacked adequate assurance that accredited training courses fully met all accreditation requirements. Without adequate oversight, the quality and comprehensiveness of apprenticeship training is at risk.

We noted Apprenticeship Manitoba does not adequately monitor each student's progress through his or her program to help ensure barriers to success are understood and, where possible, mitigated. In addition, we noted it does not have forecasts of supply and demand for the various trades to ensure training is aligned with industry needs. Both of these weaknesses may result in an inadequate supply of skilled workers relative to industry needs—even with significant growth in the total number of registered apprentices.

The apprenticeship system is complex and involves many stakeholders—both these factors make oversight challenging. I am pleased Apprenticeship Manitoba officials have acknowledged the value of the 20 recommendations we have made to strengthen the management of the apprenticeship program. Our first follow-up on these recommendations will be as at September 30, 2018.

A handwritten signature in black ink that reads "Norm Ricard". The signature is written in a cursive, flowing style.

Norm Ricard, CPA, CA
Auditor General

Main points

What we examined

Apprenticeship Manitoba, a branch of the Department of Education and Training, is responsible for administering Manitoba's apprenticeship program. Its stated mission is "to provide access to training, supports, and certification of skilled workers to help meet the needs of Manitoba industry", and its stated vision is "to be the model for training and certification of workers". It also assists the Apprenticeship and Certification Board, a group of people appointed by the Minister to provide advice and help the Province coordinate Manitoba's apprenticeship system.

An apprentice typically obtains about 80% of his or her training on the job and 20% in school to obtain a certificate of qualification in a trade. We examined the adequacy of Apprenticeship Manitoba's processes for overseeing in-school training, workplace training, and apprentice progress. We also examined the adequacy of planning and performance reporting for Manitoba's apprenticeship system. We chose these areas for examination because they support Apprenticeship Manitoba's stated mission and vision. They also reflect the requirements of *The Apprenticeship and Certification Act* and regulations.

What we found

1. Gaps in oversight of in-school training

Insufficient assurance that accredited training courses meet all accreditation requirements:

Apprenticeship Manitoba accredits training courses offered by high schools and other training institutions to people typically not yet registered as apprentices. In a sample of 20 accredited courses, we found several had been accredited or re-accredited without sufficient documented evidence that they met all the accreditation requirements set out in legislation and internal policy. Apprenticeship Manitoba had documented evidence that most of the courses covered the standard curriculum. However, for most it lacked assurance that the instructors met all qualification requirements, and for about a third it lacked assurance that they were delivered in appropriate facilities with suitable tools and equipment.

Pilot to streamline accreditation of high school courses not risk-based:

Under a pilot designed to streamline the accreditation of high school apprenticeship courses, Apprenticeship Manitoba deferred its oversight processes for both new and previously accredited courses in the carpenter and automotive services trades. As a compensating control, in order to receive apprenticeship credit, the students were required to pass Apprenticeship Manitoba's standard Level 1 placement exams (typically written by people without recognized training). This differed from its standard practice, where students only had to pass the high school courses with grades of at least 70%. After few students passed the placement exams, Apprenticeship Manitoba reverted to its original practice for awarding credit. Apprenticeship Manitoba officials said one reason for the poor exam results was that high school courses were typically trying to meet the needs of students wanting a more general vocational experience, as well as those

wanting apprenticeship training. A more risk-based approach would have only reduced oversight for courses with an established track record and considered the risk associated with courses designed to meet multiple needs.

Limited quality assurance over courses offered to registered apprentices:

Apprenticeship Manitoba doesn't accredit the courses offered to registered apprentices. It oversees these courses by ensuring training providers are familiar with the applicable trade standards and curricula, reviewing students' examination results, and interacting with college staff. This is less rigorous than the procedures typically carried out to ensure the quality of the accredited courses offered to people not yet registered as apprentices.

Issues in purchasing training for registered apprentices:

In 2002, Apprenticeship Manitoba signed an agreement with each of Manitoba's 3 colleges that gave each the right of first refusal for the delivery of training to registered apprentices. Since then, it has not considered if a call for proposals might provide better value. In addition, in 2014/15, it paid about \$3 million for 904 unfilled training seats—while at the same time, only about 50% of apprentices chose to register for training. Apprenticeship Manitoba officials said a decision to allow apprentices to decide for themselves when to register for courses (as opposed to prior practice, where Apprenticeship Manitoba decided when to enroll them based on their progress through the program) made filling seats more difficult. Apprenticeship Manitoba has also spent \$2.7 million for online courses, but few have been offered to apprentices and enrollment has been low in those offered.

2. Inadequate processes for ensuring the quality of on-the-job training

Gaps in verifying an employer's eligibility to register an apprentice:

In order to be eligible to register an apprentice, employers need to be able to provide apprentices with suitable experience and proper supervision. However, Apprenticeship Manitoba has no policy on how staff are to verify that employers meet these eligibility requirements. Further, Apprenticeship Manitoba's employer database doesn't adequately track employers' histories regarding their participation in the apprenticeship program, which reduces its usefulness in helping staff assess employers' eligibility.

Inadequate verification before granting designated-trainer status and ratio adjustments:

Manitoba's supply of journeypersons (people with certificates of qualifications in their trades) is small, particularly in rural and northern regions of the province. Therefore, Manitoba's apprenticeship legislation allows apprentices in most trades to be supervised by designated trainers: individuals who are not journeypersons, but have sufficient trade experience.

Apprenticeship Manitoba requires designated-trainer applicants to self-declare their experience in the trade, but it doesn't require any evidence to support the self-declarations.

Manitoba's apprenticeship legislation also allows employers to apply for ratio adjustments. The adjustments let employers exceed Manitoba's legislated 1:1 apprentice-to-journeyperson ratio requirement in certain circumstances. However, Apprenticeship Manitoba also approved ratio

adjustments for reasons other than those set out in the legislation. In addition, there was insufficient documented evidence that it verified or assessed the reasonableness of information submitted by employers.

Visits to monitor workplace training infrequent, undocumented, and not risk-based:

Visits to workplaces by Apprenticeship Manitoba staff were conducted on an ad hoc basis, seldom documented, and more typically focused on promoting greater participation in the apprenticeship system than ensuring apprentices were provided with suitable and safe work experiences and were properly supervised. Under an agreement with the Labour division of the Department of Growth, Enterprise and Trade, Labour staff enforced compliance with apprenticeship legislation for 6 trades while performing their regular duties enforcing labour legislation. But the agreement only covered about 25% of Manitoba's apprentices.

Employer logbooks lacked required detail:

Apprenticeship Manitoba requires employers to submit logbooks tracking the hours that apprentices work, but not the type of work they do—even though Manitoba's apprenticeship legislation requires employers to document their verification of the tasks performed by apprentices. As a result, the logbooks provide no assurance apprentices are learning the tasks of their trade during their workplace training.

3. Weaknesses in overseeing and supporting apprentice progress

Gaps in recognizing prior training and experience:

People may acquire relevant in-school training and workplace experience prior to registering as apprentices. Apprenticeship Manitoba has a policy for recognizing applicable prior in-school training, but staff didn't always follow it. It has no similar policy for recognizing applicable prior workplace training and experience, and staff made decisions inconsistently. Once registered, recognition of apprentices' ongoing in-school training and work experience was generally adequately supported. And most certificates of qualification were only issued once all requirements were met.

Apprentice progress towards program completion inadequately monitored:

Although the number of apprentices was increasing, there was no corresponding increase in the number of apprentices completing their apprenticeship programs and obtaining their trade certification. Our file review showed Apprenticeship Manitoba staff often didn't identify and follow-up with apprentices failing to progress through their programs. In addition, over 50% of apprentices were not engaged in any in-school training in 2014/15.

Adequacy of essential-skills upgrading offered to apprentices not evaluated:

Weaknesses in essential skills (such as literacy and numeracy skills) can be a significant barrier to successfully completing apprenticeship training. Apprenticeship Manitoba provides apprentices with access to essential-skills support services, but it hasn't evaluated the adequacy or effectiveness of these services.

4. Weak planning and performance reporting

Several gaps in strategic planning:

Apprenticeship Manitoba lacked adequate occupational forecasts for its apprenticeship trades. Without forecasting expected supply and demand for the various trades, investments in training resources may be misaligned and fail to meet the needs of Manitoba industry. Apprenticeship Manitoba also had few goals and objectives related to providing quality training and its vision of being “the model for the training and certification of workers”. And it lacked specific performance targets for its stated goals and objectives, as well as processes for identifying and managing risks.

Weak performance reporting:

Unlike some other jurisdictions, Manitoba doesn't calculate apprenticeship program completion rates. Nor does it assess apprentice and employer satisfaction on a regular basis. We found publicly-reported performance information largely focused on the number and types of registered apprentices, plus the number and types of certifications issued annually. A broader range of performance measures, including information about the quality and results of training, would better inform Apprenticeship Manitoba management, legislators and members of the public.

Response from Manitoba Education and Training

Manitoba Education and Training would like to thank the Office of the Auditor General (OAG) for its thorough review of the Management of the Apprenticeship Program. The review and recommendations will further inform current and ongoing efforts of the Department to ensure oversight and planning of apprenticeship training to meet the needs of apprentices, industry and the government.

Apprenticeship Manitoba, the Apprenticeship and Certification Board, and senior management have reviewed the Auditor General's report on Management of the Apprenticeship Program and its recommendations. Actions are already underway to address many of the recommendations and we look forward to continuing to make improvements to the services that we provide Manitobans by ensuring consistency in decision-making through complete documentation of decisions and clear policies and procedures.

These actions include:

- The development of a strategic plan for Apprenticeship Manitoba alongside consultations to create a new multi-year strategic plan for the Apprenticeship and Certification Board for 2018-2021;
- A review of accreditation processes and requirements to establish a comprehensive framework for all apprenticeship-related training;
- The establishment of an advisory committee with our K-12 and post-secondary trades training stakeholders to address joint efforts for the provision of trades training;
- Review and development of policies and procedures to ensure consistent interpretation and application, monitoring, and compliance of apprenticeship regulatory requirements;
- Participation and alignment with the departmental labour market strategy currently under development.

The Department commits to continue to work closely with its training, industry, and government stakeholders to respond to these recommendations in a collaborative process. Many of the recommendations presented by the OAG will require significant consultation and collaboration with industry and training stakeholders to determine viable solutions, for example the implementation of a practical training logbook.

Background

Apprenticeship training model

Apprentices obtain about 80% of their training on the job; 20% in school. Sponsoring employers pay apprentices during their on-the-job training and arrange for them to work under the supervision of a journeyman (someone with a certificate of qualification as evidence of his or her skill in a trade). Training institutions provide the in-school training, which takes place in both classrooms and skills labs. Apprentices usually alternate periods of employment with periods of in-school training.

Apprenticeship legislation in Manitoba

In Canada, apprenticeship is regulated at the provincial and territorial level. In Manitoba, *The Apprenticeship and Certification Act* (the Apprenticeship Act) and related regulations:

- provide the authority for designating specific trades as apprenticeship trades.
- govern various apprenticeship matters (such as apprentice-to-journeyman ratios and apprentice wages).
- specify the roles and responsibilities of various parties.

A separate regulation for each designated trade defines the tasks of the trade, specifies the trade's term of apprenticeship, and sets any trade-specific rules not covered by the *Apprenticeship and Certification—General Regulation* (General Regulation).

Apprenticeship Manitoba

Apprenticeship Manitoba, a branch of the Department of Education and Training, administers Manitoba's apprenticeship program. Its stated mission is "to provide access to training, supports and certification of skilled workers to help meet the needs of Manitoba industry".

Manitoba's apprenticeship legislation guides Apprenticeship Manitoba's work. For example, the *Apprenticeship and Certification—General Regulation* (General Regulation) specifies the conditions under which Apprenticeship Manitoba may:

- allow employers to sponsor and register apprentices.
- grant designated-trainer status to individuals lacking certificates of qualification, giving them equivalent-to-journeyman status for the purpose of supervising apprentices.
- approve apprentice-to-journeyman ratio adjustments, giving employers the ability to employ more apprentices than otherwise allowed by legislation.
- accredit training providers' training programs.
- issue certificates of qualification.

In 2015/16, Apprenticeship Manitoba had about 58 staff positions and a total budget of \$22.2 million. Staff positions included 19 apprenticeship training coordinators, 5 training standards coordinators, and a number of other staff in the following areas: policy support, community

Management of Manitoba's Apprenticeship Program

relations, course registration, finance and information technology, and administration and senior management.

Apprenticeship training coordinators serve both apprentices and employers, and are responsible for monitoring the quality of workplace training, as well as investigating and facilitating the resolution of issues between apprentices and employers. Training standards coordinators are responsible for overseeing the accreditation of training courses.

Apprenticeship Manitoba also assists the Apprenticeship and Certification Board (a group of people appointed by the Minister to provide advice and help coordinate Manitoba's apprenticeship system).

Apprenticeship and Certification Board

The legislated mandate of the Apprenticeship and Certification Board (the Board) is to:

- guide, coordinate, and promote Manitoba's apprenticeship training and certification system.
- promote apprenticeship training and certification.
- support employer and employee participation in skills development and certification.
- advise the Minister on the needs of the Manitoba labour market for skilled and trained persons, plus the needs of Manitobans seeking to develop their skills.

The Board includes a chairperson, 5 members representing the interests of employers, 5 members representing the interests of employees, 2 members representing the interests of the public, a non-voting member who is an apprentice, and the Executive Director of Apprenticeship Manitoba (who is also a non-voting member).

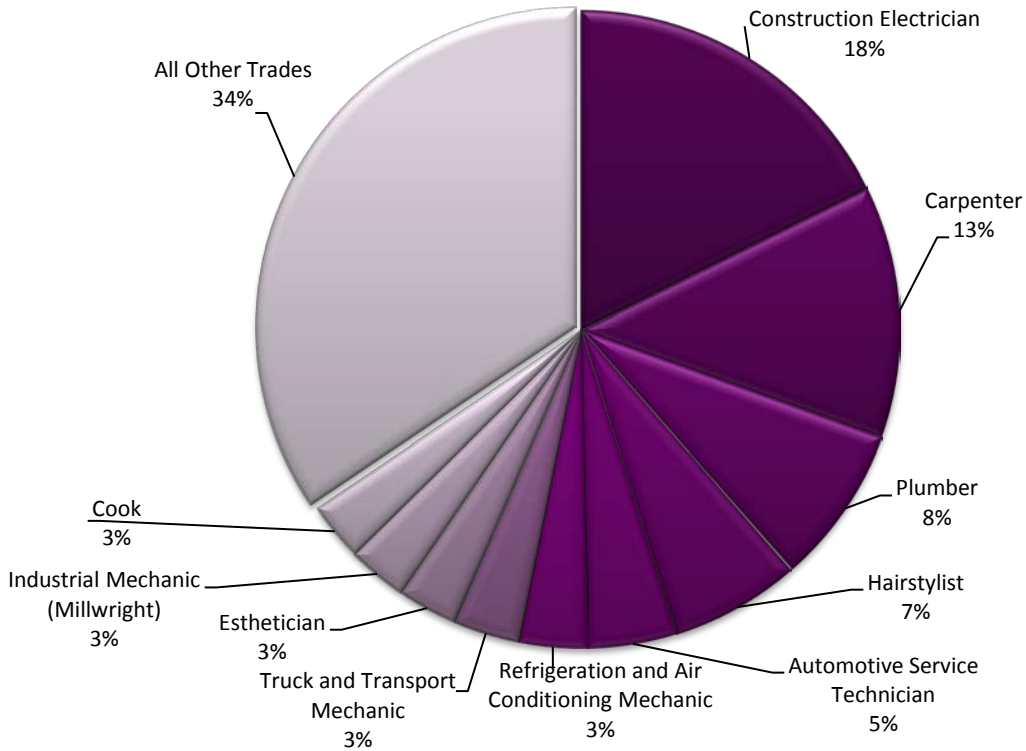
The Board reports directly to the Minister. It does not oversee or direct the activities of Apprenticeship Manitoba and has no full-time paid staff of its own. The Executive Director of Apprenticeship Manitoba serves as the Board's Secretary and various Apprenticeship Manitoba staff support Board activities as needed.

As allowed for in the apprenticeship legislation, the Board has established a provincial advisory committee for each designated trade. The committees make recommendations to the Board on standards and requirements for training and certification, including recommendations on the content of the individual trade regulations. Each committee has 5-9 volunteer members: a chair plus an equal number of members representing the interests of employers and employees in the trade.

Designated trades in Manitoba

Manitoba's regulations designate 55 trades. As **Figure 1** shows, 10 of the designated trades account for two thirds of Manitoba's apprentices (based on 2015 data).

Figure 1: 10 of 55 designated trades account for two thirds of Manitoba apprentices



Source: Apprenticeship Manitoba records (2015)

Voluntary versus compulsory trades in Manitoba

Nine of Manitoba's apprenticeship trades are compulsory; the rest are voluntary. People working in compulsory trades need to be apprentices or certified journeypersons (although exemptions may be granted in certain circumstances). In contrast, anyone can work in a voluntary trade.

At the time of our audit, the following were compulsory trades in Manitoba: sprinkler system installer, steamfitter/pipefitter, refrigeration and air conditioning mechanic, construction electrician, industrial electrician, crane and hoisting equipment operator, hairstylist, esthetician, and electrologist.

Canadian Council of Directors of Apprenticeship

The provinces and territories each set their own rules for their respective apprenticeship systems. As a result, some have higher apprentice-to-journeyman ratios than others (or no prescribed ratios) and a compulsory trade in one jurisdiction may be a voluntary trade in another. Despite these differences, the provincial and territorial governments and the federal government work together on apprenticeship matters through the Canadian Council of Directors of Apprenticeship (CCDA). CCDA has established common standards, competencies, and exams for certain trades, referred to as Red Seal trades. This makes it easy for Red Seal journeymen to transfer their skills from one jurisdiction to another. Forty of Manitoba's 55 designated trades are Red Seal trades.

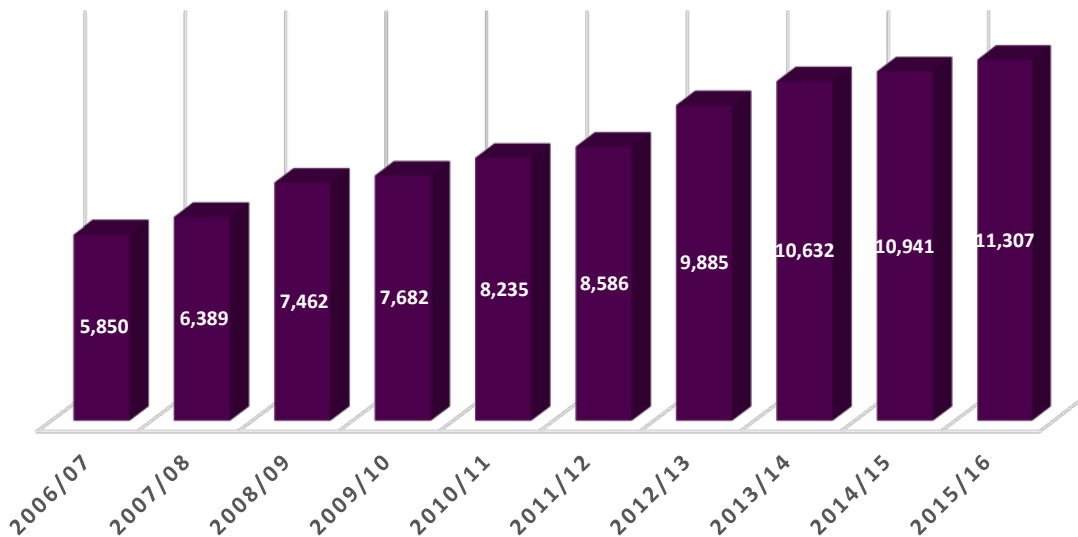
Manitoba apprenticeship statistics

In 2015/16, Apprenticeship Manitoba's records showed that Manitoba had about:

- 11,300 active apprentices.
- 9,700 active employers.
- 40 training organizations offering over 150 accredited training courses.

As **Figure 2** shows, the number of registered apprentices grew from 5,850 to 11,307 between 2006/07 and 2015/16—an increase of 93%. This reflected the Province's focus on expanding the apprenticeship program, particularly the number of high school students registered as apprentices.

Figure 2: Number of registered apprentices grew 93% between 2006/07 and 2015/16



Source: Apprenticeship Manitoba records

In-school training

Pre-employment courses:

Training providers may offer courses to individuals who have not yet entered into registered apprenticeship agreements with employers. These courses are called pre-employment courses and typically only cover Level 1 training (most trades have 4 training levels). People completing pre-employment courses are often also fulfilling high school diploma or college certificate requirements. If they go on to registered apprenticeships with employers, they may receive credit for courses previously taken if the courses were accredited by Apprenticeship Manitoba.

Block release training:

Apprenticeship Manitoba funds 3 training organizations to provide the training it offers to registered apprentices. This training is called block release training because it is typically offered in 4-16 week blocks, typically on a Monday to Friday basis and during daytime hours. This requires employers to release apprentices from their job duties to attend the training.

Financial incentives for employers and apprentices

Employers:

Most financial incentives for employers are provided by the Government of Canada and are for Red Seal trades. It offers a non-refundable tax credit of up to 10% on wages paid to Red Seal apprentices, to an annual maximum of \$2,000 per apprentice.

Like several other jurisdictions, Manitoba supplements this with incentives for non-Red-Seal trades. Effective January 2015, Manitoba offers a 15% refundable tax credit on wages paid to non-Red-Seal apprentices and newly certified journeypersons (20% on wages paid to Level 1 or Level 2 apprentices outside Winnipeg), to an annual maximum of \$5,000 per apprentice or journeyperson. It also offers a \$1,000 grant to employers who have not previously hired apprentices.

In 2015, Manitoba's apprenticeship tax credits totaled about \$4 million and its apprenticeship grants totaled about \$200,000.

Apprentices:

Most financial assistance for apprentices is provided by the Government of Canada and is for the Red Seal trades. This includes a \$1,000 grant for apprentices successfully completing their first or second year of apprenticeship, and a \$2,000 completion grant for apprentices receiving their certification.

Manitoba offers apprentices several small bursaries totaling about \$20,000 annually, plus about \$225,000 of awards sponsored by Manitoba Public Insurance for apprentices in motor vehicle trades. In addition, for every 220 hours of workplace training, high school apprentices are exempted from the tuition fees for one block-release training course.

Apprentices attending block release training are also eligible for a biweekly “living away from home” allowance of up to \$340 (depending on location); travel costs of up to \$250 biweekly; and childcare costs of \$10/child/day for the first 2 children, and \$5/day for a 3rd or 4th child.

Apprenticeship benefits and challenges

Apprenticeship literature cites several benefits of apprenticeship, including:

- apprenticeship systems can produce skilled workers to meet forecast labour market demand and fill gaps resulting from skilled-worker retirements.
- apprentices receive credentials valued in the labour market and connected to specific jobs, allowing them to establish a foothold in the workplace.
- apprentices are paid for their time on the job, lessening their need to incur any student debt.
- apprenticeship systems are industry-led or include industry input.

The literature also notes many apprenticeship systems face similar challenges, including:

- low completion rates (low numbers of starting apprentices achieving journeyperson status).
- youth, parents, and school counsellors insufficiently informed about apprenticeship careers.
- low employer participation levels.

Audit approach

We examined the adequacy of Apprenticeship Manitoba's administration of Manitoba's apprenticeship program. This included examining its processes for overseeing:

- in-school training.
- workplace training.
- apprentice progress.

We also examined the adequacy of planning and performance reporting for Manitoba's apprenticeship system. This included examining related processes in Apprenticeship Manitoba, the Apprenticeship and Certification Board, the Department of Education and Training, and the former Department of Jobs and the Economy. (In May 2016, Apprenticeship Manitoba was transferred from the former Department of Jobs and the Economy to the Department of Education and Training).

Most of our audit work was conducted between January and December 2015. We primarily examined processes in place between April 2013 and June 2015. Our audit was performed in accordance with the value-for-money audit standards recommended by the Chartered Professional Accountants of Canada and, accordingly, included such tests and other procedures as we considered necessary in the circumstances.

The audit included review and analysis of legislation, policies and practices, information systems, files, records, reports, correspondence, and other program documentation. We examined 105 files as follows:

- 50 apprentice files.
- 20 files related to the accreditation of training courses.
- 12 designated-trainer files (designated trainer status allows individuals who are not journeypersons to be granted the equivalent of journeyperson status for the purpose of supervising apprentices).
- 10 ratio adjustment files (ratio adjustments allow employers to exceed legislated apprentice-to-journeyperson ratios).
- 10 trade-qualifier files (individuals who are not recognized as certified journeypersons in Manitoba may have sufficient experience to be deemed qualified to take written and practical certification exams, without following the traditional apprenticeship process).

We also interviewed individuals from Apprenticeship Manitoba; the Apprenticeship and Certification Board; the Department of Education and Training; the former Department of Jobs and the Economy; the Department of Growth, Enterprise and Trade; employer organizations; and training institutions.

Findings and recommendations

1. Gaps in oversight of in-school training

1.1 Processes for accrediting in-school training need improvement

For a training course to be accredited, it must meet the standards set by Apprenticeship Manitoba. As of January 2015, there were 169 accredited courses, each with a valid accreditation certificate issued by Apprenticeship Manitoba. The 169 certificates covered:

- 71 courses offered by 22 high schools.
- 59 courses offered by 3 post-secondary institutions.
- 9 courses offered by one institution with a mix of post-secondary and high school courses.
- 21 courses offered by 7 private vocational institutions (mostly hairstylist and esthetician training).
- 9 courses offered by 5 other groups, such as trade organizations.

Training institutions are required to display the accreditation certificates in their classrooms. The certificates show the name of the course, the names of the individuals instructing the course, an expiry date, and the accreditation certificate number.

1.1.1 Accreditation process based on industry standards

Apprenticeship Manitoba staff consult with the provincial advisory committees and the Canadian Council of Directors of Apprenticeship to set the trade standards that need to be reflected in training courses. The standards are based on national occupational analyses for the Red Seal trades and provincial occupational analyses for all other trades. Once developed, the trade standards are incorporated in technical training documents, referred to as trade curricula.

1.1.2 Inadequate assurance that accredited courses meet all requirements

In a sample of 20 files, we found that Apprenticeship Manitoba staff had accredited several courses without sufficient documented evidence that the courses met all legislated and internal policy requirements. Apprenticeship Manitoba had documented evidence that most courses had a standard curriculum. However, for most courses it lacked assurance that the instructors met all qualification requirements, and for about a third it lacked assurance that the courses were being delivered in appropriate facilities with suitable tools and equipment. Accreditation requirements and our detailed findings are described below.

Accreditation requirements

In order to be formally accredited, section 15 of the General Regulation and Apprenticeship Manitoba's accreditation policy specify that a training course needs to:

- follow an approved standard curriculum, spend a minimum amount of time on each curriculum unit, and base tests and exams on approved sample questions.
- be taught by qualified instructors [instructors need to be certified in the trade plus hold a Certificate in Adult Education (CAE) or Vocational Education (CVE), or be enrolled in a CAE or CVE program and complete it within 5 years].
- be delivered in an appropriate facility, outfitted with suitable tools and equipment.

Initial accreditation

In a sample of 10 files for courses initially accredited after January 1, 2013, we found the following anomalies:

- 1 course lacked documentation that issues related to exam questions were satisfactorily resolved.
- 2 courses had no documented inspection of their facilities, tools, and equipment.
- 1 course had no instructors listed, and 4 of 15 listed instructors for the other 9 courses had no trade certification documentation, while 8 of the 15 had no CAE or CVE documentation.
- 1 course lacked documentation showing resolution of tool and equipment problems.

Apprenticeship Manitoba management said training standards coordinators did not always document their work. Without this documentation, Apprenticeship Manitoba has no assurance that accreditation certificates are only issued once all accreditation standards have been met.

Management also told us only 4 courses had ever been denied initial accreditation because most issues are resolved before this becomes necessary. At the time of our audit, the most recent denial had been issued in 2008.

Accreditation renewal

For most of the time period covered by our audit, certificates needed to be renewed every 3 years—sooner if there were significant changes (such as significant instructor or curriculum changes). Training institutions were required to submit renewal applications 30 days before the certificate expiry date, indicating any changes to the facility, tools, equipment, or instructors. They were also required to provide any necessary supplementary documentation (for example, proof of credentials for new instructors). Unless significant changes warranted earlier inspection, Apprenticeship Manitoba staff only re-inspected facilities, tools, and equipment every other renewal period (every 6 years).

As was the case for initial accreditation, Apprenticeship Manitoba management noted training standards coordinators did not always document their work. In a sample of 10 files for recent course accreditation renewals, we found the following anomalies:

Management of Manitoba's Apprenticeship Program

- 2 courses had very late renewal applications (78 and 95 days late) and staff back-dated the renewal certificates to avoid disadvantaging students enrolled in these programs.
- 1 course had no renewal documentation on file.
- 4 courses lacked their most recently required re-inspections of facilities, tools, and equipment, and 2 of the 4 were also missing prior re-inspections.
- 3 of 13 program instructors identified as new had no trade certification documentation and 9 of the 13 also had no CAE or CVE documentation.
- 7 of 11 continuing instructors that were supposed to be working towards CAE or CVE certification had no documentation showing that training standards coordinators were monitoring their progress, and 6 of the 7 were beyond the 5 years allowed for certificate completion (1 of 7 had insufficient documentation to assess this).

Training institutions typically only notified Apprenticeship Manitoba of instructor changes when they submitted their 3-year renewal applications—not when the changes actually occurred, as required. This is problematic as an instructor change can adversely affect a course's accreditation status; we noted one instance where Apprenticeship Manitoba revoked a course's accreditation after finding a new instructor lacked required credentials.

Apprenticeship Manitoba staff told us only 3 courses had ever had their accreditation revoked; the most recent in 2016.

Recommendation 1: We recommend that Apprenticeship Manitoba obtain documented evidence that all legislative and policy requirements are met before it accredits training courses, and that it assess the need for increased supervisory review, staff training, and checklists in order to achieve this.

Recommendation 2: We recommend that Apprenticeship Manitoba annually remind training institutions that they must immediately report any significant changes to their accredited training courses, and that this includes all instructor changes.

1.1.3 Pilot to streamline accreditation of high-school courses not risk-based

Apprenticeship Manitoba began piloting a new streamlined process for accrediting high school training courses in September 2014. We found that Apprenticeship Manitoba's approach to streamlining the accreditation process was not risk-based.

Under the new process, Apprenticeship Manitoba intended to give all brand-new and previously accredited high school courses new initial accreditation certificates—without first verifying all accreditation requirements had been met. Instead, it would allow a 12-month grace period before checking curriculum documents; instructor credentials; and facilities, tools and equipment. And the new accreditation certificates would also only need to be renewed every 5 years, not every 3.

However, Apprenticeship Manitoba would no longer allow high school students passing the high school courses with grades of at least 70% to receive Level 1 apprenticeship credit. Instead, students would need to score at least 70% on Apprenticeship Manitoba's standard Level 1 placement exam for the applicable trade. Typically, people without recognized accredited training write this exam.

Twenty-two schools participated in the pilot, which was limited to carpenter and automotive service technician courses. Apprenticeship Manitoba gave 15 automotive service technician courses and 7 carpentry courses new initial accreditation certificates, without first verifying they met accreditation standards. Six of the 15 automotive service technician courses and 3 of the 7 carpentry courses had never been previously accredited.

Of the 165 final exams written for the pilot courses in January and June of 2015, only 11 had scores that met the 70% threshold required for Level 1 credit. Further, the poor pass rates were not restricted to previously unaccredited courses.

Apprenticeship Manitoba officials told us the poor exam results reflected pilot implementation issues. They also said the results highlighted on-going unique challenges in accrediting high school courses. Unlike other apprenticeship training courses, the high school courses are often trying to meet the needs of students wanting a general vocational experience, as well as those wanting accredited apprenticeship training.

Apprenticeship Manitoba officials also told us that, so as to not penalize the students involved in the pilot, they would disregard the placement exam results. Instead, all students participating in the pilot, including those who chose not to write the placement exam, would receive Level 1 credit if they had grades of at least 70% in the courses (based on the high school's own tests). This was consistent with Apprenticeship Manitoba's standard pre-pilot practice for students coming from accredited courses.

Apprenticeship Manitoba originally intended to roll the new accreditation process out to all other high school training courses (except for the hairdresser and esthetician trades) in the 2015/16 school year—but this was put on hold after the pilot. At the time of our audit, officials said they were continuing to look for ways to have accredited high-school courses serve the differing needs of all high school students.

Overall, Apprenticeship Manitoba's approach to streamlining the high school accreditation process didn't adequately consider the associated risks. A more risk-based approach would have only reduced oversight for courses with an established track record and considered the risk associated with courses designed to meet multiple needs. It would also be reasonable to adopt a risk-based approach for all accredited training courses, not just those offered by high schools.

Recommendation 3: We recommend that Apprenticeship Manitoba use a risk-based accreditation process.

1.1.4 Limited quality assurance over unaccredited block-release training courses

Apprenticeship Manitoba formally accredits the pre-employment training courses offered by Red River College (RRC), Assiniboine Community College (ACC), and University College of the North (UCN)—but not the block release training courses the 3 colleges provide to registered apprentices. Apprenticeship Manitoba has alternative quality assurance processes in place for block release training courses: apprenticeship staff interact with college deans and instructors, review students' marks, and ensure the colleges are familiar with the applicable trade standards and curricula. But this is less rigorous than the procedures carried out under the standard accreditation process described in **section 1.1.2**.

In 2002, the Province signed a Memorandum of Understanding (MOU) with each college for the provision of block-release training courses. Under the terms of the MOUs, the colleges were to deliver "accredited training," but their courses were considered accredited simply by virtue of their longstanding use. The Province was supposed to consult with the colleges regarding a formal review of the colleges' classes for compliance with accreditation standards; however, this didn't happen.

Senior managers at Apprenticeship Manitoba told us they felt their existing quality assurance processes were adequate. However, without using a more rigorous and documented review process, Apprenticeship Manitoba has insufficient evidence that the block-release training courses meet the standards used to accredit the pre-employment courses.

Recommendation 4: We recommend that Apprenticeship Manitoba obtain documented evidence that the quality of each block-release training course is consistent with accreditation standards, and then use a risk-based approach to periodically assess on-going quality.

1.2 Issues in purchasing training

1.2.1 Funding to training providers fragmented, but greater coordination planned

At the time of our audit, funding to training providers for apprenticeship-related activities was fragmented, as further described below. This may cause inefficiencies in funding processes. In addition, poor information sharing between different funding providers may negatively affect funding decisions. However, planning was underway to help remedy this.

Apprenticeship Manitoba oversees annual funding of about \$16.5 million for block release training. However, the Department of Education and Training provides additional apprenticeship-related funding to some training providers. For example, while the Department's annual funding to high schools and colleges is not course-specific, it nonetheless helps fund the cost of the accredited apprenticeship courses these organizations offer. In addition, between 2014 and 2016, the Department administered a \$30 million Skill Build Shops Fund and \$1.5 million Skill Build Equipment Fund. These 2 funds provided money for high schools to build and expand their trades and skills shops, which included shops for designated apprenticeship trades, as well as other trades. The Province has also committed to investing \$60 million in Red River College's new Trades and Technology Centre.

Department officials noted the different streams of funding for apprenticeship training had not always been well coordinated. However, they told us the May 2016 transfer of Apprenticeship Manitoba from the former Department of Jobs and the Economy to the Department of Education and Training would improve coordination. They also said they planned to increase consultation and communication between the different parts of the Department that were funding training institutions.

1.2.2 No competitive purchasing; unfilled seats cost \$3 million in 2014/15

Apprenticeship Manitoba may not be maximizing the value of its investment in block release training. Through a Memorandum of Understanding (MOU) with each of Manitoba's 3 colleges, each college has the right of first refusal for any block release training Apprenticeship Manitoba wants to deliver to apprentices. A call for proposals might provide better value. Apprenticeship Manitoba also does not fill all the training seats it pays for and paid \$3 million in 2014/15 for unfilled seats. These issues are discussed further below.

Awarding rights of first refusal

The MOUs were signed with RRC, ACC, and UCN in 2002. They give each college the right of first refusal for any block release training Apprenticeship Manitoba wants to deliver in each of their respective geographic regions. The colleges can sub-contract with other providers. For example, UCN has sub-contracted Level 1 and 2 millwright training to the Manitoba Institute of Trade and Technology so that apprentices working in Winnipeg don't have to travel north for

training. And RRC has sub-contracted parts of Level 2 gas turbine repair and overhaul technician training to a private corporation that employs all of Manitoba's apprentices in that trade.

Subsequent to 2002, Apprenticeship Manitoba hasn't considered if a call for proposals might provide better value. The colleges may be the only training organizations capable of providing the number and range of courses needed, and there are economies of scale in routinely dealing with just 3 training providers. But several other training organizations (including at least one other government organization) offer accredited pre-employment courses and might be capable of providing some of the block release training, albeit a smaller portion. Apprenticeship Manitoba may want to evaluate the costs and benefits of different procurement approaches to see which best suits its needs.

Unfilled seats

At the time of our audit, apprentices paid tuition fees of \$200-\$400 per course (depending on the course length), which only partly covered total course costs. Apprenticeship Manitoba paid the 3 colleges rates ranging from \$1,700 to \$10,500 per course seat (depending on the course length and location). It could avoid paying for seats scheduled but not filled, but only if it canceled the related course within 5 weeks of its scheduled start date.

Apprenticeship Manitoba's records showed it paid for 5,439 block-training seats in 2014/15, but only filled 4,535—a 17% difference, reflecting 904 seats. These unfilled seats accounted for approximately \$3 million of the \$16.5 million paid for block release training in 2014/15. Apprenticeship Manitoba prevented an even higher number of unfilled seats by cancelling 26 originally-scheduled courses with low enrollment (reflecting about 310 seats) and adding 22 additional course offerings for over-subscribed courses (reflecting about 260 seats).

Apprenticeship Manitoba officials felt they could not improve their forecasting of the likely demand for course seats. They also said a 100% fill rate was unattainable due to fluctuating demand and late withdrawals. Therefore, they considered an overall fill rate of 85% to be a success. In addition, they noted a decision to allow apprentices to decide for themselves when to register for courses (as opposed to prior practice, where Apprenticeship Manitoba decided when to enroll them, based on their progression through the program) made filling seats more difficult.

While a 100% fill rate is likely not possible, **section 3.2.1** notes that less than 50% of apprentices register in annual block release training. Better follow-up with these apprentices, as recommended in **section 3.2.1**, would likely help increase the current fill rate and reduce the amount being paid for unfilled seats.

1.2.3 \$2.7 million spent for online courses, but few offerings and enrollment low

Apprenticeship Manitoba wanted to increase apprentices' ability to access block release training, particularly apprentices working in rural and northern areas. To this end, it provided significant funds to RRC for the development of online courses. However, few online courses have been offered to apprentices, and enrollment has been low in those offered.

Management of Manitoba's Apprenticeship Program

Apprenticeship Manitoba's investment in online courses was consistent with the 2008 *Apprenticeship Futures Commission Report*. The report recommended that Apprenticeship Manitoba explore online delivery models, both to increase the capacity of the training delivery system and to make the apprenticeship system in Manitoba more responsive to users' needs.

In 2010, Apprenticeship Manitoba received Treasury Board approval to enter into a partnership with the Saskatchewan Apprenticeship and Trade Certification Commission, RRC and the Saskatchewan Institute of Applied Science and Technology for what was referred to as the E-Apprenticeship Alternate Delivery Development Initiative (EADDI). The goal of this initiative was to develop 21 online training courses for 9 different trades over the next 2 years.

In 2013, RRC issued a review of EADDI. It noted difficulties with the development experience and weak uptake of courses. However, the review was neither an independent evaluation nor a comprehensive lessons learned document.

In October 2016, Apprenticeship Manitoba officials reported 22 online courses had been developed for 9 different trades and that 68 Manitoba apprentices had participated in 7 online course offerings. They also reported Apprenticeship Manitoba had spent \$2.7 million for online course development.

Some provinces (Nova Scotia, British Columbia, and Alberta) offered several online courses to their apprentices. Apprenticeship Manitoba's 2016/17 training schedule listed just 3: Common Core Electrical Level 2 (for up to 14 participants), Construction Electrician Level 3 (also for up to 14 participants), and Pork Production Technician Level 1 (for up to 18 participants). Further, Apprenticeship Manitoba officials said all the 3 offered courses were later cancelled due to low enrollment. Apprenticeship Manitoba may find it more cost effective to offer some of the courses already developed by other provinces, rather than continuing to develop and offer its own.

Recommendation 5: We recommend that Apprenticeship Manitoba conduct and document a comprehensive lessons learned analysis for the E-Apprenticeship Alternative Delivery Development Initiative, and then develop an updated strategy for offering online training courses to apprentices.

2. Inadequate processes for ensuring the quality of on-the-job training

2.1 Weaknesses in assessing and approving various employer applications

2.1.1 Gaps in verifying an employer's eligibility to register an apprentice

Under section 4 of the General Regulation, an employer is eligible to sponsor and register an apprentice if Apprenticeship Manitoba is satisfied that the employer will provide suitable practical experience in the trade, properly supervise the apprentice, and meet any other prescribed legislative conditions. We found the following gaps in Apprenticeship Manitoba's processes for verifying that employers met these eligibility requirements:

- no policy guidance specifying verification procedures or related documentation requirements.
- deficiencies in the employer database.
- no follow-up of missing information on application forms used to register apprentices.

Application form and verification process

Employers apply to register apprentices using Apprenticeship Manitoba's *Apprenticeship Application and Agreement* form, which has to be signed by both the employer and apprentice. The form lists employer duties that reflect the section 4 requirements. It also requires employers to specify the journey person or designated trainer responsible for supervising the apprentice, plus the total number of journeypersons and apprentices employed. However, it doesn't require any disclosure of the number of designated trainers employed and it is unclear if employers include designated trainers in their journey person counts.

Apprenticeship training coordinators are responsible for verifying application information, but we found there was no policy guidance specifying when or what information was to be verified. Some coordinators told us they verified the credentials of listed supervisors and checked compliance with prescribed apprentice-to-journey person ratios. But they did not typically document their work. And some coordinators told us employers were always considered eligible to employ apprentices because Apprenticeship Manitoba's most important goal was to increase participation in the apprenticeship program.

Employer database

The apprenticeship staff we spoke with told us they would be aware of any past issues with employers. However, Apprenticeship Manitoba's employer database only showed each employer's name, address, a contact person, and the number of the employer's current apprentices. There was also a rarely-used comments section. The database did not track:

Management of Manitoba's Apprenticeship Program

- names of journeypersons and designated trainers supervising apprentices.
- dates and results of verification processes applied to application information.
- dates and results of staff discussions with employers and visits to workplaces.
- dates and documentation of any complaints received from employers or about employers, the follow-up activities undertaken, or how the complaints were resolved.
- dates and descriptions of any noted employer non-compliance with legislation, the follow-up activities undertaken, or how the non-compliance was resolved.

The Labour division of the Department of Growth, Enterprise and Trade had a database showing employers' safety records. But Apprenticeship Manitoba staff didn't usually check with the Labour division to see if there were reasons to be concerned about an employer.

Review of application forms used to register apprentices

In a sample of 61 forms, 19 were missing the counts of journeypersons and apprentices needed to assess compliance with prescribed apprentice-to-journeyperson ratios. Nine of the 19 were from organizations recognized as equivalent to employers (such as unions) and Apprenticeship Manitoba only requires these organizations to submit lists of journeypersons and apprentices annually. At the beginning of our audit, Apprenticeship Manitoba was not receiving these lists; however, it subsequently obtained them. There was no rationale for the missing information in the other 10 cases.

In the remaining 42 forms, our review of the employer-reported information, together with any approved ratio adjustments on file, showed that the employers appeared to be complying with prescribed apprentice-to-journeyperson ratios. But Apprenticeship Manitoba didn't require employers to provide supporting lists of journeypersons and apprentices, so there was no way to verify the employer-reported data.

Recommendation 6: We recommend that Apprenticeship Manitoba:

- (a) clarify in policy the information and verification needed in order for staff to conclude that an employer registering an apprentice will provide suitable experience and proper supervision, and comply with applicable legislation.
- (b) periodically monitor staff compliance with the policy.

Recommendation 7: We recommend that Apprenticeship Manitoba improve its employer database so that it tracks the following information for each employer:

- (a) number and names of journeypersons, designated trainers, and apprentices.
- (b) ratio adjustments.
- (c) all actions related to ensuring the employer is providing suitable experience and properly supervising apprentices.
- (d) all instances of non-compliance with apprenticeship legislation.

2.1.2 Designated-trainer status granted without verifying self-declarations

There is a limited supply of journeypersons in some parts of Manitoba, particularly in rural and northern regions, making it more difficult for employers to hire apprentices. Recognizing this, the General Regulation allows apprentices in the voluntary trades to be supervised by designated trainers (rather than journeypersons) and gives Apprenticeship Manitoba the ability to grant designated-trainer status to people who meet the experience thresholds specified in the legislation. Individuals applying to be designated trainers supply information on their trade experience, but Apprenticeship Manitoba doesn't require any proof of the self-reported information or assess its reasonableness. Manitoba's process for granting designated-trainer status and the results of our review of designated-trainer files are discussed further below.

Process for granting designated-trainer status

Under section 10.1(2) of the General Regulation, to be eligible to be a designated trainer, a person must submit an application and demonstrate to Apprenticeship Manitoba that they have:

- experience in a minimum of 70% of the tasks of the trade.
- been employed in the trade for 1.5 times the term of apprenticeship of the trade.

Applications for designated-trainer status often accompany an employer's application to register an apprentice. Using trade-specific forms that list the tasks of their trade, designated-trainer applicants are required to self-declare and rate their prior work experience in each task (from 0 for no experience to 5 for extensive experience). They also complete another form stating their time in the trade. Apprenticeship Manitoba staff review the forms to see if applicants' self-declarations meet the experience thresholds. However, applicants are not required to provide any supporting documentation for their self-declarations (such as names of past employers, letters from former employers, or evidence of their self-employment in the trade).

Requiring applicants to provide documentation supporting their declarations would add rigour to this process. In some cases, this could be as simple as having employers indicate their agreement with the applicants' self-declarations by signing the same forms. In cases where an applicants' experience stems from undocumented work outside Canada, detailed interviews with Apprenticeship Manitoba staff or a practical demonstration of skills might be required.

Apprenticeship Manitoba began allowing designated trainers in 2003. Originally, this was intended to be a short-term measure until the supply of journeypersons increased. Target dates of 2009 and 2012 were set to repeal the applicable legislation, but this was deferred to 2018. As of November 2016, Apprenticeship Manitoba's records showed 1,196 active designated trainers.

Review of designated-trainer files

We selected 10 designated trainers from Apprenticeship Manitoba's database, but only 7 of the related paper files could be located by Apprenticeship Manitoba staff. We then selected 5 more designated trainers from the paper files. In the resulting sample of 12 designated trainers:

- all were for voluntary trades, had fully completed application forms, and were approved by Apprenticeship Manitoba.
- 3 had self-declared hours worked in the trade over the last 10 years that seemed unusually high (for example, one roofer applicant claimed the equivalent of 77 hours/week for 50 weeks over each of the past 10 years), but the hours were not questioned by Apprenticeship Manitoba staff.
- all but one had self-declaration forms clearly showing the threshold requirements were met; in the one exception, the form listing the tasks of the trade had multiple answers circled, making it unclear if the 70% threshold was initially met.
- although not required, 2 had provided documentation (for example, a letter from the applicant's employer) supporting some self-declarations—typically time in the trade.

Recommendation 8: We recommend that Apprenticeship Manitoba require all individuals applying for designated-trainer status to provide evidence supporting their self-declarations.

2.1.3 Ratio adjustments approved despite not meeting legislated requirements

Although most trades require a 1:1 apprentice-to-journeyperson ratio, employers can apply for a ratio adjustment to allow a journeyperson to supervise more apprentices. In a sample of 10 approved ratio adjustments, most did not meet the legislated requirements for allowing an adjustment. In addition, it was unclear how staff verified employer-reported information and weighed the information in making decisions. Further details on the legislated requirements, Apprenticeship Manitoba's ratio-adjustment application form, and the results of our review of a sample of ratio adjustments are described below. In April 2015, Apprenticeship Manitoba had 201 active ratio adjustments on file.

Legislated requirements for allowing a ratio adjustment

Section 11(2) of the General Regulation states Apprenticeship Manitoba may permit an employer to employ a greater number of apprentices than otherwise prescribed if it is satisfied that:

- the employer requires a journeyperson to supervise apprentices at a location where there is an insufficient number of journeypersons and, as a result, the employer is unable to carry out work to which it is committed without a ratio adjustment.
- the employer is committed to the advancement of apprenticeship training in Manitoba.
- the employer is in compliance with the Apprenticeship Act and regulations.

Ratio-adjustment application form

Apprenticeship Manitoba's ratio adjustment application form lists various potential reasons for requesting a ratio adjustment, not all of them consistent with section 11(2). For example, it also includes the following reasons:

- there are senior level apprentices who require less supervision.
- the apprentice is enrolling in the high school apprenticeship program.

Questions on the ratio adjustment application form ask employers:

- the reason for the request.
- if the employer is bidding on large contracts.
- steps taken by the employer to hire more journeypersons.
- steps taken by the employer to ensure the safety of apprentices.
- the effect on ratios after removing apprentices attending in-school training.
- if the employer has ever been denied a ratio adjustment or violated the terms and conditions of a ratio adjustment.

Review of a sample of ratio adjustments

In a sample of 10 approved ratio-adjustment applications, only one clearly stated that the reason for the requested ratio adjustment was related to both a lack of journeypersons in the area and an inability to carry out work commitments without the adjustment, as required by section 11(2). For the balance:

- 4 stated the main reason for the requested adjustment was to hire a high school apprentice, but only 1 of the 4 indicated a lack of sufficient journeypersons in the area, and none of the 4 indicated an inability to meet work commitments without a ratio adjustment.
- 2 stated the reason for the requested adjustment was an inability to otherwise meet work commitments associated with business expansions, but gave no indication there was a lack of journeypersons in the area.
- 1 stated the reason for the requested adjustment was a lack of journeypersons in the area, but gave no indication there was an inability to meet work commitments.
- 2 did not clearly state a reason for the requested adjustment, but staff notes indicated a lack of sufficient journeypersons in the area.

It was unclear how staff weighed employers' answers to the application questions. Staff completed forms requiring them to provide reasons for their decisions; however, most simply reiterated the employers' reasons for the requested adjustments.

The question about steps taken to ensure apprentices' safety seemed important. However, most employers responded superficially to this question and did not list any additional steps to compensate for the reduced level of supervision. Typical responses included "we have a thorough and robust safety program", "they will always work under the supervision of a trained

employee”, “all apprentices will follow safety procedures according to trade expectations”, and “all requirements pertaining to this trade”.

None of the ratio-adjustment files had any evidence that staff checked to see if the employers had ever been charged with failing to provide adequate supervision of an apprentice (under either apprenticeship or labour legislation). Nor did they have any evidence that staff verified any of the employer-supplied information.

Recommendation 9: We recommend that Apprenticeship Manitoba perform the following work before approving ratio adjustments:

- (a) ensure the adjustments are for reasons allowed by the General Regulation.
- (b) verify or assess the reasonableness of employer-reported information, including the safety steps proposed to mitigate the reduced level of supervision.
- (c) evaluate the employer's compliance history.
- (d) document all work performed, including how information was weighed to arrive at a decision.

2.2 Weaknesses in monitoring and supporting workplace training

2.2.1 Visits to monitor workplace training infrequent, undocumented, not risk-based

Apprenticeship training coordinators are responsible for monitoring the quality of workplace training. However, their visits to monitor workplace training were infrequent, undocumented, and not risk-based. Under an agreement with the Labour Programs division of the Department of Growth, Enterprise and Trade, Labour staff enforced compliance with apprenticeship legislation for 6 of 9 compulsory trades, while also performing their normal duties enforcing labour legislation. But this only covered about 25% of all apprentices, mostly construction electrician apprentices. The workplace monitoring done by Apprenticeship Manitoba and Labour staff are described further below.

Workplace monitoring done by apprenticeship training coordinators

Job descriptions for apprenticeship training coordinators state they are to “evaluate on-the-job training as part of quality assurance processes”. To this end, Apprenticeship Manitoba has developed 2 related forms: a one-page client report to record comments and a one-page site audit form to indicate any areas of non-compliance. However, at the time of our audit, it was unable to demonstrate that staff were using these forms. It also had no policy guidance on the specifics of what was to be evaluated, the criteria for the evaluation, the number of evaluations to be done in a year, or how to select the workplaces to be evaluated.

Staff didn't consistently document visits to workplaces, the nature of their workplace visits, the issues noted and discussed, or how any identified issues were resolved. Without this

documentation, Apprenticeship Manitoba has little assurance that employers are providing apprentices with suitable and safe work experience and properly supervising them.

Some staff told us that while they were always alert for any evidence of non-compliance during employer visits, the primary purpose of most employer visits was to foster greater employer participation in the apprenticeship program. And some staff members, including management, stated that Apprenticeship Manitoba was in the training business, not the enforcement business. The latter showed a lack of recognition as to how monitoring and encouraging employers' compliance with legislated obligations would help to ensure the quality of on-the-job training,

Some provinces have more structured workplace monitoring programs than Manitoba. For example, a 2014 report issued by the Provincial Auditor of Saskatchewan noted that the Saskatchewan Apprenticeship and Trade Certification Commission requires each of its 16 field consultants to complete an average of 216 scheduled workplace inspections annually, and that over 3,800 inspections were completed between July 1, 2012 and June 30, 2013.

Some staff told us they felt their hands were tied when investigating complaints or attempting to correct compliance issues in the voluntary trades because the apprenticeship legislation only provides the authority for compliance orders to be issued for compulsory trades. However, in our view, nothing prevents staff from using education, influence, verbal and written warnings, and administrative penalties (as outlined in the Act) to resolve issues in the voluntary trades. Further, challenges associated with resolving issues of non-compliance do not negate the need to monitor and encourage compliance.

Workplace monitoring done by Labour staff

In June of 2015, the former Department of Jobs and the Economy (on behalf of Apprenticeship Manitoba) and the former Department of Labour and Immigration signed an agreement for the enforcement of apprenticeship regulatory requirements in 6 of the 9 compulsory trades (sprinkler system installer, steamfitter/pipefitter, refrigeration and air conditioning mechanic, construction electrician, industrial electrician, and crane and hoisting equipment operator). In total, the agreement covers about 25% of all apprentices, mostly construction electrician apprentices.

Under the agreement, Apprenticeship Manitoba provides annual funding of \$60,000 (representing one full time staff position) for the workplace monitoring to be done by Labour staff. In return, Labour staff enforce compliance with apprenticeship legislation for the agreed-to 6 trades and deal with any instances of non-compliance noted while performing their regular duties enforcing labour legislation (such as *The Employment Standards Act* and the *Workplace Health and Safety Act*).

Labour staff reported issuing 10 compliance orders on behalf of Apprenticeship Manitoba between July 1, 2015 and March 31, 2016: 6 for a lack of prescribed supervision, 4 for people working in a compulsory trade without being either apprentices or journeypersons. Apprenticeship Manitoba officials told us that Apprenticeship Manitoba staff had issued no compliance orders or penalties in the preceding 3 years. In May of 2016, the Labour division of the former Department of Labour and Immigration was transferred to the Department of Growth, Enterprise and Trade. This did not affect the arrangement set out in the agreement.

At the time of our audit, Apprenticeship Manitoba officials said they were considering negotiating a similar agreement with another government department for the 3 remaining compulsory trades (hairstylists, estheticians, and electrologists).

Recommendation 10: We recommend that Apprenticeship Manitoba develop a regimen for visiting workplaces to assess the quality of workplace training that includes:

- (a) coverage of both voluntary and compulsory trades.
- (b) consideration of partnerships with other parts of government to avoid any potential duplication of effort.
- (c) risk-based selection criteria that consider industry and employer history with respect to compliance issues and complaints.
- (d) specified procedures for assessing whether apprentices are receiving suitable experience and proper supervision, plus specified documentation requirements.
- (e) specified procedures and guidance for following-up and resolving all instances of noted or alleged non-compliance with apprenticeship legislation.

2.2.2 Employers only report hours worked by apprentices, not types of tasks done

Employers record the hours worked by each apprentice in a Report of Hours logbook. Each logbook is periodically submitted to Apprenticeship Manitoba so it can track the apprentice's progress towards the hours of experience needed to become a certified journeyman. Apprenticeship Manitoba does not require employers to account for the types of tasks performed by apprentices during the reported hours—even though this is a legislated employer obligation, as described below. This makes it difficult to ensure that apprentices gain experience in most tasks of their trade during their work experience.

Section 7 (b) of the General Regulation requires employers to document “verification of the tasks completed by the apprentice”. Further, the definitions section of the General Regulation specifically defines “tasks”, stating “tasks means the tasks, including the sub-tasks, specified in the occupational analysis for a trade”. Tracking apprentice time by each of these sub-tasks would be difficult and complicated.

However, tracking time by the more summarized group of tasks set out in each trade regulation's “definition of the trade” should be possible. This would provide a better indication as to the quality of the workplace training than just the total time. Some provinces have already started using logbooks with specified task categories for certain trades. And Transport Canada already requires this kind of detailed reporting for apprentices in the aircraft maintenance and gas-turbine repair and overhaul trades.

Apprenticeship Manitoba officials said a more detailed logbook had been proposed in the past, but some employers thought completing the current logbook was already too much work and didn't think tracking more detailed information would be useful. Nonetheless, at the time of our

audit, officials said they were once again discussing a more detailed logbook that would illustrate an apprentice's employment skills history. This new initiative may be more successful if Apprenticeship Manitoba develops a strategy for communicating to employers how more detailed data could help them develop their apprentices.

Recommendation 11: We recommend that Apprenticeship Manitoba:

- (a) work with employers to develop a logbook that records the types of tasks performed by apprentices, as well as the hours worked.
- (b) develop a strategy for communicating the value of the revised logbook to both employers and apprentices.

2.2.3 Limited supports to help journeypersons mentor apprentices

Journeypersons and designated trainers may not have the supervisory, training, or mentoring skills necessary to communicate their trade knowledge and skills to apprentices. The supports and resources for journeypersons listed in the employer section of Apprenticeship Manitoba's website is intended to help bridge this gap, but we found it provided limited guidance.

The website section had an information sheet of tips for journeypersons, but the tips were very general. Examples included "build and maintain trust relationships with your apprentices", "commit yourself to being available and accessible to your apprentice", "respect different points of view", "be flexible, and manage conflict appropriately" and "encourage apprentices who are unclear about a task to see you immediately for corrective action".

There was also a training-plan worksheet, which provided some basic options for monitoring an apprentice's work and giving feedback. Examples included "daily informal communication between the apprentice and the journeyperson", "weekly site meetings" and "monthly performance reviews".

Some jurisdictions provide more guidance and assistance for workplace mentoring. For example, the Nova Scotia Apprenticeship Agency has incorporated some workplace mentoring concepts in its apprentice training courses, plus developed a detailed online course in workplace mentoring. The Canadian Apprenticeship Forum (a national not-for-profit organization that promotes apprenticeship as an effective model for training and education) also offers assistance in this area. It has developed a 40-page guide, *Effective Journeyperson Apprentice Mentoring On-the Job: Tips, Strategies, and Resources*.

Apprenticeship Manitoba officials told us they were in the process of developing classroom resources that would help block-release training instructors discuss with current apprentices their future roles mentoring new apprentices. However, at the time of our audit, they had not considered developing links on Apprenticeship Manitoba's website or arrangements with other provinces to make some of the resources described above available to Manitoba stakeholders.

Recommendation 12: We recommend that Apprenticeship Manitoba evaluate the costs and benefits of making the workplace mentoring resources developed by other provinces and the Canadian Apprenticeship Forum available to Manitoba employers and journeypersons.

3. Weaknesses in overseeing and supporting apprentice progress

3.1 Some gaps in awarding credit and issuing certificates of qualification

To be eligible to receive a certificate of qualification (journeyperson papers), an apprentice needs to acquire sufficient credit from his or her in-school and on-the-job training. Each trade's regulation sets out the total hours of in-school and on-the-job training required, plus the minimum months of apprenticeship to be served. In addition, after completing the trade's final level of apprenticeship (most trades have 4 levels), an apprentice must pass a final certification exam.

3.1.1 Processes for recognizing prior training and experience need improvement

When first registering as apprentices, people can apply to receive credit for any prior in-school or workplace experience considered relevant. Apprenticeship Manitoba has a written policy to guide decisions on recognizing prior in-school training, but we found staff didn't always follow the policy. It has no comparable policy to guide decisions on recognizing prior workplace experience, and we found these decisions were sometimes inconsistent.

Apprenticeship Manitoba requires supporting documents to recognize the in-school training and work experience apprentices acquire after they are registered. But we found that it didn't always keep copies of the employers' certification of apprentices' work experience on file. This reduces its ability to demonstrate that the work experience recorded in its database is valid.

These various issues are discussed further below.

Recognition of prior in-school training

For prior in-school training to be recognized, Apprenticeship Manitoba policy requires applicants to provide official transcripts showing they graduated from an accredited course within the past 2 years, with a grade of at least 70%. However, if the graduation date is within the past 2-4 years (2-10 years for the beauty trades), applicants can write placement exams and will receive credit if they score at least 70%. The policy specifically states that accredited courses taken outside these timeframes will not be recognized.

In our sample of 50 apprentices, apprenticeship training coordinators recognized in-school training taken prior to initial registration for 9 apprentices. For 2 of the 9, file documentation showed applicable policy requirements were not met. In one case, the apprentice graduated from an accredited course 3 years before registration and didn't take the required placement exam. In the other case, the apprentice graduated from an out-of-province course 13 years before registration.

Recognition of prior workplace training and experience

In the absence of applicable policy, apprenticeship training coordinators use their own discretion to decide when and how much claimed pre-apprenticeship work experience should be recognized. As a result, decision-making was sometimes inconsistent, as described below.

In our sample of 50 apprentices, 7 received credit for pre-apprenticeship work experience with the employer registering the apprenticeship agreement. Four of these claimed and received up to one year of credit.

The other 3 each received 3 years of credit. In 2 of the cases, the apprentices had journey person certificates in related trades (for example, a certificate in residential refrigeration and air conditioning, which is related to the commercial refrigeration and air conditioning trade). In the third case, the credit was based solely on a verbal statement from the apprentice that he had been performing unsupervised plumbing duties for the past 6 years.

Recognition of registered apprentices' in-school training and work experience

Twenty-five of the 50 apprentices in our sample received credit for block release training taken between the dates their apprenticeship agreements were registered and January 2015. In all cases, there was appropriate documentation (such as official marks transcripts and attendance reports) on file to support the credit granted.

Thirty-two of the 50 apprentices received credit for work experience subsequent to registration, but copies of the employers' periodic certification of hours were only kept on file for 7 of the 32.

Not keeping the employer's certification of hours on file reduces Apprenticeship Manitoba's ability to demonstrate that the apprentice work experience recorded in its database is valid. Apprenticeship Manitoba officials said planned IT system changes will make it easier to retain employers' certification of the hours recorded in apprentices' logbooks.

Recommendation 13: We recommend that Apprenticeship Manitoba develop a policy for recognizing prior workplace training and experience, similar to its policy for recognizing prior in-school training, and then take steps to ensure staff comply with both policies.

Recommendation 14: We recommend that Apprenticeship Manitoba keep copies of employers' certification of apprentices' work hours to support the information recorded in its database.

3.1.2 Most certificates issued after all requirements met

To obtain a certificate of qualification, apprentices need to score at least 70% on the certification exam for their trade (written after they complete their last level of block release training) and have worked the minimum number of hours and months required by their trade. Alternatively, people deemed to have sufficient experience may obtain certificates of qualification by challenging exams (written exams and, for some trades, practical exams as well). This latter process is called the trade qualification process.

In most files examined, certificates of qualification were issued only after all requirements were met. However, we found 2 individuals participating in the trade qualification process who were exempted from required practical exams, without adequate explanation. Our findings are described in greater detail below.

Certificates obtained by apprentices

In a sample of 10 apprentices who had recently completed their final "certification exam", 6 were appropriately granted their certificates of qualification. Four had their certificates properly withheld because they had not yet served the minimum number of months of apprenticeship.

Certificates obtained through trade qualification

In a sample of 9 people granted certificates of qualifications through the trade qualification process between March 2013 and January 2015, all had self-declared sufficient experience to be qualified to attempt the required exams. In addition, all had documentation showing they had successfully passed their written challenge exams.

Six of the 9 people described above were in trades also requiring successful completion of a practical challenge exam, but only 4 successfully completed these exams; 2 received exemptions. Applicable trade regulations allow exemptions from practical exams if specified experience thresholds are met and applicants either (i) score above specified threshold levels in the written exams or (ii) have their experience assessed through a prior learning assessment conducted by a credential recognition coordinator.

Both exempted individuals met the applicable experience thresholds, but not the written exam thresholds. However, no official prior learning assessment was conducted in either case. In one case, it seemed likely Apprenticeship Manitoba considered a certificate of qualification for the kitchen cabinetry trade equivalent to a prior learning assessment for the carpentry trade. In the other case, it seemed likely it considered a detailed letter from the employer to be equivalent to a prior learning assessment. But the exemption decisions and their rationales were not

documented. Further, Apprenticeship Manitoba had no specified process for conducting and documenting the prior learning assessments referred to in the trade regulations.

Recommendation 15: We recommend that Apprenticeship Manitoba develop a policy setting out formal processes for conducting and documenting the prior learning assessments that exempt people from the practical exams otherwise required.

3.2 Processes for monitoring and supporting apprentice progress need improvement

3.2.1 Progress towards program completion inadequately monitored

Our file review showed apprenticeship training coordinators often didn't identify and follow-up with apprentices failing to progress through their programs. We also noted that although the number of registered apprentices was increasing, the number of apprentices completing their programs remained flat. Further details are provided below.

Monitoring apprentice progress

Job descriptions for apprenticeship trade coordinators state that they are responsible for assessing and monitoring apprentices' in-school and on-the-job progress. More specifically, coordinators are responsible for advising apprentices on their progress, identifying their learning needs, recommending any needed upgrading or other supports, and assisting with the development of learning plans. However, our file review found that this monitoring seldom occurred.

In our sample of 50 apprentice files, 23 apprentices had been registered with Apprenticeship Manitoba for at least 3 years as of January 2015. Of these, we found that:

- 22 had reported no work experience for 2 or more years (with 18 of the 22 reporting no work hours since initial registration), but their files showed no evidence of any follow-up action by Apprenticeship Manitoba staff.
- 9 (who were not high school apprentices) had taken no block release training for 3 or more years (in one case, for more than 10 years), but only 1 file had evidence of any follow-up action by Apprenticeship Manitoba staff: the apprentice was encouraged to sign up for block release training, but chose not to do so.

Twenty seven of the apprentices in the sample of 50 files had been registered with Apprenticeship Manitoba for less than 3 years as at January 2015. Two of these apprentices had failed multiple courses, but there was no evidence in their files that Apprenticeship Manitoba staff had intervened to offer learning supports.

Some apprenticeship training coordinators told us they generally encouraged apprentices to participate in annual block release training, particularly if there were unfilled training seats.

Management of Manitoba's Apprenticeship Program

However, based on Apprenticeship Manitoba's records, over 50% of its "active" apprentices were not engaged in any block release training in 2014/15.

In June 2011, Apprenticeship Manitoba issued a written policy stating that an apprentice failing to attend any block release training during an 18-month period would be deregistered. But we found no evidence the policy was being followed. Further, although the policy affected apprentices, there was no evidence it was ever communicated to them.

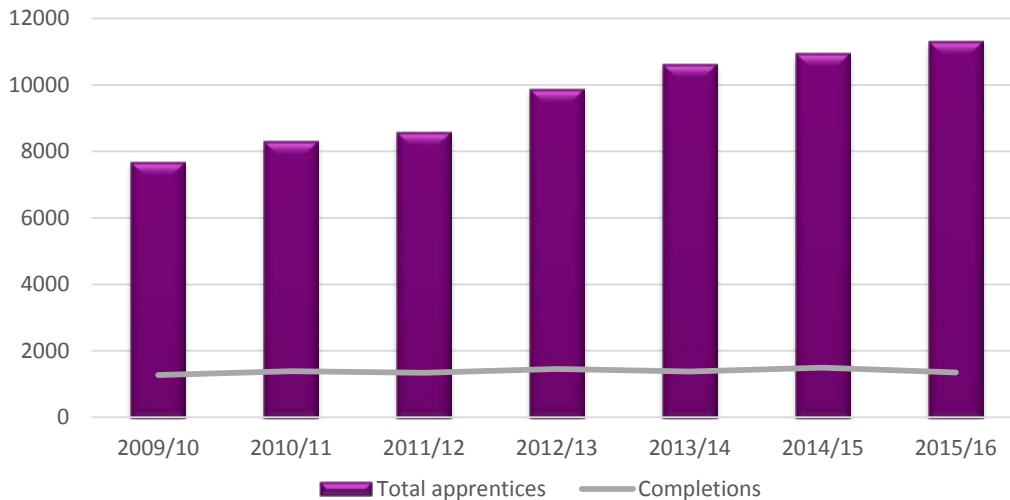
Some apprenticeship training coordinators told us they periodically contacted apprentices who had been inactive for 2 or more years to assess if supports were needed for continued progression or if the underlying agreements with the apprentices needed to be cancelled as no further progression was intended. However, they seldom documented this contact in apprentices' files. Some coordinators said senior management suspended the cancellation of any apprentices' agreements between September 2013 and June 2015.

Some apprenticeship training coordinators felt their caseloads and assigned administrative duties (such as entering the hours from apprentices' logbooks into Apprenticeship Manitoba's database) hindered their ability to more actively monitor and support apprentices. Some also told us they seldom used their workplace visits to monitor apprentice progress because the purpose of these visits was usually to promote greater participation in the trades.

Program completion rates

Apprenticeship Manitoba didn't calculate program completion rates (the proportion of registered apprentices successfully completing their apprenticeship programs). But, as **Figure 3** shows, we observed that while the number of registered apprentices was increasing, the number of apprentices completing their programs remained flat.

Figure 3: Number of apprentices increasing, but no increase in number completing programs



Source: Apprenticeship Manitoba records

Recommendation 16: We recommend that Apprenticeship Manitoba develop a documented quality assurance process to ensure that staff:

- (a) identify apprentices failing to progress and follow-up to ascertain the reasons for the lack of progression.
- (b) develop plans and provide supports for apprentices needing help for continued progression, and regularly monitor the effectiveness of the supports being provided.
- (c) cancel apprenticeship agreements when apprentices no longer wish to remain in the apprenticeship program.

3.2.2 Adequacy of support for essential-skills upgrading not evaluated

Apprenticeship Manitoba ensures that apprentices have access to the academic support services offered by the 3 colleges that provide block release training. It also provides apprentices with a resource to upgrade their essential skills (such as literacy and numeracy skills). However, Apprenticeship Manitoba has not evaluated the adequacy or effectiveness of the essential-skills support services it offers to apprentices.

Several apprenticeship training coordinators told us that, despite the supports being provided, many apprentices still struggle with the literacy or numeracy requirements of their trades. Research literature notes weaknesses in essential skills are often a barrier to both initial and ongoing participation in apprenticeship training.

Apprentices struggling with block-release training courses have access to RRC, ACC, and UCN academic support services for the duration of each course. Survey data collected by RRC for 2012/13, and both RRC and ACC for 2013/14, showed apprentices were generally satisfied with these learning supports (although the survey response rate was only about 40%).

Apprenticeship Manitoba also provides all apprentices with a way to upgrade their essential skills. The Post-Secondary and Workforce Development division of the Department of Education and Training funds a service provider who offers a broad umbrella of skills development services to a wide variety of the Department's clients, not just apprentices. As part of this arrangement, the service provider offers essential-skills assessments and upgrading services to apprentices. This includes running an "essential skills for trades" drop-in centre, 3 evenings a week. Apprenticeship Manitoba officials told us that they may also refer apprentices to other organizations.

Apprenticeship Manitoba staff didn't know the number of apprentices served under the funding agreement or the skill gaps most commonly addressed. It also had no information on how satisfied apprentices were with the services offered and had not done any work to see if apprentices might need additional or different types of assistance to improve their essential skills.

Unlike Manitoba, some provinces have links on their websites referring apprentices to an essential skills self-assessment for the trades developed by the federal government. Some also

provide specialized math assistance: Nova Scotia offers a math refresher course delivered 1-2 evenings a week over a 6-week period, Saskatchewan offers an online math program, and British Columbia offers apprenticeship math as a high school math option.

Recommendation 17: We recommend that Apprenticeship Manitoba evaluate the adequacy and effectiveness of the essential-skills support services it offers to apprentices, and then take steps to remedy any identified gaps.

4. Weak planning and performance reporting

4.1 Strategic planning needs improvement

4.1.1 Strategies developed to increase participation in the apprenticeship system

The Department responsible for Apprenticeship Manitoba (as of April 2015, the Department of Education and Training; the Department of Jobs and the Economy before that) annually prepares an internal strategic plan that covers Apprenticeship Manitoba plus other branches of the Department. The Apprenticeship and Certification Board prepares its own annual strategic plan, which primarily focuses on Board activities.

In recent plans, Department and Board goals related to Manitoba's apprenticeship system largely focused on promoting and growing the system by increasing the number of apprentices for targeted under-represented groups: high school youth, women in non-traditional trades (trades other than cook, hairstylist, esthetician or electrologist), Indigenous peoples, new Canadians, and persons with a disability. Strategies developed for growth included:

- employer engagement and outreach.
- promotion of the benefits of the high school apprenticeship program.
- expansion of training spaces and facilities.
- liaison with stakeholders from target groups to identify barriers to greater participation.
- development of alternatives to traditional block release training, particularly for apprentices in rural and northern areas (see **section 1.2.3** for more details).
- staging various forums, camps, and introductory sessions to allow targeted groups to become familiar with the trades and the apprenticeship system.
- increased financial incentives for employers.

As **Figure 4** shows, the number of apprentices from some under-represented groups increased between 2011/12 and 2015/16, with greater gains for some groups than others. At the time of our audit, Apprenticeship Manitoba wasn't tracking the number of apprentices who were new Canadians or persons with a disability, even though these were targeted under-represented groups.

Figure 4: Apprentices from under-represented groups increased over the past 5 years

Targeted under-represented group	Number of apprentices				
	2011/12	2012/13	2013/14	2014/15	2015/16
High school youth	836	1,142	1,402	1,168	1,350
Women in non-traditional trades	190	207	237	262	303
Indigenous peoples	679	798	863	949	1,072

Source: Apprenticeship Manitoba records

4.1.2 Gaps in occupational forecasting, risk management, and goals and targets

We noted several gaps in the strategic planning related to Apprenticeship Manitoba and Manitoba's apprenticeship system in general. There was insufficient occupational forecasting, few goals linked to the provision of quality training and Apprenticeship Manitoba's vision of being "the model for the training and certification of workers", weak risk management, and a lack of specific performance targets. These issues are discussed further below.

Occupational forecasting

Without forecasting expected supply and demand for various trades in the Province's different geographic regions, investments in training resources may be misaligned and fail to meet the needs of Manitoba industry. The Apprenticeship Act requires the Apprenticeship and Certification Board (the Board) to "advise the minister in respect of the present and future needs of the Manitoba labour market for skilled and trained persons". However, the Board has not produced a written assessment of Manitoba's labour market needs.

In 2015, the former Department of Jobs and the Economy issued *Manitoba Labour Market Occupational Forecast 2015 to 2021: Summary Findings*. It states "Overall, Manitoba's labour market is expected to remain balanced over the projection period, with the overall supply for labour adequate to meet labour demand. However, labour shortages or surpluses may exist for individual occupations and in some regions of the province." In its 2014/15 internal strategic plan, the Department stated it was working to "strengthen Manitoba's capacity to produce and disseminate labour market information to support career planning, strategic planning, and investments in training", and that it would continue to invest in an occupational forecasting model to understand labour market trends and the demand for various occupations.

A national organization led by the construction industry provides its own labour market information to advance the needs of its members. Publicly available information includes annual, province-specific assessments of the future labour market conditions for both residential and non-residential construction. This includes 10-year forecasts for specific trades and occupations,

with more detailed information available for a fee. We found no evidence Apprenticeship Manitoba or Board officials used this or other similar information to inform their planning.

Linking goals and objectives to vision/mission and the provision of quality training

Strategic planning included few goals and objectives related to ensuring the quality of in-school and on-the-job training, or ensuring that the apprentices starting programs eventually completed them and obtained their trade certification. This seemed unusual given Apprenticeship Manitoba's stated vision—"to be the model for training and certification of workers", and its stated mission—"to provide access to training, supports, and certification of skilled workers to help meet the needs of Manitoba industry".

Risk management

Neither Apprenticeship Manitoba nor the Board had considered the risks associated with rapid growth, minimal monitoring of workplace training, and relaxed accreditation requirements for high school courses. Risks to the quality of both in-school and on-the-job training should be better identified and their likelihood and impact assessed. In addition, Apprenticeship Manitoba and the Board need to gauge their risk tolerance and then develop risk mitigation strategies where needed.

Performance targets

Neither the Board nor Apprenticeship Manitoba had developed any specific performance targets for their stated goals and objectives. Although "growth" was a stated goal, the degree and nature of desired growth (for example, which trades needed what percentage of increased apprentice enrollment) and the timeframe for the growth were not specified. And while Apprenticeship Manitoba's vision was to be "the model for training and certification of workers", it had no specific performance targets related to either workplace or in-school training.

The Apprenticeship Act states that the Board's strategic plan "must identify performance measures specific to the goals and objectives set out in its plan". At the time of our audit, the only performance measure for its growth goal was the number of apprentices (in total and in different categories). Adding other performance measures, such as the number of employers sponsoring apprentices, might provide a fuller picture of progress.

Recommendation 18: We recommend that Apprenticeship Manitoba develop:

- (a) mechanisms for forecasting supply and demand for apprenticeship trades.
- (b) goals and objectives related to the quality of both in-school and workplace training.
- (c) risk management processes.
- (d) specific and measurable performance targets tied to stated goals and objectives.

4.2 Weak performance reporting

4.2.1 Few measures focused on training quality and results; some data unreliable

Apprenticeship Manitoba lacked the broader range of performance measures found in some other jurisdictions; in particular, measures focused on training quality and results. In addition, at the time of our audit, its data on the number of active apprentices was unreliable. These issues are described in further detail below.

Apprenticeship Manitoba performance information

Apprenticeship Manitoba regularly produced performance information on the number of:

- active apprentices, by trade and apprentice type (male, female, female in a non-traditional trade, high school, Indigenous).
- new registrations, by trade and apprentice type.
- certificates of qualification issued, by apprentice type.
- apprentices attending in-school training; training seats purchased and filled.
- accredited training providers.

It also regularly produced information on the work of the provincial advisory committees, such as information on updated trade regulations.

Information on the number of active apprentices was not reliable. As **section 3.2.1** notes, Apprenticeship Manitoba staff were not regularly following-up when apprentices failed to report any workplace hours or attend any in-school training for significant periods of time. This increases the risk that the number of active apprentices will be over-stated.

In 2014, Apprenticeship Manitoba surveyed respondents (apprentices, employers, and members of the public) who had recently contacted its office (by phone, email, in-person, or through its online services) to gauge their satisfaction with their “contact experience”. The survey showed that at least 25% were dissatisfied with their experience in the following areas: website information, technical training registration processes, timeliness in getting concerns dealt with, and resolution of expressed concerns. Apprenticeship Manitoba hasn't repeated the survey to see if satisfaction levels have increased, decreased, or remained stable.

Performance information in other jurisdictions

Some other jurisdictions had a broader range of performance measures. These were often tied to a similarly broader array of stated goals and objectives, often with specific performance targets attached to each. Based on publicly disclosed information, these included:

- employer and apprentice satisfaction levels.
- number of employers currently sponsoring apprentices.
- apprentices' program completion rates.

- percentage of training seats allocated to the top 10 most in-demand trades.
- percentage of recent apprentice graduates employed in their trade.
- number of individuals transitioning from high school apprenticeship and pre-apprenticeship programs to regular apprentice status.
- number of scholarships and bursaries available.

Different jurisdictions use different methods to measure program-completion rates (which are similar to high school graduation rates). Some measure completion within 5 or 6 years of apprentices' initial registration, no matter the length of the apprentices' individual programs. Others assess completion 2 years past the expected end date of each apprentice's trade program. As described in **section 3.2.1**, Apprenticeship Manitoba does not measure completion rates.

The customer satisfaction surveys in other jurisdictions measure satisfaction with a variety of matters. For recent apprentice graduates, this included satisfaction with in-school training, workplace training, and apprenticeship-staff service delivery. For employers, it included satisfaction with certified journeypersons' skills, how well apprentices' skills and training matched companies' needs, the administrative requirements of sponsoring an apprentice, and apprenticeship-staff service delivery.

Recommendation 19: We recommend that Apprenticeship Manitoba:

- (a) take steps to ensure the accuracy of the reported number of active apprentices.
- (b) regularly measure completion rates.
- (c) periodically measure apprentice and employer satisfaction.

4.2.2 Public performance information needs improvement

The Apprenticeship and Certification Board and the Department of Education and Training (which houses Apprenticeship Manitoba) both reported similar apprenticeship information in their annual public reports. Both focused on the number and types of registered apprentices, plus the number and types of certifications issued annually.

Like the internal performance measures, the publicly reported performance measures were narrow in breadth. A broader range of performance measures, such as those outlined in **section 4.2.1**, would provide legislators and the public with better information about Manitoba's apprenticeship system.

Recommendation 20: We recommend that Apprenticeship Manitoba improve its public reporting on Manitoba's apprenticeship program to include information about training results and the quality of training (for example, program completion rates and the results of course accreditation and workplace monitoring).

Summary of recommendations

Gaps in oversight of in-school training

1. We recommend that Apprenticeship Manitoba obtain documented evidence that all legislative and policy requirements are met before it accredits training courses, and that it assess the need for increased supervisory review, staff training, and checklists in order to achieve this.
2. We recommend that Apprenticeship Manitoba annually remind training institutions that they must immediately report any significant changes to their accredited training courses, and that this includes all instructor changes.
3. We recommend that Apprenticeship Manitoba use a risk-based accreditation process.
4. We recommend that Apprenticeship Manitoba obtain documented evidence that the quality of each block-release training course is consistent with accreditation standards, and then use a risk-based approach to periodically assess on-going quality.
5. We recommend that Apprenticeship Manitoba conduct and document a comprehensive lessons learned analysis for the E-Apprenticeship Alternative Delivery Development Initiative, and then develop an updated strategy for offering online training courses to apprentices.

Inadequate processes for ensuring the quality of on-the-job training

6. We recommend that Apprenticeship Manitoba:
 - (a) clarify in policy the information and verification needed in order for staff to conclude that an employer registering an apprentice will provide suitable experience and proper supervision, and comply with applicable legislation.
 - (b) periodically monitor staff compliance with the policy.
7. We recommend that Apprenticeship Manitoba improve its employer database so that it tracks the following information for each employer:
 - (a) number and names of journeypersons, designated trainers, and apprentices.
 - (b) ratio adjustments.
 - (c) all actions related to ensuring the employer is providing suitable experience and properly supervising apprentices.
 - (d) all instances of non-compliance with apprenticeship legislation.
8. We recommend that Apprenticeship Manitoba require all individuals applying for designated-trainer status to provide evidence supporting their self-declarations.
9. We recommend that Apprenticeship Manitoba perform the following work before approving ratio adjustments:
 - (a) ensure the adjustments are for reasons allowed by the General Regulation.
 - (b) verify or assess the reasonableness of employer-reported information, including the safety steps proposed to mitigate the reduced level of supervision.

- (c) evaluate the employer's compliance history.
 - (d) document all work performed, including how information was weighed to arrive at a decision.
10. We recommend that Apprenticeship Manitoba develop a regimen for visiting workplaces to assess the quality of workplace training that includes:
- (a) coverage of both voluntary and compulsory trades.
 - (b) consideration of partnerships with other parts of government to avoid any potential duplication of effort.
 - (c) risk-based selection criteria that consider industry and employer history with respect to compliance issues and complaints.
 - (d) specified procedures for assessing whether apprentices are receiving suitable experience and proper supervision, plus specified documentation requirements.
 - (e) specified procedures and guidance for following-up and resolving all instances of noted or alleged non-compliance with apprenticeship legislation.
11. We recommend that Apprenticeship Manitoba:
- (a) work with employers to develop a logbook that records the types of tasks performed by apprentices, as well as the hours worked.
 - (b) develop a strategy for communicating the value of the revised logbook to both employers and apprentices.
12. We recommend that Apprenticeship Manitoba evaluate the costs and benefits of making the workplace mentoring resources developed by other provinces and the Canadian Apprenticeship Forum available to Manitoba employers and journeypersons.

Weaknesses in overseeing and supporting apprentice progress

13. We recommend that Apprenticeship Manitoba develop a policy for recognizing prior workplace training and experience, similar to its policy for recognizing prior in-school training, and then take steps to ensure staff comply with both policies.
14. We recommend that Apprenticeship Manitoba keep copies of employers' certification of apprentices' work hours to support the information recorded in its database.
15. We recommend that Apprenticeship Manitoba develop a policy setting out formal processes for conducting and documenting the prior learning assessments that exempt people from the practical exams otherwise required.
16. We recommend that Apprenticeship Manitoba develop a documented quality assurance process to ensure that staff:
- (a) identify apprentices failing to progress and follow-up to ascertain the reasons for the lack of progression.
 - (b) develop plans and provide supports for apprentices needing help for continued progression, and regularly monitor the effectiveness of the supports being provided.
 - (c) cancel apprenticeship agreements when apprentices no longer wish to remain in the apprenticeship program.

17. We recommend that Apprenticeship Manitoba evaluate the adequacy and effectiveness of the essential-skills support services it offers to apprentices, and then take steps to remedy any identified gaps.

Weak planning and performance reporting

18. We recommend that Apprenticeship Manitoba develop:
 - (a) mechanisms for forecasting supply and demand for apprenticeship trades.
 - (b) goals and objectives related to the quality of both in-school and workplace training.
 - (c) risk management processes.
 - (d) specific and measurable performance targets tied to stated goals and objectives.
19. We recommend that Apprenticeship Manitoba:
 - (a) take steps to ensure the accuracy of the reported number of active apprentices.
 - (b) regularly measure completion rates.
 - (c) periodically measure apprentice and employer satisfaction.
20. We recommend that Apprenticeship Manitoba improve its public reporting on Manitoba's apprenticeship program to include information about training results and the quality of training (for example, program completion rates and the results of course accreditation and workplace monitoring).

Auditor General

Norm Ricard

Assistant Auditor General

Sandra Cohen

Principal

Grant Voakes

Audit Manager

Ben Janzen

Desktop Publisher

Jomay Amora

Photographer

Ian McCausland Photography

Cover design

Cocoon Branding Inc.

Our contact information

Office of the Auditor General

500 – 330 Portage Avenue

Winnipeg, Manitoba

Canada R3C 0C4

Phone: (204) 945-3790

Fax: (204) 945-2169

Email: oag.contact@oag.mb.ca

Copies of this report can be found on our website www.oag.mb.ca

