

Alberta:
a safe place
to live, work,
and play



Safety Codes Council

Annual Report 2017



Our Mission

We work with partners and stakeholders, to provide an effective and sustainable system for structures, facilities, and equipment.

2017 REPORT

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Safety Codes Council

Who We Are

We are a statutory corporation that administers parts of the safety codes system on behalf of the Minister of Municipal Affairs.

Since our formation in 1993, we have provided programs and services that help ensure homes, structures, and technical systems in Alberta are safe.

Our Mandate, set by the *Safety Codes Act* and the Minister of Municipal Affairs, is to support the Minister in ensuring the safety codes system remains effective, robust, and adaptable to ever-changing conditions. This mandate focuses on three major areas:

Program & Service Delivery

We deliver key programs and services to support the administration of the safety codes system.

Public Policy Support

We support public policy objectives for the safety codes system.

Appeals Administration

We are committed to administering a fair and objective appeals system.

Our Values

We are focused on the safety of Albertans and guided by our core values:

Innovation

We encourage and promote excellence.

Empowerment

We promote accountability, celebrate successes, and recognize achievements.

Integrity

We conduct ourselves in a fair, responsible, and transparent manner.

Teamwork

We are committed to effective partnerships.

Leadership

We foster leadership at all levels.



Message from Robert Blakely, q.c. Chair, Safety Codes Council

It is a pleasure to provide this annual report on the performance of the Safety Codes Council in 2017. In the past year, the Council realized several accomplishments, both in our day-to-day business and in the advancement of our initiatives. The Council's Board of Directors continues to focus on the achievement of our five strategic goals set out in the 2016-2020 Strategic Plan, as well as ensuring fiscal responsibility, good governance, and the Council's accountability to the safety codes system.

2017 was a year of transition for the Board, as four valuable Directors—Jim Wheadon, Cliff Ayrey, John Whaley, and our Vice-Chair Rick Noonan—completed their terms. They were all instrumental in guiding our mission with their insights and unique expertise. While they are

each distinct in skills and personality, there are two things they all have in common: their dedication to good governance of the Council and their commitment to keeping Alberta safe. These four professionals did an outstanding job and will be sorely missed. We are most grateful for their service, and we wish them all the best in their future endeavours.

In addition to beginning the process transitioning these four Directors to new appointees, we also oversaw the addition of two new seats: one from the City of Calgary and one from the City of Edmonton. I would like to take this opportunity to highlight our

new Directors—Nancy Domijan, Kevin Griffiths, Marcie Kiziak, and Jill Matthew—who have shown both passion and energy, demonstrating a strong commitment to the System. To date, their contributions have been numerous and constructive. We look forward to utilizing their unique skills and expertise as we move forward.

In 2017, the Board also implemented a new Board Charter and approved a new governance policy framework that will be implemented over the next few years. With these accomplishments,

I can confidently say that our Board and Management grow stronger with each passing year.

As Chair, I would like to thank all my fellow Directors for their continued service. The efforts you put forward in the guidance of the Council are critical in working towards the vision of an Alberta that is a safe place to live, work, and play. I look forward to continued collaboration with such dedicated and enthusiastic individuals.

A function of my position that I value greatly is the opportunity it affords to recognize, through our Awards Program, exemplary organizations and individuals who demonstrate commitment to upholding and enhancing the System in Alberta. This year, the winner of our Dr. Sauer award was Robert Zifkin, Building Sub-Council public member. The winner of our Accreditation Award was the City of Calgary, and the Certification Award was awarded to Ulrik Seward, also from the City of Calgary. I am continually impressed by the dedication of our annual award winners.

On behalf of the Board, I must also take this opportunity to acknowledge the dedicated volunteer members of the Council and their nominating organizations who offer their time and expertise to further the safety of Albertans. It is not too much to say that the volunteers are the heart and soul of the safety system and what they do for their fellow citizens is not duplicated anywhere else. My hat is off to these wonderful and skilled people. The sub-council summaries highlight the important work done by these Council members throughout 2017.

My thanks go out to Brian Alford and the staff at the Council for their hard work in 2017. Finally, I would like to recognize and thank Minister Shaye Anderson, as well as Bruce McDonald, Dale Beesley, and the staff at Municipal Affairs for their continued partnership and support. We look forward to continuing our strong relationship in 2018.

It is not too much to say that the volunteers are the heart and soul of the safety system and what they do for their fellow citizens is not duplicated anywhere else.



Message from Brian Alford President & CEO, Safety Codes Council

As I reflect back on the past year, I am struck by all that we have achieved together. Thanks to the hard work of our staff, the Board of Directors, and the sub-council members, as well as the support of our many stakeholders, I believe the Council has become more effective than ever in supporting the safety codes system

in Alberta. I continue to be proud of the dedication and fellowship demonstrated by our experienced and devoted volunteer sub-council members and Board members, our partners at Municipal Affairs, and our Council staff.

In 2017, the Alberta Safety Codes Authority (ASCA) celebrated its one-year anniversary. We have learned a tremendous amount about the System from a different perspective thanks to this new division. ASCA is focused on building relationships with stakeholders in unaccredited areas of the province and has implemented a stakeholder

engagement strategy that will help them enhance services in these areas.

The Council recognizes that input, feedback, and support from our stakeholders comprise a significant part of the value that the Council provides to the System. To that end, we put significant effort into analyzing the results of the annual stakeholder survey that was completed at the end of 2016, and incorporating those insights into our 2018-2020 Business Plan.

In 2017, we put forth great effort to improve our service delivery. We are in the final stages of developing and testing Council Connect, our new accreditation, certification, and training service delivery platform, which will give our stakeholders 24-hour access to their information. This will launch in late June 2018. We established a new fire certification structure and online training program for Fire SCOs, which updated our standards to better reflect the needs of the current System. Additionally, we

established an eLearning strategy and began the process of converting our courses to new eLearning software. The Council also spent a significant amount of energy improving our audit program, resulting in more audits being completed in a shorter timeframe than years past.

All of this work did not happen in a vacuum, and I must recognize the crucial involvement from our stakeholders, the volunteer sub-council members, and Council staff in making these achievements a reality. The only reason we are able to do what we do is that you, our staff and stakeholders, have worked in partnership with us in our endeavours.

I would also like to thank Bruce McDonald, Dale Beesley, Thomas Djurfors, Monte Krueger, James Orr, Chris Contenti, Harry Li, and all of the staff at Municipal Affairs. It is a pleasure to work in partnership with such an enthusiastic and dedicated team, who continue to provide vital guidance to me, my staff, and Council Members.

Last, but not least, I would like to express my gratitude to the Board for their continued direction and support. Four of our Directors are retiring this year, all of whom have been with us for quite some time, and have seen the Council through many changes and improvements. Notably, these members have been instrumental in the progress we have made in the past few years towards a governance model for our Board. Their input and direction have made us who we are today, and their contributions will continue to guide the Council into the future.

Having big shoes to fill, our new Directors are stepping up and have already hit the ground running. Their contributions have already been numerous and valuable, and I look forward to continuing to do great things with their additional guidance as we move forward in achieving our vision.

The Council recognizes that input, feedback, and support from our stakeholders comprise a significant part of the value that the Council provides to the System.

2017 FOCUS

Through planning sessions involving the Board of Directors (Board), Safety Codes Council (Council) management, and representatives from Municipal Affairs (MA), five strategic priorities were identified as central to the continued advancement and effectiveness of the safety codes system (System).

The following five priorities provided the foundation for the 2016–2020 Strategic Plan and continued to guide the Council's work through 2017.

1. Safety
2. Education
3. Governance
4. Sustainability
5. Service Delivery

This Annual Report provides information on work that the Council and its partners undertook in 2017 to achieve its strategic goals. This year, during the strategic planning session in June, the Board of Directors provided management with direction to ensure a sensible balance of integrating new initiatives while also improving on our current obligations. With this direction in mind, some projects have been postponed to future years in order to ensure that the Council is providing its best value to the System. These delays have been identified throughout the next section of this report.

One project of note that was delayed was Council Connect (formerly the ACT project). Based on vendor input, this project has been given a new launch date of June 2018. The delay of this project had an impact on the launch of some other initiatives, which have also been identified in this report.

This thoughtful process of priority reassessment has resulted in some worthwhile achievements in 2017.

2017 achievements include:

ASCA completing a successful first year of operation, in which they established a baseline of permitting and compliance data.

Completing a final Board Charter and a new policy framework for the Council in order to align with current governance best practices.

Launching a new fire certification structure and online training program for Fire SCOs.

Working alongside Municipal Affairs staff to conduct the spring and fall multi-discipline Regional Meetings, facilitating effective partnerships, and enhanced knowledge of the System.

Improving our Audit program, resulting in more audits being completed in a shorter timeframe than in past years.

Collaborating with Municipal Affairs and consulting with our ten sub-councils to better understand each discipline's unique perspective and assessment of the System.

Analyzing the results of our inaugural Annual Stakeholder Survey, which informed our business planning activities for our 2018–2020 Business Plan.

Negotiating a lease and beginning preparation activities in anticipation of the Council's relocation in April 2018.

Establishing an eLearning strategy and beginning the process of converting courses to new software.



REPORT ON

STRATEGIC GOALS



SAFETY

An effective and proactive system.

Albertans enjoy a safe built environment and have confidence in the Council and the System. The Council builds public confidence by delivering effective programs and services that support success, partnering with stakeholders, and ensuring that organizations and individuals understand and fulfill their roles and responsibilities within the System. Quality assurance is provided through effective oversight and monitoring in order to ensure that desired outcomes are being achieved and adverse trends are addressed before public safety is affected.

1

Oversee the delivery of safety code services in unaccredited municipalities

INITIATIVE

Develop a system to measure ASCA stakeholder satisfaction and engagement.

TARGET

Establish baseline satisfaction data by surveying permit holders and unaccredited municipalities.

RESULTS

The survey questions have been established and the survey has been created. In order to coordinate with the timing of other Council surveys, the launch of the survey was pushed to Q1 2018.

INITIATIVE

Enhance compliance monitoring capabilities to ensure ASCA service delivery standards are met or exceeded.

TARGET

Establish baseline data of the percentage of permits in which deficiencies were identified but subsequently resolved and the permits were closed compliant.

RESULTS

Baseline data was established and evaluated. Results were communicated to the executive team.

TARGET

Establish baseline data of the percentage of permits closed in compliance with ASCA service delivery standards.

RESULTS

Information was collected, and subsequent dashboards and reports have been developed.

INITIATIVE

Establish a continuous improvement system to ensure operational effectiveness.

TARGET

Establish baseline data of the percentage of permits closed compliant.

RESULTS

All ASCA processes were catalogued and a continuous improvement plan was implemented.

2

Enhance oversight of the System

INITIATIVE

Initiate a comprehensive review of business processes and technologies used for System oversight.

TARGET

Establish a project charter by Q4.

RESULTS

During the Strategic Planning Session in June 2017, the Board gave direction to re-schedule this project to 2019.

INITIATIVE

Conduct comprehensive audits of accredited organizations to assess compliance with Quality Management Plans and ensure that recommendations are addressed in a timely manner.

TARGET

Complete 20 audits of accredited organizations.

RESULTS

39 audits were completed in 2017.

TARGET

Issue final reports and recommendations to accredited organizations within 60 days of an audit being completed.

RESULTS

At the end of 2017, 39 audits were conducted. All reports were completed and mailed out within the 60-day timeframe.

EDUCATION

Relevant and accessible safety codes education and information for customers, stakeholders, and Albertans.

The Council is the leading source of education on the System. Customers, stakeholders, and the public are provided with clear and consistent information about the System that is accessible throughout the province. Individuals with responsibilities under the Act have the competencies needed to meet expectations, while stakeholders and Albertans have greater awareness of the System and know what they can do to make their communities safe.

1

Provide essential competencies to System participants

INITIATIVE

Introduce a new management system for Council accreditation, certification, and training programs.

TARGET

Implement new business processes and system.

RESULTS

Based on vendor input, this project was given a new launch date of June 2018. The new system has been configured and tested, and data migration is on track. Initial communication material has been developed and presentations have been made to sub-councils. This project is on track to meet the June 2018 launch date.

INITIATIVE

Update and refine the Council's eLearning vision and strategy.

TARGET

Complete research and establish eLearning standards by Q3.

RESULTS

A Multimedia Developer was hired and an eLearning steering committee was established, through which an eLearning strategy document was created. Multimedia equipment and software was chosen and 9 of 23 courses were converted for use on this new equipment/software.

INITIATIVE

Engage stakeholders about a mandatory professional development program to help SCOs remain current in their respective discipline(s), enhance the professionalism of the occupation, and enhance public safety.

TARGET

Present the program policy to the Board for approval in Q3.

TARGET

Implement a focused stakeholder engagement strategy to help SCOs become aware of program requirements.

RESULTS

Due to the change in the Council Connect launch date (which this project is connected to), this has been delayed to 2019.

INITIATIVE

Provide high quality and relevant certification and training programs to support individuals responsible for performing regulated work.

TARGET

Implement a new certification structure and online training program for Fire SCOs in Q2.

RESULTS

The new certification rollout was completed in Q3. Work included the new program being passed through the Fire Sub-Council and subsequently approved by the Board, two information webinars being held, and the development and delivery of fire courses.

TARGET

Achieve 90% student satisfaction with training courses.

RESULTS

Achieved an overall rate of 97%.

2

Increase understanding and awareness of the System

INITIATIVE

Redevelop the Council website to provide clear and accessible information and programs for customers and stakeholders.

TARGET

Assess stakeholder and Council needs.

RESULTS

During the Strategic Planning Session in June 2017, the Board gave direction to push this project to 2019.

GOVERNANCE

Clear, robust, and responsive governance for the Council and safety code system.

The Council operates in accordance with a governance model that is transparent, participatory, and consistent with requirements and expectations applicable to public bodies. Accountability is established through plans, structures, bylaws, and policies that are aligned to provide clear direction and defined responsibilities for all levels of the organization. The governance model provides this clarity and consistency while possessing the flexibility needed to remain current and accommodate new obligations or practices.

1

Align Council governance framework with best practices

INITIATIVE

Review and update the Council governance framework to ensure current and relevant structures, policies, and processes that support the organizational mission and mandate.

TARGET

Submit the final Board Charter to the Board for approval in Q3.

RESULTS

The Board Charter was approved by the Board in May 2017.

TARGET

Complete current and future state analysis of governance structure for the Technical Coordinating Committee and sub-councils.

RESULTS

This was deferred by the Board until 2018.

INITIATIVE

Redevelop the Council Policy and Information Manual to reflect good governance.

TARGET

Complete identified draft Board policies as identified by the Board.

RESULTS

The policy framework was developed and approved by the Board. Policies to be transitioned over the next two years.

INITIATIVE

Establish performance measures to align with best practice and deliver continuous improvement.

TARGET

Present a draft balanced scorecard to assess organizational performance by Q3 for implementation in 2018.

RESULTS

This project has been delayed due to the deferment of the launch date for Council Connect. Council Connect will be a key driver of the Balanced Scorecard, as it will provide more robust KPIs for key Council functions.

2

Participate in development of legislative framework for the System

INITIATIVE

Work with Municipal Affairs and sub-councils to develop and implement an inclusive process that produces codes and standards that are appropriate for Alberta and consistent with model national and international documents.

TARGET

Analyze the requirements to transition Council policies and processes to support harmonization of codes and standards and their automatic adoption in Alberta.

RESULTS

Project is ongoing. We continue to work closely with Municipal Affairs.

SUSTAINABILITY

A healthy and viable safety codes system.

The Council is focused on sustaining the System to serve Albertans now and into the future. Delivering programs and services that are relevant and demonstrate value helps to maintain public confidence in the built environment. The Council engages and supports a vibrant community of partners, customers, and stakeholders who are dedicated to public safety. Sustaining commitment from these organizations and individuals provides the expertise and experience the Council needs to perform functions which are fundamental components of the System, such as reviewing codes and delivering training.

1

Maintain and increase stakeholder engagement in the System

INITIATIVE

Engage Council members and other key stakeholders in the System by providing valuable learning and networking opportunities.

TARGET

95% of attendees rate the Council conference as excellent or very good.

RESULTS

95% of attendees at the 2017 conference rated it as excellent or very good.

INITIATIVE

Collaborate with Municipal Affairs to provide opportunities for SCOs to enhance their understanding and awareness of current trends and issues within the System.

TARGET

85% of attendees rate the regional meetings as excellent or very good.

RESULTS

77% of attendees rated the regional meetings as excellent or very good. We continue to work with Municipal Affairs to improve the meetings and are focused on providing value to SCOs.

Maintain resources to fulfill the Council mandate

INITIATIVE

Ensure the Council's financial model is sustainable and provides resources needed to fulfill its mandate.

TARGET

Complete an analysis and submit recommendations to the Board in Q2.

RESULTS

A sustainability report was presented to the Board at their September and November meetings. A semi-annual review of the sustainability report was added to the Board Work Plan moving forward.

INITIATIVE

Review the lease arrangement to ensure alignment between business requirements and Council office space.

TARGET

Select a lease arrangement by Q3.

RESULTS

Lease was arranged and signed in Q2. Work is underway to complete the move and the Council is on track to be operational at 10405 Jasper Avenue by the end of April 2018.

INITIATIVE

Complete a security audit of current systems to ensure that information technology and infrastructure are secure.

TARGET

Complete the audit by Q3.

RESULTS

The audit was completed in Q3. Results and analysis were provided to the Board in Q4.

SERVICE DELIVERY

Organizational alignment provides service delivery excellence and drives continuous improvement.

The Council operates a responsive service delivery model that is focused on meeting the needs of customers and the System. As a learning organization, the Council is continually reassessing and improving its services, programs, systems, and products to ensure they remain effective and relevant. This commitment to continuous improvement is supported by data analysis and draws upon the talent and expertise of frontline employees, members, and stakeholders.

1

Enhance knowledge of customer and stakeholder needs

INITIATIVE

Conduct an annual survey to understand customer and stakeholder perceptions of the Council and assess programs and services.

TARGET

Benchmark the 2016 survey results against other organizations by Q2.

RESULTS

Council survey results were benchmarked against comparable organizations. This research was used to inform the Council's business planning activities for the 2018-2020 Business Plan.

TARGET

Complete the 2017 survey.

RESULTS

The 2017 customer survey was completed on target with a 40% response rate. Detailed results and analysis will be presented to the Board in Q2 2018.

2

Implement an organizational excellence framework

INITIATIVE

Improve the Council's appeal process.

TARGET

Revise and expand Council Member Appeals Training course.

RESULTS

New and expanded training was developed in Q4 and will be rolled out to Council members in Q1 2018.



REPORT ON THE COUNCIL'S
**CORE BUSINESS
FUNCTIONS**

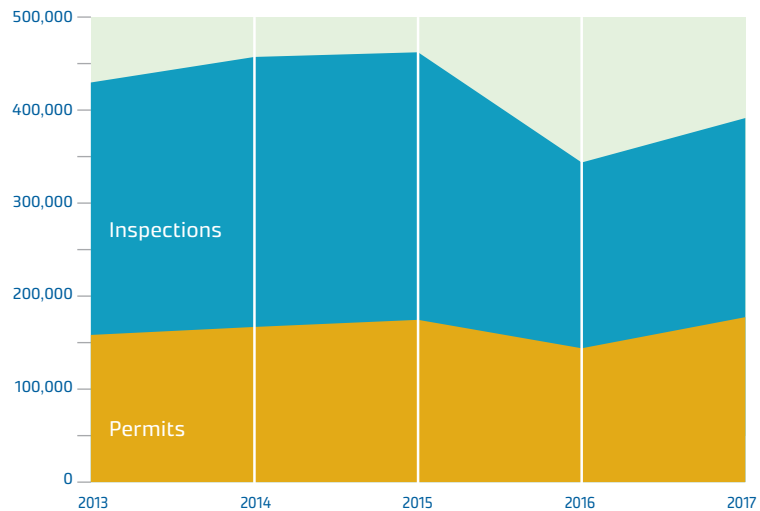
The Council is committed to achieving its vision of making Alberta a safe place to live, work, and play through an effective and sustainable system. The following section presents information and data on key areas of the system: permits and inspections, accreditations, orders and variances, certifications, audits, investigations, training, ASCA, and appeals. The operational activity in these areas lets us know how well and efficiently the system is working, and speaks to the System's overall health and sustainability.

Permits and Inspections

Inspections are the primary method of ensuring that permitted work meets the requirements of the Act and associated regulations, codes, and standards.

The Council tracks the permitting and inspection activities of 213 organizations, a majority of which use eSITE, the Council's web-based electronic permitting system. The cities of Edmonton and Calgary do not use eSITE; however, both submit permitting data to the Council.

Permit and Inspection Activity in Alberta

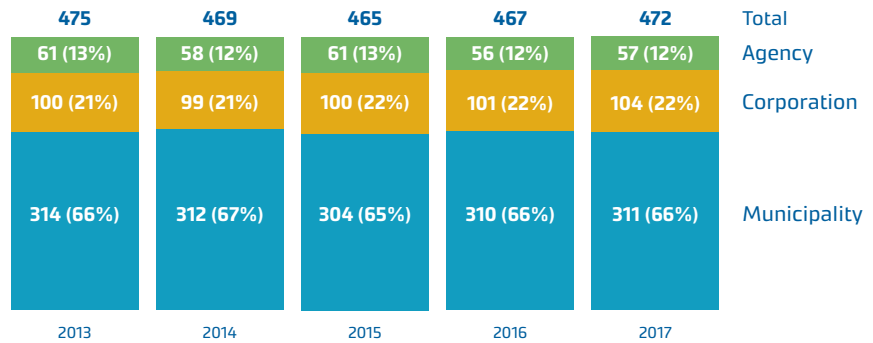


The data shows a consistent yearly rate of more than two inspections per permit issued. In 2017, the inspections-to-permits ratio was 2.5:1.

Accreditation

The Accreditation department accredits organizations to administer the *Safety Codes Act* (Act) within their jurisdiction. The department works with accredited organizations and those wanting to become accredited to develop Quality Management Plans that describe the scope and delivery of safety code services the organizations will provide.

Accreditation by Organization Type

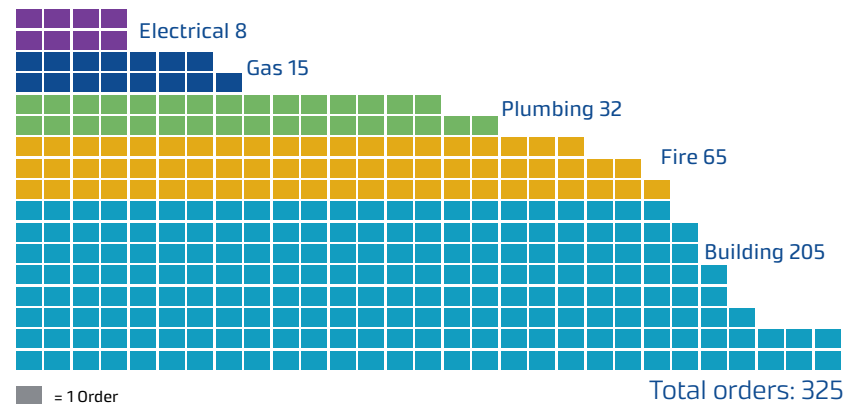


Accreditation types continue to remain stable, with marginal changes over the last five years. At the close of 2017, there were 472 accredited entities: 311 municipalities, 104 corporations, 57 agencies, and one regional services commission (not shown in table).

Orders

The issuance of an order is a means of enforcing compliance with the Act. Orders are issued by SCOs relative to a specific code requirement, and these numbers are tracked through the Council.

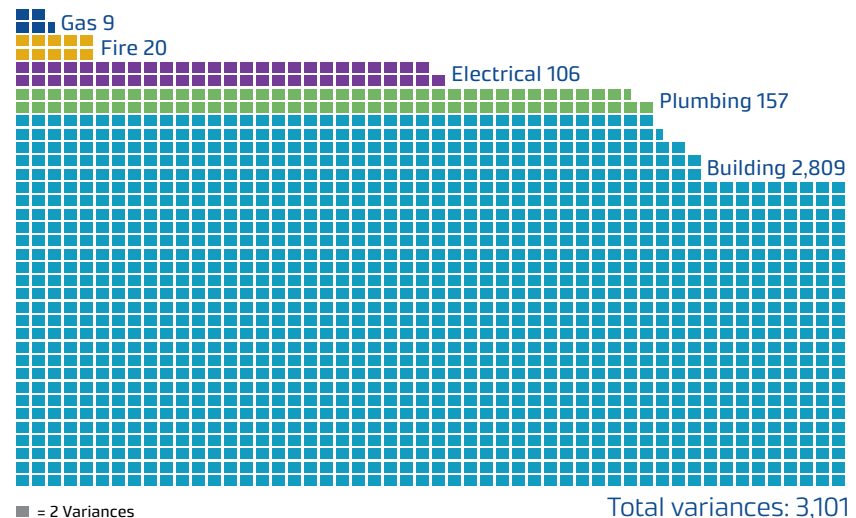
Orders Issued by Discipline Type



Variations

Variations can be issued in circumstances where a proposed alternative to a specific code requirement provides equal or greater safety than required by the code or standard. Variations can be granted by SCOs, and these numbers are tracked by the Council.

Variations Issued by Discipline Type



Certification

The Council's Certification department is responsible for certifying and designating powers to SCOs and certifying master electricians (MEs). The department promotes and maintains professional standards for both SCOs and MEs.

Audits

The Audit department conducts comprehensive audits of organizations accredited in the building, fire, electrical, plumbing, and gas disciplines.

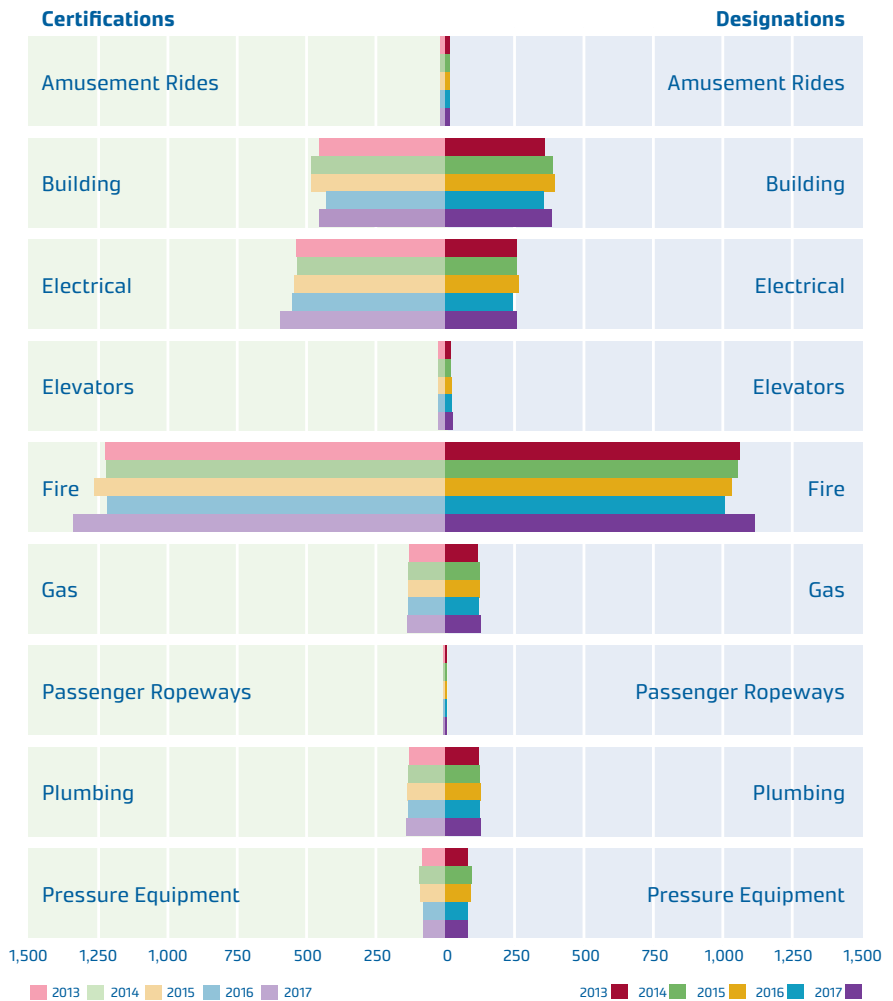
In 2017, the department performed 39 audits of accredited organizations and delivered 38 completed reports to audited organizations.

Investigations

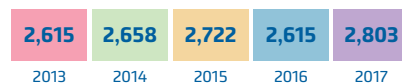
The Council investigates complaints and concerns about the conduct, performance, and/or competency of accredited organizations, SCOs, permit issuers, and MEs. Complaint investigations are independent and objective, and provide the Council with further oversight of the System.

In 2017, the Council received 9 complaints.

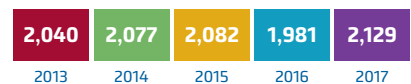
SCO Certifications and Designations by Discipline



Total Certifications



Total Designations



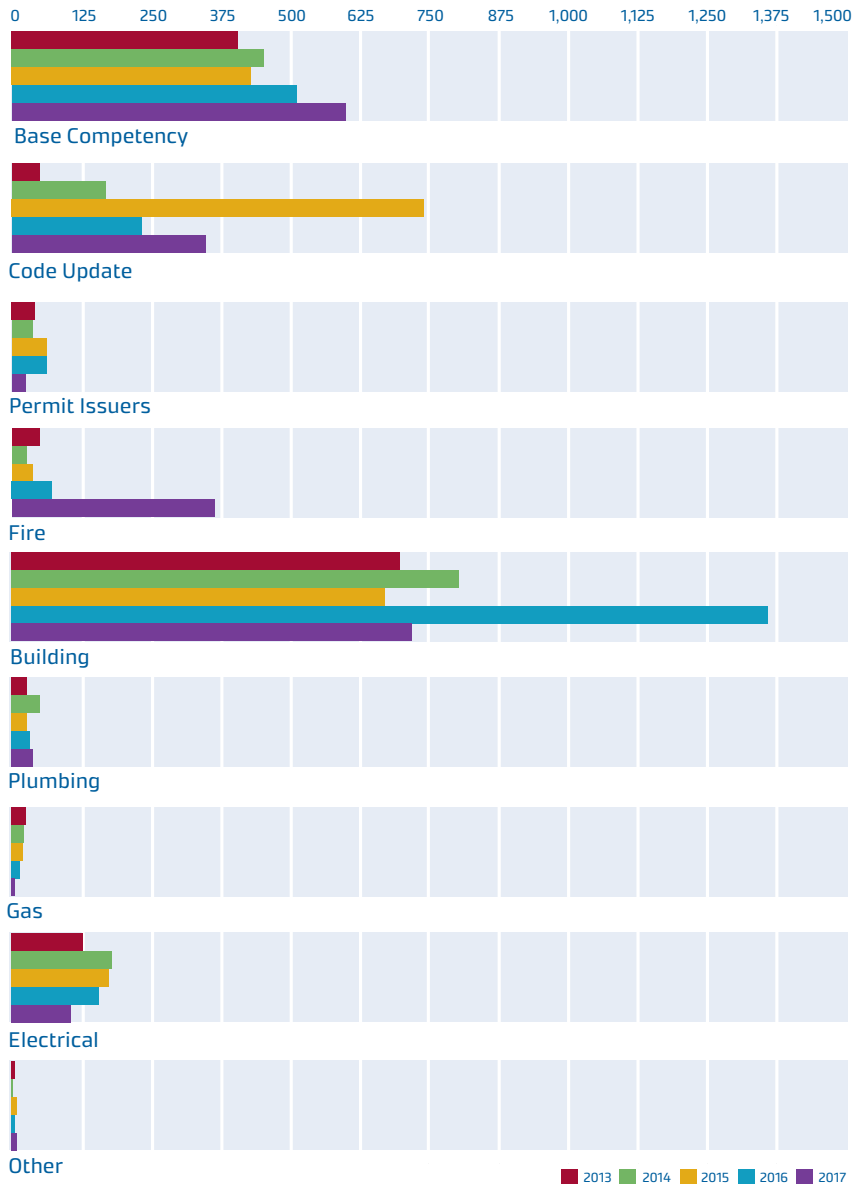
2017 resulted in a five-year high for the total number of SCO certifications and designations. Year after year, there remains a consistent difference between the number of certifications and designations across all disciplines, with the building, electrical, and fire disciplines having the greatest difference between numbers of certified and designated SCOs.

At the end of 2017, there were 4,657 MEs. There were 2,803 certified SCOs, 2,129 of whom held a designation of powers for one or more accredited organizations.

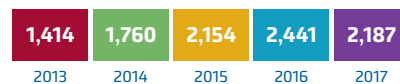
Training

The Training department develops and delivers training to provide SCOs and permit issuers with competencies needed to fulfill important roles within the System. The department works closely with Council members and subject matter experts to develop relevant, high-quality course material, and uses technology to ensure that training delivery is responsive and accessible. It also works closely with the Certification department to ensure SCOs have the training needed to maintain their certification.

Course Registrations by Year



Total Designations



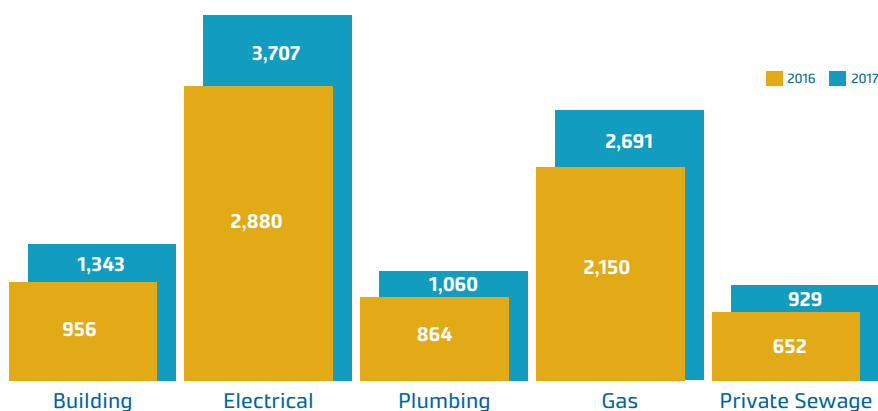
The total number of course registrations has slightly decreased since last year, returning to 2015 levels. The increase in 2016 was primarily in the building discipline reflecting the transition to the new Building Certification structure. The increase in the number of Fire course registrations is due to the transfer of courses from Lakeland College to the Council.

The most popular training delivery types in 2017 were classroom and distance.

Alberta Safety Codes Authority Division

ASCA, a division of the Council, oversees delivery of safety code services in unaccredited areas of Alberta on behalf of the Minister of Municipal Affairs (Minister). ASCA enters into agreements with accredited agencies to provide these services, which include compliance monitoring and reporting on permitting and inspections.

ASCA Permits Issued by Discipline



Total Permits

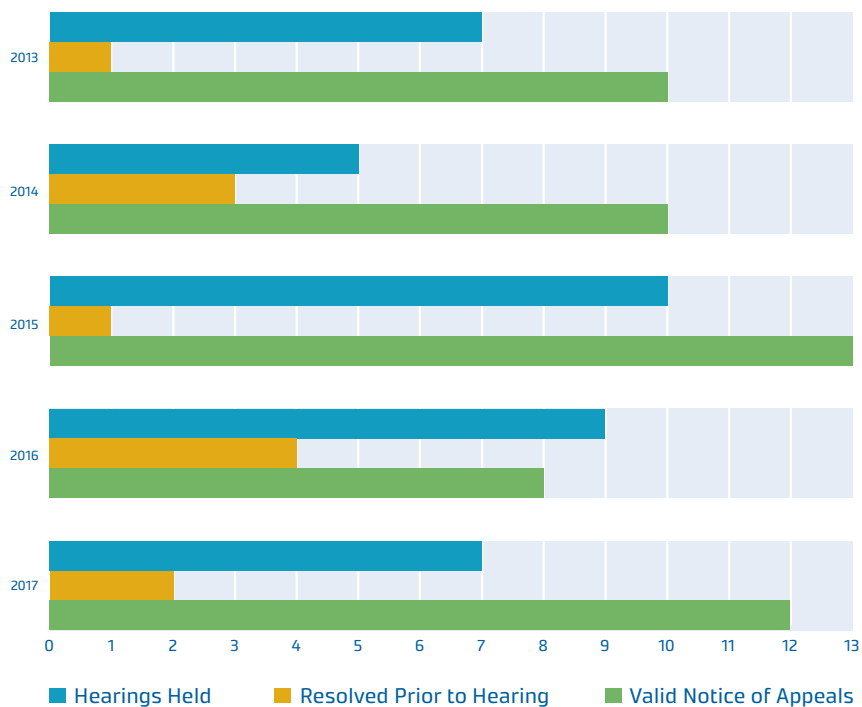


In 2017, ASCA oversaw a total of 9,730 permits issued in unaccredited areas of Alberta, a 29% increase. Of the permits that were closed in 2017, 95% have been closed compliant.

Appeals

The Appeals department administers an appeal process that allows individuals to challenge orders or written notices issued under the Act. This process, which is required under the Act, is administered according to the principles of natural justice and is fair, objective, and accessible.

Appeals





2017

SUB-COUNCIL ACTIVITIES

The Council, under authority of the *Safety Codes Act*, coordinates the 10 volunteer driven sub-councils representing Amusement Rides, Barrier Free Design and Access, Building, Electrical, Elevators, Fire, Gas, Passenger Ropeways, Plumbing, and Pressure Equipment. Sub-council members are nominated by organizations representing municipalities, industry, labour, training institutes, and persons with disabilities. The Minister also appoints one member of each sub-council to represent Albertans. Sub-councils review codes, standards, industry trends, and issues related to their respective technical disciplines and the System as a whole. Small working groups are often formed to address specific topics. Sub-council members are also responsible to provide information and advice to the Minister at the Minister's request.

In 2017, between the sub-councils and the Technical Coordinating Committee (TCC), there were a total of 40 meetings. All sub-councils heard presentations or were supplied with a variety of information on topics such as Council Connect and Quality Management Plan templates. The sections below identify members of each sub-council and highlight some significant work undertaken and results achieved in 2017.

Technical Coordinating Committee (TCC)

The TCC heard a presentation and provided feedback on Municipal Affairs' Builder Licensing Program, including an overview of the proposed program and the results of the consultation. They also heard several reports on operational priorities within the Council, including Council Connect, Fire SCO Certification, Building SCO Certification, the Council governance review, and business planning processes.

The TCC approved the formation of an SCO Continuing Education Working Group, which will provide advice and recommendations on the implementation of the Continuing Education for SCOs program.

The TCC discussed the benefits and drawbacks of developing Alberta codes based on the 2015 National Building Code and 2015 National Fire Code. The context of code harmonization, which is expected to be achieved with the 2020 national codes, played a significant role in this discussion.

TCC members each contributed reports from their sub-councils or industry segments, which led to productive conversations on many cross-discipline topics such as the use of shipping containers as buildings, combination heating, mobile cooking equipment such as food trucks, cannabis facilities, 12-storey combustible construction, proper rescue procedures for individuals stuck in elevators, variances, and changes to sub-council matrices

Amusement Rides Sub-Council (ARSC)

With the adoption of a new standard of practice (ASTM 2783-14), the ARSC, in cooperation with AEDARSA (Alberta Elevating Devices and Amusement Rides Safety Association), worked this year on approving code update training to reflect the resulting changes. SCO training has now taken place and AEDARSA is inspecting to these new standards.

The ARSC reviewed a safety notice that was published on July 27, 2017, regarding the shutdown of all KMG Fireball and other similar amusement rides in Alberta due to the fatal accident at the Ohio State Fair. After the accident, the manufacturer recommended that all Fireball rides manufactured by KMG International be shut down until the root cause of the accident was determined. A similar notice was also issued by Tivoli Mfg. Ltd. for rides that have a similar seat design. The safety notice includes complex instructions for inspections before the rides can be operated. During the ARSC's discussion about the event, it was noted that there is a system in place in which operators provide a list of dates and locations for all travelling amusement rides in Alberta.

Members

Labour
Cal Ploof, Chair

Plumbing
David Hughes,
Vice-Chair

Alberta Urban
Municipalities
Cliff Ayrey

Amusement Rides
My-Linh Walker
to 09/17
Bill Church from 10/17

Barrier-free
David Flanagan
to 01/17
Barry McCallum
from 02/17

Building
Don Dessario

Education & Training
Alan Kabatoff to 10/17
Vacant from 11/17

Electrical
Gerry Wiles

Elevators
Robert Logee to 04/17
JC Bawa from 05/17

Fire
Michael Walker

Gas
Glen Aspen

Major Municipalities -
North
Chad Rich from 10/17

Major Municipalities -
South
Dale Rudiger
from 10/17

Municipal Districts
& Counties
John Whaley

Passenger Ropeways
Kristian Haagaard

Pressure Equipment
Izak Roux

Members

Public at Large
My-Linh Walker,
Chair until 08/17

Fairs & Exhibitions
Bill Church,
Chair from 09/17

Large Indoor
Amusement Parks
Brian Mykitiuk

Large Ride Operators
Danielle Gillespie

Portable Ride Operators
Bill Kane

Professional Engineers
Lee Nguy

Risk and Insurance
Management
David Buzzeo

Small Outdoor
Amusement Parks
Bill Demchuk

Members

Architecture

Barry McCallum,
Vice-Chair to 21/17
Chair from 02/17

Hearing Disabilities

Lee Ramsdell,
Vice-Chair from 11/17

Agility Disabilities

Bob Coyne

Aging Population

Michael Francon

Code Enforcement (SCO)

David Flanagan
to 01/17

David Morton
from 02/17

Commercial Construction/ Land Development

Vacant

Communication Disabilities

Briana Strachan

Education & Training

Vacant to 08/17
Tang Lee from 09/17

Home Construction

Vacant

Hotel & Tourism Industry

Tracy Douglas-Blowers

Mobility Disabilities

Ross Norton to 02/17
Chris Schamber from 11/17

Non-Residential Building Management

Stan Lennox

Public at Large

Yvette Werenka

Residential Apartment & Condominium Owners/Managers

Mary Aubrey to 05/17
Vacant from 06/17

Visual Disabilities

Laura Kemp to 05/17
Matthew Kay from 11/17

Barrier-free Sub-Council (BFSC)

In 2017, the culmination of work completed by the Barrier-Free Design Guide Working Group resulted in the publication of the 2017 Barrier-Free Design Guide. This guide promotes design for independence and dignity for everyone, and focuses on vision, hearing, communication, mobility and cognition barriers. Changes and new additions include open spaces/trails, defining the difference between care facilities and residential units, an alternative solution for barrier-free washroom facilities, and barrier-free access consideration around construction sites.

Following publication of this guide, the focus of the BFSC moved to exploring different ways to promote barrier-free design. The BFSC also held discussions around the process for parking placards, visual signal requirements, issues with barrier free parking spaces, and creating accessible hotels in Alberta.

Municipal accessibility reports from Lethbridge, Edmonton, and Calgary were received by the BFSC. The sub-council began reviewing the 2020 National Building Code changes specific to barrier-free provisions, including: fire alarm and detection systems; doors and door hardware; panic hardware; stairs, ramps, handrails, and guards; floor and stairwell identification; elevator car dimensions; and interconnection of smoke alarms.

Members

Home Builders

Don Dessario, Chair

Code Enforcement

Bruce Schultz,
Vice-Chair - South

Fire Officials

Russell Croome,
Vice-Chair - North

Architecture

Gregory Beck

Building Owners

Vacant

Consumer Protection

Rick Gratton

General Contractors

Lee Phillips

Heating, Ventilation, Air Conditioning

Terene Tharagan
to 08/17

Matthew Kramer
from 09/17

Labour

Colin Belliveau

Large Developments

Vacant

Major Municipalities - South

Ulrik Seward

Major Municipalities - North

Mark Brodgesell
to 09/17

David Flanagan
from 10/17

Mechanical Contractors

Kenneth Roskell

Professional Engineers

Andrew Smith

Public at Large

Robert Zifkin to 11/17
Robert Kralka
from 12/17

Rural Municipalities

Vacant to 10/17
Stephen Hill from 11/17

Urban Municipalities

Roger Clemens

Building Sub-Council (BSC)

The BSC was kept very busy in 2017 working on numerous initiatives. In addition to providing input to Municipal Affairs on the Builder Licensing Program and the Permit Regulation, the sub-council recommended, supported, or reviewed 20 STANDATA, including topics covering: rooms containing gaseous chlorine; separation of suites in strip malls; visual signals; non-liquid disposal systems; attached garage insulation; soil gas vent termination; radon/soil gas pipe labelling; firestop technical judgements; structural insulated panels; permit applications for buildings with multi-units; wireless interconnected smoke alarms (new); door release hardware for exit doors (new); the Energuide rating system as an alternate solution to ABC 9.36; mobile cooking operations; use of furnaces for temporary heat; and buildings used for the parking, repair, or servicing of tank vehicles.

The City of Calgary and the Alberta Children's Hospital presented the BSC with statistics and expert opinion on the frequency, severity, and effects of pediatric falls from windows, as well as ways this issue could be addressed within the building code. As a result of the presentation, the BSC supported a code change proposal to the National Research Council for consideration in the 2020 National Building Code development cycle. The BSC also recommend that an errata to the 2014 Alberta Building Code be issued to address window safety in new single- and two-family homes until the next version of the code is in force.

The BSC formed a number of working groups in 2017: one to address proposed changes to the 2020 National Building Code, and another to address Alberta-specific issues with Part 9 buildings and code challenges presented by different ownership and hybrid building types.

Electrical Sub-Council (ESC)

This year, the ESC elected a member to sit as a liaison to the Building Sub-Council, due to discipline overlap in the National Energy Code, the Building Code, and the Electrical Code. They also validated and approved course material for the AEUC 2016 Code Update Training; Electrical, Groups A & B, Electrical Basics, C C22.1-15; and Electrical, Group A, CEC C22.1-15, and reviewed the Master Electrician handbook.

The ESC also reviewed multiple requests for interpretation, provided feedback on permit regulations, and recommended drafting a STANDATA for Section 30 - Installation of Lighting Equipment to include the use of wireless switches in residential occupancies.

There were four ESC working groups operating in 2017: the Alberta Electrical Utilities Code (AEUC) Working Group; the Canadian Electrical Code Working Group; the MEs Advisory Working Group; and the Oil and Gas Code Working Group. The ESC, along with these four working groups, worked diligently on numerous STANDATA, which included the following: the Code for Electrical Installations in Oil and Gas Facilities; concrete encasements for all underground duct banks; exit signage connected to AC normal power and a DC emergency power supply; fuel trains - Zone 1 inside an enclosure; sealing against flammable fluid migration; and wheel stops descriptions.

Elevators Sub-Council (EVSC)

In 2017, the EVSC held discussions regarding step indexing requirements and the three pathways for compliance: the escalator meets the requirements; the escalator meets the requirements with brushes installed; or the escalator needs to be repaired to meet the requirements.

Two working groups were created. One was formed to gain industry consistency by developing a list of infractions requiring immediate shutdown versus those where a specific time period might be given to correct the infraction. The second working group was formed to review the changes in the 2016 Elevating Devices Code. It was noted that there are many Alberta-specific requirements, and that there is a need to address these differences from the national code.

Members were provided with an overview of some of the challenges experienced by the new requirement to barricade an escalator when it is not running. The new Maintenance Control Program (MCP) came in force on September 1, 2017 and is well underway. Almost all elevator companies have provided their MCP to AEDARSA for acceptance. Category 1 testing is to be completed by September 1, 2018.

The EVSC recommended the development and issuance of a STANDATA to heighten awareness of the safety issues relative to the malfunctioning of low pressure switches in elevators and lifts for persons with disabilities.

Members

Major Municipalities
- North
Gerry Wiles, Chair

Education & Training
Glenn Hedderick,
Vice-Chair- South

Electrical
Manufacturers
Scott Basinger,
Vice-Chair - North

Electrical Contractors
Darcy Teichroeb

Electrical for
Residential
Construction
Vacant to 10/17
Barry Voogd
from 11/17

Electrical SCOs
Don Bradshaw

Electrical Standards/
Testing/Certification
Organizations
Larry DeWald

Labour
John Briegel

Large Electrical Utilities
Jim Porth to 01/17
Brian Townsend
from 05/17

Major Municipalities
- South
Adam Ghani

Municipalities
Charlene Smylie

Oil & Gas
Processing Industry
Rene Leduc to 01/17
Nicolas Leblanc
from 02/17

Petrochemical Industry
Tim Driscoll

Professional Engineers
Roy Etwaroo

Public at Large
Vacant to 11/17
Ken Hood from 12/17

Rural Electrification
Areas
Allan Nagel

Small/Municipal
Electrical Utilities
Stewart Purkis

Members

Labour
Robert Logee,
Chair to 01/17
Don Ireland from 10/17

Professional Engineers
J.C. Bawa, Chair
from 04/17

Public at Large
Suresh Sundaram,
Vice-Chair

Architecture
Vacant to 08/17
Salim Merchant
from 10/17

Building Owners
Calgary
Vacant

Building Owners
Edmonton
Vacant

Construction Contractors
Gavin Langley

Elevator Maintenance
Scott Gavin

Large Manufacturers
**Quentin
Brayley-Berger**

Real Estate Industry
Ernie Paustian

Small Manufacturers
& Lifts for Persons
with Physical Disabilities
Industry
Calvin Austrom to 05/17
Vacant from 06/17

Members

Insurance Industry
Michael Walker, Chair

Fire Safety Industry
Robbin Foxcroft,
Vice-Chair – South

Major Municipalities
– North
Gary Mayorchak,
Vice-Chair

Alberta Fire Fighters
Bob Boudreau to 05/17
Hunter Langpap
from 09/17

Architecture
Vacant to 02/17
Stephen Suen
from 03/17

Building Officials
Mario Poser

Building Owners
Bob Husereau to 09/17
Vacant from 10/17

Electrical Industry
Joseph Davis

Fire Officials
Michael Bos

Major Municipalities –
South
Michael Baker

Petroleum Industry
Allan Blatz

Professional Engineers
Eddy LaRocque
to 08/17
Cameron Bardas
from 11/17

Public at Large
Ron Schaller, Vice-Chair –
North, to 02/17
Vacant from 02/17

Rural Municipalities
Bruce Cummins to 09/17
Vacant from 10/17

Urban Municipalities
Vacant

Fire Sub-Council (FSC)

The FSC spent a significant amount of time in 2017 reviewing the differences between the 2014 Alberta Fire Code and the 2015 National Fire Code, and making recommendations about how to resolve these differences in order to harmonize the subsequent versions of these codes. In addition, a Code Harmonization Working Group was created to do further research on select items and develop code change proposals for the next National Fire Code.

They also approved an updated certification policy for Fire SCOs, validated several new and revised training courses, and ratified exams. In addition, the FSC provided feedback to Council management and industry about the implementation of the new certification and training structure for Fire SCOs.

The sub-council received several presentations, including one regarding an incident in which a tank vehicle within a building caused an explosion.

The FSC held much discussion on mobile cooking equipment (food trucks) and reviewed and provided feedback on a draft STANDATA on the topic. They also reviewed and provided comment on several other STANDATA, including ones pertaining to the use of sea containers as buildings, occupant loads, door release hardware for exit doors, and buildings used for the parking, repairing, and servicing of tank vehicles.

The FSC held discussion on many topics, including classification of cannabis facilities, inspections of residences for persons with developmental disabilities, occupancy classifications for microbreweries and micro-distilleries, and the Grenfell Tower fire in London. Following a discussion on occupant density factors, they created an Occupant Load Working Group to do further work on the topic.

Gas Sub-Council (GSC)

Following review and recommendation by the respective working group, the GSC recommended that the CSA-B109-17 - Natural Gas for Vehicles Installation Code, published August 2017, continue through the automatic adoption process to come into force on August 1, 2018, with no Alberta-specific changes. Having completed work on the in-force editions, the existing working groups specific to the various gas codes in force in Alberta shifted their focus to reviewing upcoming changes that will appear in the 2020 editions of the codes.

The GSC created a new working group to discuss and provide recommendations on gas-related gaps and exemptions in the Permit Regulation, should the regulation be opened for review. They also created a new working group on the topic of hydrogen fueling stations. Although there are few of these in the province currently, it is believed they may become increasingly common.

The GSC reviewed and supported the issuance of a Mobile/Temporary Cooking Equipment STANDATA. This was a significant topic for the sub-council, as most mobile-cooking equipment incidents involve propane. They also reviewed and provided feedback on STANDATA related to direct fired air heaters, combination heating, and residential furnace activation.

The sub-council heard and provided comment on several presentations, including one about the Permit Regulation. They also heard updates and a presentation about the recent expiry of a variance that allowed non-certified process gas-fired equipment to be acceptable if it is inspected and accepted by a Professional Engineer. Discussions were held with industry on the challenges they experience with the expiry of this variance and the current gas code requirements for large industrial gas-fired equipment. The GSC also received information about the success of the Legacy Equipment Management System and oversight by third-party approval authorities accredited by the Standards Council of Canada, which were implemented to address uncertified equipment that is not in compliance. Improvements with compliance monitoring roles from municipalities, agencies, and SCOs were also noted.

The GSC also discussed variances and changes that will be occurring to allow SCOs to issue types of variances that were previously issued only by the Gas Administrator.

Members

Labour
Glen Aspen, Chair

Manufacturers
or Suppliers
Verne Quiring,
Vice-Chair

Education & Training
Denis Turgeon

Inspection Authorities
Mike Turek

Large Gas Utilities
Blaine Smetaniuk

Major Municipalities
- North
Vacant to 08/17
Larry Miller from 09/17

Major Municipalities
- South
Vacant to 08/17
Mark Guderjan
from 09/17

Mechanical
Contractors
Simon Jolly

Municipalities
Vacant

Natural Gas & Propane
Vehicle Conversion
Industry
Marcel Mandin

Professional Engineers
James Maddocks

Propane Gas Industry
Jason Helfrich

Public at Large
Bradley Gaida

Rural Gas Utilities
Jeff Skeith

Sheet Metal
Contractors
Chuck Lemke

Small Gas Utilities
Nathan Lesage

Members

Manufacturers
& Suppliers
David Hughes, Chair

Mechanical Inspections
Mark Harrold,
Vice-Chair- South

Education & Training
Ken Helmer

Labour
Angus Potskin

Major Municipalities
- North
Peter Koenig

Major Municipalities
- South
Ken Morrison

Mechanical
Contractors
Garnet Young

Municipalities,
Districts, & Counties
Kenneth Wigmore

Private Sewage
Disposal Contractors
Charles Hallett

Professional Engineers
Quenton Kusiek

Public at Large
Lawrence Hess

Urban Municipalities
Tim Kosolofski

Plumbing Sub-Council (PSC)

In 2017, the PSC discussed topics including variance policy review, water reuse alternative solutions, composting toilets and waterless urinals, radon soil gas vent termination, backwater valves, and radon pipe labelling. The PSC reviewed STANDATA on Air Admittance Valves in New Construction relative to NPC 2.5.9.2.1 (d) as well as STANDATA issued in other disciplines.

The PSC approved the National Plumbing Code of Canada 2015 code update training, and made the code update training and exam a mandatory requirement for Group A Plumbing SCOs. The training must be completed within one year of the training being available in order for SCOs to maintain their Certification. The PSC also approved the training course material for the Plumbing, Group B, Private Sewage Treatment Systems, Alberta Private Sewage Systems Standard of Practice 2015 for use until September 2018. Further, they approved the training course material for the Plumbing, Group A, National Plumbing Code of Canada 2015 and the Plumbing, Group A, Evaluating Alternative Solutions, NPC 2015.

The PSC reported concerns on behalf of the Canadian Institute of Plumbing and Heating to the Building Sub-Council. The ABC 2014 - Section 9.36 Prescriptive Energy Efficiency Requirements for Houses is having a significant impact on the hydronic heating industry, specifically in-floor heating systems.

A Private Sewage Disposal Systems (PSDS) Working Group was formed to review and provide recommendations to the PSC respecting issues regarding private sewage disposal systems. The PSDS Working Group provides technical guidance to the Technical Administrator in the development of province-wide STANDATA; provides recommendations to the PSC respecting private sewage systems, codes, and standards; and provides stakeholder input in the development and maintenance of private sewage systems, codes, and standards.

The PSDS Working Group worked on developing a recommended process on how proponents can apply for consideration of new technology that does not meet the existing Standard of Practice (SOP), work camp design guidelines, designer certification, and the SOP handbook draft. The NPC 2020 Working Group also began work reviewing suggested changes for the 2020 National Plumbing Code.

Passenger Ropeways Sub-Council (PRSC)

PRSC members continue to provide valuable input on a variety of questions relating to the passenger ropeways industry. The PRSC reviewed information presented to them on a variety of topics, including: a ski lift mechanics certification program; passenger ropeways maintenance personnel; and incident reports.

The PRSC received a Z98 committee update and reviewed the approved changes in Z98-19. Explanatory notes in the Annex will greatly assist industry in understanding the intent of the code, but these notes are not a mandatory part of the code.

The PRSC discussed with AEDARSA continuing education for both SCOs and industry. Additional training is being worked on for Alberta passenger ropeway operators. They also reviewed a report of incidents to ensure there were no necessary code changes to consider as a result.

Pressure Equipment Sub-Council (PESC)

In 2017, the PESC had four functioning working groups, focused on specific areas of specialization including: pressure welders, power engineers, Pressure Equipment Safety Regulation (PESR)-Codes & Standards, Design Survey/Registration and New Inspection, and PESR - In-Service Inspections.

The PESC reviewed and made recommendations on changes to the Power Engineers Regulation and the Pressure Equipment Safety Regulation. They reviewed and recommended for adoption: the B311-2016 and B31.5-2016 as published; and the 2016 edition of ASME-B31.3 - Process Piping Code for use in Alberta.

The PESC supported the Administrator's issuance of Alberta Boiler Safety Association (ABSA) Information Bulletin IB17.

The existing IB 16-018-Concerns about Carbon Steels with Low Toughness Properties-was reviewed and endorsed by the sub-council. The PESR-In-Service Inspections Working Group reviewed the draft Accident/Incident Reporting document with the goal of reconciling feedback. The concept was presented at the Chief Power Engineers' Conference.

Members

Large Operators Kristian Haagaard , Chair	Manufacturer Warren Sparks to 10/17 Brent Carmichael from 11/17
Conveyor Operators Rich Parie , Vice-Chair, to 01/17 Vacant from 02/17	Medium Operators Jason Paterson
Professional Engineers Bruno Mannsberger , Vice-Chair from 10/17	Medium Operators Richard Roy
Code Enforcement (SCO) Dean McKernon	Public at Large Stephen Kozelenko
Large Operators Chris Dewitt	Risk & Insurance Management Tony Van der Linden
	Small Operators Marlin van Zandt

Members

Contract Chief Inspectors Izak Roux , Chair	Labour Ward Wagner
Petrochemical Industry David Miller , Vice-Chair	Petroleum Industry Todd Loran
Large Refinery & Petrochemical Sites Geoff Kutz , Vice-Chair	Power Engineers Jim Weiss to 01/17 Henry Hau from 02/17
Building & Heating Plants Mike Clancy	Pressure Piping Industry Billy Lee
Construction & Maintenance of Pressure Equipment Jacques St. Onge	Pressure Vessel Manufacturing Industry Marvin Kossowan
Education & Training Grant Peuramaki	Professional Engineers Magdi Ghobrial
Electrical Utilities John Wolff	Public at Large Vacant to 11/17 Nyssa Moore from 12/17
Heavy Oil & Oil Sands Vacant	Pulp & Paper Industry Brian Grantham

Directors

	Meetings
Robert Blakely Q.C. Chair of the Safety Codes Council	5/5
Rick Noonan Vice-Chair of the Board of Directors and Chair - Human Resources and Compensation Committee	5/5
Brian Alford President and CEO (Ex-Officio)	5/5
Cliff Ayrey Alberta Urban Municipalities Association, member of the Governance and Nominating Committee	4/5
Owen Edmondson Chair of the Audit and Risk Committee and member of the Governance and Nominating Committee	5/5
Mark Gerlitz Member of the Human Resources and Compensation Committee	5/5
Cal Ploof Chair of the Technical Coordinating Committee, member of the Audit and Risk Committee	5/5
John Whaley Alberta Association of Municipal Districts and Counties, member of the Governance and Nominating Committee	4/5
Jim Wheadon Chair of the Governance and Nominating Committee	5/5
Nancy Domijan City of Edmonton (Joined Board in May 2017), member of the Human Resources and Compensation Committee	3/3
Kevin Griffiths City of Calgary (Joined Board in May 2017), member of the Audit and Risk Committee	2/3
Marcie Kiziak (Joined Board in May 2017), member of the Human Resources and Compensation Committee	3/3
Jill Matthew (Joined Board in May 2017), member of the Governance and Nominating Committee	3/3

2017 Board of Directors Activities

2017 was a year of transition for the Board of Directors. Two new seats were added to the membership—one for the City of Calgary and one for the City of Edmonton—and four members retired. With respect to the four retiring members, two of those seats were transitioned in 2017, and the remaining two will be transitioned in the first quarter of 2018.

With the governance review in full swing, the Board spent a significant amount of time focusing on both the creation of a new Board Charter that reflects current good governance practices and the development of a new policy framework that will be implemented over the next two years. They also spent time overseeing and approving changes to Policy 9.50 - Matrices, which updated sub-council matrices to better reflect the membership needs of each sub-council.

ASCA completed its first year of operation in 2017, and the Board paid special attention to ensuring that not only was this first year a success, but that ASCA remains viable, sustainable, and valuable to the System for years to come.

The Council will be relocating in April 2018. The Board provided direction on this initiative, ensuring the choice of location would be both advantageous to the Council and its stakeholders, and sustainable and adaptable to the Council's future needs. They also oversaw the negotiation of a sensible lease, and set, assessed, and monitored the allocated budget throughout the project.

Working with the Minister and Municipal Affairs, the Board supported the new Builder Licensing Program and the implementation of the Administrative Penalties Program.

With input and support from the Building Sub-Council, the Board of Directors also supported a code change to address a serious safety issue: children falling from openable residential windows. This would result in a recommendation that the National Research Council include the proposed change to the 2020 National Building Code development cycle.

The Board member and attendance list is shown below. In addition to regular Board meetings, Board members participated in committee meetings not shown on the left.



FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

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Management's Comments on the 2017 Financial Statements

In 2017 there was a resurgence in provincial economic activity as compared to the economic downturn in 2016. This follows a two year recession made worse by the devastation of the 2016 Fort McMurray wildfires. Provincial real GDP rose an estimated 4.5% in 2017. Following restrained gains early in the year, employment surged in the fourth quarter to fully recover recessionary losses by year-end.

The residential housing market was stronger in 2017 as compared to 2016, with a rise in activity toward the end of the year. Leading the growth were higher investments in renovations followed by increased spending on new single houses. In the last quarter of 2017, Alberta led in population growth nationally after two years of net losses.

Despite the economic recovery in 2017, non-residential construction activity continued to lag. Provincial non-residential construction investment declined by about \$700 million, following a decline of nearly \$1 billion the year before. High vacancy rates in both Edmonton and Calgary suppressed commercial building activity further.

Revenues

Total revenues were \$14.6 million as compared to \$11.4 million in 2016, an increase of \$3.2 million. The additional revenue is primarily attributed to 2017 being the first full year of operation for ASCA, and the associated increase in permit fee revenue. Further contributing to the increase was a change in timing in recognizing ASCA revenue. In 2016, 25% of ASCA revenue was recognized when the permit was issued, and 75% when the permit was closed. In 2017, this was changed to recognize 50% of the permit fee at issuance and 50% at closure.

Expenses

Total expenses were \$14.4 million as compared to \$11.0 million in 2016, an increase of \$3.4 million. The primary reason for this increase in expenses were the increased costs associated with collecting additional ASCA permit fees, again due to 2017 being their first full year of operation.

Cash

In 2017, the Council's cash balance at year end was \$676,000 higher than the ending balance in 2016. This increase is attributable to the additional permit fees collected from agencies and submitted to ASCA. As permits are closed, the majority of this cash will be paid out to agencies once the work associated with the permit is completed.



INDEPENDENT AUDITORS' REPORT

To the Members of Safety Codes Council

We have audited the accompanying financial statements of Safety Codes Council (the "Council"), which comprise the statement of financial position as at December 31, 2017, the statements of operations, changes in net assets, remeasurement gains and losses and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Council as at December 31, 2017, and its results of operations, its changes in net assets, remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP
2200, 10175 101 Street
Edmonton
Alberta T5J 0H3
Canada

Tel 780.429.7300
Fax 780.429.7379

[Original Signed]

Chartered Professional Accountants
April 6, 2018
Edmonton, Canada

Statement of Financial Position

December 31, 2017, with comparative information for 2016

	2017	2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,723,385	\$ 3,047,065
Accounts receivable	596,872	385,752
Prepaid expenses and deposits	212,858	60,003
	4,533,115	3,492,820
Investments (note 2)	10,771,652	10,986,482
Capital assets (note 3)	1,182,910	1,341,573
	\$ 16,487,677	\$ 15,820,875
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,033,910	\$ 616,489
Deferred revenue and grants repayable (note 4)	2,478,430	2,441,092
Current portion of deferred lease inducement	543	6,491
	3,512,883	3,064,072
Deferred lease inducement	-	543
Net assets:		
Unrestricted	8,903,401	8,561,822
Internally restricted (note 5)	3,000,000	3,000,000
Invested in capital assets	1,182,910	1,341,573
	13,086,311	12,903,395
Accumulated remeasurement losses	(111,517)	(147,135)
	12,974,794	12,756,260
Commitments (note 6)		
	\$ 16,487,677	\$ 15,820,875

See accompanying notes to financial statements.

On behalf of the Council:

[Original Signed]

[Original Signed]

Director

Director

Statement of Operations

Year ended December 31, 2017, with comparative information for 2016

	2017 (Schedule 1)	2016
Revenues:		
Operating fees:		
Municipalities and agencies	\$ 6,128,779	\$ 5,980,197
Corporations	1,024,653	1,106,166
Permit fees	5,474,714	2,109,418
Course and exam fees (note 4)	686,401	755,552
Master Electricians Program certification fees	533,689	554,130
Investment income	499,440	564,562
Certification (note 4)	106,775	97,785
Annual conference	47,850	57,430
Application development	47,325	37,400
Other revenues and recoveries	37,224	16,828
Designation of powers	10,975	12,775
Accreditation	10,388	11,257
Appeals	5,500	3,200
Grants (note 4)	-	111,648
	14,613,713	11,418,348
Expenses:		
Salaries and benefits	5,840,039	5,639,416
Permit service fees	4,299,684	1,612,102
Contractors and consultants	1,119,676	855,874
Amortization of capital assets	633,210	401,597
Office rental	547,108	545,489
Annual conference	292,863	287,464
Travel (note 7)	232,187	291,105
Electronic business solutions	220,901	203,938
Course and seminar costs	207,948	203,749
Office and general	174,782	185,942
Publications	159,488	131,257
Meetings	105,619	96,346
Consulting fees	92,208	60,438
Bank and investment service charges	91,081	99,795
Honoraria (note 7)	70,111	49,318
New course version	65,085	129,644
Test bank validations	63,782	51,696
Professional fees	51,091	96,944
New course development	43,150	28,221
Loss on disposal of capital assets	38,980	-
Appeals	30,550	27,624
Insurance	29,432	31,216
Special training programs	14,220	10,455
Corporate memberships	5,629	6,099
Competency analysis	1,176	-
Electronic conversion	797	1,859
Course revisions	-	225
	14,430,797	11,047,813
Excess of revenues over expenses	\$ 182,916	\$ 370,535

See accompanying notes to financial statements.

Statement of Changes in Net Assets

Year ended December 31, 2017, with comparative information for 2016

	Unrestricted	Internally restricted	Invested in capital assets	2017 Total	2016 Total
Balance, beginning of year	\$ 8,561,822	\$ 3,000,000	\$ 1,341,573	\$12,903,395	\$ 12,532,860
Excess (deficiency) of revenues over expenses	855,106	-	(672,190)	182,916	370,535
Investment in capital assets	(513,527)	-	513,527	-	-
Balance, end of year	\$ 8,903,401	\$ 3,000,000	\$ 1,182,910	\$13,086,311	\$ 12,903,395

Statement of Remeasurement Gains and Losses

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Accumulated remeasurement losses, beginning of year	\$ (147,135)	\$ (542,298)
Unrealized change in fair value of investments	35,618	395,163
Accumulated remeasurement losses, end of year	\$ (111,517)	\$ (147,135)

See accompanying notes to financial statements.

Statement of Cash Flow

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operations:		
Excess of revenues over expenses	\$ 182,916	\$ 370,535
Item not involving cash:		
Amortization of capital assets	633,210	401,597
Loss on disposal of capital assets	38,980	-
Amortization of deferred lease inducement	(6,491)	(6,491)
Changes in non-cash operating working capital:		
Accounts receivable	(211,120)	167,364
Prepaid expenses and deposits	(152,855)	52,923
Accounts payable and accrued liabilities	417,421	64,174
Deferred revenue and grants repayable	37,338	2,205,645
	939,399	3,255,747
Capital activities:		
Purchase of capital assets	(513,527)	(440,495)
Investing activities:		
Purchase of investments, net of proceeds of disposition	250,448	(324,323)
Increase in cash and cash equivalents	676,320	2,490,929
Cash and cash equivalents, beginning of year	3,047,065	556,136
Cash and cash equivalents, end of year	\$ 3,723,385	\$ 3,047,065
Supplemental cash flow information:		
Bank and investment service charges paid	\$ 91,081	\$ 99,795

See accompanying notes to financial statements.

Notes to Financial Statements

Year ended December 31, 2017

The Safety Codes Council (the “Council”) is a corporation established under the Safety Codes Act of the Province of Alberta (Revised Statutes of Alberta 2000, Chapter S-1). The industry-based Council is comprised of a Council Chair, a Board of Directors, a Technical Coordinating Committee and Sub-councils in the following areas: amusement rides, boilers and pressure vessels, buildings, electrical, elevators, fire, gas, plumbing, barrier free and passenger ropeways.

The Council is responsible for reviewing, formulating and managing significant components of the administration of Alberta’s safety system.

The Council’s mandate is to:

- develop and recommend safety codes and standards;
- promote uniform safety standards and practices;
- develop and administer a program to certify and designate Safety Codes Officers;
- develop and administer a program to accredit safety system partners;
- administer appeals for certification, accreditation and orders issued under the Safety Codes Act;
- administer the Master Electricians’ program;
- establish and operate safety information and training programs;
- develop and administer a province wide electronic permitting system for use by accredited entities administering the Safety Codes Act; and
- engage in any other activities as directed by the Minister responsible for the Safety Codes Act.

The Council is also responsible for overseeing the provision of safety codes compliance monitoring (permitting and inspection services) in unaccredited areas in the Province of Alberta under the Alberta Safety Codes Authority (ASCA).

1. Significant accounting policies:

These financial statements are prepared by management in accordance with Canadian public sector accounting standards including the 4200 standards for government not-for-profit organizations.

(a) Revenue recognition:

The Council follows the deferral method of accounting for contributions which include government grants. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Other revenues are recognized when earned or when the related services are provided.

(b) Cash and cash equivalents:

Cash and cash equivalents includes cash on hand and short-term deposits which are highly liquid with original maturities of less than three months.

(c) Capital assets:

Capital assets are recorded at cost. Amortization is provided using the following methods and annual rates:

Asset	Basis	Rate
Furniture & fixtures	Declining balance	20%
Equipment	Declining balance	20%
Computer hardware	Declining balance	30%
Computer software	Declining balance	30%
Leasehold improvements	Straight line	Over lease term

Copyrights are not amortized.

Capital assets that are not in use at year-end are not amortized.

(d) Deferred lease inducement:

Deferred lease inducement represents the unamortized value of an inducement received when the Council entered into a lease arrangement for the rental of office space. Amortization is provided on a straight-line basis over the term of the related lease as a reduction in office rent.

(e) Contributed services:

Contributed supplies and services that would otherwise have been purchased are recorded as contributions and expenses. Such transactions are measured at the fair value at the date of contribution, when a fair value can be reasonably determined.

(f) Allocation of expenses:

The Council records a number of its expenses by program. The cost of each program includes the personnel, premises and other expenses that are directly related to providing the program. The Council allocates certain of its general support expenses by identifying the appropriate basis for allocation. Administration and corporate governance are not allocated.

(g) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has elected to record all investments at fair value as they are managed and evaluated on a fair value basis.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial instruments are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gains and losses are reversed and recognized in the statement of operations.

The standards require the Council to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;

Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

(h) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the year. Significant amounts subject to such estimates and assumptions include the carrying amount of capital assets. Actual results could differ from those estimates.

(i) Future accounting changes:

The following summarizes upcoming changes to Canadian public sector accounting standards that will be effective for the Council in future years:

PS 2200 - Related Party Disclosures
(effective April 1, 2017)

PS 3420 - Inter-Entity Transactions
(effective April 1, 2017)

PS 3210 - Assets (effective April 1, 2017)

PS 3320 - Contingent Assets (effective April 1, 2017)

PS 3380 - Contractual Rights (effective April 1, 2017)

PS 3430 - Restructuring Transactions
(effective April 1, 2018)

The Council's management is currently assessing the impact of these new accounting standards on its financial statements.

2. Investments:

2017	Level	Cost	Fair Value
Cash and cash equivalents		\$ 1,100	\$ 1,100
Jarislowsky Fraser Money Market Fund	1	112	112
Pooled funds:			
Jarislowsky Fraser Bond Fund	2	5,957,928	5,798,846
Jarislowsky Fraser Canadian Equity Fund	2	3,148,436	3,077,850
Jarislowsky Fraser Global Equity Fund	2	1,775,593	1,893,744
		\$ 10,883,169	\$ 10,771,652

2016	Level	Cost	Fair Value
Cash and cash equivalents		\$ 2,860	\$ 2,860
Jarislowsky Fraser Money Market Fund	1	1,366	1,366
Pooled funds:			
Jarislowsky Fraser Bond Fund	2	6,171,472	6,010,048
Jarislowsky Fraser Canadian Equity Fund	2	4,326,070	4,061,560
Jarislowsky Fraser Global Equity Fund	2	892,314	910,648
		\$ 11,394,082	\$10,986,482

There were no transfers between Level 1 and Level 2 for the years ended December 31, 2017 and 2016. There were no transfers in or out of Level 3.

3. Capital assets:

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Furniture and fixtures	\$ 412,691	\$ 275,208	\$ 137,483	\$ 166,314
Equipment	14,646	5,727	8,919	13,347
Computer hardware	434,602	204,052	230,550	222,181
Computer software	1,014,954	543,514	471,440	622,333
Leasehold improvements	1,096,714	1,044,121	52,593	305,631
Copyrights	11,767	-	11,767	11,767
Capital assets not in use	270,158	-	270,158	-
	\$ 3,255,532	\$ 2,072,622	\$ 1,182,910	\$ 1,341,573

Included in capital assets not in use is \$179,200 (2016 - \$nil) related to new computer software and \$90,958 (2016 - \$nil) relating to leasehold improvements for the Council's new offices (see note 6).

4. Deferred revenue and grants repayable:

	Balance, beginning of year	Amounts received / receivable	Revenue recognized, net	Balance, end of year
Core Operations				
Grant agreements:				
Province of Alberta - Safety System Outcome Survey	\$ 250,524	\$ 325	\$ -	\$ 250,849
	250,524	325	-	250,849
Course and exam fees	51,180	688,426	(686,401)	53,205
Certification	179,121	106,887	(106,775)	179,233
	480,825	795,638	(793,176)	483,287
ASCA				
Alberta Safety Codes				
Authority permit fees	1,960,267	5,509,590	(5,474,714)	1,995,143
	\$2,441,092	\$6,305,228	\$(6,267,890)	\$ 2,478,430

Safety System Outcome Survey

In the prior year, the Council applied for and obtained a one-time conditional grant from the Province of Alberta. The grant provided for a total of \$250,000 to be received to complete a survey of the various participants in the safety codes system to identify any gaps in the system, potential risks and mitigating measures on a go-forward basis. An amendment to the grant agreement was obtained in late 2016 extending the project to April 30, 2017. As of April 30, 2017 the grant funds were not spent on eligible expenditures as agreed upon and a new amendment to the agreement extending the project has not been obtained. As a result, the full amount plus interest of \$250,849 is considered repayable.

5. Internally restricted net assets:

The Council maintains internally restricted net assets in the amount of \$3,000,000 to manage sustainability risk over the medium term. Access to the restricted net assets is granted by resolution of the Board of Directors.

6. Commitments:

The Council is committed to future minimum payments of \$86,988 under an operating lease for its office premises which expires April 30, 2018.

Effective May 1, 2018, the Council has committed to a new operating lease for its office premises which expires April 30, 2028. Under the new agreement, the minimum annual payment is \$259,785. The Council is also responsible for its share of operating costs related to the office premises.

7. Remuneration and other costs disclosure:

Board of Director members are remunerated by the schedules as set out by Order in Council 466/2007. Remuneration is comprised of \$70,111 (2016 - \$49,318) and is included in honoraria expense. Other costs consist of travel and accommodation related to meetings attendance which are included in travel expense.

	2017	2016
Board of Director members:		
Remuneration	\$ 70,111	\$ 49,318
Other	20,803	16,690
	\$ 90,914	\$ 66,008

8. Related party transactions:

Transactions with the Province of Alberta are considered to be in the normal course of operations. Grant revenue includes \$nil (2016 - \$111,648) from the Province of Alberta.

The Province of Alberta currently provides certain services to the Council, including a monitoring service of accredited entities as part of the Municipal Support Program, at no cost.

9. Financial risks and concentration of credit risk:

The Council is exposed to a number of different financial risks arising from its use of financial instruments, including market price risk, liquidity risk, credit risk and interest rate risk. The Council's overall risk management processes are designed to identify, manage and mitigate business risk.

Market price risk

Market price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. As all of the Council's investments are in pooled-funds and carried at fair value with fair value changes recognized in the statement of operations and statement of remeasurement gains (losses), all changes in market conditions will directly result in an increase (decrease) in net assets. Market price risk is managed by the Council through their investment guidelines and policies, as monitored by the management of the Council and its investment manager. There have been no significant changes to the market price risk exposure from 2016.

Liquidity risk

Liquidity risk is both the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities, and there will be no ability to sell its financial instruments should it wish to do so.

The Council's Investment Policy, which is reviewed and approved by the Board of Directors annually, establishes the nature of acceptable investments for its portfolio. As a result, 100% of the Council's investments are in pooled funds. Although market events could lead to some investments within the pooled fund becoming illiquid, the diversity and quality of the Council's investments is designed to ensure that liquidity is available to pay liabilities

as they come due. The Council also maintains cash on hand for liquidity purposes and to pay accounts payable and accrued liabilities. There have been no significant changes to the liquidity risk exposure from 2016.

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Council. In relation to the Council activities, credit risk arises from the issuance of permits by accredited third-parties and subsequent remittance of levies to the Council. This risk is mitigated through the Council's ongoing due diligence of accredited organizations, and the number of accredited organizations issuing permits. In relation to the Council's investment portfolio, credit risk arises from the bond or equity issuer defaulting on its obligations.

The Council manages credit risk by investing diversified pooled funds. Cash is held with reputable financial institutions and accounts receivable are with counterparties that the Council believes to be reputable entities. No individual financial asset is significant to the Council's operations. There have been no significant changes to the credit risk exposure from 2016.

Interest rate risk

The Council is exposed to interest rate risk associated with the underlying interest-bearing instruments held in the Jarislowsky Fraser Bond Fund. To properly manage the Council's interest rate risk, appropriate guidelines and investment policies are set and monitored by management of the Council and its investment manager. There have been no significant changes to the interest rate risk exposure from 2016.

10. Comparative information:

Certain comparative information has been reclassified to conform with the financial presentation adopted in the current year.

Schedule 1: Operating Activities

Year ended December 31, 2017

	Core operations	ASCA	2017
Revenue:			
Operating fees:			
Municipalities and agencies	\$ 6,128,779	\$ -	\$ 6,128,779
Corporations	1,024,653	-	1,024,653
Permit fees	-	5,474,714	5,474,714
Course and exam fees	686,401	-	686,401
Master Electricians Program certification fees	533,689	-	533,689
Investment income	495,466	3,974	499,440
Certification	106,775	-	106,775
Annual conference	47,850	-	47,850
Application development	47,325	-	47,325
Other revenue and recoveries	37,224	-	37,224
Designation of powers	10,975	-	10,975
Accreditation	10,388	-	10,388
Appeals	5,500	-	5,500
Grants	-	-	-
	9,135,025	5,478,688	14,613,713
Expenses:			
Salaries and benefits	5,396,682	443,357	5,840,039
Permit service fees	-	4,299,684	4,299,684
Contractors and consultants	1,035,985	83,691	1,119,676
Amortization of capital assets	553,236	79,974	633,210
Office rental	495,108	52,000	547,108
Annual conference	292,863	-	292,863
Travel	227,175	5,012	232,187
Electronic business solutions	152,023	68,878	220,901
Course and seminar costs	207,948	-	207,948
Office and general	170,728	4,054	174,782
Publications	157,070	2,418	159,488
Meetings	103,266	2,353	105,619
Consulting fees	92,208	-	92,208
Bank and investment service charges	91,012	69	91,081
Honoraria	70,111	-	70,111
New course version	65,085	-	65,085
Test bank validations	63,782	-	63,782
Professional fees	51,228	(137)	51,091
New course development	43,150	-	43,150
Loss on disposal of capital assets	38,980	-	38,980
Appeals	30,550	-	30,550
Insurance	26,632	2,800	29,432
Special training programs	14,220	-	14,220
Corporate memberships	5,629	-	5,629
Competency analysis	1,176	-	1,176
Electronic conversion	797	-	797
	9,386,644	5,044,153	14,430,797
Excess (deficiency) of revenues over expenses	\$ (251,619)	\$ 434,535	\$ 182,916

See accompanying notes to the financial statements.



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