



SHIFT | ADAPT | CONNECT
Safety Codes Council 2020 Annual Report



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■ Message to Our Stakeholders

2020 was a year of change for the Safety Codes Council. This report is titled Shift-Adapt-Connect and covers the shifts that took place in our business practices this year, the actions taken in order to adapt to change, and the efforts made to ensure that we remained connected to our clients and stakeholders.

SHIFT

Shifting Gears

Like so many organizations in Alberta, the COVID-19 pandemic changed the way the Council's services needed to be offered to clients. In response to this unexpected disruption, staff transitioned to remote work and in-person services and meetings moved online.

This year also saw the Council assuming responsibility for services related to storage tank management in unaccredited areas of the province. The new Storage Tank Management division of the Alberta Safety Codes Authority successfully assumed these services, met with key stakeholders, and laid the groundwork for improvements to existing business practices. For more information on this transfer, see "Storage Tank Management: A New Mandate and a New Opportunity."

In August, members and staff welcomed Amina Deiab as President and CEO. In her time with the Council, Amina has met with clients and stakeholders and begun to lay the groundwork for our 2021-2025 Strategic Plan.

ADAPT

Adapting to Change

In 2020, it was more important than ever to ensure that Council services were being offered in an effective and accessible manner. This meant evaluating processes and reducing red tape to help our clients save on time and resources.

By leveraging technology and maintaining a flexible approach to our business practices, we were able to ensure that stakeholders experienced limited interruptions; all while taking steps to improve access for individuals and organizations across the safety codes system.

CONNECT

Connecting with You

The Council has always played a key role in ensuring that connections between government, industry, and regulators remain strong. In 2020, open communication and support for stakeholders became a priority in order to ensure that we continued to address important and emerging issues in the system at large.

Safety codes sub-councils continued to meet virtually, regional meetings for safety codes officers moved online to become available to a broader audience, and we promoted greater knowledge in the safety codes system through low-cost online workshops and free technical sessions with Alberta Municipal Affairs. Our website redesign, launched in November, provides a sustainable platform that is being used to promote better information sharing within the safety codes system, including safety tips brochures, permitting information, and free code books.

Learn More about our 2020 Activities

This document provides updates on the 2020-2022 Business Plan goals, 2020 Financial Statements, and in-depth reporting on key achievements over the course of the year.

Reducing Red Tape: Easing Administrative Burdens During and After COVID-19

The Council remains committed to evaluating our procedures in order to reduce red tape. In 2020, we focused on making improvements to meet the challenges brought on by the COVID-19 pandemic, ensuring service continuity and reducing administrative burdens in order to support our partners in maintaining safety standards. At the same time, we leveraged technology to eliminate barriers to information access.

Responding to COVID-19

In order to accommodate COVID-19 protocols, our in-person services were transitioned online whenever possible. Sub-council meetings, appeals, and the Annual General Meeting were all held virtually. In order to address mailing delays, digital ID cards and certificates for safety code officers (SCOs) and master electricians became available for download on Council Connect. Online proctoring was made available for all SCO and master electrician exams, enabling individuals to move through the certification process with greater certainty.

With new protocols around social distancing, accredited organizations faced challenges for administering safety code-related services. In response, the Council supported flexible approaches to inspections, allowing SCOs and accredited organizations to monitor compliance through photographs, video, and real-time inspections via web conferencing.

Improving Access to Information

We also focused our efforts on removing barriers to accessing information about our business practices, as well as educational content of interest to a diverse group of clients and stakeholders.

We produced several videos aimed at increasing awareness of the Council's role as well as our procedures, including a video on the role of the sub-councils and another on the Council's appeals process, which provided guidance for appellants and respondents. All videos produced by the Council were made available on multiple public platforms.

Our redesigned website, launched in November, provides a sustainable platform to disseminate information to clients and stakeholders. Along with improved access to information on our practices and procedures, the new website provided easier access to documents that assist with consistent code interpretation, including the Barrier-Free Design Guide, safety tips brochures, and a new User's Guide to STANDATA on 12-Storey Encapsulated Mass Timber Construction.

For safety codes professionals, we began offering our Continuing Education workshops at a low cost and in a virtual format. These workshops provided easier access for SCOs to attain Continuing Education credits, and the content of the courses addressed key knowledge gaps identified by our clients. Additional workshops were also developed in 2020, including "Variances: Gearing Up for Innovation and Safety," which provides training for safety codes professionals as well as professionals within the construction industry.

We also began to offer free online alternatives to Regional Meetings. These sessions, presented by the Provincial Administrators and cohosted by the Council and professional organizations for SCOs, provided updates on emerging issues in code interpretation and enforcement. By the end of 2020, we offered sessions in the Plumbing, Gas, and Electrical disciplines, as well as sessions on the National Energy Code for Buildings and on new requirements around 12-storey Encapsulated Mass Timber Construction. Sessions were recorded and the videos were released on multiple public platforms.

An Adaptive Approach

One of the Council's strengths as an organization is our ability to proactively assess the policies, procedures, and platforms that we use to deliver services to our clients. The COVID-19 pandemic challenged how we fulfil many aspects of our mandate, but by remaining focused on providing accessible services and promoting greater knowledge within the safety codes system, we ensured that our clients and stakeholders received consistent support throughout the year.

STORAGE TANK MANAGEMENT:

A New Mandate and a New Opportunity

On 8 June 2020, responsibility for services related to flammable and combustible liquid storage tank systems transferred from the Petroleum Tank Management Association of Alberta (PTMAA) to the Council.

The new Storage Tank Management division of the Alberta Safety Codes Authority (ASCA) assumed responsibility for services related to permitting, inspections, and spill and incident reporting in unaccredited areas of the province. In addition, responsibility for contractor approval transferred to the Administrator of Certification.

Hundreds of thousands of Albertans live under the jurisdiction of ASCA. This area also includes hundreds of businesses across Alberta that depend on reliable and effective services related to storage tanks.

Following the issuance of STANDATA 19-FCI-015, the inventory control system utilized by PTMAA was discontinued effective 31 August 2020. ASCA – Storage Tank Management staff ensured that tank owners were able to make the transition to the new Annual Operating Permit without experiencing interruptions to their day-to-day operations.

A key priority in the transition process was engaging stakeholders involved in storage tank management in order to identify areas for improvement. These stakeholders, including tank owners and operators, product delivery companies, and municipal contacts, provided feedback through surveys, focus groups, and interviews. Staff began the process of identifying improvement areas in order to lay the groundwork for an ambitious vision for the future of storage tank management in unaccredited areas of Alberta.



2020 Update on Our Strategic Goals

SHIFT

ASSUME STORAGE TANK MANAGEMENT PROGRAMS AND SERVICES

Transition storage tank system-related services to the Council by 8 June 2020.



Results:

- The responsibility for storage tank management in unaccredited areas of Alberta was transitioned to the Council on 8 June.
- The Tank Management System database became operational within the Council.
- The Tank Inventory System replaced the registration system as per STANDATA 19-FCI-015.

Why this is significant:

- The transition consolidated the programs related to permitting and inspections in unaccredited areas of the province under the Council's oversight. ASCA already oversees permitting and inspections in other disciplines, meaning that clients will have fewer points of contact.
- The transition was successfully conducted with limited interruption to clients and stakeholders.

Target: Identify Storage Tank Management program gaps through benchmarking and conducting consultations with stakeholders by the end of Q4 2020.

Results:

- 331 tank owners/operators, product delivery companies, database search clients, and municipal contacts in Alberta were surveyed regarding their level of satisfaction with the permitting and inspection in Q3 2020.
- Survey participants were invited to participate in a stakeholder round table discussion. Discussions were held with regulatory representatives (SCOs) as well as tank owners and operators. Priorities were identified, including process improvements and automation and opportunities for public and industry education.
- Benchmarking was performed with the Technical Standards and Safety Authority's (TSSA) Fuels Safety Program, which regulates the transportation, storage, handling and use of fuels in Ontario. Opportunities for future discussion and collaboration were also identified and will be continued into 2021 and beyond.

Why this is significant:

- The transfer of responsibility marked an opportunity to improve services related to storage tank management in Alberta, and consultation with our stakeholders is the best way to identify issues and ensure that program improvements address existing gaps.

SHIFT

GOVERNANCE REVIEW COMPLETION



Restructure sub-councils governance framework to streamline processes and reflect the new, integrated approach to the work of the sub-councils, through the dissolution of the Technical Coordinating Committee and the formation of the new Private Sewage Sub-Council and Electrical Utilities Sub-Council.

Target: Approve changes to reflect the new sub-council governance framework in Council Bylaws at the 2020 Annual General Meeting (AGM).

Results:

- The proposed changes were approved at our virtual AGM, on 21 October 2020, which was postponed due to COVID-19.

Target: Implement a new sub-council governance framework by the end of 2020.

Results:

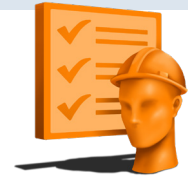
- Panels were set to form new matrices for the Electrical Utilities and Private Sewage Disposal Systems Sub-Councils. Membership in panels was approved by the Board's governance committee in February 2020.
- Both panels began meeting to determine matrices in December 2020.
- The new sub-councils will be formed by the end of 2021. This delay is the result of the postponement of the AGM.

Why this is significant:

- These changes provide greater clarity on the role and function of our sub-councils, allowing them to function more effectively.
- The formation of two new sub-councils allows for better industry representation, particularly in matters related to the Alberta Electrical Utility Code and the Private Sewage Standard of Practice.

SHIFT

UPDATE ALBERTA SAFETY CODE OFFICER COMPETENCIES



Develop an up-to-date competency-based approach to SCO training and certification.

Target: Translate generic competencies into learning objectives by the end of Q2 2020.

Results:

- Learning objectives were completed for all disciplines in consultation with system stakeholders, allowing direct comparison with existing training materials and providing the objectives for future training development.

Target: Conduct an SCO curriculum gap analysis for base competency courses by the end of Q2 2020.

Results:

- A gap analysis was completed in Q3 2020, identifying disparities between current training materials and new competency-based learning objectives.

Target: Complete discipline-specific competency profiles for building, plumbing, electrical, and gas by the end of 2020.

Results:

- Competency profiles for these disciplines were completed in Q4 2020.

Why this is significant:

- Determining appropriate competencies aligns certification standards and the training curriculum with the needs of the system.
- Competency profiles will support the development of training and certification programs that ensure SCOs entering the system have the knowledge and skills to perform their work.

ADAPT

POLICY FRAMEWORK TRANSITION



Review and update the Council's policy framework and complete the subsequent changes to Council policies and procedures.

Target: Update the remaining 14 policies and procedures by the end of Q1 2020.

Results:

- Fully transitioned all corporate and operational policies into the new policy framework.

Target: Update the Council's Bylaws and Board Charter to reflect the completed policy framework by the end of Q2 2020.

Results:

- Bylaws were approved at the delayed AGM in October.
- The Board Charter was approved on 21 October 2020 to reflect the completed framework.

Why this is significant:

- The framework transition was a portion of a larger multi-year project to ensure that the Council has the right governance, policies, and procedures in place to remain successful in the fulfilment of our mandate.

ADAPT

CONTINUING EDUCATION WORKSHOPS FOR SCOS



Develop continuing education workshops to enhance SCO knowledge.

Target: Complete development of two additional workshops based on stakeholder input by the end of 2020.

Results:

- In response to knowledge gaps identified by Alberta Municipal Affairs and verified by other stakeholders, a variance workshop was developed by the Council.
- Stakeholders from throughout the system were consulted to develop a workshop that includes many different perspectives, including input from SCOs, engineers, architects, builders, and Alberta Municipal Affairs.
- The variance workshop was piloted on 16 November 2020. Participants were surveyed following the workshop pilot and reported 4/5 on overall satisfaction with the workshop and 4.6/5 relevancy to their job.
- A second workshop on construction plans review has been drafted and will be piloted in February 2021.

Why this is significant:

- Providing relevant and ongoing learning opportunities to SCOs is core to the Council's mandate.
- These courses provided a credit-earning opportunity for the SCO Continuing Education program, giving SCOs the opportunity to update skills and gain more knowledge of the safety codes system.

ADAPT

IMPROVE APPEAL PROCESS

Improve the Council's appeals process and service delivery model to align with best practices.



Target: Incorporate and reflect appeals policies and procedures into Council Bylaws for approval at the AGM.

Results:

- Appeals policies and procedures were incorporated in Council Bylaws and approved at the October 2020 AGM.

Target: Identify performance gaps through benchmarking and consultation with stakeholders by the end of Q3 2020.

Results:

- A one-page practice guidelines was developed based on frequently asked questions.
- A survey to gather feedback from tribunal members was developed.

Why this is significant:

- Bylaw changes in 2016 altered several appeals processes, and these changes needed to be reflected in policy, process, and procedures. This update also allowed for improvement opportunities to be identified.
- Providing more resources to those navigating the appeals process results in a more consistent and positive experience.

ADAPT

BUSINESS CONTINUITY PLAN

Develop and implement a business continuity plan to mitigate risk in the event of an unplanned business interruption.



Target: Leadership to develop a draft Business Continuity Plan by the end of Q2 2020.

Results:

- Engaged MNP to support the business continuity planning process

Target: Implement the business continuity plan by the end of 2020.

Results:

- A plan was developed with MNP.

Why this is significant:

- Having a plan in place ensures continuity of services to stakeholders, clients, and Albertans in the event of an unplanned business interruption.

ADAPT

RECORDS MANAGEMENT

Establish records management policies and procedures to improve information management and increase operational efficiency.



Target: Complete a full inventory of all Council records and gather system requirements by the end of 2020.

Results:

- A full inventory of all Council records was completed and a system for records management was confirmed.

Target: Develop drafts of Records Management Policies and Procedures by the end of 2020.

Results:

- Drafts of Records Management Policies and Procedures were developed.

Why this is significant:

- As a public body under Schedule 1 of the FOIP Act, the Council must align its records management policy with that of Alberta Municipal Affairs.
- Creating this alignment will improve our recordkeeping and reporting, resulting in easier data retrieval and faster response times for our partners and stakeholders.

CONNECT

INDIGENOUS SCO STUDENT BURSARY

Develop an SCO student bursary for Indigenous students.



Target: Develop Indigenous SCO Student Bursary Program Guidelines by the end of Q1 2020.

Results:

- A draft of the Indigenous SCO Student Bursary Program Guidelines was developed.

Target: Communicate the availability of funding to stakeholders by the end of Q2 2020.

Results:

- A soft launch of the bursary was completed at the end of Q3, with the plan to officially launch the program with fully updated web content and application forms in Q1 of 2021.
- The Council received a request for support with certification costs for three building SCO students.

Target: Review applications and award funding by the end of Q4 2020.

Results:

- Funding was awarded to three employees of O'Chiese First Nation to complete their Building Residential certifications.
- Conversations continued with Siksika First Nation to support the progress of current students.

Why this is significant:

- A bursary reduces barriers for Indigenous people completing their SCO certification and contributes to increasing the capacity of Indigenous communities to provide their own safety codes-related services.
- Clear application forms and web content provides transparency and direction for potential applicants.

CONNECT

VIDEO LEARNING SERIES FOR STAKEHOLDER EDUCATION



Develop a series of videos to communicate the purpose and value of the safety codes system and the Council.

Target: Complete two videos for stakeholder education by the end of 2020.

Results:

- "Codes, Standards, and the Sub-councils" was uploaded to multiple public platforms by Q2 2020.
- "Appeals" was uploaded to multiple public platforms by Q3 2020.

Why this is significant:

- Videos are a proactive way to increase public and stakeholder understanding of the system and the Council.
- The Appeals video provides information on our process to appellants and respondents in an accessible manner.

CONNECT

REDESIGN OF COUNCIL WEBSITE



Update the Council's website.

Target: Complete mock-up of website and present to stakeholders by the end of Q2 2020.

Results:

- A completed mock-up of the website was presented to stakeholders by the end of Q3.
- Target was delayed due to COVID-19.

Target: Launch the new website by the end of 2020.

Results:

- The Council website redesign was successfully launched on 3 November 2020.

Why this is significant:

- The website is one of the Council's primary communication tools, and improvements enable the public to have easier access to important system information.

CONNECT

ONLINE REGIONAL MEETINGS

Make regional meetings more convenient and accessible by providing them in an online webinar format.



Target: Hold one discipline-specific regional meeting webinar by Q3 2020.

Results:

- The first webinar was held in Q2, achieving a 4.5/5 satisfaction score in a survey of participants.
- Three more webinars were held in Q3 and Q4.
- Recordings of sessions were made available on multiple public platforms.

Why this is significant:

- These sessions provide updates on new developments and promote consistent code enforcement by providing clarification on rules and standards.
- Offering sessions online and for free affords SCOs across the province the opportunity to view these sessions at a time and location convenient to them.
- These online regional meetings can also be used for Continuing Education credits, promoting greater compliance with this certification requirement.

Sub-Councils – Alberta’s Safety Network

Through our sub-councils, the Council helps represent industry perspectives in matters of code development, interpretation, and education.

Sub-council members are volunteers nominated by organizations that represent Alberta's industries and regions. These individuals represent diverse specialities, including engineering, architecture, contracting, manufacturing, corporations, safety codes officers, labour, municipalities, and education.



Amusement Rides Sub-Council (ARSC)

Meetings in 2020: **2** | Seats: **8** | Volunteer Hours: **88**

- The adoption of ASTM F2783-17 was monitored. No issues were reported with this adoption and the amendment to not include patron-controlled devices.
- The ARSC matrix was reviewed and found to appropriately represent the amusement rides discipline.

Members:

Fairs & Exhibitions Bill Church , Chair	Professional Engineers Lee Nagy
Large Ride Operators Danielle Gillespie , Vice-Chair	Public at Large Julian Power
Large Indoor Amusement Parks Brian Mykitiuk	Risk and Insurance Management David Buzzeo
Portable Ride Operators Chris Clarke	Small Outdoor Amusement Parks Bob Wyatt



Barrier-free Sub-Council (BFSC)

Meetings in 2020: **4** | Seats: **15** | Volunteer Hours: **353**

- To address concerns that barrier-free requirements are contained in a non-mandatory appendix of the elevator code and may be missed during elevator updates, a draft STANDATA was created by Alberta Municipal Affairs to clarify when permits under the building discipline may be required.
- Proposed changes to the 2015 National Building Code were reviewed.
- On recommendation of the Sub-Council, the content on Barrier-Free Design included in SCO training was made available for free on the Council's website.
- The BFSC matrix was reviewed and found to appropriately represent the Barrier-free discipline.

Members:

Barrier Free Design Barry McCallum to 02/20 Ron Wickman from 03/20	Public at Large Karen Muir , Chair
Hearing Disabilities Lee Ramsdell	Residential Apartment and Condominium Owners/Managers Vacant Donna Monkhouse from 02/20
Agility Disabilities Bob Macklon	Visual Disabilities Matthew Kay
Aging Population Michael Francon to 03/20 Vacant to 08/20 Georg Rath from 09/20	Commercial Construction/Land Development Robert Lipka
Code Enforcement (Safety Codes Officer) David Morton to 01/20 Vacant to 02/20 Brian Huxley from 03/20	Communication and Cognitive Disabilities Bev Knudson
Hotel and Tourism Industry Tracy Douglas-Blowers to 11/20 Nominating organization withdrawn 12/20	Education and Training Tang Lee to 02/20 Vacant from 03/20
Mobility Disabilities Chris Schamber	Home Construction Vacant Deliany Sather from 02/20
Non-Residential Building Management Tanya Befus , Vice-Chair	



Building Sub-Council (BSC)

Meetings in 2020: 8 | Seats: 17 | Volunteer Hours: 867

- The Breweries and Distilleries Joint Working Group, formed with the Fire and Electrical sub-councils, concluded its work. Based on the working group's findings, a document outlining all the building, fire, and electrical code requirements that are relevant to distilleries was supported by the pertinent sub-councils and posted on the Council website.
- Eighty-eight proposed changes to the 2015 National Building Code were reviewed and Alberta Municipal Affairs was presented with the Building Sub-Council's recommended comments on the National Building Code proposed code changes for submission to National Research Council.
- The Occupant Load Working Group, formed with the Fire Sub-Council, concluded its work. Based on the working group's findings, the pertinent sub-councils recommended to Alberta Municipal Affairs that a STANDATA be issued to outline the differences in how occupant loads are calculated under the Building and Fire Codes. This will provide broad awareness of this discrepancy to owners, operators, design professionals, and Authorities Having Jurisdiction.
- The Using Stopped Escalators as Stairs Working Group, formed with the Elevators Sub-council, completed its review. Based on the working group's findings, the pertinent sub-councils made recommendations to Alberta Municipal Affairs.
- Numerous proposed STANDATA were reviewed and comments were provided to Alberta Municipal Affairs.



Electrical Sub-Council (ESC)

Meetings in 2020: 5 | Seats: 18 | Volunteer Hours: 585

- The Breweries and Distilleries Joint Working Group, formed with the Building and Fire sub-councils, concluded its work. Based on the working group's findings, a document outlining all the building, fire, and electrical code requirements relevant to distilleries was supported by the pertinent sub-councils and posted on the Council website.
- The CE Code Farm Services Working Group was formed to further research and discuss installations and farm services. A final report was submitted for review.
- The Single Family Dwelling Joint Working Group was formed with the Gas Sub-Council to investigate discrepancies in the definition of Single Family Residential Dwelling within the Permit Regulation.
- The ESC matrix was reviewed and found to appropriately represent the electrical discipline.

Members:

Builders & Developers Keith Jansen	Large Industrial Developments Laura Ritchie to 03/20 (Maternity Leave) Brendan Ottosen from 04/20 (1 year term)
Building Officials Bruce Schultz , Vice-Chair – South	
Fire Officials Russell Croome , Vice-Chair – North	Large Municipalities – South Ulrik Seward to 05/20 Justin Pockar from 06/20
Architecture Gregory Beck to 01/20 Grace O'Brien from 02/20	Major Municipalities – North David Flanagan
Building Owners Corey Klimchuk	Mechanical Contractors Kenneth Roskell to 01/20 Terry O'Flaherty from 02/20
Consumer Protection Rick Gratton	Professional Engineers Andrew Smith , Chair
General Contractors Lee Phillips	Public at Large Robert Kralka
Heating, Ventilation, Air-conditioning Matthew Kramer	Rural Municipalities Stephen Hill
Labour Colin Belliveau	Urban Municipalities Darin Sceviour

Members:

Major Municipalities - North Gerry Wiles , Chair	Major Municipalities – South Adam Ghani , Vice Chair- South
Education and Training Glenn Hedderick	Municipalities Lori Monaghan
Electrical Manufacturers Scott Basinger , Vice-Chair – North	Oil and Gas Processing Industry Nicolas Leblanc
Electrical Contractors Bert DeBruin	Petrochemical Industry Tim Driscoll
Electrical for Residential Construction Barry Voogd	Professional Engineers Hussein Desouki
Electrical Safety Codes Officers Don Bradshaw to 01/20 Ken Forbes from 02/20	Public at Large Ken Hood
Electrical Standards/ Testing/Certification Organizations Pat Conway	Rural Electrification Areas Todd Grayson
Labour John Briegel	Small/Municipal Electrical Utilities Tyler Masson
Large Electrical Utilities Brian Townsend	Accredited Corporations (New Industry Segment) Gerry Doan – from 02/20



Elevators Sub-Council (EVSC)

Meetings in 2020: 3 | Seats: 12 | Volunteer Hours: 216

- A review of CSA B355 and ASME A17.1/CSA B44 was concluded and recommendations have been made to Alberta Municipal Affairs.
- The Using Stopped Escalators as Stairs Working Group, formed with the Building Sub-Council, completed its review. Based on the working group's findings, the pertinent sub-councils made recommendations to Alberta Municipal Affairs.
- The EVSC matrix was reviewed and found to appropriately represent the elevating devices discipline.

Members:

Professional Engineers
J.C. Bawa, Chair

Public at Large
Sarah Burghardt

Architecture
Salim Merchant

Building Owners – Calgary
Stephen Weston

Building Owners – Edmonton
Lonny Vanderheide

Construction Contractors
Jeff Case

Elevator Maintenance
Scott Gavin to 01/20
Andrew Cross from 02/20

Labour
Don Ireland, Vice-Chair

Large Manufacturers
Dan Theriault to 12/20
Vacant from 12/20

Real Estate Industry
Ernie Paustian

Small Manufacturers and Lifts for Persons with Physical Disabilities Industry
Richard Meunier

Education and Training (New Industry Segment)
Jeff Mitchell from 03/20



Fire Sub-Council (FSC)

Meetings in 2020: 4 | Seats: 16 | Volunteer Hours: 420

- The Breweries and Distilleries Joint Working Group, formed with the Building and Electrical sub-councils, concluded its work. Based on the working group's findings, a document outlining all the building, fire, and electrical code requirements relevant to distilleries was supported by the pertinent sub-councils and posted on the Council website. The Occupant Load Working Group, formed with the Building Sub-Council, concluded its work. Based on the working group's findings, the pertinent sub-councils recommended to Alberta Municipal Affairs that a STANDATA be issued to outline the difference between how occupant loads are calculated under the Building Code versus under the Fire Code. This will provide broad awareness of this discrepancy to owners, operators, design professionals, and Authorities Having Jurisdiction.
- The Fire Sub-Council additionally recommended to Alberta Municipal Affairs that a STANDATA be issued on the specific process for Fire Authorities Having Jurisdiction to follow in calculating and communicating occupant loads in assembly occupancies.
- The code review working group evaluated Alberta-specific items for potential harmonization with national codes.

Members:

Insurance Industry
Mark Heiderich

Fire Safety Industry
Robbin Foxcroft,
Vice-Chair – South

Major Municipalities – North
Gary Mayorchak,
Vice-Chair – North

Alberta Fire Fighters
Hunter Langpap

Architecture
Stephen Suen

Building Officials
Mario Poser to 01/20
Richard Friesen from 02/20

Building Owners
Chris Taylor

Electrical Industry
Joseph Davis

Fire Officials
Michael Bos, Chair

Major Municipalities – South
Jim Robinson

Petroleum Industry
Allan Blatz

Professional Engineers
Cameron Bardas

Public at Large
Grace O'Brien to 01/20
Vacant from 02/20

Municipal Districts and Counties
Cammie Laird

Urban Municipalities
Marc Royer

Accredited Corporations (New Industry Segment)
John Penzo from 02/20



Gas Sub-Council (GSC)

Meetings in 2020: 5 | Seats: 17 | Volunteer Hours: 527

- A review of several CSA B149 codes was conducted and it was recommended that the relevant codes continue through the timely code adoption process as published.
- A review of the Gas section of the Permit Regulation was concluded and recommendations were made.
- A Single Family Dwelling Joint Working Group was formed with the Electrical Sub-Council to investigate discrepancies in the definition of 'single family residential dwelling' within the Permit Regulation.
- Numerous proposed STANDATA were reviewed and comments were provided to Alberta Municipal Affairs.

Members:

Labour Ron Beaudette	Municipalities Roy Herrington
Propane Gas Industry Jason Helfrich , Chair	Natural Gas and Propane Vehicle Conversion Industry Marcel Mandin
Education and Training Denis Turgeon to 04/20 Darcy Toner from 05/20	Professional Engineers James Maddocks
Inspection Authorities Mike Turek	Public at Large Cindy Kieu
Large Gas Utilities Paul Delano	Rural Gas Utilities Jeff Skeith
Major Municipalities – South Mark Guderjan , Vice Chair from 02/20	Sheet Metal Contractors Chuck Lemke
Major Municipalities – North Larry Miller	Small Gas Utilities Nathan Lesage
Manufacturers or Suppliers Dale Walls	Accredited Corporations (New Industry Segment) Randy Saunders from 02/20
Mechanical Contractors Simon Jolly to 01/20 Cody Christman from 02/20	



Passenger Ropeways Sub-Council (PRSC)

Meetings in 2020: 3 | Seats: 12 | Volunteer Hours: 132

- Concerns and issues around CSA Z98:19 were monitored and discussed, with no major problems being identified.
- The PRSC matrix was reviewed and found to appropriately represent the passenger ropeways discipline.

Members:

Large Operators Kristian Haagaard , Chair	Medium Operators Jason Paterson to 01/20 David Martel from 02/20
Large Operators Vacant Dan Boyles from 02/20	Medium Operators Richard Roy
Code Enforcement (Safety Codes Officer) Rob Eeglon	Public at Large Carl Lam
Professional Engineers Bruno Mannsberger , Vice-Chair	Risk and Insurance Management Jaclyn McCoy
Passenger Conveyor Installer/Manufacturer Russell Karp	Small Operators Marlin van Zandt
Passenger Ropeways Manufacturer Brent Carmichael	Technical Expert Warren Sparks



Plumbing Sub-Council (PSC)

Meetings in 2020: **4** | Seats: **12** | Volunteer Hours: **276**

- A review of the plumbing-specific section of the Permit Regulation began. An in-depth discussion around permit wording for mobile RV parks and existing tanks was conducted.
- The Private Sewage Disposal Systems Working Group reviewed the Standard of Practice with the goal of publishing a new edition in 2021.
- The Alternative Solutions Guide for Small System Water Reuse and Stormwater Use Notice was reviewed.
- The PSC matrix was reviewed and found to appropriately represent the plumbing discipline.

Members:

Manufacturers and Suppliers
David Hughes, Chair

Education and Training
Paul Fullam

Labour
Angus Potskin

Major Municipalities – North
Shawn vanVelzen

Major Municipalities – South
Ken Morrison to 02/20
Stephen Laurie from 03/20

Mechanical Contractors Vacant
Roger Lebeuf from 02/20

Rural Municipalities Vacant
Al Steenbergen from 02/20

Private Sewage Disposal Contractors
David Dallaire

Professional Engineers
Quenton Kusiek

Public at Large
Stephan Dussault

Urban Municipalities
Tim Kosolofski

Mechanical Inspections
Mark Harold, Vice-Chair



Pressure Equipment Sub-Council (PESC)

Meetings in 2020: **4** | Seats: **16** | Volunteer Hours: **560**

- The PESR Codes & Standards Working Group completed review of the 2019 edition of ASME Section 1, Section 4, and Section 8 Divisions 1 and 2, as well as CSA z662-19. Based on their findings, the Sub-Council supported the adoption of ASME Boiler and Pressure Vessel Codes, 2019 edition, and CSA Z662-19 and recommended that the Administrator issue an Information Bulletin to address the use of Appendix 46, Section A, Division 1.
- A recommendation was made to the Minister to adopt the Pressure Welders Regulation amendment, which would extend the expiry of the Pressure Welders Regulation.

Members:

Contract Chief Inspectors
Nate Bartley

Petrochemical Industry
David Miller, Vice-Chair

Large Refinery and Petrochemical Sites
Geoff Kutz

Building and Heating Plants
Mike Clancy to 01/20
Vacant from 02/20

Construction and Maintenance of Pressure Equipment
Jacques St. Onge

Education and Training
Danielle Woroniuk

Electrical Utilities
John Wolff to 01/20
Diederik Godin from 02/20

Heavy Oil & Oilsands
Gregory Gaudet

Power Engineers
Henry Hau, Chair

Labour
Robert James

Petroleum Industry
Todd Loran to 01/20
Jim Rice from 02/20

Pressure Piping Industry
Billy Lee, Vice-Chair

Pressure Vessel Manufacturing Industry
Marvin Kossowan to 03/20
Colby Chapman from 03/20 to 10/20
Vacant from 10/20

Professional Engineers
Magdi Ghobrial

Public at Large
Nyssa Moore

Pulp and Paper Industry
Tony McWhannel

Message from the Chair

As a unique and challenging year comes to an end, the Safety Codes Council remains committed to fulfilling our mandate while helping Albertans meet the challenges brought by the COVID-19 pandemic and widespread economic uncertainty.

Like many organizations across the province, the Council transitioned our staff and our services to an online model. Thanks to the hard work of many departments, we were able to maintain continuity for our clients and support our partners in the system.

While navigating these unexpected challenges, we continued to focus on reducing red tape in our business practices. We supported changes in system oversight by assuming responsibility for storage tank management in unaccredited areas of Alberta. Council staff worked hard to ensure that the transition was smooth, and we are looking forward to finding ways to improve how we deliver these services.

The Board oversaw a number of changes this year, in governance as well as in staffing. Our first virtual AGM was held on October 21. Membership voted to approve several significant Bylaw changes, including adding two new sub-councils to better meet the needs of specialized areas of industry and the dissolution of the Technical Coordinating Committee (TCC) through the application of best practices and the maturing of the relationship between the Board, Council, and its sub-councils. We greatly appreciate the work done, over many years, by those who have served on TCC.

After 19 years with the Council, Brian Alford retired as President and CEO in July. The Board is grateful to Brian for his leadership, and we wish him the best in his retirement.

Amina Deiab began work as President and CEO soon after. Amina spent her first months developing our 2021-2025 Strategic Plan, leveraging the experience of our staff, members, and stakeholders in order to ensure that our planning reflects the goals and opportunities that we share with our partner organizations.

Despite the difficulties that we all experienced this year, the Council and the safety codes system remain strong. As we look to our next strategic cycle, we are well-positioned to use our role as a leader and regulator to excel in our mandate and support Alberta's economic recovery.



Board of Directors Summary

Board Director Meeting Attendance

Current Directors

Kevin Griffiths

Chair, Safety Codes Council
Board of Directors

Board Meeting Attendance: 7/7

Committee Meeting Attendance: 4

Jill Matthew

Chair, Governance and Nominating
Committee (until August 2020)
Chair, Human Resources and
Governance Committee
(as of September 2020)

Board Meeting Attendance: 7/7

Committee Meeting Attendance: 5/5

Tom Burton

Rural Municipalities of Alberta
Member, Audit and Risk Committee

Board Meeting Attendance: 7/7

Committee Meeting Attendance: 5/5

Charlene Smylie

Alberta Urban Municipalities
Association

Member, Governance and
Nominating Committee
(until August 2020)

Member, Human Resources and
Governance Committee
(as of September 2020)

Board Meeting Attendance: 7/7

Committee Meeting Attendance: 5/5

Owen Edmondson

Vice-Chair, Safety Codes Council
Board of Directors

Chair, Audit and Risk Committee
Member, Governance and
Nominating Committee
(until August 2020)

Board Meeting Attendance: 7/7

Committee Meeting Attendance: 7/8

Marcie Kiziak

Chair, Human Resources and
Compensation Committee
(until August 2020)

Vice-Chair, Human Resources and
Governance Committee
(as of September 2020)

Board Meeting Attendance: 7/7

Committee Meeting Attendance: 5/5

Juan Monterrosa

City of Edmonton

Member, Audit and Risk Committee

Board Meeting Attendance: 7/7

Committee Meeting Attendance: 4/5

Amina Deiab

(joined August 2020)

President and CEO (Ex-officio)

Board Meeting Attendance: 2/2

Committee Meeting Attendance: 5/5

Mark Gerlitz

Member, Human Resources and
Compensation Committee
(until August 2020)

Vice-chair, Audit and Risk Committee
(as of September 2020)

Board Meeting Attendance: 7/7

Committee Meeting Attendance: 2/2

Ulrik Seward

(joined Board in May 2020)

City of Calgary

Member, Governance and
Nominating Committee
(until August 2020)

Member, Human Resources and
Governance Committee
(as of September 2020)

Board Meeting Attendance: 5/5

Committee Meeting Attendance: 3/3

Retired Directors

Brian Alford

(retired August 2020)

President and CEO (Ex-officio)

Board Meeting Attendance: 5/5

Committee Meeting Attendance: 6/6

Eóin Cooke

(retired May 2020)

Member, Audit and Risk Committee

Board Meeting Attendance: 2/2

Committee Meeting Attendance: 2/2

Cal Ploof

(retired January 2020)

Chair, Technical Coordinating
Committee

Board Meeting Attendance: N/A

Committee Meeting Attendance: N/A

Marco Civitarese

(retired March 2020)

City of Calgary

Member, Audit and Risk Committee

Board Meeting Attendance: 2/2

Committee Meeting Attendance: 1/1

Brad Krizan

(retired May 2020)

Member, Governance and
Nominating Committee

Board Meeting Attendance: 1/2

Committee Meeting Attendance: N/A

Nancy Domijan

(retired May 2020)

Member, Human Resources and
Compensation Committee

Board Meeting Attendance: 2/3

Committee Meeting Attendance: 1/1

Pam Ramotowski

(retired May 2020)

Member, Human Resources and
Compensation Committee

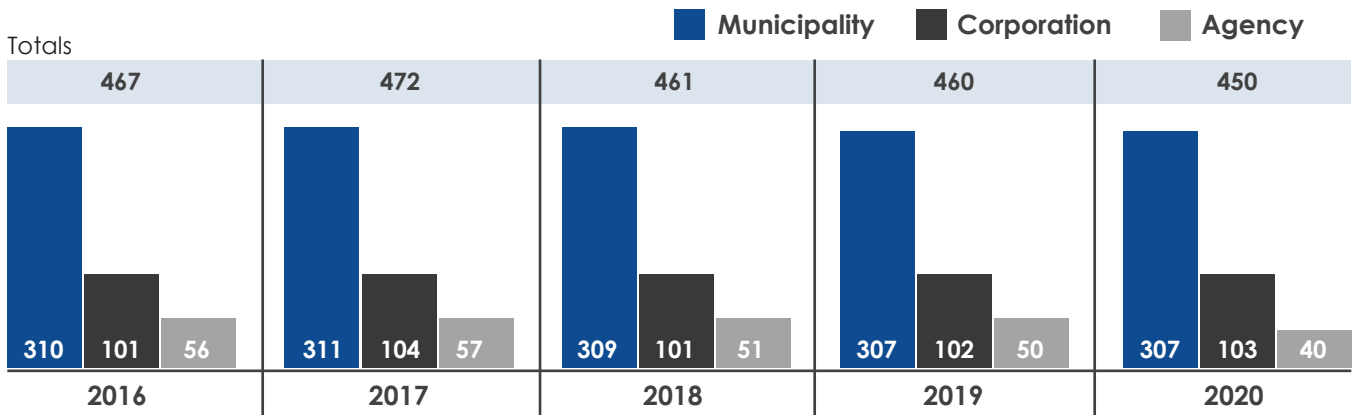
Board Meeting Attendance: 2/2

Committee Meeting Attendance: N/A

Facts and Figures

Accredited Organizations

Accredited areas of Alberta are overseen by the municipalities, corporations, and agencies that the Council authorizes to administer the Safety Codes Act in their jurisdiction. Each organization has a unique scope that defines the type and delivery of safety codes services they are authorized to provide.



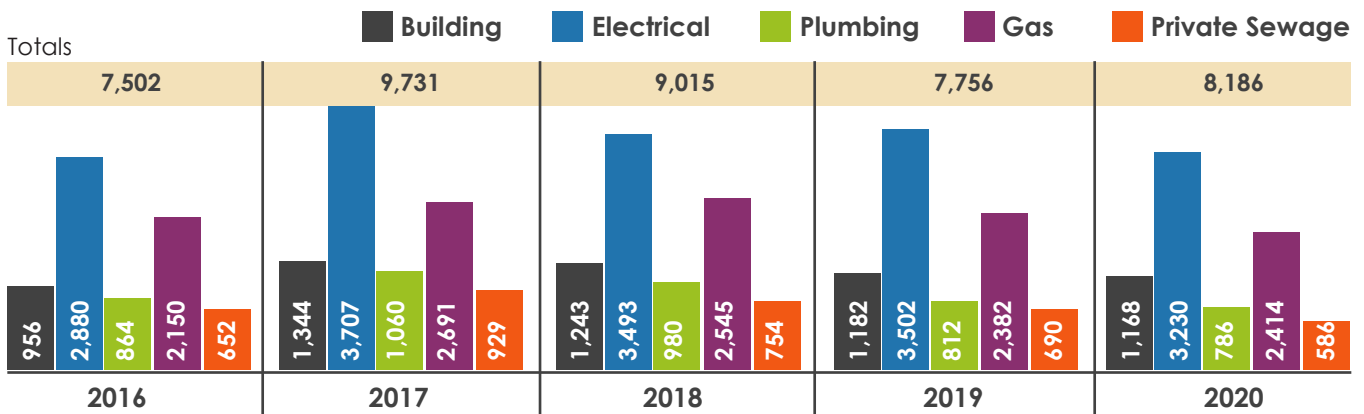
Accreditation by Organization Type

Accreditation types have generally remained stable over the last five years. In 2020, the Accreditation department reviewed inactive agencies (those that had not filed an Annual Internal Review or paid fees) and discontinued accreditation for those that no longer wished to remain active, which accounts for the larger drop in agency numbers this year.

Alberta Safety Codes Authority (ASCA)

In some areas of the province, there is no municipality or corporation that has been accredited. In these areas, ASCA, a division of the Council, oversees the delivery of safety codes services on behalf of the Minister. ASCA enters into agreements with accredited agencies to provide frontline services.

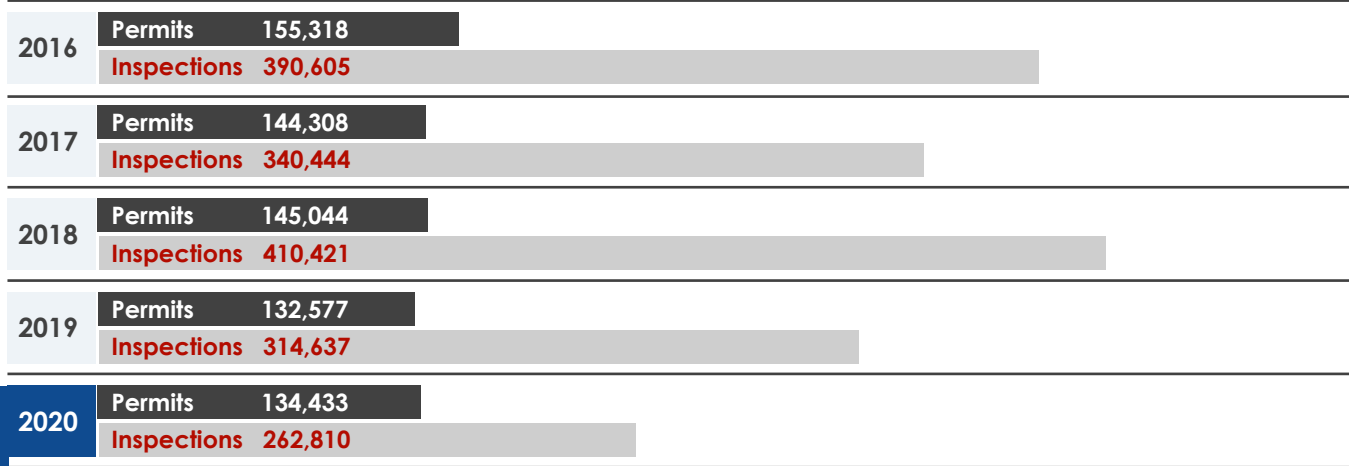
In 2020, ASCA oversaw 8,186 permits issued in unaccredited areas of Alberta, a 5.5% increase from 2019.



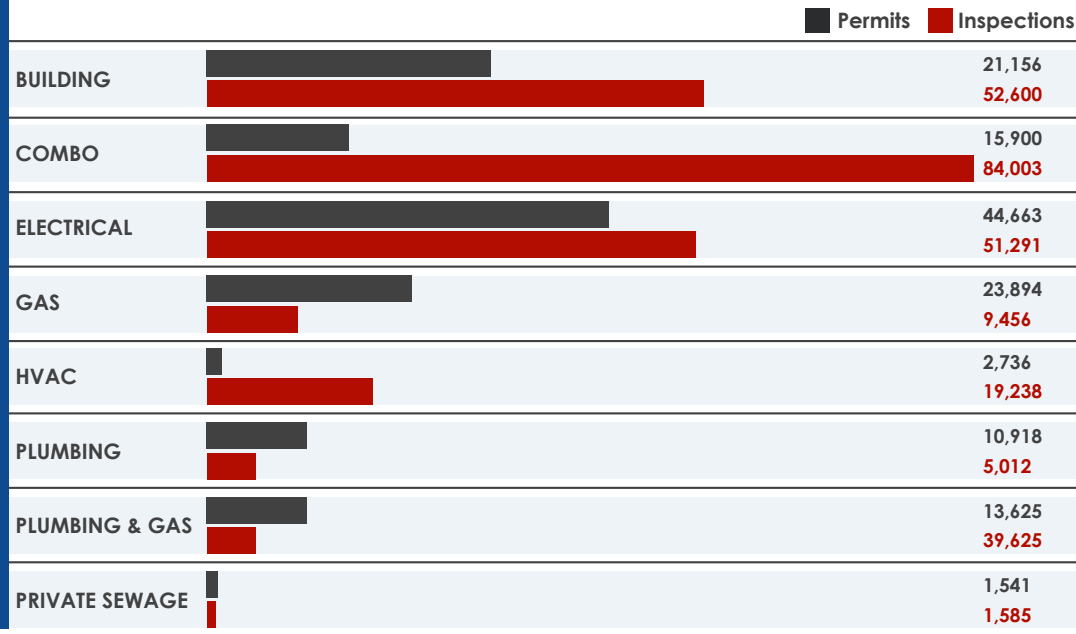
Permits Issued by Discipline in Unaccredited Areas

Permits and Inspections

The Council tracks the permitting and inspection activities of 253 organizations. In 2020, permits issued remained stable. The inspection-to-permit ratio was 1.9:1.



Permit and Inspection Activity in Alberta



Permit and Inspection Activity by Discipline in Alberta in 2020

Orders

A safety codes officer issues an order when permitted work is found to violate legislated safety rules or when the SCO otherwise determines that the work could result in damage to a person or property. The Council maintains a registry for orders. In 2020, 318 orders were entered into the registry, slightly higher than 2019's 286 orders.

Discipline	Year		Total
	2019	2020	
Building	246	266	246
	4	3	4
Electrical	0	19	0
	23	21	23
Elevators	8	3	8
	5	6	5
Fire	8	3	8
	5	6	5
Gas	5	6	5
	5	6	5
Plumbing	5	6	5
	5	6	5

Orders Issued by Discipline Type

Total 2019: 286

Total 2020: 318

Variations

Occasionally, a proposed alternative to a code requirement provides equal or greater safety than what is written in the code or standard. In those cases, an SCO may issue a variance. The Council maintains a registry for variances. In 2020, 357 variances were entered into the registry, significantly less than 2019's 919 variances. This drop in variances registered with the Council may be attributed to fewer permits being issued.

	Year		Total
	2019	2020	
Building	736	256	736
			256
Electrical	86	20	86
			20
Fire	8	11	8
			11
Gas	70	6	70
			6
Plumbing	5	58	5
			58
Pressure Vessels	14	6	14
			6

Variations Issued by Discipline Total 2019: 919 Total 2020: 357

Certification

SCOs are certified by the Council in any of nine disciplines. The Council is also responsible for certifying master electricians, the only professionals who can obtain electrical permits in Alberta.

SCOs are authorized to work for a specific accredited organization under a designation of powers. SCOs cannot carry out their responsibilities under the Safety Codes Act without a designation of powers.

In 2020, there were 2,837 certified SCOs. Of those, 1,876 held a designation of powers for one or more accredited organizations, a slight increase from the previous year. At the end of 2020, there were 4,391 master electricians.

SCO Certifications and Designations by Discipline

		2016	2017	2018	2019	2020
Amusement Rides	Certifications	14	13	13	13	14
	Designations	12	11	10	10	11
Building	Certifications	457	458	471	470	487
	Designations	384	382	378	355	346
Electrical	Certifications	592	596	606	548	585
	Designations	253	254	229	204	209
Elevators	Certifications	31	32	32	31	34
	Designations	26	27	25	27	29
Fire	Certifications	1,259	1,335	1,301	1,185	1,327
	Designations	1,035	1,116	1,050	920	972
Gas	Certifications	142	139	138	133	129
	Designations	124	126	128	119	113
Passenger Ropeways	Certifications	6	5	5	6	6
	Designations	4	3	3	5	5
Plumbing	Certifications	143	143	143	138	144
	Designations	126	128	129	119	114
Pressure Equipment	Certifications	83	82	86	100	111
	Designations	83	82	86	89	77
Total Certifications		2,727	2,803	2,795	2,624	2,837
Total Designations		2,047	2,129	2,038	1,848	1,876

Training

The Council tracks registrations for the base and technical competency courses that SCOs must complete in order to obtain certification as well as code update training delivered by the Council.

The number of course registrations has decreased as compared to last year (a 25% decrease in total registrations). Part of the decrease in registrations can be attributed to COVID-19: lack of professional development funds, general financial caution, and cancellations of in-person offerings of courses. The Council has also been shifting away from offering code update courses, replacing them with external offerings. In addition, the increase in building course registrations seen in 2016, caused by the new certification matrix and temporary course discounts, is levelling off. Similarly, in 2018 a new fire certification matrix caused an increase in registrations, which is now levelling off.

Course Registrations by Year

	2016	2017	2018	2019	2020
Base Competency	504	580	553	623	473
Code Update	244	348	93	20	12
Permit Issuers	64	21	45	21	11
Fire	74	365	848	1066	758
Building	1,353	718	567	337	282
Plumbing	30	32	45	43	19
Gas	17	7	39	35	26
Electrical	149	107	86	80	90
Other	6	9	8	2	6
Total	2,441	2,187	2,284	2,227	1,677

Audits

The Council ensures that accredited organizations are appropriately administering the Safety Codes Act in their jurisdiction in part through comprehensive audits, which are carried out on a regular basis. In 2020, the Council performed 45 total audits (including 5 joint accreditations) representing 63 municipalities.

Due to COVID-19, the audit team pivoted to developing a remote audit process, resulting in 28 remote audits.

As of Dec 31st, 38 audit reports have been sent to accredited organizations.

45 TOTAL AUDITS

28 were done REMOTELY

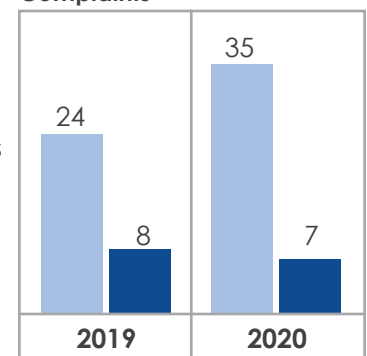
38 audits mailed out

Investigations

If there are complaints or concerns about the conduct, performance, and/or competency of accredited organizations, SCOs, permit issuers, or master electricians, the Council investigates them. Complaint investigations are independent and objective and provide the System with an additional tool for oversight.

The Complaints Investigations department additionally handles general enquiries from members of the public, providing an accessible contact point to help individuals navigate the safety codes system.

Complaints

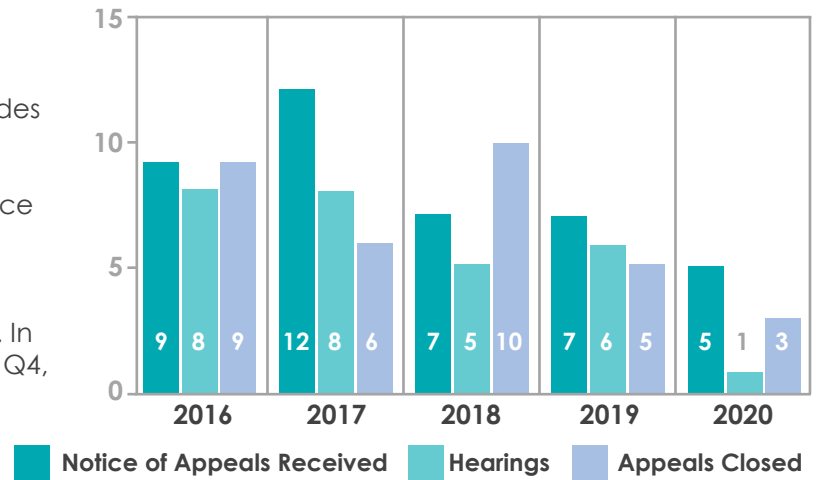


■ Enquiries ■ Investigations

Appeals

If an individual or organization wishes to contest an order issued by an SCO or a written notice issued under the Safety Codes Act, they can file an appeal. The Council administers an appeal process that is run according to the principles of natural justice and is fair, objective, and accessible.

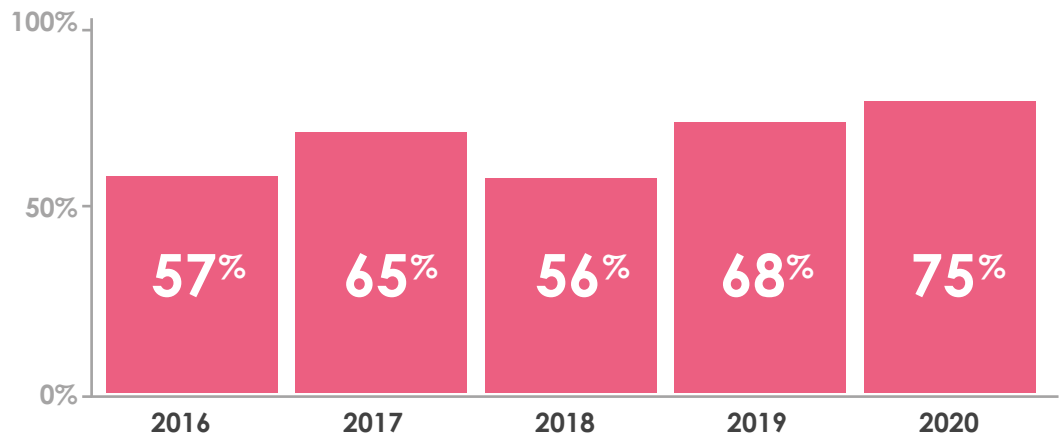
In 2020, the Council received 5 Notices of Appeal. Of those, 3 were later withdrawn. In addition, one notice was received late in Q4, with the hearing being planned for 2021.



ANNUAL CLIENT SURVEY

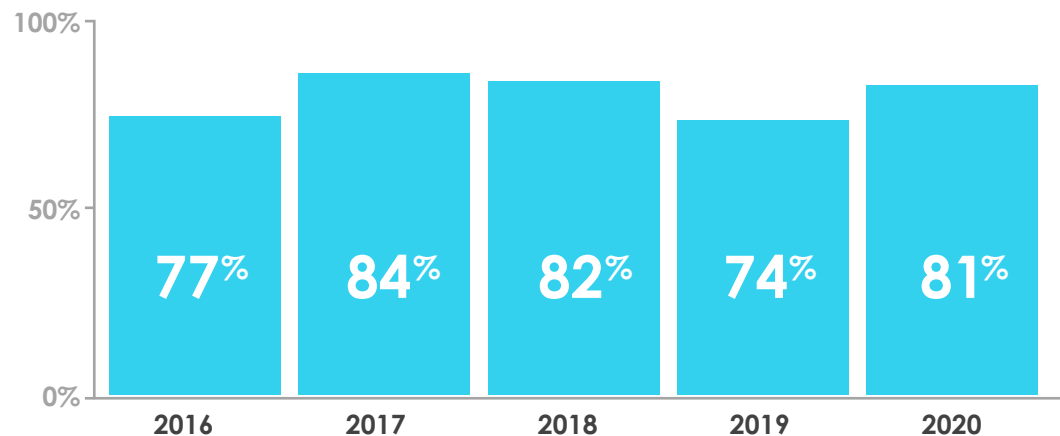
For the past five years, the Council has used a third party survey contractor to survey SCOs and QMP representatives regarding their experiences and perceptions of the Council. Satisfaction scores have continued to improve from 2018 onwards and perceived value scores have improved from 2019.

Satisfaction Scores



Scale has been adjusted for 2020 - these scores only include survey respondents who indicated 'satisfied' and 'extremely satisfied'.

Perceived Value Scores





Management's Comments on the 2020 Financial Statements

The Council's activities are funded primarily by levies on permits and registrations in the disciplines under the Safety Codes Act as well as fees for services.

Fiscal 2020 has been one of the most challenging years in recent Alberta, and Council history. Despite the prolonged economic uncertainty, lower West Texas Intermediate oil price, and reduced provincial construction activity, the Council was able to adjust and maintain effective delivery of services during this extraordinary time.

Alberta Building Permits

In 2020, Alberta's municipalities issued a total value of \$10.6 billion in building permits, a decline of 8.7% from 2019 permit levels. Industrial and commercial permit activity realized the largest decreases of 50.0% and 40.4% respectively, while resident and institutional and government permit activity experienced decreases of 7.6% and 0.2%.¹

Revenues

Council's total revenues during 2020 amounted to \$12.9 million, representing a 12.7% decrease from 2019 revenue levels. Contributing factors to Council's decreased revenues includes the restricted business environment due to COVID-19, and the resulting economic downturn across all jurisdictions during the pandemic, which had a significant impact on permit activity and program registrations as it relates to Council's revenues.

Expenses

In 2020, Council's expenditures were \$13.4 million, a reduction of 10.7% from 2019 expenditure levels. Significant expenditure reductions were attributed to Council's transition to virtual delivery of services, including conducting remote inspections, remote audits, and transitioning sub-council meetings and Council's Annual General Meeting online. As the Council continues to explore additional opportunities for efficiencies in service delivery, expenditure levels relative to Council revenues, will continue to adjust accordingly.

¹ Source: Alberta Economic Dashboard

Financial Statements of

SAFETY CODES COUNCIL

Year ended December 31, 2020



KPMG LLP
2200, 10175-101 Street
Edmonton AB T5J 0H3
Canada
Tel 780-429-7300
Fax 780-429-7379

INDEPENDENT AUDITORS' REPORT

To the Members of Safety Codes Council

Opinion

We have audited the financial statements of Safety Codes Council (the "Council"), which comprise:

- the statement of financial position as at December 31, 2020
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of remeasurement gains and losses for the year then ended
- the statement of cash flow for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at December 31, 2020, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Council's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Council's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Edmonton, Canada

April 9, 2021

SAFETY CODES COUNCIL

Financial Statements

Year ended December 31, 2020

Financial Statements

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Statement of Operations	2
Statement of Changes in Net Assets	3
Statement of Remeasurement Gains and Losses	3
Statement of Cash Flow	4
Notes to Financial Statements	5

SAFETY CODES COUNCIL

Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 991,493	\$ 1,786,960
Accounts receivable	978,031	568,918
Prepaid expenses and deposits	270,870	295,580
	<u>2,240,394</u>	<u>2,651,458</u>
Investments (note 2)	11,935,534	11,510,077
Capital assets (note 3)	2,822,031	2,612,344
	<u>\$ 16,997,959</u>	<u>\$ 16,773,879</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 617,296	\$ 769,393
Deferred revenue (note 4)	1,937,488	1,857,155
Current portion of deferred lease inducements (note 5)	206,723	165,951
	<u>2,761,507</u>	<u>2,792,499</u>
Deferred lease inducements (note 5)	1,309,245	1,217,971
Net assets:		
Sustainment and growth fund	6,543,097	7,050,233
Internally restricted (note 6)	3,987,935	3,900,000
Invested in capital assets	1,677,638	1,651,662
	<u>12,208,670</u>	<u>12,601,895</u>
Accumulated remeasurement gains	718,537	161,514
	<u>12,927,207</u>	<u>12,763,409</u>
Commitments (note 7)		
	<u>\$ 16,997,959</u>	<u>\$ 16,773,879</u>

See accompanying notes to financial statements.

On behalf of the Council:

Original Signed Kevin Griffiths (Apr 22, 2021 15:13 PDT) Director Original Signed Owen Edmondson (Apr 22, 2021 16:06 MDT) Director

SAFETY CODES COUNCIL

Statement of Operations

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Revenues:		
Levy fees	\$ 5,057,289	\$ 5,798,180
Permit and registration fees (note 4)	4,841,448	5,673,407
Accreditation fees (note 4)	1,145,157	1,186,247
Master Electricians Program certification fees	606,480	641,270
Safety Codes Officer program fee (note 4)	595,533	752,841
Investment income	582,284	508,201
Other revenue (note 4)	79,908	225,282
	<u>12,908,099</u>	<u>14,785,428</u>
Expenses:		
Salaries and benefits	6,843,490	6,359,664
Permit service fees	3,589,947	4,375,505
General and administrative (note 8)	1,556,053	1,926,660
Contract salaries and remuneration	504,626	915,352
Amortization and loss on disposal of capital assets	497,407	493,658
Course and seminar costs	226,100	305,998
Travel (note 8)	68,474	425,083
Investment management fees	62,751	58,018
Advertising and publications	50,722	151,453
	<u>13,399,570</u>	<u>15,011,391</u>
Deficiency of revenues over expenses before the undernoted	(491,471)	(225,963)
Contributed capital assets (note 8)	98,246	-
Deficiency of revenues over expenses	<u>\$ (393,225)</u>	<u>\$ (225,963)</u>

See accompanying notes to financial statements.

SAFETY CODES COUNCIL

Statement of Changes in Net Assets

Year ended December 31, 2020, with comparative information for 2019

	Sustainment and growth fund	Internally restricted (note 6)	Invested in capital assets	2020 Total	2019 Total
Balance, beginning of year	\$ 7,050,233	\$ 3,900,000	\$ 1,651,662	\$12,601,895	\$12,827,858
Excess (deficiency) of revenues over expenses	5,936	-	(399,161)	(393,225)	(225,963)
Purchase of capital assets, net	(425,137)	-	425,137	-	-
Transfers	(87,935)	87,935	-	-	-
Balance, end of year	\$ 6,543,097	\$ 3,987,935	\$ 1,677,638	\$12,208,670	\$12,601,895

Statement of Remeasurement Gains and Losses

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Accumulated remeasurement gains (losses), beginning of year	\$ 161,514	\$ (652,167)
Unrealized change in fair value of investments	557,023	813,681
Accumulated remeasurement gains, end of year	\$ 718,537	\$ 161,514

See accompanying notes to financial statements.

SAFETY CODES COUNCIL

Statement of Cash Flow

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operations:		
Deficiency of revenues over expenses	\$ (393,225)	\$ (225,963)
Items not involving cash:		
Contributed capital assets	(98,246)	-
Amortization and loss on disposal of capital assets	497,407	493,658
Changes in non-cash operating working capital:		
Accounts receivable	(409,113)	(110,056)
Prepaid expenses and deposits	24,710	159,077
Accounts payable and accrued liabilities	(152,097)	24,896
Deferred revenue	80,333	(480,264)
Deferred lease inducements	(51,665)	(50,789)
	<u>(501,896)</u>	<u>(189,441)</u>
Investing activities:		
Purchase of investments, including reinvested investment income	(519,534)	(1,050,182)
Withdrawals from investments	651,100	-
	<u>131,566</u>	<u>(1,050,182)</u>
Capital and financing activities:		
Purchase of capital assets	(729,614)	(313,430)
Proceeds from disposal of capital assets	2,087	3,800
Lease inducements received for the purchase of capital assets	302,390	-
	<u>(425,137)</u>	<u>(309,630)</u>
Decrease in cash and cash equivalents	(795,467)	(1,549,253)
Cash and cash equivalents, beginning of year	1,786,960	3,336,213
Cash and cash equivalents, end of year	<u>\$ 991,493</u>	<u>\$ 1,786,960</u>

See accompanying notes to financial statements.

SAFETY CODES COUNCIL

Notes to Financial Statements

Year ended December 31, 2020

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, 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 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).

Effective June 8, 2020, the Council and ASCA, a division of the Council, were transferred authority to complete delegated work related to storage fuel tanks under Part 4 of the National Fire Code - 2019 Alberta Edition. The Council is responsible for closing permits in the legacy software whereby costs will be incurred with no related revenue. These services are administered by the Storage Tank System division of ASCA.

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2020

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 which are held for the purpose of meeting short-term cash commitments.

(c) Capital assets:

Capital assets are recorded at cost. Amortization is provided using the following method and annual rates for additions after January 1, 2018:

Asset	Basis	Useful Life
Furniture and fixtures	Straight line	5 years
Equipment	Straight line	5 years
Computer hardware	Straight line	3 years
Computer software	Straight line	3-10 years
Leasehold improvements	Straight line	Over lease term

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(c) Capital assets (continued):

For capital asset additions prior to January 1, 2018, amortization is provided using the following methods and annual rates:

Asset	Basis	Rate
Furniture and 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) Leases:

Leases are classified as capital or operating leases. A lease that transfer substantially the entire benefits and risks incidental to ownership is classified as a capital lease. All other leases are accounted for as operating leases, wherein rental payments and related lease inducements, including "free-rent" periods or significant "step-up" provisions, are amortized on a straight-line basis and recognized as reductions of rent expense over the term of the lease. Lease inducements received for the purchase of capital assets are recognized as reductions in amortization expense on a straight-line basis over the term of the related lease.

Deferred lease inducements represents the unamortized value of tenant inducements and straight-line 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.

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(f) 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.

(g) 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.

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(h) Related party transactions:

The Council enters into transactions with related parties in the normal course of operations and on normal trade terms. These transactions are measured at the exchange amount which is the amount of consideration established and agreed by the related parties.

(i) Future accounting changes:

The following summarizes upcoming changes to Canadian public sector accounting standards: PS3280 *Asset Retirement Obligations* (effective April 1, 2022), PS3400 *Revenue* (effective April 1, 2023) and PSG-8 *Purchased Intangibles* (effective April 1, 2023). The Council's management is currently assessing the impact of these new accounting standards on its financial statements.

2. Investments:

2020	Level	Cost	Far value
Cash and cash equivalents		\$ 8,032	\$ 8,032
Jarislowsky Fraser Money Market Fund	1	118	118
Pooled funds:			
Bond Fund	2	6,594,896	6,846,671
Canadian Equity Fund	2	2,853,432	2,781,434
Global Equity Fund	2	1,603,183	2,101,097
Emerging Market Equity Fund	2	157,336	198,182
		\$ 11,216,997	\$ 11,935,534
2019	Level	Cost	Fair value
Cash and cash equivalents		\$ 300	\$ 300
Pooled funds:			
Bond Fund	2	6,634,285	6,599,638
Canadian Equity Fund	2	2,859,175	2,756,804
Global Equity Fund	2	1,676,971	1,964,365
Emerging Market Equity Fund	2	177,832	188,970
		\$ 11,348,563	\$ 11,510,077

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2020

3. Capital assets:

			2020	2019
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	\$ 703,376	\$ 285,262	\$ 418,114	\$ 344,419
Equipment	78,025	20,746	57,279	40,882
Computer hardware	897,288	654,950	242,338	335,333
Computer software	1,669,267	827,962	841,305	909,181
Leasehold improvements	1,563,258	312,030	1,251,228	960,682
Copyrights	11,767	-	11,767	11,767
Capital assets not in use	-	-	-	10,080
	\$ 4,922,981	\$ 2,100,950	\$ 2,822,031	\$ 2,612,344

Capital assets not in use includes \$nil (2019 - \$10,080) related to the Council's office expansion.

4. Deferred revenue:

	Balance, December 31, 2019	Amounts received (repaid)	Revenue recognized, net	Balance, December 31, 2020
Permit fees	\$ 1,435,449	\$ 5,167,934	\$ (4,841,448)	\$ 1,761,935
Safety Codes Officer program fee	200,929	542,429	(595,533)	147,825
Accreditation fees	33,718	1,125,323	(1,145,157)	13,884
Other revenue	187,059	(93,307)	(79,908)	13,844
	\$ 1,857,155	\$ 6,742,379	\$ (6,662,046)	\$ 1,937,488

In 2016, the Council obtained a one-time conditional grant of \$250,000 from the Province of Alberta to complete a Safety System Outcome Survey. Other revenue includes \$32,261 (2019 - \$77,109) related to this grant and the remaining unspent balance was returned during the year.

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2020

5. Deferred lease inducements:

In 2018, the Council received a total of \$507,888 in "free rent" and \$1,457,372 in tenant lease inducements to support the purchase of certain leasehold improvements. During the year, the Council received an additional \$302,390 in tenant lease inducements to support the purchase of certain leasehold improvements for the additional office space occupied. The Council recognized \$51,665 (2019 - \$50,789) of amortization of deferred straight-line rent as a reduction in rent expense and \$118,679 (2019 - \$115,282) of amortization of deferred tenant inducements as a reduction in amortization expense.

	2020	2019
Straight-line rent	\$ 371,575	\$ 423,240
Tenant inducements	1,144,393	960,682
	1,515,968	1,383,922
Current portion of deferred lease inducements	206,723	165,951
	\$ 1,309,245	\$ 1,217,971

6. 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 internally restricted net assets is granted by resolution of the Board of Directors.

In addition, the Council maintains internally restricted net assets related to ASCA as a contingency to manage risk. In the prior year, the Board of Directors approved a transfer of \$900,000 to this internally restricted account. The transfer in the current year relates to the realized investment income earned on the underlying investment portfolio.

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2020

7. Commitments:

	Office lease
2021	\$ 352,624
2022	367,317
2023	374,663
2024	374,663
2025	389,356
Thereafter	947,677
	<hr/> \$ 2,806,300 <hr/>

8. Related party transactions:

The Province of Alberta provides certain services to the Council, including monitoring services of accredited entities as part of the Municipal Support Program, at no cost. These unallocated costs are not recognized in the financial statements.

As part of the transfer of authority to complete delegated work related to storage fuel tanks under Part 4 of the National Fire Code - 2019 Alberta Edition, certain legacy permitting software with an agreed upon value of \$98,246 was contributed to the Council during the year.

Related parties include key management personnel and members of the Board of Directors of the Council. Transactions with key management personnel primarily consist of compensation related payments and are undertaken on similar terms and conditions to those that would be adopted if the parties were dealing at arm's length. Members of the Board of Directors are remunerated by the schedules as set out by Order in Council 466/2007. Remuneration is comprised of \$37,854 (2019 - \$63,804) and is included in general and administrative expense on the statement of operations. Other costs consist of travel related to meeting attendance of \$2,927 (2019 - \$35,688) which is included in travel expense on the statement of operations.

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2020

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.

The COVID-19 pandemic and measures taken to contain the virus continue to impact the market as a whole. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Council is not known at this time. The Council's risk management strategy has not changed due to the COVID-19 pandemic.

(a) 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 and losses as appropriate, 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.

(b) Liquidity risk:

Liquidity risk is both the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities under both normal and stressed conditions. 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.

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2020

9. Financial risks and concentration of credit risk (continued):

(c) 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.

(d) Interest rate risk:

The Council is exposed to interest rate risk associated with the underlying interest-bearing instruments. 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.