



Building Connections

2019 ANNUAL REPORT



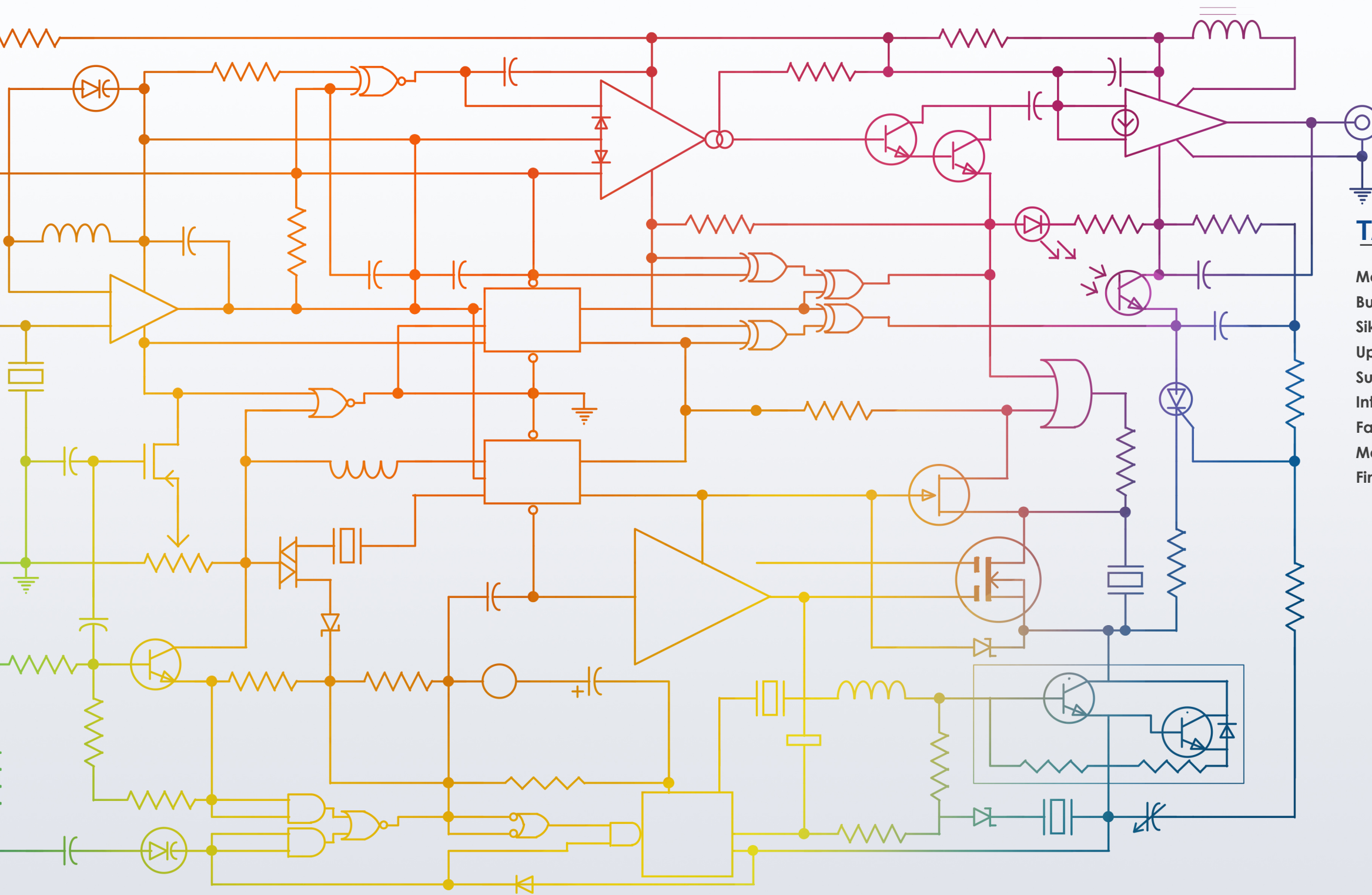


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MESSAGE TO OUR STAKEHOLDERS

The safety codes system (System) is big. Not only is its purpose lofty—keeping all Albertans safe in their built environment—that purpose is achieved through a complex network of organizations, individuals, and government. That is why building connections is essential to the success of our mandate. The System thrives when the large network of players involved work together towards achieving the System's purpose. That is why, in 2019, we are highlighting our connections throughout the System.

Focused on Clients

We continue to focus on our clients. We believe in the power of two-way communication. We consult with stakeholders and incorporate their feedback as often as possible. This year, we put considerable effort into service improvement. We simplified processes, reduced turnaround times across the organization, and lowered costs wherever possible.

Connected to Industry

Our sub-councils' connections to industry, labour, municipalities, training institutions, persons with disabilities, and the public remain strong. This year, we completed a governance review in order to identify changes we could make to empower our sub-councils even more. After extensive consultation with the sub-councils, government, and industry, we feel we have come to a new path forward that reflects the way we work with industry today. The membership will be voting on these changes at the 2020 AGM. If the membership agrees, we will be implementing these changes by the end of 2020.

What did the Council accomplish in 2019 that you are most proud of?

“Our continued focus on improving client service. Our staff worked diligently every day to make things easier, faster, and to provide services to a higher standard than ever before. We operationalized Council Connect, which launched at the end of 2018, and put considerable effort into lessening our turnaround times across the organization.”



Brian Alford
President and CEO, Safety Codes Council

Committed to Partnerships

Throughout 2019, we found ways to meet and collaborate with our partner organizations. We welcomed a new Board Chair, Kevin Griffiths, and he spent a considerable amount of time getting to know our sub-councils, attending conferences hosted by organizations with connections to the System, and meeting with leadership from other organizations within the System. This provided many opportunities to build relationships and discuss ways to work together to keep the System strong.

We are also very happy to highlight our partnership with Siksika Nation as they celebrated a major milestone in their goal of becoming a self-reliant community for safety codes inspections: a graduation ceremony celebrating their first certified SCOs. This partnership is an example of building connections in innovative ways to better the System.

United with Government

As always, we are pleased with our strong relationship with the government. The Council works closely with Dale Beesley, Thomas Djurfors, Monte Krueger, and the rest of the staff at the Technical and Corporate Services Division of Municipal Affairs (MA) and continues to support them on larger initiatives, including establishing an effective quality assurance framework and improving data analytics.

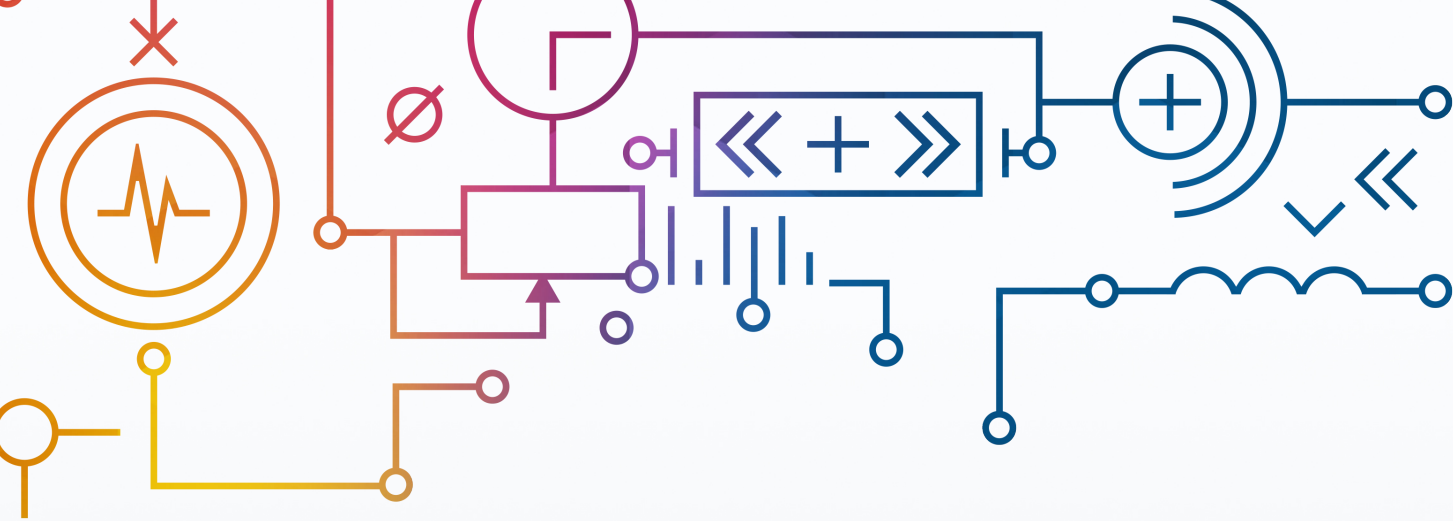
The Council has always recognized the importance of building connections throughout the System. This year, we put increased emphasis on highlighting that fact. Strong connections across the System are important to us and critical to the success of the System, and that is why our relationships with our clients and partners will always remain a top priority at the Council.

How do you think the Council added value to the System this year?

“We made a concentrated effort to make the System easier for Albertans. This includes offering codes and standards as well as selected training materials for free, increased alignment between accredited and unaccredited areas of the province, and simplifying processes. We also worked to strengthen relationships with our partner organizations, to build on the common goal of enhancing the System together.”



Kevin Griffiths
Chair, Safety Codes Council



BUILDING BETTER CONNECTIONS

The Safety Codes Council is committed to reducing administrative barriers for businesses, homeowners, and our stakeholders throughout Alberta.

We're making changes to how we operate, streamlining our processes to reduce the burden on our clients and accelerate our turnaround time. We know that little things can make all the difference—that's why we're going to continue to make improvements in our practices.

WHAT WE'VE DONE:

REDUCED COSTS

FREE CODES AND STANDARDS

The Alberta Private Sewage Systems Standard of Practice, the Alberta Electrical Utility Code, and the Barrier-free Design Guide are now available for free online.



More affordable accreditation applications: we no longer require a corporate registry search.



New payment system in unaccredited areas of the province:

ASCA's improved payment system reduces administrative burdens on agencies.



Implemented risk-based audit approach: we require less paperwork from our auditees.

FREE TRAINING MATERIAL

Our new Quality Management Plan training course materials are available for free via Council Connect.

SIMPLIFIED PROCESSES



Student tax receipts: NOW ACCESSIBLE ONLINE.



SIMPLIFIED EXAM PROCESS: removed requirement for blocking internet access during online exams and added ability to apply to be a permanent proctor.



ACCREDITED AND UNACCREDITED AREA ALIGNMENT: streamlined Quality Management Plans for Accredited organizations and aligned them with the ASCA Service Reference Manual.

Enhanced eSITE functionality:

streamlined permitting and inspections processes for accredited organizations.

INCREASED STAFF KNOWLEDGE

CROSS-TRAINING INITIATIVES have been launched across the Council, including:

- Inter-departmental Q&A sessions
- Training on templates, answering requests, and best practices
- FAQs regarding each customer service area published quarterly
- Cross-training plan completed
- Transitioned from paper-based to online step-by-step process instructions for easier accessibility by staff across the Council.

A NEW SUB-COUNCIL REPORT is distributed quarterly, providing staff and members with a summary of current sub-council activities.



RAISED CLIENT SATISFACTION RATES

90% SATISFACTION WITH AUDIT PROCESS
88% in 2018

83% COURSE SATISFACTION RATE
New measurement in 2019

94% CUSTOMER SERVICE SATISFACTION RATE
93% in 2018

97% CONFERENCE SATISFACTION RATE
97% in 2018; 95% in 2017

LESSENERD TURNAROUND TIMES

ISSUE AUDIT REPORTS 42 DAYS <small>47 days in 2018</small>	SCO APPLICATION TURNAROUND TIME 4 DAYS <small>7 days in 2018</small>	EXAM MARKED <small>Less than</small> 2 DAYS <small>4 days in 2018</small>
SCO RENEWAL TURNAROUND TIME 0.5 DAYS <small>5 days in 2018</small>	PREQUALIFICATION TURNAROUND TIME 3 DAYS <small>7 days in 2018</small>	NEW COURSE REGISTRATION COMPLETED <small>Less than</small> 0.5 DAYS <small>3 days in 2018</small>

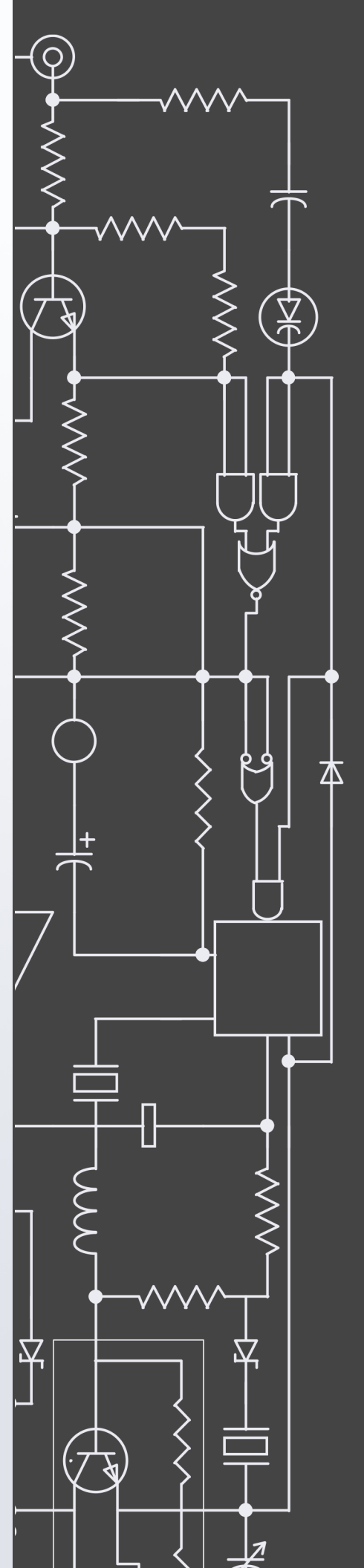
(Days listed are averages)

BUILT CLIENT AND PARTNER RELATIONSHIPS

134 Number of accredited organizations the Council had contact with in 2019 through audits and site visits.	16 In 2019, we assisted in 16 enquiries that did not enter the formal complaint process. <small>Revised complaint procedure to provide advice on issues. Albertans now have opportunity to resolve them prior to entering formal complaint stage.</small>
94% Annual Internal Review submission rate. <small>Up from a 48% submission rate in 2017. This increase is due to a targeted initiative to provide stronger client support in this area.</small>	\$10,000 The Council provided a one-time bursary of \$1,000 per student for Siksika Nation, for a total of \$10,000.

Our Commitment for the Future:

The Safety Codes Council will continue to make improvements to make doing business with us straightforward and efficient.



Stronger Together: **SIKSIKA PARTNERSHIP**

Alberta's safety codes system is founded on partnerships and collaboration. One such example is our collaboration with the Siksika Nation.

In 2017, the Siksika Nation came to us with an idea to become a self-reliant community for safety codes inspections.

Collaborating with the Council, Municipal Affairs, Alberta Community and Social Services, and the City of Calgary, Siksika Nation began working towards the creation of a program to train qualified Indigenous tradespeople to become SCOs.

On 10 May 2019, Siksika Nation was able to highlight the success of their efforts with a graduation ceremony celebrating the first SCOs certified as a result of this program. By the end of the year, eight SCOs had earned their certification in Building Residential and Building Part 9. One of these SCOs also earned their certification in Plumbing and Gas Group A.

Now certified, these new SCOs are able to invest their skills in their community and have a solid career path anywhere in the province.

This program is not over: the next phase will see participants achieve the next level of certification for Building SCOs (Building Part 3). This means that they will have comprehensive expertise for all structural and heating, ventilation, and air-conditioning components in the built environment.

We look forward to continuing to support this program into the future.





UPDATE ON OUR 2019 PRIORITIES

OUR FIVE-YEAR STRATEGIC PRIORITIES

SAFETY

Build public confidence; ensure that organizations and individuals fulfill their duties within the System

EDUCATION

Be a leader in System education; provide stakeholders with the tools they need to excel in their profession

GOVERNANCE

Remain accountable; operate within a governance model that is transparent and participatory

SERVICE DELIVERY

Prioritize our clients; continually improve on our client services, programs, and products

SUSTAINABILITY

Innovate with purpose; remain sustainable to serve Albertans now and into the future

OUR MISSION

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

OUR VISION

Alberta: A safe place to live, work, and play.

CONTINUED FOCUS FOR 2019

Themes of improvement that were identified in the results of our stakeholder survey:

IMPROVE
response time

ENHANCE
our reporting

INCREASE
staff knowledge

Strategic Priority

 **SAFETY**

Quality Assurance Framework (2019)

Support the Government's review of the System and their development of a quality assurance framework (QAF).

Target: Continue to participate in, contribute to, and support the discussions led by MA on the development of the quality assurance framework for the System through 2019.

Results: The Council continues to support MA's development and implementation of the QAF through a number of activities. This includes designing a review program for MA to assess how the Council administers programs within our mandate and meets government policy objectives. The Council is also providing feedback to support Municipal Affairs' development of policy objectives for accreditation and a provincial data strategy to support improvement of the System.

Why this is significant: The QAF will provide a framework to strategically guide and monitor the System by clearly defining the roles of government and stakeholders, using data to identify and inform risk-based priorities, and evaluating system performance against established outcomes and objectives.

Strategic Priority

 **EDUCATION**

Quality Management Plan Training (2019)

Implement Quality Management Plan (QMP) training.

Target: Deliver Quality Management Plan training in Q2 of 2019.

Results: QMP training was launched on 2 December 2019, with training materials available for free via Council Connect.

Why this is significant: Offering QMP training means accredited organizations have access to information regarding the responsibilities delegated to their organization through accreditation in the System. It also provides information on the duties and obligations of key roles within accredited organizations.

Continuing Education Workshops for SCOs (2019-2020)

Develop continuing education workshops to enhance SCO knowledge.

Target: Develop workshop on how to do inspections by the end of 2019.

Results: Development of the Site-Inspection Best Practices: Positive Habits for Positive Results workshop was completed by the end of 2019. A pilot class is scheduled for January 2020. A Top Tips handout is also being developed to share with stakeholders in the System.

Target: Develop workshop on how to issue variances by the end of 2019.

Results: In order to properly reflect and support recent provincial developments and clarifications on variances, this target has been delayed into 2020.

Why these workshops are significant: Workshop topics are chosen based on stakeholder feedback and new developments in the System. Workshops provide SCOs with the opportunity to update their skills and knowledge, promote consistency across the discipline, and provide an excellent opportunity for collaboration.

Competency Analysis for SCOs (2019-2021)

Develop up-to-date generic competency analysis for SCOs.

Target: Identify generic job performance requirements, job tasks, and competencies by end of 2019.

Results: Generic job performance requirements, job tasks, and competencies were identified by the end of 2019.

Why this is significant: The generic SCO competency profile was developed through consultation with subject matter experts in the field. The competency profile will guide the review of training programming and other key elements of SCO certification. This review will ensure that certification provides SCOs with the skills and competencies required to effectively perform their duties.

Video Learning Series for Stakeholder Education

Develop a series of videos to communicate the purpose and value of the System and the Safety Codes Council.

Target: Complete New Member Orientation video by the end of 2019.

Results: The New Member Orientation video was completed and presented to stakeholders for the first time at the New Member Orientation session on 24 September 2019.

Why this is significant: This video increases public and stakeholder awareness about the System and its purpose while demonstrating the value of the Council and our sub-councils.

How this enhanced reporting and increased staff knowledge: This video gives us the ability to provide the public and stakeholders with a short overview of the Council and the System. It will also be used as a starting point to educate new staff members during the onboarding process. This is the first in a series of educational videos about the Council.

Strategic Priority

GOVERNANCE

Enhance Council Reporting (2019-2020)

Establish performance measures to align with best practices and drive continuous improvement.

Target: Present enhanced reporting for the President and CEO, the Board of Directors, and Municipal Affairs by the end of Q2 2019. Enhance quarterly reporting based on feedback.

Results: The President and CEO quarterly report for the Board of Directors has been expanded and provides a comprehensive review of the overall operations of the Council in one package. The updated format includes more information and was presented for the first time at the 20 September 2019 Board meeting. This report is also being shared with staff and Municipal Affairs on a quarterly basis. In addition, a new report on sub-council activities has been implemented and is shared quarterly with sub-council members, the Board of Directors, and Municipal Affairs. A quarterly Key Performance Indicator (KPI) dashboard for the CEO is also in development.

Why this is significant: The development and implementation of new or enhanced reporting documents allows us to conduct ongoing evaluations of our performance. It provides us with opportunities to identify what we do well and in what areas we can improve. It also fosters information-sharing between Council staff, sub-council members, the Board, and the government.

How this enhanced reporting: Quarterly reporting has been strengthened and information-sharing has been made easier and more efficient.

Governance Review (2019-2020)

Restructure governance framework and associated documents in order to better represent the requirements of the Technical Coordinating Committee and sub-councils.

Target: Present recommendations to Governance and Nominating Committee at their meeting in Q2 2019.

Results: Management's recommendations regarding the governance framework were presented to the Governance and Nominating Committee at their 27 March 2019 meeting. They were recommended to membership by the Board at their 20 September meeting and will be presented to members at the 2020 AGM.

Why this is significant: An updated governance framework will provide sub-councils with clarity on their role and function. It will allow sub-councils to be nimbler in their recommendations to the Minister and the Council and allow for easier and quicker information-sharing between sub-councils.

How this enhanced reporting: Improvements to the structure and governance of our sub-councils will improve their effectiveness. This will allow sub-councils to be more effective at providing advice to the Minister.

Target: Develop new terms of reference for each sub-council by end of Q3 2019.

Results: A draft terms of reference for all sub-councils was completed by the end of Q3 2019. Due to proposed changes to bylaws, these terms of reference have been developed into sub-council procedures.

Why this is significant: Clarification in bylaws and development of sub-council procedures mean that sub-councils' roles and functions are clearly identified.

Target: Make any process changes based on report findings by end of Q3 2019.

Results: Several process changes have been implemented based on report findings. These changes include a new quarterly report on sub-council activities, a comprehensive onboarding package for new sub-council members, posting meeting agendas two weeks in advance, and providing more information to nomination organizations in order assist in nominee selection. A satisfaction survey was implemented for sub-council members, which will be used to continue to seek feedback and improve.

Why this is significant: Updated processes keep the sub-councils running effectively and efficiently.

Risk-Management Policy and Procedure (2019)

Establish a risk-management policy and program to manage public and corporate risks.

Target: Train staff on the new risk management framework by the end of Q2 2019.

Results: The Council's risk framework was approved and implemented in 2019. Training was provided to the management team. The risk management process incorporates active monitoring of the Council's significant risks.

Why this is significant: Having a sound risk management policy and program that all staff understand their part in allows for early recognition of and/or contingency planning for risks to the Council and the System.

How this improved response time: Ongoing risk assessment as well as having contingency plans in place for Council and System risks allows the Council to deal with risk in an effective and timely way.

Target: Implement oversight and begin risk reporting to the Board of Directors by the end of Q2 2019.

Results: The Board of Directors approved the Risk Oversight Policy at the 29 November 2019 Board meeting. Management regularly reviews the registry which is incorporated as part of the business planning process. The Audit and Risk Committee will also continue to review the risk registry throughout 2020.

Why this is significant: Having a Risk Oversight policy ensures the risk management policy and program remains viable, is managed consistently, and follows best practice.

Records Management (2019-2020)

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

Target: Develop records-management process by the end of 2019.

Results: The development of a records management process is in progress, but completion has been delayed to 2020.

Why was this project delayed? In 2019, the Council completed an inventory of its records and submitted a records and retentions schedule to Service Alberta for their approval. Once Service Alberta gives their approval, we are ready to complete development of our records management policies and procedures.

Strategic Priority

SUSTAINABILITY

Business Continuity Plan (2019-2021)

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

Target: Create Business Continuity Plan project plan by end of 2019.

Results: The Business Continuity Plan project plan was completed by the end of 2019.

Why this is significant: Having a project plan helps to ensure that the creation of the Business Continuity Plan is well constructed and completed on time.

Strategic Priority

SERVICE DELIVERY

Document Council Work Processes (2019-2021)

Continue to document all Council work processes and identify and address improvement opportunities.

Target: Complete documentation of Corporate Services' work processes by the end of 2019.

Results: Corporate Services' work processes were documented through standard operating procedures by the end of 2019.

Why this is significant: Having work processes documented will result in an improvement in our services to customers.

How this increased staff knowledge and improved response time: The activity of documenting work processes drives staff to critically reflect on the way they work and identify ways to make our services better. Documented work processes can now be used as a tool for transferring knowledge to new employees and across departments.

Redesign of Council Website (2019-2020)

Update the Council's current website.

Target: Research department requirements and current analytics for existing site by the end of Q4 2019.

Results: Department requirements were identified in Q3. Analytics for the current website have been evaluated.

Why this is significant: Identifying internal requirements and analyzing the way our stakeholders currently navigate our website sets the foundation for creating our new website in 2020.

SUB-COUNCILS

ALBERTA'S SAFETY NETWORK

Our sub-council membership is made up of a diverse range of individuals representing industry, labour, training institutes, municipalities, persons with disabilities, and the public. While there are ten unique sub-councils, this valuable group of experts all work together in various ways with one goal in mind: keeping Albertans safe in their built environment.

Albertans can rest assured that, no matter the topic, there is a dynamic safety network working diligently to ensure Alberta's safety codes system remains strong, valuable, and effective.

2019 TOTALS

Meetings:



41

Members:

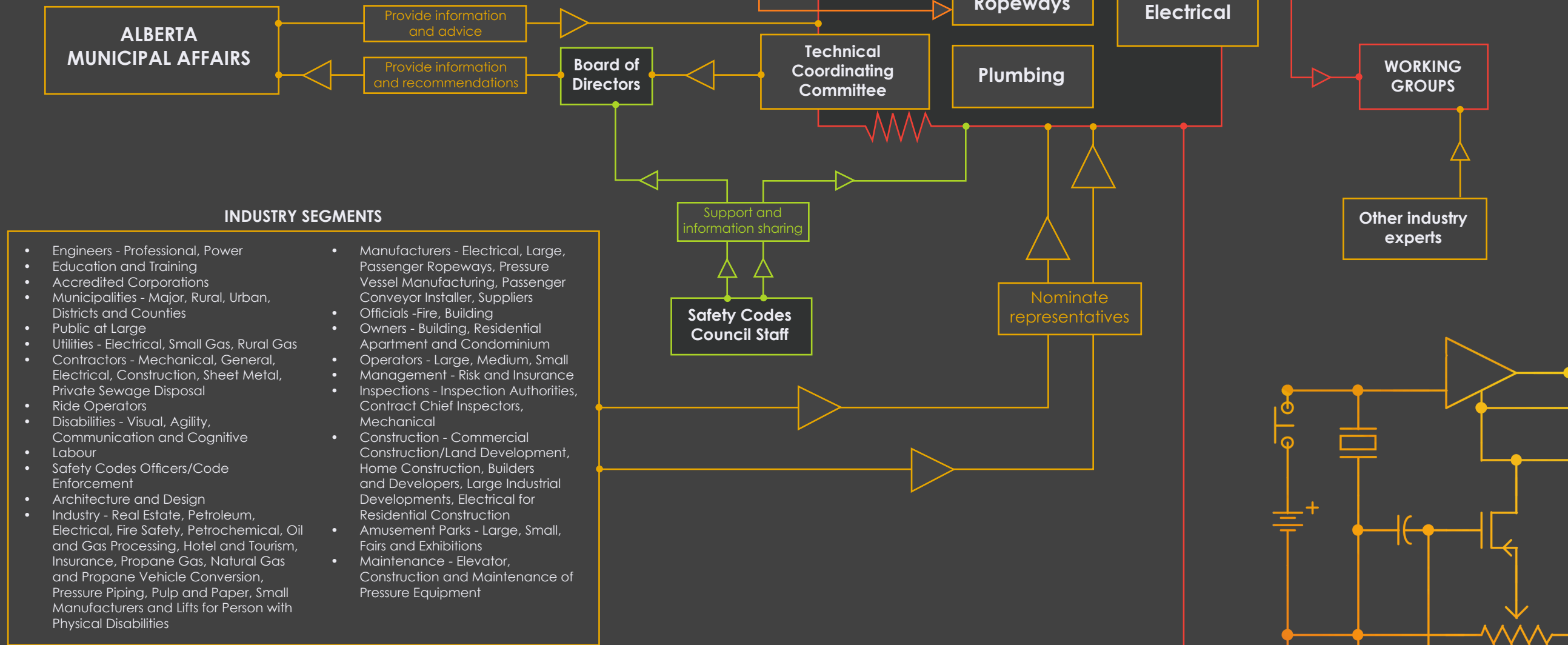


148

Volunteer Hours:



2051



Members:

Fairs & Exhibitions Bill Church , Chair	Public at Large Julian Power
Large Ride Operators Danielle Gillespie , Vice-Chair	Risk and Insurance Management David Buzzeo
Large Indoor Amusement Parks Brian Mykitiuk	Small Outdoor Amusement Parks Bob Wyatt
Portable Ride Operators Vacant from 09/18 Chris Clarke from 04/19	
Professional Engineers Lee Nguy	



Amusement Rides Sub-Council (ARSC)
Meetings in 2019: 3 | Seats: 8 | Volunteer Hours: 26

- Recommended the adoption of the Amusement Rides Amendment Regulation (ASTM F2783-17), with the exception of newly added devices. These devices include bumper boats; aquatic play equipment; aerial adventure courses; permanent railway ride tracks and related devices; trampoline courts; amusement railway rides, devices, and facilities; parasailing; and stationary wave systems.
- Discussed public safety and impact to industry if the new devices become regulated.
- Developed a skills matrix that defined the specific skills, experience, and qualifications required for each seat on the sub-council.



Building Sub-Council (BSC)
Meetings in 2019: 5 | Seats: 17 | Volunteer Hours: 379

- Made recommendations through Municipal Affairs to the National Research Council of Canada on proposed changes to the 2015 National Building Code.
- Reviewed the Pressure Equipment Sub-Council's draft recommendation regarding ammonia refrigeration systems.
- Formed a joint working group with the Elevators Sub-Council regarding the use of stopped escalators as stairs.
- Formed two joint working groups with the Fire Sub-Council, one regarding "micro-breweries" and "micro-distilleries" and one regarding occupant loads.
- Discussed digital plan review practices, acrylic stucco finish coats, unprotected I-joists, engineering professionals' electronic stamps/seals, and how building safety and energy codes might apply to tiny homes.
- Developed a skills matrix that defined the specific skills, experience, and qualifications required for each seat on the sub-council.

Members:

Home Builders Don Dessario , Chair to 03/19	Large Developments Vacant
Keith Jansen from 04/19	Large Municipalities – South Ulrik Seward
Code Enforcement Bruce Schultz , Vice-Chair - South	Major Municipalities – North David Flanagan
Fire Officials Russell Croome , Vice-Chair - North	Mechanical Contractors Kenneth Roskell
Architecture Gregory Beck	Professional Engineers Andrew Smith , Chair from 03/19
Building Owners Corey Klimchuk	Public at Large Robert Kralka
Consumer Protection Rick Gratton	Rural Municipalities Stephen Hill
General Contractors Lee Phillips	Urban Municipalities Darin Sceviour
Heating, Ventilation, Air-conditioning Matthew Kramer	
Labour Colin Belliveau	

Members:

Architecture Barry McCallum , Chair to 01/19	Home Construction Vacant
Hearing Disabilities Lee Ramsdell , Vice-Chair to 10/19	Hotel and Tourism Industry Tracy Douglas-Blowers
Agility Disabilities Bob Coyne	Mobility Disabilities Chris Schamber
Aging Population Michael Francon	Non-Residential Building Management Tanya Marsh , Vice-Chair from 10/19
Code Enforcement (Safety Codes Officer) David Morton	Public at Large Karen Muir , Chair from 02/19
Commercial Construction/Land Development Robert Lipka from 02/19	Residential Apartment and Condominium Owners/Managers Keith McMullen
Communication Disabilities Bev Knudtson	Visual Disabilities Matthew Kay
Education and Training Tang Lee	



Barrier-free Sub-Council (BFSC)
Meetings in 2019: 4 | Seats: 15 | Volunteer Hours: 239

- Reviewed the proposed changes to the 2015 edition of the National Building Code for any issues specific to barrier-free design.
Discussed various barrier-free issues, such as:
 - Minimum barrier-free requirements are sometimes overlooked at the design, plans review, permitting and/or construction stages.
 - Some disabilities (i.e. communication, cognitive) are not covered by the minimum standards.
 - The public/owners have a general lack of awareness of barrier-free minimum requirements, and there is low adoption/use of the barrier-free design guide.
- Established a framework for investigating issues and developing recommendations.
- Developed a skills matrix that defined the specific skills, experience, and qualifications required for each seat on the sub-council.



Electrical Sub-Council (ESC)
Meetings in 2019: 4 | Seats: 18 | Volunteer Hours: 327

- Recommended the issuance of an Information STANDATA regarding bonding screws that are included on equipment but not required to be used under the Canadian Electrical Code.
- Recommended the addition of electric vehicle chargers to the General Rules STANDATA.
- Recommended wording to increase clarity in the Demarcation STANDATA.
- Recommended that the Administrator consider a number of STANDATA to address several issues related to solar photovoltaics.
- Supported the issuance of the Existing Fire Alarm Systems Joint Interpretation STANDATA.
- Provided input to the joint Building and Fire Sub-Councils' working group on "micro-breweries" and "micro-distilleries" regarding requirements for hazardous area classifications.
- Evaluated whether a new type of receptacle met the definition of accessible as applied to wiring methods.
- Developed a skills matrix that defined the specific skills, experience, and qualifications required for each seat on the sub-council.

Members:

Major Municipalities – North Gerry Wiles , Chair	Large Electrical Utilities Brian Townsend
Education and Training Glenn Hedderick , Vice-Chair - South to 09/19	Major Municipalities – South Adam Ghani , Vice Chair- South from 09/19
Electrical Manufacturers Scott Basinger , Vice-Chair - North	Municipalities Lori Monaghan
Electrical Contractors Darcy Teichroeb to 01/19 Bert DeBruin from 02/19	Oil and Gas Processing Industry Nicolas Leblanc
Electrical for Residential Construction Barry Voogd	Petrochemical Industry Tim Driscoll
Electrical Safety Codes Officers Don Bradshaw	Professional Engineers Hussein Desouki from 04/19
Electrical Standards/Testing/Certification Organizations Larry DeWald to 03/19 Pat Conway from 04/19	Public at Large Ken Hood
Labour John Briegel	Rural Electrification Areas Allan Nagel
	Small/Municipal Electrical Utilities Stewart Purkis to 04/19 Tyler Masson from 04/19

Members:

Professional Engineers J.C. Bawa , Chair	Labour Don Ireland , Vice-Chair from 02/19
Public at Large Sarah Burghardt	Large Manufacturers Quentin Brayley-Berger to 03/19
Architecture Salim Merchant	Dan Theriault from 04/19
Building Owners – Calgary Stephen Weston	Real Estate Industry Ernie Paustian
Building Owners – Edmonton Lonny Vanderheide	Small Manufacturers and Lifts for Persons with Physical Disabilities Industry Vacant to 01/18 Richard Meunier
Construction Contractors Gavin Langley to 03/19 Jeff Case from 04/19	
Elevator Maintenance Scott Gavin	



Elevators Sub-Council (EVSC)

Meetings in 2019: 3 | Seats: 11 | Volunteer Hours: 71

- Discussed if stopped escalators could safely be used as stairs. Formed a joint working group with the Building Sub-Council to further investigate.
- Discussed commissioning requirements, public education programs, step indexing and what to do in the case where an elevator or escalator fails testing.
- Developed a skills matrix that defined the specific skills, experience, and qualifications required for each seat on the sub-council.



Gas Sub-Council (GSC)

Meetings in 2019: 4 | Seats: 17 | Volunteer Hours: 157

- Reviewed anticipated changes to the CSA B149.1, CSA B149.2, CSA B149.3, and CSA B149.5 Gas Codes.
- Reviewed STANDATA regarding propane exchange cylinders, service regulators, and gas-fired appliances used for heating buildings under construction.
- Proposed a change to the CSA B149.1 Gas Code regarding gas-fired appliances used for heating buildings under construction.
- Reviewed the Pressure Equipment Sub-Council's draft recommendation regarding ammonia refrigeration systems.
- Discussed whether clarity in the Permit Regulation may alleviate the issue that work is sometimes being completed without an appropriate permit.
- Discussed cylinders used below grade at construction sites, and requested clarification from CSA Group regarding pertinent code requirements. A code change request will be drafted on this topic.
- Developed a skills matrix that defined the specific skills, experience, and qualifications required for each seat on the sub-council.

Members:

Labour Glen Aspen , Chair to 01/19 Ron Beaudette from 02/19	Mechanical Contractors Simon Jolly
Propane Gas Industry Jason Helfrich , Chair from 01/19	Municipalities Roy Herrington
Education and Training Denis Turgeon , Vice-Chair	Natural Gas and Propane Vehicle Conversion Industry Marcel Mandin
Inspection Authorities Mike Turek	Professional Engineers James Maddocks
Large Gas Utilities Blaine Smetaniuk to 01/19 Paul Delano from 02/19	Public at Large Cindy Kieu
Major Municipalities – North Mark Guderjan	Rural Gas Utilities Jeff Skeith
Major Municipalities – South Larry Miller	Sheet Metal Contractors Chuck Lemke
Manufacturers or Suppliers Dale Walls	Small Gas Utilities Nathan Lesage

Members:

Insurance Industry Michael Walker , Chair to 01/19	Electrical Industry Joseph Davis
Mark Heiderich from 02/19	Fire Officials Michael Bos , Chair from 01/19
Fire Safety Industry Robbin Foxcroft , Vice-Chair – South	Major Municipalities – South Jim Robinson
Major Municipalities – North Gary Mayorchak , Vice-Chair - North	Petroleum Industry Allan Blatz
Alberta Fire Fighters Association Hunter Langpap	Professional Engineers Cameron Bardas
Architecture Stephen Suen	Public at Large Grace O'Brien
Building Officials Mario Poser	Municipal Districts and Counties Cammie Laird
Building Owners Chris Taylor	Urban Municipalities Vacant Marc Royer from 02/19



Fire Sub-Council (FSC)

Meetings in 2019: 5 | Seats: 16 | Volunteer Hours: 288

- Reviewed STANDATA regarding fireworks, upgrading of existing steel underground storage tank systems, and existing fire alarm systems.
- Reviewed proposed changes to the 2015 National Fire Code.
- Reviewed the Pressure Equipment Sub-Council's draft recommendation regarding ammonia refrigeration systems.
- Formed a joint working group with the Building Sub-Council regarding "micro-breweries" and "micro-distilleries".
- Formed a joint working group with the Building Sub-Council regarding occupant loads.
- Discussed merits of a Qualified Persons Registry for individuals certified to perform work on life safety systems, fire code requirements for escape rooms, and the issue of considering exiting to public thoroughfares in the plan review stage.
- Developed a skills matrix that defined the specific skills, experience, and qualifications required for each seat on the sub-council.



Passenger Ropeways Sub-Council (PRSC)

Meetings in 2019: 3 | Seats: 12 | Volunteer Hours: 41

- Recommended the Passenger Ropeways and Passenger Conveyors Standard (CSA Z98:19) for adoption.
- Discussed new requirements for surface lifts, inspections of new conveyors, and new magnetic rope testing requirements for T-bar haul ropes.
- Developed a skills matrix that defined the specific skills, experience, and qualifications required for each seat on the sub-council.

Members:

Large Operators Kristian Haagaard , Chair	Medium Operators Jason Paterson
Professional Engineers Bruno Mannsberger , Vice-Chair	Medium Operators Richard Roy
Code Enforcement (Safety Codes Officer) Dean McKernon to 01/19 Rob Eeglon from 02/19	Public at Large Carl Lam
Conveyor Operators Russell Karp from 02/19	Risk and Insurance Management Tony Van der Linden to 01/19 Jaclyn McCoy from 02/19
Large Operators Chris Dewitt to 01/19 Matt Budaj from 02/19 to 04/19 Vacant from 04/19	Small Operators Marlin van Zandt
Manufacturer Brent Carmichael	Technical Expert Warren Sparks

Members:

Manufacturers and Suppliers
David Hughes, Chair

Mechanical Inspections
Mark Harold, Vice-Chair

Education and Training
Paul Fullam

Labour
Angus Potskin

Major Municipalities – North
Peter Koenig to 01/19
Shawn vanVelzen from 02/19

Major Municipalities – South
Ken Morrison

Mechanical Contractors
Gilles Petrin to 06/19
Vacant from 07/19

Rural Municipalities
Ray Veldhoen to 04/19
Vacant from 05/19

Private Sewage Disposal Contractors
David Dallaire

Professional Engineers
Quenton Kusiek

Public at Large
Stephan Dussault

Urban Municipalities
Tim Kosolofski



Plumbing Sub-Council (PSC)

Meetings in 2019: **4** | Seats: **12** | Volunteer Hours: **159**

- Reviewed the Pressure Equipment Sub-Council's draft recommendation regarding ammonia refrigeration systems.
- Continued development of a code change proposal to address cisterns in the 2025 National Plumbing Code.
- Provided feedback to the National Research Council on proposed changes to the 2015 National Plumbing Code.
- Ratified the Plumbing Group B course material.
- Began work on the 2020 Alberta Private Sewage Disposal Systems Standard of Practice.
- Discussed the possible effects of a change in the private sewage disposal discipline—variances for distances (setbacks) in the private sewage disposal discipline may now be issued by safety codes officers (previously issued by an Administrator).
- Monitored upcoming changes in code relating to a STANDATA on requirements for combination heating systems.
- Developed a skills matrix that defined the specific skills, experience, and qualifications required for each seat on the sub-council.



Technical Coordinating Committee (TCC)

Meetings in 2019: **1** | Seats: **16** | Volunteer Hours: **61**

- Received a report from the Chair of the Pressure Equipment Sub-Council regarding the discussions and work completed concerning ammonia refrigeration systems.
- Received a report from the Chair of the Elevators Sub-Council regarding a matter brought forward by the Building Owners and Managers Association (BOMA) concerning a new requirement that an escalator must be barricaded when not in service.
- Received a report from the Chair of the Electrical Sub-Council on discussions about the enforcement of the maintenance of building envelopes to ensure workers in other disciplines do not penetrate them.
- Received a presentation from the Administrator of Accreditation on annual internal reviews.

Members:

Labour
Cal Ploof, Chair

Plumbing
David Hughes, Vice-Chair

Alberta Urban Municipalities
Elgin Mann

Amusement Rides
Bill Church

Barrier-free
Barry McCallum to 01/19
Karen Muir from 02/19
Building
Don Dessario to 02/19
Andrew Smith from 03/19

Education and Training
Dylan Kunz

Electrical
Gerry Wiles

Elevators
JC Bawa

Fire
Michael Bos

Gas
Jason Helfrich

Major Municipalities – North
Chad Rich

Major Municipalities – South
Dale Rudiger

Municipal Districts and Counties
Vacant from 03/18
Kathy Rooyackers from 04/19

Passenger Ropeways
Kristian Haagaard

Pressure Equipment
Henry Hau

Members:

Contract Chief Inspectors
Izak Roux, Chair to 01/19
Member to 03/19
Nate Bartley from 04/19

Petrochemical Industry
David Miller, Vice-Chair

Large Refinery and Petrochemical Sites
Geoff Kutz, Vice-Chair

Building and Heating Plants
Mike Clancy

Construction and Maintenance of Pressure Equipment
Jacques St. Onge

Education and Training
Grant Peuramaki to 01/19
Danielle Woroniuk from 02/19

Electrical Utilities
John Wolf

Heavy Oil & Oilsands
Gregory Gaudet

Labour
Ward Wagner to 01/19
Robert James from 02/19

Petroleum Industry
Todd Loran

Power Engineers
Henry Hau, Chair from 01/19

Pressure Piping Industry
Billy Lee, Vice-Chair from 01/19

Pressure Vessel Manufacturing Industry
Marvin Kossowan

Professional Engineers
Magdi Ghobrial

Public at Large
Nyssa Moore

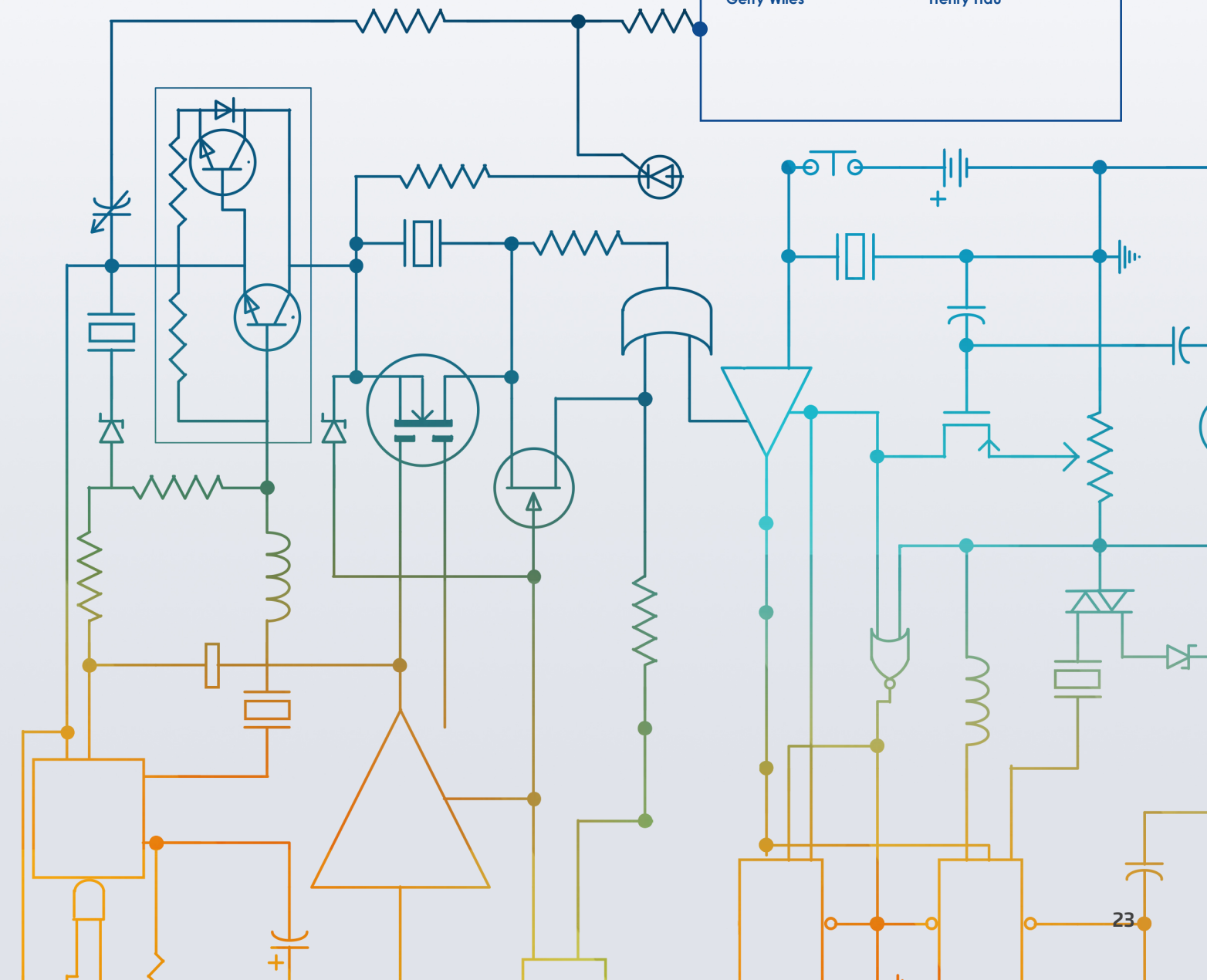
Pulp and Paper Industry
Tony McWhannel

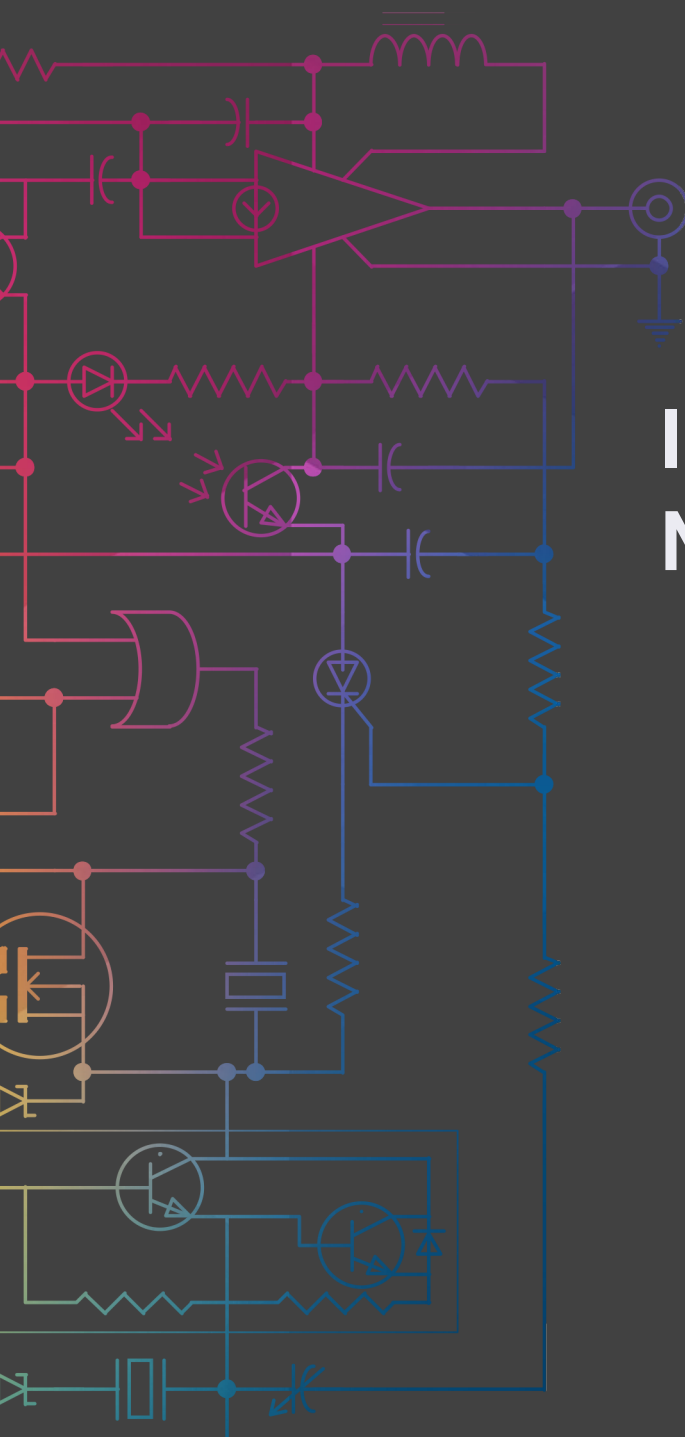


Pressure Equipment Sub-Council (PESC)

Meetings in 2019: **5** | Seats: **16** | Volunteer Hours: **305**

- Recommended the Boiler, Pressure Vessel, and Pressure Piping Code (CSA B51:19) for adoption.
- Recommended the Mechanical Refrigeration Code (CSA B52:18) for adoption.
- Supported a proposal regarding the management of Grade 91 materials in existing pressure equipment.
- Drafted short-term recommendations regarding ammonia refrigeration plants and requested feedback from the Fire, Electrical, Building, and Plumbing Sub-Councils.
- Participated in a task group with ABSA (Alberta Boilers Safety Association) to determine which of the existing guidelines for ammonia refrigeration systems could be made mandatory.
- Reviewed an Information Bulletin regarding certification requirements for providing reduced supervision in accordance with the Power Engineers Regulation.
- Developed a skills matrix that defined the specific skills, experience, and qualifications required for each seat on the sub-council.





Interview with Our New Board Chair



This year, we welcomed a new Chair to the Safety Codes Council Board of Directors, Kevin Griffiths. He agreed to answer a few questions in order to provide our clients and stakeholders with some insight into his vision for the Council.

What were the major accomplishments of the Board in 2019?

One of the biggest initiatives we tackled was restructuring the governance framework to empower our sub-councils. After extensive consultation with all sub-councils and then fulsome and careful discussion at the management and Board level, we believe we have come to an elegant and well thought out proposal. This will be presented to the membership at the 2020 AGM. If they vote to implement it, this new structure should be in place by the end of the year.

The Board also oversaw the implementation of a new risk framework for the Council in 2019. We have always had contingency plans in place for Council and System risks, but formalizing this process ensures that the Council's risk management program remains viable, up-to-date, and follows best practice.

This year was also a year of transition as the Board welcomed me on as Chair. I would like to acknowledge the great work of our previous Chair, Bob Blakely, and I am excited to continue that work as we push forward in our aim to continually improve our work in the System.

As you look ahead to the next several years, what do you see as the Board's top priorities?

In 2019, the Board was in full support of the government's focus on reducing administrative barriers for business, homeowners, and all Albertans. I was pleased that the Council submitted 18 red tape reduction items to government in 2019. Some of these items and the way they positively impact our stakeholders are presented in detail in the Building Better Connections section of this report. We are only getting started in this regard and the Board will continue to align with government direction on ways we can enhance service in the System into 2020 and beyond.

What do you see as the Council's biggest opportunities?

In 2020, the Council will be creating a new strategic plan for 2021-2025. This is an opportunity to think big and set big goals for our continued role in the System. We would like to focus on the ongoing sustainability of the System, which means ways we can change to keep up with an evolving System. We would also like to identify ways we can build capacity in the System. We will be identifying ways we can increase our partnerships, have deeper industry engagement, and provide the public with comprehensive information.

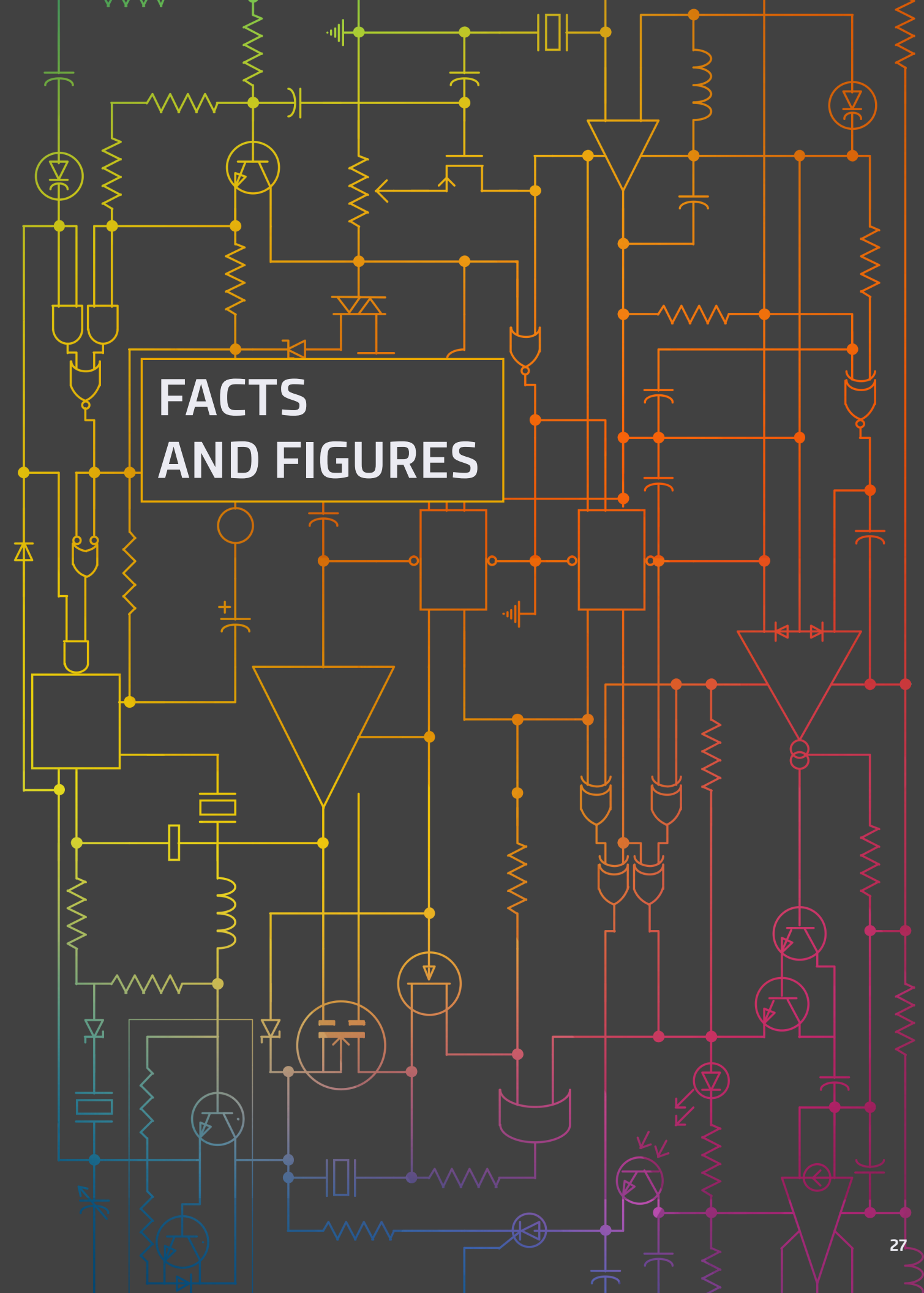
What do you wish our stakeholders knew about the Council or about you?

I really want our stakeholders to know how important they and their success are to us. We spend considerable time at the Board level discussing ways in which we can make the System easier to navigate, as well as how to balance achieving a high level of safety, while decreasing administrative burden on our partners. The Council has dedicated employees who believe in the power of consultation with stakeholders because they are driven to get things right for you, our clients and partners. Lastly, I would like everyone to know the value of our sub-councils. They provide an avenue for industry, labour, municipalities, training institutions, persons with disabilities, and the public to identify ways to improve the System, and to make it work for all parties involved. They are filled with dedicated people who work on a volunteer basis to keep us all safe in our built environment. They do this largely behind the scenes, and they do it all without expecting any recognition. I am grateful for the work they do.

Board Director Meeting Attendance

Directors	Board Meeting Attendance	Committee Meeting Attendance
Kevin Griffiths (became chair in June 2019) Chair, Safety Codes Council Board of Directors City of Calgary (until March 2019) Member, Audit and Risk Committee (until May 2019)	4/4	9/9*
Robert Blakely, Q.C. (retired in May 2019) Chair, Safety Codes Council Board of Directors	2/2	N/A
Owen Edmondson Vice-Chair, Safety Codes Council Board of Directors Chair, Audit and Risk Committee Member, Governance and Nominating Committee	3/4	9/9
Brian Alford President and CEO (Ex-officio)	4/4	12/12
Jill Matthew Chair, Governance and Nominating Committee	3/4	4/4
Marcie Kiziak Chair, Human Resources and Compensation Committee	4/4	3/3
Cal Plouf Chair of the Technical Coordinating Committee Member, Audit and Risk Committee	2/4	3/5
Charlene Smylie Alberta Urban Municipalities Association Member, Governance and Nominating Committee	4/4	4/4
Juan Monterrosa (joined Board in February 2019) City of Edmonton Member, Audit and Risk Committee	3/4	2/2
Marco Civitarese (joined Board in April 2019) City of Calgary Member, Audit and Risk Committee	3/3	2/2
Mark Gerlitz Member, Human Resources and Compensation Committee	4/4	3/3
Nancy Domijan Member, Human Resources and Compensation Committee	4/4	2/3
Tom Burton Rural Municipalities of Alberta Member, Audit and Risk Committee	3/4	5/5

*Once Board Chair, Mr. Griffiths attended all committee meetings.



Facts and Figures We'd Like to Share with You

Strong stakeholder relationships are important to us. One way to keep those connections strong is to share information about our business with our partners and clients. That includes data on our operational activities. The following facts and figures illustrate how well the System is working, how efficient it is, and speaks to the System's overall health and sustainability.

Accredited Organizations

Accredited areas of the province are overseen by municipalities, corporations, and agencies that the Council authorizes to administer the Safety Codes Act (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 types continue to remain stable with marginal changes over the last five years.

Accreditation by Organization Type

	Total	465	467	472	461	460
Agency		61	56	57	51	50
Corporation		100	101	104	101	102
Municipality		304	310	311	309	307
		2015	2016	2017	2018	2019

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 delivery of safety codes services on behalf of the Minister. ASCA enters into agreements with accredited agencies to provide these services, which include compliance monitoring and reporting on permitting and inspections.

In 2019, ASCA oversaw a total of 7,756 permits issued in unaccredited areas of Alberta, a 14% decrease from 2018.

Permits Issued by Discipline in Unaccredited Areas

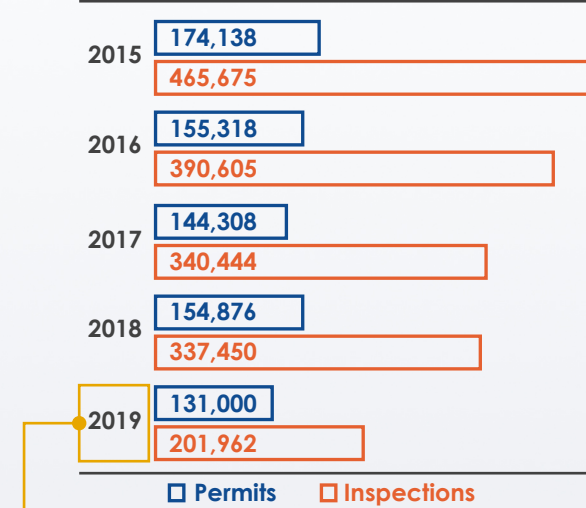
	Total	7,502	9,731	9,015	7,756
Building		956	1,344	1,243	1,182
Electrical		2,880	3,707	3,493	3,502
Plumbing		864	1,060	980	812
Gas		2,150	2,691	2,545	2,382
Private Sewage		652	929	754	690
		2016	2017	2018	2019

Permits and Inspections

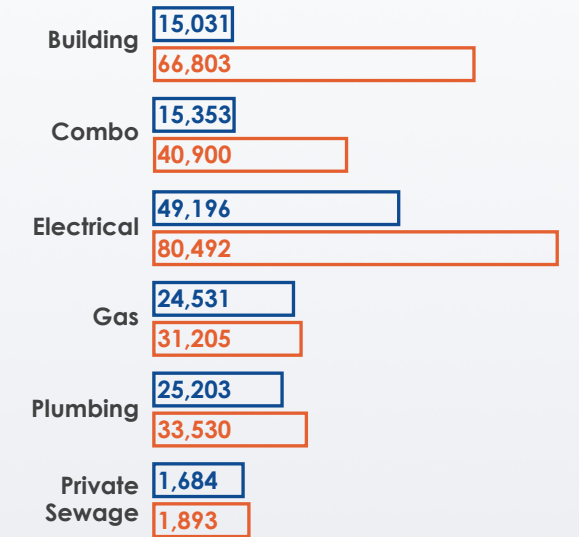
How does the System ensure permitted work meets the requirements of the Act? This is achieved primarily through inspections, which are carried out by SCOs. The Council tracks the permitting and inspection activities of 253 organizations.

In 2019, the inspection-to-permit ratio was 1.5:1, a drop in the inspections per permit issued.

Permit and Inspection Activity in Alberta



Permit and Inspection Activity by Discipline in Alberta in 2019



Orders

What happens when work does not meet the requirements of the Act? How is the Act enforced? One way is through an order, which an SCO issues in relation to a code requirement. The Council tracks the orders.

Orders Issued by Discipline Type in 2019

Building	246
Electrical	4
Fire	23
Plumbing	8
Gas	5
Total	286

Variances

Occasionally, a proposed alternative to a code requirement provides equal or greater safety than a code or standard requires. In those cases, an SCO may issue a variance. Variances are tracked by the Council.

Variances Issued by Discipline in 2019

Building	736
Electrical	86
Fire	8
Plumbing	70
Pressure Vessels	5
Gas	14
Total	919

Certification

SCOs are employed by accredited organizations and certified by the Council. The Council is also responsible for certifying master electricians (ME). Certification ensures that SCOs and MEs maintain professional standards.

A further responsibility of the Council is to designate powers to SCOs, which authorizes them to work for a specific accredited organization. SCOs cannot carry out their responsibilities under the Act without a designation of powers.

In 2019, there were 2,624 certified SCOs. Of those, 1,848 held a designation of powers for one or more accredited organizations. At the end of 2019, there were 4,569 MEs.

SCO Certifications and Designations by Discipline

		2015	2016	2017	2018	2019
Amusement Rides	Certifications	12	14	13	13	13
	Designations	10	12	11	10	10
Building	Certifications	412	457	458	471	470
	Designations	343	384	382	378	355
Electrical	Certifications	518	592	596	606	548
	Designations	242	253	254	229	204
Elevators	Certifications	26	31	32	32	31
	Designations	21	26	27	25	27
Fire	Certifications	1,122	1,259	1,335	1,301	1,185
	Designations	917	1,035	1,116	1,050	920
Gas	Certifications	129	142	139	138	133
	Designations	112	124	126	128	119
Passenger Ropeways	Certifications	6	6	5	5	6
	Designations	4	4	3	3	5
Plumbing	Certifications	130	143	143	143	138
	Designations	114	126	128	129	119
Pressure Equipment	Certifications	78	83	82	86	100
	Designations	78	83	82	86	89
Total Certifications		2,433	2,727	2,803	2,795	2,624
Total Designations		1,841	2,047	2,129	2,038	1,848

Training

Training is essential in ensuring that SCOs and permit issuers have the expertise they need to fulfill their role within the System. In order to develop training material that is relevant and of high quality, the Council works closely with sub-council members and other subject matter experts. It is also vital that training meets the needs of SCOs and their employers.

The number of course registrations is relatively stable as compared to last year. The number of registrations for fire courses continued to increase in 2019: this was the second full year that the Council has been delivering these courses. The most popular types of course delivery in 2019 were self-paced, on-line, and self-paced, print based.

Course Registrations by Year

	2015	2016	2017	2018	2019
Base Competency	402	504	580	553	623
Code Update	747	244	348	93	20
Permit Issuers	62	64	21	45	21
Fire	34	74	365	848	1066
Building	682	1,353	718	567	337
Plumbing	28	30	32	45	43
Gas	18	17	7	39	35
Electrical	172	149	107	86	80
Other	9	6	9	8	2
Total	2,154	2,441	2,187	2,284	2,227

Audits

Similar to the need to ensure SCOs are properly trained and certified, the System must also ensure that accredited organizations are appropriately administering the Act in their jurisdiction. That's where the Council Audit department comes in. Comprehensive audits of organizations accredited in the building, fire, electrical, plumbing, and gas disciplines are carried out on a regular basis. In 2019, the Council performed 47 audits of accredited organizations and delivered 46 reports to audited organizations.

Investigations

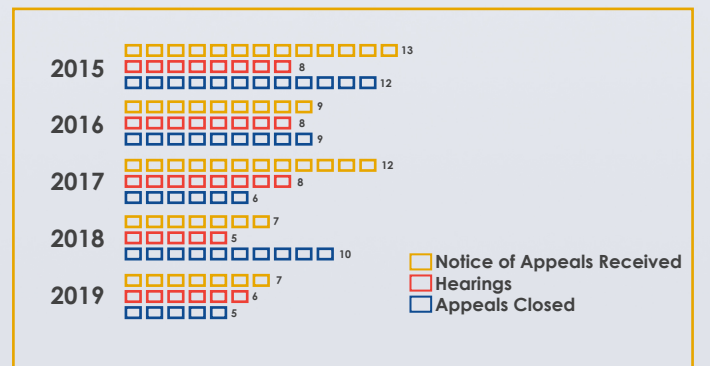
If there are complaints and concerns about the conduct, performance, and/or competency of accredited organizations, SCOs, permit issuers, or MEs, the Council investigates them. Complaint investigations are independent and objective and provide the System with an additional tool for oversight.

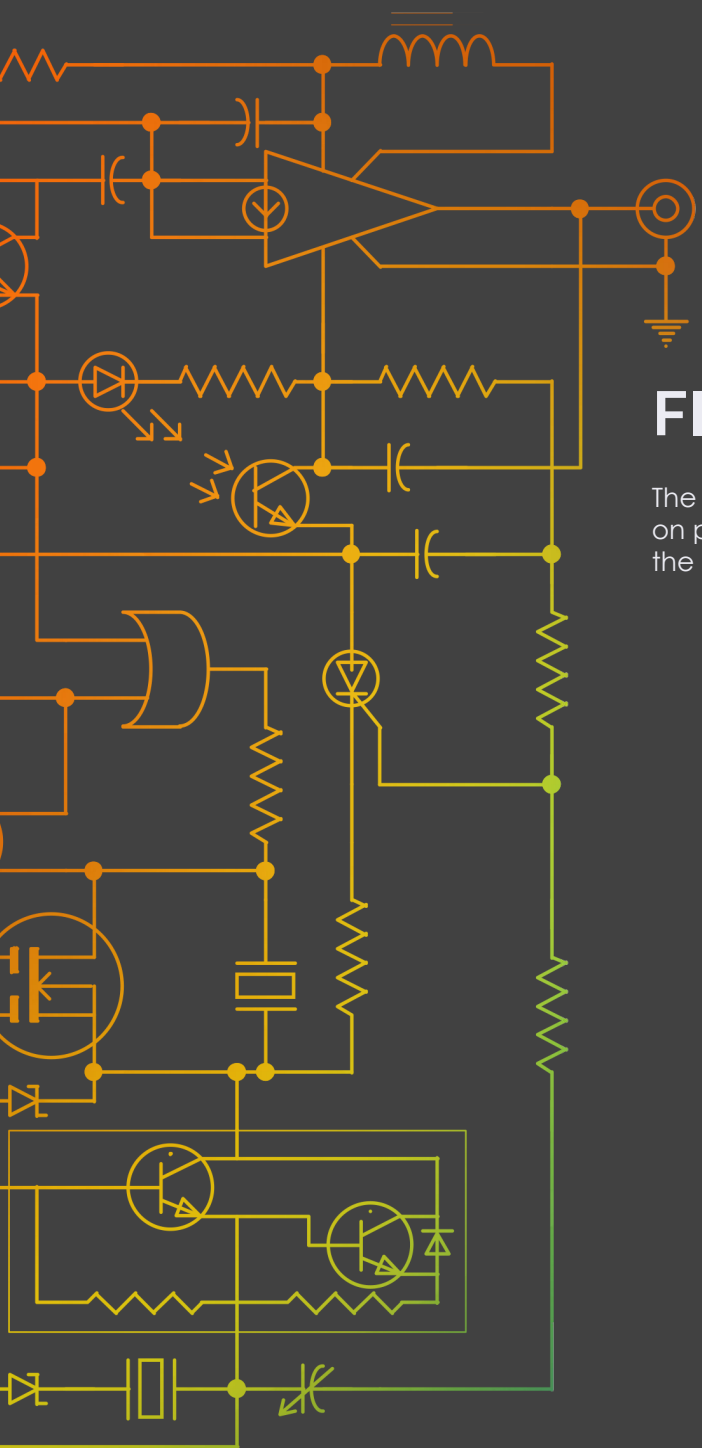
Complaints

2019	
Enquiries	24
Investigations	8

Appeals

If an individual or organization disagrees with an order or written notices under the Act, they have the right to appeal. The Council administers an appeal process that is run according to the principles of natural justice and is fair, objective, and accessible.





FINANCIALS

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

Management's Comments on the 2019 Financial Statements

In 2019, the Council continued to deliver on its five strategic goals of safety, education, governance, sustainability, and service delivery. One significant achievement was the implementation of a risk management policy and program, which formalized our risk identification and mitigation processes. We used the data coming out of these processes to inform our business planning initiatives. This is another tool that we use to ensure that we prioritize the right initiatives in order to best serve our clients. Other major projects included QMP course updates, continued work on the governance framework, and significant efforts in supporting the provincial red-tape-reduction mandate. Our work in these areas have resulted in efficiencies in the safety system and enhanced services to our clients and stakeholders.

According to the Alberta Economic Dashboard, housing starts in the province for 2019 were up 5% to 25,960 units. However, the total dollar value of residential building permits was down 10%. Overall, non-residential permits were down 18%. A break-down of the 18% decline in non-residential permits includes a decreased dollar value of commercial spending on permits by 21%, a decrease in industrial permits by 15%, and a decrease in institutional and government spending on permits by 12%.

Revenues

Total revenues in 2019 were \$14.8 million, a 2.8% increase from 2018. This increase is attributed to permit revenue in unaccredited areas of the province (1.5%). In large part, this increase in revenue is related to activities in large sustainable energy projects in southern Alberta and investment in energy projects in northern Alberta. In addition, agencies have been completing more currently opened permits. We continued to see similar revenue from levies year-over-year in accredited municipalities. We also saw an increase of 8% in annual accreditation renewals, specifically because of an increase in accredited corporations being renewed with additional disciplines.

Expenses

Total expenses in 2019 were \$15 million, a 2.6% increase from 2018. This is because we continued to prioritize and invest in our strategic priorities by completing large initiatives in our business plan. Salaries and benefits increased by 5.7% as the Council continued to grow. This increase was offset by a decreased reliance on contractors and contract employees. The Council focused on cost controls in all of its decisions and found notable savings in the areas of travel, advertising and publications, and general office supplies. Increased expenses in 2019 were due to increases in agency service fees as a result of more inspections being conducted and permits being closed in the unaccredited regions of Alberta along with the delivery of courses and seminars.



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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, 2019
- 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, 2019, 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
March 27, 2020

SAFETY CODES COUNCIL Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,786,960	\$ 3,336,213
Accounts receivable	568,918	458,862
Prepaid expenses and deposits	295,580	454,657
	2,651,458	4,249,732
Investments (note 2)	11,510,077	9,646,214
Capital assets (note 3)	2,612,344	2,911,654
	\$ 16,773,879	\$ 16,807,600

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 769,393	\$ 744,497
Deferred revenue (note 4)	1,857,155	2,337,419
Current portion of deferred lease inducements (note 5)	165,951	165,951
	2,792,499	3,247,867
Deferred lease inducements (note 5)	1,217,971	1,384,042
Net assets:		
Sustainment and growth fund	7,050,233	7,992,168
Internally restricted (note 6)	3,900,000	3,000,000
Invested in capital assets	1,651,662	1,835,690
	12,601,895	12,827,858
Accumulated remeasurement gains (losses)	161,514	(652,167)
	12,763,409	12,175,691
Commitments (note 7)		
	\$ 16,773,879	\$ 16,807,600

See accompanying notes to financial statements.

On behalf of the Council:

original signed
Owen Edmondson (Mar 31, 2020) Director

original signed
Kevin Griffiths (Mar 31, 2020) Director

SAFETY CODES COUNCIL
Statement of Operations

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Revenues:		
Levy fees	\$ 5,798,180	\$ 5,824,088
Permit fees (note 4)	5,673,407	5,443,435
Accreditation fees	1,186,247	1,098,652
Safety Codes Officer program fee (note 4)	752,841	754,931
Master Electricians Program certification fees	641,270	604,914
Investment income	508,201	473,296
Other revenue (note 4)	225,282	180,392
	14,785,428	14,379,708
Expenses:		
Salaries and benefits	6,359,664	6,018,540
Permit service fees	4,375,505	4,104,976
General and administrative	1,926,661	1,911,539
Contract salaries and remuneration	915,351	1,184,323
Amortization and loss on disposal of capital assets	493,658	530,589
Travel	425,083	482,194
Course and seminar costs	305,998	179,053
Advertising and publications	151,453	168,863
Investment management fees	58,018	58,084
	15,011,391	14,638,161
Deficiency of revenues over expenses	\$ (225,963)	\$ (258,453)

See accompanying notes to financial statements.

SAFETY CODES COUNCIL
Statement of Changes in Net Assets

Year ended December 31, 2019, with comparative information for 2018

	Sustainment and growth fund	Internally restricted (note 6)	Invested in capital assets	2019 Total	2018 Total
Balance, beginning of year	\$ 7,992,168	\$ 3,000,000	\$ 1,835,690	\$ 12,827,858	\$ 13,086,311
Excess (deficiency) of revenues over expenses	267,695	-	(493,658)	(225,963)	(258,453)
Purchase of capital assets, net	(309,630)	-	309,630	-	-
Transfers	(900,000)	900,000	-	-	-
Balance, end of year	\$ 7,050,233	\$ 3,900,000	\$ 1,651,662	\$ 12,601,895	\$ 12,827,858

Statement of Remeasurement Gains and Losses

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Accumulated remeasurement gains (losses), beginning of year	\$ (652,167)	\$ (111,517)
Unrealized change in fair value of investments	813,681	(540,650)
Accumulated remeasurement gains (losses), end of year	\$ 161,514	(652,167)

See accompanying notes to financial statements.

SAFETY CODES COUNCIL
Statement of Cash Flow

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operations:		
Deficiency of revenues over expenses	\$ (225,963)	\$ (258,453)
Item not involving cash:		
Amortization and loss on disposal of capital assets	493,658	530,589
Changes in non-cash operating working capital:		
Accounts receivable	(110,056)	138,010
Prepaid expenses and deposits	159,077	(241,799)
Accounts payable and accrued liabilities	24,896	(289,413)
Deferred revenue	(480,264)	(141,011)
Deferred lease inducements	(50,789)	473,486
	(189,441)	211,409
Investing activities:		
Purchase of investments, including reinvested investment income	(1,050,182)	(415,212)
Withdrawals from investments	-	1,000,000
	(1,050,182)	584,788
Capital and financing activities:		
Purchase of capital assets	(313,430)	(2,336,188)
Proceeds from disposal of capital assets	3,800	-
Lease inducements received for the purchase of capital assets	-	1,152,819
	(309,630)	(1,183,369)
Decrease in cash and cash equivalents	(1,549,253)	(387,172)
Cash and cash equivalents, beginning of year	3,336,213	3,723,385
Cash and cash equivalents, end of year	\$ 1,786,960	\$ 3,336,213

See accompanying notes to financial statements.

SAFETY CODES COUNCIL
Notes to Financial Statements

Year ended December 31, 2019

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

SAFETY CODES COUNCIL
Notes to Financial Statements (continued)

Year ended December 31, 2019

1. Significant accounting policies (continued):

(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

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, 2019

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.

(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.

SAFETY CODES COUNCIL
Notes to Financial Statements (continued)

Year ended December 31, 2019

1. Significant accounting policies (continued):

(i) Changes in accounting policies:

Effective January 1, 2019, the Council has prospectively adopted PS3430 Restructuring Transactions. The effect of adopting this standard did not have any impact on the Council's the financial statements.

(j) Future accounting changes:

The following summarizes upcoming changes to Canadian public sector accounting standards: PS3280 Asset Retirement Obligations (effective April 1, 2021) and PS3400 Revenue (effective April 1, 2022). The Council's management is currently assessing the impact of these new accounting standards on its financial statements.

2. Investments:

2019	Level	Cost	Fair value
Cash and cash equivalents		\$ 300	\$ 300
Jarislowsky Fraser Money Market Fund	1	-	-
Pooled funds:			
Jarislowsky Fraser Bond Fund	2	6,634,285	6,599,638
Jarislowsky Fraser Canadian Equity Fund	2	2,859,175	2,756,804
Jarislowsky Fraser Global Equity Fund	2	1,676,971	1,964,365
Jarislowsky Fraser Emerging Market Equity Fund	2	177,832	188,970
		\$ 11,348,563	\$ 11,510,077
2018	Level	Cost	Fair value
Cash and cash equivalents		\$ 826	\$ 826
Jarislowsky Fraser Money Market Fund	1	114	114
Pooled funds:			
Jarislowsky Fraser Bond Fund	2	5,822,521	5,583,890
Jarislowsky Fraser Canadian Equity Fund	2	2,894,843	2,446,801
Jarislowsky Fraser Global Equity Fund	2	1,580,077	1,614,583
		\$ 10,298,381	\$ 9,646,214

There were no transfers between Level 1 and Level 2 for the years ended December 31, 2019 or 2018.

SAFETY CODES COUNCIL
Notes to Financial Statements (continued)

Year ended December 31, 2019

3. Capital assets:

	2019		2018	
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	\$ 521,994	\$ 177,575	\$ 344,419	\$ 456,940
Equipment	49,836	8,955	40,881	14,755
Computer hardware	800,987	465,654	335,333	453,657
Computer software	1,550,794	641,613	909,181	898,571
Leasehold improvements	1,152,819	192,136	960,683	1,075,964
Copyrights	11,767	-	11,767	11,767
Capital assets not in use	10,080	-	10,080	-
	\$ 4,098,277	\$ 1,485,933	\$ 2,612,344	\$ 2,911,654

Leasehold improvements in the amount of \$nil (2018 - \$1,152,819) for the Council's new offices were acquired with proceeds from tenant inducements provided by the Council's landlord (see note 5). Capital assets not in use includes \$10,080 (2018 - \$nil) related to the Council's office expansion.

4. Deferred revenue:

	Balance, December 31, 2018	Amounts received / receivable	Revenue recognized, net	Balance, December 31, 2019
Permit fees	1,876,669	5,232,187	(5,673,407)	1,435,449
Safety Codes Officer program fee	206,767	780,721	(752,841)	234,647
Other revenue	253,983	158,358	(225,282)	187,059
	\$ 2,337,419	\$ 6,171,266	\$ (6,651,530)	\$ 1,857,155

In 2016, the Council applied for and obtained a one-time conditional grant from the Province of Alberta to complete a Safety System Outcome Survey. 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. Included in other revenue is \$77,109 (2018 - \$nil) related to this grant. An amendment to the grant agreement was obtained in 2019 extending the project into fiscal 2020.

SAFETY CODES COUNCIL
Notes to Financial Statements (continued)

Year ended December 31, 2019

5. Deferred lease inducements:

In the prior year, the Council received \$507,888 in "free rent" and \$1,152,819 in tenant lease inducements to support the purchase of certain leasehold improvements. During the year, the Council recognized \$50,789 (2018 - \$34,402) of amortization of deferred straight-line rent as a reduction in rent expense and \$115,282 (2018 - \$76,855) of amortization of deferred tenant inducements as a reduction in amortization expense.

	2019		2018	
Straight-line rent	\$	423,240	\$	474,029
Tenant inducements		960,682		1,075,964
		1,383,922		1,549,993
Current portion of deferred lease inducements		165,951		165,951
	\$	1,217,971	\$	1,384,042

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. During the year, the Board of Directors approved a transfer of \$900,000 to this internally restricted account.

7. Commitments:

The Council has committed to an operating lease for its office premises which expires April 30, 2028. Under the agreement, the Council is responsible for annual rent payments and its share of operating costs related to the office premises. The Council has also committed to an equipment lease for use of a photocopier which expires February 29, 2020.

	Equipment lease		Office lease		Total
2020	\$	3,432	\$	278,304	\$ 281,736
2021		-		278,304	278,304
2022		-		289,900	289,900
2023		-		295,698	295,698
2024		-		295,698	295,698
Thereafter		-		1,055,236	1,055,236
	\$	3,432	\$	2,493,140	\$ 2,496,572

SAFETY CODES COUNCIL
Notes to Financial Statements (continued)

Year ended December 31, 2019

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.

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 \$63,804 (2018 - \$72,372) and is included in general and administrative expense on the statement of operations. Other costs consist of travel related to meeting attendance of \$35,688 (2018 - \$35,864) which is included in travel expense on the statement of operations.

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.

(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. There have been no significant changes to the market price risk exposure from 2018.

(b) 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 2018.

SAFETY CODES COUNCIL
Notes to Financial Statements (continued)

Year ended December 31, 2019

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. There have been no significant changes to the credit risk exposure from 2018.

(d) 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 2018.

10. Comparative information:

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



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