

FOCUSING
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EFFECTIVELY USING
SUPPORTING
RESOURCES



Safety
Codes
Council

ANNUAL
REPORT
2021

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Message from the Chair

2021 marked my last full year as Chair of the Safety Codes Council. While I am sad to be leaving my role at the Council behind, I am grateful for the opportunity to advocate for our safety codes system at the national table as Chair of the Canadian Commission on Building and Fire Codes. I look forward to continuing to serve Albertans and all Canadians through the development and maintenance of building and fire codes, working with the National Research Council, and the provincial and territorial ministries.

I have deeply enjoyed my time with the Board of Directors, staff, and members of the Council over the last five years. It has been an honour to work with such dedicated and knowledgeable people. The Council plays a major role as a regulator, educator, innovator, advisor, and administrator of programming. This very broad scope could not be covered without their contributions. The Council's ability to adapt and thrive through the pandemic has been impressive. The Council accomplished many goals this year, including the publication of its five-year strategic plan. This plan sets a strong direction to achieving our mission of providing leadership by guiding, educating, supporting, and collaborating with all stakeholders in Alberta's safety codes system. The Council is only one year into the plan and has already made great progress. I know the Council will continue to flourish.

Kevin Griffiths

Chair, Board of Directors



Message to Our Stakeholders

Our 2021 initiatives covered a wide range of enhancements that will strengthen relationships with safety codes system partners, reduce red tape, improve public education on safety codes, and increase the Council's effectiveness as a regulator.

Targeting initiatives that make a measurable impact on our stakeholders, the Council is evaluating its procedures to find ways to improve productivity, save costs, and enhance safety.

In 2021, the Council conducted a detailed review of permit fees in unaccredited areas of the province. This resulted in a new fee schedule for clients of the Alberta Safety Codes Authority (ASCA). The new schedule simplifies the calculation model and ensures consistency across fee types, reducing administrative burdens for organizations, and increasing transparency for applicants.

The Council began reviewing the Master Electrician Program through extensive stakeholder engagement, surveying 1,200 master electricians in order to evaluate program effectiveness. Building on this engagement, the Council developed an options report identifying improvements that will enhance oversight of master electricians while decreasing the Council's and stakeholders' costs.

Partnerships with the safety system's stakeholders continued to be a key focus, including the launch of the Indigenous Student Bursary in February, which awarded funding for safety codes officer (SCO) students to receive certification. The Bursary will continue as a program in 2022 and beyond, aimed at attracting members of Alberta's Indigenous community to the safety codes officer profession.

The Council worked to formalize relationships with system partners in order to improve information sharing across Alberta's safety system. As part of this effort, the Council and the Association of Professional Engineers and Geoscientists of Alberta (APEGA) signed a Memorandum of Understanding (MOU) in June 2021. This MOU ensures procedural fairness in the Council's appeal process, helping to mitigate risks and reducing red tape by enhancing organizational communication and establishing consistent processes and access to the safety system.

Transparency is central to the Council's continued success as a regulator. In 2021, the Council began a public reporting process that ensures our stakeholders have access to system data, allowing individuals and organizations to monitor the performance of the safety codes system. The Council piloted a stakeholder engagement webpage, which will enable stakeholders to weigh in on program changes and review past efforts. More public reporting is coming in 2022, giving the Council and its stakeholders the tools they need to make informed decisions and manage risks.

Amina Deiab
President and CEO



OUR GUIDING PRINCIPLES

VISION

To be an outcomes and data driven, risk-based regulatory organization that helps keep Albertans safe in the built environment.

MISSION

Provide leadership by guiding, educating, supporting, and collaborating with all stakeholders in Alberta's safety codes system.

VALUES

Foster public confidence

Public confidence is established through transparency, accountability, and enhancement of public service.

Fuel innovation in the safety codes system

The Council responds to industry needs and system innovations by finding efficient and effective ways to drive meaningful change and invests in technologies to help meet the evolving needs of the safety codes system.

Utilize expertise

The Council's members and staff have deep and diverse expertise. Their talent and dedication to excellence strengthen the safety codes system.

Act with integrity

The Council demonstrates responsibility by upholding the highest ethical standards, acting with integrity, and generating trust.

2021 – 2025 Safety Codes Council Strategic Plan

2021 was the first year of the Council's five-year strategic cycle. The 2021–2025 Strategic Plan was developed in collaboration with clients, stakeholders, and staff in order to respond to emerging challenges and take advantage of new opportunities to build on the strength of the system.

Six Strategic Pillars



Enhance Technology to Drive Innovation: Ensuring the administration of Alberta's safety codes system is conducted efficiently and effectively, enabling the advancement of new technologies within the Council and Alberta's safety codes system.



Harness Data and Analytics: Building capacity to collect and analyze data to drive decision-making and enable risk-based approaches to safety service delivery.



Promote the Consistent Application of Codes and Standards: Developing tools to enable and increase regulatory consistency in the delivery of safety codes and standards to support Alberta's economic competitiveness and improve public safety.



Strengthen Partnerships with Our Stakeholders: Building relationships and collaborating with all system stakeholders to ensure Council programming continues to add value to those we serve, finding synergies, and working together to achieve common system goals.



Evolve Educational Programming: Delivering educational programs and initiatives that provide our clients with the knowledge and competencies that the system requires, now and into the future.



Improve Regulatory Effectiveness and Efficiency: Identifying opportunities for improvements within the Council and the system and providing transparent reporting to demonstrate accountability for the Council's regulatory oversight functions.

UPDATE ON OUR 2021 GOALS

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DEVELOP A BUSINESS INTELLIGENCE AND DATA MANAGEMENT PLAN



STRATEGIC PILLARS:

 Harness Data and Analytics

 Improve Regulatory Effectiveness and Efficiency

Note: This is a long-term initiative beginning in 2021.

Objective:

Develop a Business Intelligence and Data Management Plan.

Results:

- Developed a current and future state assessment of Council performance measures, data systems, data collection, analysis, and reporting capabilities of the Council and other relevant external data systems. The assessment analyzed each component's strengths, opportunities for improvement and leading practices.

Impact:

The deployment of new assessment tools ensures that the Council and the Government of Alberta have enhanced knowledge of system risk and trends.

INDIGENOUS SCO STUDENT BURSARY



STRATEGIC PILLARS:

 Strengthen Partnerships with Stakeholders to Improve Public Safety

 Evolve Educational Programming to Meet the Needs of the System

Note: This was an initiative identified in the 2020 plan. While some bursary funding was awarded in 2020, the program development was delayed due to COVID-19.

Objective:

Launch the Indigenous SCO Student Bursary, review applications, and award funding to successful candidates.

Results:

- Three students were supported through the bursary program, with \$6,405 awarded.
- Meetings with stakeholders were conducted to promote the program and to support application submissions.

Impact:

This bursary reduces barriers for Indigenous individuals completing their SCO certification and increases the capacity of Indigenous communities to provide safety services. Supporting SCO certification in these communities also provides economic development opportunities, as individuals will be qualified to work in safety services throughout the province or form their own inspection agency within their community.

STORAGE TANK SYSTEM IMPROVEMENTS



STRATEGIC PILLARS:

- Strengthen Partnerships with Stakeholders to Improve Public Safety
- Improve Regulatory Effectiveness and Efficiency
- Support Harmonization and Promote the Consistent Application of Codes and Standards

Objective:

Use feedback gathered from tank owners and operators throughout Alberta to make improvements to storage-tank permitting and inspections services.

Results:

- Storage tank services were standardized by creating a decision matrix where agreed on interpretation of codes, standards, and legislation are logged to ensure overall consistency in application across Alberta.
- Two guidance documents for owners and operators were created and published: an inspection checklist/guide and an owner/operator weekly checklist.
- Reduced paperwork for mandatory annual inventory control reporting allowing existing sites to indicate no changes.

Impact:

Storage-tank permitting and inspection services in unaccredited areas of the province are further streamlined and standardized for improved functionality and enhanced efficiency. The inspections process is more transparent, and clients have access to resources to ensure safe administration of storage tank systems.

ALBERTA SAFETY CODES AUTHORITY FEE REVIEW



STRATEGIC PILLARS:

- Strengthen Partnerships with Stakeholders to Improve Public Safety
- Improve Regulatory Effectiveness and Efficiency

Objective:

Conduct a permit fee review and restructure ASCA's fee schedule to ensure cost competitive services can be delivered across the province.

Results:

- A fee review survey was delivered in Q1 2021 to gain stakeholder feedback.
- New fee schedule designed to support long-term sustainability and innovation for ASCA's business model.
- Implementation began with contracted agencies with a launch date of January 1, 2022.

Impact:

Changes to the ASCA fee schedule reduce the complexity of the calculation model and ensure consistency across fee types, decreasing administrative burdens for organizations, and improving transparency for applicants.

PARTNERSHIP PROGRAM



STRATEGIC PILLARS:



Strengthen Partnerships with Stakeholders to Improve Public Safety



Evolve Educational Programming to Meet the Needs of the System



Support Harmonization and Promote the Consistent Application of Codes and Standards

Objective:

Partner with government and stakeholders to create accurate, relevant, and sustainable ways for the public to find information on the safety codes system.

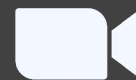
Results:

- The Council partnered with external organizations in the safety codes system along with Municipal Affairs to deliver six educational webinars on emerging topics. These webinars had an average satisfaction rate of 86% and were posted to the Council website for public viewing.
- Campaigns highlighting important system matters were promoted via web, social media, and the Partners newsletter. This was facilitated by working with organizations including Electrical Inspectors Association of Alberta, Alberta Onsite Wastewater Management Association, Alberta Building Officials Association, Canadian Lumber Standards Accreditation Board, Alberta Elevating Devices and Amusement Rides Safety Association, and Wood WORKS! Alberta.
- A stakeholder engagement webpage was designed and piloted for the annual survey.

Impact:

This program improves access to resources for a broad range of stakeholders and system users while strengthening relationships with our partners through engagement and information sharing.

VIDEO LEARNING SERIES FOR PUBLIC EDUCATION



STRATEGIC PILLARS:



Strengthen Partnerships with Stakeholders to Improve Public Safety



Evolve Educational Programming to Meet the Needs of the System

Note: This initiative began in 2020 and will continue to grow based on needs stakeholders identify.

Objective:

Develop two videos to address questions the public and external stakeholders commonly ask.

Results:

- Two videos were completed, The Value of a Permit and What Is an SCO?

Impact:

These videos provide an accessible platform for a broad range of stakeholders to learn about the role of SCOs, the Council and the benefits of the system as a whole.

CURRICULUM MODERNIZATION



STRATEGIC PILLARS:



Improve Regulatory Effectiveness and Efficiency



Evolve Educational Programming to Meet the Needs of the System



Support Harmonization and Promote the Consistent Application of Codes and Standards

Objective:

Develop a framework for reviewing and evaluating options to update and modernize the Council's SCO curriculum and develop a plan to update base competency courses.

Results:

- A stakeholder engagement plan was developed and initial engagements were completed in 2021. Further focus groups, interviews, and a survey is planned for Q2 of 2022.

Impact:

A modernized SCO curriculum ensures that the education system is efficient, effective, and can be readily adapted to code changes and trends in the industry.

CONTINUING EDUCATION WORKSHOPS



STRATEGIC PILLARS:



Evolve Educational Programming to Meet the Needs of the System



Support Harmonization and Promote the Consistent Application of Codes and Standards

Note: This initiative began in 2018. The Council has developed four workshops, including variances and plan review workshops in 2020.

Objective:

Develop two continuing education workshops by the end of 2021.

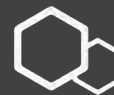
Results:

- Surveys were conducted to develop a workshop on orders. Common educational needs were established, and the workshop launches in 2022.
- SCO Roles and Responsibilities Workshop developed in 2021 and will be piloted to newly certified SCOs in 2022.
- Variances—Gearing Up for Innovation and Safety workshop was modified to a one-hour format in order to inform stakeholders that refusal of variances by SCOs are appealable effective December 1, 2021.

Impact:

Continuing education workshops address stakeholders' demands and respond to emerging system needs in order to provide SCOs and other safety codes system professionals with actionable information to update skills and increase knowledge.

NEW SUB-COUNCILS



STRATEGIC PILLARS:

-  Improve Regulatory Effectiveness and Efficiency

Objective:

Create the Electrical Utilities and the Private Sewage Disposal Systems sub-councils to assume a formal advisory role in their disciplines. These sub-councils will also develop and continuously update the *Alberta Electrical Utility Code* and the *Alberta Private Sewage Disposal System Standard of Practice*.

Results:

- Matrices for both sub-councils were developed in consultation with stakeholders.
- The first Electrical Utilities Sub-council meeting was held in November 2021 and the first Private Sewage meeting is scheduled for February 2022.

Impact:

Creating sub-councils for these two disciplines ensures focused expertise for code/standard writing bodies, formalizes governance structures, and provides greater transparency through public availability of minuted meetings.

MASTER ELECTRICIAN PROGRAM REVIEW



STRATEGIC PILLARS:

-  Improve Regulatory Effectiveness and Efficiency

-  Evolve Educational Programming to Meet the Needs of the System

Objective:

Conduct a review of the Master Electrician Program in consultation with stakeholders.

Results:

- Master electricians were engaged on the program through surveys, focus groups, and one-on-one interviews.
- A What We Heard document was drafted.
- An options report for changes to the program was completed.

Impact:

Changes to the program aim at increasing oversight of master electricians and improving program efficiency.

Sub-Councils – Alberta's Safety Network

Through sub-councils, the Safety Codes 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. The members represent diverse specialties, including engineering, architecture, contracting, manufacturing, corporations, safety codes officers, labour, municipalities, and education.



Amusement Rides Sub-Council (ARSC)

Meetings in 2021: 3 | Seats: 8 | Volunteer Hours: 14

- It was recommended that the Council work with Alberta Elevating Devices and Amusement Rides Safety Association (AEDARSA) on posting safety information regarding inflatable amusement devices on the Council's website.
- Businesses that fall into the Portable Provincial Amusement Ride Business category were identified. These organizations will be contacted to determine if they would like to serve as nominating organizations for the Portable Ride Operators industry segment.

Members:

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



Barrier-Free Sub-Council (BFSC)

Meetings in 2021: 4 | Seats: 14 | Volunteer Hours: 130

- Working groups were formed to help manage the priority research assignments. These assignments include awareness and technical issues being investigated by the Barrier-Free Sub-Council.
- Proposed revisions were submitted to the upcoming edition of the National Building Code Alberta Edition (NBC(AE)) regarding accessibility provisions that present conflicts with the safety and accessibility needs of seniors.
- Two active working groups (technical and awareness) continued to investigate initiatives such as door protection, curb cut issues, and adding accessibility information to MLS® listings for homes.

Members:

Public at Large Karen Muir , Chair	Residential Apartment and Condominium Owners/Managers Donna Monkhouse
Barrier Free Design Ron Wickman	Visual Disabilities Matthew Kay to 03/21 Vacant
Hearing Disabilities Lee Ramsdell	Commercial Construction/Land Development Robert Lipka
Agility Disabilities Bob Macklon	Communication and Cognitive Disabilities Bev Knudtson
Aging Population Georg Rath	Education and Training Helen Evens Warren from 02/21
Code Enforcement (Safety Codes Officer) Brian Huxley	Home Construction Deliany Sather
Mobility Disabilities Chris Schamber	
Non-Residential Building Management Tanya Befus , Vice Chair	

Members:

Professional Engineers Andrew Smith , Chair	Large Industrial Developments Brendan Ottosen to 04/21 Laura Ritchie from 05/21
Builders & Developers Keith Jansen	
Building Officials Bruce Schultz to 01/21 Darin Harsch from 02/21	Large Municipalities – South Justin Pockar
Fire Officials Russell Croome to 01/21 Keven Lefebvre from 06/21	Major Municipalities – North David Flanagan
Architecture Grace O'Brien	Mechanical Contractors Terry O'Flaherty
Building Owners Corey Klimchuk , Vice Chair	Public at Large Vacant to 03/21 Zachary Walker from 04/21
Consumer Protection Rick Gratton , Vice Chair	Rural Municipalities Stephen Hill
General Contractors Lee Phillips to 01/21 Vacant	Urban Municipalities Darin Sceviour
Heating, Ventilation, Air-conditioning Matthew Kramer	Energy Efficiency (New Industry Segment) Vacant
Labour Colin Belliveau	

Building Sub-Council (BSC)

Meetings in 2021: 5 | Seats: 18 | Volunteer Hours: 268



- A working group was formed to review the NBC(AE) 2019 to identify issues and concerns relating to refrigeration. This working group includes industry representation from the Refrigeration, Air Conditioning, & Heating Association (RAHA).
- A new Energy Efficiency seat was added to the sub-council matrix.
- A recommendation was made that the trade off for sprinklers in Part 9 working group's code-change proposal documents be submitted to Municipal Affairs. The working group will assist Municipal Affairs in development of a formal national code change request.
- The Interior Stairways for Roof Access working group presented their revisions to the Roof Access STANDATA and recommendations were made to Municipal Affairs to reissue the STANDATA.
- A working group was formed to develop a code-change request to encourage using resilient roofing to prevent hailstorm damage and further investigate outcomes for resilient siding.
- A working group was created to develop recommendations regarding a draft bulletin STANDATA to address the use of shipping containers as buildings and when they would be subject to building and fire codes.



Electrical Sub-Council (ESC)

Meetings in 2021: **6** | Seats: **16** | Volunteer Hours: **268**

- A membership matrix was created by a panel of stakeholders, which identified 14 industry segments to be represented on the new Electrical Utilities Sub-Council. A recommendation was made to the Board for the acceptance of the Electrical Utilities Sub-Council Matrix. Based on the creation of the Electrical Utilities Sub-Council, the Electrical Sub-Council matrix was reviewed and updated.
- A Submerged Equipment working group was formed to further review a proposal around a change in the 2021 CE Code about equipment that has been exposed to ingressive water and the need to evaluate such equipment by an organization acceptable to the AHJ. This working group reviewed how to handle flooded and submerged equipment in residential, commercial and industrial settings.
- A working group was formed to review the 2021 CE Code.

Members:

Major Municipalities - North Gerry Wiles , Chair	Municipalities Lori Monaghan
Education and Training Glenn Hedderick	Oil and Gas Processing Industry Nicolas Leblanc
Electrical Manufacturers Scott Basinger , Vice-Chair - North	Petrochemical Industry Tim Driscoll
Electrical Contractors Bert DeBruin	Professional Engineers Hussein Desouki
Electrical for Residential Construction Barry Voogd	Public at Large Ken Hood
Electrical Safety Codes Officers Ken Forbes	Rural Electrification Areas Todd Grayson <i>Seat moved to EUSC 09/21</i>
Electrical Standards/ Testing/Certification Organizations Pat Conway	Small/Municipal Electrical Utilities Tyler Masson <i>Seat moved to EUSC 09/21</i>
Labour John Briegel to 01/21 Vacant	Accredited Corporations Gerry Doan
Large Electrical Utilities Brian Townsend <i>Seat moved to EUSC 09/21</i>	Solar <i>(New Industry Segment)</i> Ed Knaggs from 02/21
Major Municipalities - South Adam Ghani , Vice Chair - South	

Members:

Large Transmission Utility
South

Brian Townsend, Chair

Electrical Safety Codes
Officers

Michael Chledowski,
Vice Chair

Large Distribution Utility
North

Graeme Vanderstar,
Vice Chair

Large Municipal Utility
South

Vacant

Small or Municipal
Electrical Utility
Distribution

Jason Drenth

Rural Electrification
Areas

Todd Grayson

Powerline Technician
and Power System
Technician

Joel Kwasny

Energy

Eldon Lazar

Large Municipal Utility
North

Lisa Liusz

Small/Municipal
Electrical Utility
Transmission

Tyler Masson

Public Member
Vacant

Large Transmission Utility
North

Phelip Theberge

Telecommunications

Tony Walker

Telecommunications

Cam Wyatt

Large Distribution Utility
South

Vacant

Electrical Utilities Sub-Council (EUSC)

Meetings in 2021: 1 | Seats: 15 | Volunteer Hours: 40



- For the inaugural meeting of the EUSC, members were provided an orientation to the Council and its role in the safety codes system.
- A working group was formed to complete development of the 2022 edition of the Alberta Electrical Utility Code, with the first draft expected in early 2022.

Members:

Professional Engineers
J.C. Bawa, Chair

Public at Large
Sarah Burghardt

Architecture
Salim Merchant to 01/21
Vacant

Building Owners –
Calgary
Stephen Weston

Building Owners –
Edmonton
Lonny Vanderheide to
01/21
Vacant

Construction Contractors
Jeff Case

Elevator Maintenance
Andrew Cross

Labour
Don Ireland, Vice Chair

Large Manufacturers
Rob Pelletier from 04/21

Real Estate Industry
Ernie Paustian

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

Education and Training
Jeff Mitchell

Elevators Sub-Council (EVSC)

Meetings in 2021: 3 | Seats: 12 | Volunteer Hours: 68.25



- An Elevator and Escalator Safety Working Group was formed to research and identify items for an education campaign for the public on elevator and escalator safety.
- A working group was formed to determine whether the code provision requiring a fully trained and competent elevator mechanic to witness testing might indicate a need for a continuing education program.
- A recommendation was made to the Board of Directors for timely code adoption in the elevating devices discipline.



Fire Sub-Council (FSC)

Meetings in 2021: 5 | Seats: 16 | Volunteer Hours: 167

- Two joint working groups with BSC were formed: one regarding possible conflicts with external insulation and code requirements for spatial separations, and another to examine building and fire codes in relation to shipping containers being used as buildings.
- Initial work was done to review Alberta-specific variations in the NFC(AE) 2019 to identify opportunities to harmonize with the national code or propose code change requests.
- Wildland-urban interface fire risk was discussed in detail and three presentations on the topic were received.

Members:

Fire Officials Michael Bos , Chair	Electrical Industry Joseph Davis
Insurance Industry Mark Heiderich	Major Municipalities – South Jim Robinson to 02/21 Glenn Baxter from 04/21
Fire Safety Industry Robbin Foxcroft , Vice Chair – South	Petroleum Industry Allan Blatz
Major Municipalities – North Gary Mayorchak to 01/21 Vacant	Professional Engineers Cameron Bardas
Alberta Fire Fighters Hunter Langpap , Vice Chair – North	Public at Large Vacant to 05/21 Payman Montakhebi from 05/21
Architecture Stephen Suen	Municipal Districts and Counties Cammie Laird
Building Officials Richard Friesen	Urban Municipalities Marc Royer
Building Owners Chris Taylor	Accredited Corporations John Penzo



Gas Sub-Council (GSC)

Meetings in 2021: 4 | Seats: 17 | Volunteer Hours: 192

- A recommendation was made to Municipal Affairs for the adoption of CSA-B108-21.
- The GSC continued to work on review of the CSA-B149.5-20 and reviewed the draft changes to CSA-B109, which was anticipated to be published in September 2021.
- New and upcoming editions of the gas codes to be adopted in Alberta were reviewed by working groups.
- A code-change request was made to the CSA B149.2 Code Committee regarding cylinders below grade at construction sites.

Members:

Propane Gas Industry Jason Helfrich , Chair	Municipalities Roy Herrington
Labour Ron Beaudette	Natural Gas and Propane Vehicle Conversion Industry Marcel Mandin
Education and Training Darcy Toner	Professional Engineers James Maddocks
Inspection Authorities Mike Turek	Public at Large Cindy Kieu to 04/21 Tran Mah-Paulson from 04/21
Large Gas Utilities Paul Delano	Rural Gas Utilities Jeff Skeith
Major Municipalities – South Mark Guderjan , Vice Chair	Sheet Metal Contractors Chuck Lemke
Major Municipalities – North Larry Miller	Small Gas Utilities Nathan Lesage to 06/21 Vacant
Manufacturers or Suppliers Dale Walls	Accredited Corporations Randy Saunders
Mechanical Contractors Cody Christman	

Members:

Large Operators Kristian Haagaard , Chair	Medium Operators David Martel
Large Operators Dan Boyles	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

Passenger Ropeways Sub-Council (PRSC)

Meetings in 2021: 1 | Seats: 12 | Volunteer Hours: 9



- Placement of cell towers near chair lifts were discussed because it was noted that there are no references to this in the CSA Z98 code.
- AEDARSA attended a series of workshops for passenger ropeways regarding vandalism, unauthorized access and cyber security.

Members:

Mechanical Inspections Mark Harrold , Chair	Rural Municipalities Al Steenbergen
Manufacturers and Suppliers David Hughes to 02/21 Joe Howdle from 04/21	Private Sewage Disposal Contractors David Dallaire Seat moved to PSSC 09/21
Education and Training Paul Fullam , Vice Chair	Professional Engineers Quenton Kusiek
Labour Angus Potskin	Public at Large Stephan Dussault to 01/21 Jonathan (Mitch) Colwell from 04/21
Major Municipalities – North Shawn vanVelzen	Urban Municipalities Tim Kosolowski
Major Municipalities – South Stephen Laurie	
Mechanical Contractors Roger Lebeuf	

Plumbing Sub-Council (PSC)

Meetings in 2021: 6 | Seats: 11 | Volunteer Hours: 137



- The Private Sewage Disposal Systems Sub-Council matrix was created by a panel of stakeholders. Eleven industry segments were identified to be represented and a list of nominees was reviewed. A recommendation was made to the Board to accept the Private Sewage Disposal Systems Sub-Council matrix. Based on the creation of the Private Sewage Sub-Council, the Plumbing Sub-Council matrix was reviewed and a recommendation was made to remove the private sewage seat from the Plumbing Sub-Council matrix.
- A recommendation was made to Municipal Affairs to keep the Combination Heating STANDATA.
- Discussions were held on potential recommendations on amendments to the Permit Regulation. Members were asked to gather input from their industry for further discussion.



Private Sewage Sub-Council (PSSC)

Meetings in 2021: 0 | Seats: 11 | Volunteer Hours:

This sub-council was created in 2021, and work was done to solicit nominees and make membership appointments. The sub-council did not meet in 2021.

Members:

Safety Codes Officer/ Inspections Rick Baxter from 09/21	Designer Daniel Morris from 09/21
Engineer/Hydrogeologist Barry Bohn from 09/21	Rural Municipalities Steve Neff from 12/21
Tank Manufacturer/ Equipment Supplier David Dallaire from 09/21	Urban Municipalities David Rose from 12/21
Installer Arnold Groot from 09/21	Education & Training Kent Watson from 09/21
Public Member Vacant	Environmental Regulator/Scientist Vacant
Health (Rural Health Inspector) Shane Hussey from 12/21	Academia (Hydrogeologist/Soil Scientist) Vacant



Pressure Equipment Sub-Council (PESC)

Meetings in 2021: 7 | Seats: 16 | Volunteer Hours: 236

- The PESR Codes and Standards working group reviewed the changes to ASME B31.1 and B31.5, and made a recommendation to Municipal Affairs to support the automatic adoption of 2020 editions of ASME B31.1 and ASME B31.5.
- A request was made to Alberta Boilers Safety Association (ABSA) to consider developing and implementing a course on awareness and basic operation of ammonia refrigeration plants.
- The Pressure Welders Working Group continued to review proposals regarding the Pressure Welders Regulation as requested by Municipal Affairs.
- Based on the Pressure Welders Working Group's review, the PESC provided feedback to Municipal Affairs and made a number of motions on the proposals regarding the Pressure Welders Regulation.
- The PESC supported the adoption of ASME Boilers and Pressure Vessels Code Section XIII in its entirety. This section was newly published in July 2021 and primarily consists of provisions moved from other sections.

Members:

Power Engineers Henry Hau , Chair	Labour Robert James
Contract Chief Inspectors Nate Bartley	Petroleum Industry Jim Rice
Petrochemical Industry David Miller , Vice Chair	Pressure Piping Industry Billy Lee , Vice Chair
Large Refinery and Petrochemical Sites Geoff Kutz	Pressure Vessel Manufacturing Industry Vacant Neil McKay from 02/21 to 05/21 Vacant
Building and Heating Plants Bert Boulet from 02/21	Professional Engineers Magdi Ghobrial to 01/21 Warren Kmicki from 06/21
Construction and Maintenance of Pressure Equipment Jacques St. Onge	Public at Large Nyssa Moore
Education and Training Danielle Woroniuk	Pulp and Paper Industry Tony McWhannel
Electrical Utilities Diederick Godin	
Heavy Oil & Oilsands Gregory Gaudet	

BOARD OF DIRECTORS 2021 SUMMARY

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Board of Directors 2021 Summary

The Safety Codes Council Board of Directors continues to provide leadership and governance oversight for the organization.

A number of governance improvements were approved in 2021, including an updated competency matrix for Board members, an updated Board Charter, and revised Council bylaws. The bylaw changes incorporated procedural fairness in respect to removal of members and removed the requirement for changes to sub-council matrices to be included in policy. The changes were developed in consultation with the Board, the Human Resources and Governance Committee, and legal counsel. The changes were approved at the 2021 Annual General Meeting, which was held virtually on October 29, 2021.

The Board welcomed two new members: Eóin Cooke and Brenda Desjardins. Eóin joined the Board in Q3. He serves as Vice-chair of the Audit and Risk Committee and brings a wealth of experience in cyber security and information technology. For over 25 years, Mr. Cooke has held a variety of senior positions in the electricity and utility industry, working in Canada, USA, Europe, and the Middle East. His experience has ranged across all aspects of critical infrastructure in the electricity, natural gas, and water and wastewater sectors. He has served as AltaLink's Vice President, Security & Information Services since 2017.

Brenda joined the Board as the City of Calgary's appointee in Q4. Brenda will serve on the Human Resources and Governance Committee, bringing a robust strategic approach and a focus on business and organizational performance. Brenda is currently the Director of Calgary Building Services; she joined the City of Calgary in January 2019. Before working at the City, Brenda spent over ten years as a Field Director at TELUS. She brings over twenty years of experience leading operations in large team environments for the City of Calgary, TELUS, General Electric, and Convergy's Canada.

Board Director Meeting Attendance

2021 Directors

Kevin Griffiths

Chair, Safety Codes Council
Board of Directors

Board Meeting Attendance: 5/5

Committee Meeting Attendance: 5

Owen Edmondson

Vice-Chair, Safety Codes Council
Board of Directors

Chair, Audit and Risk Committee

Board Meeting Attendance: 4/5

Committee Meeting Attendance: 4/4

Amina Deiab

President and CEO (Ex-officio)

Board Meeting Attendance: 5/5

Committee Meeting Attendance: 8/8

Jill Matthew

Chair, Human Resources and
Governance Committee

Board Meeting Attendance: 5/5

Committee Meeting Attendance: 4/5

Mark Gerlitz

Vice-Chair, Audit and Risk
Committee

(until August 2021)

Board Meeting Attendance: 4/4

Committee Meeting Attendance: 2/2

Marcie Kiziak

Vice-Chair, Human Resources and
Governance Committee

Board Meeting Attendance: 5/5

Committee Meeting Attendance: 5/5

Tom Burton

Rural Municipalities of Alberta
Member, Audit and Risk Committee

Board Meeting Attendance: 4/5

Committee Meeting Attendance: 4/4

Juan Monterrosa

City of Edmonton
Member, Audit and Risk Committee

Board Meeting Attendance: 4/5

Committee Meeting Attendance: 4/4

Ulrik Seward

City of Calgary
Member, Human Resources and
Governance Committee

Board Meeting Attendance: 5/5

Committee Meeting Attendance: 5/5

Charlene Smylie

Alberta Urban Municipalities
Association

Member, Human Resources and
Governance Committee

Board Meeting Attendance: 5/5

Committee Meeting Attendance: 5/5

Eóin Cooke

Vice Chair, Audit and Risk
Committee

(beginning September 2021)

Board Meeting Attendance: 2/2

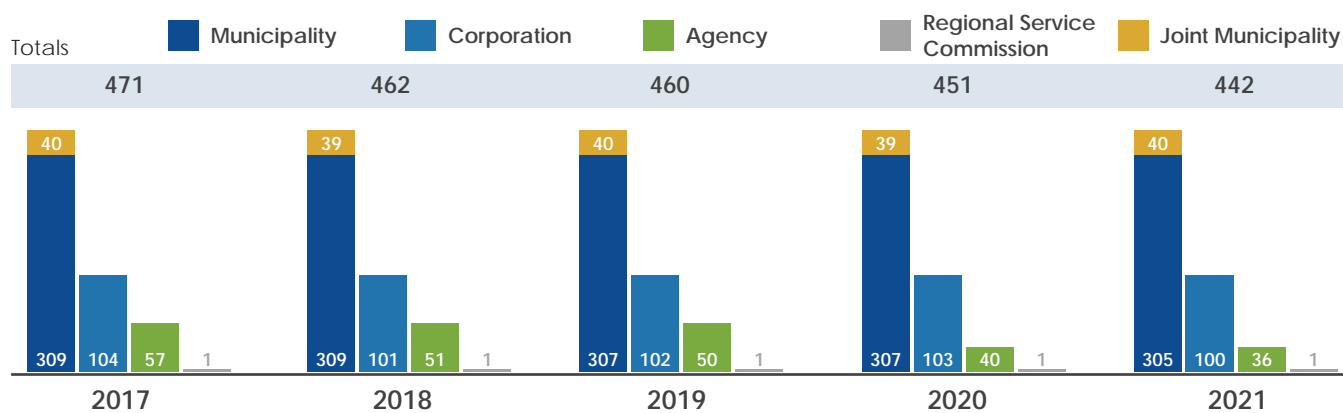
Committee Meeting Attendance: 0/1

FACTS AND FIGURES

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Accredited Organizations

Accredited organizations, such as municipalities, regional services commissions, and corporations are designated by the Council to administer the Safety Codes Act (Act) in areas of Alberta that fall under their jurisdiction. Agencies are designated to deliver safety codes services on behalf of these accredited organizations. Some municipalities have chosen to administer the Act “jointly” with other municipalities. Each organization has a unique scope that defines the type and delivery of safety codes services that they are authorized to provide.



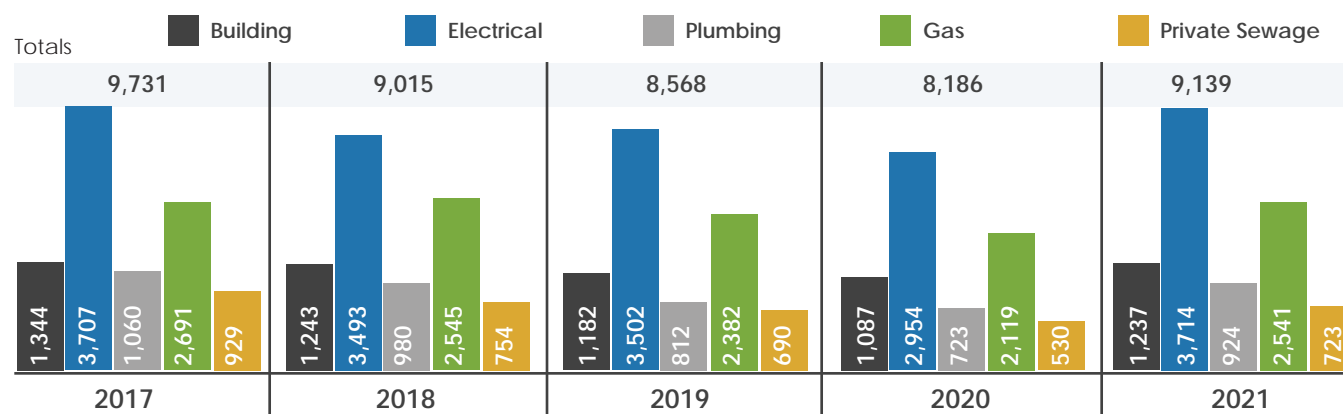
Accreditation by Organization Type

Accredited organizations have slowly declined over the last five years due to municipal amalgamations, corporate mergers, and the voluntary cancellation of agencies that have been dormant or ceased operations. In 2020 and 2021, the Accreditation department reviewed agencies that had not filed an Annual Internal Review or paid fees and as a result had their accreditation cancelled. This accounts for the drop in agency numbers in 2020 and 2021.

Alberta Safety Codes Authority (ASCA)

In some areas of the province, there are no accredited municipalities or corporations to provide safety codes services. In these areas, ASCA oversees the delivery of permits and inspections on behalf of the Minister. ASCA enters into agreements with accredited agencies to provide frontline services.

In 2021, ASCA oversaw 9,139 permits issued in unaccredited areas of Alberta, a 12 percent increase compared to 2020. This is likely due to an increased interest in renovation during the pandemic.



Permits Issued by Discipline in Unaccredited Areas

Permits and Inspections

- The Council tracks the permitting and inspection activities of 261 municipalities through a web-based application called eSite. Calgary and Edmonton's permitting and inspections numbers are tracked through the municipalities and are combined with eSite numbers to attain the numbers reported by the Council.
- In 2021, the inspection-to-permit ratio was 2.2:1. Permitting and inspection numbers reflect a large increase of residential improvement projects such as secondary suites, garages, basement developments, decks, small additions, etc. There were also very strong numbers for single-family and semi-detached houses, but a decline in multi-family and row houses. While Edmonton saw growth in commercial building permits, Calgary saw lower numbers for non-residential ones except for a few larger industrial facilities.

2017	Permits	144,308
	Inspections	340,444
2018	Permits	145,044
	Inspections	410,421
2019	Permits	132,577
	Inspections	314,637
2020	Permits	134,433
	Inspections	262,810
2021	Permits	161,864
	Inspections	362,506

Permit and Inspection Activity in Alberta

	Permits	Inspections
BUILDING	44,859	108,516
PLUMBING & GAS	13,558	39,490
ELECTRICAL	57,039	101,026
GAS	28,006	49,017
PLUMBING	13,887	43,277
PRIVATE SEWAGE	1,897	1,941
HVAC	2,620	19,238

Permit and Inspection Activity by Discipline in Alberta in 2021

Orders

A safety codes officer issues an order to gain compliance where the Act has been contravened or deficiencies are identified during an inspection that could result in danger of serious injury or damage to a person or property. The Council maintains a registry for orders. In 2021, 237 orders were entered, a slight decrease from 2019 and 2020, but not substantially different as to make an inference or draw a conclusion about compliance in the safety codes system.

	Year	Total
Building	2019	246
	2020	266
	2021	197
Electrical	2019	4
	2020	3
	2021	5
Elevators	2019	0
	2020	19
	2021	9
Fire	2019	23
	2020	21
	2021	35
Gas	2019	5
	2020	3
	2021	2
Plumbing	2019	8
	2020	6
	2021	11
Total 2019: 286		Total 2020: 318
		Total 2021: 259

Orders Issued by Discipline Type

Variances

Occasionally, a proposed alternative solution provides equal or greater safety to the requirements in a code or standard. In those cases, an SCO may issue a variance, which is then registered with the Council. In 2021, 1,432 variances were registered, an increase from 2020's 709 variances, but fewer than 2019's 1,577 variances. Generally, the number of variances issued fluctuates year to year based on construction activity and volume of permits. The City of Edmonton and the City of Calgary approximately account for 76% to 84% of all variances issued from 2019 to 2021.

	Year	Total
Building	2019	1,362
	2020	599
	2021	1,344
Electrical	2019	99
	2020	21
	2021	31
Elevators	2019	0
	2020	1
	2021	4
Fire	2019	11
	2020	13
	2021	19
Gas	2019	14
	2020	7
	2021	4
Plumbing	2019	86
	2020	61
	2021	20
Pressure Equipment	2019	5
	2020	7
	2021	9
Total 2019: 1,577		Total 2020: 709
		Total 2021: 1,432

Variances Issued by Discipline Type

Certification

Safety codes officers are certified by the Council in any of nine disciplines. The Council is also responsible for certifying master electricians (ME), 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 Act without a designation of powers (DOP).

In 2021, 2,968 SCO certificates of competency were issued between the nine disciplines. There were 1,900 active designations of powers.

Certifications and Designations by Discipline

		2017	2018	2019	2020	2021
Amusement Rides	Certifications	13	13	13	14	15
	Designations	11	10	10	11	10
Building	Certifications	458	471	470	487	507
	Designations	382	378	355	346	361
Electrical	Certifications	596	606	548	585	629
	Designations	254	229	204	209	203
Elevators	Certifications	32	32	31	34	36
	Designations	27	25	27	29	29
Fire	Certifications	1,335	1,301	1,185	1,327	1,386
	Designations	1,116	1,050	920	972	993
Gas	Certifications	139	138	133	129	124
	Designations	126	128	119	113	110
Passenger Ropeways	Certifications	5	5	6	6	6
	Designations	3	3	5	5	4
Plumbing	Certifications	143	143	138	144	152
	Designations	128	129	119	114	113
Pressure Equipment	Certifications	82	86	100	111	113
	Designations	82	86	89	77	77
Total Certifications		2,803	2,795	2,624	2,837	2,968
Total Designations		2,129	2,038	1,848	1,876	1,900

Some SCOs hold certificates of competency in several disciplines, resulting in more certificates of competency than there are certified individuals. Similarly, many SCOs hold DOPs in multiple disciplines and some with more than one accredited organization. The total number of certified SCOs at the end of 2021 was 2,679. Of those certified individuals, 1,690 held DOPs.

At the end of 2021, there were 4,520 MEs.

2021
2,679
CERTIFIED SCOs

2021
1,690
SCOs with DOPs

2021
4,520
Master Electricians

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 increased as compared to last year (32% increase in total registrations). Part of the increase in registrations can be attributed to organizations investing in professional development after a pause during the initiation shift caused by COVID-19.

In 2018, a new fire certification matrix caused an increase in registrations. This has levelled off.

A notable addition to the Council course registration tracking for 2021 has been Council workshops. These supplementary workshops cover topics such as plan reviews, report writing, and variances. Their purpose is to support the continuing education and professional development of SCOs, keeping them up to date with emerging issues.

Course Registrations by Year

	2017	2018	2019	2020	2021
Base Competency	580	553	623	473	475
Permit Issuers	21	45	21	11	75
Fire	365	848	1,066	758	789
Building	718	567	337	282	427
Plumbing	32	45	43	19	26
Gas	7	39	35	26	7
Electrical	107	86	80	90	76
Workshops					287
Other	9	8	2	6	29
Total	1,839	2,191	2,207	1,665	2,191

Audits

The Council ensures that accredited organizations are appropriately administering the Act in their jurisdiction, in part through comprehensive audits, which are carried out on a regular basis. In 2021, the Council performed 64 audits representing 94 accredited organizations (including 10 joint municipalities, and 2 corporations). As part of a trial, two onsite audits were conducted for corporations in the fire and electrical disciplines. The audits indicated that both corporations have comprehensive systems and processes in place to administer the electrical and fire disciplines and meet the intent and terms of their approved quality management plans.

2021

64 TOTAL AUDITS

2020 45 TOTAL AUDITS

2019 47 TOTAL AUDITS

2018 36 TOTAL AUDITS

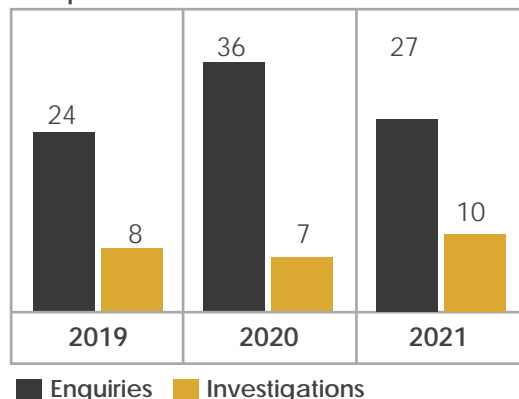
2017 39 TOTAL AUDITS

Investigations

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

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

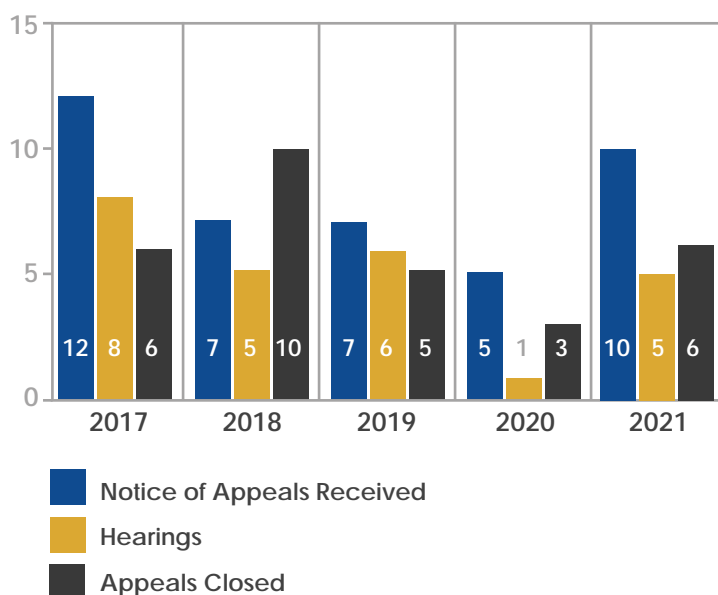
Complaints



Appeals

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

In 2021, the Council received 10 Notices of Appeal and held five hearings; six files were closed. Of the 10 appeal notices, seven were in the building discipline, two in private sewage and disposal systems, and one in plumbing.



Storage Tank Systems

On June 8, 2020, the Safety Codes Council assumed responsibility for the permit-related services of flammable and combustible liquid storage tank systems program in unaccredited areas of the province. The certification of contractors was also delegated to the Council's Administrator of Certification. The permit-related services are administered by the Storage Tank System division of the ASCA. These services include permitting and inspections.

The majority of the permits closed in 2021 were issued before the Council's assuming responsibility for storage tank systems. These permits were prioritized using a risk-based approach to focus on the highest-risk facilities or permits that have been in progress the longest.

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176 work permits issued

309 closed work permits

97 verifications of compliance accepted

497 inspection completed

93% of active sites have a valid operating permit in 2021

Cyber Security Review

Cyber security continues to be a top priority for the Council, and continuous monitoring and technology upgrades are required to mitigate risk. In 2021, the Council implemented a variety of cyber security tools. These include multi-factor authentication, advanced threat management, incident monitoring and detection, enhanced internal network controls, and an enhanced password policy.

The Council has also established an oversight program, initiating mandatory quarterly training programs to help employees identify cyber threats such as phishing. These programs strengthen the overall cyber security.

Key Action Items Developed in 2021

- A cyber-security related training plan has been developed and rolled out. This entails mandatory training for all staff, four times a year.
- A third-party cyber security training solution has been used to test Council staff's cyber security awareness, and to identify if any additional training is needed on an individual basis.
- Cyber training must be completed on the first day of employment along with a security review with the ITS manager.
- Password protocol has been strengthened.
- Regular security assessment of the business assets is in place.
- A vulnerability-management application has been put in place offering continuous scanning, risk-based assessment, and integral remediation of vulnerabilities.
- Microsoft Windows and infrastructure updates are performed frequently and regularly.
- Multi-factor authentication has been put in place.
- An oversight program was established to continuously monitor cyber attack attempts, block viruses, and track results of staff cyber security training programs.



FINANCIALS

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Management Discussion and Analysis

The management discussion and analysis (MD&A) provides insight and understanding into the Safety Codes Council financial results. The MD&A details the Council's financial and operating results for the year ended December 31, 2021, and should be read in conjunction with the audited financial statements and accompanying notes.

IN-DEPTH FINANCIAL REVIEW

REVENUES

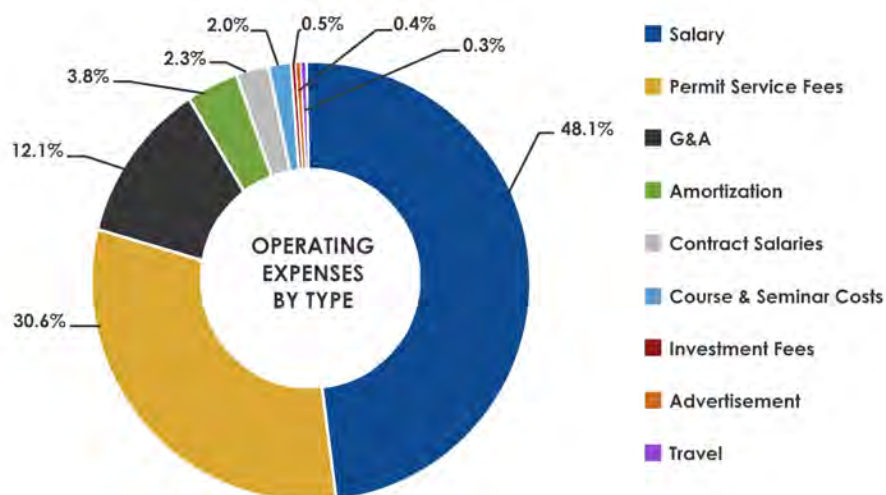


- The majority of Council revenues are directly linked to activity in the construction sector and as a result, Council revenues fluctuate with changes in market conditions.
- The Council's primary revenue streams derive from safety codes permit levy fees and permit fees from unaccredited regions operated by ASCA, comprising approximately 78-80% of Council's revenues.

- The Council's total revenues were \$15.4 million, a 19.2% increase from 2020 levels. The revenue increase was driven by Alberta's energy and construction sectors recovering faster than anticipated. The total value of building permits issued increased by 30.0%.

EXPENDITURES

- The Council's expenditures were \$13.6 million, an increase of 1.4% from 2020 levels. The slight increase was due to increased permit service fees correlating to the permit fee revenue in the unaccredited areas. The Council's continued cost-reduction initiatives included conducting remote inspections, remote audits, and holding sub-council meetings and the Annual General Meeting online, which contributed to reducing overhead expenses.
- As a result of increased revenues outperforming operating expenses, the Council's financial performance through December 31, 2021 yielded a surplus of \$1.8 million.



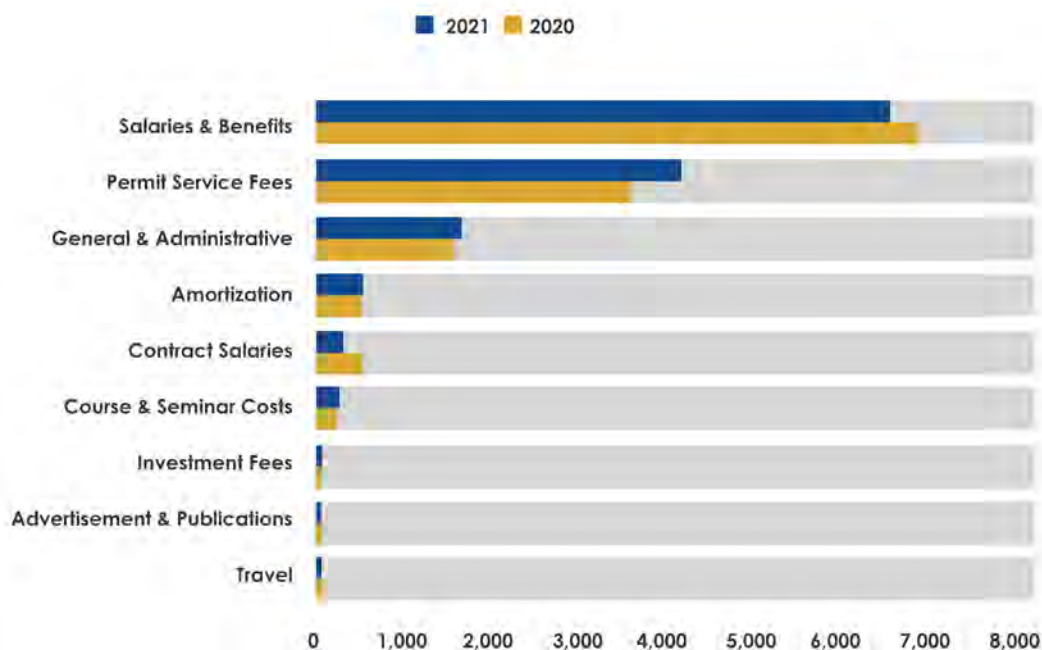
Salaries and Benefits comprise the largest proportion Council's operating expenses at 48.1% compared to 51.1% in 2020.

Permit Service Fees refer to the amount recoverable by inspection agencies contracted by the Council to undertake permitting and inspection services in unaccredited areas of the province. Permit service fees correlate with permit fee revenues. Permit service fees increased by 15.9% (\$570 thousand) comparing to 2020, which is offset by the increased permit fees revenue of 19.8% (\$958 thousand) for the same period.

Contract Salaries and Remuneration decreased by 38.6% (\$195 thousand) from the same period in 2020. This reflects Council's continuing efforts in leveraging internal available capacity and resources to support the core activities through existing resources.

General and Administrative expenses remain relatively flat to 2020 level with a slight increase of 5.5% (\$85 thousand), reflecting the increase of cost adjustments associated with higher inflation, such as office overheads. The low level of general and administrative expenses is mainly due to sub-council meetings and the AGM being held virtually, and the cancellation of the Council's annual conference due to public health restrictions.

Travel expenses continued to drop in 2021 as a result of audits and safety codes inspections being conducted virtually. The Council will continue to take a hybrid and cost-effective approach aiming to balance a healthy level of onsite audits with remote audits.



NET ASSETS AND RESERVES

The Council's net assets consist of a sustainment and growth fund (operating reserve), internally restricted reserves, and investment in capital assets. The Council's net assets balance is \$14.0 million. This demonstrates a strong capacity to maintain operations despite potential unanticipated increased expenses.

NET ASSETS AND RESERVES	2021 (\$000s)	2020 (\$000s)
Sustainment and Growth Fund	8,702	6,543
ASCA restricted	1,014	988
Council restricted	3,000	3,000
Investment in capital assets	1,294	1,678
Total Net Assets	14,010	12,209

Financial Statements of

SAFETY CODES COUNCIL

Year ended December 31, 2021



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, 2021
- 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, 2021, 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.



Other Information

Management is responsible for the other information. Other information comprises the information, other than the financial statements and the auditors' report thereon, included in a document likely to be entitled the "*Safety Codes Council 2021 Annual Report*".

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

The information, other than the financial statements and the auditors' report thereon, included in a document likely to be entitled "*Safety Codes Council 2021 Annual Report*" is expected to be made available to us after the date of this auditors' report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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 8, 2022

SAFETY CODES COUNCIL

Financial Statements

Year ended December 31, 2021

Financial Statements

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SAFETY CODES COUNCIL

Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,260,325	\$ 991,493
Accounts receivable	960,353	978,031
Prepaid expenses and deposits	281,507	270,870
	<u>4,502,185</u>	<u>2,240,394</u>
Investments (note 2)	12,819,406	11,935,534
Capital assets (note 3)	2,282,002	2,822,031
	<u>\$ 19,603,593</u>	<u>\$ 16,997,959</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 706,503	\$ 617,296
Deferred revenue (note 4)	2,591,699	1,937,488
Current portion of deferred lease inducements (note 5)	206,723	206,723
	<u>3,504,925</u>	<u>2,761,507</u>
Deferred lease inducements (note 5)	1,102,522	1,309,245
Net assets:		
Sustainment and growth fund	8,702,006	6,543,097
Internally restricted (note 6)	4,014,384	3,987,935
Invested in capital assets	1,293,663	1,677,638
	<u>14,010,053</u>	<u>12,208,670</u>
Accumulated remeasurement gains	986,093	718,537
	<u>14,996,146</u>	<u>12,927,207</u>
Commitments (note 7)		
	<u>\$ 19,603,593</u>	<u>\$ 16,997,959</u>

See accompanying notes to financial statements.

On behalf of the Council:

Signature: Original signed
Owen Edmondson (Apr 14, 2022 16:27 MDT)

Signature: Original signed
Eóin J. Cooke (Apr 14, 2022 16:43 MDT)

SAFETY CODES COUNCIL

Statement of Operations

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Revenues:		
Levy fees	\$ 6,290,456	\$ 5,057,289
Permit and registration fees (note 4)	5,799,220	4,841,448
Accreditation fees (note 4)	1,197,450	1,145,157
Master Electricians Program certification fees	623,755	606,480
Safety Codes Officer program fee (note 4)	674,896	595,533
Investment income	681,237	582,284
Other revenue (note 4)	115,872	79,908
	15,382,886	12,908,099
Expenses:		
Salaries and benefits	6,539,370	6,843,490
Permit service fees	4,160,456	3,589,947
General and administrative (note 8)	1,641,149	1,556,052
Contract salaries and remuneration	309,619	504,627
Amortization and loss on disposal of capital assets	513,847	497,407
Course and seminar costs	264,719	226,100
Travel (note 8)	38,704	68,474
Investment management fees	64,921	62,751
Advertising and publications	48,718	50,722
	13,581,503	13,399,570
Excess (deficiency) of revenues over expenses before the undernoted	1,801,383	(491,471)
Contributed capital assets (note 8)	-	98,246
Excess (deficiency) of revenues over expenses	\$ 1,801,383	\$ (393,225)

See accompanying notes to financial statements.

SAFETY CODES COUNCIL

Statement of Changes in Net Assets

Year ended December 31, 2021, with comparative information for 2020

	Sustainment and growth fund	Internally restricted (note 6)	Invested in capital assets	2021 Total	2020 Total
Balance, beginning of year	\$ 6,543,097	\$ 3,987,935	\$ 1,677,638	\$12,208,670	\$12,601,895
Excess (deficiency) of revenues over expenses	2,315,230	-	(513,847)	1,801,383	(393,225)
Purchase of capital assets, net	(129,872)	-	129,872	-	-
Transfers	(26,449)	26,449	-	-	-
Balance, end of year	\$ 8,702,006	\$ 4,014,384	\$ 1,293,663	\$14,010,053	\$12,208,670

Statement of Remeasurement Gains and Losses

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Accumulated remeasurement gains, beginning of year	\$ 718,537	\$ 161,514
Unrealized change in fair value of investments	267,556	557,023
Accumulated remeasurement gains, end of year	\$ 986,093	\$ 718,537

See accompanying notes to financial statements.

SAFETY CODES COUNCIL

Statement of Cash Flow

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenues over expenses	\$ 1,801,383	\$ (393,225)
Items not involving cash:		
Contributed capital assets	-	(98,246)
Amortization of straight-line rent	(50,669)	(51,665)
Amortization and loss on disposal of capital assets, net of amortization of tenant inducements	513,847	497,407
Changes in non-cash operating working capital:		
Accounts receivable	17,678	(409,113)
Prepaid expenses and deposits	(10,637)	24,710
Accounts payable and accrued liabilities	89,207	(152,097)
Deferred revenue	654,211	80,333
	3,015,020	(501,896)
Investing activities:		
Purchase of investments, including reinvested investment income	(616,316)	(519,534)
Withdrawals from investments	-	651,100
	(616,316)	131,566
Capital and financing activities:		
Purchase of capital assets	(135,622)	(729,614)
Proceeds from disposal of capital assets	5,750	2,087
Lease inducements received for the purchase of capital assets	-	302,390
	(129,872)	(425,137)
Increase (decrease) in cash and cash equivalents	2,268,832	(795,467)
Cash and cash equivalents, beginning of year	991,493	1,786,960
Cash and cash equivalents, end of year	\$ 3,260,325	\$ 991,493

See accompanying notes to financial statements.

SAFETY CODES COUNCIL

Notes to Financial Statements

Year ended December 31, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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); PSG-8 *Purchased Intangibles* (effective April 1, 2023) and PS3160 *Public Private Partnerships* (effective April 1, 2023). The Council's management is currently assessing the impact of these new accounting standards on its financial statements.

2. Investments:

2021	Level	Cost	Fair value
Cash and cash equivalents		\$ 738	\$ 738
Pooled funds:			
Bond Fund	2	7,018,785	6,949,275
Canadian Equity Fund	2	3,092,540	3,291,490
Global Equity Fund	2	1,540,794	2,370,547
Emerging Market Equity Fund	2	180,456	207,356
		\$ 11,833,313	\$ 12,819,406
2020	Level	Cost	Fair value
Cash and cash equivalents		\$ 8,150	\$ 8,150
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

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2021

3. Capital assets:

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	\$ 707,280	\$ 424,013	\$ 283,267	\$ 418,114
Equipment	78,025	35,043	42,982	57,279
Computer hardware	841,638	657,471	184,167	242,338
Computer software	1,686,040	1,006,830	679,210	841,305
Leasehold improvements	1,563,258	482,649	1,080,609	1,251,228
Copyrights	11,767	-	11,767	11,767
	\$ 4,888,008	\$ 2,606,006	\$ 2,282,002	\$ 2,822,031

4. Deferred revenue:

	Balance, December 31, 2020	Amounts received	Revenue recognized	Balance, December 31, 2021
Permit fees	\$ 1,761,935	\$ 6,487,220	\$ (5,799,220)	\$ 2,449,935
Safety Codes Officer program fee	147,825	62,680	(85,125)	125,380
Accreditation fees	13,884	1,185,419	(1,185,419)	13,884
Other revenue	13,844	-	(11,344)	2,500
	\$ 1,937,488	\$ 7,735,319	\$ (7,081,108)	\$ 2,591,699

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2021

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 \$50,669 (2020 - \$51,665) of amortization of deferred straight-line rent as a reduction in rent expense and \$156,054 (2020 - \$118,679) of amortization of deferred tenant inducements as a reduction in amortization expense.

	2021	2020
Straight-line rent	\$ 320,906	\$ 371,575
Tenant inducements	988,339	1,144,393
	1,309,245	1,515,968
Current portion of deferred lease inducements	206,723	206,723
	\$ 1,102,522	\$ 1,309,245

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, 2021

7. Commitments:

	Office lease
2022	\$ 367,316
2023	374,663
2024	374,663
2025	389,356
2026	396,702
Thereafter	550,976
	<hr/>
	\$ 2,453,676

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 in the prior 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 \$21,710 (2020 - \$37,854) and is included in general and administrative expense on the statement of operations. Other costs consist of travel related to meeting attendance of \$nil (2020 - \$2,927) which is included in travel expense on the statement of operations.

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2021

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, 2021

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.



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