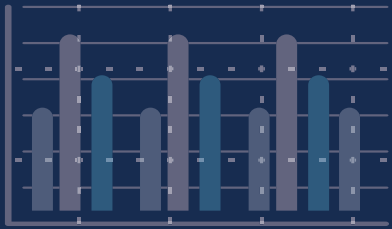


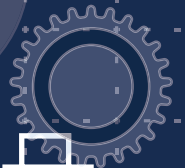
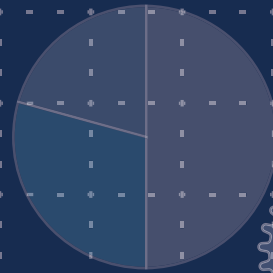
2023



Annual



Report



TECHNICAL
SAFETY BC

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The Organization in 2023

Technical Safety BC is an independent, self-funded organization that oversees the safe installation and operation of technical systems and equipment across the province. In addition to issuing licences, certificates, and permits, we work with industry to reduce safety risks through assessment, research, education and outreach, incident investigations, and enforcement.

We deliver safety services across the following technologies in the province:

- Electrical equipment and systems;
- natural gas and propane appliances and systems, including hydrogen;
- boilers, pressure vessels, and refrigeration systems;
- elevating devices, such as elevators and escalators;
- passenger ropeways, such as aerial trams and ski lifts;
- amusement rides and devices;
- railways, including commuter rail, common carrier rail, and heritage rail; and
- complex and integrated technical systems involving several technologies.

The safety services we deliver include:

- **Certifying individuals and licensing contractors and operators** to perform regulated work.
- **Supporting clients** in the development of safety management approaches and auditing their safety management plans or equivalent standard approaches.
- **Assessing** technical equipment using a combination of advanced analytics, predictive machine learning, and human decision-making to identify the greatest sources of potential risk throughout its lifecycle.
- **Investigating** incidents to understand risks and their root causes, and to develop strategies and programs that prevent harm in the future.
- **Educating** and sharing technical systems safety information with our clients and the broader public to better control risks.
- **Taking enforcement actions** that promote an equitable safety system where all participants are compliant with regulations.
- **Conducting research**, including contributing to provincial and national safety code development and updating regulations for the technologies we serve.

We operate within a legislative and regulatory framework that includes the:

- Safety Authority Act
- Safety Standards Act and Regulations
- Railway Safety Act and Regulations
- Freedom of Information and Protection of Privacy Act
- Workers Compensation Act
- Ombudsperson Act
- Public Interest Disclosure Act
- Offence Act

Our Strategy

Our Strategy is designed to equip our organization with the resiliency and agility required to support a robust safety system in changing social, environmental, and economic conditions.

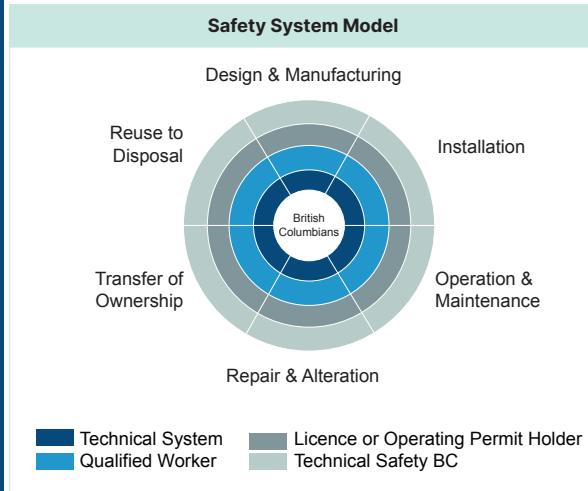
We aspire to build confidence in a safety system that improves the wellbeing of British Columbians.

Safety is a Shared Responsibility

Workers, licence or permit holders, manufacturers, associations, trade unions, consumers, regulators, and government all have a role to play.

Safety requirements, risks, and participants change throughout the lifecycle of equipment.

We assess what protections are in place at every stage: design and manufacturing, installation, operation and maintenance, repair and alteration, transfer of ownership, reuse to disposal.



Our model of the BC Safety System describes how people influence the safety of technical equipment throughout its lifecycle.

Our Values Reflect Our Vision for Safe Technical Systems. Everywhere.

We See Genius in Diversity

When we each bring our unique perspective to the table, in the spirit of collaboration and respect, ideas improve and our impact on the safety system becomes greater.

We Foster Confidence

We communicate directly, listen actively, explain our decisions, and share what we know to build confidence in each other, our organization, and the safety system.

We Make the Complex Simple

Through simplification of our initiatives, we promote understanding and engagement, making safety accessible to everyone.

We Adapt

As society changes, we create and adopt new ideas, skills, and tools that will enable us to meet the safety challenges of a highly connected world.

We Have Chosen Six Areas of Focus

<p>Risk-based Oversight</p> <p>We identify, evaluate, and prioritize technical safety risks.</p>	<p>Safety Behaviour</p> <p>We address the decisions and behaviours that lead to technical failure.</p>	<p>Safety Information Ecosystem</p> <p>We partner with safety-minded organizations to pool data and act on insight.</p>
<p>Client Success</p> <p>We deliver value to clients, lower barrier to participation, and pursue a level playing field.</p>	<p>Sustainability</p> <p>We prioritize the long-term health of the safety system, the environment, and our organization.</p>	<p>Cultural Leadership</p> <p>We invest in the expertise of people and stimulate a culture that is willing and able to innovate.</p>

We Build Capabilities in Execution that Advance Safety at Scale

- ✓ **Learning**

Leverage field expertise, research, and analytics to understand safety system risks and their root causes.
- ✓ **Partnership and Collaboration**

Work with organizations, clients and partners to design and run the safety system.
- ✓ **Agility**

Respond to the changing environment using a human-centric mindset.
- ✓ **Digitalization**

Use technology to achieve scale and support data-driven decision-making.
- ✓ **Product and Program Design**

Develop interventions that deliver safer outcomes and value to participants.

We Measure the Outcomes of Our Efforts

<p>Safety Behaviour</p> <p>How effective are we at influencing people in the system to make safety-minded decisions?</p>	<p>Safety System Risk</p> <p>How effective are we at identifying, understanding, and reducing risk across the safety system?</p>	<p>Financial Sustainability</p> <p>Are we managing our financial choices so that we can increase value to clients and stakeholders?</p>	<p>Market Participation</p> <p>Are we increasing adoption of safety protocols?</p>	<p>People</p> <p>Is our culture enabling the performance of the organization?</p>
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Letter from the Chair of the Board

Throughout 2023, the Board has remained committed to furthering our aspiration to build confidence in a safety system that improves the wellbeing of British Columbians, and as we enter our 20th year as an independent safety regulator, we remain optimistic and inspired about the future.

A stronger safety system relies on the safety-minded decisions of contractors, qualified individuals, and operators of technical systems throughout the lifecycle of equipment. Technical Safety BC continues to invest in improved regulatory approaches, research, education, and directed enforcement to support the efforts to make British Columbia safer.

This year, close to 400 safety incidents were reported to Technical Safety BC, many of which resulted in harm to people and were preventable. The insights uncovered through our investigations often identify aging equipment, the impacts of extreme weather, and insufficient safety management, requiring changes to how people think about safety and what they do to keep equipment working properly, and people safe. Often these findings set in motion safety system education initiatives to address root causes and lead to changes in regulation and product design to prevent future harm.

The data from incidents is also useful in understanding the most impactful safety risks in the Province. In 2023 we published our [Top 5 Safety Risks](#), based on the likelihood of an incident taking place and the severity of consequences of injuries or damage. This work is a pillar of our risk-based oversight model, which enables our organization to prioritize the greatest sources of hazard and build treatment strategies to address them.

It has become evident in the past several years that exposure to risk is not evenly distributed across British Columbia. Addressing these gaps

is a priority. One example is our collaboration with the [Pacific Institute for Climate Solutions](#), which combines technical knowledge with local expertise among Indigenous, rural, and remote communities. Driven by partner communities, this work will help determine what policies and innovations in housing and technical safety practices are needed to enable communities to reduce their vulnerability to the impacts of the climate crisis. We continue to honour our commitment to Indigenous Reconciliation through this and other safety-equity focused work.

In 2023, we were excited to welcome Shelley Williams and Michael Wrinch to the Board, each bringing valuable knowledge and expertise to our organization and safety system strategy. I wish to extend my thanks and gratitude to outgoing Board members Jeremy Black, Neil Cumming, and Gail Stephens who provided admirable contributions to Technical Safety BC and the broader safety system.

On behalf of the entire Board, I would like to thank Technical Safety BC's employees, executive leadership, our clients and partners for their continued hard work and commitment to strengthening the safety system.

You can read more about the safety-focused work we accomplished in our [2023 State of Safety report](#).

George Abbott
Chair of the Board

Letter from the President and Lead Executive Officer



Our goal at Technical Safety BC is to provide reliable, transparent, and effective safety oversight. This past year, we collectively faced a variety of challenges, including inflation, a slowdown in the construction sector, and ongoing extreme weather events. We have worked tirelessly to balance our commitment to keep fees as low as possible while also making the required investments in new technologies, our people, and ultimately the delivery of important services that build trust and confidence in the safety system.

We continued to invest in initiatives that improve processes, making it easier for you to interact and transact with us. For instance, our new certification platform has reduced the wait time between submitting a certification application and booking an exam from 10.5 days at the start of 2023 to 2.4 days at the end of the year. In 2024, we will introduce a new licensing system that will simplify this process for our clients, and we will begin work on transforming processes and tools for permits and assessments.

As part of our risk-based oversight model, we continue to focus on using data to assess risk more effectively, prioritize areas that require immediate attention, and develop strategies to influence better outcomes in the future. We use data to look for new or reoccurring trends that may pose a risk to the technologies we regulate, and to the people who trust the equipment to work safely.

Data also informs how we assess safety system risks related to the ongoing impacts of the climate crisis. In 2023, of the 59 incident investigation reports we published, extreme weather or emerging technologies contributed to the cause of 9 of those incidents. We are committed to helping the safety system adapt as climate-related issues and new technologies evolve.

Our incident investigations ensure we apply the learnings from past incidents to prevent future occurrences. For example, our [Kamloops ammonia](#)

[incident report](#) resulted in code changes that dictate requirements for the safe decommissioning and documentation of refrigeration systems. This year, our findings from multiple investigations involving fires in certain types of elevators indicated that while the manufacturer had recognized the issue, not all the affected components were being addressed proactively. To reduce the risk of more fires occurring, we issued a [Safety Order](#) specific to [this type of incident](#).

We also worked with Vancouver Coastal Health to generate awareness of the dangers of carbon monoxide (CO) exposure and to help people recognize the symptoms of this silent killer. CO is one of the [Top 5 Safety Risks](#) we identified in 2023.

We strive to work alongside Indigenous people, organizations, and Nations to ensure that our safety system is accessible to Indigenous people and reflective of Indigenous priorities and contexts. As part of this commitment, we are continuing to make internal and external changes necessary for us to grow into a trusted safety ally to Indigenous people and communities.

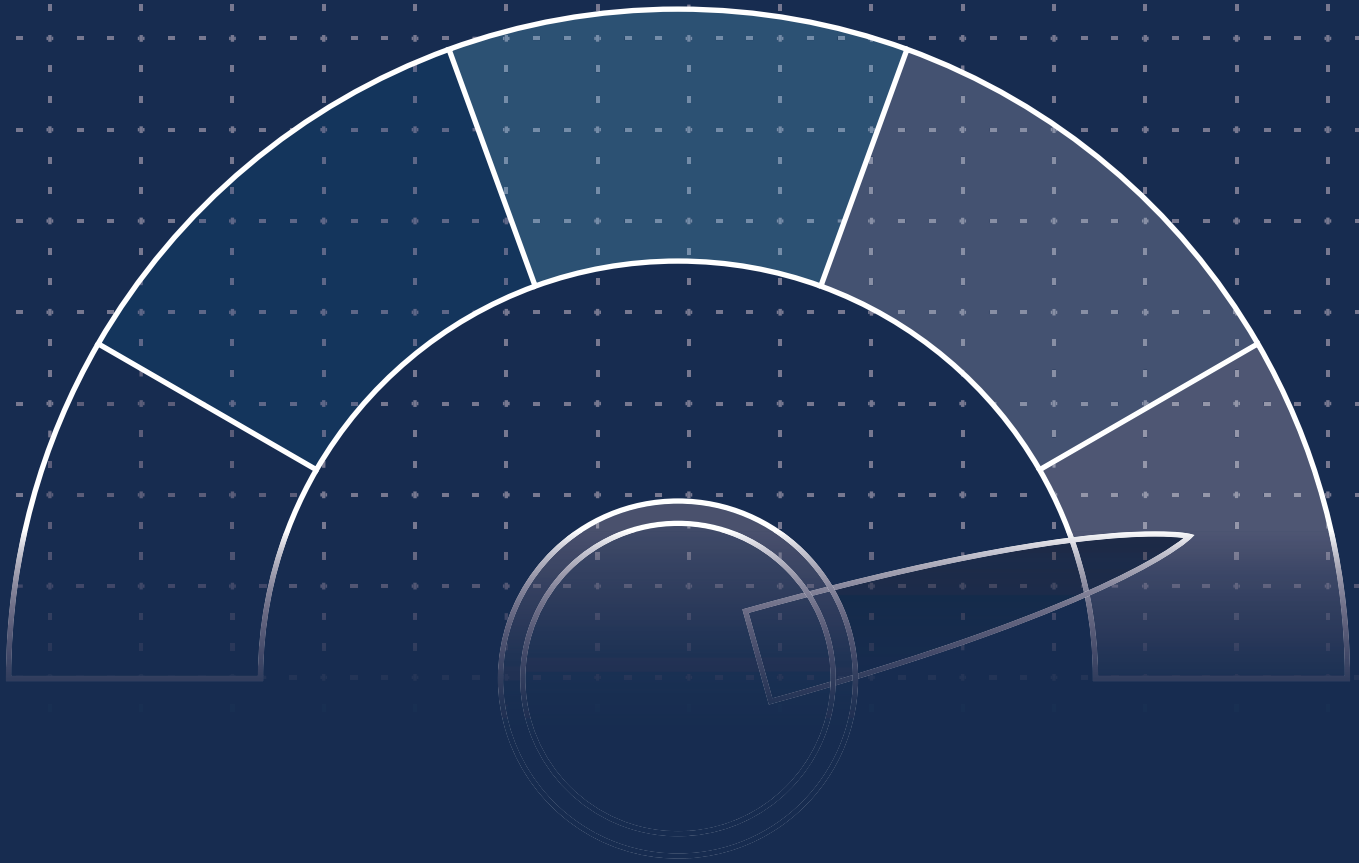
You can read more about the work we do in our Annual Report, and for our clients and partners, I hope you have already seen positive results of our efforts in many of these areas.

I am inspired by the hard work, ingenuity, and resilience shown over the course of this past year. I sincerely appreciate every member of our Technical Safety BC team, and all of you, our clients, and partners. Your collective commitment to the safety system demonstrates what we can achieve when we prioritize safety as a shared responsibility.

A handwritten signature in black ink, appearing to read 'Phil Gothe', written in a cursive style.

Phil Gothe
President & Lead Executive Officer

Report on Performance



Report on Performance

In 2023, as new challenges and opportunities presented themselves, we invested in the foundational tools and processes that enable our clients and employees to better perform their core safety-oriented work.

Our [2023-2025 Business Plan](#) was developed with three strategic priorities in mind. In May we added a fourth priority to reflect our changing landscape. Each of these priorities has a set of goals and intended outcomes to help build confidence in a safety system that improves the wellbeing of British Columbians. The priorities are connected to one or more of the six areas of focus outlined in [our Strategy](#).

Strategic Priorities

1. Risk Oversight Foundations

Three year intended outcome: By the end of 2025 we will have functional structured risk oversight programs in place across each of our technologies, including an effective safety system risk program, along with a plan for continuous improvement of those programs.

2023 goal: We will enhance the reliability and consistency of our key data sets through completion of data quality improvement projects and scale our use of structured risk oversight to allocate resources and communicate risk understanding.

This is the work we did to successfully achieve this goal:

Our Safety System Risk team developed tools and facilitated processes for risk identification, analysis, and treatment. One of these tools is the new Safety System Risk Register.

The risk register provides our organization with information on identified safety system risks and includes the results of risk analyses and risk treatment plans. It also contains two important Risk Metrics — the Risk Index and the Annual Risk Score. These metrics communicate risk in different ways to help us make informed decisions, view status and trends, develop treatment strategies, and better manage risk. In the future, it will also track monitoring and evaluation efforts so we can better understand how effective our actions are and adjust as needed.

Using recent data from our risk register, we identified and ranked the [Top 5 Safety Risks](#) facing British Columbians from regulated technologies under the Safety Standards Act. This work helps us identify areas where risk treatment is needed and develop strategies that influence better outcomes, whether through communications, education, enforcement, partnering with another organization, or all the above. It also shows that a certain level of risk remains even with our regulation and oversight, a reminder that safety is a shared responsibility. More information on the [Top 5 Safety Risks](#) can be found in our [2023 State of Safety report](#).

2. Business Transformation

Three year intended outcome: By the end of 2025, our goal for business transformation is to advance our mission of Safety at Scale by transitioning our core products and processes of certification, licensing, permits, and assessments from legacy systems to the new client portal.

2023 goal: We will begin to realize value from the launch of certification across three value categories:

- Efficiency, measured through reduction in the number of certification related calls and reduced client journey times.
- Adoption, measured through an increase in the number of certification applications going through the portal.
- Insight, measured through the use of client certification data in operational dashboards.

To accomplish this goal, we successfully completed the following work:

Through our new client portal, we've made it easier and faster for clients to interact and transact with us. Seventy-nine per cent of all new applications in 2023 were processed through the new client portal. Most notably, by the end of 2023, the time between clients submitting a certification application to being able to book an exam was reduced from 10.5 days to 2.4 days. This is a significant improvement to our client journey.

We also created several operational dashboards using data from our client portal to monitor transactional backlogs and turnaround time, completed applications, portal adoption, and application lifecycles. The work we've done to implement the new client portal and certification platform has created a foundation for future products, including licensing, permissions (permits), and assessment products.

3. Financial Sustainability

Three year intended outcome: By 2025, we have developed an effective program for managing our financial sustainability in an equitable and value-focused manner and we have begun to replenish our financial reserves after significant business transformation investments have been made.

2023 goal: We will increase data insights and decision-making to enhance our costing and resource allocation decisions and enhance our reach throughout the province by expanding the safety system.

We successfully achieved this goal by actioning this work:

Through research and collaboration, we analyzed cost and resource drivers. These insights allow us to better understand the required efforts to certify individuals through our updated certification platform and identify opportunities to find efficiencies.

In the face of a slowing economy, we were able to reduce our costs and prioritize our work, and as a result, we ended the year with a surplus, despite service revenues being significantly below budget. This result supports our long-term reserve planning and continued investment in business transformation.

4. Employee Engagement

Intended outcome: An engaged team is crucial to the realization of our Strategy, and our leadership team remains focused on creating a work environment for our employees to thrive. Leaders will balance the outputs that are driven by other measures with initiatives that will contribute to employee engagement, connection, and future planning.

2023 goal: We will achieve a minimum of 60% employee participation in engagement surveys and increase the average engagement score by at least 2% by the end of the year.

To accomplish this goal, we achieved the following:

In 2023, we centralized our internal learning teams to better support employee growth and development. This new centralized team will collaborate with internal clients to develop training programs that deliver their unique needs. Additionally, we continue to offer employees \$1,500 per year that can be applied to accredited courses through our tuition aid program.

We hosted a three-day learning and development event for our safety Operations team, providing an opportunity for them to deepen relationships and connections across regions, and strengthen their understanding between our mandate and Strategy.

Throughout the year, we asked employees to share their insights on several topics, including the rollout of the new certification system. Based on this feedback, we updated and enhanced the training and development plan for the new licensing functionality that will launch in 2024. Employee feedback also drove changes to our Employee and Family Assistance Program and benefits offering. We introduced an increased reimbursement limit of \$1,500 per year for mental health service providers, available to all employees eligible for extended health benefits and dependents under their benefits plan.

Our quarterly employee engagement surveys had a 3.29% increase in employee satisfaction scores, rising from 78.28% in the first quarter of 2023 to 81.57% by the end of the year, with participation rates as high as 73%.

Embracing Uncertainty and Opportunity Through Resilience and Agility

As our province continued to navigate a lot of uncertainty, our agile approach positioned us to adapt and advance our goals. In addition to the achievement of our four priorities, we advanced many significant ongoing initiatives and pursued other important opportunities:

- In the fall of 2023, we consulted with the [elevating devices industry](#), building owners, and other interested groups to provide feedback on:
 - adopting the most recent editions of elevator codes;
 - adopting a code series new to BC for mast-climbing transport platforms for the construction industry;
 - updating the process for non-mechanics to access elevator hoistways; and
 - formalizing additional changes into regulation.

- In the spring of 2023, we expanded our presence in BC by officially opening our Terrace office located on Ts'msyen territory for clients to meet with their safety officer.

To commemorate the opening, we partnered with the Kitsumkalum and Kitselas Nations to host a cultural ceremony, which involved Elders from both Nations. This was an opportunity for us to honour and acknowledge local Indigenous cultures and deepen our relationships with communities in and around Terrace.

- We conducted focus groups with our electrical operating permit (ELOP) clients to understand how they perceive the current product with an aim to improve and simplify their experience. In addition, we targeted our outreach efforts through various channels and onboarded new ELOP clients into the safety system. As a result, we had an approximate increase of 18% in the number of active electrical operating permits compared to 2022.
- We optimized how we scale safety through our incident investigations by developing a robust industry outreach, public education, and media relations strategy to share the findings from our [Kamloops ammonia incident](#) report.

This resulted in significant local and national media coverage, garnering more than 208 media hits and a reach of 79.9M.

As a result of the findings from this report, the code committee for the Canadian Standards Association B52 proposed the addition of a clause that dictates requirements for the safe decommissioning and documentation of refrigeration systems. These changes were published in a 2023 code edition update.

- Our Tech Talk series officially resumed in April 2023 and by the end of the year we held 39 sessions for 801 attendees.

The purpose of Tech Talks is to share educational information with our clients and provide an opportunity for them to ask questions. These sessions help fill in knowledge gaps and allow clients to build relationships with their regional safety officers.

- We implemented a new social media strategy to increase safety behaviour by creating short video reels featuring impactful images and stories of severe incidents that could have been prevented.

Video is currently the most engaging media type and proved to be a powerful avenue for public awareness on topics related to:

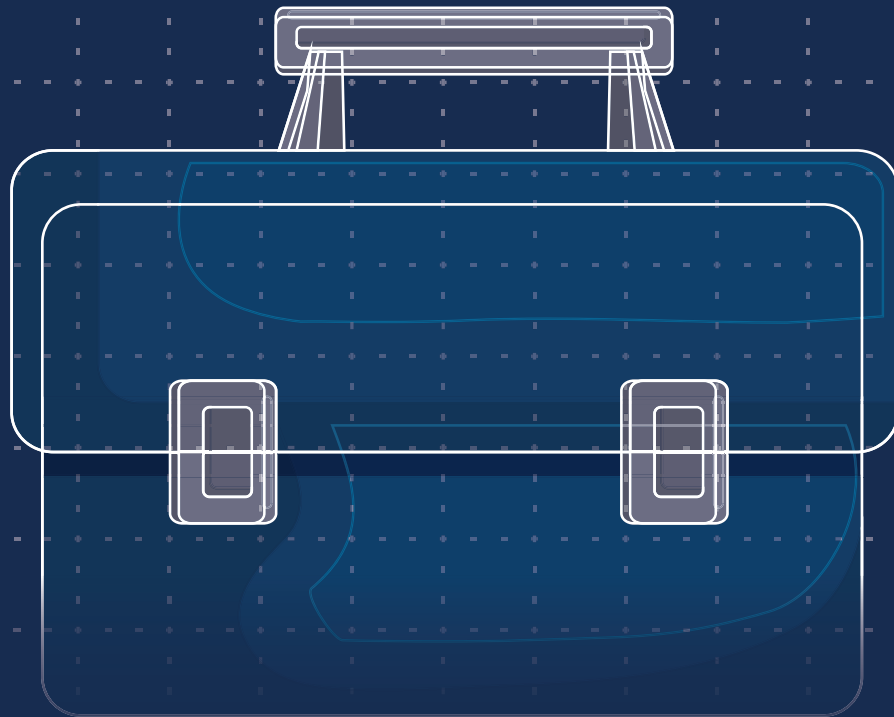
- The dangers of carbon monoxide exposure
- The importance of hiring a licensed contractor
- BBQ safety

We also featured video content to commemorate [Innovation Day](#), [International Women's Day](#), [National Indigenous Peoples Day](#), and [Women in Engineering Day](#).

- We launched an updated gas technology hazard map to enhance the quality of safety insights gained from the field, and to improve the accuracy of Structured Resource Allocation—a program prioritizing assessment work in the field and the optimization and effectiveness of our safety officers. In addition, we introduced hazard map policy updates and conducted safety officer training to further streamline data collection and improve the accuracy of collected data.
- To leverage the findings from our [gas line hit investigations](#) we're working to raise awareness of potential hazards that can occur when doing excavation work near gas lines. To scale the reach of this information, we collaborated with BC 1 Call, BC Contractors Association, and the Common Ground Alliance who are well positioned to consult on and help organize ground disturbance work.
- Our investment in the business transformation program continued with the development and launch of the certification functionality, and the design and development of the licensing functionality. To optimize the value of our upcoming licensing product, we conducted focus groups, and other research to understand client needs and areas for improvement. These insights will also inform the long-term strategy for licensing.
- We introduced new [advertising guidelines](#) for licenced contractors in an effort to discourage unlicensed workers from promoting their services. Licensed contractors play a key role in our safety system by ensuring that regulated work is performed correctly. These guidelines provide us with additional ways to investigate and enforce against unlicensed workers who are promoting illegal work, and most importantly, helps the public understand who they can trust to perform services safely.

As we look ahead, our [2024-2026 Business Plan](#) will continue to guide our business transformation journey in a way that produces value for our clients, our employees, and the safety system. One of our priorities is to introduce a new licensing product that will simplify the process for our clients. We will accomplish this by continuing to manage our financial sustainability, investing in our people, and improving how we support those who work in the safety system.

Corporate Governance



The Safety Authority Act created BC Safety Authority (now operating as Technical Safety BC) and contains the basic rules by which the organization is governed. The Act is supplemented by a Board Governance Manual, Administrative Agreements with the Province of BC, and Protocol Agreements.

The Board



George Abbott Chair of the Board

Location: Victoria, BC

Director since: January 6, 2014

Latest date for retirement: April 1, 2027

Appointed by: Board

Positions held: Ex officio, Governance & Human Resources Committee; Ex officio, Finance & Audit Committee; Ex officio, Strategic Advisory Committee

George Abbott is a veteran politician with a PhD in political science from the University of Victoria. First elected as an MLA for the Shuswap in 1996, George has served as Minister of Education, Minister of Aboriginal Relations and Reconciliation, Minister of Health, Minister of Community, Aboriginal and Women's Services, and Minister of Sustainable Resource Management.

George was Deputy House Leader for the Official Opposition and critic for municipal affairs and forests. He was Deputy Chair of the select standing committees on Forests, Energy, Mines and Petroleum Resources, and was a member of the select standing committee on Aboriginal Affairs. Additionally, he sat on the Official Opposition Caucus Committee on Crime.

Before his election to the Legislative Assembly, George was a political science instructor at Okanagan University College. He also owned the oldest and largest berry farm in the Interior.



Jeremy Black¹

Location: Whistler, BC

Director since: April 2, 2017

Latest date for retirement: April 1, 2023

Appointed by: Board

Positions held: Chair, Finance & Audit Committee

Jeremy Black is a Chartered Professional Accountant (CPA) and business executive with nearly 30 years of varied business, financial, and leadership experience.

Jeremy is the Chief Financial Officer of Metrie, a large, privately-owned manufacturer and distributor of specialty building products. Before Metrie, he was the Senior Vice President and Chief Financial Officer of Whistler Blackcomb where he led finance, investor relations, information technology, and strategy development initiatives for the largest and most visited four-season mountain resort in North America.

Prior to joining Whistler Blackcomb in 2013, Jeremy was the Vice President, Business Development & Corporate Secretary of Ritchie Bros. Auctioneers. In addition to bringing significant financial expertise to the board, he brings an in-depth knowledge of safety and risk management, including experience as an asset owner responsible for multiple technologies overseen by Technical Safety BC.

¹ Retired from the Board on April 1, 2023



Jeremy Coughlin

Location: Delta, BC

Director since: February 18, 2020

Latest date for retirement: February 17, 2026

Appointed by: Board

Positions held: Member, Strategic Advisory Committee;
Member, Finance & Audit Committee

Jeremy Coughlin is currently the Vice President of Enterprise Analytics for Coast Capital Savings. He oversees all aspects of data management and analytics for the company. Jeremy brings with him a wealth of experience in the data analytics industry.

Prior to joining Coast Capital Savings, Jeremy held a director position at Ritchie Bros. and led major strategic data initiatives to develop robust company performance markers. He holds an MBA in Technology Commercialization as well as a B.Sc. in Psychology, both from the University of Alberta.



Neil Cumming²

Location: Richmond, BC

Director since: March 31, 2016

Latest date for retirement: January 6, 2023

Appointed by: Board

Positions held: Member, Governance & Human Resources Committee;
Member, Finance & Audit Committee

Neil Cumming is a civil engineer and business leader with extensive experience in civil engineering, business management and project management in BC.

He is a former President and CEO of Levelton Consultants Ltd. where he enjoyed success in a number of technical, managerial and leadership positions.

Neil has been active with numerous business practice and technical committees of the Canadian Standards Association, the American Concrete Institute, Engineers and Geoscientists BC, and the Canadian Construction Documents Committee. He was a Director of the Consulting Engineers of BC (now ACEC-BC) from 2001-05, and served as President in 2003-04. He has also served on the national board of directors of the Canadian Council of Independent Laboratories.

² Retired from the Board on January 6, 2023



David Guscott

Location: Vernon, BC

Director since: April 1, 2018

Latest date for retirement: March 31, 2024

Appointed by: Board

Positions held: Chair, Governance & Human Resources Committee

David Guscott is an experienced and accredited board member having served on eight boards in BC and Ontario. He retired as president and CEO of E-Comm911 in 2017 where he worked with municipalities, fire, police, and ambulance across BC to grow E-Comm to become the largest 9-1-1 emergency call centre in Canada, driven by a strong vision for service and accountability.

David came to BC in 2006 to join VANOC where he was Executive Vice-President for Celebrations and Partnerships for the 2010 Olympic and Paralympic Winter Games. He was Deputy Minister of three ministries in Ontario including Transportation, Labour, and Communications.

He brings to the board extensive experience in developing partnerships with municipalities; a strong technical background in public safety, transportation, and environmental management; as well as broad board experience.

David has a Masters of Public Administration from Queen's University.



Ivan Limpricht

Location: Abbotsford, BC

Director since: July 3, 2019

Latest date for retirement: July 3, 2025

Appointed by: Minister

Positions held: Member, Finance & Audit Committee;
Member, Governance & Human Resources Committee

Ivan Limpricht is the former President of United Food and Commercial Workers Union (UFCW), the largest private sector union in British Columbia. Previously, he held positions such as secretary/treasurer, director, and union representative with UFCW.

Active in his community, Ivan has also served as Director for BC Forum and Concert Properties Limited, Chair of the Board of Trustees for UFCW's pension plan, and as Chair of the Board of Trustees for UFCW's Health and Welfare Benefits Plan.

He studied labour relations at the Labour College of Canada and attended the Labor and Worklife Program at Harvard Law School.



Wency Lum

Location: Victoria, BC

Director since: July 3, 2022

Latest date for retirement: July 3, 2025, eligible for renewal

Appointed by: Minister

Positions held: Member, Strategic Advisory Committee

Wency Lum is an Associate Vice-President University Systems and Chief Information Officer (CIO) at the University of Victoria (UVic) and is responsible for the institution's Information Technology (IT) strategy, policy, governance, and projects to enable UVic's academic, research and administrative functions. Wency has held several IT leadership positions within the Government of British Columbia. She has worked as an information security consultant for multiple industry sectors in the US and began her career implementing financial and supply chain management systems for United Nations peacekeeping missions.

Wency serves on Boards for BCNET, the higher education shared services organization for BC's 25 post-secondary institutions; the Canadian University Council of CIOs; and the Victoria Foundation. She holds a Bachelor of Science from McGill University and a Master of Business Administration from the University of Victoria.



Nancy Olewiler

Location: Vancouver, BC

Director since: April 1, 2018

Latest date for retirement: March 31, 2024

Appointed by: Board

Positions held: Chair, Strategic Advisory Committee

Nancy Olewiler is an economist and professor of the School of Public Policy at Simon Fraser University. She holds a PhD in economics from the University of British Columbia and her areas of research include natural resource and environmental economics and public policy.

She has published widely on a range of environmental and natural resource issues, including studies on energy and climate policy, natural capital, and ecosystem services, managing catastrophic risk, and federal tax policy. She has served on federal and provincial government advisory committees and currently is Co-Chair of BC's Climate Solutions Council, a member of two expert committees for the Canadian Climate Institute (Mitigation and Adaptation), a member of the External Advisory Committee on Regulatory Competitiveness, and Chair of the Macroeconomic Accounts Advisory Committee for Statistics Canada. Nancy has served on the boards of TransLink, BC Hydro, and the Pembina Institute, and currently sits on the boards of the Institute for Research on Public Policy and GenomeBC.



Daniel Smythe

Location: Mission, BC

Director since: April 11, 2021

Latest date for retirement: April 10, 2027

Appointed by: Board

Positions held: Member, Strategic Advisory Committee;
Member, Governance & Human Resources Committee

Daniel Smythe is an Associate Professor, Electrical Instruction at the University of the Fraser Valley and is actively involved with Advisory Groups and Committees within the University.

He has been in the electrical contracting industry since 2007, both as a past owner and operator of Zimcan Electrical Contracting, and as a licensed Red Seal Construction Electrician. He also holds a Field Safety Representative certification. As an active member of the BC Electrical Instructors Articulation Committee and past Chair of the Curriculum Sub-committee, he supported collaboration among training providers related to apprenticeship training programs across BC.

Daniel brings with him a wealth of knowledge of safety and technical issues within the safety system which Technical Safety BC regulates.



Gail Stephens³

Location: Victoria, BC

Director since: December 7, 2017

Latest date for retirement: December 7, 2023

Appointed by: Minister

Positions held: Chair, Strategic Advisory Committee

Gail Stephens brings more than 20 years of experience leading large, complex organizations to the Technical Safety BC board of directors. Her past experience includes serving as CEO of the British Columbia Pension Corporation and as the Chief Administrative Officer for the City of Winnipeg and City Manager for the City of Victoria.

Most recently, Gail was the startup Chief Operating Officer, then interim President and Chief Executive Officer for the Canadian Museum of Human Rights, where she led the museum and its management departments through its first few years of operation.

Gail has sat on numerous boards, including Coast Capital Savings, the David Foster Foundation, Via Rail Canada Inc., and the BC Industry Training Authority. She is currently the President of Gail Stephens Consulting, which provides management consulting services.

³ Retired from the Board on December 7, 2023



Ken Tourand

Location: Merritt, BC

Director since: January 7, 2020

Latest date for retirement: January 6, 2026

Appointed by: Board

Positions held: Member, Finance & Audit Committee;
Member, Governance & Human Resources Committee

Ken Tourand is President and CEO of the Nicola Valley Institute of Technology (NVIT), BC's Indigenous public post-secondary institution.

Prior to taking on this role in 2010, he worked in a variety of senior management and leadership roles with NVIT, where he has worked since 1995.

Ken serves on the board of directors for the BC Association of Institutes and Universities and is past chair of the Colleges and Institutes Canada (CICAN) Indigenous Advisory Committee where he led a national committee responsible for development of a national Indigenous protocol for post-secondary institutions. He currently sits as an Advisory member for the BC Aboriginal Business Awards.

Ken has an undergraduate degree in business administration from Simon Fraser University and a Master of Arts in leadership and training from Royal Roads University.



Angela Wesley

Location: Terrace, BC

Director since: January 7, 2020

Latest date for retirement: January 6, 2026

Appointed by: Board

Positions held: Member, Governance & Human Resources Committee;
Member, Strategic Advisory Committee

Angela Wesley started Wes-Can Advisory Services in 1992 — a consultancy which provides advisory and facilitation services to First Nations and other governments throughout British Columbia in the areas of strategic planning, land management, community development, communications, community engagement, and capacity building.

She has extensive board experience, having been appointed to the BC Treaty Commission by the Province of BC in December 2018; serving as President/Chair of the HFN Group of Businesses since 2010; and Director of the BC Land Title and Survey Authority since September 2017.

Angela also has extensive experience working within First Nations and between First Nations and governments. She represents signatories to the Maa-nulth Treaty; served as legislative chairperson for the HUU-ay-aht First Nations; and was land claims manager for the Nuu-chah-nulth Tribal Council in Port Alberni. Angela has a certificate in aboriginal governance from the University of Arizona, and has held the Institute of Corporate Directors' Director designation since 2016.



Shelley Williams

Location: Langley, BC

Director since: February 20, 2023

Latest date for retirement: February 19, 2026, eligible for renewal

Appointed by: Board

Positions held: Chair, Finance and Audit Committee

Shelley Williams is a Chartered Professional Accountant (CPA, CA) with an extensive corporate finance and capital markets background. She has held senior positions at several large multinational public companies, including Vice President Treasurer at Finning International, and Corporate Treasurer at Fletcher Challenge Canada.

Shelley has significant governance experience at both public and private sector organizations, as well as in unique ownership and multi-stakeholder environments. Currently, she is serving on the boards of the Bank of Canada and Boston Pizza Royalties Income Fund. She has previously served on the boards of two financial institutions—Concentra Bank (dba Wyth Financial) and BC Life & Casualty Company—where she chaired several committees, including HR & Compensation, Audit & Finance, and Risk. Previously, she served as Chair of the Douglas College Board, Vice Chair of HFN LNG Development Corporation, and as an Independent Commissioner at the BC Securities Commission.

Shelley is active in the community and is currently serving as Chair of the Sources Foundation. She has held the ICD.D designation from the Institute of Corporate Directors since 2009.



Michael Wrinch

Location: North Vancouver, BC

Director since: April 2, 2023

Latest date for retirement: April 1, 2026, eligible for renewal

Appointed by: Board

Positions held: Member, Strategic Advisory Committee

Michael Wrinch is a Professional electrical engineer and owner of Hedgehog Technologies Inc. He specializes in research and development of advanced energy infrastructure, manufacturing, and marine electrical technology. He has extensive remote community energy management and monitoring experience where he designed and installed the first smart microgrid network in British Columbia.

Michael received his PhD from the University of British Columbia in power systems and has his Master's Degree from Memorial University of Newfoundland and Labrador in signal processing. He has been published in several conference transactions and industry magazines. He is a fellow of Engineers Canada.

The Role of the Board

Technical Safety BC is governed by a Board of Directors that provides oversight and ensures that we are prudent, transparent, and collaborative in our practices. The Board has the fiduciary responsibility to oversee the conduct of our business and ensure that all major issues affecting the business and affairs of the organization are given proper consideration. In performing its functions, the Board also considers the legitimate interests of industry, communities, and government.

Director Selection

Directors are appointed on the basis of merit; they must meet the qualifications established in the Safety Authority Act; and abide by a [code of conduct](#) and our [governance manual](#).

The Safety Authority Act states that the Board will consist of at least nine, but no more than 15 members. The Minister may appoint up to three directors. The remaining directors are appointed by the sitting directors. Non-government candidates for the Board are screened and shortlisted by a nominating committee based on their knowledge, skills, and abilities. The directors make final selections from a list of suitable candidates provided by the nominating committee.

As of December 31, 2023, the Board consists of eleven members, two of whom were appointed by the Minister. There is currently one Ministerial appointment vacancy on the Board.

Board Committees

The work of the Board is supported by committees that provide additional focus on matters such as:

- financial affairs, audits, insurance and investments;
- governance and nominating functions, President and Lead Executive Officer performance evaluation and recruitment, compensation, and other human resources matters;
- technical and enterprise risk oversight;
- regulatory development and compliance; and
- strategic advice and oversight.

The 2023 committee structure included the:

- Finance and Audit Committee;
- Governance and Human Resources Committee; and
- Strategic Advisory Committee.

Each committee operates according to a Board-approved mandate outlining its duties and responsibilities. When required, these committees make recommendations to the Board for approval.

The Finance and Audit Committee

The Finance and Audit Committee assists the Board in fulfilling its oversight responsibilities relating to financial reporting, treasury management, accounting systems, budgets, internal controls, and the audit process. The Chair of the Finance and Audit Committee is required to be a financial expert.

The Finance and Audit Committee's major accomplishments in 2023 included the following:

- Provided oversight to management's financial risk management policies and procedures, including the implementation of the Investment Strategy to align with the revised Investment Policy.
- Reviewed Technical Safety BC's investment portfolio and reserve requirements.
- Reviewed and approved the Spending Authority Policy and provided oversight to management's internal financial controls framework.
- Reviewed the 2022 financial statements, notes to the financial statements and Management Discussion and Analysis with management and the external auditor.
- Reviewed the external auditor's plan to audit the 2023 annual financial statements.
- Reviewed and approved the 2024 Operating and Capital Budget to support delivery of strategic priorities outlined in the 2024-2026 Business Plan.
- Provided oversight and project governance to the P4 Business Transformation Project and budget with respect to strategy, risk and regulatory activities and all applicable expenditures; and received quarterly project reports.
- Reviewed and approved the internal auditor's annual audit plan, audit charter, and reviewed regular reports by internal auditors on the audits performed while monitoring management's responses.
- Reviewed and evaluated the performance of the internal auditor.
- Conducted a comprehensive review of the External Auditor and conducted a Negotiated Request for Proposal and external auditor selection.
- Reviewed the 2022 insurance claims experience and approved the 2023-2024 insurance coverage and renewal.
- Reviewed and approved fee setting plans and initiatives for 2023.
- Reviewed directors' fees and expenses for 2022.
- Reviewed the 2023 Calendar of Reporting and Committee workplan.

Governance and Human Resources Committee

The Governance and Human Resources Committee assists the Board in oversight responsibilities relating to governance, compensation, and human resource policies and strategies. This committee also serves as the Nominating Committee for new Board Director recruitment.

The Governance and Human Resources Committee's major accomplishments in 2023 included the following:

- Provided oversight to the Board orientation process for two Board appointments in Q2/ Q3.
- Commenced Board Director Recruitment for two Board positions Q4.
- Provided oversight to the 2023 Board Evaluation process.
- Approved the corporate results for the 2022 Annual Targets and Key Results Plan (for excluded employees).
- Reviewed Excluded Employee Compensation.
- Approved the 2024 Variable Incentive Plan (for excluded employees).
- Reviewed the annual conflict of interest declarations of directors and officers.
- Reviewed the annual reporting of the organization's compliance with the principal legislative, regulatory and contractual requirements to which it is subject.
- Conducted the annual review of Technical Safety BC's governance practices and made recommendations to the Board to enhance committee mandates, and governance structure including, the 2023 Calendar of Reporting and Board and Committee workplan.
- Reviewed and recommended Board education and future training.
- Reviewed and recommended performance plans and evaluated the performance of the President and Lead Executive Officer and the Corporate Secretary.
- Reviewed the succession plan for the President and Lead Executive Officer.
- Reviewed the performance and compliance of management concerning occupational health and safety and the program.
- Reviewed the state of the organization's culture, including support for the ongoing efforts to expand cultural competency in Indigenous awareness; and efforts relating to workplace culture.
- Provided oversight, approved, and recommended the publication of the 2022 Annual Report and the 2023 Annual Public Meeting to the Board.
- Provided oversight, approved, and recommended the publication of enforcement actions and investigation findings and other regulatory actions including identification of involved parties to the Board.
- Provided oversight, approved, and recommended the publication of the environmental, social and governance framework, targets, and measures.

Strategic Advisory Committee

The Strategic Advisory Committee assists the Board in fulfilling its oversight responsibilities by reviewing management's recommendations which relate to strategic planning, implementation of key strategic initiatives, regulatory responsibilities, stakeholder consultation, and safety oversight.

The Strategic Advisory Committee's major accomplishments in 2023 included the following:

- Guided the annual strategic planning process.
- Provided oversight on Health Metrics Reporting on Strategy Implementation on Safety System Risk, Safety Behaviour and Market Participation.
- Reviewed and approved the 2024-2026 Business Plan.
- Supported Technical Safety BC's climate action and sustainability work focused on reducing the organization's greenhouse gas emissions and furthering our environmental, social and governance mandate and reporting; building resiliency in the safety system through climate adaptation; and supported efforts to reduce emissions in BC, in alignment with the Provincial Government's CleanBC Plan.
- Reviewed the Business Continuity Plan, Crisis Communications Plan, and Critical Incident Response capability and preparedness.
- Reviewed data governance practices and policy.
- Reviewed and approved the 2022 State of Safety Report.
- Reviewed Incident Investigations' learnings, Compliance and Enforcement program development, and unpermitted work capture progress.
- Reviewed the Information Technology and Information Security strategy and progress (save and except with respect to the P4 Business Transformation Project, which is overseen by the Finance and Audit Committee).
- Reviewed the Structured Resource Allocation Program progress and value of machine learning in assessment operations
- Received reports on technical risk registries and operational activities including education and enforcement.
- Received updates on market insights and stakeholder engagement activities and the communications strategy.
- Reviewed regulatory change plans and made recommendations for amendment of legislation to the Province of British Columbia to update reference standards, improve the safety system, and evolve the governing legislation and regulations in accordance Technical Safety BC's Strategy.
- Reviewed the 2023 Calendar of Reporting and Committee workplan.

Directors' Attendance

In 2023, there were four regularly scheduled Board meetings, a two-day strategic planning session, and an Annual Public Meeting. One additional Board meeting was conducted in February 2023. The following table illustrates the number of meetings each director attended, as compared to the number of meetings each director was eligible to attend, during the 12 months that ended December 31, 2023.

Directors	Board Meetings (8* Held)	Finance & Audit (4 Held)	Governance & Human Resources (8 Held)	Strategic Advisory (4 Held)	Total
George Abbott	9/9 ⁴	4/4	8/8	4/4	25/25
Jeremy Black ⁵	2/2	1/1	–	–	3/3
Jeremy Coughlin	8/8	4/4	–	4/4	16/16
Neil Cumming ⁶	--	–	–	–	–
David Guscott	8/8	–	8/8	–	16/16
Ivan Limpricht	8/8	3/4	8/8	–	19/20
Wency Lum	8/8	–	–	3/4	11/12
Daniel Smythe	8/8	–	8/8	4/4	20/20
Nancy Olewiler	7/8	1/1	–	4/4	12/13
Gail Stephens ⁷	7/8	3/3	–	1/1	11/12
Ken Tourand	8/8	4/4	5/5	–	17/17
Angela Wesley	7/8	1/1	8/8	3/4	19/21
Shelley Williams	9/9 ⁸	4/4	1/1	1/1	15/15
Michael Wrinch	8/8 ⁹	1/1	1/1	3/3	13/13

* Each day of the 2-day Board Strategic Planning session is counted as a separate meeting for attendance purposes.

⁴ Includes a 1-day Board Orientation session

⁵ Retired from the Board April 1, 2023

⁶ Retired from the Board January 6, 2023

⁷ Retired from the Board December 7, 2023

⁸ Includes a 2-day Board Orientation session

⁹ Includes a 2-day Board Orientation session

Directors' Compensation

The Governance and Human Resources Committee is responsible for making recommendations to the Board regarding director compensation. The last independent review of Technical Safety BC's director compensation practices against comparable organizations was conducted in 2018. Adjustments to the quantum of meeting fees and annual retainers payable to Board and committee members were last made on April 1, 2019.

Director compensation is set at such a level to:

- Affirm the directors' responsibilities and the professional nature of the work that directors are expected to perform.
- Attract and retain qualified individuals to serve as directors.
- Partially compensate directors for their time and lost opportunity costs and be seen as "value received" for value given.
- Foster high levels of engagement and commitment to best-in-class governance.
- Recognize the different levels of time and responsibility associated with the Board Chair, Committee Chair, and director positions.
- Recognize an element of public service.
- Reflect Technical Safety BC's values.

The following table shows director compensation as of December 31, 2023.

Fee	2023 \$
Annual retainer – Chair	46,500
Annual retainer – Finance and Audit Committee Chair	20,000
Annual retainer – Governance and Human Resources Committee Chair	20,000
Annual retainer – Strategic Advisory Committee Chair	18,000
Annual retainer – Directors	13,400
Board/Committee meetings fee	825
Maximum daily meeting fee	1,650
Teleconference of less than one hour	400

Directors' Retainer and Meeting Fees

The following table reflects the total retainers and meeting fees earned by directors in 2023 as compared to 2022.

Directors	2023 Retainer	2023 Meeting Fee	Total Retainer/ Fee 2023	Total Retainer/ Fee 2022
	\$	\$	\$	\$
George Abbott (Board Chair)	46,500	20,625	67,125	64,650
Jeremy Black (Committee Chair) ¹⁰	5,000	2,475	7,475	29,900
Jeremy Coughlin	13,400	13,200	26,600	26,600
Neil Cumming ¹¹	N/A	N/A	N/A	27,825
David Guscott (Committee Chair)	20,000	13,200	33,200	30,300
Ivan Limpricht	13,400	15,675	29,075	27,825
Wency Lum	13,400	9,075	22,475	11,225
Nancy Olewiler (Committee Chair) ¹²	16,850	9,900	26,750	26,600
Daniel Smythe	13,400	16,500	29,900	25,350
Gail Stephens (Committee Chair) ¹³	19,070	9,075	28,145	27,900
Ken Tourand	13,400	14,025	27,425	26,175
Angela Wesley	13,400	15,675	29,075	27,000
Shelley Williams (Committee Chair) ¹⁴	11,969	12,375	24,344	N/A
Michael Wrinch ¹⁵	10,013	9,900	19,913	N/A
Total	209,802	161,700	371,502	367,125

¹⁰ Ceased to be a Director on April 1, 2023

¹¹ Ceased to be a Director on January 6, 2023

¹² Appointed as SAC Chair on April 3, 2023

¹³ Ceased to be SAC Chair and appointed as FAC Chair on April 3, 2023; Ceased to be a Director and FAC Chair on December 7, 2023

¹⁴ Appointed to the Board February 20, 2023; appointed as FAC Chair on December 8, 2023

¹⁵ Appointed to the Board April 2, 2023

The Executive Team



Phil Gothe
President and Lead Executive Officer

Phil believes that the primary role of leadership is to imagine and create conditions for thriving. Known as a caring and thoughtful leader, in Phil's words "To Live is to Lead," believing that we all have an opportunity to lead in our personal and professional lives for the benefit of everyone.

With Technical Safety BC since 2009, Phil has invested in relationships internally and externally to advance the understanding and treatment of safety risks and enable the development of ground-breaking new approaches to technical safety oversight. He has a deep regard for the knowledge and capability of employees and clients and believes that developing a system of engaged safety system participants is vital to maintaining confidence in the safety system.

Phil began his career in naval operations in the Royal Canadian Navy. Before joining Technical Safety BC, he spent 10 years leading business strategy development and continuous improvement consulting engagements in the forest products, helicopter, and heavy equipment industries. Phil has an MBA from the University of Western Ontario and obtained a Chartered Director designation from The Directors College.

Inspired by lifelong learning and peoples' infinite capacity to adapt and grow, Phil steers Technical Safety BC in its aspiration to continuously build confidence in a safety system that supports ongoing prosperity in British Columbia.



Kate Baillie
Vice President, Marketing & Communications

Kate has spent her career putting clients and teammates at the centre of what she does. She is a curious and inspiring leader who looks at opportunities holistically to motivate and engage teams towards practical, multi-dimensional solutions. Comfortable in a constantly changing landscape, she listens actively and digs for the truth, using observation and data to build cases for change.

Kate joined Technical Safety BC from TELUS, where she led teams in marketing, communications, and customer experience. She has a Bachelor of Applied Arts degree from Toronto Metropolitan University and an MBA from the Richard Ivey School of Business at the University of Western Ontario.

When not obsessing over safety, Kate works to improve diversity in the workplace, mentors up-and-coming leaders and likes to spend time outside – either gardening or enjoying all the amazing hiking and kayaking that Vancouver has to offer.



Wesley Ma

Vice President, Finance

Wesley has an extraordinary ability to humanize finance by drawing employees into the stories behind the numbers and making them come to life. He is a solution-oriented leader known for navigating strategic and financial complexity with thoughtfulness. As a skilled listener, he draws from multiple sources of insight to solve challenges and enable opportunities that bring broad benefit to our people and clients.

Prior to joining Technical Safety BC, Wesley worked in various management roles at PwC and MNP. He serves as Treasurer for Community Living Society and holds board positions with the Building Officials Association of BC and Queen's Park Healthcare Foundation.

Wesley graduated from the University of Calgary with a Bachelor's of Commerce, and is a Chartered Professional Accountant.

Wesley enjoys leveraging his knowledge and experience to help not-for-profit organizations.



Kate Parker

Vice President, Operations

Kate is a dynamic leader with a steadfast belief that organizations thrive at the intersection of business strategy, human-centred leadership, and innovative culture. With a career marked by a commitment to servant leadership, an innate ability to identify emerging opportunities, intuitive foresight, and a deep belief in the power of diversity, Kate has been a driving force behind successful strategic initiatives.

In her current role at Technical Safety BC, Kate employs courage and curiosity to tackle challenges head-on, facilitating bold conversations that challenge the status quo. Guided by a vision to integrate humanity and technology seamlessly, Kate leverages her experience in driving strategic transformation and human-centered change. Her leadership has been instrumental in building organizational capacity, ensuring each person reaches their maximum potential.

Prior to leading Operations, Kate served as the VP, People at Technical Safety BC for six years. With a proven track record spanning industries such as mining, heavy machinery, and healthcare, Kate has consistently transformed business and people practices, leaving a lasting impact on each organization she touches.

Kate's educational background includes a degree in Psychology and Kinesiology from Simon Fraser University, complemented by graduate studies at UBC's Sauder School of Business.

Beyond the boardroom, Kate is an avid explorer of the mountain ranges in BC. A former ballet dancer, Kate now sits on the Board of Director of Ballet BC, and in her free time coaches emerging female leaders to help them develop and lead from their authentic power.



Derek E. Patterson
Vice President, Regulatory Leadership and Corporate Secretary

Derek actively supports individuals and initiatives that improve technical safety in BC. His extensive professional experience underpins a principled, comprehensive, and astute capacity for strategy and problem solving. He is courageous in his leadership of peers and reports alike, respectfully challenging, and empowering individuals in their contributions to the organization.

Derek is highly experienced in the practice of regulatory law and change management, having served as chief legal, risk and compliance advisor, and corporate secretary to senior leadership teams and Boards of both public companies and Crown corporations.

Prior to joining Technical Safety BC, Derek held senior positions with a number of organizations, including the Insurance Corporation of BC and the Investment Industry Regulatory Organization of Canada. Derek holds a law degree from Osgoode Hall Law School and an MBA from the Schulich School of Business at York University, as well as ICD.D and CPHR designations. He was called to the bar in both Ontario and British Columbia.



Claudio Pini
Vice President, Business Transformation and Technology

Claudio is a true transformer of organizations. Using his gift for facilitating proactive discussions to get to the heart of our organization's needs, he develops strategies to leverage technology in ways that support and enable people to achieve positive outcomes for Technical Safety BC, our clients, and the public.

Claudio brings over 25 years of experience and thoughtful implementation in IT infrastructure, application management, and operations. Coming to Technical Safety BC from the University of British Columbia (UBC), Claudio held several senior IT roles supporting staff, faculty, and students. Prior to UBC, Claudio was a consultant with Accenture for 17 years, working with clients as diverse as Best Buy Canada, BC Hydro, and Dupont.



Abraham van Poortvliet

Vice President, Data Analytics and Decision Science

Exploration and discovery have been recurring themes in Ab's life. In his role of VP, Data Analytics and Decision Science, he now supports others in their discovery and innovation. By nurturing leadership in others, Ab aims to create a culture of experimentation and learning that propel safety knowledge and action. Together with his team, Ab carries responsibilities for research & analytics, business intelligence, engineering, incident investigation, and risk management.

Ab has worked in a variety of progressive roles at Technical Safety BC since he joined in 2005. Originally from the Netherlands, Ab previously worked as a project leader for safety engineering in railway infrastructure, and as a risk analyst at the Dutch Ministry of Transportation.

Ab holds an MBA from Simon Fraser University, a doctorate in public administration, and an MSc in applied physics. He is a registered Professional Engineer and Chartered Professional Accountant in British Columbia.



Archana Aggarwal

Vice President, People (Acting)

Archana is driven by a genuine desire to witness the growth and triumph of others. She strives to create an environment that nurtures talent and enables personal and professional development. Her leadership style is focused on collaboration and elevating others, fostering a culture of shared success at Technical Safety BC.

Having been with Technical Safety BC since 2017, Archana considers herself fortunate to have taken on diverse roles that have contributed to her understanding of the organization. As a practicing lawyer, Archana has integrated her legal expertise into various areas of the business including Policy and Regulatory Affairs, Legal, and most recently, the People team. Archana is committed to understanding what people need and implementing innovative solutions in service to Technical Safety BC's employees, clients, and safety mandate.

Prior to joining Technical Safety BC, Archana served as a Senior Policy & Legal Advisor at WorkSafeBC where she demonstrated her extensive experience in the field. Archana holds a Juris Doctor degree from Robson Hall, University of Manitoba, and has been a member of the Law Society of BC since 2010.

Executive Compensation

Name & Principal Position	Salary	Incentive Plan Compensation Paid	Pension	Health & Wellness Benefits	All Other Compensation Paid	Total	Previous Two Years' Totals ¹
	\$	\$	\$	\$	\$	\$	\$
	(A)	(B)	(C)	(D)	(E)		
Phil Gothe President & LEO	297,452.00	92,483.57	29,299.05	5,866.80	13,562.40	438,663.82	2022 = 399,400.39 2021 = 309,042.60
Kate Baillie VP, Marketing & Communications	238,146.08	53,708.85	23,457.33	4,750.80	9,170.00	329,233.06	2022 = 312,485.39 2021 = 262,836.01
Kate Parker VP, Operations	214,188.00	47,935.67	21,097.47	5,750.60	10,012.40	298,984.14	2022 = 291,179.99 2021 = 258,557.35
Derek Patterson VP, Regulatory Leadership & Corporate Secretary	253,920.00	57,876.09	25,011.13	5,866.80	8,400.00	351,074.02	2022 = 347,482.32 2021 = 309,336.26
Claudio Pini VP, Business Transformation & Technology	208,290.40	47,472.64	20,516.68	5,731.41	9,120.00	291,131.13	2022 = 288,172.53 2021 = 255,785.90
Ab van Poortvliet VP, Data Analytics & Decision Science	210,321.60	47,935.67	20,716.68	3,410.60	8,400.00	290,784.55	2022 = 286,561.65 2021 = 256,751.67
Wesley Ma VP, Finance	207,536.80	46,614.98	20,442.35	5,734.34	10,682.40	291,010.87	2022 = 284,195.66 2021 = 220,632.19
Archana Aggarwal¹ VP, People	90,294.80	—	8,894.07	2,503.05	—	101,691.92	—
Lisa Prescott² VP, Operations	155,214.86	10,055.43	15,288.70	6,474.22	6,862.99	193,896.20	2022 = 52,584.18

(A) Salary earned
(B) Variable Incentive Pay
(C) Pension

(D) Extended Healthcare, Dental, Group Life, Long Term Disability, Short Term Disability, Accidental Death and Dismemberment
(E) Car, Parking and Cell Phone Allowances

¹ Commenced in role as of June 20, 2023

² Ended in role as of September 8, 2023

Executive Compensation Plan

Technical Safety BC is a progressive employer with a strategy to build confidence in a safety system that improves the wellbeing of British Columbians. The objectives of Technical Safety BC's executive compensation plan are to:

- Open configuration options.
- Attract and retain capable individuals with diverse skill sets.
- Remain internally fair and externally competitive.
- Demonstrate sensitivity to our clients, partners, and the communities we serve.
- Offer a total rewards package that balances stable elements of compensation with pay at risk.
- Achieve alignment of our priorities and efforts to our Strategy and three-year Business Plan.

Technical Safety BC's executive compensation plan elements comprises the following:

- **Base salary:** Technical Safety BC establishes salary ranges according to a blended market position that is midway between the public not-for-profit sector and the private sector markets. The range spans from 80% to 120% of the blended market median. Placement within the salary range depends on the competence, experience, and level of contribution to the Business Plan and Strategy.
- **Variable Incentive Plan:** This element is the at-risk portion of annual compensation and is dependent on the achievement of critical corporate performance established annually by the Board of Directors, and individual objectives aligned to our Strategy. It is also intended to reinforce our value of accountability at the leadership level in the organization. Corporate performance is assessed by management and audited by Internal Audit and approved by the Governance and Human Resources Committee (G&HR) at year end. The Board of Directors assesses the performance of the President and Lead Executive Officer and the Corporate Secretary annually. The President and Lead Executive Officer assesses the performance of the remaining executive team members.
- **Pension plan:** Technical Safety BC supports a pension plan that will contribute to employees' financial well-being in their retirement years.
- **Health and wellness benefits:** A mix of extended health, dental, and income protection benefits are offered to support the health of employees.
- **Car allowance:** A monthly car allowance is provided to account for business travel using personal vehicle.

Advisory Groups and Committees

Technical Safety BC engages industry experts who volunteer their time to provide input and recommendations on topic-specific issues related to the design, implementation, and evaluation of safety policy and regulation, service design, and technical safety programs.

A very special thank you to the following experts for working with us to improve safety across BC in 2023.

Ammonia Risk Prevention Working Group

Purpose: To manage aspects of the ammonia release technical risk through a tailored behavioural-based intervention program to improve safety and prevent incidents, and to evaluate the effectiveness of the program in influencing industry change and safety outcomes.

Eamon McGinley City of Vancouver	Jamie Rennie City of New Westminster	Ron Dietrich Recreation Facilities Association of BC & West Shore Parks and Recreation	Willa Thorpe City of Port Alberni
Geoff Chesterton Recreation Facility Association of BC	Kimberly Dennis CurlBC		
Gordon Harkness WorkSafeBC	Norman Scott CurlBC	Steve Napper City of Delta	
	Percy Chua WorkSafeBC	Terry Welsh Recreation Facility Association of BC	

Amusement Program Re-Design Advisory Group

Purpose: To allow members to engage in deeper conversations on the proposed amusement rides and devices program redesign. This group presents an opportunity for industry members to provide input on implementation details and discuss how Technical Safety BC can support the amusement industry.

Craig Work Herold Engineering Ltd.	David Rose City of Burnaby	Eric Sambell FlyOver Attractions	Jim Gibson Pat-T-Perfect
Dave Horton Ness Lake Bible Camp	David Wells Auton Engineering	Garnett Pawliw Vancouver Partyworks	Juan P Goula YMCA of Greater Vancouver
David Green City of Fort St. John	Elliott Harder Ness Lake Bible Camp	Jamie Stevens Jamie's Millwright Service Inc.	Kristen Hyodo Sasamat Outdoor Centre

Lindsay Kenny Village of Fruitvale	Ross Muirhead Inter-Mtn. Testing Ltd.	Vanessa Cumming City of Fort St. John	Ron Dietrich Westshore Parks and Recreation
Paul Burgess PNE	Stacey Miranda City of Williams Lake	Ron Betts Chase Canyon Eco- Adventures Ltd.; DBA Treetop Flyers Zipline	
Paul Chatterton BC Camps Association	Todd Manton KMZ		

Amusement Program – Trampoline Court Forum

Purpose: To build relationships and discuss various topics to prepare the industry and onboard new clients to the new Amusement Regulations.

Touchpoints were maintained with trampoline court operators in 2023 as we await additional updates from the Province regarding implementation of the new Amusement Device Program. We attended the International Adventure and Trampoline Park Association conference (IATP) to re-connect with most of these operators in September 2023.

Michael Marti Extreme Air	Rodney Wilson Airhouse	Alex Campbell (Owner/ operator), Luke Schuler (managing partner) Flying Squirrel	Luke Shaheen Apex Trampoline Park
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Chairlift Safety Advisory Group

Purpose: To discuss fall from carrier risk mitigation strategies by brainstorming, co-creating, and testing potential solutions with group members. In addition, understand the behavioural, structural, and environmental causes of falls from carriers and misloads/misunloads through discussion and data collection. Finally, build and strengthen relationships with the passenger ropeways industry.

Bob Bell Canada West Ski Areas Association (CWSAA) and Selkirk College	Jeff Chandler Canadian Association of Snowboard Instructors (CASI)	Jesse Crawford Mount Washington Alpine Resort
Brandon Misener Hudson Bay Mountain Village	Dean Roberts Sun Peaks Ski Resort	Mike Manara Mount Washington Alpine Resort
Brent Carmichael Doppelmayr	Duncan Currie Sun Peaks Ski Resort	Mike St. Eve Vail Resorts (Whistler Blackcomb)
Craig Bolt Kaerus Group	Perry Schmunk Canadian Ski Instructors' Alliance (CSIA)	Nathan Dorward Revelstoke Mountain Resort
Dale Logan Mount Washington Alpine Resort		

Business Transformation Advisory Group

Purpose: To consult with industry professionals and validate client journeys, pain points, and optimal process, as well as evaluate proposals regarding iteration of our information technology systems of communication within the safety system in BC.

Doug Cordero Slope Side Mechanical	Shawne McCorkell Houle Electric	Dale Risvold Canem
Carmen DeGoey Camosun College	Sandra LeNoble RAM Mechanical	Sue Edmondson TK Elevators
Jon Fairbrother Prime Engineering	Richard Mathews District of Squamish	Matt McInnis Electrical Contractors Association of British Columbia
Oskar Kwieton Shape Property Management	Clayton Mullen University of British Columbia	

Elevating Devices CSA B44:19 Code Review Advisory Group

Purpose: To review Technical Safety BC's analysis of the CSA B44:19 code changes and provide input on recommendations to adopt the code with any proposed variations, and possible transition timelines. In addition, to identify potential impacts of the code changes on the elevating devices industry and the public.

Paul Bentley Venture Elevator	Zoya Jones Specialized Engineered Products Ltd.	Karan Sapal BC Rapid Transit- SkyTrain
Jason Blatchford Schindler Elevator	Patrick Maloney KONE Elevators and Escalators	Matthew Shaw KJA Consultants Inc.
Tyler Dunlop International Union of Elevator Constructors, Local 82	Mark McAllister Northwest Elevator	Mark Sutherland West Coast Elevator
Susan Edmondson TK Elevator	Don Sanchez Canadian Elevator Contractors Association	Debbie Sammon Fujitec
James Gray Apex Elevator Consulting Inc.		

Elevating Devices CSA B355:19 Code Review Advisory Group

Purpose: To review Technical Safety BC's analysis of the CSA B355:19 code changes and provide input on recommendations to adopt the code with any proposed variations, and possible transition timelines. In addition, to identify potential impacts of the code changes on the elevating devices industry and the public.

Jocelyn Fast
Kootenay Columbia Home
Medical Equipment

Patrick Maloney
KONE Elevators and Escalators

Robert Murphy
Garaventa Lift

James Gray
Apex Elevator Consulting Inc.

Richard Meunier
RAM Elevators & Lifts Inc.

Don Sanchez
Canadian Elevator Contractors
Association

Elevating Devices CSA Z185:23 and CSA B354.12, .13, and .14:17 Code Review Advisory Group

Purpose: To review Technical Safety BC's analysis of the CSA Z185:23 code changes and the introduction of mast climbing transport platforms as a new type of elevating device and provide input on recommendations to adopt the codes with any proposed variations, and possible transition timelines. In addition, to identify potential impacts of the code changes on the elevating devices industry and the public.

Gavin Currie
Bigfoot Crane Company

James Gray
Apex Elevator Consulting Inc.

Thomas O'Reilly
Alumasafway

Candace Curtin-Schulz
Oxford Builders Supplies

Zoya Jones
Specialized Engineered
Products Ltd.

Brennen Rushworth
MR Crane Services

Fee Consultation 2024-2025

From January through March 2023, we met with 12 industry associations and surveyed more than 950 clients about their industry's financial outlook and sentiment around certification fees. Based on their feedback, we proposed the following fee changes for 2024–2025:

- A general fee increase of 7% in 2024 and 4% in 2025;
- charging the same fee across all technologies, with cost depending on exam delivery (paper, digital remote, digital in-person, or practical);
- reducing fees for electrical permits with lower job values, while increasing 8% in 2024 for electrical permits with job valued over \$1000; and
- charging hourly rates for administrative, safety, and professional services, with the same rate across all technologies.

From May through June 2023, we hosted four live digital engagement sessions and sent a survey to all our clients. Over 275 people provided feedback in the consultation. As a result, we reduced certification exam fees from what we had proposed and increased most fees by 7% in 2024 and 4% in 2025. Read the [Proposed Fees 2024-2025 Consultation page](#) for more details.

Engage Site, Survey, Focus Group, and Interviews Contributions

Technical Safety BC would like to thank everyone who contributed to our [Engage portal](#), as well as to survey respondents and those who participated in interviews with us. The direct feedback they provided about our active projects and inquiries was crucial to our success. Safety is a shared responsibility, and the knowledge of BC's experts and industry professionals is an invaluable resource. More information about our client education and awareness work can be found in our 2023 State of Safety report.

Environmental, Social, and Governance Commitment

As a purpose driven organization, our environmental, social, and governance (ESG) reporting provides an overview of our priorities to help improve the safety system by creating a more inclusive, equitable, and sustainable future.

Our ESG commitments include:

1. Inclusion, diversity, equity, and accessibility (IDEA)
2. Climate action
3. Indigenous reconciliation and partnerships

Using elements of the Global Reporting Initiative (GRI) framework, we will regularly monitor, measure, adjust, and report on our efforts to address the most significant risks and opportunities impacting the safety system in British Columbia.

Inclusion, Diversity, Equity, and Accessibility

Our 2023 ESG goals focused on Equity, Diversity, and Inclusion (EDI). Looking forward, we'll be incorporating accessibility into our overall equity, diversity, and inclusion statement and drafting internal policies for accessibility. In addition, we have changed our EDI commitment to IDEA, Inclusion, Diversity, Equity, and Accessibility.

Inclusion, Diversity, Equity, and Accessibility (IDEA) are integral parts of our organizational culture. Our IDEA strategy is designed to ensure that our people and programs reflect the population we serve, embracing and encouraging different perspectives, while addressing bias. We know we are made stronger by a unique combination of culture, race, ethnicity, age, gender, sexual orientation, gender identity or expression, physical or mental ability, geography, socio-economic status, and work-life situations.

Last year, our plan set transparent, [measurable activities and targets](#) in key areas to help us reach our goals around IDEA, including:

- 1. Goal:** Employees (and/or consultants) with expertise in Equity, Diversity, and Inclusion participate in product and services development assuring language inclusion and accessibility for persons with disabilities is considered.
Measure and target: We will comply with the Accessible British Columbia Act by September 2023 and establish an implementation plan, a feedback tool, and an advisory committee with internal and external members. We will implement a road map to identify plans for accessibility and equity considerations and compliance in our products and services to increase broader participation in the safety system.
- 2. Goal:** Developing a well-qualified and diverse workforce that is representative of the people of British Columbia.
Measure and target: We will continue to grow the diversity of people and leaders across the organization, with a particular focus on increasing the number of Indigenous employees. In 2023, we will invite employees to voluntarily disclose their demographics as a first step in understanding where our employee diversity is compared to that of BC.

3. **Goal:** Equity, Diversity, and Inclusion (EDI) is an essential leadership competency. Leaders promote EDI initiatives as well as actively increase their knowledge and mentor others.

Measure and target: In 2023, EDI will be established as an organizational competency. Leadership will be evaluated and held accountable for modelling equitable and inclusive behaviours, promoting EDI initiatives, and ensuring that EDI considerations are incorporated into organizational processes and projects. There will also be EDI courses offered to all employees to build capabilities across the organization.

We successfully achieved these goals by completing the following work:

Accessibility Plan 2023–2026

Technical Safety BC falls under and is now compliant with the Accessible British Columbia Act. We've created and continue to maintain an [Accessibility Plan](#), have an accessibility committee, and have a feedback mechanism in place for accessibility improvements. We've also made the following changes:

- Enabled automatic closed captioning on Zoom so all employees have access to closed captioning in any meeting.
- Switched to hosting internal video content on MS SharePoint, which automatically generates transcripts and closed captions.
- Updated our new website and branded templates to comply with international accessibility standards.

Last year, our Renfrew Office also underwent an Accessibility Audit. With a few improvements, we will achieve gold status through the [Rick Hansen Foundation's Accessibility Certification](#).

Technical Safety BC is upgrading many of our legacy software and technology systems. In addition to increased efficiency and a human-centric design, the client portal, implemented in a phased approach, is a universally designed product and WCAG 2.2 compliant. This change will have a direct and positive impact on the accessibility of Technical Safety BC's processes of certification, licensing, permits, and assessments for our employees and clients.

Establishing Our Diversity Profile

Understanding our diversity profile is an important step in measuring our progress towards being an equitable, diverse, and inclusive workplace. As part of our commitment, we invited employees to voluntarily share personal information in a safe and secure way. Employees were asked to share how they identify, including:

- Gender identity;
- Primary racial group;
- Whether they are a visible minority;
- Whether they are an Indigenous person;
- Whether they are a person with a disability; and/or
- A member of the 2SLGBTQAI+ community.

Employee participation helps us ensure that we are on the path to being a truly diverse organization. Once the gaps are understood, the learnings will inform leadership in areas such as succession planning, pay equity, and development opportunities. This information will also support an internal review of our policies and procedures to ensure a supportive, inclusive, and equitable environment for all.

We created a new policy that gives flexibility to two paid statutory holiday days. Employees can 'flex' Boxing Day and/or Easter Monday, choosing to work these days and using their paid stat for another observance or cultural event of their choosing.

In 2023, we prioritized our employees' mental health by separating mental health service providers from other non-mental health paramedical services as part of our extended health benefits offerings. We now have a new, separate reimbursement limit for mental health service providers of \$1,500 per year, available to all employees eligible for extended health benefits and dependents under their benefits plan. We also launched a free subscription for all employees to the Calm© app to access guided meditations and specialized music playlists to help with stress, focus, and mindfulness.

Internally, we supported active employee resource groups (ERGs):

- Indigenous Relations and Reconciliation
- Equity, Diversity, and Inclusion
- Mental Health and Wellness

When ERGs are effectively implemented, they can elevate the company culture by cultivating a productive, diverse, and inclusive work environment.

In addition, we know that to build the strongest possible safety system, we must be able to connect with BC's diverse population. We have been expanding some of our public safety campaigns with a multi-language component, including advertising in Mandarin and Punjabi for select campaigns, such as increasing awareness of carbon monoxide safety.

Leadership and Employee Development

In 2023, we introduced new competencies for leaders and employees. Competencies are the combination of behaviours, skills, and knowledge that make us successful at our jobs. These competencies are based on our values and were carefully crafted to set everyone up for success in achieving our strategy and building our core capabilities. This year, we asked employees to choose a few to focus on and develop throughout the year. Our year-end performance reviews then invite employees to share what they did to develop these skills and what they learned.

We also celebrated and recognized a wide variety of occasions and learning opportunities, both in our offices and virtually. We hosted celebrations like Diwali and PRIDE and recognized National Indigenous Peoples Day. We also did a film screening of "Returning Home - The Phyllis Webstad Story," and specific teams participated in the Kairos Blanket Exercise and in an Anti-Racism Workshop.

Additionally, we worked to ensure that all employees felt welcome and were treated fairly in the workplace. In our quarterly survey, we were pleased to see strong numbers with continuous improvement in response to the questions regarding diversity. An average of 85% of responding employees said that people of all backgrounds are treated fairly in our workplace, and nearly 89% of respondents said that Technical Safety BC is a diverse workplace.

Climate Action and Sustainability

Through our climate action work, we seek to proactively manage safety risks by understanding how climate events like wildfires, heat waves, and cold snaps interact with the technical systems we regulate. We also support BC's decarbonization goals by enabling the safe adoption of low-carbon technologies. We do this work in partnership with Indigenous communities, utilizing both Western-Eurocentric and Indigenous knowledge systems, and we seek to integrate equitable access to safety into our solutions to improve the wellbeing of everyone.

To continue this work, in 2023, we set three goals accompanied by a measurable set of targets to achieve them:

1. **Goal:** Prevent safety incidents and hazards related to climate change for the technical systems and equipment we regulate.

Measure and target: Implement a process to identify climate change as a factor in incidents and measure the number of technical safety risks that are caused or made worse by climate change, so that we can reduce this number.

2. **Goal:** Prevent disproportionate technical risks and negative impacts of climate change on Indigenous communities and other underserved communities and groups.

Measure and target: Expand our outreach to develop relationships in key communities and report how we are doing this. Implement a process to identify if climate change is a factor in incidents, then report a description and number of incidents to reduce these incidents.

3. **Goal:** Reduce energy consumption within the organization.

Measure and target: Continue to track greenhouse gas emissions produced by our fleet vehicles and energy usage in our facilities to monitor and reduce our energy consumption. Implement and scale a low-emission vehicle pilot and be net-zero by 2050 for emissions from fleet and facilities.

We successfully accomplished these goals through the following work:

Improving Our Climate Hazard Inventory

We continued to integrate relevant safety information into our Climate Hazard Inventory through incident tracking and monitoring, and field observations. The inventory helps us identify technical vulnerabilities and safety hazards that may result when there is a flood, wildfire, heatwave, or other extreme weather event. In addition, climate sensitivity data was integrated into the risk register to better understand interactions between climate events and technologies. Learnings from the inventory were shared at several external events and published in a blog post on our website, highlighting two climate related incidents.

Enabling the Safe Adoption of Low-Carbon Technologies

In 2023, we collaborated with external organizations such as BC Housing, BC Hydro, and several municipalities to create consumable and easy to understand content for homeowners on how to manage electrical load in single family homes. We also shared information bulletins with key partners to clarify safety requirements of emerging technologies. These initiatives are intended to build awareness of safety considerations and requirements related to the installation and maintenance of low-carbon technologies.

Education and Training to Support Climate Safety

Through our continued partnership with BC Hydro, we provided training opportunities for our safety officers, technical system owners and operators, and the public. This included educational sessions on electric vehicle energy management systems, load management, and heat pumps:

- 50 electrical safety officers attended an internal training session on electric vehicle energy management systems.
- Our client-focused heat pump webinar had 43 attendees and 149 views of the recorded session.
- 53 people attended our public/asset owner focused heat pump webinar, and the recording has been viewed 106 times.

Collaborative Research for Community Resiliency

We are researching climate solutions for rural, remote and Indigenous communities in BC through a \$1M grant from the [Pacific Institute for Climate Solutions](#) (PICS) in partnership with Simon Fraser University, BC Housing, First Nations Housing and Infrastructure Council, University of Victoria, and other partners. In the first year of this four-year project, we began community partner outreach – with several potential communities expressing interest in the project. We also hired researchers and started our research on co-development approaches, understanding risk perceptions in remote and Indigenous communities, and climate impact assessment frameworks. Finally, we prepared the project team by workshopping the project's value and impact vision for communities, and completing OCAP (ownership, control, access, possession) data training.

Pilot to Reduce Energy Consumption within the Organization

In 2023, we launched a low-emissions fleet vehicle pilot by adding five electric vehicles to our fleet, bringing our total to 10 electric fleet vehicles. Through this pilot we are learning about charging infrastructure, maintenance and fuel costs and savings, and vehicle capability. Our safety officers participating in the pilot report that they like their electric vehicles. We avoided 15.5 equivalent tonnes of CO2 emissions by using more electric vehicles. This was calculated by taking the average fuel per kilometre from our fuel-based vehicles times the distance driven by our electric vehicles minus the emissions from charging the electric vehicles.

	2019 (Baseline) - tCo2e	2021 - tCo2e	2022 - tCo2e	2023 - tCo2e
Fleet*	768	393	517	589
Facilities**	76	58	62	62
Total	844	451	580	651
Facilities % Renewable	79%	74%	73%	73%
Overall % Renewable	7%	10%	8%	7%

* Fleet Emissions for 2019 and 2021 updated in 2023 due to usage of revised CO2 fuel emission factor (from 2.200 CO2 kg/L to 2.3073 CO2 kg/L) for 'Light-duty trucks' published in the '2021 B.C. BEST PRACTICES METHODOLOGY FOR QUANTIFYING GREENHOUSE GAS EMISSIONS'

** Facilities Emissions for 2019 and 2021 updated in 2023 due to usage of Revised Emissions Factors, Purchased Electricity (Integrated Grid Factors) published by the BC Government

Indigenous Reconciliation and Partnerships

As part of our Environmental, Social, and Governance commitment we strive to coordinate with our reconciliation approach to develop meaningful and respectful relationship-built programs and initiatives with Indigenous people, organizations, and Nations.

In 2023, we continued to take action towards meaningful reconciliation by focusing on:

- Increasing internal awareness of Indigenous cultures and reconciliation;
- reducing internal barriers to reconciliation by examining and improving key organizational processes; and
- working with Indigenous partners to build a clearer picture of our role in reconciliation as a provincial safety regulator.

Boosting Indigenous Visibility

In the spring of 2023, we partnered with the Kitsumkalum and Kitselas Nations to host a cultural ceremony to mark the grand opening of the new Technical Safety BC office in Terrace, BC. The ceremony, which involved Elders from both Nations, was an opportunity for us to honour and acknowledge local Indigenous cultures, deepen our relationships with communities in and around Terrace, and begin our work in a meaningful way.

We also developed signage for all our offices acknowledging the traditional and unceded territories on which we work. This signage also serves as a tool to educate employees, clients, and visitors.

The Indigenous Relations Employee Resource Group (ERG) has been responsible for creating, planning, and implementing communications and events to increase employees' awareness and understanding of reconciliation and Indigenous cultures. This year the ERG organized many well-attended in-person and virtual events, including guest speakers, film screenings, and the Tears to Hope relay, which brings awareness to the ongoing national crisis of missing and murdered Indigenous women and girls.

Decolonizing Internal Policies and Practices

To take meaningful action toward reconciliation, we need to make significant changes to who we are as an organization both internally and in the way we interact with Indigenous people and communities. In 2023, we removed a procedural barrier that was preventing our employees from following proper cultural protocol when providing honoraria to Indigenous Elders and Traditional Knowledge Keepers. This small but impactful change supports us in interacting respectfully with Indigenous partners.

In addition, we collaborated with an Indigenous consultant to review and adjust our engagement protocols to better reflect Indigenous ways of being and knowing in our work.

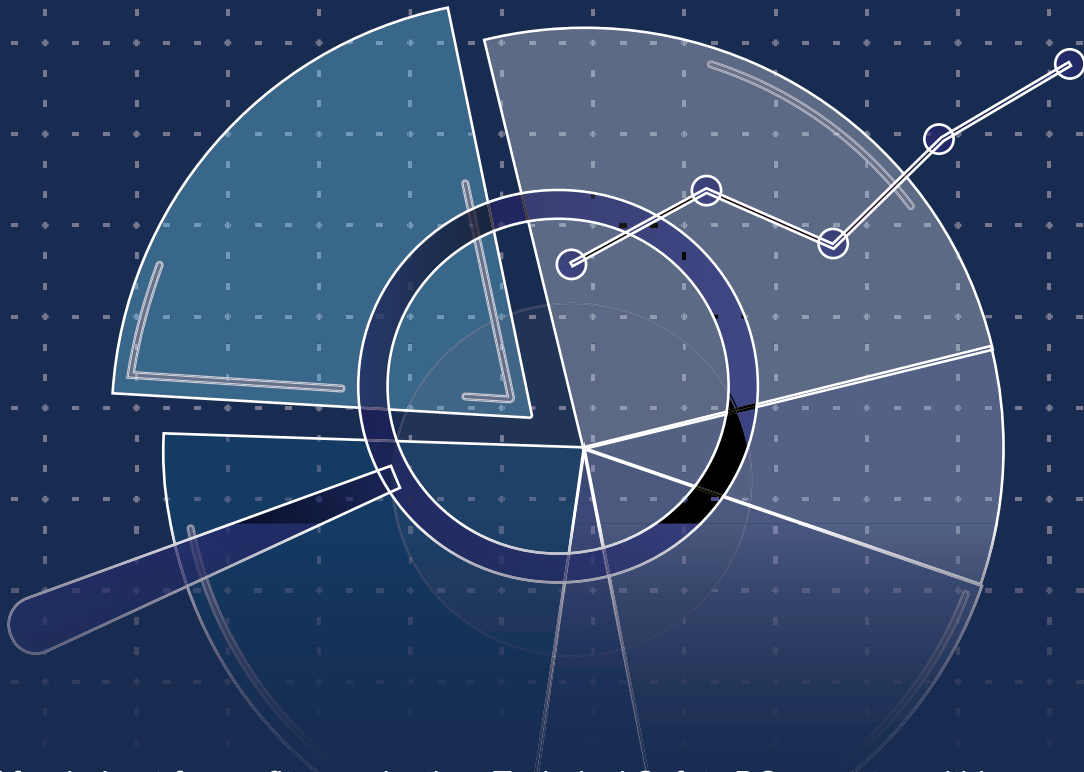
Indigenous Outreach and Partnerships

We continued to connect with Indigenous Nations and organizations to gain a better understanding of our safety system from the perspective of Indigenous communities. Engagement initiatives in 2023 showed us that some Indigenous communities would appreciate clearer lines of communication with us, easily shareable resource documents outlining key processes and protocols, and a more user-friendly permit search interface to support communities in understanding and managing their own risks.

In May 2023, we presented at the Lytton Rebuilding Symposium, where we shared information about Technical Safety BC's services, climate resiliency work, and reconciliation goals. In October 2023, we spoke at the BC Assembly of First Nations Housing Forum to provide an update on the Rural Community Resilience Project, a collaborative research project funded by the Pacific Institute of Climate Solutions. This project seeks to partner with rural and remote Indigenous communities on community-led and co-created research towards climate resiliency solutions.

Five Indigenous post-secondary students were awarded Technical Safety BC-funded bursaries in 2023. Three students received \$4,000 each through our partnership with the Nicola Valley Institute of Technology, and two students received \$2,000 each through our partnership with the New Relationship Trust Foundation.

Management Discussion and Analysis



As a self-funded not-for-profit organization, Technical Safety BC operates within a long-term financial planning strategy, balancing the investments in the safety system over a period of years. Technical Safety BC builds capabilities that advance safety at scale in a sustainable manner. Prudent investment in employees, training, tools, and technology support our work in assessment, research, education and outreach, incident investigations, and enforcement, which is essential to achieving our objectives and advancing technical safety in the province.

This Management Discussion and Analysis details Technical Safety BC's financial and operating results for the year-ended December 31, 2023, and should be read in conjunction with the audited financial statements.

Financial Overview

Technical Safety BC closely manages financial sustainability to deliver quality services and value for money for our clients into the future. Much of our revenue is linked to activities in the construction industry and thus fluctuates in line with its economic growth or contraction. We set an annual budget that reflects an expected revenue trend and considers the safety system priorities, as well as our long-term capital needs. Within this planning framework, we use agile approaches to allow us to respond to changing economic conditions and emerging priorities.

In 2023, revenue from service fees increased by less than 1% compared to 2022. This was below expectations and was lower than would be required to offset contractual and inflationary increases to the cost base of the organization. In anticipation of financial constraints, management undertook a reassessment of the workplace structure to identify opportunities for streamlining, efficiencies, and cost savings. As a result, operational expenses were maintained within 1% of 2022 levels and a surplus of \$2.3M was generated.

Table 1: Key financial performance indicators:

Key Financial Performance Indicator	2023	2022
Monetary indicators (in 000's)	\$	\$
Revenue excluding unrealized gain (loss) on investments.	80,272	79,063
Operating expenditures	78,617	78,066
Salaries and benefits	57,858	57,215
Unrealized gain (loss) on investments	638	(1,951)
Excess (deficiency) of revenue over expenditures	2,292	(954)
Operating reserve	(1,010)	338
Total reserves	31,351	28,992
Capital expenditure	8,888	7,152
Other indicators		
Total volumes (in 000's)	314	317
Average fee (\$)	255	246
Contribution margin	40%	42%
Overhead ratio	41%	42%
Full Time Equivalent employees (FTE's)	422	446

Revenue (excluding unrealized gains/losses from investments) was \$80.3M, an increase of \$1.2M (2%) over 2022, that comprised a \$0.6M increase in service fee revenue and a \$0.6M increase in other income.

The 2023 construction market in BC saw considerable declines in the residential sector and modest growth in the commercial and industrial sectors. These changes are reflected in Technical Safety BC's installation permit volumes which dropped by 7% year over year, with declines prominent in residential permits, as homeowners and developers delayed or cancelled construction plans due to increased interest rates. As a consequence, installation permit revenues declined by \$0.4M. Moderate growth of \$1.0M in operating permits and small changes in other revenue types resulted in overall growth of \$0.6M in service fees. Other income grew due to realized gains on investment sale and increased interest rates.

The restraint applied in operating expenses allowed for a continuation of investment in strategic capital projects. Capital investment in tangible and intangible capital assets grew by \$1.7M from \$7.2M to \$8.9M. This was primarily focused on the strategic business transformation program, with some spending on smaller system projects and infrastructure.

Market value gains on investments were \$0.6M, compared to losses of \$2.0M in 2022. Financial markets fell in 2022 as a response to increased interest rates. There was a recovery in the bond and stock markets in late 2023, as inflation fell, and investors anticipated a change in monetary policy in 2024.

As at December 31, 2023, total internal and operating reserves had decreased from \$11.4M to \$9.0M. The business transformation program requires increased levels of capital investment; this is funded through a planned draw-down on the reserves.

Revenue

As a self-funded organization, Technical Safety BC primarily generates revenue through licences, certificate issuance, and installation and operating permits, inspections of technical work and equipment, and the registration of new equipment and designs.

Our total revenue, including unrealized gain (loss) on investments reached \$80.9M in 2023, which was 5% higher than the prior year's \$77.1M. Services and related fee revenue was \$78.3M and investment and other income was \$1.9M with an additional \$0.6M in unrealized gains from investments.

Service fee growth was a modest \$0.6M, 1% higher than 2022. Overall transaction volume was 1% lower than in 2022, while the higher average permit values offset this decrease.

Table 2: Components of total revenue

Revenue (in 000's)	2023	2022
Installation permits	\$45,528	\$45,938
Operating permits	20,469	19,369
Certification and licencing	5,006	4,716
Design registration	2,240	2,563
Alternative Safety Approach and Equivalent Standard Approach	1,844	1,604
Inspections	1,821	1,735
Equipment approvals	890	961
Client education and administrative	459	596
Miscellaneous service revenue	66	213
Total service and related fee revenue	78,323	77,695
Other revenue	329	356
Realized investment and interest income	1,620	1,012
Unrealized gain (loss) on investments	638	(1,951)
Total revenue	\$80,910	\$77,112

Installation permits and operating permits remain the most significant sources of revenue. We observed the following notable changes from 2022 to 2023:

- Installation permit revenue fell by 1%, as a result of a 7% reduction in volume, offset by a similar increase in the average permit value.
- Operating permit values and transaction volume both increased by 3% resulting in a 6% increase in revenue.
- In 2023 58% and 26% of revenue came from installation permits and operating permits, respectively. This is similar to 2022 (59% and 25%, respectively) with a 1% shift due to decreases in installation permit revenue.

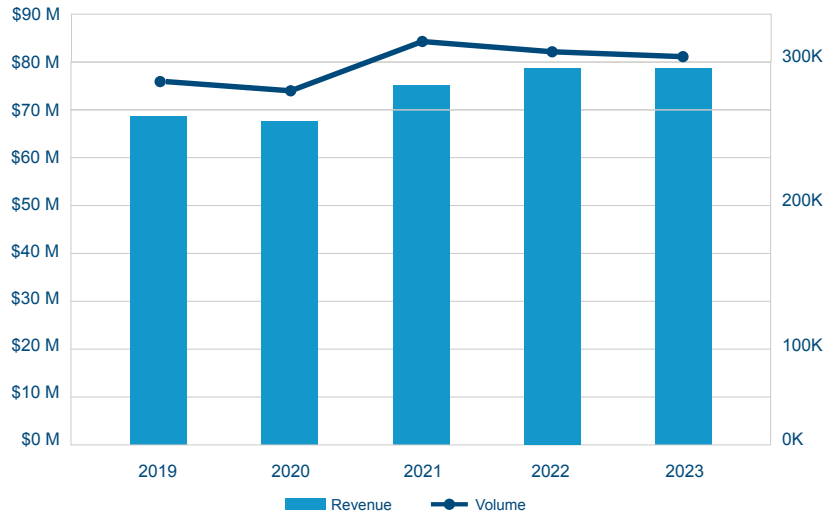
Realized investment and other revenue increased by \$581K from 2022, due to a partial sale of investments in Q1 and increased interest rates. Unrealized gains on investments were \$0.6M in 2023, compared to an unrealized loss on investments of \$2M in 2022.

We continue to focus on identifying and acting on compliance and enforcement to improve overall safety. In 2023, we estimated that this initiative resulted in the issuance of \$0.5M in retroactive permits for work originally performed unpermitted. Technical Safety BC is committed to this program as it is an integral part of the safety system.

Service Revenue by Year

Our revenues are heavily influenced by the economic and social changes seen over the past few years. Service revenue fell by 2% from 2019 to 2020 and grew by 12% in 2021, reflecting the significant fluctuations in construction activity caused by the pandemic. Year-over-year revenue increased by 4% from 2021 to 2022 from the post-pandemic recovery. The year-over-year growth slowed to 1% from 2022 to 2023 under the pressure of interest rate hikes.

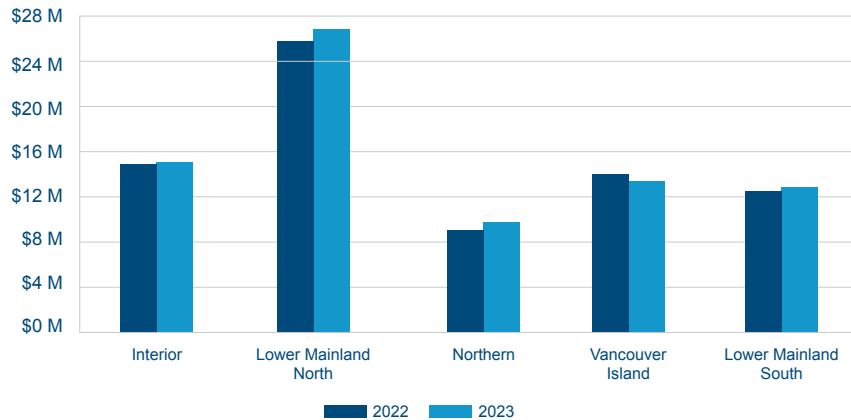
Graph 1: Service revenue and volume by year



Service Revenue by Region

Service revenue growth was seen in all regions except Vancouver Island. Permit demands were stronger in Northern and Lower Mainland North areas in 2023 compared to other regions.

Graph 2: Service revenue by region

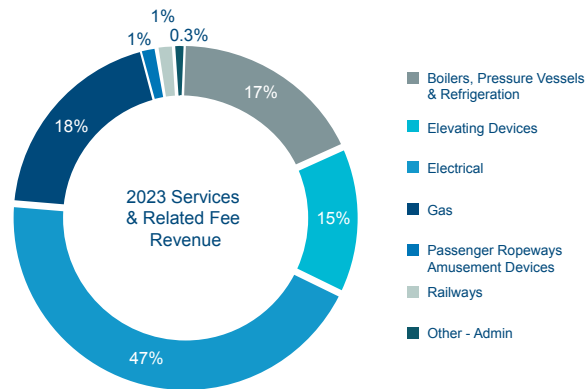


Revenue by Technology

Service and related fee revenues are derived from the oversight of seven different technologies: electrical; gas; boilers, pressure vessels, and refrigeration; elevating devices; railways; passenger ropeways; and amusement devices.

The electrical technology contributes the largest portion (47%) of service and related fee revenue. The next three largest revenue sources are gas; boilers, pressure vessels, and refrigeration; and elevating devices. The percentage of each revenue category is relatively consistent year-over-year.

Graph 3: Total service and related fee revenues by technology



Expenses

In 2023, Technical Safety BC responded to the economic downturn to ensure resources were dedicated to the highest priority areas. An analysis of the workplace structure found opportunities for consolidation of roles and reducing financial resources for certain initiatives.

Salaries and benefits made up the largest proportion of expenses at 74%, similar to 2022. The first phase of the launch of a new business transformation system for Certifications increased software system amortization significantly. This trend will continue as we invest in digitalization, cybersecurity, and transition software systems.

Graph 4: Composition of 2023 operating expenses

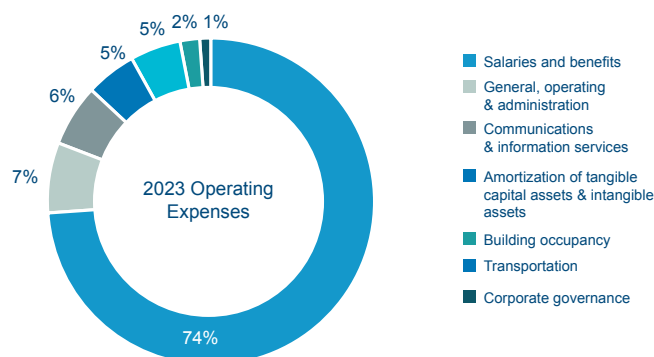


Table 3: Annual operating expense comparison

Expenses (in 000's)	2023	2022
Salaries and benefits	\$57,858	\$57,216
General, operating and administration	5,964	6,721
Communications and information services	4,786	5,194
Amortization of tangible capital assets and intangible assets	4,168	3,389
Building occupancy	3,620	3,380
Transportation	1,740	1,519
Corporate governance	481	647
Total expenses	\$78,617	\$78,066

Salaries and Benefits expenses were only \$0.6M (1%) higher than 2022 as wage increases were offset by a reduction in the overall headcount.

General Operating and Administration expenses decreased by \$0.8M (11%) because of effective control of spending with fewer initiatives and reduced external contractors.

Communication and Information Services expenditure was \$0.4M (8%) lower than the previous year, in response to fewer planned initiatives.

Amortization of Tangible Capital and Intangible Assets was \$0.8M (23%) more than last year due to the launch of new certification software system functionality.

Building Occupancy was \$0.2M (7%) higher than the previous year due to the addition of the Terrace office and inflationary increases to rents and operating costs.

Transportation spending was \$0.2M (14%) higher than last year due to an increased level of business travel. Overall fleet mileage was 11% higher than last year due to increased visits to client sites.

Corporate Governance was \$0.2M (26%) less than last year because of focused budget reductions and prioritized spending.

Capital Spending

During 2023, Technical Safety BC spent \$8.9M in capital investment. Approximately \$6.2M was contributed to the business transformation program. This is a multi-year digital transformation program with the goal of advancing Technical Safety BC's technology to improve agility, simplicity, and stability, increased security, and increase efficiency and convenience with additional self-serve options. The first phase, Certifications, was released in early 2023 providing clients with enhanced features and more timely services for certifications and examinations. The program began significant system development to manage contractor licences. The licensing functionality will be released in mid-2024. Another \$1.1M was spent on the mainframe server to support cybersecurity and software platforms.

Other capital investments included building Amusement Device processes and retirement of an aging client-supporting system.

Fleet vehicle purchases were \$0.7M to replace aging vehicles and included new electric vehicles as part of our transition to a lower emissions fleet.

Reserves and Unrestricted Net Assets

Technical Safety BC's net assets consist of investments in tangible capital assets and intangibles, as well as operating, capital, and education reserves. Net assets increased by \$2.4M to \$31.4M with a \$4.7M increase to capital assets offset by a reduction of \$2.3M in reserves. The decrease in reserves is due to continued elevated capital investment, partially offset by the operating surplus generated.

Table 4: Comparison of reserves and net assets

Reserves and Net Assets (000's)	2023	2022
Investment in tangible capital assets, and intangible assets	\$22,332	\$17,632
Education reserve	198	272
Capital reserve	9,831	10,750
Unrestricted operating reserve (deficit)	(1,010)	338
Total net assets	\$31,351	\$28,992

In 2023, the operating reserve was reduced to negative \$1.0M, primarily due to an internal allocation for continued investment in the business transformation program; thus increasing the capital reserve by an offsetting amount. Technical Safety BC has allocated \$9.8M for planned capital expenditures in 2024. The balance in the capital reserve represents the estimated capital expenditures depending on the needs of the organization at the time. Technical Safety BC has budgeted for surpluses in the next three years to replenish the operating reserve deficit and offset the depletion from capital expenditures.

The education reserve was established in accordance with the Safety Standards Act to reserve monetary penalties collected to pay for safety education programs. In 2023, we dedicated \$0.1M from this reserve to educational activities.

Cash and Investments

In 2023, cash increased by \$3.6M. The increase in cash was due to the operating surplus combined with a transfer to cash from investments to enable a transition to new investment types in early 2024. This was partially offset by increased cash outflow to fund capital projects.

The value of investments fell by \$6.1M because of the withdrawal, slightly offset by an increase in market values. The current portion of investments is determined by the anticipated capital spend for the coming year.

Table 5: Comparison of cash and investments

Amounts in (000's)	2023	2022
Cash	\$14,760	\$11,118
Current investments	\$9,831	\$19,750
Long term investments	\$14,736	\$10,899

Risk and Uncertainty

Technical Safety BC has adopted a proactive and systematic approach for identifying, evaluating, and responding to risks that arise from its activities by establishing and maintaining its enterprise risk management (ERM) framework. The ERM framework uses industry standards and best practices and includes the requirement for regular reporting to the Board and the executive team, to enable members to fulfill their fiduciary responsibilities.

In 2023, we continued to face the impact of a volatile housing market, high inflation, and an overall weaker provincial economic climate. Our ERM framework served as an important building block in our efforts to mitigate and withstand the impact of these events.

Our ERM framework focuses on the following categories of risks for reporting purposes:

Safety System Risk

Technical Safety BC has a disciplined focus on its regulatory oversight of the safety system to fulfill its mandate of enhancing public safety in accordance with our administrative agreement with the Province of British Columbia. This requires participants to understand technical safety hazards caused by the unsafe installation and operation of regulated technical equipment and systems. Unsafe installations and operation of such equipment and systems lead to safety system incidents that can significantly impact the health and safety of British Columbians.

Risk treatment is a combination of prevention and mitigation strategies deployed under a model that applies a multi-faceted approach to managing safety risks associated with technical systems through four pillars: assessment; education and outreach; research; and enforcement. This model focuses on reducing the risk of harm to the public and supports safety system participants in understanding their roles and responsibilities, and that they are accountable for the work they perform or declare.

We continuously enhance our regulatory oversight practices striking a balance between focusing on safety performance and risk-based physical and remote assessments while using the data collected to refine our strategies. As we proceed into 2024 and beyond, we will continue to improve the way we provide oversight to aging equipment and continue to invest in mechanisms to detect emerging technical safety risks in the province and the impact of a volatile climate on technical systems.

Strategic Risk

Strategic risk is the potential for loss arising from business decisions, ineffective implementation of business plan strategies, or a lack of responsiveness to changes in the external environment within which Technical Safety BC operates.

We continually update our strategic goals and objectives with insights gathered from clients, safety partners, government, employees, and our Board of Directors. In addition, we are continuously refining our goals and objectives as we respond to and learn from unforeseen business challenges. Our strategic objectives are further supported and refined by our three-year Business Plan, detailing the measures and tactics being used to achieve our strategic goals. Our agile business planning process led us to our 2024-2026 Business Plan which will help us better anticipate the safety system needs of British Columbians and effectively manage our resources as we respond to the impact of the current provincial economic climate.

Compliance Risk

Technical Safety BC must comply with legislation and regulations, particularly the Safety Authority Act under which Technical Safety BC was established; the Safety Standards Act, the Railway Safety Act and regulations associated with both statutes which set out the powers and obligations we have as an organization; statutes to give effect to our mandate as set out in the Safety Authority Act; the Income Tax Act; and the terms of Technical Safety BC's administrative agreements with the Province of British Columbia. Despite being constituted as an organization independent of government, we are subject to the requirements of the Freedom of Information and Protection of Privacy Act, the Ombudsperson Act, the Public Interest Disclosure Act, and we are obligated to comply with the Payment Card Industry Data Security Standards Regulations. Technical Safety BC adheres to all acts and regulations to which we are subject.

To fulfill our safety mandate, we collect personal information such as names, addresses, and contact details. Access to personal information is subject to British Columbia's Freedom of Information and Protection of Privacy Act. Our data governance and information security program include practices to prevent and detect unauthorized access, misuse, or loss. We regularly educate and train our employees, conduct vulnerability assessments, and implement industry-standard security practices.

Operations Risk

As a regulator, we are faced with potential exposures associated with the delivery and quality of our products and services, including the effective administration of both the Safety Standards Act and regulations, and the Railway Safety Act. Continuous training of our employees, structured resource allocation, proactive collaboration with our safety partners, clients and members of the public, and the establishment of policies and procedures are just some of the practices that enable Technical Safety BC to reduce its exposures and maintain our risks within our risk appetite.

We are also exposed to challenges from changing demographics that may prevent us from attracting and retaining qualified employees for key roles. We minimize the impact of this risk by engaging in proactive workforce planning. To support our employees' wellness, we provided them with a multitude of internal and external resources to help manage their well-being and resilience as we made our way through a challenging year. Like many other provincial and national organizations, we face risks associated with cyber and data security that we proactively mitigate through the establishment of data governance policies, awareness campaigns, and simulated tabletop exercises.

Financial Risk

Financial risk includes concerns about threats to revenue and the possibility that sources of income could shrink. Global economies continue to face challenges arising from increased interest rates, supply chain disruptions, and geopolitical crises. Economic cycles impact our clients, particularly those in the construction industry. Declining permit volumes, particularly installation permits, negatively impact our revenues. We mitigate the impact of this uncertainty through financial resiliency practices, such as cost reduction measures and the use of our reserve funds. Activities aimed at increasing participation in the safety system, including education, enforcement, and innovations, will also offset negative economic impacts.

To ensure minimal impact of the financial challenges caused by a possible economic slowdown, in 2023 we reduced costs by finding efficiencies and increased investments in operations critical to the maintenance of the province's safety system. We continued with our agile financial planning structure and made decisions based on current events and market conditions, which led to solutions that supported resiliency and accelerated the achievement of strategic objectives.

Financial risk is also mitigated through our financial investments and capital and operating reserves. The main goal of our investment policy is capital preservation, so monies are available to support a stable source of funding when required for the effective operation of Technical Safety BC. The policy allows for a portfolio of investments including bonds, public equities, and investment in mortgages and infrastructure. The policy balances risk, return, and liquidity requirements.

Outlook

We continue to find ourselves in an environment of uncertainty, with inflationary pressures, economic instability, and the impacts of climate change.

Our continued journey to adopt agile approaches will allow us to adapt quickly to change, while maintaining focus on our core safety-oriented work. We will accomplish this by managing our financial sustainability, investing in our people, and improving how we support those who work in the safety system.

The impact of inflation and elevated interest rates is expected to continue to be felt in 2024, with the challenge of affordability being front and centre for many British Columbians. Pressure on households will limit consumer spending and housing market activity in the short term. High financing and labour costs may also prompt businesses to delay investment until conditions improve. Despite this, there is growing pent up demand, particularly in the housing sector, and a reduction in interest rates expected later in 2024 is likely to lead to stronger growth.

Technical Safety BC expects transaction volumes to remain subdued in early 2024. Should the Bank of Canada reduce interest rates in mid to late 2024, an increase in residential permit volumes is expected as housing activity picks up. Revenue will also be supported by initiatives to expand safety oversight through our safety management approaches program, and through streamlined certification and licensing processes enabled by our business transformation program. A 7% fee increase is effective in January 2024.

Our capital investment will be above typical levels as we continue our business transformation program and release further system functionality. We will continue with scheduled fleet and computer hardware renewal, some of which was delayed from previous years due to financial pressures in 2023. Operating expenditures for 2024 are modest with the intention of generating a moderate surplus, to support business transformation in 2025 and 2026. Both capital and operating budgets are aligned to support the priorities in the 2024-2026 Business Plan.

To support capital investment over the next three years, we will target moderate operating surpluses in 2024 through 2026, by limiting expenditure growth and identifying revenue opportunities. An overall shortfall is expected in 2024 and 2025 and will be funded through transfers from reserves. During this time surpluses will be budgeted to maintain minimum reserve levels. Once capital investment returns to more typical levels, the reserves will be replenished. Table 4, below, illustrates 2024-2026 projections.

Table 6: Projected results 2024-2026

2024 – 2026 Projections (000s)	2024	2025	2026
Service and related fees	\$84,380	\$89,500	\$93,100
Investment and other income	2,710	2,960	3,070
Total revenue	87,090	92,460	96,170
Expenses	85,590	90,460	94,170
Excess of revenue over expenses	1,500	2,000	2,000
Capital expenditure	9,650	9,090	8,830
Reserves balance (Capital & Operating)	\$5,760	\$4,830	\$5,370

There are numerous factors, some beyond our control, that could cause results to vary from expectations. A key risk to the projected results is the potential for a recession that is more prolonged or deeper than current forecasts.

Financial Statements

and Independent Auditor's Report thereon Year ended December 31, 2023





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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of British Columbia Safety Authority

Opinion

We have audited the financial statements of British Columbia Safety Authority (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows 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 Entity as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the Entity 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 auditor's report thereon, included in the 2023 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.

We obtained the information, other than the financial statements and auditor's report thereon, included in the 2023 Annual Report as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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 accounting standards for not-for-profit organizations, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Entity 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.

Chartered Professional Accountants

Vancouver, Canada
March 14, 2024

BRITISH COLUMBIA SAFETY AUTHORITY (dba Technical Safety BC)

Statement of Financial Position

December 31, 2023, with comparative information for 2022

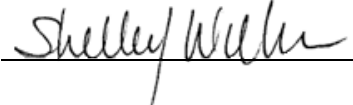
	2023	2022
Assets		
Current assets:		
Cash	\$ 14,760,224	\$ 11,118,445
Accounts receivable (note 3)	1,705,764	1,810,451
Prepaid expenses	1,639,205	1,741,773
Investments (note 4)	9,831,000	19,749,845
	<u>27,936,193</u>	<u>34,420,514</u>
Investments (note 4)	14,736,118	10,898,644
Intangible assets (note 5)	16,188,475	11,351,045
Tangible capital assets (note 6)	6,143,728	6,280,796
	<u>\$ 65,004,514</u>	<u>\$ 62,950,999</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 8,765,696	\$ 10,081,216
Deferred revenue	21,583,568	20,135,079
Current portion of deferred leasehold inducements (note 8)	320,030	323,616
	<u>30,669,294</u>	<u>30,539,911</u>
Deferred leasehold inducements (note 8)	1,959,199	2,367,494
Accrued employee future benefits (note 9(b))	951,890	961,635
Asset retirement obligation (note 10)	73,511	90,165
	<u>33,653,894</u>	<u>33,959,205</u>
Net assets:		
Investment in tangible capital assets and intangible assets	22,332,203	17,631,841
Internally restricted:		
Education reserve	197,612	272,056
Capital reserve	9,831,000	10,749,845
Unrestricted operating reserve (deficit)	(1,010,195)	338,052
	<u>31,350,620</u>	<u>28,991,794</u>
Commitments (note 14)		
Contingencies (note 15)		
Subsequent event (note 18)		
	<u>\$ 65,004,514</u>	<u>\$ 62,950,999</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director



Director

BRITISH COLUMBIA SAFETY AUTHORITY (dba Technical Safety BC)

Statement of Operations

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Services and related fees (note 11)	\$ 78,322,024	\$ 77,694,613
Realized investment and other income (note 12)	1,949,576	1,368,778
	<u>80,271,600</u>	<u>79,063,391</u>
Expenses:		
Salaries and benefits	57,858,363	57,215,489
General, operating and administration	5,963,870	6,721,060
Communications and information services	4,786,062	5,194,027
Amortization of tangible capital assets and intangible assets	4,168,234	3,388,943
Building occupancy	3,619,500	3,379,916
Transportation	1,740,146	1,519,250
Corporate governance	481,016	647,348
	<u>78,617,191</u>	<u>78,066,033</u>
Excess of revenue over expenses before the undernoted	1,654,409	997,358
Unrealized gain (loss) on investments	637,598	(1,951,251)
Excess (deficiency) of revenue over expenses	\$ 2,292,007	\$ (953,893)

See accompanying notes to financial statements.

BRITISH COLUMBIA SAFETY AUTHORITY (dba Technical Safety BC)

Statement of Changes in Net Assets

Year ended December 31, 2023, with comparative information for 2022

					2023	2022
	Investment in tangible capital assets and intangible assets	Education reserve	Capital reserve	Operating reserve	Total	Total
Net assets, beginning of year	\$ 17,631,841	\$ 272,056	\$ 10,749,845	\$ 338,052	\$ 28,991,794	\$ 29,901,043
Excess (deficiency) of revenue over expenses	(4,104,715)	(103,301)	-	6,500,023	2,292,007	(953,893)
Remeasurement gain on accrued employee future benefits (note 9(b))	-	-	-	66,819	66,819	44,644
Net investment in tangible capital assets and intangible assets	8,805,077	-	(8,888,029)	82,952	-	-
Interfund transfer (note 13)	-	28,857	7,969,184	(7,998,041)	-	-
Net assets, end of year	\$ 22,332,203	\$ 197,612	\$ 9,831,000	\$ (1,010,195)	\$ 31,350,620	\$ 28,991,794

See accompanying notes to financial statements.

BRITISH COLUMBIA SAFETY AUTHORITY (dba Technical Safety BC)

Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating:		
Excess (deficiency) of revenue over expenses	\$ 2,292,007	\$ (953,893)
Items not involving cash:		
Amortization of deferred leasehold inducements	(411,881)	(417,177)
Amortization of tangible capital assets and intangible assets	4,168,234	3,388,943
Gain on disposal of tangible capital assets	(63,519)	(5,007)
Change in asset retirement obligation	(16,654)	1,784
Change in fair value of investments	(637,598)	1,951,251
Change in accrued employee future benefits	57,074	77,315
Net changes in non-cash working capital accounts (note 16)	340,224	860,036
	5,727,887	4,903,252
Financing:		
Principal payments on capital lease obligation	-	(42,575)
Investments:		
Purchase of tangible capital assets	(2,006,068)	(1,251,624)
Proceeds from disposal of tangible capital assets	82,953	11,426
Purchase and development of intangible assets	(6,881,962)	(5,900,745)
Investment income re-invested	(1,081,031)	(727,110)
Withdrawal of investments	14,000,000	8,500,000
Purchase of investments	(6,200,000)	-
	(2,086,108)	631,947
Increase in cash	3,641,779	5,492,624
Cash, beginning of year	11,118,445	5,625,821
Cash, end of year	\$ 14,760,224	\$ 11,118,445

See accompanying notes to financial statements.

1. Operations:

British Columbia Safety Authority (“BCSA”) (dba Technical Safety BC) is a not-for-profit organization incorporated through the Safety Authority Act. BCSA administers the service delivery components of the Safety Standards Act delegated to it by the Province of British Columbia. The delegation of authority is based on an Administrative Agreement between the Province of British Columbia and BCSA. The Administrative Agreement establishes the rights and responsibilities and terms and conditions of both parties. BCSA is exempt from income taxes.

BCSA delivers services in British Columbia by partnering with business, industry and the general public to enhance the safety of technical systems, products, equipment and work. BCSA is responsible for overseeing the safety of electrical equipment and systems, boilers, pressure vessels and refrigeration systems, natural gas and propane appliances and systems, elevating devices, railways, passenger ropeways and amusement devices.

2. Significant accounting policies:

(a) Basis of presentation:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations as recommended by the Chartered Professional Accountants of Canada.

(b) Revenue recognition:

Fees that cover a specific period are recognized as revenue evenly over that period. Fees that do not cover a specific period and are earned over a period of time are recognized as revenue over an estimated period based on past history. In both cases, unearned fees are recorded as deferred revenue.

All other revenue is recognized when the services are performed and the amount is received, or if the amount to be received can be reasonably estimated and collection is reasonably assured.

(c) Net assets:

(i) Investment in tangible capital assets and intangible assets:

These net assets represent the investment that BCSA has made in tangible capital assets and intangible assets.

(ii) Education reserve:

In accordance with the Safety Standards Act, BCSA established the education reserve to reserve monetary penalties collected by BCSA to be expended on accident prevention and safety education programs.

2. Significant accounting policies (continued):

(c) Net assets (continued):

(iii) Capital reserve:

The capital reserve is internally restricted and was established to fund capital investment projects, such as the modernization of facilities and information technology systems.

(iv) Operating reserve:

The operating reserve represents the accumulated unrestricted surplus (deficit) of BCSA.

(d) Investments:

Investments, which include a short-term bond fund, a Canadian dividend fund and a mortgage fund, are recorded at fair value. Investment transactions are recorded on a trade date basis. Investment income and changes in fair value are recognized in the statement of operations.

Short-term investments include those investments which BCSA intends to hold for capital projects and support cash flow requirements in the next fiscal year. Investments that are expected to be realized beyond the next fiscal year are classified as long-term.

(e) Intangible assets:

BCSA customizes third-party software for internal use. All intangible assets are recorded at cost. Direct costs attributable to new customizations or significant modifications to previous customizations are capitalized after the technological feasibility has been established. Direct costs, including internal labour, attributable to major safety program development are capitalized. Direct costs attributable to minor modifications of previous customization, and costs to support or service internally customized third-party software are expensed in the period incurred.

Intangibles are reviewed, at least annually or as needed, for impairment whenever events or changes in circumstances indicate that the associated future economic benefits or service potential have been reduced. If such conditions exist, an impairment loss is measured at the amount by which the carrying amount of the asset exceeds its fair value or replacement cost and is recognized as an expense in the statement of operation.

Amortization commences when the software is brought into service. The software is amortized using the straight-line method over the estimated useful lives of the assets between 4 and 8 years.

2. Significant accounting policies (continued):

(f) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes all costs directly attributable to the acquisition, installation of the asset and costs incurred to bring the asset to the condition necessary for its intended use. Repairs and maintenance costs are recorded as expenses. Betterments which extend the life of an asset are capitalized.

Tangible capital assets are reviewed, at least annually, for impairment whenever events or changes in circumstances indicate that the associated future economic benefits or service potential have been reduced. If such conditions exist, an impairment loss is measured at the amount by which the carrying amount of the asset exceeds its fair value or replacement cost and is recognized as an expense in the statement of operation.

Amortization of tangible capital assets commences when it is brought into service. The assets are amortized using the straight-line method over the estimated useful lives of the assets at the following annual rates:

Asset	Basis
Computer hardware	3 to 5 years
Software systems integral to hardware operations	3 to 5 years
Vehicles	5 years
Furniture and equipment	5 years
Leasehold improvements	Lesser of useful life and term of the lease

Leases, which transfer substantially all of the benefits and risks incidental to ownership of property, are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(g) Deferred leasehold inducements:

Deferred leasehold inducements include amounts received in lease agreements related to leasehold improvements. Amortization of deferred leasehold inducements is recognized over the initial term of the lease, including any rent-free periods, on a straight-line basis against building occupancy expense.

2. Significant accounting policies (continued):

(h) Employee future benefits:

BCSA accrues its obligations under defined benefit plans as the employees render the services necessary to earn the benefits. Actuarial gains (losses) on the accrued benefit obligation arising from differences between actual and expected experience are recognized immediately. Actuarial assumption changes resulting in remeasurement are recognized directly in net assets in the period they occur.

BCSA is a participating employer of the Public Service Pension Plan, a jointly trustee pension plan. The pension plan is a multiemployer plan and as a result, required contributions are expensed as incurred. The plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

(i) Asset retirement obligation:

BCSA recognizes a future asset retirement obligation as a liability in the year in which it has a legal obligation associated with the retirement of a tangible long-lived asset that results from the acquisition, construction, development, and/or normal use of the asset based on management's best estimate of the expenditure required to settle the obligation. BCSA concurrently recognizes a corresponding change in the carrying amount of the related long-lived asset.

The amount of the asset retirement obligation is estimated using the expected cash flow approach that reflects a range of possible outcomes discounted at a risk-free interest rate based on management's best estimate. Subsequent to the initial measurement, the asset retirement obligation is adjusted at the end of each year to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. Changes in the obligation due to the passage of time are recognized as an expense using the effective interest method. Changes in the obligation due to changes in estimated cash flows are recognized as an adjustment of the carrying amount of the related long-lived asset.

(j) Measurement uncertainty:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. In particular, management makes estimates to determine the period over which deferred revenue is recognized as revenue. Actual results could differ from those estimates.

2. Significant accounting policies (continued):**(k) Financial instruments:**

BCSA's financial instruments consist of cash, accounts receivable, investments, and accounts payables and accrued liabilities. Cash, accounts receivable, and payables and accruals are initially recorded at fair value and subsequently recorded at cost or amortized cost. Investments are initially measured at fair value, and also subsequently carried at fair value, with changes in fair value recognized in the statement of operations.

The carrying value of accounts receivable and payables and accruals approximates fair value as at December 31, 2023 and 2022.

BCSA classifies financial instruments measured at fair value into one of three levels of a fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values:

- Level 1 - quoted prices in active markets;
- Level 2 - measurements determined using valuation models that employ observable inputs; and
- Level 3 - measurements determined using valuation models that employ unobservable inputs.

3. Accounts receivable:

	2023	2022
Trade and other receivables	\$ 2,424,867	\$ 2,493,221
Allowance for doubtful accounts	(719,103)	(682,770)
	\$ 1,705,764	\$ 1,810,451

BRITISH COLUMBIA SAFETY AUTHORITY (dba Technical Safety BC)

Notes to Financial Statements (continued)

Year ended December 31, 2023

4. Investments:

BCSA manages its investment portfolio through third-party investment managers, who invest according to BCSA's investment policy. Investments are held in short-term bond (level 2), Canadian dividend (level 2) and mortgage (level 3) funds.

	2023		2022	
	Cost	Fair value	Cost	Fair value
Short-term bond fund	\$ 10,756,027	\$ 10,430,123	\$ 24,404,581	\$ 23,101,259
Canadian dividend fund	6,568,839	7,660,370	6,694,368	7,547,230
Mortgage fund	6,364,269	6,476,625	-	-
	\$ 23,689,135	\$ 24,567,118	\$ 31,098,949	\$ 30,648,489

	2023	2022
Current portion	\$ 9,831,000	\$ 19,749,845
Long-term portion	14,736,118	10,898,644
	\$ 24,567,118	\$ 30,648,489

5. Intangible assets:

	2023		2022	
	Cost	Accumulated amortization	Net book value	Net book value
Software systems	\$ 35,224,674	\$ 22,577,312	\$ 12,647,362	\$ 1,815,925
Software systems under development	3,541,113	-	3,541,113	9,535,120
	\$ 38,765,787	\$ 22,577,312	\$ 16,188,475	\$ 11,351,045

Software systems, including those under development, are comprised of online transaction and reporting tools, core production systems and safety program software development costs.

6. Tangible capital assets:

			2023	2022
	Cost	Accumulated amortization	Net book value	Net book value
Computer hardware	\$ 6,770,967	\$ 5,436,464	\$ 1,334,503	\$ 782,627
Software systems integral to hardware operations	1,312,709	1,256,516	56,193	88,575
Vehicles	6,525,003	5,088,101	1,436,902	1,354,162
Furniture and equipment	5,316,311	5,046,254	270,057	487,987
Leasehold improvements	9,892,583	6,846,510	3,046,073	3,567,445
	\$ 29,817,573	\$ 23,673,845	\$ 6,143,728	\$ 6,280,796

Included in tangible capital assets is \$1,813 (2022 - \$771,531) of assets that had not yet been put into use.

7. Accounts payable and accrued liabilities:

	2023	2022
Trade payables and accruals	\$ 1,617,900	\$ 2,911,064
Government taxes and remittances	1,650,143	1,932,879
Wages and related costs payable	5,497,653	5,237,273
	\$ 8,765,696	\$ 10,081,216

Government taxes and remittances consist of amounts such as, sales taxes, Board of Directors' and employee payroll withholdings and worker's compensation premiums.

8. Deferred leasehold inducements:

Deferred leasehold inducements relate to leasehold improvements in the currently occupied Vancouver office (2022 – Vancouver office and Comox office), with estimated remaining lease terms of 58 months (2022 – 70 months and 6 months, respectively).

	2023	2022
Deferred leasehold inducements, beginning of year	\$ 2,691,110	\$ 3,108,287
Less amortization recorded net of building occupancy expense	411,881	417,177
Deferred leasehold inducements, end of year	2,279,229	2,691,110
Less current portion	320,030	323,616
Long-term portion	\$ 1,959,199	\$ 2,367,494

9. Accrued employee future benefits:**(a) Public Service Pension Plan:**

BCSA and its permanent employees contribute to the Public Service Pension Plan, a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including asset investment and plan administration. The pension plan is a multi-employer contributory defined benefit pension plan with 68,000 active members and 54,000 retired members as at March 31, 2022. BCSA had 434 active employees in the plan as at December 31, 2023 (2022 - 475).

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of the plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate is then adjusted to the extent there is amortization of any funding deficit.

The latest valuation as at March 31, 2020 indicated a \$2.7 billion surplus for basic pension benefits on a going concern basis. The next valuation will be as at March 31, 2023, with results available in 2024.

Employer contributions paid by BCSA to the Public Service Pension Plan during the year were \$4,491,076 (2022 - \$4,429,230).

9. Accrued employee future benefits (continued):

(b) Defined Supplemental Retirement Benefit Plan:

Under the collective agreement and terms of employment, BCSA accrues a provision for a Defined Supplemental Retirement Benefit Plan as employees render the services required to earn that benefit. Employees eligible to receive a benefit from the Public Service Pension Plan upon retirement and who have completed 20 years of service with BCSA are entitled to an additional benefit from the Defined Supplemental Retirement Benefit Plan. The additional benefit is calculated as one to three month's salary, based on the number of years of service between the employee's 20th and 30th year with BCSA (maximum).

BCSA accrues the cost of these employee future benefits over the periods in which the employees earn the benefit. The cost of employee future benefits is actuarially determined using the projected benefit method pro-rated on service and includes, but is not limited to, management estimate of future salary increases, the retirement age and date of employees and the discount rate. The discount rate used is based on market rates as at the measurement date. Actuarial gains and losses arise from changes in actuarial assumptions used to determine the accrued benefit obligation. Past service costs from plan amendments and net actuarial gains or losses are recognized in the statement of changes in net assets in the period they occur.

The latest full actuarial valuation was at December 31, 2022. A full actuarial valuation is performed every three years. Extrapolations of the last valuation are performed by the actuary in years where a full valuation is not performed.

The following is the reconciliation of the accrued employee future benefits liability:

	2023	2022
Accrued employee future benefits, beginning of year	\$ 961,635	\$ 928,964
Current service cost	91,416	98,135
Interest cost	48,563	26,940
Benefits paid	(82,905)	(47,760)
Remeasurement gain	(66,819)	(44,644)
Accrued employee future benefits, end of year	\$ 951,890	\$ 961,635

The expense for the plan is comprised of the following:

	2023	2022
Current service cost	\$ 91,416	\$ 98,135
Interest cost	48,563	26,940
Retirement benefit plan expense	\$ 139,979	\$ 125,075

9. Accrued employee future benefits (continued):

(b) Defined Supplemental Retirement Benefit Plan (continued):

The significant actuarial assumptions adopted in measuring the accrued benefit obligation are as follows:

	2023	2022
Discount rate	4.65%	5.05%
Rate of compensation increase	4.75%	5.00%

The accrued benefit obligation is not funded as funding is provided when benefits are paid. Accordingly, there are no plan assets.

10. Asset retirement obligation:

In accordance with the lease agreement, BCSA is required to restore the leased space for its Vancouver office to its original condition at the end of the lease term. BCSA has recorded an asset retirement obligation amount of \$73,511 as at December 31, 2023 (2022 - \$90,165).

11. Services and related fees:

	2023	2022
Installation permits	\$ 45,527,617	\$ 45,937,681
Operating permits	20,468,638	19,369,269
Certification and licensing	5,006,427	4,715,560
Design registration	2,240,197	2,563,162
Inspections	1,820,638	1,735,287
Alternative Safety Approach and Equivalent Standard Approach	1,843,695	1,604,126
Client education and administrative services	458,749	595,864
Equipment approvals	890,420	960,612
Miscellaneous	65,643	213,052
	\$ 78,322,024	\$ 77,694,613

12. Realized investment and other income:

	2023	2022
Realized investment income	\$ 1,093,513	\$ 748,115
Interest income on cash balances	526,815	264,726
Rental income	142,480	267,930
Monetary penalties issued	123,249	83,000
Gain on disposal of tangible capital assets	63,519	5,007
	\$ 1,949,576	\$ 1,368,778

13. Internally restricted fund transfers:

Internally restricted fund transfers is comprised of the following:

(a) Education reserve:

Transfer of \$28,857 (2022 - \$80,226) from the operating reserve to the education reserve related to monetary penalties collected that will be expended on accident prevention and safety education programs.

(b) Capital reserve:

Transfer of \$7,969,184 (2022 - \$5,297,042) from the operating reserve to the capital reserve to fund capital investment projects.

14. Commitments:

(a) Operating leases and license agreements:

BCSA leases office space and has software license agreements with future minimum annual payments as follows:

2024	\$ 2,211,450
2025	1,924,875
2026	1,876,696
2027	1,846,685
2028	1,447,837
Thereafter	113,464
	\$ 9,421,007

14. Commitments (continued):

(b) Line of credit:

BCSA has one credit facility which has a maximum borrowing capacity of \$2,000,000 and can be drawn at the prime lending rate. There were no amounts drawn on the line of credit as at December 31, 2023 (2022 - nil).

15. Contingencies:

In the ordinary course of operations, BCSA may be contingently liable for litigation and claims with customers, suppliers and employees. Specific claims have been brought against BCSA, the outcome of which is indeterminable at this time. Liabilities on any litigation are recognized in the financial statements when the loss is likely and can be reasonably estimated. In management's judgment, no material exposure exists on the eventual settlement of any existing litigation.

16. Change in non-cash working capital accounts:

	2023	2022
Accounts receivable	\$ 104,687	\$ (382,397)
Prepaid expenses	102,568	(157,059)
Accounts payable and accrued liabilities	(1,315,520)	907,950
Deferred revenue	1,448,489	491,542
	\$ 340,224	\$ 860,036

17. Financial instruments risk, exposure and management:

BCSA has exposure to the following risks from its financial instruments:

(a) Credit risk:

Credit risk is the risk that a counterparty may default on its contractual obligations resulting in financial loss. BCSA is exposed to credit risk with respect to its cash, accounts receivable and investments. Credit risk associated with cash and investments is minimized by ensuring that these assets are held with reputable financial institutions. Management monitors the collectability of accounts receivable. A provision for doubtful accounts is recorded for receivables not expected to be collected. BCSA manages its investments in accordance with a Board-approved investment policy, which includes diversification of asset classes. In addition, BCSA manages credit risk by using several different investment managers. BCSA conducts regular review of the investments portfolio to assess the credit risk and implements strategies to proactively manage the risk.

(b) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Fair value risk is the potential for loss from an adverse movement in the value of a financial instrument. BCSA is exposed to fair value risk on its investments. BCSA has investment policies to ensure investments are managed appropriately in order to balance preservation of capital, liquidity requirements and investment returns. BCSA is not significantly exposed to foreign currency risk or other price risks.

(c) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. BCSA is exposed to interest rate risk on its interest-bearing financial instruments held in the short-term bond and mortgage funds.

(d) Liquidity risk:

Liquidity risk is the risk that BCSA will be unable to meet its financial obligations on a timely basis or at a reasonable cost as they fall due. BCSA's manages liquidity risk by monitoring its operating requirements to ensure that it will have a sufficient net monetary position and cash flows generated from operations to fund the operations and settle liabilities when due.

There has been no change to the risk exposures in 2023.

18. Subsequent event:

Subsequent to year-end, BCSA signed an agreement to commit to invest \$6,000,000 on-demand in an infrastructure investment fund with a third-party investment manager.



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