



# ANNUAL REPORT 2021



**TECHNICAL  
SAFETY BC**

Safe technical systems. Everywhere.

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# THE ORGANIZATION IN 2021

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 permits, licences, and certificates, we work with industry to reduce safety risks through assessment, research, education and outreach, 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:

- **Assessing** technical work and equipment, including collecting information through physical assessment, incident investigation, and registering new equipment and designs.
- **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.
- **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;* and
- *Offence Act.*

# OUR VISION

Safe technical systems. Everywhere.

## OUR VALUES

### *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.

## OUR BETTER IMPACT COMMITMENTS

To support our vision of *Safe Technical Systems. Everywhere*, we are focusing on key social and environmental commitments that will help us drive positive change for our clients, employees, and the communities in which they live, work, and play. These commitments include climate action, expanding Equity, Diversity and Inclusion, and our commitment towards advancing the United Nations Declaration on the Rights of Indigenous Peoples and the Truth and Reconciliation Commission of Canada's Calls to Action.

As with our other commitments, our journey towards reconciliation is an ongoing priority. To embed this work into our organization, in late 2021 we established an Indigenous Reconciliation and Partnerships team. This team will help guide our internal reconciliation journey, while partnering with Indigenous people and Nations to increase cultural safety and inclusion and to support optimal technical safety for Indigenous communities.



*“This Annual Report reflects the efforts and progress of our organization, working together with our clients and partners in the safety system, to build a province that is safer for everyone.”*

## LETTER FROM THE CHAIR OF THE BOARD

The past 30 months have been trying times for British Columbians, and we recognize that some have been impacted especially hard. Unprecedented extreme weather events in many regions, the continuation of a global pandemic, and societal upheaval and inequity, among many other factors, continue to test our systems, processes, and individual and collective resilience.

Technical Safety BC remains focused on navigating the significant impacts of these pressures on the safety system. As Chair of the Board of Directors, I am proud to be a part of a remarkable organization that continues to adapt, strengthen its operations, and modify its business strategy in order to thrive today and in the future. Despite the challenges of an uncertain environment, Technical Safety BC successfully delivered on important elements of our 2021 business plan. This Annual Report reflects the efforts and progress of our organization, working together with our clients and partners in the safety system, to build a province that is safer for everyone.

I want to express my sincere gratitude to the teams who rallied and came together in so many vital ways under the leadership of Catherine Roome, President and Lead Executive Officer (LEO). Catherine announced in July that she would be leaving Technical Safety BC after more than ten years leading the organization. On behalf of the Board of Directors, I would like to thank Catherine for her visionary leadership. We are incredibly proud of her accomplishments. Driven by a unique combination of a vision for the future and a commitment to people, Catherine leaves behind a remarkable legacy of innovation for the

organization to build upon, and an environment of increased safety in British Columbia.

As we look toward 2022 and beyond, I am delighted to welcome Phil Gothe as the next President and LEO of Technical Safety BC. Phil's wealth of leadership experience and his commitment to collaboration and safety innovation make him uniquely qualified to lead this organization into the future.

Our Board is confident in the leadership of Technical Safety BC, its employees, and its stakeholders to shape a safer future for all British Columbians and their ability to deliver on our vision of *Safe Technical Systems. Everywhere.*

To learn more about Technical Safety BC's activities, safety incidents of note, and the organization's ongoing efforts to make British Columbia a safer place, I invite you to also view the 2021 State of Safety report.

**George Abbott**  
Chair of the Board

*“I am grateful for the resilience of our employees, clients, partners, and key stakeholders—who rose to the occasion in a time when our province faced new and continued hardships.”*



## LETTER FROM THE PRESIDENT AND LEAD EXECUTIVE OFFICER

As the incoming President and Lead Executive Officer<sup>1</sup> of Technical Safety BC, I look forward to working with my colleagues to guide the organization and the safety system through this dynamic and rapidly evolving environment.

I am deeply committed to Technical Safety BC's mandate and vision of *Safe Technical Systems. Everywhere*. We have made great strides in enhancing safety in recent years. While there is more work to be done, we are ready to empower, educate, and mobilize clients, partners, and stakeholders across the province to improve safety for all British Columbians.

Looking back at 2021, I'm reminded that the safety system is at its best when we work as a team. I am grateful for the resilience of everyone in the safety system who rose to the occasion in a time when our province faced new and continued hardships. Every technology that we oversee was affected by unprecedented weather events. Our organization, and our clients and partners, responded by working with those communities impacted by wildfires, extreme heat, and flooding, supporting them during the crises and helping with their safe return home. As the world changes, so will Technical Safety BC, and together we will remain focused on adapting to the impact of extreme weather.

This year, our system continued to demonstrate our leadership in occupational health and safety as Provincial Health Orders evolved. Our organization worked with partners and clients to ensure we had flexible options and detailed safety plans to perform

assessments either remotely or in-person, continued to deliver in-person and online exams, and provided our employees with the tools and technology needed to work from anywhere in BC.

As we enter 2022, I am reminded of our values: to adapt; make the complex simple; foster confidence; and see genius in diversity. As society changes, we must create and embrace innovative ideas, skills, and tools that enable us to seize safety opportunities and meet the challenges of a highly connected, diverse, and evolving world. The year ahead will be about building on the existing foundations of our safety system while transforming for the future. Above all, we are committed to working in partnership with clients and stakeholders towards a safer British Columbia for everyone.

To every member of our team, thank you for your dedication and contributions to Technical Safety BC, and to the safety system. There is a lot we can be proud of. To our clients, partners, and stakeholders, thank you for the trust you place in us as we work together to continuously build peoples' confidence in a safety system that supports ongoing prosperity in British Columbia.

A handwritten signature in black ink, appearing to read 'Phil Gothe'.

**Phil Gothe**  
President & Lead Executive Officer

<sup>1</sup> Throughout this document, a reference to “Chief Executive Officer” or “CEO” shall be read to include the corresponding term “Lead Executive Officer” or “LEO”. The incumbent CEO determined for personal reasons and out of respect for cultural sensitivities the term “Chief” engenders for Indigenous persons, to replace “Chief” with “Lead” in her title. Accordingly, the present LEO for Technical Safety BC is effectively serving in the CEO role, which section 23\* of the *Safety Authority Act* mandates the Board to appoint an individual to in the following terms:

Appointment of chief executive officer

\*23 The directors must appoint an individual as the chief executive officer of the authority to carry out the functions and duties that the board specifies and may set the remuneration of the chief executive officer.



## REPORT ON PERFORMANCE

The pandemic continued to challenge our province this past year in ways we could not have predicted. At the same time, the impacts of climate change were front and center as communities experienced devastating heat domes, wildfires, floods, and other extreme weather events. Technical Safety BC was able to respond as we worked toward achieving our long-term strategy.

# REPORT ON PERFORMANCE

When planning for the many uncertainties of 2021, and to continue working toward the achievement of our 10-Year Strategy, we prioritized the following areas:

- **Supporting Clients and Partners to Thrive:** working with our clients to help them recover from the impacts of the pandemic and continue to improve how they can participate in the safety system more easily and effectively.
- **Putting Employees First:** improving how we support our clients and employees' health, safety, and work culture both now and as it evolves in the coming years.
- **Engagement with the Safety System:** providing opportunities to gather insights from our clients, industry stakeholders, associations, and communities to inform how we design, test and improve our policies, programs, products and services.
- **Operational Excellence through Resilience and Business Transformation:** Technical Safety BC is undertaking a multi-year business transformation initiative that will allow the organization to move towards a client-centric, service delivery model to empower clients and employees with better processes and tools. This includes replacing core technology systems so that we can make improvements more quickly and easily.

The pandemic has certainly changed how we work, collaborate, engage, and educate. Many employees are working from home or in hybrid office models; more assessments are being done remotely, reducing barriers for accessing assessment services; and many exams are now available online or through alternative channels.

Looking ahead to the next three years, we have a solid 2022-2024 business plan that outlines our commitments to our clients, partners, employees, and communities across the province. As the phases of the COVID-19 pandemic evolve, and as we adapt to extremes in weather, and other challenges facing our province, we will continue to leverage learning and focus on resilience and agility – now and into the future.

# 1. SUPPORTING CLIENTS AND PARTNERS TO THRIVE

As partners and educators, we are dedicated to developing and delivering value-driven solutions that result in the long-term sustainability of the safety system, the environment, our clients, and our organization. We are committed to working with our clients to help them recover from the impacts of the pandemic, adapt to the effects of climate change, and continue to improve how they can participate in the safety system more easily and effectively. This includes using new remote tools for inspections to enable flexibility for assessments, increase safety oversight through alternatives to onsite physical inspections, and reduce barriers for accessing assessment services.

We have also prioritized our commitment to reconciliation and are working to establish a greater connection to Indigenous communities. By embedding our reconciliation strategy into all areas of our business, we seek to develop our capacity for meaningful and respectful relationship-building with Indigenous people, organizations, and Nations.

This year, we:

- Improved the technology in our Safety Officer's hands by enabling photo request and submission in the field for remote assessments.
- Mapped our clients' certification journey and identified insights to drive improvements in our clients' experience.
- Improved our clients' ability to get certified by offering exams through multiple avenues including in-person, online or through partners.
- Developed and piloted machine learning in the Elevating Devices technology.
- Created a client-accessible scheduling system for office support, to be implemented when provincial restrictions are lifted.
- Formed an Indigenous Reconciliation and Partnerships team to lead our reconciliation strategy and build further relationships with Indigenous people, organizations, and Nations.

## 2. PUTTING EMPLOYEES FIRST

Technical Safety BC is an organization made up of over 400 employees with a diverse range of education, technical training, skills, and experience. Diversity is our strength. Inclusivity and belonging is our culture. As we adapt to an ever-changing world of work, we are committed to developing and delivering strategic programs that support our employees, and by extension, our clients so that they can be resilient, engaged, safe, and productive. With this core area of focus, we are demonstrating our commitment to improving how we support our employees' health, safety, and work culture both now and as it evolves in the coming years.

This year, we:

- Developed a cultural framework that includes an exploration of the future of work at Technical Safety BC.
- Implemented a procurement system to reduce complexity and manual work.
- Evolved our COVID-19 Safety Plans on numerous occasions throughout 2021 in response to broader public health guidance and measures while maintaining essential supplies and tools for essential activities such as high hazard assessment or incident investigations.
- Implemented a flexible wellness benefit to give employees greater choice in seeking wellness activities that suit their needs.
- Enhanced our resource capacity management principles and the framework for agile portfolio management to allow us to better manage employee workloads.
- Established and rolled-out procedures and guidance materials to enable remote incident investigations.
- Developed and implemented a COVID-19 vaccination policy. This is part of our shared safety responsibility and will help us ensure we provide a safe workplace for all our employees, especially as we shift towards a hybrid workplace that blends remote work with in-person connection.
- Developed and implemented robust workplace electrical & elevating hoistway safety programs.

### 3. ENGAGEMENT WITH THE SAFETY SYSTEM

We value the voices of our clients, industry stakeholders, associations, and communities in advancing our understanding of the day-to-day realities, needs and gaps across the safety system. We use insights gathered to inform how we design, test, and improve our policies, programs, products, and services. It's important to us that the voices we hear are representative of our clients, industry, and British Columbians. This includes making sure everyone has a fair opportunity to participate and that traditionally under-represented and excluded groups also have a voice.

This year, we:

- Launched our digital engagement site, at [engage.technicalsafetybc.ca](https://engage.technicalsafetybc.ca) to improve access for clients and stakeholders across the province.
- Conducted discovery research with building owners, property managers and contractors to understand the value and challenges with obtaining and renewing their electrical operating permits, which is feeding into improvement efforts in 2022.
- Evaluated the roll-out of our new Ammonia Safety Awareness program and how to improve access and safety value for the recreational facilities industry.
- Discussed the impact of implementing new electrical and gas codes in BC to inform our recommendations to the Ministry.
- Began a new phase of engagement with the amusement rides and devices industry to understand how our regulatory framework can best support them in achieving safety within their facilities and for their equipment and devices.

## 4. OPERATIONAL EXCELLENCE THROUGH RESILIENCE AND BUSINESS TRANSFORMATION

We have launched a multi-year business transformation initiative that will allow Technical Safety BC to move towards a client-centric, service delivery model to empower clients and employees with better processes and tools. The new processes and functionality will help us create stronger connections between clients, their capabilities, and the systems they use. It will also help us identify safety trends much faster, meaning we will be able to further prioritize the development of timely, impactful programs, products, and services. This includes making the ways we issue permits, licences, and certifications better for our employees and our clients, while creating more opportunities to grow and sustain participation in the safety system.

The project has numerous multi-year goals, including:

- **Extract timely quality insights from our data.** The new processes and functionality will centralize our master data and help us create stronger connections between clients, their capabilities, and the systems they use.
- **Reach more people in the safety system.** The new system will allow us to capture not only people who interact with us, but others in the safety system who make safety decisions. With a greater pool of data, we will have a better understanding of the client journey and will be in a better position to spot new opportunities to grow our presence and our connections across the technologies and industries we regulate.
- **Serve clients better.** The Client Relationship Management (CRM) system will centralize all client information and map connections between them. This means we will be able to see the current and past relationships between asset owners, contractors, certified individuals, and their work in the safety system.

This year, we made great strides as we laid the foundation for all future modules to build off one central platform and provide unique insights across all departments and technologies. We also focused on optimizing the key components of the user journey certification.



## CORPORATE GOVERNANCE

The *Safety Authority Act* created the 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, not eligible for renewal

**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 at 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.



**KAREN BAZYLEWSKI<sup>1</sup>**

**Location:** Coquitlam, BC

**Director since:** April 10, 2015

**Latest date for retirement:** April 10, 2021

**Appointed by:** Board

**Positions held:** Member, Finance & Audit Committee;

Member, Strategic Advisory Committee

Karen Bazylewski has been active in the construction industry for over 40 years and is a member of the Mechanical Contractors Association of BC and the British Columbia Construction Association.

Karen is currently a project manager with Modern Niagara – Vancouver. She is a former board member of both the Construction Industry Training Organization (Chair, Program Standards Committee) and the Vancouver Regional Construction Association (Executive, Education, Awards of Excellence (Chair), Partnership, Manufacturers and Suppliers (Chair) and Trade Contractors Committees).

Karen is also a past member and president of the Canadian Construction Women Association (CCW). In 2002, Karen was the recipient of the VRCA/CCW Outstanding Woman in Construction Award.

<sup>1</sup> Retired from the Board on April 10, 2021



## JEREMY BLACK

**Location:** Whistler, BC

**Director since:** April 2, 2017

**Latest date for retirement:** April 1, 2023, not eligible for renewal

**Appointed by:** Board

**Positions held:** Chair, Finance & Audit Committee

Jeremy Black is a Chartered Professional Accountant (CA) 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.



## JUDY CAVANAGH

**Location:** New Westminster, BC

**Director since:** July 3, 2019

**Confirmed date of voluntary retirement:** July 3, 2022

**Appointed by:** Minister

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

Judy Cavanagh is currently a consultant with The Cavanagh Group. Previously she was an executive director for Operations and Strategic Initiatives with the Office of the Premier, former Deputy Minister of Government Priorities and Women's Equality, and Assistant Deputy Minister with Intergovernmental Relations, Human Resources and Women's Equality.

She has also served as a Director of AgSafe BC and Oxfam Canada. She holds a Bachelor of Arts in sociology and anthropology from Simon Fraser University in Vancouver.

Judy lives in New Westminster, BC.



## JEREMY COUGHLIN

**Location:** Delta, BC

**Director since:** February 18, 2020

**Latest date for retirement:** February 17, 2023, eligible for renewal

**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 led the business intelligence practice at Ritchie Bros and transformed how the company uses data, resulting in major customer satisfaction improvements, over a \$1B in shareholder value, and national recognition. He holds an MBA in Technology Commercialization as well as a B.Sc. in Psychology, both from the University of Alberta.

Jeremy is a volunteer board director for the Vancouver Analytics Board and for the North Delta Sunfish Swim Club.



## NEIL CUMMING

**Location:** Richmond, BC

**Director since:** March 31, 2016

**Latest date for retirement:** January 6, 2023, not eligible for renewal

**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.



## DAVID GUSCOTT

**Location:** Vernon, BC

**Director since:** April 1, 2018

**Latest date for retirement:** March 31, 2024, not eligible for renewal

**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 recently retired as president and CEO of E-Comm911 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 LIMPRICTH

**Location:** Abbotsford, BC

**Director since:** July 3, 2019

**Latest date for retirement:** July 3, 2022, eligible for renewal

**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.

He lives in Abbotsford, BC.



## DANIEL SMYTHE<sup>2</sup>

**Location:** Mission, BC

**Director since:** April 11, 2021

**Latest date for retirement:** April 10, 2024, eligible for renewal

**Appointed by:** Board

**Positions held:** Member, Strategic Advisory 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 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.

He is actively involved with Skills Canada BC, having served as both the BC Technical Chair and BC Representative on the National Technical Committee for Electrical Installations. Daniel brings with him a wealth of knowledge of safety and technical issues within the safety system which Technical Safety BC regulates. He holds a Bachelor of Integrated Studies from the University of the Fraser Valley.



## NANCY OLEWILER

**Location:** Vancouver, BC

**Director since:** April 1, 2018

**Latest date for retirement:** March 31, 2024, not eligible for renewal

**Appointed by:** Board

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

Nancy Olewiler is an economist, professor, and director 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 focus on public policy, including energy and climate policy, regulation and risk, and transportation.

She has published in academic journals, edited books, provided reports for governments, and has written two widely used textbooks. Nancy has served on the Board of Directors of BC Hydro, Powertech, and TransLink, is on Canada's Ecofiscal Commission, a Member of the Climate Solutions Clean Growth Council for BC, and the Chair of the Macroeconomic Accounts Advisory Committee for Statistics Canada.

<sup>2</sup> Appointed to the Board on April 11, 2021



## GAIL STEPHENS

**Location:** Victoria, BC

**Director since:** December 7, 2017

**Latest date for retirement:** December 7, 2023, not eligible for renewal

**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.



## KEN TOURAND

**Location:** Merritt, BC

**Director since:** January 7, 2020

**Latest date for retirement:** January 6, 2023, eligible for renewal

**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, 2023, eligible for renewal

**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.

## 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 fifteen, 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 the knowledge, skills, and abilities of the candidates. The directors make final selections from a list of suitable candidates provided by the nominating committee.

As of December 31, 2021, the Board consists of twelve members, three of whom were appointed by the Minister.

## COMMITTEES OF THE BOARD

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, Lead Executive Officer performance evaluation and recruitment, compensation and other human resource issues;
- Technical and enterprise risk oversight;
- Regulatory development and compliance; and
- Strategic advice and oversight.

The 2021 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, accounting systems, budgets, internal controls, and 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 2021 included the following.

- Provided oversight to management's financial risk management policies and procedures, including the approval of a revised Investment Strategy; review of the Investment Manager Report on Performance; approval of the revised Marketable Investments Policy; and Investment Manager review.
- 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 2020 financial statements, notes to the financial statements and Management Discussion and Analysis with management and the external auditor.
- Reviewed the external auditor assessment and approved a term renewal and the external auditor's plan to audit the 2021 annual financial statements.
- Reviewed and approved the 2022 Operating and Capital Budget; and 2021 Thrive support funding to support delivery of strategic business plan priorities of the 2021-23 Business Plan.
- Provided oversight and project governance to the Business Transformation Project and budget with respect to strategy, risk and regulatory activities and all applicable expenditures; and received quarterly project reports including an independent project risk assessment.
- 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.
- Reviewed the quality of the audit, the audit team, and the audit partner.
- Reviewed the 2020 insurance claims experience and approved the 2021-2022 insurance coverage and renewal.
- Reviewed and approved the 2021-23 General Fee Increase.
- Reviewed Directors' fees and expenses for 2020.

## 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.

Commencing July 2021, the Committee also served as Selection Committee in connection with the recruitment for an incoming Chief Executive Officer (“CEO”)/Lead Executive Officer (“LEO”), as a result of the outgoing President and Lead Executive Officer’s notice of departure effective January 13, 2022. The Selection Committee responsible for the CEO/LEO recruitment process was comprised of the Governance and Human Resources Committee members together with the Committee Chairs of both the Strategic Advisory Committee and Finance and Audit Committee.

The Governance and Human Resources Committee’s major accomplishments in 2021 included the following.

- Acted as the Selection Committee to lead the CEO/LEO recruitment and recommending the appointment of a CEO/LEO candidate for Board approval.
- Acted as the Nominating Committee, recommending to the Board the appointment of one new Board member.
- Provided oversight to the Board orientation process of one Board appointment.
- Provided oversight to the Board Evaluation and Board Chair Nomination process.
- Approved the revisions to the 2021 Annual Targets and Key Results Plan (for excluded employees) measures and targets; and approved the 2022 Annual Targets and Key Results Plan (for excluded employees) measures and targets.
- Reviewed the annual conflict of interest declarations of directors and officers.
- Conducted the annual review of Technical Safety BC’s governance practices and made recommendations to the Board to enhance committee mandates, and governance structure.
- Reviewed and recommended performance plans for the President and Lead Executive Officer and the Corporate Secretary and evaluated the performance of the President and Lead Executive Officer and the Corporate Secretary.
- Reviewed and updated the succession plan for the President and Lead Executive Officer.
- Reviewed the performance and compliance of management concerning occupational health and safety and the organization’s OH&S program.
- Reviewed the state of the organization’s culture, including support for the ongoing efforts to expand cultural competency in Indigenous awareness.
- Reviewed the organization’s efforts relating to workplace culture, particularly in response to the evolving nature of the COVID-19 pandemic.
- Provided oversight, approved, and recommended to the Board the publication of the 2020 Annual Report and the 2021 Annual Public Meeting.
- Provided oversight, approved, and recommended to the Board the publication of enforcement actions and investigation findings and other regulatory actions including identification of involved parties.

## 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 2021 included the following.

- Guided the annual strategic planning process.
- Reviewed and approved the 2022-2024 Business Plan.
- Supported the work of Technical Safety BC's Climate Action and Sustainability work focused on reducing Technical Safety BC's greenhouse gas emissions and further our environmental, social and governance mandate; 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 and Critical Incident Response capability and preparedness.
- Reviewed data governance practices and policy.
- Reviewed the organization's Enterprise Risk Management framework, catalogue of identified enterprise risks, associated risk treatment plans and monitored progress as against those treatment plans.
- Reviewed the organization's approach to technical safety risk management and received regular updates from Management respecting the active and emerging risks in the technologies for which the organization is accountable, the risk treatment plans in place to address those risks together with ongoing monitoring of issues of concern arising with respect to such technical risks.
- Reviewed and approved the 2020 State of Safety Report.
- Reviewed Incident investigations learnings and Compliance and Enforcement program developments and unpermitted work capture progress.
- Reviewed the Information Security Assessment findings, development, and progress.
- 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 activity, and communications strategy.
- Reviewed and received presentations related to client service learnings and improvements.
- Reviewed regulatory change plans and 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 10-Year Strategy.

## DIRECTORS' ATTENDANCE

In 2021, there were four regularly scheduled Board meetings: a one-day future scenarios strategic planning workshop, a two-day strategic planning session, and an Annual Public Meeting. One additional Board meeting was conducted in July 2021, with respect to the outgoing President and Lead Executive Officer's notice of departure and the Board's formation of a Selection Committee, the composition of which was described above. The following table illustrates the number of meetings each director attended as compared to the number of meetings the particular director was eligible to attend during the 12 months that ended December 31, 2021. Some directors also attended meetings and interview sessions relating to the Nominating Committee for new Board Director recruitment and Selection Committee relating to CEO/LEO recruitment.

DIRECTORS	BOARD MEETINGS (10 MEETINGS)	FINANCE & AUDIT (6 MEETINGS)	GOVERNANCE & HUMAN RESOURCES (15 MEETINGS) <sup>3</sup>	STRATEGIC ADVISORY (4 MEETINGS)	TOTAL
George Abbott	10/10	6/6	15/15	4/4	35/35
Karen Bazylewski <sup>4</sup>	2/2	2/2	–	1/1	5/5
Jeremy Black	9/9	6/6	8/8 <sup>5</sup>	–	23/23
Judy Cavanagh	8/9	–	14/15	3/4	25/28
Jeremy Coughlin	9/9	6/6	1/1 <sup>6</sup>	4/4	20/20
Neil Cumming	9/9	4/4 <sup>7</sup>	15/15	1/1 <sup>8</sup>	29/26
David Guscott	9/9	–	15/15	–	24/24
Ivan Limpright	9/9	6/6	13/13	–	28/28
Daniel Smythe <sup>9</sup>	8/8	1/1 <sup>10</sup>	2/2 <sup>11</sup>	3/3 <sup>12</sup>	14/14
Nancy Olewiler	9/9	6/6	1/1 <sup>13</sup>	4/4	20/20
Gail Stephens	9/9	–	8/8 <sup>14</sup>	4/4	21/21
Ken Tourand	9/9	6/6	13/13	–	28/28
Angela Wesley	9/9	–	13/13	4/4	26/26

<sup>3</sup> Governance and Human Resources Committee meetings included 2 Nominating Committee meetings for Board Director recruitment; and 8 Selection Committee meetings for CEO/LEO recruitment and selection.

<sup>4</sup> Retired from the Board on April 10, 2021

<sup>5</sup> Attended CEO/LEO Selection Committee as Finance and Audit Committee Chair\*

<sup>6</sup> Attended CEO/LEO Selection Committee as an observer

<sup>7</sup> Appointed to Finance and Audit Committee effective April 21, 2021

<sup>8</sup> Ceased to be Strategic Advisory Committee member on April 21, 2021 due to realignment of Committees

<sup>9</sup> Appointed to the Board on April 11, 2021

<sup>10</sup> Attended Finance and Audit Committee as a guest

<sup>11</sup> Attended Governance and Human Resources Committee as a guest; and CEO/LEO Selection Committee as an observer

<sup>12</sup> Appointed Strategic Advisory Committee member on April 21, 2021

<sup>13</sup> Attended CEO/LEO Selection Committee as an observer

<sup>14</sup> Attended CEO/LEO Selection Committee as SAC Chair\*

## DIRECTORS' COMPENSATION

The Governance and Human Resources Committee is responsible for making recommendations to the Board respecting 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 made effective April 1, 2019.

On May 21, 2020 the Board of Directors approved a 20% reduction in the Annual Retainer and Meeting Fees payable to Board members in recognition of the potential negative financial impacts from the pandemic. These reductions became effective June 1, 2020. However, later in the year on September 24, 2020, based upon the organization's positive financial health and the recommendation from Management, the Board of Directors approved the discontinuance of the 20% reduction effective September 1, 2020.

Director compensation is set at such a level so as 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, 2021.

FEE	2021 \$
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 2021 as compared to 2020.

DIRECTORS	RETAINER	MEETING FEE	TOTAL RETAINER/ FEE 2021	TOTAL RETAINER/ FEE 2020
	\$	\$	\$	\$
George Abbott (Board Chair)	46,500	27,625	74,125	63,455
Karen Bazylewski <sup>15</sup>	3,350	4,125	7,475	25,835
Jeremy Black (Committee Chair)	20,000	18,975	38,975	30,030
Judy Cavanagh	13,400	19,800	33,200	25,835
Jeremy Coughlin	13,400	16,500	29,900	25,010
Neil Cumming	13,400	23,100	36,500	26,660
David Guscott (Committee Chair)	20,000	18,975	38,975	30,455
Ivan Limpright	13,400	22,275	35,675	25,835
Nancy Olewiler	13,400	16,500	29,900	27,060
Daniel Smythe <sup>16</sup>	10,050	11,550	21,600	–
Gail Stephens (Committee Chair)	18,000	17,325	35,325	28,555
Ken Tourand	13,400	22,275	35,675	24,185
Angela Wesley	13,400	20,625	34,025	24,185
<b>Total</b>	<b>211,700</b>	<b>239,650</b>	<b>451,350</b>	<b>357,100</b>

<sup>15</sup> Retired from the Board on April 10, 2021

<sup>16</sup> Appointed to the Board on April 11, 2021

# THE EXECUTIVE TEAM



*Catherine Roome stepped down from the President & LEO role in January 2022*

## CATHERINE ROOME PRESIDENT & LEAD EXECUTIVE OFFICER

Catherine is a courageous, visionary leader who is relentlessly driven to change the world and believes that people have an extraordinary ability to bring a shared vision into reality. Her passion and commitment to growing the next generation of leaders inspires the modern, diverse people practices at Technical Safety BC.

One of BC's senior leaders in the engineering and technology sector, Catherine has consistently delivered game-changing strategies that use technology innovation for public good. A "futurist," she is building Technical Safety BC's place in the algorithmic economy using predictive insights to create long-term, sustainable social and financial value, as she steers the organization towards its vision of *Safe technical systems. Everywhere.*



*Phil Gothe was appointed President & LEO in January 2022*

## PHIL GOTHE VICE PRESIDENT, OPERATIONS & CLIENT EXPERIENCE

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 in 2009, 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 Ryerson Polytechnical 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 doing hard labour in her garden 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 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, PEOPLE

Kate is driven by the belief that an organization will only truly excel when its people are encouraged and challenged to show up as their best selves every day. At Technical Safety BC, she uses courage, energy and curiosity to get at the heart of our challenges and opportunities, and facilitates bold conversations that question the status quo. To fulfill on our promise to model the integration of humanity and technology, Kate draws on her experience driving cultural transformation and people-focused change, building our capacity to adapt to changing environments and develop each person to their maximum potential.

Kate has a proven track record of transforming HR practices across industries including mining, heavy machinery, and healthcare. She holds a degree in Psychology and Kinesiology from Simon Fraser University and completed her graduate studies at UBC's Sauder School of Business. Kate is a recognized speaker in the areas of leadership development, diversity and employee health and wellness. Outside of the office, she is most often found on the North Shore trails, or creating new dishes in the kitchen, but rarely following a recipe!



**DEREK E. PATTERSON**  
VICE PRESIDENT, REGULATORY LEADERSHIP & 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 is called to the bar in both Ontario and British Columbia.



## CLAUDIO PINI

### VICE PRESIDENT, BUSINESS TRANSFORMATION & 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 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 & 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.

## EXECUTIVE COMPENSATION PLAN

Technical Safety BC is a progressive employer with a 10-Year Strategy to move us towards our vision of *Safe technical systems. Everywhere.*

The objectives of Technical Safety BC's executive compensation plan are to:

- Attract and retain capable individuals with diverse skill sets.
- Remain internally fair and externally competitive.
- Demonstrate sensitivity to our stakeholder communities.
- Offer a total rewards package that balances stable elements of compensation with pay at risk.
- Achieve alignment of our priorities and efforts to our 10-Year 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 and individual objectives aligned to our 10-Year Strategy. It is also intended to reinforce our value of accountability at the leadership level in the organization. Annual incentive awards are determined on a discretionary basis dependent on the achievement of strategic objectives that are established annually by the Board of Directors. Corporate performance is assessed by management and audited by Internal Audit. 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. In support of Technical Safety BC's efforts to manage the financial challenges posed by the COVID-19 pandemic, the incentive payment was reduced by half for the amount earned in the 2020 financial year.

### 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 a personal vehicle.

## EXECUTIVE COMPENSATION

NAME & PRINCIPAL POSITION	SALARY	INCENTIVE PLAN COMPENSATION PAID	PENSION	HEALTH & WELLNESS BENEFITS	ALL OTHER COMPENSATION PAID	TOTAL	PREVIOUS 2 YEARS' TOTALS
	\$	\$	\$	\$	\$	\$	\$
	(A)	(B)	(C)	(D)	(E)		
Catherine Roome President & LEO <sup>1</sup>	315,504.80	56,351.38	31,077.20	5,047.50	12,000.00	419,980.88	2020 = 491,150.39 2019 = 446,822.45
Kate Baillie VP, Communications & Marketing	201,730.40	27,499.95	19,870.45	4,595.21	9,120.00	262,836.01	2020 = 268,086.68 2019 = 227,353.08
Phil Gothe VP, Operations & Client Experience <sup>2</sup>	236,706.40	32,576.34	23,512.56	5,847.30	8,400.00	309,042.60	2020 = 313,939.24 2019 = 299,519.63
Kate Parker VP, People	197,878.40	27,113.65	19,790.97	5,674.33	8,400.00	258,557.35	2020 = 264,801.08 2019 = 221,472.50
Derek Patterson VP, Regulatory Leadership & Corporate Secretary	238,906.40	32,650.32	23,532.24	5,847.30	9,758.00	309,336.26	2020 = 316,446.49 2019 = 312,708.09
Claudio Pini VP, Business Transformation & Technology	195,955.20	25,751.75	19,301.51	5,657.44	9,120.00	255,785.90	2020 = 235,403.84 2019 = 77,886.94
Ab van Poortvliet VP, Data Analytics & Decision Science	197,878.40	25,934.80	19,490.97	5,047.50	8,400.00	256,751.67	2020 = 263,354.99 2019 = 257,793.60
Wesley Ma <sup>3</sup> VP, Finance	187,960.00	–	18,514.15	5,388.04	8,770.00	220,632.19	–

(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 Allowance, Vacation Leave Payout

<sup>1</sup> Stepped down from President & LEO role in January 2022

<sup>2</sup> Commenced President & LEO role in January 13, 2022

<sup>3</sup> Commenced as VP, Finance as of January 4, 2021

# ADVISORY GROUPS AND COMMITTEES

Technical Safety BC engages panels of 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 & regulation, service design, and technical safety programs.

A very special thank you to the following experts for working with us to improve safety across British Columbia in 2021.

## 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	Norman Scott CurlBC	Ron Dietrich Recreation Facility Association of BC & Westshore Recreation	Terry Welsh Recreation Facility Association of BC
Geoff Chesterton Recreation Facility Association of BC	Percy Chua WorkSafeBC		
Gordon Harkness WorkSafeBC	Ron Booth City of Westminster	Steve Napper City of Delta	Willa Thorpe City of Port Alberni
Kimberly Dennis CurlBC			

## 2021 CANADIAN ELECTRICAL CODE EXPERT REVIEW AND ADVISORY COMMITTEE

Purpose: For the former, to discuss the electrical code review process, timelines, and to share our decision-making framework and receive feedback. For the latter, to consult with industry professionals regarding the impacts and benefits of the 2021 electrical code.

Adrien Livingston Western Joint Electrical Training Society	Bill Strain Electrical Contractors Association	Gurvinder Chopra Electro Federation Canada	Kirsten Leversage Industry Training Authority
Anjani Saran Ace Trades and Technical Institute	Deb Cahill Electrical Contractors Association	Jim Gamble Articulation Committee	Phil Davis Electrical Joint Training Committee
Barbette Igonia BC Electrical Association	Erin Rogers SparkBC Technical Training	Jim Lofty International Brotherhood of Electrical Workers	Roy Swallow Valley Educational Services

Sabine Just  
Independent  
Contractors and  
Businesses Association

Scott Ashton  
International  
Brotherhood of  
Electrical Workers

Ted Simmons  
BCIT

Todd Cumiskey  
Independent  
Contractors and  
Businesses Association

## 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.

Eric Sambell  
FlyOver Attractions

Kristen Hyodo  
Sasamat Outdoor  
Centre

Ron Dietrich  
Westshore Parks and  
Recreation

Dave Horton  
Ness Lake Bible Camp

Garnett Pawliw  
Vancouver Partyworks

Lindsay Kenny  
Village of Fruitvale

Ross Muirhead  
Inter-Mtn. Testing Ltd.

David Green  
City of Fort St. John

Jamie Stevens  
Jamie's Millwright  
Service Inc.

Paul Burgess  
PNE

Stacey Miranda  
City of Williams Lake

David Rose  
City of Burnaby

Jim Gibson  
Pat-T-Perfect

Paul Chatterton  
BC Camps Association

Todd Manton  
KMZ

David Wells  
Auton Engineering

Juan P Goula  
YMCA of Greater  
Vancouver

Ron Betts  
Chase Canyon Eco-  
Adventures Ltd.; DBA  
Treetop Flyers Zipline

Vanessa Cumming  
City of Fort St. John

Elliott Harder  
Ness Lake Bible Camp

## REFRIGERATION ADVISORY GROUP

**Purpose:** To provide Technical Safety BC with industry insight and recommendations on ongoing efforts to support industry with taking action on specific recommendations in the Fernie ammonia release incident investigation report, including around maintenance planning and practices, and the creation of educational and communication materials to support continued progress around refrigeration safety.

Art Sutherland  
Accent Refrigeration  
Systems

Eamon McGinley  
City of Vancouver

Ron Strong  
R.H. Strong  
Refrigeration Design Inc

Trevor Shaw  
City of Richmond

Blaire Masztalar  
Fraser Valley  
Refrigeration Ltd

Olaf Vinje  
Burnaby Winter Club

Terry Welsh  
Recreation Facilities  
Association of BC

## GAS CODE REVIEW ADVISORY GROUP

Purpose: To engage industry to identify impacts of the adoption of the latest edition of the Gas Code CSA Z662 standard, with potential BC variations.

Alireza Kohandehghan  
Pacific Northern Gas Ltd.

Gary Johnson  
FortisBC Energy Inc.

Robert Loenhardt  
Canadian Propane Association

Della Mann  
Canadian Natural Resources Ltd.

Lori Parker  
Creative Energy Vancouver

Robert Wickie  
Pacific Northern Gas Ltd.

## 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 with communities across the province.

Doug Cordero  
Slope Side Mechanical

Oskar Kwieton  
Shape Property Management

Clayton Mullen  
BC Hydro

Carmen DeGoey  
Camosun College

Sandra LeNoble  
RAM Mechanical

Dale Risvold  
Canem

Sue Edmondson  
TK Elevators

Richard Mathews  
District of Squamish

Jon Fairbrother  
Prime Engineering

Shawne McCorkell  
Houle Electric

## ENGAGE, SURVEY, FOCUS GROUP, AND INTERVIEW

Technical Safety BC would also like to thank all individual contributors to our online Engage portal at [engage.technicalsafetybc.ca](https://engage.technicalsafetybc.ca), as well as to survey respondents and those who participated in interviews with us, for their direct feedback to all our active projects and inquiries.



## MANAGEMENT DISCUSSION AND ANALYSIS

As a 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. A sustainable Technical Safety BC aims to deliver its 10-Year Strategy and vision: Safe Technical Systems. Everywhere. Prudent investment in employees, training, tools, and capital assets support our work in assessment, education and outreach, enforcement, and research, 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, 2021, and should be read in conjunction with the audited financial statements.

## BETTER IMPACT AND TRIPLE BOTTOM LINE REPORTING

Technical Safety BC is committed to developing value-driven solutions that result in the long-term sustainability of the safety system, the environment, our clients, partners and stakeholders, and our organization. Now, more than ever, we are motivated to not only improve the safety system across the province, but to drive positive change for our clients and the communities in which they live, work, and play.

Over the past few years, with the development of our Better Impact strategy, we have been working to further align our social and environmental commitments with our vision of Safe Technical Systems. Everywhere, and build on existing initiatives under an Environmental, Social, Governance and Financial (ESGF) framework. Climate change, Equity, Diversity and Inclusion, our important work towards Indigenous Truth and Reconciliation, and employee-led involvement and support will all be reported through the framework, which will provide additional clarity and transparency to the risks and opportunities we choose to prioritize.

Quantifying the social and environmental impact of programs and projects is complex and there is no one-size-fits-all methodology to measure all cases. The Triple Bottom Line reporting model we are using this year focuses on actions in relation to financial, social and environmental activities. This model attempts to provide a clear picture of our sustainability-related activities in 2021, along with the impact of our work on the environment and in our communities.

## FINANCIAL SUSTAINABILITY

### OVERVIEW

As a self-funded not-for-profit organization, Technical Safety BC emphasizes the importance of financial sustainability in order to deliver quality services and value for money for our clients now and into the future. As we add environmental, social, and corporate governance standards to our criteria for capital allocation, we recognize the importance of maintaining a strong connection both with our clients, partners, stakeholders and our extended communities as environmental and social challenges increasingly impact the way we all live and work. The goal is to address these material issues to realize greater growth and impact opportunities in the future—and thus we achieve greater financial sustainability in the long-term.

In 2021, the unprecedented extreme weather events in many regions across the province, as well as the continuation of a global health pandemic continued to impact operations. We planned for an agile budget that could respond to dynamic conditions. We saw exceptionally strong growth in the first half, reflective of the housing boom during that period. This allowed us to bring forward certain activities in order to accelerate our strategic initiatives. We are dedicated to the re-investment of our 2021 and future surpluses to ensure financial sustainability and further the organizations impact.

## ACTIONS IN 2021

- Created a capital and reserves strategy, to enable the funding of the multi-year business transformation project and key strategic initiatives.
- 25%-30% of revenue is generated from renewals of operating permits, certifications and licenses that are less subject to market fluctuations. We continued with initiatives to increase these sources of revenue, with a particular emphasis on ensuring operating permits are generated for completed installations.
- Revised our investment strategy to increase the average return on investment by allowing more restricted liquidity investments without increasing downside risk.
- Completed an insurance broker review to ensure that strong value for money is achieved for this key element of financial risk management.
- Increased focus on collection of accounts receivable, decreasing the days outstanding by 25% to decrease potential credit risk.
- Initiated an agile financial planning structure integrated with the Business Planning Oversight process to help make decisions that consider the reality of current events and market conditions, and ultimately lead to better solutions that support recovery and accelerate the achievement of organizational objectives.

## INDIGENOUS RECONCILIATION AND PARTNERSHIPS

### OVERVIEW

As the provincial technical safety regulator, Technical Safety BC is committed to working collaboratively with Indigenous Peoples to support safe communities for all, in line with our vision of “Safe technical systems. Everywhere.” Our participation in reconciliation will require significant organizational change, examination of our existing practices, and increased attention to our connection to Indigenous communities. We cannot promote equitable access to safety for all without first centering Indigenous voices as we seek to develop our capacity for meaningful and respectful relationship-building with Indigenous people, organizations, and Nations. This commitment is articulated in our 2022-2024 business plan.

Technical Safety BC recognizes the unique rights of Indigenous Peoples, including the right to self-determination, and our reconciliation actions are guided by the United Nations Declaration on the Rights of Indigenous Peoples and the Truth and Reconciliation Commission of Canada’s Calls to Action (particularly Call to Action 92 – Business and Reconciliation).

## INITIATIVES

Initiatives led by Technical Safety BC included:

- Forming an Indigenous Reconciliation and Partnerships team in late 2021. The team will lead our reconciliation work while weaving threads of our reconciliation strategy throughout all internal departments. The team will work in partnership with Indigenous people and Nations to increase cultural safety and Indigenous inclusion throughout the organization and to support optimal technical safety for Indigenous communities.
- Rolling out Indigenous Awareness Training, through Indigenous Corporate Training (ICT) Inc, as mandatory baseline training to all employees in 2021. The training is offered through the Technical Safety BC Employee Learning Portal as a series of online modules, followed by a virtual debrief session with an ICT facilitator. Further educational opportunities will be offered to build upon this baseline knowledge.
- A voluntary Indigenous Relations Employee Resource Group continues to lead activities that support an organizational culture of reconciliation. Activities led by the group included the Moose Hide Campaign, an internal educational campaign to coincide with Indigenous History Month, observation of National Indigenous Peoples Day, Orange Shirt Day, and the ongoing sharing of resources among group members and with the broader organization.
- Awarding three students \$4,000 bursaries through our Indigenous student bursary program with the Nicola Valley Institute of Technology.
- Working toward the development of a BC-wide bursary program, supported by the New Relationship Trust Foundation. Technical Safety BC's contribution created two bursaries of \$2,000 each, offered each year for the next three years.
- Throughout 2021, regional field employees supported existing relationships with Indigenous clients and communities and identified opportunities for increased co-delivery of safety services.
- A "Knowledge Hub" available to employees to access Indigenous relations resources and tools on our Intranet. Examples of resources include pronunciation and terminology guides, territorial acknowledgement guides, external training, external learning resources, and internal announcements.
- Territorial acknowledgements are delivered at all external events, as well as large scale internal meetings. Education on the importance of truly meaningful, action-oriented acknowledgements is offered to all employees. Territorial acknowledgement templates were also implemented in employee signature blocks for all regional offices.
- Continuing to work toward creating inclusive office spaces that acknowledge and reflect Indigenous cultures. One initiative will focus on sourcing or commissioning local Indigenous artwork for each regional office.

## EQUITY, DIVERSITY AND INCLUSION ("EDI")

### OVERVIEW

One of Technical Safety BC's core values is that 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 have a broad equity, diversity and inclusion strategy to create an organizational culture that is inclusive and safe for all employees and reflects the diversity of the population we serve.

### INITIATIVES

Initiatives led by Technical Safety BC included:

- Developing and running a series of employee workshops, featuring internal and external speakers to educate and bring awareness to various Equity, Diversity and Inclusion topics and discussions. These included, Black History Month, International Women's Day, Asian Heritage Month, PRIDE, and Orange Shirt Day.
- Hosting three different employee resource groups (EDI Working Group, the Sprouts, and the Indigenous Relations ERG) that supported employees from across the organization, representing different roles, regions, and specialties.
- Piloting training courses for employees, including Inclusion Literacy, Unconscious Bias Training, Gender Microaggressions, and Race Microaggressions.
- Being an annual sponsor of the Vancouver Pride parade. In 2021, Technical Safety BC sponsored the Queer History Panel – a discussion on early Pride memories, and how Pride has evolved over the years.
- In response to employee feedback, the organization focused on mental health and resiliency in 2021, supporting employees through the Employee Family and Assistance Program (EFAP) wellness series where we partnered with our extended benefits provider to offer ongoing educational resources that allowed employees to gain a deeper understanding around mental health and wellness while creating a safe space to speak freely and ask questions.
- A continued focus on the Global Diversity and Inclusion benchmarks, an organizational standard set by The Centre for Global Inclusion, completing 15 of them and creating a roadmap for ongoing action.
- In the fall of 2021, employees were invited through surveys and focus groups, to evaluate how we 'live our four values' and provide insights into where we can continue to improve. This engagement, in partnership with our Cultural action plan has created an updated roadmap that will steer the future of work at Technical Safety BC, ensuring we can cultivate our desired culture.

## ENVIRONMENTAL SUSTAINABILITY

### OVERVIEW

To ensure the safety system is resilient to the impacts of climate change, Technical Safety BC is developing programs and strategies in alignment with the province's CleanBC plan and Climate Adaptation and Preparedness Strategy.

### INITIATIVES

Initiatives led by Technical Safety BC included:

- Conducting research into emerging low-carbon technologies and energy efficiency, funded by BC Hydro. This report will recommend opportunities to enable safe adoption of low-carbon technologies used in building electrification (EV chargers and energy management systems, solar panels, heat pumps, etc.). The Report will also recommend options for Technical Safety BC to support energy efficient installation of equipment. This work will be carried forward through a series of pilots throughout 2022 and beyond.
- Calculating the organization's greenhouse gas emissions from fleet and facilities for our baseline year (2019) and 2021.
- Receiving approval to launch a pilot of five electric vehicles and eleven hybrid vehicles for use by Safety Officers, as we prepare to decarbonize our fleet. Due to global supply chain issues, these vehicles will be delivered later in 2022.
- Ongoing research to identify and mitigate safety risks to technical equipment, due to climate change through our Climate Resiliency Program.
- Research into hydrogen regulatory landscape to recommend Technical Safety BC's role regarding regulation, codes, and standards of this emerging technology, supporting research into the safety impacts of transitioning from diesel powered generators to hydrogen in remote communities.

## GREENHOUSE GAS EMISSIONS FROM FLEET AND FACILITIES FOR OUR BASELINE YEAR (2019) AND 2021

	2019 (BASELINE) - tCO2e	2021 - tCO2e
Fleet*	735	376
Facilities**	55	59
Total	790	435
Facilities % Renewable	79%	74%
Overall % Renewable	6%	10%

\* Fleet emissions are calculated based on the amount of fuel used and the emission factors for gasoline for Light-duty trucks (including SUV) included in the "2020 B.C. Best Practices Methodology for Quantifying Greenhouse Gas Emissions for Public Sector Organizations, Local Governments and Community Emissions"

\*\* Facilities emissions are calculated based on the energy (electricity and natural gas) used and the emission factors for purchased electricity included in the "2020 B.C. Best Practices Methodology for Quantifying Greenhouse Gas Emissions for Public Sector Organizations, Local Governments and Community Emissions"

## IN DEPTH FINANCIAL REVIEW

TABLE 1: KEY FINANCIAL PERFORMANCE INDICATORS:

KEY FINANCIAL PERFORMANCE INDICATORS	2021	2020
<b>Monetary indicators (in 000's)</b>	\$	\$
Total revenue	76,543	69,206
Operating expenditures	75,509	69,166
Salaries and benefits	54,763	49,123
Excess of revenue over expenditures	1,034	40
Operating reserve	3,139	9,765
Capital budget spend	5,036	3,172
<b>Other indicators</b>		
Total volumes (in 000's)	330	289
Average fee	\$ 229	\$ 231
Contribution margin	44.3%	43.3%
Overhead ratio	42.9%	43.3%
Full Time Equivalent (FTE) employees	442	411

Total revenues were \$76.5 million, an increase of 11%, or \$7.3 million from 2020. Early 2021 saw a significant rebound in the construction sector, resulting in strong growth in installation permits. Record household savings combined with demand for more spacious and improved housing led to households investing significantly in their homes. Commercial construction remained subdued, with low demand for office space and instability for public-facing businesses suppressing investment.

Operating expenses at \$75.5 million, grew by 9% or \$6.3 million compared to 2020. In 2020, we reduced costs significantly in response to the pandemic. This past year, as the province and our organization recovered from the initial impacts of the pandemic, and continued to adapt to evolving public health guidance and measures, Technical Safety BC was able to evolve and resume activities, and expenditures increased accordingly. In addition, our organization worked with those communities impacted by wildfires, extreme heat, and flooding. We focused on supporting our clients, partners, and stakeholders to adapt to this dynamic situation, and create a safer British Columbia for everyone. This included using new remote tools for inspections to enable flexibility for assessments; increasing safety oversight through alternatives to onsite physical inspections; reducing barriers for accessing assessment services; and delivering in-person and online exams. We also recognized the ongoing challenges the pandemic presented for our employees. We implemented tools and initiatives that enable them to better support our clients now and, in the future, as we shift towards a workplace that blends remote work with in-person connection.

Our business transformation program continued to be the principal focus of our internal resource capacity and capital investments. This multi-year business transformation initiative will allow Technical Safety BC to move towards a client-centric, service delivery model to empower clients and employees with better processes and tools. In 2021, we moved from business-readiness work to design and development, and focused on certifications and receive payments modules. This work laid the foundation for all future modules to build off one central platform and provide unique insights across all departments and technologies.

For the year ending on December 31, 2021, Technical Safety BC generated a surplus of \$1 million of revenue over expenses. Revenue was higher than anticipated due to pent up demand and a housing boom in the first half of 2021. As a result, the agile financial planning structure was implemented to allocate additional funds to implement solutions that supported recovery and accelerated the achievement of organizational strategic objectives.

The operating reserve decreased from \$9.8 million to \$3.1 million. This is a result of inter-fund transfers to the capital reserve to invest in the capital required for the business transformation program in 2022.

## REVENUE

As a self-funded organization, Technical Safety BC generates revenue through the delivery of services, such as permits, certifications and licensing. The primary sources of revenue are installation and operating permits, licence and certificate issuance, inspections of technical work and equipment and the registration of new equipment and designs.

In 2021, our total revenue reached \$76.5 million, which is 11% higher than the prior year's \$69.2 million. Services and related fees represent approximately 98% of our revenue. The remainder comprises investment income and other revenue sources.

TABLE 2: COMPONENTS OF TOTAL REVENUE

REVENUE (IN 000'S)	2021 \$	2020 \$
Installation permits	43,739	37,488
Operating permits	18,370	17,510
Certification and licensing	4,639	3,987
Design registration	2,250	2,490
Inspections	1,595	1,873
ASA and ESA	1,675	1,325
Equipment approvals	1,053	980
Client education and administrative	1,105	1,219
Miscellaneous service revenue	254	83
<b>Total service and related fee revenue</b>	<b>74,680</b>	<b>66,955</b>
Investment and other revenue	1,863	2,251
<b>Total revenue</b>	<b>\$76,543</b>	<b>\$69,206</b>

In 2021, 59% of service and related fee revenue consisted of installation permits (\$43.7 million) and 25% came from operating permits (\$18.4 million). This compares to 56% and 26% in 2020, respectively. The overall transaction volume was 330,388, which is 14% higher than 2020. Compared to 2020, both installation permit and operating permit volumes increased by 16% and 3%, respectively. Certification and licensing volumes increased by 70% compared to 2020, due to the timing of 3-year certification renewal cycles. The significant increase in transaction volumes was slightly offset by lower average permit values, resulting in a \$7.5 million increase (11%) to service and related fee revenues.

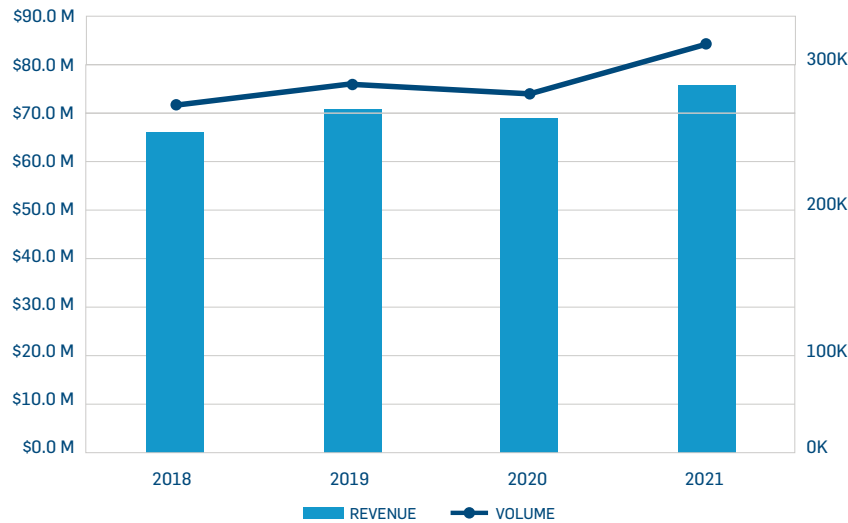
Investment and other revenue fell by \$0.4 million from 2020. Gains on investments and investment income were \$0.3 million and \$0.1 million lower, respectively, than in 2020. Other revenue sources remained at similar levels to the prior year.

We continue to focus on identifying and acting on compliance and enforcement to improve overall safety. In 2021, this initiative resulted in the issuance of \$0.5 million in unpermitted work permits. Technical Safety BC is committed to this program as it is an integral part of the safety system.

## REVENUE BY YEAR

Revenue grew by 8% from 2018 to 2019. After a 2% fall in 2020 caused by the pandemic, revenue increased by 11% in 2021.

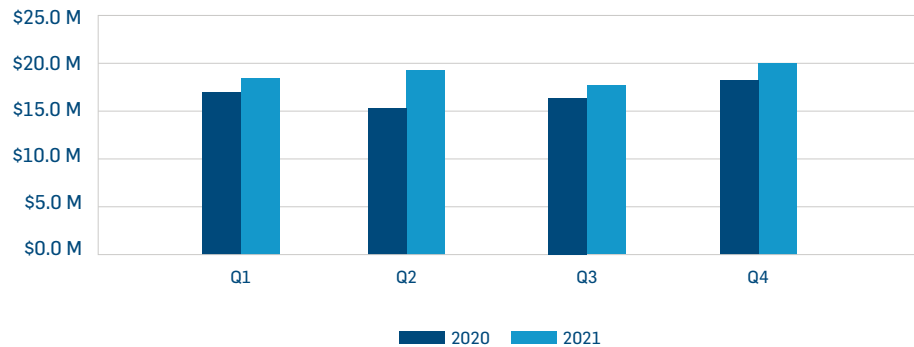
GRAPH 1: REVENUE AND VOLUME BY YEAR



## REVENUE BY QUARTER

Graph 2 shows the fluctuating impact of the pandemic on our revenues. 2021 saw significantly more stability than 2020. The housing boom in the first half contributed to strong revenue recognized throughout 2021. Supply chain pressures, including goods shortages and escalating prices, delayed some projects and had a mild impact on revenues over the summer months.

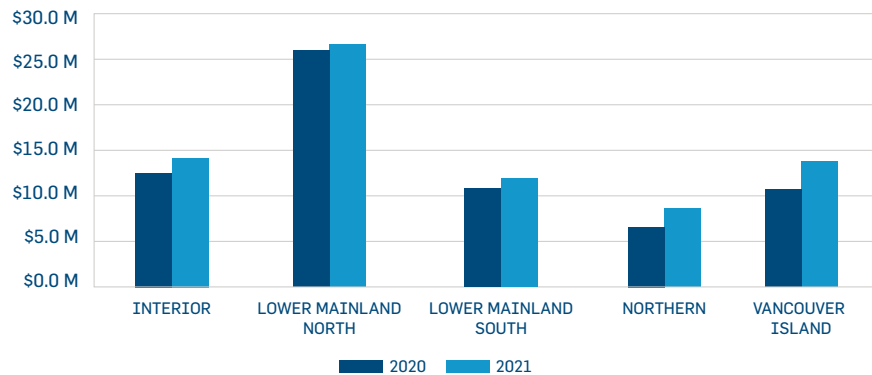
GRAPH 2: REVENUE BY QUARTER



## REVENUE BY REGION

Growth was seen in all regions but was markedly stronger in areas outside of the major cities. Pandemic conditions created demand for more spacious properties and access to green spaces, leading to outsize growth in the suburbs and regional cities.

GRAPH 3: REVENUE BY REGION

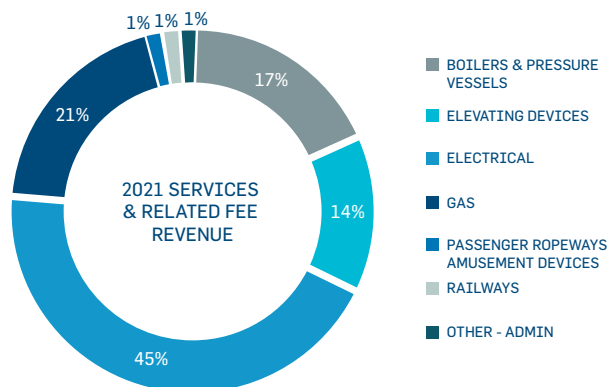


## REVENUE BY TECHNOLOGY

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 (45%) 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 fairly consistent year-over-year.

GRAPH 4: TOTAL SERVICE AND RELATED FEE REVENUES BY TECHNOLOGY

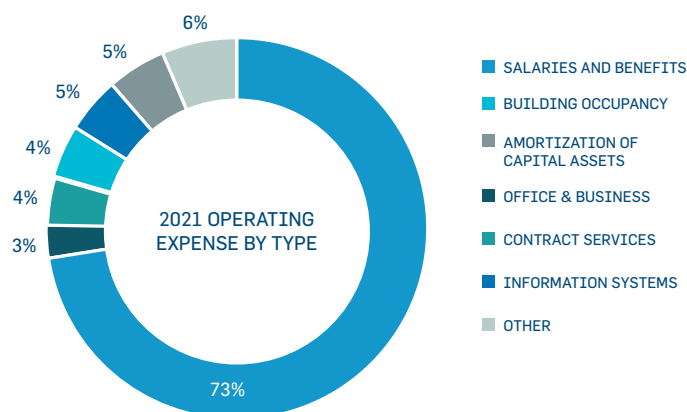


## EXPENSES

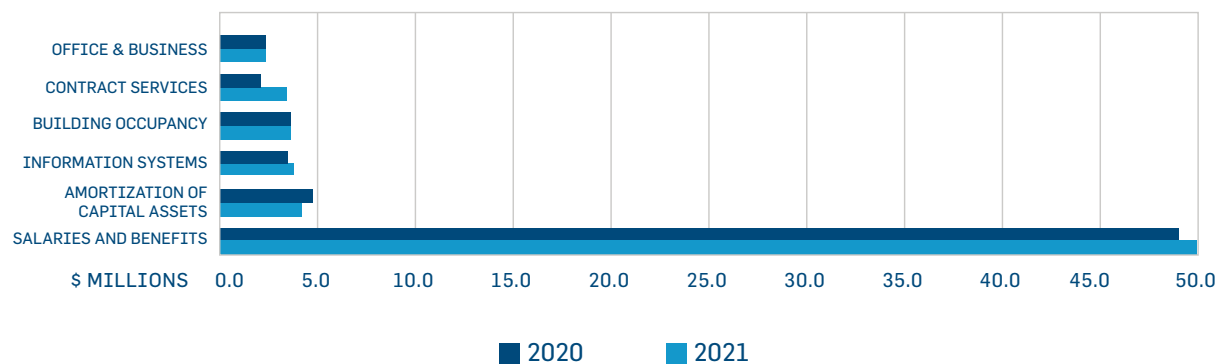
In 2021, Technical Safety BC released funding in phases, responding to outperforming revenue in the first half of the year and in line with our agile financial planning structure. Expenses were focused on core activities, business plan priorities and restarting initiatives that were paused during 2020.

Salaries and benefits continued to grow as the largest proportion of costs at 73% compared to 71% in 2020. As planned, contractor services increased substantially to deliver business plan initiatives and support employee capacity. Information systems spending increased steadily as we continued to invest in cybersecurity and upgraded technology to support remote work. Travel and training remained low due to ongoing public health restrictions related to new COVID-19 variances. Hygiene supplies dropped from last year due to sufficient inventory.

**GRAPH 5: COMPOSITION OF 2021 OPERATING EXPENSES**



**GRAPH 6: ANNUAL OPERATING EXPENSE COMPARISON**



**Salaries and benefits** expenses exceeded the prior year by \$5.6 million (11.5%). The number of Safety Officers were increased in order to directly support our clients and provide safety oversight. We continued to invest in supporting the business transformation and technology teams aimed at developing our new production system, improving performance and client experience. We built our Climate Sustainability team to support climate change prevention and mitigation. The incentive pays for excluded employees and executives were proactively reduced in 2020 as a response to the pandemic; these returned to normal levels in 2021.

**Amortization of capital assets** was \$1 million (21%) less than last year due to a decrease in vehicles and computer hardware purchases, and legacy systems becoming fully amortized.

**Information system** expenses increased by \$0.2 million (6%) compared to the prior year mainly to enhance the security platform to support the remote work environment.

**Building occupancy** expenses remained at similar levels to the prior year.

**Contract Services** grew by \$1.3 million (69%) over last year related to key projects such as transforming assessment, technical safety code changes, and various public safety education programs.

**Office and Business** expenses remained at similar levels to the prior year.

## CAPITAL SPENDING

During 2021, Technical Safety BC spent \$5.0 million in capital investment. The majority (\$3.0 million) was related to the development of the new production system to improve performance and client experience. \$0.6 million was invested in transforming assessment, compliance enforcement and client portal upgrade projects to streamline business processes and enhance efficiency by using digital tools. Another \$0.6 million was spent on computer hardware replacement and upgrades.

Fleet vehicle purchases that were purposefully delayed in 2020 came in 2021 at \$0.7 million. Additional orders placed in 2021 will be pushed to 2022 due to supply chain shortages.

## RESERVES AND UNRESTRICTED NET ASSETS

Technical Safety BC's net assets consists of the investment in tangible capital assets and intangible assets, as well as the operating, capital, and education reserves. In 2021, the operating reserve fell to \$3.1 million, as a result of transfers to the capital reserve for investments in 2022.

The capital reserve increased due to an allocation from the operating reserve to fund long-term capital investment projects, primarily the business transformation program. The balance in any given year represents the estimated capital expenditures over a period of years depending on the needs of the organization at the time. Technical Safety BC has allocated \$12.6 million for planned capital expenditures in 2022.

The education reserve was established in accordance with the Safety Standards Act to reserve monetary penalties collected to pay for safety education programs. In 2021, we collected \$0.1 million from monetary penalties, which will be used for future educational activities.

**TABLE 3: COMPARISON OF RESERVES AND NET ASSETS**

RESERVES AND NET ASSETS	2021 \$ (000's)	2020 \$ (000's)
Investment in tangible capital assets and intangible assets	13,832	12,525
Education reserve	325	357
Capital reserve	12,605	6,201
Operating reserve	3,139	9,765
<b>Total Net Assets</b>	<b>29,901</b>	<b>28,848</b>

## 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 its enterprise risk management (ERM) framework. The ERM framework uses industry standards and best practices and includes the requirement for bi-annual reporting to the Board and Executive team, to enable members to fulfill their fiduciary responsibilities.

With the continued progression of the global pandemic and severe climate events, our ERM framework strengthened and proved to be an important building block of our recovery process.

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 events that can significantly impact the health and safety of British Columbians.

Risk treatment is a combination of prevention and mitigation strategies deployed under the [Accident Prevention Model](#). The model applies a multi-faceted approach to managing technical system safety risks through the four pillars of 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 role 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 strategies. As we proceed into 2022 and beyond, we will continue to improve the way we provide oversight to aging equipment as well as investing in mechanisms to detect emerging technical safety risks in the province.

### STRATEGIC RISK

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

We manage strategic risk through robust planning processes, one of which led to our [10-Year Strategy](#). This strategy was updated in 2019 with input from clients, stakeholders, government, employees, and Technical Safety BC's Board of Directors and continues to get refined as we respond to unforeseen business challenges. Our strategic objectives are further supported and refined by our [three-year business plan](#) developed annually, detailing the measures and tactics being used to achieve our strategic goals. Our planning process identified the need to revise our 2022-24 Business Plan to help our business model respond to the pandemic. This revision to our business plan helped us better anticipate the safety system needs of British Columbians and effectively continue with our COVID-19 recovery.

## COMPLIANCE RISK

Technical Safety BC must comply with legislation and regulations, particularly the *Safety Authority Act* (SSA) under which Technical Safety BC was established; the *Safety Standards Act* and regulations thereto which set out the powers and obligations we have as an organization to give effect to our mandate as set out in the SSA; 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*, 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 our 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 stakeholders, 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.

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 with all stakeholders.

To support our employees' physical and mental health, sufficient supply of personal protective equipment was distributed to employees performing essential in-person services. Employees were also provided a multitude of resources to help manage their mental health as we made our way through the pandemic.

## FINANCIAL AND REPORTING 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 supply chain disruptions, severe climate events 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, such as education, enforcement, and innovations will also offset negative economic impacts through increasing participation in the safety system.

The financial impact of COVID-19 was experienced through high volatility in revenue, which was caused by the 2020 economic slowdown and 2021 recovery. To ensure minimal impact of the financial challenges caused by the pandemic on our ability to serve British Columbians, in 2020 we reduced costs by finding efficiencies within our operations and increased investments in operations critical to the maintenance of the

province's safety system. Then in 2021, we initiated an agile financial planning structure that made decisions considering current events and market conditions, which led to solutions that supported recovery and accelerated the achievement of strategic objectives.

Financial risk is also mitigated through our financial investments and capital and operating reserves. A conservative portfolio of our financial investments is managed by our investment managers and is invested in short term bonds and Canadian dividend producing equities in accordance with our strategic investment policy.

## OUTLOOK

The impact of the pandemic has been devastating for many British Columbians and has had a ripple effect on economies around the world. Like many organizations, the crisis pushed Technical Safety BC to assess many questions about the ways we live, interact, and work, and has forced us to integrate important lessons.

Looking ahead to the next three years, we will continue to prioritise our employees, and work diligently to serve clients, partners and communities across the province. As the phases of the COVID-19 pandemic evolve, we will continue to leverage learning and focus on resilience and agility – now and into the future.

Revenues in 2022 are expected to be grow modestly from 2021. Initiatives to increase the level of participation in the safety system through outreach, process streamlining, and compliance and enforcement will support revenues. Continued recovery and growth are forecasted for the BC economy, albeit likely at a slower rate than 2021. Growth is likely to be led by consumer spending, however there is expected to be a shift away from housing, after record investment in 2021. Business investment is expected to pick up in 2022, despite supply chain challenges and inflationary pressures. This will however likely be more focused on technology than construction, as the outlook for bricks and mortar businesses remains uncertain. Growth in 2022 will inevitably continue to be influenced by the path of the pandemic and the actions of government to control it.

The operating and capital expenditure plans for 2022 are aligned to support progress against the six strategic priorities and long-term financial sustainability.

Table 4, below, illustrates 2022-2024 projections.

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 continued impact of the COVID-19 pandemic.

**TABLE 4: PROJECTED RESULTS 2022-2024**

2022 – 2024 PROJECTIONS (\$000s)	2022	2023	2024
Service and related fees	80,056	85,123	88,025
Investment and other income	2,769	2,915	2,966
<b>Total revenue</b>	<b>82,825</b>	<b>88,038</b>	<b>90,991</b>
Expenses	(83,825)	(86,038)	(87,991)
<b>Excess (deficiency) of revenue over expenses</b>	<b>(1,000)</b>	<b>2,000</b>	<b>3,000</b>

## MANAGING REVENUES

For 2022, we anticipate revenues of \$82.8 million. We project an increase in safety system participation and modest revenue growth from new initiatives combined with flat market growth. The projection includes fee increases of 3% from January 1, 2022.

## MANAGING OPERATING EXPENSES

Technical Safety BC makes every effort to deliver necessary safety programs as efficiently and cost effectively as possible. We have planned for a breakeven budget in our operating spending with an additional \$1 million expenditures to support specific strategic initiatives. We anticipate that our revenues will outpace operating expenses to generate surpluses of \$2 million and \$3 million in 2023 and 2024, respectively.

## INVESTING IN INFRASTRUCTURE

In 2022, our capital investment will reflect our evolving response to our changing environment. Our business transformation program continues and represents \$7.5 million of the \$12.6 million capital budget. Fleet renewal, including investment in electric vehicles and chargers represents \$1.6 million. We will invest \$2.4 million upgrading information technology hardware and operational software to support our future data needs and \$1.1 million in facilities improvements, primarily the Terrace office, supporting safety in the growing industry in northwest British Columbia.



# FINANCIAL STATEMENTS

Financial Statements of British Columbia Safety Authority  
(dba Technical Safety BC) and Independent Auditors' Report thereon  
Year ended December 31, 2021



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## INDEPENDENT AUDITORS' 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, 2021
- the statement of operations for the year then ended
- the statement of changes 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, 2021, 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 "*Auditors' Responsibilities for the Audit of the Financial Statements*" section of our auditors' 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 auditors' report thereon, included in the 2021 Annual Report.

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

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

We obtained the information, other than the financial statements and auditors' report thereon, included in the 2021 Annual Report as at the date of this auditors' 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 auditors' 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.

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.  
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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.

A stylized, handwritten-style signature of "KPMG LLP" in black ink, with a horizontal line underneath.

Chartered Professional Accountants  
Vancouver, Canada  
March 10, 2022

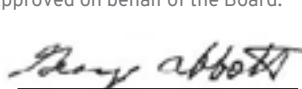
**BRITISH COLUMBIA SAFETY AUTHORITY (DBA TECHNICAL SAFETY BC)**  
**STATEMENT OF FINANCIAL POSITION**

December 31, 2021, with comparative information for 2020

	2021	2020
<b>ASSETS</b>		
Current assets:		
Cash	\$ 5,625,821	\$ 8,907,005
Accounts receivable (note 3)	1,428,054	1,875,930
Prepaid expenses	1,584,714	1,389,077
Investments (note 4)	12,605,172	6,200,731
	21,243,761	18,372,743
Investments (note 4)	27,767,458	26,704,019
Intangible assets (note 5)	6,403,810	3,941,948
Tangible capital assets (note 6)	7,471,024	8,696,771
	<b>\$ 62,886,053</b>	<b>\$ 57,715,481</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 9,173,266	\$ 6,520,251
Deferred revenue	19,643,537	17,811,049
Current portion of capital lease obligation (note 8)	42,575	70,722
Current portion of deferred leasehold inducements (note 9)	327,202	327,202
	29,186,580	24,729,224
Capital lease obligation (note 8)	-	42,575
Deferred leasehold inducements (note 9)	2,781,085	3,111,020
Accrued employee future benefits (note 10(b))	928,964	897,542
Asset retirement obligation (note 11)	88,381	86,632
	32,985,010	28,866,993
<b>Net Assets:</b>		
Investment in tangible capital assets and intangible assets	13,832,259	12,525,422
Internally restricted:		
Education reserve	324,460	357,496
Capital reserve	12,605,172	6,200,731
Unrestricted operating reserve	3,139,152	9,764,839
	29,901,043	28,848,488
Commitments (note 15)		
Contingencies (note 16)		
	<b>\$62,886,053</b>	<b>\$57,715,481</b>

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, 2021, with comparative information for 2020

	2021	2020
<b>REVENUE</b>		
Services and related fees (note 12)	\$ 74,679,995	\$ 66,955,215
Investment and other income (note 13)	1,862,548	2,250,829
	76,542,543	69,206,044
<b>EXPENSES</b>		
Salaries and benefits	54,763,035	49,123,092
General, operating and administration	7,403,586	6,134,253
Communications and information services	4,658,890	4,436,216
Amortization of tangible capital assets and intangible assets	3,799,327	4,800,902
Building occupancy	3,306,242	3,309,475
Transportation	885,345	943,217
Corporate governance	692,473	418,543
	75,508,898	69,165,698
<b>Excess of revenue over expenses</b>	<b>\$ 1,033,645</b>	<b>\$ 40,346</b>

See accompanying notes to financial statements.

**BRITISH COLUMBIA SAFETY AUTHORITY (DBA TECHNICAL SAFETY BC)**  
**STATEMENT OF CHANGES IN NET ASSETS**

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

					2021	2020
	INVESTMENT IN TANGIBLE CAPITAL ASSETS AND INTANGIBLE ASSETS	EDUCATION RESERVE	CAPITAL RESERVE	OPERATING RESERVE	TOTAL	TOTAL
Net assets, beginning of year	\$12,525,422	\$ 357,496	\$ 6,200,731	\$ 9,764,839	\$ 28,848,488	\$ 28,928,530
Excess (deficiency) of revenue over expenses	(3,705,484)	(155,536)	-	4,894,665	1,033,645	40,346
Remeasurement gain (loss) on accrued employee future benefits (note 10(b))	-	-	-	18,910	18,910	(120,388)
Net investment in tangible capital assets and intangible assets	5,012,321	-	(5,035,861)	23,540	-	-
Interfund transfer (note 14)	-	122,500	11,440,302	(11,562,802)	-	-
<b>Net assets, end of year</b>	<b>\$ 13,832,259</b>	<b>\$ 324,460</b>	<b>\$ 12,605,172</b>	<b>\$ 3,139,152</b>	<b>\$ 29,901,043</b>	<b>\$ 28,848,488</b>

See accompanying notes to financial statements.

**BRITISH COLUMBIA SAFETY AUTHORITY (DBA TECHNICAL SAFETY BC)**  
**STATEMENT OF CASH FLOWS**

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

	2021	2020
<b>Cash provided by (used in):</b>		
<b>Operating</b>		
Excess of revenue over expenses	\$ 1,033,645	\$ 40,346
Items not involving cash:		
Amortization of deferred leasehold inducements	(329,935)	(312,487)
Amortization of tangible capital assets and intangible assets	3,799,327	4,800,902
Gain on disposal of tangible capital assets	(93,843)	(97,814)
Accretion of asset retirement obligation	1,749	1,714
Change in fair value of investments	(307,196)	(592,296)
Change in accrued employee future benefits	50,332	(72,102)
Net changes in non-cash working capital accounts (note 17)	4,737,742	209,062
	8,891,821	3,977,325
<b>Financing</b>		
Principal payments on capital lease obligation	(70,722)	(67,959)
<b>Investments</b>		
Purchase of tangible capital assets	(1,419,524)	(1,806,338)
Proceeds from disposal of tangible capital assets	94,262	97,814
Purchase and development of intangible assets	(3,616,337)	(1,365,365)
Interest income re-invested	(1,160,684)	(77,292)
Purchase of investments	(6,000,000)	-
Withdrawal of investments	-	2,500,000
	(12,102,283)	(651,181)
Increase (decrease) in cash	(3,281,184)	3,258,185
Cash, beginning of year	8,907,005	5,648,820
Cash, end of year	\$ 5,625,821	\$ 8,907,005

See accompanying notes to financial statements.

## BRITISH COLUMBIA SAFETY AUTHORITY (dba TECHNICAL SAFETY BC) NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2021

### 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 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 that is 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.

##### (iii) Capital reserve:

The capital reserve was established to fund long-term capital investment projects, such as the modernization of facilities and information technology systems.

##### (iv) Operating reserve:

The operating reserve represents the accumulated unrestricted surplus of BCSA.

#### (d) Investments:

Investments are carried at fair value based on published quoted prices at year-end. All investments are held in pooled funds.

## 2. SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

### (d) Investments: (continued)

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 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 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.

### (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 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	term of the lease
Leased tangible capital assets	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

BRITISH COLUMBIA SAFETY AUTHORITY (DBA TECHNICAL SAFETY BC)  
NOTES TO FINANCIAL STATEMENTS CONTINUED

Year ended December 31, 2021

**2. SIGNIFICANT ACCOUNTING POLICIES:  
(CONTINUED)**

**(f) Tangible capital assets: (continued)**

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.

**(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 increase 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) Use of estimates:**

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 payables and accruals. 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, 2021 and 2020.

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.

All investments held by BCSA at December 31, 2021 are considered Level 2 (2020 – Level 2).

## 3. ACCOUNTS RECEIVABLE:

	2021	2020
Trade and other receivables	\$ 2,329,207	\$ 2,631,975
Allowance for doubtful accounts	(901,153)	(756,045)
	\$ 1,428,054	\$ 1,875,930

## 4. INVESTMENTS:

BCSA manages its investment portfolio through a third party investment manager, who invests according to BCSA's investment policy. Investments are held in short-term bond and Canadian dividend funds.

	2021		2020	
	COST	FAIR VALUE	COST	FAIR VALUE
Short-term bond fund	\$ 32,265,413	\$ 32,514,799	\$ 25,669,104	\$ 26,676,003
Canadian dividend fund	6,606,425	7,857,831	5,681,527	6,228,747
	\$ 38,871,838	\$ 40,372,630	\$ 31,350,631	\$ 32,904,750

	2021	2020
Current portion	\$ 12,605,172	\$ 6,200,731
Long-term portion	27,767,458	26,704,019
	\$ 40,372,630	\$ 32,904,750

**BRITISH COLUMBIA SAFETY AUTHORITY (DBA TECHNICAL SAFETY BC)**  
**NOTES TO FINANCIAL STATEMENTS CONTINUED**

Year ended December 31, 2021

**5. INTANGIBLE ASSETS:**

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

			2021	2020
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	NET BOOK VALUE
Software systems	\$ 21,957,595	\$ 19,716,632	\$ 2,240,963	\$ 2,005,612
Software systems under development	4,162,847	–	4,162,847	1,936,336
	\$ 26,120,442	\$ 19,716,632	\$ 6,403,810	\$ 3,941,948

**6. TANGIBLE CAPITAL ASSETS:**

Included in tangible capital assets is \$333,450 (2020 - nil) of assets that had not yet been put into use.

			2021	2020
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	NET BOOK VALUE
Computer hardware	\$ 6,060,071	\$ 4,699,885	\$ 1,360,186	\$ 1,552,200
Software systems integral to hardware operations	1,323,119	1,234,999	88,120	172,681
Vehicles	5,822,354	4,173,195	1,649,159	1,520,833
Furniture and equipment	5,116,381	4,296,422	819,959	1,259,036
Leasehold improvements	9,177,978	5,657,577	3,520,401	4,091,874
Leased tangible capital assets	334,740	301,541	33,199	100,147
	\$ 27,834,643	\$ 20,363,619	\$ 7,471,024	\$ 8,696,771

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:**

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

	2021	2020
Trade payables and accruals	\$ 2,030,635	\$ 1,208,706
Government taxes and remittances	1,628,753	1,024,241
Wages and related costs payable	5,513,878	4,287,304
	\$ 9,173,266	\$ 6,520,251

## 8. CAPITAL LEASE OBLIGATION:

BCSA has capital leases for vehicles with future minimum annual payments as follow:

Total minimum lease payments 2022	\$43,142
Less amount representing interest at 3.99%	567
Present value of minimum capital lease payments	42,575
Less current portion	42,575
Long-term portion	\$ -

## 9. DEFERRED LEASEHOLD INDUCEMENTS:

Deferred leasehold inducements relate to leasehold improvements in the currently occupied Vancouver office and Comox office, with estimated remaining lease terms of 82 months and 18 months, respectively.

	2021	2020
Deferred leasehold inducements, beginning of year	\$ 3,438,222	\$ 3,750,709
Less amortization recorded net of building occupancy expense	329,935	312,487
Deferred leasehold inducements, end of year	3,108,287	3,438,222
Less current portion	327,202	327,202
Long-term portion	\$ 2,781,085	\$ 3,111,020

## 10. ACCRUED EMPLOYEE FUTURE BENEFITS:

### (a) Public Service Pension Plan:

BCSA and its permanent employees contribute to the Public Service Pension Plan, a jointly trustees 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 52,000 retired members as at March 31, 2021. BCSA had 471 active employees in the plan as at December 31, 2021 (2020 – 429).

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 million surplus for basic pension benefits on a going concern basis. The next valuation will be as at March 31, 2023.

Employer contributions paid by BCSA to the Public Service Pension Plan during the year were \$4,149,513 (2020 - \$3,849,151).

BRITISH COLUMBIA SAFETY AUTHORITY (DBA TECHNICAL SAFETY BC)  
NOTES TO FINANCIAL STATEMENTS CONTINUED

Year ended December 31, 2021

10. 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, 2019. 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:

	2021	2020
Accrued employee future benefits, beginning of year	\$ 897,542	\$ 849,256
Current service cost	104,135	89,732
Interest cost	21,540	26,327
Benefits paid	(75,343)	(188,161)
Remeasurement (gain) loss	(18,910)	120,388
Accrued employee future benefits, end of year	\$ 928,964	\$ 897,542

The expense for the plan is comprised of the following:

	2021	2020
Current service cost	\$ 104,135	\$ 89,732
Interest cost	21,540	26,327
Retirement benefit plan expense	\$ 125,675	\$ 116,059

## 10. 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:

	2021	2020
Discount rate	2.90%	2.40%
Rate of compensation increase	3.10%	3.10%

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

## 11. 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 \$88,381 as at December 31, 2021 (2020 - \$86,632).

## 12. SERVICES AND RELATED FEES:

	2021	2020
Installation permits	\$ 43,739,022	\$ 37,488,135
Operating permits	18,370,062	17,509,728
Certification and licensing	4,639,216	3,987,367
Design registration	2,249,634	2,490,249
ASA and ESA	1,674,772	1,325,277
Inspections	1,595,199	1,873,478
Client education and administrative services	1,105,465	1,218,885
Equipment approvals	1,052,888	980,477
Miscellaneous	253,737	81,619
	\$ 74,679,995	\$ 66,955,215

## 13. INVESTMENT AND OTHER INCOME:

	2021	2020
Investment income	\$ 967,075	\$ 1,081,358
Change in fair value on investments	307,196	592,296
	1,274,271	1,673,654
Rental income	265,265	285,794
Monetary penalties issued	164,500	142,068
Gain on disposal of tangible capital assets	93,843	97,814
Interest income on cash balances	64,669	51,499
	\$ 1,862,548	\$ 2,250,829

BRITISH COLUMBIA SAFETY AUTHORITY (DBA TECHNICAL SAFETY BC)  
NOTES TO FINANCIAL STATEMENTS CONTINUED

Year ended December 31, 2021

**14. INTERNAL FUND TRANSFERS:**

Internal fund transfers is comprised of the following:

**(a) Education reserve:**

Transfer of \$122,500 from the operating reserve to the education reserve related to monetary penalties collected that will be expended on accident prevention and safety education programs (2020 - \$54,322).

**(b) Capital reserve:**

Transfer of \$11,440,302 (2020 - \$2,322,006) from the operating reserve to the capital reserve to fund long-term capital investment projects.

**15. COMMITMENTS:**

**(a) Operating leases:**

BCSA leases office space with future minimum annual payments as follows:

2022	\$ 2,110,952
2023	1,963,831
2024	1,807,578
2025	1,628,965
2026	1,709,080
Thereafter	3,138,987
	<u>\$ 12,359,393</u>

**(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, 2021 (2020 - nil).

**16. 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.

## 17. CHANGE IN NON-CASH WORKING CAPITAL ACCOUNTS:

	2021	2020
Accounts receivable	\$ 447,876	\$ 342,396
Prepaid expenses	(195,637)	117,066
Accounts payable and accrued liabilities	2,653,015	(576,327)
Deferred revenue	1,832,488	325,927
	\$ 4,737,742	\$ 209,062

## 18. 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 of loss resulting from the failure of a customer or other debtor to honour its financial obligations. BCSA is exposed to credit risk with respect to its accounts receivable. Trade accounts receivable over 120 days are reviewed quarterly. All amounts over \$1,500 are reviewed for collectability and specific provisions are made accordingly. For remaining accounts, management applies a general provision based on past experience of collection.

### (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 is not significantly exposed to foreign currency risk or other price risks.

### (c) Interest rate risk:

Interest rate risk is the risk that BCSA's investments will change in fair value due to future fluctuations in market interest rates. The risk arises primarily on interest-bearing financial instruments held in the short term bond fund.

### (d) Liquidity risk:

Liquidity risk is the risk that BCSA will not be able to meet its financial obligations as they fall due. BCSA's approach to managing liquidity risk is to ensure that it will have a sufficient net monetary position and cash flow generated from operations to fund the operations and settle debt and liabilities when due. BCSA also maintains an operating reserve to mitigate this risk.

There has been no change to the risk exposure in 2021.



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