OUR STORIES IN SAFETY

2013-14 Annual Report
Technical Standards and Safety Authority
THE TRUE VALUE OF TSSA’S SAFETY SYSTEM

To keep Ontarians safe, every day, we enforce regulations, codes, and standards through engineering design reviews, inspections, investigations, and examination, certification and licensing activities. To make Ontarians aware of how to lead safer lives, we inform and educate owners, users, manufacturers, operators, and the public on better safety practices. We explain why rules and regulations exist, and how Ontarians can make every day decisions that result in safer activities.

Our value proposition is to emphasize prevention, and to identify gaps in compliance by applying best safety policies and practices.

We all share a desire to make Ontario safer. We all play a part in the safety system. Together, through informed decisions, greater awareness, and a keen sense of responsibility, we will continue to pursue positive safety outcomes in the province of Ontario. TSSA’s true value rests in our relentless pursuit of making Ontario a safer place, every day.
TO PROMOTE AND ENFORCE PUBLIC SAFETY...

Created in 1996 by the Government of Ontario as an administrative authority, we enforce public safety laws throughout Ontario under the Technical Standards and Safety Act, 2000 (the Act) in designated sectors, such as amusement devices, boilers and pressure vessels, elevating devices, fuels, power plants, ski lifts, and upholstered and stuffed articles. The Ministry of Consumer Services (MCS) sets public safety standards and policy, including authority for the Act, and oversees TSSA’s delivery and performance.

TSSA delivers a broad range of safety services, including public education and consumer information, certification, licensing and registration, engineering design reviews, inspections, investigations, safety management consultation, and enforcement and prosecution activities. With a team of over 400 safety professionals, approximately 75% of whom work in operations, we are passionate about the care entrusted to us as one of Ontario’s public safety regulators.

We work with partners in industry, government and the public, striving for zero serious injuries and fatalities in all of our regulated sectors. With our risk-informed approach, gaining national and international interest, we’re truly measuring risk and focusing our expertise to where it matters most – the safety of every Ontarian.

It’s all about coming together – with knowledge, vigilance, and a shared focus. That’s the strength behind the men and women of TSSA, progressing toward our vision: to be a valued advocate and recognized authority in public safety.

See where the story took us this year...

PURPOSE

To promote and enforce public safety.

VISION

To be a valued advocate and recognized authority in public safety.

VALUES

TSSA’s values are a reflection of our commitment to public safety, and the beneficiaries of all our efforts are our public and industry stakeholders.

SAFETY – Be safety conscious at all times
LEADERSHIP – Be the best in actions and words
INTEGRITY – Be honest and ethical
RESPECT – Build trust and earn respect
ACCOUNTABILITY – Be responsible for all actions and deliver on commitments
COMMUNICATION – Be an effective and efficient communicator, and an active listener
TEAMWORK – Work together, respect individuals and celebrate success
MESSAGES FROM TSSA

“Safety is at our core. From its expression within our values and the stories that we share...we walk-the-walk as much as we talk-the-talk, every single day.”
A MESSAGE FROM THE CHAIR

Leading the Board of Directors of Ontario’s public safety regulator is both an honour and a privilege, not only because of the safety-driven accomplishments of the dedicated men and women of this organization, but also being part of the effort to keep Ontario one of the safest jurisdictions in the world.

A commitment to safety is often unseen although it involves noble efforts behind the scenes to ensure our well-being and quality of life. At TSSA, our staff of safety professionals and the Board of Directors are the quiet strength of public safety, working to keep us all safe and maintain a vigilant watch over the province.

The past year was full of many notable accomplishments and changes and I commend my colleagues on the Board for continuing to provide effective strategic direction and oversight to the organization. Our governance work has ensured that TSSA continues to contribute to achieving even greater levels of safety in Ontario and remains focused on its vision of being a recognized authority in public safety and a valued public safety advocate.

The Board was energized this past year with the appointment of a slate of new directors representing both industry and the public sector. The balance of experience and new perspectives has ameliorated the Board’s deliberations, diversifying points of view and introducing new insights into public safety, organizational excellence and governance best practice.

The Board’s critical role in providing strategic oversight supported a number of important developments undertaken by the organization’s senior management team, including among others: the creation of a new Chief Audit Executive role; the appointment of an employee and industry Ombudsman; and the formation of an Innovation Committee. These initiatives will further enhance the organization’s governance, customer service, transparency, efficiency and accountability to the industries it regulates, to the Government of Ontario to which it reports and, most importantly, to the public of Ontario.

The Chief Audit Executive is an internal auditor position that operates independently and objectively. The role provides an assurance function for the organization, reporting directly to the Board and its Audit, Finance and Risk Committee. Designed to significantly enhance the effectiveness of risk management, internal controls and good governance, this function will help the Board and TSSA maintain greater financial controls and transparency, and better identify potential risks to business and strategic initiatives.

The Office of the Ombudsman will help TSSA achieve even higher standards of governance, customer service and transparency. The role provides an independent and confidential means for both staff and industry players to engage TSSA with issues and concerns, as well as suggestions to enhance both public safety and service delivery.

The establishment of a cross-functional internal Innovation Committee will spur the organization’s embrace of the future by looking at how to incorporate emerging technologies and apply innovative approaches to our operations. By adopting innovative thinking, we are looking to increase productivity, improve customer service and enhance organizational efficiency, ultimately allowing TSSA to better serve the public and enhance safety outcomes.

These initiatives speak to the Board’s deep commitment to strengthen governance, accountability, transparency and customer service at TSSA. Achieving excellence in safety outcomes requires a committed and professional staff, excellence in executive leadership, strong partnerships with government, consumer and industry partners, and strategic Board oversight, all working together cohesively and collaboratively in pursuit of the single goal of ensuring Ontario remains a leading jurisdiction in public safety. This year’s accomplishments have strengthened the organization and measurably enhanced public safety in Ontario and have set the ground for even greater achievements next year.

I am deeply appreciative and thankful for the considerable commitment and dedication of my Board colleagues, the men and women of TSSA, and the stakeholders of Ontario.

Judith Wolfson
Chair, Board of Directors

“A commitment to safety is often unseen although it involves the noble efforts behind the scenes to ensure our well-being and quality of life. At TSSA, we are the quiet strength of safety and maintain a vigilant watch over the province.”
A MESSAGE FROM THE PRESIDENT AND CEO

It never ceases to amaze me when I think about all the areas of modern life that TSSA’s exceptional team of safety professionals touch day-after-day. At home, work or play, we are there ensuring your safety. Whether it is the boiler at your local school, the elevator in your building, or the roller coaster at your favourite park, we take our responsibility for safety very seriously.

That is why in my first year as President and CEO of TSSA, I placed an added emphasis on safety, to ingrain it more deeply into our workplace culture and to make it more visible. From its inclusion in our corporate values to the daily stories about safety that we share at our team meetings, the men and women of TSSA now walk-the-talk as much as they talk-the-talk every single day. I am enormously proud of the staff at TSSA and admire their commitment and passion to public safety.

This year’s Annual Report highlights a few of the many special individuals behind the organization’s notable achievements in safety in order to put a face on those successes.

Mitigating risk is at the core of what we do at TSSA and how we work to keep the people of Ontario safe. In addition to inspections and engineering reviews, we mitigate risk through an innovative approach to risk analysis and behaviour insight that seeks to methodically identify and analyse risks, and devise strategies to get people to engage in safer behaviour.

Two of the stories in this year’s Annual Report highlight the accomplishments in this critical aspect of our work, including a Canadian patent on our Risk-Informed Decision-Making Framework, which follows the US Patent that was awarded the previous year, and an Ontario Fire Marshal’s Award for Excellence in Fire Safety for our work in carbon monoxide safety.

A more familiar aspect of what we do is enforcement, which is typically associated with the work of our inspectors. A lesser known, but equally important, dimension of our enforcement work are the prosecutions carried out jointly by our legal and investigations team. This little known law enforcement function puts more bite into our safety work.

This year, we undertook a number of prosecutions and sent a loud and clear message to those worst offenders that Ontario’s public safety regulations will be enforced to the fullest extent of the law.

As a public safety regulator, one of our most important obligations beyond our core safety mandate is to engage with our regulated customers, industry, and in particular the broader Ontario public. This year, we stepped up our engagement and communication efforts beyond the daily touch points between our frontline staff in inspections, engineering and licensing, registration and certification to be more accountable and transparent to those we serve through social media. We launched a number of truly innovative content strategies, including launching a web-based interview program called ‘Safety Matters’ and a feature called ‘Ask TSSA’ on our safety blog ‘The Exchange’.

At TSSA, we believe safety is a shared responsibility between the public, industry, the government and, of course, the safety regulator. While the public and industry components may be obvious, the role of government in safety is less known and appreciated, but vital. This year, we made enormous gains in our work with our government partners in the Ministry of Consumer Services, including: developing proposed amendments to the propane regulations to implement the remaining recommendations of the Propane Safety Review Panel and reduce administrative burden on business, and, reviewing the Boilers and Pressure Vessels regulation to enhance compliance in the sector.

This past year’s accomplishments are a testament to the exceptional men and women of TSSA who work tirelessly to ensure safety in the sectors we regulate. In the spirit of continuous improvement, we recognize that there are many opportunities still ahead of us to achieve even greater safety for Ontarians. As always, we welcome your feedback on how effectively we meet our commitments and how we may improve our services. We look forward to another year of safety enhancements with your support.

Michael Beard
President and Chief Executive Officer
A YEAR IN REVIEW

This year, we’ve chosen to highlight the work of eight members of TSSA’s staff and their safety-driven stories. Their work behind the scenes makes us safer every day.
Our Year in Safety

At TSSA, we believe safety is a shared responsibility. That is why we focus on bringing together the expertise of our many partners to cultivate and strengthen Ontario’s safety system. Power and gas utilities, petroleum companies, Ministry policy analysts, professional engineers, elevator technicians, firefighters, piping contractors, building owners, welders, boiler manufacturers, amusement ride mechanics, consumers, and many others all play an important part in keeping Ontario’s safety net strong.

In this year’s Annual Report, we profile some of the individuals at TSSA who work behind the scenes facilitating and supporting the partnerships that make Ontario one of the safest jurisdictions in the world. Day in and day out, the men and women of TSSA conduct field inspections, review engineering designs, participate in code committees, conduct risk analysis, educate the public about safety risks, and research and analyze policies to do their part in keeping the sectors of the economy we regulate safe. Their accomplishments speak to both a deep passion and abiding commitment to public safety. We are proud of their work and pleased to highlight some of the ways they contribute to making TSSA a more effective safety organization and Ontario a safer place to live, work and play.

Introducing some of the men and women of TSSA who work to make Ontario a better and safer place...

- Sandra Cooke, who was appointed TSSA’s first Ombudsman;
- Communications Advisor Greg Kerr, who played a key role in the rollout of our Social Media strategy, and Amusement Devices Engineer Sarah Simons, who used social media to get the word out about new zipline regulations;
- Elevating Devices Regional Supervisor Rene Karavas and Decision Analysis Advisor Lency Mulamootil, whose work applying risk analysis to safety decisions has improved the way TSSA inspectors issue orders and the way TSSA schedules inspections;
- Investigator Stu Seaton and Legal Counsel Raj Bharati, who are part of the TSSA prosecutions team that has launched a record number of prosecutions; and
- Research and Education Director David Lisle, who leads TSSA’s innovative carbon monoxide awareness strategy.

This year, we conducted over 13,000 engineering design reviews, over 50,000 inspections, issued more than 139,000 safety orders, and launched 46 legal cases to prosecute both individuals and corporations that violated safety regulations. These activities resulted in increased compliance with safety regulations, deterred illegal activities that endangered the public, reduced safety risks in our regulated sectors, and increased the overall effectiveness of Ontario’s public safety net.

Our staff does far more than enforce; we inform, educate, and listen.
Safety, after all, is a shared responsibility and TSSA brings together the expertise of many partners to cultivate and strengthen our system.

In 2013-14, public safety risks reduced by:

<table>
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<tr>
<th>Sector</th>
<th>% Reduction</th>
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<tr>
<td>Fuels</td>
<td>80%</td>
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<tr>
<td>Ski Lifts</td>
<td>67%</td>
</tr>
<tr>
<td>Escalators</td>
<td>60%</td>
</tr>
<tr>
<td>Amusement Devices</td>
<td>27%</td>
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Additional achievements include:

- maintained a zero backlog in our periodic inspections;
- completed a review of the Propane Regulations;
- launched an initiative in partnership with the Ministry of Consumer Services to enhance compliance in the Boilers and Pressure Vessels sector;
- made significant upgrades to our data system;
- introduced an online training system;
- generated positive financial results;
- received another patent for our Risk-Informed Decision-Making framework;
- reduced public safety risks in Amusement Devices by 27%, Escalators by 60%, Ski Lifts by 67%, and Fuels by 80% compared to last year; and
- increased trend in compliance for Propane of 69%.

We continually measure how we are progressing as an organization and how we are contributing to public safety in the sectors we regulate. TSSA’s balanced scorecard, found on pages 69 to 72 of this report, provides detailed information about how well we did as an organization in achieving our goals for the past year. For more detail on the state of compliance as well as measures and trends in the safety of our regulated sectors, the Annual Public Safety Performance Report, which is available on our website, provides both detailed analysis as well as highlights for all of our safety programs.
When TSSA Fuels Investigator Stu Seaton received a tip that an uncertified fuels contractor was working on gas appliances at a local fast food restaurant in Hawkesbury, located halfway between Ottawa and Montréal, he immediately set out to investigate.

When he got to the Dairy Queen where the suspected fuels contractor was installing a new gas fryer and grill, he was deeply concerned about the risk the gas appliances posed not only to the young staff that work at the restaurant, but to the many customers who line up every day for burgers and ice cream. And, when Stu dug deeper and found that the contractor had been conducting all the gas work in the building where the Dairy Queen was located, he became alarmed at the risk posed to all the building occupants.

Stu’s investigation revealed that the fuels contractor had received a previous cease-and-desist order for working on fuel appliances without a TSSA Certificate. It was clear the contractor, who was operating in Prescott County, was at it again. The contractor’s actions, compared to other responsible business owners, were potentially callous and could have put the public at risk from carbon monoxide poisoning, which can easily sicken and kill those exposed to the deadly gas. It was time to bring in TSSA’s prosecution team to send a stronger message to deter such reckless behaviour.

Raj Bharati, TSSA’s Legal Counsel, began to build a case for prosecution. Working with Stu’s investigation file, Raj obtained a court summons for the contractor to appear in court to face charges under the Technical Standards and Safety Act, 2000.

Stu’s court testimony led to a successful prosecution. The contractor was found guilty of installing and servicing gas appliances without holding a TSSA Certificate, failing to register with TSSA as a fuels contractor and failing to comply with a TSSA safety order.

The Ontario Court of Justice in Hawkesbury levied a fine of $5,000 plus the mandatory 25% victim surcharge and imposed a 12-month probation order. The next time the contractor is caught working on a gas appliance, he could possibly face jail time.

TSSA’s Investigators like Stu and Legal Counsel like Raj took on a record number of prosecutions this past year. Their dogged work investigating incidents and making compelling arguments in court play a critical role in enforcing Ontario’s public safety laws and ultimately keeping all of us safe from unscrupulous operators who fail to follow safety regulations and put the public, and themselves, at risk.
The work of TSSA’s inspectors and engineers in the Boilers and Pressure Vessels (BPV) Safety Program allows the plants that power the province to keep the lights on and ensures the systems that heat and cool our hospitals, schools and office buildings keep us cozy all year-round.

Our job is to ensure every boiler, pressure vessel and piping system in Ontario is compliant with the province’s safety regulations. We do this by conducting engineering reviews, manufacturing inspections, first inspections, and periodic inspections of uninsured BPVs. We also certify all BPV inspectors in Ontario, including those employed by insurance companies that carry out periodic inspections of insured boilers and pressure vessels.

This year, we conducted over 15,500 inspections and over 5,000 engineering design reviews to ensure the continued safety of boilers and pressure vessels in Ontario. Additional activities from the year include:

- issued 111 orders related to non-compliances with safety regulations;
- conducted a safety analysis and reviewed the frequency of internal inspections of BPVs;
- conducted a safety analysis of new snow-making machinery operating at higher pressure levels;
- continued to provide authorized inspection services to the Darlington, Pickering and Bruce nuclear power plants;
- continued to provide engineering and inspection services to ensure road safety during the transportation of dangerous goods;
- continued to provide technical training and expertise to standard setting committees of the Canadian Standards Association, and
- initiated a review of the BPV Regulation, in partnership with the Ministry of Consumer Services, to enhance compliance.

The overall results of our efforts contributed to maintaining an extremely high level of safety in the BPV sector. The compliance rate for uninsured BPVs was 97% and there were no reportable incidents in the BPV sector, making Ontario’s BPV sector one of the safest in North America.

We are committed to continuing technical training through representation and membership in groups such as the nuclear design work group, The National Board of Boilers and Pressure Vessel Inspectors and ASME Certification.
At TSSA, we make sure power plants – from a little curling rink with an automated refrigeration plant to a large-scale thermal generation power plant – follow the province’s safety rules so they operate reliably and safely. We also certify 12,700 power engineers and operators to ensure the people running Ontario’s power plants have the right skills and training to run everything safely and smoothly. Our inspectors conduct inspections on over 2,900 power plants registered across the province to make certain that they are operating safely.

This year, TSSA’s Operating Engineer (OE) Inspectors conducted over 2,800 inspections to ensure Ontario’s power plants operate at the highest levels of public safety. Additional activities from the year include:

- Issued over 4,900 orders to approximately 1,600 plants related to non-compliances, and registered 108 new plants;
- Successfully prosecuted a Burlington refrigeration operator caught with a forged certificate; and
- Produced a recruiting video in conjunction with the Institute of Power Engineers to encourage Operating Engineer as a career choice to address the looming skills shortage in the industry.

Overall, public safety risks in the OE sector remain extremely low, with no fatalities or injuries recorded in the last seven years.

An impending skills shortage in Power Engineering prompted TSSA to develop a recruiting video, which has received tremendous support across the industry.

Our inspectors conduct inspections on over 2,900 power plants to make certain that they are registered and operating safely.
Dave Lisle and his Public Education and Research team focus on getting people to do the safe thing. This is not as easy as it sounds because changing behaviour requires changing the way people think and act.

When it comes to carbon monoxide safety, the challenge is that much greater because carbon monoxide (CO) is not something that most people are aware of, let alone actively protect themselves against.

CO remains a leading cause of accidental poisoning in Ontario, across Canada, and in many countries around the world. The most prominent cause of CO incidents are related to malfunctioning fuel-burning equipment and appliances, poor venting, and using such equipment in confined spaces.

Getting fuel-burning equipment and appliances regularly maintained and/or inspected by a TSSA-certified fuel technician, and installing and regularly testing a carbon monoxide detector are the best ways to protect yourself against the risk of CO poisoning.

Dave's team has developed and tested a highly effective strategy to get this message to homeowners in Ontario, where the vast majority of incidents occur, and more importantly to get them to install CO detectors and arrange for annual inspections.

Last year, we reached more than 2.8 million homeowners and tenants with a variety of tactics – direct mail, CO Safety kits, and blitz campaigns – to increase awareness, understanding, and (most importantly) actions to mitigate risk.

After receiving our direct mail, recall rates were five times the industry standard. Of the 1.9 million households, 13.5% recalled receiving the materials. Of those, over 50% felt more or much more informed, and more than 30% were either somewhat more likely or much more likely to take additional actions to address CO hazards in their home: two-thirds said they would install a CO alarm and one-third said they would proactively book an inspection for their fuel-burning appliances. Now that’s research and education at work.

Dave and his team are pioneers in developing and testing new approaches to safety. The Ontario Fire Marshal’s Office recognized TSSA’s innovative work on CO safety by awarding Dave Lisle a Fire Marshal’s Award for Excellence in Fire Safety. This is one way we fulfill our vision to become a valued advocate and recognized authority in public safety.

"Last year, we reached more than 2.8 million homeowners and tenants to increase awareness, understanding, and (most importantly) actions to mitigate risk."

Dave Lisle
Director, Research and Education
When you ride an elevator, escalator or moving walk, you expect to arrive safely – be it to the office, shopping mall, or airport. We expect so too.

At TSSA, we regulate the safety of more than 54,000 elevating devices throughout Ontario, including elevators, escalators, moving walks, lifts for persons with physical disabilities, construction hoists and ski lifts. Over 200 elevator contractors registered with TSSA employ over 4,600 elevator mechanics certified by TSSA. Together, they are responsible for the safety of the elevating devices they install, alter and maintain.

This year, we conducted over 20,000 inspections and over 7,400 engineering design reviews, ensuring the safety of elevators, escalators and ski lifts. Additional activities from the year include:

- issued over 76,000 orders related to non-compliances with safety regulations;
- successfully implemented standardized orders and risk-based scheduling to ensure greater consistency in inspection orders and the most efficient allocation of inspection resources;
- developed a Maintenance Control Program with cooperation and input from the Canadian Elevator Contractors Association (CECA);
- harmonized safety standards between the American Society of Mechanical Engineers (ASME) and the Canadian Standards Association (CSA);
- organized an industry town hall for contractors, mechanics, owners and operators to discuss safety of elevating devices;
- enhanced safety enforcement during the labour dispute between the International Union of Elevator Constructors and the National Elevator and Escalator Association;
- hired seven new elevator inspectors to ensure sufficient inspection resources to address a growing number of devices;
- partnered with the Canadian Ski Instructors Alliance to further encourage lift and overall ski safety to approximately 40,000 new skiers and snowboarders, including a safety training video;
- promoted elevator and escalator safety to over 2,000,000 higher risk riders through outreach to elementary schools, day cares, retirement homes, and popular primary-age magazines; and
- conducted a risk analysis of levelling issues associated with single-speed elevators and issued a Director’s Order calling for a complete retrofit of single-speed elevators.

TSSA’s ED, AD and Ski Lifts Safety program continues to focus its efforts on reducing public safety risks associated with elevators, which increased slightly by 4% last year. In the escalator and ski lifts sector, the program was highly successful in reducing public safety risks by 60% and 67%, respectively.

Our public safety education campaign at ski resorts reached over 40,000 skiers & snowboarders.
Behind the whirling, flipping, gyrating machines at Ontario’s amusement parks, TSSA is working behind the scenes to make sure your fun times are safe times. We regulate the safety of over 2,000 permitted amusement devices in Ontario, including roller coasters, Ferris wheels, go-karts, inflatables and waterslides. We license ride operators too who are, in turn, responsible for the safe set-up, maintenance and operation of all rides.

This year, we conducted over 1,850 inspections and over 290 engineering design reviews to ensure the safety of amusement devices throughout the province of Ontario. Additional activities include:

- Issued over 2,260 orders related to non-compliances with safety regulations;
- Developed a new partnership with the Electrical Safety Authority for joint seasonal inspections;
- Issued new zipline safety regulations for campgrounds;
- Continued to work on harmonized safety standards, including waterslide standards, between American Society for Testing and Materials (ASTM) F24 and CSA Z267 Amusement Devices Safety Code; and
- Issued over 2,260 orders related to non-compliances with safety regulations.

A great deal of technical expertise goes into ensuring safety at amusement parks, but a major factor is the rider. TSSA’s analysis of amusement ride incidents shows that over 90 per cent of estimated risk at Ontario’s amusement parks is due to user behaviour. That is why TSSA’s safety strategy focuses on public education to teach riders how to be safe. This year, we ran a pilot Safety Ambassador program at selected water parks targeting the most at-risk 10-14 year-old riders on-site to teach safe riding behaviour and reward them for following safety rules. Based on the successful pilot, the Safety Ambassador program is being considered for expansion next year. As part of our ongoing public education work, we also:

- Conducted public education campaigns at waterslide and go-kart parks to assist with safe rider behaviour, resulting in over 82,000 direct face-to-face interactions with riders; and
- Partnered with the Office of the Fire Marshal and the Toronto Blue Jays to raise safety awareness with young target audiences, distributing over 150,000 special safety-edition baseball collector card decks, highlighting various fire, go-kart and waterslide safety tips to children across the province.

By combining public education and research, engineering reviews, and on-site inspections, public safety risks in the Amusement Device sector have been reduced by 27%, compliance rates have increased to 64%, and incidents have decreased by 7%.
When Greg Kerr joined TSSA as a Communications Advisor, he never thought he would wind up hosting an online talk-show. And, when Sarah Simons joined the organization as an Engineer, she never thought she would be a guest on an interview program. But recently they both found themselves in a small broadcast studio with bright lights overhead and a green screen behind them talking about new Zipline regulations.

As the host of ‘Safety Matters’, which broadcasts on TSSA’s safety blog ‘The Exchange’, Greg interviews TSSA’s inspectors, Statutory Directors, technical specialists and other staff like Sarah who can share their expertise on safety matters.

It is all part of TSSA’s new social media strategy.

Along with Twitter, Facebook and YouTube accounts, The Exchange is part of TSSA’s latest effort to share safety messages, and offer more information, helpful tips, and technical advice to both regulated customers and the public using online tools. And, more information equals greater compliance, which all adds up to better public safety.

Social media also allows TSSA’s audience to engage more directly. The ‘Ask TSSA’ feature currently available on The Exchange highlights TSSA technical experts who answer commonly asked questions. If you have a technical or safety question, post it on the blog. One of our TSSA technical experts will provide an answer.

TSSA’s regulated customers and the public asked the organization to get social, be more interactive and responsive, and communicate more broadly. The Exchange is how it listened.

“Along with Twitter, Facebook and YouTube, The Exchange is part of TSSA’s effort to share safety messages, and offer more information, helpful tips and technical advice.”
We rely on fuels like natural gas and gasoline for so much: heat for our homes, fuel for our vehicles, to cook our food, run our power plants, power our tools and for endless other uses to provide the comforts of modern living. It has some inherent risks, but when used smartly and safely, fuels provide us with many of our basic needs.

At TSSA, we oversee the safe transportation, storage, handling and use of fuels so we can use fuels to power our lives and the provincial economy safely. We register over 8,700 contractors, certify over 56,000 tradespeople, and license over 9,100 sites, ensuring fuel suppliers, storage and dispensing facilities, transport trucks, pipelines, and equipment or appliances that use fuels are following the safety rules.

This year, we conducted over 12,000 inspections and over 490 engineering design reviews, ensuring the continued safety of all aspects of fuel usage, transportation, storage and handling throughout the province. Other activities from the year include:

- issued over 37,600 orders related to non-compliances with safety regulations;
- permanently eliminated a backlog in periodic inspections;
- completed over 2,500 contractor audits;
- conducted a review of propane regulation in partnership with MCS and industry;
- conducted industry workshops for contractors on liquid fuels, fuel oil, and environmental protocols;
- partnered with the Ontario Regional Common Ground Alliance to increase the safety of pipelines and underground infrastructure, and continued audits of excavation sites in higher risk areas to gauge compliance and provide safety awareness information;
- delivered effective seasonal safety information, focused mainly on carbon monoxide and fuel safety, reaching close to 1,900,000 households through major direct mail campaigns involving TSSA’s AutumnWatch and WinterWise booklets;
- conducted a risk analysis of carbon monoxide (CO) risk in commercial and institutional buildings and launched a special inspection program; and
- conducted over 220 safety presentations to industry as well as publishing articles in industry magazines to broadly communicate messages to those who can influence safety the most.

These activities have contributed to increased public safety in the Fuels sector. Overall, public safety risk in fuels dispensing and storage has declined by 80%, compared to the previous year, and the compliance rate at propane facilities is showing an increasing trend of 69%. The safety risk associated with CO, which increased slightly last year by 7% in homes and 5% in institutional and commercial buildings, remains a concern and will continue to be the focus of TSSA’s advocacy and public education programs next year.

We regulate over 8,700 registered contractors and 56,000 certified tradespeople.
As a consumer, you often do not see the safety behind the things around you. In fact, when you buy something, you expect safety to be sewn right in. So does TSSA’s Upholstered and Stuffed Articles (USA) Safety Program. Our aim is to protect the public from potential hazards found with the use of unclean or unsafe materials, ranging from bedding, furniture and sports equipment to luggage, handbags, toys and clothing – basically any article that contains filling material.

With over 12,000 registered licensees, we seek to ensure their items are properly labelled with filling materials disclosed to consumers. In addition to promoting safety, our aim is to protect the public against fraud and misrepresentation of upholstered and stuffed articles, and to provide a level playing field for the industry. Last year, we conducted 1,100 inspections to ensure retailers, wholesalers and manufacturers properly label their products to keep consumers safe. Other activities from the year include:

- Issued over 18,700 orders related to non-compliance with the safety regulations;
- Conducted over 210 information sessions across Ontario to further educate retailers, wholesalers and manufacturers on the safety requirements of the Upholstered and Stuffed Articles Regulation; and
- Launched the 3R Project: Reuse, Resale and Redistribute to address old mattresses and furniture sold without a second-hand label.

Overall, the Upholstered and Stuffed Articles sector is showing an increasing trend in non-compliance, primarily driven by retailers and wholesalers of second-hand products not properly labelling their goods. The 3R Project will target the second-hand goods sector in order to address the increasing trend in non-compliance.

“Our aim is to protect the public from potential hazards found with unsafe materials.”
LISTENING TO CUSTOMERS AND EMPLOYEES
TSSA’s Employee and Industry Ombudsman

If you wanted a trusted source, someone who is knowledgeable about safety regulations, straightforward, and dedicated to public safety, you would not have to look farther than Sandra Cooke.

A veteran of more than 15 years at TSSA, she has held important positions in Operations, Fuels Safety Engineering, Business Development, and Compliance, gaining the respect of colleagues within TSSA as well as those in industry.

That is why Sandra was an obvious choice to appoint as TSSA’s first Ombudsman.

The role is much like a confidant or mediator, assisting staff and regulated customers in resolving issues and developing ideas for improving the way TSSA delivers its services and engages its staff and those whom we regulate.

The response has been overwhelmingly positive. With staff, Sandra fielded a broad range of issues and ideas for improvement. She facilitated the resolution of conflicts and the implementation of process improvements by working closely with TSSA’s various departments, brokering discussions and introducing ideas.

The response from industry was equally positive, in part because industry partners were strong advocates of the position’s creation from the outset.

What can you expect from the Ombudsman? Although Sandra can’t overrule a safety decision made by an inspector or a Statutory Director, she can help you navigate TSSA and assist you in articulating your issue in the most positive manner to get the most positive result in a fair and transparent manner.

Modelled on the ethics and standards of practice of the International Ombudsman Association, Sandra is off to a great start in her new role as TSSA’s first Ombudsman and ensuring TSSA enhances its governance, transparency and especially customer service.

Sandra Cooke
TSSA Ombudsman

“Sandra can help you navigate TSSA and assist you in articulating your issue in the most positive manner - to get the most positive result in a fair and transparent manner.”
PUBLICATION OF THE RISK MANAGEMENT

TSSA’s innovative Risk-Informed Decision-Making (RIDM) process supports an evidence-based approach to understanding and managing public safety risks. The work of TSSA’s Public Safety and Risk Management (PSRM) group in this area has helped the organization achieve recognition as a leader in effective risk management. What makes RIDM truly exciting is its practical facilitation of the prediction of future safety trends. This past year, TSSA used RIDM to advance public safety in a number of key areas, including:

- Development of risk-based compliance times for specific orders;
- Conducted a risk analysis of older single-speed elevators, which resulted in a Director’s Order for these elevators to be retrofitted;
- Successfully piloted an automated risk-based inspection scheduling system;
- Conducted a risk analysis of carbon monoxide safety in commercial buildings and institutions and developed a targeted inspection program;
- Knowledge-sharing on risk analysis with safety regulators such as the Electrical Safety Authority, Ontario Ministry of Labour, the Canadian Food Inspection Agency, Régie du bâtiment du Québec, and the United States Department of Transportation (Office of Railway Safety), and
- Partnered with the National Public Safety Advisory Committee and the Standards Council of Canada to develop a national risk standard.

RESEARCH AND EDUCATION

TSSA’s Research and Education team designs, develops, and directs the implementation of communication strategies and programs focusing on public education, user behaviour research, customer communication, and customer research. While TSSA’s core responsibility is to administer and enforce safety legislation and regulations, we are committed to achieving positive safety outcomes through efforts beyond our delegated mandate, such as public education.

Within a number of regulated industries, risk analysis has identified user behaviour as a key factor in incidents and injuries. To address this, TSSA’s Research and Education team uses public education as a risk mitigation tool by increasing public awareness of specific risks, helping users better understand how such risks impact their lives, and ultimately, working to influence behaviours that help keep Ontario safe.

To do this, TSSA uses a range of approaches to directly engage target audiences, including safety partnerships, print and online publications, direct mail marketing, social marketing, public relations, and experiential/event marketing. Other activities from the year include:

- Conducted customer research to identify, track, and measure value perceptions and further strengthen customer relationships;
- Continued TSSA’s approach to modifying user behaviour with at-risk users in TSSA’s regulated sectors, and
- Initiated the development of a long-term public safety advocacy strategy.

ENFORCEMENT ACTIVITY

TSSA has a progressive enforcement policy. In keeping with this policy, we apply a variety of enforcement options dependent on the nature of the violation and the past conduct of the offender. We continue to strive for a high level of compliance by targeting enforcement resources in conjunction with our risk management strategy.

Prosecutions are one high-profile enforcement activity we use. In 2013/2014, we pursued 46 prosecutions. In addition, we use a variety of other tools including targeted education programs, legal orders and licence revocation. Our choice of enforcement action is appropriate for and will escalate with the nature of the violation.

CUSTOMER CONTACT

TSSA is committed to delivering customer relationship excellence including the effective handling of customer complaints.

Our customer service approach includes:

- Encouraging an organizational culture that welcomes feedback as an opportunity to improve services;
- Empowering team members to resolve issues on the first contact, and
- Conducting analysis on feedback to improve business processes, communication and service delivery.

Our customer contact centre is the central point of contact for customers. The centre provides knowledgeable and timely answers to most common concerns and enquiries.

In fiscal year 2013/2014, TSSA’s customer contact centre handled over 100,000 phone calls and over 13,000 email contacts. On average, the centre answered 82 per cent of calls within 30 seconds.

ISSUES MANAGEMENT

At TSSA, we define complaints as an expression of dissatisfaction with respect to services we provide, actions of our team members or the complaint process itself. Committed to continuing to improve customer satisfaction and providing high standards of service to ensure satisfaction, we address complaints at the level they are raised. Should the matter require further attention, the complaint is escalated to more senior personnel, up to and including statutory directors or the President and CEO. In fiscal year 2013-2014, we appointed a new Ombudsman to assist in resolving issues and developing ideas for improving the way TSSA delivers its services and engages its staff and those whom we regulate.

FRENCH LANGUAGE SERVICES

Consistent with our French Language Services Policy, we continue to monitor requests for services in French to determine the appropriate level of service to meet public safety and customer service needs.

CHIEF SAFETY AND RISK OFFICER

The Chief Safety and Risk Officer (CSRO) position is independent of TSSA management, reporting directly to the Board. Responsible for public reports on TSSA’s safety activities, the CSRO also reports on any safety matters that the TSSA Board or the Minister of Consumer Services requests.

For more information on the CSRO and public reports, please visit www.chiefsafetyriskofficer.ca.
As a Regional Supervisor and Trainer in the Elevating and Amusement Devices (ED/AD) Safety Program, Rene Karavas has been inspecting elevators and training inspectors for over 25 years. One of the challenges he regularly encounters is the subjective nature of inspections. On the one hand, subjectivity allows inspectors to apply their experience and judgment in assessing issues. On the other hand, subjectivity can result in inconsistent approaches between different inspectors to the same problem.

Enter Lency Mulamootil, a Decision Analysis Advisor with the Public Safety Risk Management group at TSSA. A critical part of the risk analysis team at TSSA, Lency has been applying risk analysis to public safety issues for almost a decade.

Together, Rene and Lency worked on a method to develop standardized inspections orders for elevating devices, amusement devices and ski lifts with a cross-functional team to take some of the subjectivity out of inspections. By quantifying the risks of specific non-compliances, Rene and Lency, together with a small group of engineers, inspectors and risk analysts, were able to determine the optimum time allowance for specific inspection orders before those non-compliances posed a public safety risk.

Now, when an inspector issues an order in the ED/AD and Ski Lifts sectors, the amount of time an operator is given to comply with the order is automatically assigned. This not only enhances efficiency and consistency in our inspections, it allows orders with greater risks to be resolved quicker. Based on Rene and Lency’s work in the ED/AD and Ski Lifts sectors, standardized orders are being developed for other TSSA programs.

Based on the success of their work on standardized orders, Rene, Lency and a team of inspectors, analysts and IT professionals are also working on applying the leading edge risk analysis to the way inspections are scheduled, based on TSSA’s patented approach.

By applying risk analysis to inspections schedules, higher risk devices can be inspected more frequently than lower risk devices, allowing limited inspection resources to be deployed more efficiently and enhancing public safety. An automated risk-based scheduling tool was successfully piloted in the Elevating and Amusement Devices and Operating Engineers sectors, and is now being considered for broader roll-out to TSSA’s other program areas.

“By applying risk analysis, higher risk devices can be inspected more frequently, allowing limited resources to be deployed more efficiently and enhancing public safety.”
MANAGEMENT’S DISCUSSION AND ANALYSIS

“We want to know the impact of our efforts. This year, we will use our innovative safety metrics to measure improvements in the reduction of risks and have positive impacts on public health.”
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

The Technical Standards and Safety Authority’s (TSSA’s) annual MD&A offers an assessment of the organization’s results from an operational and financial perspective for the fiscal year ended April 30, 2014. The MD&A is a summary of actual business and financial performance reflecting the results of an integrated strategic and business-planning framework and a process followed by senior management each fiscal year.

This MD&A is a key public disclosure document and should be read in conjunction with the audited financial statements and related notes to the financial statements, which have been approved by the Board of Directors. The accompanying financial statements, expressed in Canadian dollars, are presented in accordance with Canadian generally accepted accounting principles (GAAP). It is also important to read this MD&A in conjunction with TSSA’s balanced scorecard included in this Annual Report to better understand the linkages between strategy, enterprise risk and financial results.

This MD&A necessarily involves some degree of prediction or projection, including forward-looking statements. By their nature, forward-looking statements require management to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that predictions, forecasts, projections, expectations or conclusions will not prove to be fully accurate, that some assumptions may not be correct or that TSSA’s financial performance objectives, vision and strategic goals may not all be achieved.

CORPORATE OVERVIEW

TSSA’s core activities enforce and promote safety regulations, primarily through its operations in four broad sectors: Boiler and Pressure Vessels (BPV), Operating Engineers (OE), Elevating and Amusement Devices (ED/AD), Fuels, and Upholstered and Stuffed Articles (USA). TSSA’s objectives, activities and outcomes are captured by way of a balanced scorecard and grouped into one overarching strategic priority: Compliance First, Leverage Risk Knowledge, Shared Responsibility for Safety and Organizational Effectiveness.

During the fiscal year, TSSA made significant progress in meeting its objectives, advancing its priorities and making a difference to everyone in the province of Ontario. The organization made significant advancements on the majority of its goals, including positive outcomes as measured by reduced health impacts and improved regulatory compliance for most sectors. In addition, some notable accomplishments include:

Compliance First
- Successful elimination of a periodic inspection backlog in the boilers sector, completion of high/mid to high risk inspections in the elevating device sector, and the launch of a new initiative to ensure timely follow-up inspections for non-compliances, and
- Launch of social media to provide new ways to share TSSA’s expertise and help industry members stay connected and gain greater compliance with safety regulations.

Leverage Risk Knowledge
- Development of an innovative inspection regime utilizing TSSA’s patented risk-based process (known as Risk-Based Scheduler 2.0), to provide greater risk analysis and offer support in the review of propane regulations; and
- Development of risk-based, time-to-compliance strategies to ensure consistency and standardization of TSSA enforcement decisions through inspection activities.

Shared Responsibility for Safety
- Influencing Ontario homeowners/renters to mitigate carbon monoxide risks with proven approaches in user behaviour modification,
- Working with the Ministry of Consumer Services (MCS) and industry on safety improvements through regulatory reviews in the BPV sector to enhance regulatory compliance and within the propane industry to implement risk-informed inspections; and
- Launching a corporate social responsibility initiative to enhance TSSA’s ability to be a valued advocate and recognized authority in public safety, and further contribute to the sustainable development, health and welfare of society.

Organizational Effectiveness
- Implementation of a new inspection interface to improve data capture, issuance of standardized orders/directives and on-site efficiency in ED/AD and OE;
- Appointment of an internal/external ombudsman to achieve the highest standard of corporate governance and ethical behaviour by offering an independent and confidential means to engage staff and industry;
- Introduction of a new learning management system to offer online training to all staff and further foster continuous learning;
- Implementation of best practices in project management, change management, business analysis and process design to encourage collaboration, standardization and overall improvement in strategic results;
- Developing a new independent internal auditor role to enhance the effectiveness of risk management, internal controls and governance processes;
- Embracing TSSA’s safety culture, principles and safe-work practices across the organization with all employees, particularly those in field operations, to ensure a safer work environment; and
- Branding of TSSA’s commercial fleet to provide a standardized image/recognition of inspector vehicles.

TECHNOLOGY OVERVIEW

The information technology (IT) team was instrumental in supporting the organization as it continues to evolve as an enabler of business strategy. The IT team provided technology leadership to management in meeting TSSA’s safety mandate through advancements in governance, infrastructure, applications, and data/information management. Some notable accomplishments include:
- Building a simple, stable and secure environment with enhanced security controls, improved mobile management technology, and stronger business continuity plans/disaster recovery capabilities;
- Streamlining business processes and increasing efficiency through enhancements to operating systems, reducing data entry risks; and
- Enabling technical advancements in risk-based scheduling/risk profiling and customizing systems to collect and analyze inspection data and improve overall efficiency.

Of critical importance to TSSA’s vision, safety mandate and daily operations is effective data management. Strategic use of data in formulating business strategies, optimizing business processes and facilitating risk-informed decisions represents the foundation from which the organization operates, and remains a strategic asset that TSSA will continue to leverage with future business initiatives. The IT team has embraced effective data management principles, undertaken a number of data enhancement initiatives and is taking a leadership role in ensuring that data is used effectively with all future business initiatives.

A recent initiative of long-term significance is the Enterprise Information Architecture program. This initiative, in the initial planning stage, will establish and maintain a sustainable foundation for further aligning IT with business strategy, operational excellence and information/data assets.
RISK-INFORMED DECISION-MAKING OVERVIEW

Risk-Informed Decision-Making (RIDM) is the science of proactively understanding and managing public safety risks by effectively administering safety through the regulatory framework in the Technical Standards and Safety Act, 2000 and its associated regulations. This unique approach, led by TSSA’s Public Safety Risk Management (PSRM) team, is gaining recognition and helping TSSA achieve its goal to have its safety metrics recognized by Canadian regulators as the benchmark to effectively manage risk. TSSA has developed and patented its knowledge in effective public safety risk management through its RIDM model.

By quantifying the impact of historical non-compliances and incidents, including fatalities, injuries and near-misses, RIDM facilitates the prediction of future safety trends using a metric known as Fatality Equivalents. Working with each program area, TSSA aims to achieve Fatality Equivalents that are less than, or equal to, internationally recognized standards.

During the fiscal year, PSRM engaged in a number of important risk initiatives, including:

- providing insight and analysis of safety risks associated with technological obsolescence of devices and assisting TSSA’s statutory directors in effectively managing risks through Directors Orders;
- significantly enhancing TSSA’s safety and compliance performance reporting methods through the introduction of the innovative Fatality Equivalent metric;
- providing advice and guidance to other safety regulators on developing risk models and processes including the Régie du bâtiment du Québec (RBQ), Ontario Ministry of Labour, and the Canadian Food Inspection Agency;
- assisting the organization in understanding, updating and indexing of pertinent risk data as part of a broader enterprise data governance initiative; and,
- publishing an article in a recognized scientific journal on health impacts to large populations using a risk-based approach.

ENTERPRISE RISK MANAGEMENT OVERVIEW

Supporting TSSA’s core purpose and vision, Enterprise Risk Management (ERM), forms an integral part of management and of the strategic, business and internal audit planning cycles. The goal of ERM is not to eliminate risk, rather it is to identify, assess and monitor the management of risks with a view to minimizing adverse outcomes and maximizing opportunities. Like any business, TSSA is susceptible to risks that, if unmitigated, could threaten the sustainability of the organization.

Guided by a risk framework, including annual reporting to the Board of Directors and quarterly reporting to each Board Committee, ERM brings a consistent approach to the identification, assessment and control of risks to corporate objectives by evaluating the urgency (speed of onset), likelihood and potential impact of enterprise-wide risks. Risk mitigation plans are developed and embedded in strategic, business and operating plans which, when successfully implemented, reduce residual risks to tolerable levels. Over the past several years, efforts have focused on compliance, operational, technology, people and stakeholder risks.

While the Board has responsibility to oversee management’s assessment of risk tolerance, the Audit, Finance and Risk Committee (AFRC) has been delegated responsibility to oversee the implementation of the ERM framework, management’s ongoing assessment, and monitoring of key risks and associated risk mitigations.

Within TSSA’s Risk Framework, eight categories of risk have been identified, namely:

- **Strategic Risks** are risks that are external to the organization and over which the organization typically has no control. Strategic risks relate to the economic and political environment in which the organization operates.
- **Compliance Risks** are risks that are internal to the organization. Compliance risks relate to the legislative environment and the organization’s ability to comply with applicable acts, regulations and legislation.
- **Operational Risks** are risks that are internal to the organization and typically arise from the operations of the business.
- **Information System Risks** are risks that are internal to the organization and relate specifically to technology tools used to support business processes.
- **Financial Risks** are risks that are internal to the organization and as such are within the sphere of influence of the organization. Financial risks typically arise from the planning, budgeting and forecasting cycles of the organization.
- **People Risks** or human resource risks are risks that are internal to the organization and relate specifically to employment. Examples include: availability/recruitment, skill set, retention and culture.
- **Governance Risks** are internal risks that relate to the management and oversight of the organization including compliance with internal controls.
- **Stakeholder Risks** are risks that relate to the organization’s relations and reliance upon its various stakeholders and its related obligations.
Technical Standards and Safety Authority – Annual Report 2013-14

Through application of this framework, a number of priority risks are identified and assigned to various risk champions within the organization. These risks have been mapped in terms of urgency, impact, likelihood and probability, and appropriate risk mitigation strategies developed to manage risks to within established risk tolerance levels reviewed on a regular basis with AFRC.

TSSA continuously benchmarks and improves its enterprise risk management system and processes, and will continue to improve the way in which it uses such information to make informed, strategic decisions. Through this continuous cycle of assessing and monitoring all enterprise risks, management ensures the objectives of the organization are achieved through appropriate risk mitigation.

FINANCIAL HIGHLIGHTS

The following charts summarize TSSA’s revenues and expenses for the fiscal year ended April 30, 2014 with comparisons to the annual budget and prior year. At $68.7 million, TSSA’s revenues were ahead of budget expectations by 6% and ahead of prior year by 15%. TSSA’s revenue mix comprises of Inspection ($38.3 million), Engineering ($8.3 million), Licensing/Registrations/Certifications & Exams ($21.4 million), and Investment income ($0.7 million). Inspection revenues represent 56% of total revenue (51% prior year), representing the single largest source of revenue by program area, the following revenue performance was achieved this fiscal year.

TECHNICAL STANDARDS AND SAFETY AUTHORITY

REVENUE (IN THOUSANDS)

<table>
<thead>
<tr>
<th></th>
<th>2014 Actual</th>
<th>2014 Budget</th>
<th>2013 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elevating and Amusement Devices</td>
<td>22,475</td>
<td>20,513</td>
<td></td>
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<tr>
<td>Fuels Safety</td>
<td>22,223</td>
<td>22,228</td>
<td></td>
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<tr>
<td>Boilers and Pressure Engineers</td>
<td>13,622</td>
<td>12,752</td>
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<tr>
<td>Upholstered and Stuffed articles</td>
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<td>3,484</td>
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</tr>
<tr>
<td>Non-Regulatory Business</td>
<td>3,236</td>
<td>3,320</td>
<td>3,422</td>
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</tbody>
</table>

Effective May 1, 2013, TSSA implemented changes to the existing fees across most program areas. With the exception of the elevating and amusement device sectors, each program area achieved total revenues consistent with budget expectations. The ED/AD Safety Program, however, generated revenues exceeding budget and prior year by 15% and 27%, respectively. Revenue growth for ED/AD was concentrated within inspection, largely the result of the new fee model. Higher revenue, most notably from follow-up inspections and revenue from non-compliances, attract higher, more punitive fees with a goal of influencing improved compliance.

TSSA’s budget underestimated volume/inspection mix assumptions and average rate per non-compliant inspection, resulting in approximately $3.9 million additional revenues. While too early to conclude, management is reviewing fees associated with elevator compliance to determine if future improvements in compliance will be realized.

The fuels Safety Program generated revenues equal to budget and ahead of prior year by 11%. Similar to ED/AD, punitive fees are used to influence desired safety behaviour. With the May 1, 2013 fee increases, punitive fees associated with pipeline strikes were increased, and a new fee was also introduced related to the absence of locate markings required in advance of an excavation. These fees contributed to the growth in revenues compared to prior year. This fiscal year also included a special non-recurring adjustment, which affected operating and deferred revenues. Recognizing that a number of operators, particularly northern operators, had previously paid for inspection services over a number of years without receiving the service, a refund totaling $0.7 million was issued resulting in part, to a reduction to revenues ($0.4 million) in the current fiscal year, and an adjustment to deferred revenues ($0.3 million).

The BPV/GE Safety Program exceeded budgeted expectations and prior fiscal year revenues by 5% and 4%, respectively. The May 1, 2013 fee increase was implemented across both program areas. All periodic inspections were completed as planned. The USA Safety Program also generated revenues in line with budget expectations and a reasonable growth over prior year.

TSSA remains committed to providing customer value, while closely monitoring all expenses and seeking continued cost efficiencies. Management continued with diligent cost management, and for the fiscal year ended April 30, 2014, total expenses were $65.5 million, representing a 3% favourable variance to budget and growth over prior year by 12%. These expenses also included an acceleration of certain non-cash amortization expenses associated with TSSA’s business system. Excluding the one-time, non-recurring impact of this expense, operating expenses were about equal to budget and higher than prior year by 8%.

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Unlike past years, most of the growth in operating expenses was non-staff related in nature. Excluding amortization expense, the growth in operating costs to prior year was $4.7 million, of which $3 million was related to non-compensation expense. The single largest increase in operating costs was tied to TSSA’s research and education programs which grew this fiscal year by approximately $1.1 million. These safety programs reach out to a large number of Ontarians and TSSA customers, using a combination of direct mail, focus groups and select safety events to better understand safety behaviour, and more importantly to influence Ontarians of all ages to engage in safe activities.

In addition, TSSA has invested in various technology initiatives to maintain and enhance the technology infrastructure necessary to support a distributed workforce across Ontario. Rather than increased staff complement, TSSA leveraged key service partners, mainly in technology areas, to assist in various data related initiatives and to complete key technology programs. Other spending increases include increased travel related to the above-mentioned operational programs, higher fleet related costs to renew/brand TSSA’s commercial fleet of vehicles, administrative costs, oversight fees and new innovative investments in enterprise content management and learning management systems. In all cases, management maintained and respected budget commitments, and approached new investments with sound business cases and project management principles.

TSSA generated a net margin surplus of $3.2 million or 4.7% revenues, a $1.7 million improvement over prior year’s net margin of $1.5 million, representing solid financial performance. This improvement, compared to prior year, reflected an increase in revenues of $8.7 million, offset by increased operating expenses of $4.7 million and accelerated amortization of $2.1 million. The above return on revenue is consistent with the guidelines contained in TSSA’s Memorandum of Understanding.

CAPITAL EXPENDITURES

Capital expenditures of $3.1 million were incurred during fiscal year 2013/2014 and related to investment in TSSA’s technology, including the completion of a new field inspection interface that will improve data entry (reduced potential for error), standardize inspection orders and enhance general inspection administrative efficiencies. Other technology expenditures were in hardware and operating software as TSSA’s information services team prepare for future enabling technologies in alignment with business strategy.

Management continues to ensure all capital investments fully support value to stakeholders and reflect the strategic objectives of the organization.

NET ASSETS

With net assets of $22.9 million, TSSA’s financial position remains strong. TSSA continues to operate with no funded liabilities and maintains a solid working capital position (excluding deferred revenue) of $10.0 million ($9.5 million fiscal year 2012/2013). Working capital also improved by 50.5 million compared to prior fiscal year. While there has been an increase in Accounts Receivable as at April 30, 2014, overall financings have more than offset this increase yielding a net working capital improvement. At April 30, 2014, TSSA’s current ratio (excluding deferred revenue) was a multiple of 1.9:1, an overall healthy liquidity position. TSSA’s investment in short and long-term financial instruments, totalling $31.4 million ($26.6 million fiscal year 2012/2013), are high-quality, low-risk financial instruments which adhere to the investment policy as approved by TSSA’s Board of Directors. The balance of the unrestricted restricted reserve of $14.6 million represents 22% of total assets.

Our regulated customers will believe that we deliver high value to stakeholders and reflect the strategic objectives of the organization.

FISCAL YEAR 2014/2015 OUTLOOK

In fiscal year 2014/2015, we will continue to build momentum, strengthening the safety system and assisting both the public and industry, through our roles as an advocate and a regulator, consistent with our purpose to both enforce and promote public safety.

As always, we measure our performance against our objectives. With enhanced safety compliance and robust performance measurements, we will assess achievement of our goals for greater safety results, enhance strategic efforts for a direct impact on safety, and effectively allocate safety resources within inspection and engineering.

To make Ontario safer, we will continue to pursue four safety-focused strategies:

Compliance First – through enforcement, effective incentives, and code development:

- achieve and sustain elimination of all backlogs in follow-up inspections of non-compliances;
- design an enhanced fee framework using incentives to positively influence compliance, and
- launch an advocacy initiative to enhance understanding and awareness of safety regulations and its benefits to industry.

Leverage Risk Knowledge – through an understanding of risk and the most effective means of managing that risk:

- review all key business processes through a comprehensive examination of enterprise information architecture, supporting further development of KB52.0 as well as additional IT benefits;
- continue to effectively manage potential safety risks associated with aging devices through proven risk-informed methods, and
- gain further recognition of RIDM as an innovative regulatory approach.

Shared Responsibility for Safety – through user behaviour modification and effective and viable safety partnerships:

- leverage partnerships to increase awareness of carbon monoxide risks and reduce incidents, and
- work collaboratively with MCI to enhance regulatory compliance in the BPV sector.

Organizational Effectiveness – through effective resource allocation, technological efficiency and employee engagement:

- invest in our employees by developing a virtual training centre of excellence and through enhanced learning management systems;
- embrace innovation to address new safety challenges and generate improved operational efficiencies – with a pilot for the 2015 Pan-American games; and
- continue to incorporate project management excellence to effectively meet intended goals in an efficient manner.

We want to know the impact of our safety efforts on Ontario citizens. In fiscal year 2014/2015, we will continue our use of innovative safety metrics to measure improvements in the reduction of risks associated with injury or fatality. This will further enable us to quantitatively measure and externally benchmark the health impacts associated with the sectors we regulate, and focus our resources on those areas that have the greatest potential to have positive impacts on public health.

Additionally, we will measure our progress toward achieving our vision, over the course of our five-year strategic plan period, by accomplishing the following goals:

- Our safety performance will indicate positive safety trends consistent with our compliance goals.
- Our safety performance metrics will be recognized by Canadian regulators as the benchmarks to measure safety.
- Our employees will be highly engaged, empowered, and proud of what TSSA stands for.
- Our regulated customers will believe that we deliver high value by promoting and enforcing public safety.

This initiative builds on the success of our past efforts to address the impacts of aging systems.

In fiscal year 2014/2015, we will continue to leverage partnerships to increase awareness of carbon monoxide risks and reduce incidents, and work collaboratively with MCI to enhance regulatory compliance in the BPV sector.

The single largest increase in other operating costs was non-staff related in nature. Excluding amortization expense, the growth in operating costs to prior year’s net margin of $1.5 million, of which $3 million was related to non-compensation expense. The single largest increase in operating costs was tied to TSSA’s research and education programs which grew this fiscal year by approximately $1.1 million. These safety programs reach out to a large number of Ontarians and TSSA customers, using a combination of direct mail, focus groups and select safety events to better understand safety behaviour, and more importantly to influence Ontarians of all ages to engage in safe activities.
Recognizing that our employees are the drivers of all of our successes, we will continue our efforts to ensure a positive and collaborative work environment for our team members. Through our exceptional team of safety professionals, working in partnership with industry and the government of Ontario, we will continue along our evolutionary path toward more preventative-based activities and deliver on our purpose to both promote and enforce public safety.

With the fiscal year 2013/2014 just completed, TSSA has generated positive financial results over the last four fiscal years through a continued focus on its safety mandate and prudent cost management. TSSA’s primary goals remain focused on ensuring sustainable safety supported through enhancements of internal controls which yield sustainable and positive financial performance and standardized operating procedures. TSSA remains committed to ensuring it has the capital and reserves to secure funding available for these initiatives and the ability to absorb any unforeseen adverse events.

While the economic landscape has improved from prior years, there are still some key global and domestic economic uncertainties that may impact the Canadian economic landscape. Management remains watchful of the external environment, business strategy and its annual budget commitments. TSSA’s fiscal year 2014/2015 budget reflects a continuation of the strategic priorities as reported in its strategic and business plans.

For the fiscal year 2014/2015 budget, management projects total revenue of $70.2 million, growing approximately 2% over prior fiscal year, attributable to the following factors:

- Reinvesting the incremental spend on enhancing the safety infrastructure and programs.
- Recognizing that our employees are the drivers of all of our successes, we will continue our efforts to ensure a positive and collaborative work environment for our team members. Through our exceptional team of safety professionals, working in partnership with industry and the government of Ontario, we will continue along our evolutionary path toward more preventative-based activities and deliver on our purpose to both promote and enforce public safety.

We enter fiscal year 2014/2015 in a strong financial position, and we will remain focused on customer value for money and prudent cost management practices. Total operating expenses are expected to grow by 3%, however, after adjusting for non-recurring amortization expenses, the rate of expense growth is approximately 6%. The rate of planned discretionary expense growth for the fiscal year was held equal to the prior year in recognition of a benign inflationary environment. Additional expenses are primarily employee related, recognizing the full-year impact of new hires in fiscal year 2013/2014. New technology/application development for business systems are not expected for fiscal year 2014/2015 while the organization pauses to complete a comprehensive review of all key business processes, and future technology platforms. Some expense growth is expected in employee development initiatives, commercial fleet, corporate social responsibility, and we will remain focused on customer value for money.

The chart below provides a snapshot of the fiscal year 2014/2015 budget commitment.

TECHNICAL STANDARDS AND SAFETY AUTHORITY
REVENUE
(IN THOUSANDS)

<table>
<thead>
<tr>
<th>Category</th>
<th>2014 Actual</th>
<th>2015 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selling, wages and benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pressure Vessels/Boilers and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Devices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amusement Rides</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel and Chemicals Safety</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staffing and overhead benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>82,986</td>
<td>84,957</td>
</tr>
</tbody>
</table>

TECHNICAL STANDARDS AND SAFETY AUTHORITY
EXPENSES
(IN THOUSANDS)

<table>
<thead>
<tr>
<th>Category</th>
<th>2014 Actual</th>
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<tr>
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<td>82,086</td>
<td>85,052</td>
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With the fiscal year 2013/2014 just completed, TSSA has generated positive financial results over the last four fiscal years through a continued focus on its safety mandate and prudent cost management. TSSA’s primary goals remain focused on ensuring sustainable safety supported through enhancements of internal controls which yield sustainable and positive financial performance and standardized operating procedures. TSSA remains committed to ensuring it has the capital and reserves to secure funding available for these initiatives and the ability to absorb any unforeseen adverse events.

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REVENUE
(IN THOUSANDS)

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TECHNICAL STANDARDS AND SAFETY AUTHORITY
EXPENSES
(IN THOUSANDS)

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<tr>
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<td></td>
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<tr>
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<td></td>
</tr>
<tr>
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<td>85,052</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITORS’ REPORT

To the Members of Technical Standards and Safety Authority

We have audited the accompanying financial statements of Technical Standards and Safety Authority, which comprise the statement of financial position as at April 30, 2014, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

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

Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity’s preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Technical Standards and Safety Authority as at April 30, 2014, 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.

June 22, 2014
Toronto, Canada

Chartered Professional Accountants, Licensed Public Accountants

Technical Standards and Safety Authority
(Incorporated under the laws of Ontario)

STATEMENT OF FINANCIAL POSITION
(In thousands of dollars)
April 30, 2014, with comparative information for 2013

<table>
<thead>
<tr>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSETS</td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ 1,948</td>
</tr>
<tr>
<td>Short-term investments (note 2)</td>
<td>12,259</td>
</tr>
<tr>
<td>Accounts receivable (note 3)</td>
<td>7,168</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>318</td>
</tr>
<tr>
<td></td>
<td>21,693</td>
</tr>
<tr>
<td>Long-term investments (note 2)</td>
<td>19,155</td>
</tr>
<tr>
<td>Capital assets (note 4)</td>
<td>5,966</td>
</tr>
<tr>
<td></td>
<td>$ 46,814</td>
</tr>
<tr>
<td>LIABILITIES AND NET ASSETS</td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities (note 5)</td>
<td>$ 11,673</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>12,280</td>
</tr>
<tr>
<td></td>
<td>23,953</td>
</tr>
<tr>
<td>Net assets:</td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets</td>
<td>5,966</td>
</tr>
<tr>
<td>Restricted reserve (note 10)</td>
<td>14,625</td>
</tr>
<tr>
<td>Unrestricted reserve (note 10)</td>
<td>2,270</td>
</tr>
<tr>
<td></td>
<td>22,861</td>
</tr>
<tr>
<td>Commitments and contingencies (note 12)</td>
<td>$ 46,814</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.

On behalf of the Board:

Judith Wolfson
Chair of the Board of Directors

David Hipgrave
Chair of Audit, Finance and Risk Committee
### Statement of Operations

#### Regulatory Business Revenue:
- Elevating and amusement devices: $25,911, $20,313
- Fuels: $22,223, $19,719
- Boilers and pressure vessels and operating engineers: $13,622, $13,049
- Upholstered and stuffed articles: $3,697, $3,484

#### Total Regulatory Business Revenue: $65,453, $56,565

#### Non-Regulatory Business Revenue: $3,236, $3,422

#### Total Revenue: $68,689, $59,987

#### Regulatory Business Expenses:
- Salaries, wages and benefits: $40,666, $38,942
- Operating: $19,083, $15,077
- Amortization: $4,268, $1,961

#### Total Regulatory Business Expenses: $63,015, $55,980

#### Non-Regulatory Business Expenses: $2,443, $2,481

#### Total Expenses: $65,456, $58,461

#### Excess of Revenue over Expenses: $3,233, $1,526

See accompanying notes to financial statements.

### Statement of Changes in Net Assets

#### Year ended April 30, 2014, with comparative information for 2013

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in capital assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets, beginning of year</td>
<td>$7,141</td>
<td>$8,938</td>
</tr>
<tr>
<td>Excess (deficiency) of revenue over expenses</td>
<td>$(4,268)</td>
<td>-</td>
</tr>
<tr>
<td>Investment in capital assets</td>
<td>3,093</td>
<td>-</td>
</tr>
<tr>
<td>Interfund transfer (note 10)</td>
<td>-</td>
<td>5,687</td>
</tr>
<tr>
<td>Net assets, end of year</td>
<td>$5,966</td>
<td>$14,625</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
Technical Standards and Safety Authority

STATEMENT OF CASH FLOWS
(In thousands of dollars)

Year ended April 30, 2014, with comparative information for 2013

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash provided by (used in):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess of revenue over expenses</td>
<td>$3,233</td>
<td>$1,526</td>
</tr>
<tr>
<td>Items not involving cash:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization</td>
<td>4,268</td>
<td>1,961</td>
</tr>
<tr>
<td>Unrealized loss (gain) on short-term investments</td>
<td>41</td>
<td>(166)</td>
</tr>
<tr>
<td>Unrealized gain on long-term investments</td>
<td>(130)</td>
<td>(70)</td>
</tr>
<tr>
<td>Change in non-cash operating working capital</td>
<td>592</td>
<td>52</td>
</tr>
<tr>
<td>8,004</td>
<td>3,303</td>
<td></td>
</tr>
<tr>
<td>Investing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds on maturity of short-term investments</td>
<td>6,018</td>
<td>2,986</td>
</tr>
<tr>
<td>Purchase of short-term investments</td>
<td>(7,460)</td>
<td>(1,579)</td>
</tr>
<tr>
<td>Proceeds on maturity of long-term investments</td>
<td>4,632</td>
<td>7,858</td>
</tr>
<tr>
<td>Purchase of long-term investments</td>
<td>(7,869)</td>
<td>(10,029)</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>(3,093)</td>
<td>(2,265)</td>
</tr>
<tr>
<td>(7,772)</td>
<td>(3,029)</td>
<td></td>
</tr>
<tr>
<td>Increase in cash</td>
<td>232</td>
<td>274</td>
</tr>
<tr>
<td>Cash, beginning of year</td>
<td>1,716</td>
<td>1,442</td>
</tr>
<tr>
<td>Cash, end of year</td>
<td>$1,948</td>
<td>$1,716</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Technical Standards and Safety Authority (“TSSA”) is a statutory corporation without share capital under the Technical Standards and Safety Act, 2000 (the “TSS Act”), based on amendments that were proclaimed effective May 1, 2010. TSSA is responsible for the administration of the TSS Act. As required by the amendments, TSSA entered into a Memorandum of Understanding ("MOU") with the Ministry of Consumer Services of the Province of Ontario. Effective April 24, 2013, and pursuant to the TSS Act, the Ministry of Consumer Services of the Province of Ontario and TSSA executed an amendment to the MOU to revoke and replace the prior additional non-regulatory objects of the TSSA, including certain procedures to facilitate compliance with the revised requirements. These revised objects reflect more clearly the non-regulatory business activities of the TSSA.

TSSA’s objectives, as outlined in the TSS Act and MOU, allow TSSA to continue to administer the TSS Act and its regulations to promote and undertake public safety activities in relation to matters assigned to it, including training, certification, registration, audit, quality assurance, inspection, investigation and enforcement, subject to certain additional powers of the Ministry of Consumer Services of the Province of Ontario. TSSA is a non-profit organization under the Income Tax Act (Canada) and is exempt from income tax.

Regulatory business revenue (formerly known as mandated revenue) reflects those activities prescribed under the TSS Act.

In addition to its regulatory business services, TSSA offers services to the federal government and undertakes other contracts that are not regulated, as permitted by the TSS Act and MOU. This revenue is categorized as non-regulatory business revenue (formerly known as discretionary revenue).

1. Significant accounting policies:

The financial statements are prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the Chartered Professional Accountants of Canada Handbook - Accounting.

(a) Revenue recognition:

Revenue from the provision of inspection and engineering services is recorded when services are performed. Licensing, registration and certification fees are recognized as deferred revenue when received. These fees are then recognized evenly over the period covered by the fee.

Interest income is recognized as revenue when earned and is recorded on the accrual basis.

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized at cost, unless management has elected to carry the instruments at fair value. TSSA has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, TSSA determines if there is a significant adverse change in the
expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in
the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the
expected cash flows, the amount that could be realized from selling the financial asset or the amount TSSA expects
to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss
will be reversed to the extent of the improvement, not exceeding the initial carrying value.
(c) Accounts receivable:
Accounts receivable are measured at fair value on origination.
At year end, TSSA assesses whether there are any indications that the carrying value of the receivables may be impaired.
For purposes of impairment testing, each significant account is assessed individually, the balance of the accounts are
grouped on the basis of similar credit risk characteristics. When there is an indication of impairment, TSSA determines
whether there has been a significant adverse change in the expected timing or amount of future cash flows. When TSSA
identifies a significant adverse change, it reduces the carrying amount of the receivable to the higher of the amount that
could be realized by selling the receivable at the statement of financial position date and the present value of the cash
flows expected to be generated by holding the receivable.
When the extent of impairment of a previously written down receivable decreases and the decrease can be related to an
event occurring after the impairment was recognized, the impairment loss is reversed to the extent of the improvement.
(d) Capital assets:
Purchased capital assets are recorded at cost less accumulated amortization. Leases that transfer substantially all the
benefits and risks of ownership are capitalized. Replacements are expensed in the year of replacement. Amortization is
provided on a straight-line basis over the estimated useful lives of the assets at the following annual rates:

<table>
<thead>
<tr>
<th>Business systems</th>
<th>20%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td>25%</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>20%</td>
</tr>
<tr>
<td>Computer software</td>
<td>50%</td>
</tr>
<tr>
<td>Computer hardware</td>
<td>33%</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>Remaining term of lease</td>
</tr>
</tbody>
</table>

Amortization of a capital asset commences when it is brought into service.
Contributed capital assets are recorded at fair value at the date of contribution.
Assets attributable to capital projects that are not available for use are held as construction in progress and are not
amortized until they are available for use.
A change in accounting estimate during the year was applied prospectively. The change in accounting estimate
was based on management’s assessment of the useful life of business systems and resulted in an increase of the
amortization expense in 2014 of $2,055.
(e) Foreign currency translation:
Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the prevailing
rates of exchange at the year-end date. Revenue and expenses are translated at the exchange rates prevailing on the
transaction date. Realized and unrealized exchange gains and losses are included in the statement of operations.
Realized foreign exchange gain (loss) of $51 (2013 - $(12)) is included in operating expenses.
(f) Allocation of expenses:
TSSA classifies expenses on the statement of operations by business type, regulatory business and non-regulatory
business. TSSA allocates certain expenses as noted below on a consistent basis each year. Allocated expenses and the
basis of allocations are as follows:
(i) Direct labour and benefits are allocated on the basis of time incurred as a percentage of revenue, and
(ii) Certain corporate support expenses are allocated using various allocation methods, including percentage of revenue
and square footage of space.
(g) Use of estimates:
The preparation of financial statements requires management to make estimates and assumptions that affect the
reported amounts of assets and liabilities 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. Actual results could differ from those
estimates.
2. Investments:
(a) Short-term investments consist of cash, bankers’ acceptances, guaranteed investment certificates and bonds, with yields
between 1.17% and 4.97% (2013 - 1.65% and 5.25%), maturing prior to April 29, 2015 (2013 - April 23, 2014).
(b) Long-term investments consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Market value</td>
</tr>
<tr>
<td>Corporate and government bonds</td>
<td>$ 18,977</td>
<td>$ 19,155</td>
</tr>
</tbody>
</table>

The long-term investments have effective rates between 1.00% and 2.50% (2013 - 1.05% and 4.97%), maturing from
TSSA holds fixed income securities which are subject to market risk, interest risk and cash flow risk. These risks will also
impact future cash flow streams, including dividends, gains and losses and interest income.
The value of fixed income securities will generally rise if interest rates fall and fall if interest rates rise. Changes in interest
rates may also affect the value of equity securities.
The value of securities denominated in a currency other than the Canadian dollar will be affected by changes in the
value of the Canadian dollar in relation to the value of the currency in which the security is denominated.
TSSA does not enter into any derivative instruments arrangements for hedging or speculative purposes.
3. Accounts receivable:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable</td>
<td>$ 7,752</td>
<td>$ 6,670</td>
</tr>
<tr>
<td>Less allowance for doubtful accounts</td>
<td>584</td>
<td>424</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 7,168</strong></td>
<td><strong>$ 6,246</strong></td>
</tr>
</tbody>
</table>
4. Capital assets:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Accumulated</td>
</tr>
<tr>
<td>Business systems</td>
<td>$ 10,446</td>
<td>$ 6,336</td>
</tr>
<tr>
<td>Equipment</td>
<td>1,061</td>
<td>1,035</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>1,518</td>
<td>1,509</td>
</tr>
<tr>
<td>Computer software</td>
<td>1,613</td>
<td>1,255</td>
</tr>
<tr>
<td>Computer hardware</td>
<td>4,473</td>
<td>3,459</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>2,047</td>
<td>1,598</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 21,158</strong></td>
<td><strong>$ 15,192</strong></td>
</tr>
</tbody>
</table>

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $1,144 (2013 - $1,036), which relate to sales tax, payroll remittances and oversight fees charged by the Ministry of Consumer Services of the Province of Ontario.

6. Allocation of expenses:

Direct labour and benefits expenses of $1,139 (2013 - $1,178) have been allocated to non-regulatory business expenses.

Corporate support expenses of $31,199 (2013 - $26,514) have been allocated as follows:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory business expenses</td>
<td>$ 30,004</td>
<td>$ 25,310</td>
</tr>
<tr>
<td>Non-regulatory business expenses</td>
<td>1,195</td>
<td>1,204</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 31,199</strong></td>
<td><strong>$ 26,514</strong></td>
</tr>
</tbody>
</table>

7. Fair values of financial assets and financial liabilities:

The carrying values of cash, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to the relatively short term to maturity of these financial instruments.

The fair value of short-term investments and long-term investments is equal to quoted market value, as described in note 2.

8. Pension plans:

TSSA has established defined contribution pension plans for its employees. Contributions by TSSA on account of current service pension costs paid and expensed amounted to $1,759 (2013 - $1,759).

9. Indemnification of directors and officers:

TSSA has indemnified its past, present and future directors and officers against expenses (including legal expenses), judgments and any amount actually or reasonably incurred by them in connection with any action, suit or proceeding in which the directors and officers are sued as a result of their service, if they acted honestly and in good faith with a view to the best interest of TSSA. The nature of the indemnity prevents TSSA from reasonably estimating the maximum exposure. TSSA has purchased directors’ and officers’ liability insurance with respect to this indemnification.

10. Restricted reserve:

TSSA has an approved restricted reserve to ensure sufficient capital is maintained for continued services and to allow for significant unforeseen economic events. This policy, approved by the board, requires TSSA to attain and maintain a restricted reserve of 25% of budgeted operating expenses. The board considers the sum of the restricted reserve and unrestricted reserve to be the total reserve. As at April 30, 2014, the total reserve was $1,893 (2013 - $1,827). The board approved a transfer, effective April 30, 2014 from the unrestricted reserve to the restricted reserve in the amount of $5,687 (2013 - $868). The balance of $2,270 (2013 - $3,549) in the unrestricted reserve represents funding for future business initiatives.

11. Capital disclosures:

TSSA’s capital is its net assets as reflected in the statement of financial position. Within net assets, TSSA manages its restricted reserve and unrestricted reserve, as described fully in note 10. TSSA’s primary objective of enhancing public safety is supported by safeguarding its assets and ensuring it remains financially viable through effective risk-based planning, investment and cost management policies and procedures. TSSA manages its capital structure through its strategic planning process, as approved by the board. This includes an annual budget of revenue and expenses, investments in capital assets and management of cash and interest-bearing short-term/long-term investments. There are no externally imposed restrictions on its capital structure.

12. Commitments and contingencies:

(a) Operating facility:

Under the terms of its banking agreement, TSSA has available a demand operating facility of up to $750. This facility bears interest at TSSA’s bank’s prime rate plus 0.25% per annum and is secured by a general security agreement over TSSA’s assets and assignment of fire and business interruption insurance. As at April 30, 2014, nil (2013 - nil) was drawn on the facility.

(b) Lease obligations:

TSSA leases office space, vehicles and equipment. Future minimum payments, by year and in the aggregate, under operating leases with initial or remaining terms of one year or more, consist of the following:

<table>
<thead>
<tr>
<th>Year</th>
<th>Minimum Lease Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$ 2,033</td>
</tr>
<tr>
<td>2016</td>
<td>1,435</td>
</tr>
<tr>
<td>2017</td>
<td>249</td>
</tr>
<tr>
<td>2018</td>
<td>83</td>
</tr>
<tr>
<td>2019</td>
<td>6</td>
</tr>
<tr>
<td>Total minimum lease payments</td>
<td>$ 3,820</td>
</tr>
</tbody>
</table>

(c) Litigations:

TSSA has been named as defendant in certain litigations alleging actual and punitive damages. However, it is management’s belief that the ultimate outcome will not materially affect TSSA’s financial position. Settlement, if any, will be accounted for during the period of resolution.
“TSSA solicits advice and input from industry through our advisory councils in relation to safety strategies, initiatives and service delivery – for a broader perspective on public safety.”
CORPORATE INFORMATION

Providing oversight of the organization, TSSA’s Board of Directors takes a leadership role in the organization’s strategic direction. The Board and senior management team monitor emerging governance best practices, with a view to continuous improvement and enhancement of our governance regime.

Demonstrating clear strengths in Board and Committee charters, terms of reference and work plans, we continued our leading practices in performance reporting, including focusing on safety activities, outcomes and results, over the course of the year.

TSSA’S BOARD OF DIRECTORS

Donald Aronson
President, Aronson and Associates Inc.

Lynda Bowles
Former Audit Partner, Deloitte and Touche

JoAnne Butler
Vice-President, Electricity Resources, Ontario Power Authority

Douglas Harrison
President and CEO, VersaCold

David Hipgrave
Former President and CEO, Society of Management Accountants of Ontario

Norm Inkster, Vice Chair
Former Chief and Safety Risk Officer

Susan Kushneryk
Senior Enforcement Council, Investment Industry Regulatory Organization of Canada

Michael Lees
former President, Babcock and Wilcox Nuclear Energy

Blhuinder (Lally) Marwah
President, SQS Solutions

Pamela Nowina
Executive Lead, Mowat Energy, University of Toronto

Connie Roveto
Executive Lead, Mowat Energy, University of Toronto

TSSA’S BOARD COMMITTEES

Standing Committees

TSSA requires all directors to be a member of one of the two standing committees: Audit, Finance and Risk; and Governance, Safety and Human Resources.

Audit, Finance and Risk Committee

The Audit, Finance and Risk Committee assists the Board of Directors in fulfilling its responsibilities for oversight of the quality and integrity of the accounting, auditing, and reporting practices of the organization.

The Committee’s role includes the oversight of:

■ financial information provided to stakeholders and the Ontario government;
■ the organization’s processes to manage business and financial risk;
■ the organization’s information technology;
■ the review and recommendation of the organization’s budgets;
■ compliance with applicable legal, ethical and regulatory requirements; and
■ the external audit firm engaged to prepare and issue an audit report on the financial statements of the organization.

David Hipgrave, Chair

Lynda Bowles, Member

Douglas Harrison, Member

Norm Inkster, Member

Susan Kushneryk, Member

Pamela Nowina, Member

GOVERNANCE, SAFETY AND HUMAN RESOURCES COMMITTEE

The Governance, Safety and Human Resources Committee assists the Board of Directors in fulfilling its responsibilities with respect to:

■ Board governance, including Board ethics, performance, succession, education and development and policies, and Board composition and recruitment;
■ regulatory governance, including the organization’s safety management framework;
■ human resources, including performance, compensation, succession, and occupational health and safety;
■ leadership;
■ corporate strategy, and
■ stakeholder relations and disclosure.

Robbie Shaw, Chair

Donald Aronson, Member

JoAnne Butler, Member

Michael Lees, Member

Blhuinder (Lally) Marwah, Member

Connie Roveto, Member

TSSA’S BOARD OF DIRECTORS – BOARD REMUNERATION

Members of the Board of Directors are remunerated in a manner that enables the organization to attract high calibre directors, support the organization’s commitment to corporate governance excellence, and remain accountable to all stakeholders through transparent compensation practices that are fiscally prudent. With the aid of an external consultant, the levels of remuneration for the Board Chair, Vice Chair, committee chairs and directors are established based on a combination of annual retainers and meeting fees. Director total compensation levels are triennially reviewed against industry comparators. Thereafter, the remuneration committee reviews the levels of remuneration on an annual basis.

Pay Equity

TSSA’s compensation philosophy is to pay a competitive total compensation package to attract and retain exceptional resources while remaining accountable to all stakeholders through transparent, fiscally prudent compensation practices.

Based on yearly market data from an external consulting firm, with a blend from public and private sectors, TSSA’s pay policy provides base compensation at the median of market comparators, utilizing the Greater Toronto Area for all non-executive employees and national data for the executive group. Earned incentive pay compensation targets are also established at the median of market. Annual salary reviews are conducted and, at the discretion of the organization and within the overall budget approved by the Board, increases are administered on a merit basis with consideration to internal equity, external competitiveness (market data) and individual performance. In addition, TSSA adheres to the requirements of the Pay Equity Act. Reinforcing a performance culture and providing compensation that is competitive and appropriate for the organization, employees must meet basic performance criteria in order to be eligible for incentive pay. Incentive pay is awarded on exceeding key performance objectives.

TSSA’s remuneration levels are derived from market data from an external consulting firm, with a blend from public and private sectors, TSSA’s pay policy provides base compensation at the median of market comparators, utilizing the Greater Toronto Area for all non-executive employees and national data for the executive group. Earned incentive pay compensation targets are also established at the median of market. Annual salary reviews are conducted and, at the discretion of the organization and within the overall budget approved by the Board, increases are administered on a merit basis with consideration to internal equity, external competitiveness (market data) and individual performance. In addition, TSSA adheres to the requirements of the Pay Equity Act. Reinforcing a performance culture and providing compensation that is competitive and appropriate for the organization, employees must meet basic performance criteria in order to be eligible for incentive pay. Incentive pay is awarded on exceeding key performance objectives.
TSSA’s statutory appointments

The individuals listed below are designated as Director or Chief Officer under Ontario’s Technical Standards and Safety Act, 2000 and/or specific regulations.

- **Roland Hadaller, P.Eng.**
  - Director
  - Technical Standards and Safety Act, 2000
  - Certification and Training of Amusement Device Mechanics, Ontario Regulation 221/01
  - Elevating Devices, Ontario Regulation 209/01
  - Certification and Training of Elevating Device Mechanics, Ontario Regulation 222/01

- **John Marshall, BA, CGC**
  - Director
  - Technical Standards and Safety Act, 2000
  - Compressed Natural Gas, Ontario Regulation 214/01
  - Fuel Oil, Ontario Regulation 213/01
  - Gaseous Fuels, Ontario Regulation 212/01
  - Liquid Fuels, Ontario Regulation 217/01
  - Oil and Gas Pipeline Systems, Ontario Regulation 210/01
  - Propane Storage and Handling, Ontario Regulation 211/01
  - Fuel Industry Certificates, Ontario Regulation 215/01
  - Certification of Petroleum Equipment Mechanics, Ontario Regulation 216/1

- **Mike Adams, M.Eng., P.Eng, PMP**
  - Director and Chief Officer
  - Technical Standards and Safety Act, 2000
  - Director
  - Boilers and Pressure Vessels, Ontario Regulation 220/01

- **John W.B. Coulter, C.E.T., TECH E.E.**
  - Chief Officer
  - Operating Engineers, Ontario Regulation 219/01

- **Dara Vorkapic**
  - Director
  - Technical Standards and Safety Act, 2000
  - Upholstered and Stuffed Articles, Ontario Regulation 218/01

Industry Advisory Councils

TSSA actively solicits the advice and input of key stakeholders from the respective industries that it regulates through nine industry specific advisory councils. The advisory councils provide a forum to enable TSSA to obtain advice and input in relation to safety strategies, initiatives and service delivery within their respective industry sectors. These councils and their chairs are listed below.

- **Virginia Ludy**
  - Amusement Devices

- **Peter Harschritz**
  - Boilers and Pressure Vessels

- **Kelly Leitch**
  - Elevating Devices

- **Bob Smith**
  - Liquid Fuels

- **Michael Shannon**
  - Natural Gas

- **Colin Andrews**
  - Operating Engineers

- **David Karn**
  - Propane

- **Bruce Haynes**
  - Ski Lift

- **Lloyd Hall**
  - Upholstered and Stuffed Articles

Consumers Advisory Council

The Consumers Advisory Council’s mandate is to provide observations, identify gaps and recommend opportunities for improvement with respect to TSSA’s services, policies and actions as they affect the public. We additionally advocate for the public interest and for public input in safety matters in areas regulated by TSSA. During the fiscal year, this council addressed the following priority safety issues: enhancing consumer engagement through best practice guidelines, student award programs to elevate safety issues, and continued discussions with the Electrical Safety Authority, Canadian Standards Association (CSA), and Consumers Council of Canada, gained further clarity on vulnerable consumers through CSA and an International Standards Association paper, and serving on IMS consultations for the propane review, the home inspection expert panel, and CSA’s national standard of practice for home inspectors. Members continue their involvement in other TSSA-related activities by providing consumer perspectives to the industry advisory councils’ deliberations.

The Safety Education Graduate Scholarship program is supported by TSSA’s safety education fund, established in 1998. It is historically funded from compliance payments such as court authorized settlement contributions (matched by TSSA) from Consumers Advisory Council members and others, and contributions by TSSA based on Consumers Advisory Council attendance. The Consumers Advisory Council has oversight responsibility for the fund and the scholarship is now in its eighth year. The Council reviews successful applicants for an award of $15,000 per annum up to a maximum of two years for Master’s students and three years for PhD students. In addition, the Council continues to provide scholarships of $1,000 to finalists in six categories of the Ontario Technological Skills Competition.

Members of the Council are listed below:

- **Patricia Jensen, Chair**
- **Robert Brady, Member**
- **Dolly Gerrior, Member**
- **Brian Horsman, Member**
- **Jane McCarthy, Member**
- **Elizabeth Nielsen, Member**
- **Mattida Presner, Member**
- **Kathryn Woodcock, Member**
- **Matthew Ying, Member**

More information regarding the advisory councils, including minutes of meetings, can be accessed through TSSA’s website at www.tssa.org.
## COMPANY BALANCED SCORECARD FOR FISCAL YEAR 2013/2014

(YEAR-END RESULTS AT APRIL 30, 2014)

<table>
<thead>
<tr>
<th>OBJECTIVE</th>
<th>MEASURE</th>
<th>FISCAL YEAR 2012/2013 PERFORMANCE</th>
<th>FISCAL YEAR 2013/2014 TARGET</th>
<th>YEAR-END STATUS</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SAFETY OUTCOMES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduced health impacts</td>
<td>Risk of Injury or Fatality</td>
<td>7.8 per cent reduction of risk of Injury or Fatality compared to previous year (baseline)</td>
<td>A reduction from previous year toward the strategic plan target for 2016/2017 of a 10% reduction from baseline (2011/2012)</td>
<td>3.0 per cent decrease in risk of Injury or Fatality compared to baseline(^1)</td>
<td>target achieved</td>
</tr>
<tr>
<td>Increased regulatory compliance</td>
<td>Periodic inspections/audits with no non-compliances identified(^2)</td>
<td>Fuels: Contractors audits 57%; Licensed sites 49%; Elevating and Amusement Devices: Elevating Devices 32%; Amusement Devices 58%; Boilers and Pressure Vessels and Operating Engineers: Boilers and Pressure Vessels 97%; Operating Engineers 40%;</td>
<td>Equal to or better than previous fiscal year(^4)</td>
<td>55%</td>
<td>target not met; TSSA will conduct an analysis; tSSA will conduct an analysis</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>53%</td>
<td>Increase of 4%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>31%</td>
<td>Target not met; TSSA will conduct an analysis</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>63%</td>
<td>Increase of 5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>97%</td>
<td>No change</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>47%</td>
<td>Increase of 1%</td>
</tr>
</tbody>
</table>

\(^1\) For further information on this metric and its baseline target, please see TSSA’s annual public safety performance report.

\(^2\) The median value of periodic inspections/audits with no non-compliances identified over a five-year rolling time period. Compliance indicators and associated results ending Fiscal Year 2012/2013 have been aligned with the ASPR and quarterly reporting. The higher the number, the better the compliance.

\(^3\) Results may be impacted by mandated enforcement initiatives to address identified compliance concerns. These initiatives are described in TSSA’s annual public safety performance reports.
<table>
<thead>
<tr>
<th>OBJECTIVE</th>
<th>MEASURE</th>
<th>FISCAL YEAR 2012/2013 PERFORMANCE</th>
<th>FISCAL YEAR 2013/2014 TARGET</th>
<th>YEAR-END STATUS</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ORGANIZATIONAL EFFECTIVENESS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enhanced Efficiency</td>
<td>Operating Leverage&lt;sup&gt;4&lt;/sup&gt;</td>
<td>1.6%</td>
<td>Positive leverage</td>
<td>2.4%</td>
<td>target achieved</td>
</tr>
<tr>
<td>OBjEctiVE mEASUr E FiScAL yEAr 2012/2013 PE rFOrmAncE FiScAL yEAr 2013/2014 tA rgEt yEAr-EnD StAtUs cOmmEnts</td>
<td>Accuracy and completeness of incident data used for public safety decision-making and performance reporting</td>
<td>Data error rate</td>
<td>Incident data accuracy and completeness verified through independent audit</td>
<td>90% confident that error rate is less than or equal to 10%</td>
<td>Specific procedures review conducted by Grant Thornton LLP states that audit objective was achieved</td>
</tr>
<tr>
<td></td>
<td>Enhanced Efficiency Operating Leverage&lt;sup&gt;4&lt;/sup&gt;</td>
<td>1.6%</td>
<td>Positive leverage</td>
<td>2.4%</td>
<td>target achieved</td>
</tr>
<tr>
<td></td>
<td>Accuracy and completeness of incident data used for public safety decision-making and performance reporting</td>
<td>Data error rate</td>
<td>Incident data accuracy and completeness verified through independent audit</td>
<td>90% confident that error rate is less than or equal to 10%</td>
<td>Specific procedures review conducted by Grant Thornton LLP states that audit objective was achieved</td>
</tr>
<tr>
<td></td>
<td>Enhanced customer value</td>
<td>Performance index score from customer value survey</td>
<td>172</td>
<td>An improvement from previous year toward the strategic plan target for 2016/2017 of 205</td>
<td>173</td>
</tr>
<tr>
<td></td>
<td>Enhanced employee engagement&lt;sup&gt;5&lt;/sup&gt;</td>
<td>Employee survey engagement score</td>
<td>Fiscal year 2011/2012 results were 64%</td>
<td>67% overall engagement</td>
<td>62% overall engagement</td>
</tr>
<tr>
<td></td>
<td>Employee health and safety</td>
<td>Occupational health and safety dashboard leading indicators (training, quality audits completed and average quality audit score)</td>
<td>Green on all indicators</td>
<td>Green on all leading indicators</td>
<td>Green on all leading indicators</td>
</tr>
<tr>
<td><strong>FINANCIAL PERFORMANCE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total revenue</td>
<td>Annual $</td>
<td>$59.99 million</td>
<td>$64.50 million</td>
<td>$68.689 million</td>
<td>Annual revenue exceeded current year target and prior year performance.</td>
</tr>
<tr>
<td>Total net margin</td>
<td>Annual $</td>
<td>$1.53 million</td>
<td>$1.23 million</td>
<td>$3.234 million</td>
<td>Year-end net margin exceeds target and prior year performance on strength of revenues.</td>
</tr>
</tbody>
</table>

<sup>4</sup> The percentage of revenue growth less the percentage expense growth arising from normal operations exclusive of planned strategic investments approved by the Board over a five-year period.

<sup>5</sup> Employee engagement surveys are conducted approximately every 18 months.
TSSA’s Annual Public Safety Performance Report provides comprehensive information on the state of compliance as well as measures and trends on the safety performance of the sectors it regulates. Download your copy at www.tssa.org/regulated/about/publicsafetyreports.aspx