



Standards Council of Canada  
Conseil canadien des normes

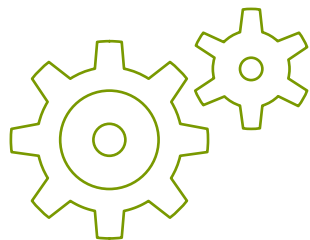
ANNUAL REPORT 2016–2017

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# DELIVERING THROUGH INNOVATION

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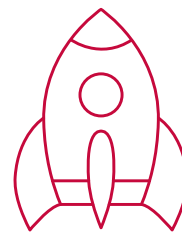
## OUR MANDATE



To promote efficient and effective voluntary standardization in Canada, where standardization is not expressly provided for by law.

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## OUR MISSION



To lead and facilitate the development and use of national and international standards and accreditation services in order to enhance Canada's competitiveness and well-being.

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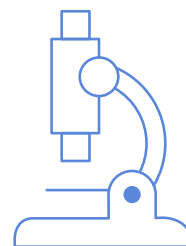
## OUR CORE VALUES



Respect • Integrity • Professionalism

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## OUR VISION



To be a global leader driving prosperity and well-being for Canada through innovative standardization solutions.

# TABLE OF CONTENTS

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- 2** SECTION 1: MESSAGE FROM THE CHAIR AND THE CEO
- 4** SECTION 2: PERFORMANCE AGAINST OBJECTIVES 2016–2017
- 8** SECTION 3: SCC'S OPERATING ENVIRONMENT AND CONTEXT
- 11** SECTION 4: PERFORMANCE HIGHLIGHTS
- 25** SECTION 5: CANADA'S INTERNATIONAL AND REGIONAL STANDARDIZATION NETWORKS
- 27** SECTION 6: CORPORATE GOVERNANCE
- 29** SECTION 7: CORPORATE PROFILE
- 32** SECTION 8: FINANCIAL PERFORMANCE
- 49** SECTION 9: GLOSSARY OF ACRONYMS

## HOW TO REACH US

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## MESSAGE FROM THE CHAIR AND THE CEO

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Standards are critical to almost every product and service we use. They are part of a network of guidelines, rules and requirements designed to ensure things work as they should. They protect our health and safety, and our environment—and now, more than ever before, they are critical to our nation's economy and our future.

As the leader of Canada's standardization network, the Standards Council of Canada (SCC) delivers relevant standardization solutions that protect Canadians, drive innovation, promote domestic and international trade, support sustainable development and ultimately, fuel our economy.

At SCC, we recognize that the world around us is changing. SCC also needs to change so that we can continue to provide value to Canada. Over the past year, we have proven we are up to the challenge.



### **DRIVING FORWARD IN NEW AND INNOVATIVE WAYS**

In today's world, technology influences and shapes almost every aspect of our lives. We can pay for a coffee with our smartphone, automatically park our car with the press of a button, and even have a prosthetic limb made by a 3-D printer. This technological revolution has also sparked a global innovation race. Countries around the world—including Canada—are competing to spearhead new technologies. If we want to stay ahead in this innovation race, we need to remain a global leader in standardization.

From nanotechnology to regenerative medicine to management systems and service industries, standards can help our country create the conditions for innovation to take root and grow. By supporting and leading the development of international standards, and by ensuring Canadians are in leadership positions on key committees, SCC is laying the foundation for a thriving culture of innovation in Canada in the years ahead.

This year, we engaged three Canadian innovators in areas of strategic importance and guided them successfully through the international standardization process. Enabling innovation through standardization will offer these businesses a competitive advantage and, ultimately, deliver economic benefit for Canada.

By partnering with Canadian businesses, research institutions, and key industries to identify the areas where our nation's innovators have unique expertise, we can help them develop standards that tap into that expertise—and they can deliver their innovative products and services to the world.

### **GIVING CANADA A COMPETITIVE EDGE IN THE GLOBAL ARENA**

Technology is not the only change we are facing. With today's global economy, traditional borders are disappearing and we are seeing the ever-increasing

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integration of people, companies and governments. This offers Canadian businesses the ability to reach customers around the world. But differing regulations and standards between countries—and even within our own borders—create market barriers, keeping businesses from reaching their full potential.

Having one standard and one test around the globe, and across our country, will help break down these barriers and open up new and exciting opportunities for Canadian businesses. To achieve our goal of having “one standard, one test...accepted everywhere,” we continue to support the federal government as it works to eliminate trade barriers between Canada and key trading partners.

We are also working with Canadian and U.S. industry to develop joint Canada-U.S. standards in the sectors that will most benefit our economy and citizens. These joint standards will help eliminate duplicative requirements that act as barriers to trade and increase costs for Canadians. They will also help to enhance the competitiveness of Canadian businesses.

SCC is also helping to eliminate internal trade barriers that have been created over many years by varying provincial and territorial regulations and standards. Over the past year, SCC has continued to work with the federal government towards the implementation of the Canadian Free Trade Agreement to help eliminate these barriers and promote greater cooperation between provinces and territories. We are also working with regulatory advisory bodies across the country to encourage them to use the same standards, so we are all on the same page when it comes to removing internal trade barriers.

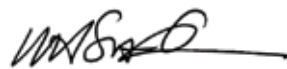
### **SUPPORTING NATIONAL PRIORITIES THROUGH STANDARDIZATION—AT HOME AND ABROAD**

To help open doors for Canadian businesses, SCC is continuing to strengthen its relationships with key trading partners. This past year, we signed an agreement with the European co-operation for Accreditation to implement the *Canada-European Union: Comprehensive Economic and Trade*

*Agreement's* (CETA's) Conformity Assessment Protocol. By addressing duplicative certification between Canada and the EU, this protocol will provide Canadian businesses with increased access to the European market, the world's largest single economy. We also boosted Canada's international profile by strengthening partnerships and working as a trusted advisor with national standards bodies in the United States, China, Korea, Mexico and Costa Rica.

To ensure Canada remains a standardization leader, we also focused on increasing the number of Canadian experts participating on international technical committees. Having Canadian experts on these committees ensures Canada has a strong voice in the decision-making process and will help ensure Canadian competitiveness in the years to come. But having more Canadians participating in international standards development isn't enough. We are also making sure we have the *right* experts sitting on the committees that are of the most strategic importance to Canada.

Over the past year, SCC has worked with government, industry, consumers and other stakeholders to create a standardization network that supports Canada's needs and drives long-term economic health. As we move forward, we are committed and determined to build an even stronger network—a network that continues to provide value to Canada by facilitating global market access for Canadian innovators and helping break down trade barriers, both within Canada and internationally.



Dr. W. A. Sam Shaw  
Acting Chair



John Walter  
Chief Executive Officer

## PERFORMANCE AGAINST OBJECTIVES 2016–2017



= DELAYED





= ACHIEVED





= EXCEEDED






### STRATEGIC PRIORITY: INNOVATION

Outcome	Plan	Measure	Result	Status
Canada's standardization network is committed to helping Canadian innovators lead the development of international standards, effectively shaping key global marketplace rules to Canada's benefit.	Implement Canadian Innovation Standards Plan	Two innovative industry sector proposals advanced internationally	Three pilot project proposals advanced internationally	
		2% increase in industry sector participants representing Canada on international standards committees	3.9% increase in participants representing Canada on international standards committees	





### STRATEGIC PRIORITY: VALUE TO CANADA

Outcome	Plan	Measure	Result	Status
Modernized standardization governance in Canada, where standardization solutions are implemented that directly benefit the economic and social well-being of Canadians.	Align standardization principles across Canadian jurisdictions	Standards aligned in one provincial/territorial sector	Sectors to be defined under the <i>Canadian Free Trade Agreement</i> (CFTA)	
		Other recognized documents (ORDs) integrated into the standardization governance structure	Memorandums of Understanding signed with the Canadian Advisory Council on Electrical Safety (CACES), the Interprovincial Gas Advisory Council (IGAC), and the Canadian Regulatory Council on Plumbing (CRCP) bodies to integrate the development of ORDs into the standardization governance structure. SCC provides secretariat services to all three Councils	

## STRATEGIC PRIORITY: VALUE TO CANADA

Outcome	Plan	Measure	Result	Status
Modernized standardization governance in Canada, where standardization solutions are implemented that directly benefit the economic and social well-being of Canadians.	Deliver standardization solutions for national priorities	Inventories of standards referenced in regulations provided for 3 additional provinces/territories	Inventories were completed for all provinces and territories where approval to proceed had been given	
		Phase 3 of research project in support of CFTA completed	Timelines revised. Working with ISED on sector identification under the CFTA	
		Program to deliver standards on climate information and weather data	Program in place	
		Program to update existing infrastructure standards	Program developed to insert climate considerations into existing infrastructure standards	
		Published standard to support northern infrastructure	CAN/BNQ 2501-500 Geotechnical Site Investigations for Building Foundations in Permafrost Zones published in February 2017	
	Cultivate high performance teams	Less than 10% voluntary staff attrition	8.6% voluntary staff attrition	
		1.5% of base salary invested in staff training and development	1.5% of base salary invested in staff training and development	
	Build a healthy and respectful workplace with an emphasis on mental health	Employee awareness sessions conducted by SCC's Employee Assistance Program (EAP) provider	11 sessions completed	
		Training sessions offered providing strategies for dealing with stress	2 all-staff sessions completed on November 6, 2016, and February 2, 2017	
		Mental health ambassador employee groups created	Mental health ambassador employee groups created and are developing plans	
Values and Ethics Orientation Module completed by all staff		100% staff completion rate		

**STRATEGIC PRIORITY: VALUE TO CANADA**

Outcome	Plan	Measure	Result	Status
Modernized standardization governance in Canada, where standardization solutions are implemented that directly benefit the economic and social well-being of Canadians.	Modernize business processes and tools	IM/IT upgrade 100% complete	IM/IT upgrades delayed due to product delivery issues	
		Conduct Internal audits—findings resolved within 6 months	Audits completed—findings resolved within 6 months	
	Maintain value-added Accreditation Services	Accreditation Services cost recovery greater than 95% of target	Accreditation Services cost recovery at 100% of target	
		Successful peer evaluation: Inter-American Accreditation Cooperation (IAAC)/Asia Pacific Laboratory Accreditation Cooperation (APLAC) recognition on laboratory accreditation program (LAP)	Peer evaluation completed—two minor findings, both resolved	



## STRATEGIC PRIORITY: INTERNATIONAL LEADER

Outcome	Plan	Measure	Result	Status
Canada is strategically positioned to lead globally to create opportunities for Canadian business.	Represent Canada effectively at ISO and IEC	Canadian leadership and participation in international standardization activities	Canada's voting submission rate on ISO and IEC technical committees is 99.6% SCC's CEO elected to the position of President of ISO (2018–2020)	
	Align standardization solutions with key trading partner	One proposal to align standards	Proposal initiated with Mexico's <i>Dirección General de Normas</i> Information exchange continues	
	Align standardization solutions with the United States (U.S.)	Two joint Canada-U.S. standards developed	Five joint Canada-U.S. standards approved as National Standards of Canada 36 Notices of Intent for the development of joint Canada-U.S. national standards	
		One joint conformity assessment program developed	Working with BC Association for Crane Safety (BCACS), the Canadian Hoisting and Rigging Safety Council (CHRSC) and the National Occupational Council of Canada (Natoc) to align qualifications for U.S. and Canadian crane operators Memorandum of Understanding signed with Verified Carbon Standard to co-develop accreditation sub-program on Environmental Technology Verification Accreditation body license agreement signed between Safe Quality Food (SQF) and SCC to offer the SQF program within ISO/IEC 17065 accreditation New accreditation sub-program to Model Code SPE-3000 offered	

## SCC'S OPERATING ENVIRONMENT AND CONTEXT

SCC continuously monitors national and global trends, as well as social, economic and political factors that impact on our ability to deliver on strategic priorities. This enables us to adapt to the environment we operate in, so we can continue to help fuel Canada's economy by fostering innovation, reducing trade barriers and expanding market access—both within Canada and internationally. We know that following through on these priorities is essential to strengthening Canada's standardization network and delivering on our core mandate to:

- advance the national economy;
- support sustainable development;
- benefit the health, safety and welfare of workers and the public;
- assist and protect consumers;
- facilitate domestic and international trade; and
- further international cooperation in relation to standardization.

### INNOVATION

Countries around the world seek positions on international governance and technical standardization committees to gain a competitive advantage for their businesses. SCC is among the leaders in implementing this strategy, and we are ensuring that Canada has a strong voice on committees of strategic importance to our country. By connecting Canadian experts and innovators with our national standardization network, we guarantee Canadian input into areas with the greatest potential benefit to our economy—and our citizens.

To cement Canada's place as an international leader, SCC engages our nation's most skilled and knowledgeable experts to participate in international standards development, especially in those sectors that are critical to Canada's economy. To ensure this occurs, SCC—with input from its stakeholders—updates programs that encourage participation and ease the way for qualified young professionals to become involved in key international committees.

Spearheading the development of international standards is critical to driving innovation. For Canadian-made technologies or innovations to succeed and secure their place in global supply chains, Canada must be proactively involved in shaping the standards around these new technologies. To seize these opportunities as they arise, SCC collaborates with Canadian innovators in sectors with demonstrated potential to leverage standardization as a tool to strategically support market entry and growth in sectors with demonstrated potential.

SCC supports Canadian innovators in the development of standards and conformity assessment programs to effectively shape global marketplace rules to Canada's advantage. SCC's support in bringing Canadian innovators to the table includes, but is not limited to: analyzing key trends, opportunities and stakeholder dynamics; advising, orienting and training Canadian innovators on standardization, the standards development process and deliverables; advancing strategic innovative project proposals at the international level; accrediting Canadian experts and innovators to actively participate on international standardization technical committees; nominating Canadian innovators to take leadership positions on international committees; supporting Canadians to take on international governance positions on standardization bodies; and coordinating Canada's national positions.

### VALUE TO CANADA

Standardization is critical to Canada's economic prosperity. Standards can influence public policy objectives in diverse areas, and they can directly support the federal government's plan to build a strong and competitive national economy. Regulators and regulatory advisory bodies across Canada recognize SCC as a trusted advisor with the ability to deliver standardization solutions to help them achieve their regulatory objectives.

SCC has worked with federal, provincial and territorial representatives—through the Provincial-Territorial Advisory Committee (PTAC), the National Public Safety Advisory Committee (NPSAC) and direct consultations with government departments—to offer innovative standardization solutions that promote the use of up-to-date standards in regulations. SCC is also encouraging regulators to consider the alignment of standards in regulations to reduce barriers to trade within Canada.

Certification and testing requirements can differ between Canadian jurisdictions, impeding the mobility of some products, tradespeople and professionals. As a result, internal trade barriers have been created, even within our own borders.

For example, differing Canadian Registration Number (CRN) requirements for boilers, pressure vessels, and fittings across the country create red tape and increase costs for industry. Differences between federal, provincial, territorial and municipal requirements mean manufacturers also face conflicting and duplicative requirements—again increasing their costs. In order to eliminate these impediments to trade—which can ultimately translate into higher prices and reduced choice for consumers—SCC supports the provinces and territories in the development of a common approach across Canada for the CRN. Making these improvements within Canada’s standardization network benefits us all.

To further strengthen Canada’s standardization network, the organization has continued to work with industry leaders in the sectors that are key to Canadian competitiveness. We engage these leaders to ensure they are fully aware of how standardization supports and advances their priorities, delivers returns on investments and enhances Canada’s economic and social well-being. For example, SCC leverages its Canadian National Committee of the International Electrotechnical Commission (IEC), whose members include top senior leaders of Canada’s electrotechnical sectors from hydroelectricity, renewable energies, electric cars, to electrical products and consumer

electronics, to ensure Canadian interests are considered in the development of IEC plans.

We are also aware that today’s increasingly competitive and complex international marketplace has created challenges for Canadian small and medium-sized enterprises (SMEs). For these smaller-sized exporters, third-party conformity assessment is a way to meet the criteria necessary for doing business in any given market. By being certified to these standards, SMEs can become suppliers of choice and gain a competitive edge in markets around the world—enhancing their bottom-line and ensuring their long-term growth. By offering innovative accreditation solutions and encouraging international harmonization, SCC makes it easier for Canadian companies to participate in the global economy.

The move toward aligning standards across the globe is also opening doors to both regulated and non-regulated markets for a growing number of accreditation service providers. As the leader of Canada’s standardization network, SCC supports this by continually assessing and improving the efficacy of accreditation programs and offerings. SCC’s Accreditation Services Branch continues to prioritize the delivery of its programs and review its pricing model so that fees remain transparent and fair.

## **INTERNATIONAL LEADER**

The international trade arena is more competitive than ever before. As Canadian businesses enter new export markets, and as Canada increasingly diversifies its trade away from traditional markets, this evolving landscape means that SCC must continue developing new strategies that support the needs of both exporters and importers so they can compete globally. Standardization plays a key role in promoting global trade and in helping Canada to reach its full potential. For example, through SCC’s agreement with the European Committee for Standardization (CEN) and the European Committee for Electrotechnical Standardization (CENELEC), SCC was able to work with CEN to ensure that revisions to a European lumber grading standard did not adversely impact

access to the European market for Canadian lumber companies.

Developing strong relationships with national standardization bodies of key trading partners is one way SCC embraces its international leadership position to create opportunities for Canadian businesses and offer value to Canada. To facilitate implementation of conformity assessment within the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), SCC has signed a Cooperation Agreement with the European co-operation for Accreditation (EA). We are also using

our recently renewed and strengthened Cooperation Agreement with the Standards Administration of China (SAC) to assist the federal government as it considers a possible Canada-China Free Trade Agreement.

To access U.S. and global markets, Canada must constantly adapt to a shifting marketplace. SCC has made strategic investments to build a responsive and effective standardization network that puts Canada first. To provide this flexibility, and help increase economic competitiveness for Canadians, our goal is to align standards nationally, regionally and internationally.

**KEY FACTS, FIGURES AND TRENDS**

SCC continuously updates and monitors its database of facts and figures. These have been compiled from several sources, including: SCC-accredited SDO standards catalogues; data published by ISO, IEC and the International Telecommunications Union (ITU); and, SCC's own database of international technical committee participants. Below are some examples of what is monitored in this database.

	2015-16	Trend	2016-17	What Does This Mean?
Number of active Canadian standards	2,953	—	2,978	This number has stabilized since the need for uniquely Canadian standards is diminishing as Canada and the world moves towards more global alignment. SCC must keep pace with this global shift by working to more quickly influence and adopt international standards.
Number of standards and related documents maintained by key international standardization organizations (ISO, the IEC, ITU)	32,988	↑	34,054	With global alignment, there has been an increase in standards being maintained by international organizations. International standards lessen trade barriers easing entry into international markets.
Number of National Standards of Canada approved by SCC (yearly)	182	↑	251	SCC has sought to efficiently adopt international standards, to ensure Canada's competitive edge on the global stage.
Number of standards incorporated by reference in federal regulations	1,377	—	1,344	SCC must continue to work with federal departments to ensure standards incorporated by reference in federal regulations are relevant and up-to-date in order to protect the economic and social well-being of Canadians.
Number of Canadian volunteer members participating in international standards development committees	3,153	↑	3,276	To effectively influence marketplace rules to benefit Canada, SCC must continue to attract and retain Canadian volunteers, and must strategically target the committees on which these volunteers participate.

## PERFORMANCE HIGHLIGHTS

Standards are more important today than ever before. Having standards in place ensures that many of the products and services we depend on every day work as they should—from Wi-Fi systems to medical devices to the cars we drive.

Today, there are approximately 1,344 standards referenced in Canadian federal regulations. They safeguard the health and safety of Canadians and provide businesses with the tools they need to succeed nationally, regionally and internationally.

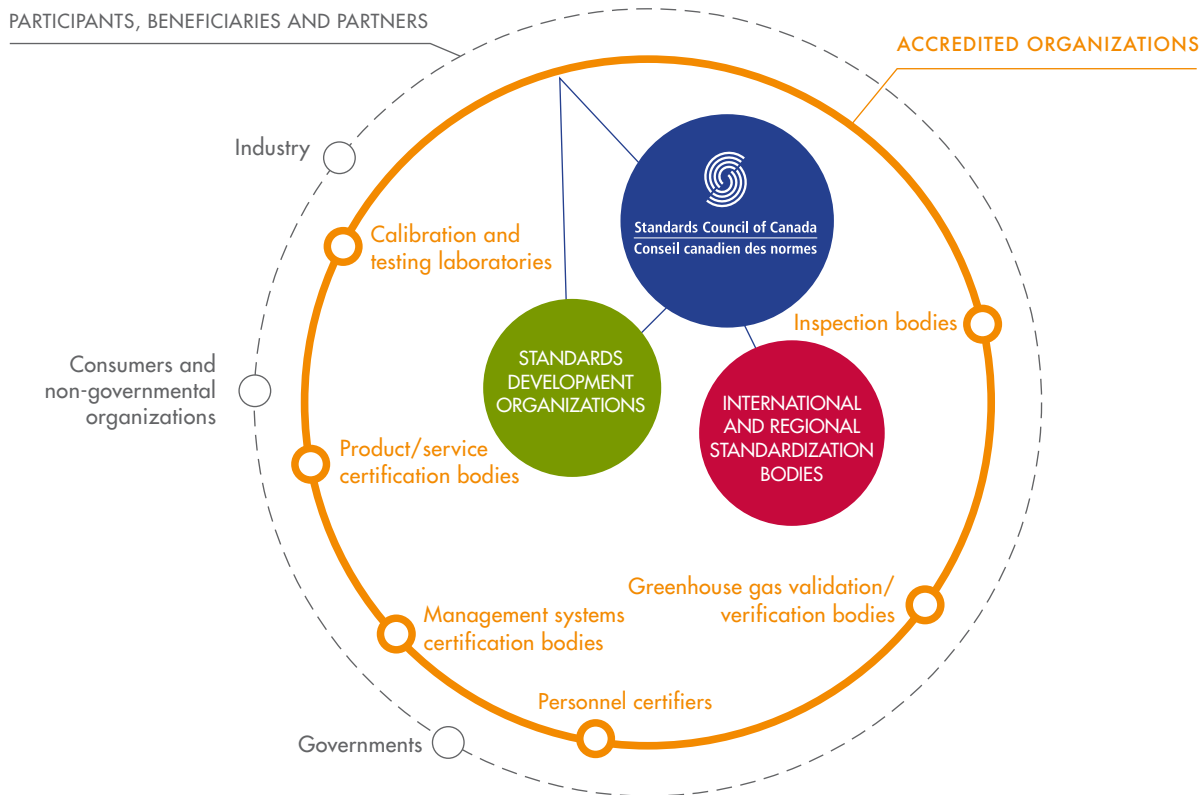
But standards don't just protect Canadians or help our businesses thrive. They are also critical to our nation's

long-term economic prosperity. To ensure we continue to create the kind of standardization network necessary to support growth, SCC focused on the following three strategic priorities in 2016–17:

- Innovation
- Value to Canada
- International Leader

As the highlights that follow demonstrate, SCC has continued to take concrete and significant steps over the past year to support these priorities and foster a standardization system that drives innovation, encourages trade and protects our citizen's health and safety, today and into the future.

FIGURE 1: CANADA'S STANDARDIZATION NETWORK



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 WORLD STANDARDS DAY
 

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**GETTING STANDARDS RIGHT CAN HELP DRIVE INNOVATION, AND THAT'S WHY IT'S VERY IMPORTANT TO THIS GOVERNMENT'S AGENDA.**

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*Greg Fergus, Parliamentary Secretary to the Minister of Innovation, Science and Economic Development, presenting at World Standards Day 2016.*

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**INNOVATION**

There is no question that in today's world innovation drives economies. If countries want to compete they must focus their attention and resources not only on research and development but also on helping their innovative technologies make it to market. If Canada is to succeed in this competitive global economy, it is vital that we be first out of the gate in producing and commercializing new technologies. And standards play a critical role in making sure this happens.

If we do not make innovation a priority, we may find ourselves relying on standards developed without Canadian input. That is why SCC continues to cultivate and promote standardization solutions that will help to ensure we become a nation of innovators. Our ambitious goals over the past year reflect SCC's commitment to collaborate with government and industry to kick-start the development of new and innovative Canadian-made technologies, so that our nation can remain competitive in today's global economy and thrive in the years to come.

**Propelling Canadian Innovations onto the Global Stage**

As part of a pilot project to embed standardization in Canadian innovation, over the past year SCC identified Canadian companies with emerging technologies of potential strategic importance to the Canadian economy. We worked with these innovators to help them successfully navigate the

International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) standards development process to support them in commercializing their technologies and gaining access to global markets.

Three cutting-edge technologies were selected as part of the pilot project, representing three emerging areas: power utility systems management, marine sensor performance and nanotechnology.

By working with the innovators behind these Canadian technologies, SCC was able to help all three have their standards proposals approved for development and added to their respective international technical committee work plans. This means these Canadian innovators will spearhead the development of the resulting international standardization solutions, and as a result, be able to shape global marketplace rules in support of Canadian interests.

The success of this pilot project clearly demonstrates the role standardization can play in supporting innovation and how SCC can facilitate the federal government's agenda to work with industry to advance technologies that benefit the Canadian economy. SCC intends to build on our success and continue to seek out Canadian innovators so that we can find standardization solutions that will help them commercialize their technologies and compete in the global marketplace.

### Building on Our Past Successes

SCC's strategy to support innovation in priority sectors—and thereby become an international standardization leader—has led to recent success. Through this work, we will continue to identify ways to embed standardization earlier in the innovation process by helping Canadian companies lead the development of international standards and conformity assessment programs. By engaging in the standardization process early on, Canadian innovators can be first-to-market with new technologies and gain a competitive advantage in the global marketplace. SCC will continue to work with Canadian innovators throughout the process to provide guidance, advice and support in navigating the international standardization system.

This strategy will allow SCC to continue working with targeted industry sectors that have the greatest potential to boost Canada's competitiveness.



**THE IMPORTANCE OF GETTING INVOLVED IN STANDARDIZATION BECAME ABUNDANTLY CLEAR WHEN I STEPPED INTO MY FIRST ISO TECHNICAL COMMITTEE MEETING AND SAW ALL MY COMPETITORS AND CLIENTS SITTING AROUND THE TABLE—IF MY BUSINESS IS GOING TO REMAIN AMONG INDUSTRY LEADERS, WE NEED TO BE ENGAGED IN INTERNATIONAL STANDARDIZATION FROM THE START.**



*Dustin Olender, Director of Design and Manufacturing of AML Oceanographic and Project Lead for the Marine Sensor Performance New Work Item Proposal.*

### Bringing Canadian Experts into Standardization

To identify and seize upon opportunities in the global marketplace, we need Canadian experts to be involved in the international standardization arena. SCC realizes this, and that is why we set a target to increase the number of subject matter experts representing Canada on international standards

committees by two per cent in 2016–17. Not only did we reach our target, but we nearly doubled it. By the end of the fiscal year, the number of registered SCC members on international committees stood at 3,276, an increase of almost four per cent over the previous year.

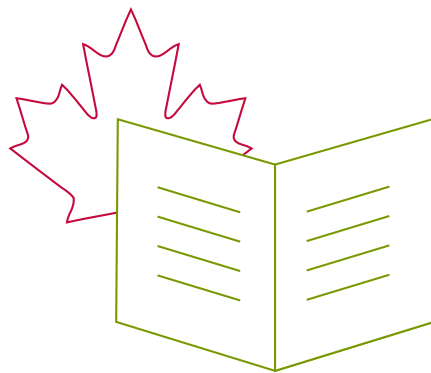
It was no accident that SCC exceeded this target. Throughout the year, SCC staff worked hard to recruit the most qualified experts in strategic areas to become involved in standardization and strengthen Canada's voice on the global stage. These experts work within regional and international forums to ensure the needs of Canadian stakeholders are represented. This strategy is part of SCC's mission to both lead internationally and provide value to Canada, and will continue to be emphasized in the coming year and into the future.

### VALUE TO CANADA

Everything SCC does is in support of its mandate to lead a strong standardization network that protects consumers, promotes domestic and international trade, supports sustainable development and advances Canada's national economy. To position Canada for the future, SCC has made it a priority to ensure that standardization effectively supports the objectives and strategies of both government and industry.

### Providing Effective Regulatory Tools for Government

Our governments are responsible for protecting the health, safety and security of Canadians. Regulations are the primary means by which they do this. In 2016–17, SCC continued to work closely with federal departments and agencies to monitor the standards referenced in Canadian regulations and ensure they are effective, relevant and up-to-date. SCC's Monitoring of Standards in Regulations (MSR) program has provided data and analysis to nine federal departments and agencies about the standards referenced in their regulations. This engagement helps to ensure standards remain a viable instrument of choice for Canada's regulators. It also ensures they are systematically assessed and prioritized as part of the governments' annual planning and reporting



There are approximately **5,000** references to standards in Canadian federal, provincial and local regulations.

processes, so that they continue to safeguard the health and safety of Canadians and support Canada's trade and commerce goals.

In addition, SCC is now working with senior officials at ISED, the Treasury Board of Canada Secretariat and the Department of Justice to finalize Incorporation by Reference Guidelines for future use by federal, provincial and territorial governments. These guidelines will provide guidance on how to incorporate standards in regulation to achieve public policy objectives. SCC also agreed to meet with federal departments to review their 2016–17 standardization goals and to advise them on how to establish future priorities that will ensure standardization continues to benefit Canadians.

### **Fostering Continuous Improvement of Canada's Standardization Network**

As the leader of Canada's standardization network, we need to keep innovating and improving our own processes so we continue to provide value to Canada. That is why SCC is forging stronger relationships with regulatory advisory bodies to ensure that standards, conformity assessment procedures and other regulatory tools are up-to-date and aligned across the country.

In June 2016, SCC's application to fill the role of secretariat of the Canadian Advisory Council on Electrical Safety (CACES) was unanimously supported. By taking on this new role with CACES—an independent organization that consists of members

from all 13 provinces and territories, participating accredited organizations, Health Canada and SCC—SCC will be able to better coordinate activities and decisions on standards, conformity assessment procedures, and other recognized documents in the electrical safety sector. This is an important step forward in our ongoing work to modernize standards governance in Canada.

In November 2016 SCC also signed an MOU with the Interprovincial Gas Advisory Council (IGAC) and in March 2017 with the Canadian Regulatory Council on Plumbing (CRCP). As with CACES, SCC provides secretariat coordination to the regulatory members of IGAC and CRCP. These agreements allow for more formal collaboration between SCC and these Regulatory Authority Advisory Bodies (RAABs) and will lead to greater coordination related to standards, regulations, conformity assessment procedures, and other recognized documents. SCC is also exploring opportunities for similar agreements with other interested RAABs. By strengthening and expanding our relationship with these regulatory bodies, we can help ensure that regulations are better aligned and up-to-date.

SCC continues to be an active member of the National Public Safety Advisory Committee (NPSAC), a national forum for federal, provincial and territorial regulators that facilitates policy solutions for standardization-related matters in the public safety realm in Canada. SCC has provided Secretariat coordination to NPSAC since April 2008.



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## 2016 STANDARDS COUNCIL OF CANADA AWARDS

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As part of the Standards Council of Canada's World Standards Day 2016 event, Canada's national awards in standardization were presented to recognize the commitment of individuals, organizations and committees who dedicate their time and expertise in support of Canada's national standardization network.

**Hugh Krentz Award:** G. Rae Dulmage has held positions of increasing responsibility in Canadian and international standards over the past 30 years. From 2002–2016, he served as Director of the Standards Department, External Affairs and Government Relations Office at Underwriters Laboratories of Canada (ULC). He has served as Chair of the Standards Development Organization Advisory Committee at the Standards Council of Canada; Chair of ISO PC 245, *Cross-border trade of second-hand goods*; Standards Development Organization Representative on the Canadian Commission on Building and Fire Codes; and an active member of the National Public Safety Advisory Committee as well as various other committees. Before joining ULC, Mr. Dulmage was Manager of the Standards Program at the Standards Council of Canada, and prior to that, Vice-President at Certelem Laboratories Inc.

**SCC Young Leader Award:** As Project Manager for ULC Standards, Mark Ramlochan contributes valuable expertise on standards-related matters in Canada and abroad. He has effectively managed dozens of Canadian standards development and international mirror committees, has represented the needs of Canadians in drafting policy for the Society of Standards Professionals (SES), and continuously seeks to further his knowledge in support of the technical committees he manages. Mr. Ramlochan is always strategic in his focus and is able to effectively balance organization and humour while carrying out his functions as technical committee manager.

**Corporate Commitment Award:** The Mental Health Commission of Canada has been instrumental in the development and advancement of the standard for psychological health and safety in the workplace. The

Commission has presented more than 120 national and international lectures and workshops on the standard, produced a series of free tools, publications and webinars, and developed formal and informal communities of practice in targeted sectors to share knowledge and resources across Canada. The Commission has also worked with CSA Group and the Bureau de normalisation du Québec (BNQ) to submit an international standards development proposal based on the Canadian standard.

**Committee Achievement Award:** ULC S700A is a technical committee, managed by ULC Standards, that develops and maintains standards, guidelines, and test methods for thermal performance and energy use of materials and systems in the built environment. The work performed by the committee has been so valuable in ensuring the health and safety of consumers that many of its standards have been referenced in the National Model (Building) Code of Canada and are published as International Standards by the International Organization for Standardization (ISO).

**McMahon Dedicated Service Award:** Lynne Gibbens has been with the Standards Council of Canada for more than 16 years. During this time, she has become known for her professionalism, work ethic, and expertise. Most notably, Ms. Gibbens revitalized the Canadian National Committee of the International Electrotechnical Commission (CANC/IEC). Her success in this work engaged many high-level industry players to contribute for the very first time on international standardization issues. Ms. Gibbens enhances the quality of committee participation in her role as alternate member of the IEC Standardization Management Board and members of SCC staff regularly rely on Lynne's leadership and support given her depth of knowledge and passion for her work.

### **Supporting the Canadian Free Trade Agreement**

Canadian provinces and territories often have different rules, requirements and certifications that can create internal barriers to trade. These barriers restrict the mobility of some products, tradespeople and certified professionals. In some cases, they can even make trade within Canada's own borders more difficult than trade with other countries. Aligning standards and conformity assessment requirements across the country will not only reduce red tape for businesses, it could also result in greater choice—and lower prices—for consumers.

To remove unnecessary trade barriers and encourage the freer flow of goods and workers within Canada, SCC has focused on identifying and supporting the alignment of standards in priority sectors. By working with governments to monitor standards referenced in regulation, SCC is promoting cooperation between provinces and territories with the aim to align standards and reduce duplicative certification requirements across jurisdictions. In the process, we are supporting free trade within Canada and making Canadian businesses more competitive in the global marketplace.

Federal, provincial and territorial governments are committed to implementing the Canadian Free Trade Agreement (CFTA) in order to remove internal trade barriers. By working with the Provincial-Territorial Advisory Committee (PTAC) and the National Public Safety Advisory Committee (NPSAC), SCC is supporting efforts to align standards and regulations across Canada, in support of CFTA implementation. These actions enable regulatory reconciliation—the process through which governments can harmonize their regulations and eliminate internal trade barriers. SCC has already completed inventories of standards incorporated by reference in the regulations of all participating provinces and territories. We are now working with PTAC to encourage discussions between provinces and territories that would identify opportunities to harmonize regulations. SCC is also working with PTAC to identify and prioritize sectors in

which regulatory reconciliation could offer the greatest benefits for Canadian businesses.

SCC also collaborated with industry to develop a research report on internal barriers to trade within Canada, which will be published in 2017–18. The report will outline opportunities to break down or avoid establishing these trade barriers in four industry sectors: tower cranes, water heaters, liquefied natural gas, and recreational vehicles.

### **Looking to Standards to Adapt to Climate Change and other Environmental Challenges**

Our climate is changing and standards also need to change if we want to reduce the risks that come with this new reality. In 2016–17, SCC continued to work with stakeholders across the country to deliver standardization solutions that will help governments and citizens adapt to climate change, particularly when it comes to infrastructure.

To meet the urgent need to ensure Canada's infrastructure is climate-ready, SCC has initiated a program to support updates to a broad range of existing standards currently referenced in federal, provincial and territorial regulations and codes. In doing so, SCC will give stakeholders the information they need to insert climate considerations into critical new or updated infrastructure standards.

As part of Canada's action on climate change, SCC was provided with funding this year to help develop standardization solutions that consider expected climate change impacts on critical Canadian infrastructure. In order to ensure infrastructure is climate-resilient, stakeholders need tools to incorporate climate information into Canadian infrastructure design values. New and updated standards, guidelines and specifications that incorporate climate change considerations will ensure that our country is better prepared for the climate-related challenges that lay ahead.

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## NISI PHASE II

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In January 2017, the Northern Advisory Committee (NAC) met to kick-off Phase II of the Northern Infrastructure Standardization Initiative. The NAC is comprised of representatives from Yukon, the Northwest Territories, Nunavut and Nunavik, and is essential to the success of NISI. Members of the NAC include (from left to right) Paul Parsons, Gary Collins, Watson Fournier, Nelson Pisco (Phase II Chair), Christine Moore (SCC Program Manager), Daniel Brown (Indigenous and Northern Affairs Canada), Mike Burns (Phase I Chair), Olivia Lee, Jennifer MacGillivray, Mark Cronk.



Standards can also help promote innovative technologies that address and combat other environmental problems by establishing a way to prove they perform as expected and provide the services promised. SCC has worked with Environment and Climate Change Canada since 2012 to lead the development of an International Standard on Environmental Technology Verification. In 2016, that international leadership led to the publication of ISO 14034:2016, *Environmental management—Environmental technology verification (ETV)*. This standard aims to provide credible, reliable and independent verification of the performance of environmental technologies.

### Supporting Climate Resiliency in Canada's North

Canada's North is particularly vulnerable to the impacts of climate change and SCC has been working hard to provide standardization solutions to build resiliency in northern communities. The Northern Infrastructure Standardization Initiative (NISI) was launched in 2011 with the support of Indigenous and Northern Affairs Canada. Its goal is to address the unique challenges facing Canada's North when it comes to climate change through the effective use of standards. Early on, SCC engaged representatives from Yukon, the Northwest Territories, Nunavut, and

the region in northern Quebec known as Nunavik to form the Northern Advisory Committee (NAC).

In consultation with the NAC, SCC helped develop five standards focusing on key issues including building in permafrost, snow load management, and community drainage plans. As part of Phase I of NISI, all five standards have now been published as National Standards of Canada (the fifth was published in February 2017). These five standards will help provide mechanisms to adapt and reduce the vulnerability of northern infrastructure to the impacts of climate change. To build adaptation capacity within northern communities, SCC also facilitated the development of training and communication materials on how to apply the standards, including in-class sessions conducted by CSA Group that took place in Inuvik in November 2016 and in Yukon in March 2017. These standards and the accompanying training will help building owners and those responsible for public and community infrastructure to construct and maintain resilient infrastructure in the years to come.

Building on the success of the first phase of NISI, SCC launched a second phase that will continue to address critical climate-related issues that face Canada's North. With the help of the NAC, NISI Phase II (2016–2020) will bring together infrastructure

experts to develop seven additional standards in areas such as wastewater treatment, selection of foundation types, fire-resistant building materials, high-wind adaptation techniques, and erosion protection in northern communities.

### Delivering Innovative Accreditation Solutions

SCC's Accreditation Services Branch (ASB) helps strengthen the quality of products, systems and services used by Canadians every day by offering in-depth technical expertise that is part of a strong and effective standardization network.

This past year, as part of a three-year plan, ASB completed a strategic review of its ten accreditation programs, looking at market stability and growth, industry and government priorities, and overall financial performance. The review led to concrete recommendations and timeframes for future offerings and their associated cost structure, and will support ASB's continued focus on delivering accreditation solutions that benefit Canadians.

A customized Business Management Solution (BMS) to improve the Branch's workflow, efficiency and productivity is a major element in ASB's innovative new service delivery model. The BMS was developed and tested throughout 2016–17 and is on track to be implemented in 2017–18. Once launched, this new tool will enhance SCC's ability to consistently deliver high-quality assessments and provide even better customer service.

As part of World Accreditation Day 2016, SCC hosted a celebration with the theme of *Accreditation: A global tool to support public policy*. The event featured keynote speaker Karsten Mecklenburg, counsellor and head of the Economic and Trade Section of the European Union's (EU's) Delegation to Canada. He spoke about the Comprehensive Economic and Trade Agreement (CETA) between Canada and the EU and the important role that standardization will play in it. In particular, he pointed to CETA as the framework for mutual recognition of conformity assessment.

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## WORLD ACCREDITATION DAY

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On June 1, 2016, SCC celebrated World Accreditation Day. Karsten Mecklenburg, Counsellor and Head of the Economic and Trade Section at the Delegation of the European Union (EU) to Canada, presented the keynote on the important role standards will play in implementing the Comprehensive Economic and Trade Agreement (CETA) between Canada and the EU.

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**ACCREDITATION IS A FUNDAMENTAL PILLAR OF STANDARDIZATION, PARTICULARLY IN AN INTERNATIONAL FRAMEWORK. WE ALL WANT TO REMOVE UNNECESSARY HURDLES AND RED TAPE, AS WELL AS REDUCE ADDITIONAL COSTS FOR INDUSTRY—NOTABLY SMALL AND MEDIUM-SIZED ENTERPRISES—AS WELL AS FOR CONSUMERS.**  
 ”

*Karsten Mecklenburg, Counsellor and Head of the Economic and Trade Section at the Delegation of the European Union (EU) to Canada, presenting at World Accreditation Day 2016.*

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**NUMBER OF ACCREDITATION SERVICES BRANCH CUSTOMERS, BY PROGRAM AREA\***

Program Area	2015–16	Trend	2016–17
Laboratories—Medical	2	—	2
Laboratories—General	226	↑	230
Laboratories—SCC partners	94	—	94
Good Laboratory Practice (GLP-OECD) Recognition	46	—	46
Product certification bodies (ISO/IEC Guide 65)	40	↓	37
Management systems certification bodies (ISO/IEC 17021)	23	—	23
Personnel certification bodies (ISO/IEC 17024)	5	—	5
Inspection bodies (ISO/IEC 17020)	19	↑	21
GHG verification bodies (ISO 14065)	6	↓	4
Standards development organizations	8	↑	10
<b>TOTAL NUMBER OF ACCREDITATIONS ISSUED</b>	<b>469</b>	<b>↑</b>	<b>472</b>

\*Includes applicants as well as customers who have been accredited or suspended.

### Modernizing the Canadian Standards Development Program

As the leader of Canada's standardization network, SCC strives to be innovative, responsive and efficient in its approach to standards development. We regularly consult with stakeholders about their needs. This year, SCC worked closely with the Standards Development Organizations Advisory Committee (SDOAC) to modernize and improve the Canadian standards development system. The changes are based on international best practices and will offer a simpler and more efficient development process, while still maintaining the integrity and value of National Standards of Canada (NSCs).

The proposed changes include allowing the self-declaration of compliance for National Standards of Canada by SCC-accredited standards development organizations, updating the duplication resolution process to include more proactive SCC facilitation of complaints and simplifying and clarifying program requirements.

### Investing in a Culture of Excellence and Innovation

Through 2016–17, SCC remained focused on staff development, training and succession planning to ensure we maintain high-performance teams that have the skills needed to deliver value to Canada, today and in the future.

To this end, SCC's Senior Management Committee created a new organizational approach to address issues raised in the most recent employee satisfaction survey. SCC also developed a Human Resources Strategic Plan to enhance and strengthen capacity, support a high-performance culture and optimize human resources infrastructure, policies and tools. As part of this plan, SCC is now in the process of developing and implementing a competency-based talent management system to inform staff development plans and foster a high-performance culture.

SCC has also developed an orientation module outlining SCC's core values and implemented a plan to foster mental health awareness through

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 EMPLOYEE RECOGNITION AWARDS
 

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Each year, SCC presents Employee Recognition Awards for staff to honour their years of service and to thank them for their ongoing commitment and contributions to the organization's success.

SCC Vice-President, Strategy and Stakeholder Engagement Branch Michel Girard presented this year's awards during the organization's Town Hall meeting on December 12, 2016. Receiving awards were (from left) Debbie Montgomery, Jeff Stoski, Nadine Hubert, Alejandro Trujillo, Quinn Redekop, Visar Mahmuti, William O'Neill, Anneke Olvera, Valerie Lefebvre, Keith Jansa, Nancy Beerkens, Christine Geraghty, Rania Zedek and Dan Goldie. Honourees who were not present to receive their awards included Christina Cole, Karyn Crawford, Rassoulou Dialo, Kelly Montgomery and Greg Slingerland.

sessions on mental health issues and by establishing an employee-based Mental Health Committee. The organization is also developing succession strategies for all critical positions. This multi-pronged approach to human resource management is fueled by SCC's desire to promote a healthy, supportive and respectful workplace where all employees are both valued and respected.

### **INTERNATIONAL LEADER**

Canada's long-term economic prosperity depends on its ability to leverage opportunities in global markets. In 2016-17, SCC focused on strategically positioning Canada as a leader within key regional and international standards bodies to give Canada the competitive edge it needs to do this. By providing a strong voice for Canada on the international stage,

SCC is helping to increase trade opportunities for Canadian businesses and ensure our nation's interests are represented.

### **Providing Canada with a Strong Voice on the World Stage**

Although SCC has always strived to be a leader in international standardization, 2016-17 saw the organization take concrete steps to give Canada an even stronger voice on the world stage. In September 2016, SCC CEO John Walter was elected as the next president of the International Organization for Standardization (ISO) after being nominated by the American National Standards Institute, SPRING Singapore, Mexico's *Dirección General de Normas* and the Netherlands Standardization Institute. Mr. Walter began serving as president-elect on

January 1, 2017, and will serve a two-year term as ISO President effective January 1, 2018. Over the past year, he has continued in his role as SCC's CEO while assuming the additional responsibilities of his new position at ISO.

In 2016–17, SCC Vice-President, Accreditation Services Branch, Chantal Guay was also appointed as the convener of the Strategic Alliance and Regulatory Group (STAR) within CASCO, the ISO's committee on conformity assessment. In this new role, she will help facilitate the exchange of knowledge and experience with international partners in order to ensure CASCO's consideration of overarching themes and items of concern to Canada. SCC also supported the successful nomination of Luc Boutin, a leading Canadian industry expert, as chair of the International Electrotechnical Commission (IEC) Standardization Management Board Advisory Committee on Energy Efficiency.

Having Canadians in these prominent positions ensures that Canada has a strong voice internationally. SCC has sought out further opportunities to build on our leadership role and continue driving innovations forward. For instance, SCC led an International Workshop Agreement (IWA) on the "sharing economy" in March 2017, in cooperation with Innovation, Science and Economic Development Canada's Office of Consumer Affairs (OCA) and CSA Group. Stakeholders from 15 countries—representing consumer organizations, government, industry and academia—came together in Mississauga, Ontario, to adopt specific guidelines that will be proposed in the Shared Economy IWA. The document provides guiding principles and a framework for decision-making and action to address key social, environmental and economic impacts and opportunities of the sharing economy. By hosting the meeting, SCC was able to make sure Canadian stakeholders played a key role in developing the document, which may be used as the basis of a future national or international standard.

SCC also continued plans to host the 32nd Plenary of ISO/CASCO in spring 2017. Standardization professionals from around the world will gather in

Vancouver for the event, which will include an ISO workshop on *Growing the services industry with ISO standards*. By playing host to this event, SCC will demonstrate SCC's—and Canada's—commitment to international standardization.

### **Building Key Relationships to Strengthen and Diversify Trade**

International trade is critical to Canada's long-term economic health. By working bilaterally, regionally and globally with key trading partners, SCC is helping to open up new markets for Canadian businesses and providing Canada with a strategic advantage.

As more and more countries move towards protectionism, the Canadian government continues to promote new and progressive approaches to trade and international collaboration. To support this government priority, SCC is continuing to develop our relationships with international stakeholders in order to reduce barriers to trade and advance Canadian interests.

### **USA**

Canada trades more with the United States than with any other country. Aligning standards with our neighbour to the south is key to reinforcing our role as a constructive and effective trading partner. Joint Canada-U.S. standards not only ease the flow of goods across our borders, but also reduce duplication, increase the efficiency of supply chains, lower costs for exporters and importers, and support new and emerging technology sectors.

To encourage this harmonization, SCC is engaging key industry leaders to identify sectors that would benefit from the development of joint Canada-U.S. standards. In 2016–17, SCC partnered with Standards Development Organizations (SDOs) to develop five joint Canada-U.S. standards that fulfilled all requirements as national standards in both countries. Over the year SCC-accredited SDOs posted 36 notices of intent to develop joint Canada-U.S. standards that will further harmonize standards with our largest trading partner and benefit businesses on both sides of the border.

The importance of bilateral, regional and international alignment was also highlighted at this year’s World Standards Day. The theme for the event was *Standards Build Trust* and it featured keynote presentations from Greg Fergus, Parliamentary Secretary to the Minister of Innovation, Science and Economic Development, as well as Maryscott “Scotty” Greenwood of the Canadian-American Business Council. Ms. Greenwood pointed out that there are more than 100,000 standards in use in the United States, but only a small percentage are harmonized across North America. She stressed the need to bring together all stakeholders in order to further align standards regionally, an emphasis that supports SCC’s proactive and collaborative work with Canadian stakeholders and SDO partners.

SCC is also working with key sectors to develop joint Canada-U.S. conformity assessment programs. This past year, SCC collaborated with the BC Association for Crane Safety (BC Crane Safety), the Canadian Hoisting and Rigging Safety Council (CHRSC) and the

National Occupational Council of Canada (Natoc) to determine the best way to move forward in mutually recognizing the qualifications of U.S. and Canadian crane operators. Eliminating the need for duplicative certifications by having the qualifications of these workers mutually recognized would provide workers and businesses in both countries with increased opportunities.

**China**

China is Canada’s second-largest trading partner, and our trading relationship is growing. In 2015, Canada’s exports to China rose 4.2 percent and the import of Chinese goods increased by 9.4 percent. But this trading relationship could be expanded even further through the alignment of standards and SCC has been taking steps to see this happen.

In September 2016, SCC and the Standards Administration of China (SAC) renewed and strengthened their Cooperation Agreement, paving the way for increased collaboration and the alignment

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INTECO ATTESTATION

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*In March 2017, John Walter (left) presented a Certificate of Attestation on behalf of SCC to Cristián Leñero, President of the Instituto de Normas Técnicas de Costa Rica (INTECO).*



## BOOSTING TRADE THROUGH REGIONAL STANDARDIZATION NETWORKS



SCC research has found that membership in COPANT was associated with a **10 per cent increase** in annual exports from Canada to the partner country and a **17 per cent increase** in annual imports to Canada from the partner country during the 2011 to 2015 period.

of standards between our countries. The agreement formally recognizes the importance of working together, exchanging views and engaging in dialogue to facilitate the development and use of standards. It will strengthen Canada's relationship with China in the future and help ensure that our respective standards do not create trade barriers. This past year, SCC also became a member of the Canada-China Joint Committee (CCJC) on Science, Technology and Innovation Cooperation. This new role offers SCC the chance to influence Canada's strategic direction when it comes to collaborating with China in the areas of science, technology and innovation.

SCC CEO, John Walter, was also invited by the Chinese government to become an advisor on the China Standardization Expert Committee (CSEC). The CSEC is China's supreme authoritative advisory body in the field of standardization and provides direction for its policies on standardization and its participation in international standardization activities. Mr. Walter's presence on this committee will give Canada a leadership opportunity and encourage cooperation between the two countries.

As Canada considers a possible Canada-China Free Trade Agreement, SCC is working with the federal government to include standardization as part of the agreement. Although these discussions are still in the early stages, SCC is committed to strengthening our

relationship with China and finding ways to further increase trade opportunities for Canadian businesses and innovators. Identifying standardization needs in these initial discussions will help to facilitate trade and eliminate barriers.

### *European Union*

The landmark Canada-European Union Comprehensive Economic Trade Agreement (CETA) was approved by Canadian and European parliaments in 2017. CETA is a ground-breaking trade agreement that will reinforce Canada's important economic relationship with the European Union (EU). It covers all aspects of trade, including goods, services, investment, government procurement and regulatory cooperation. CETA will provide Canadian businesses with access to the world's largest market, as the EU represents more than 500 million people in 28 countries and a combined GDP of \$20 trillion.

In June 2016, SCC and the European co-operation for Accreditation (EA) also signed a bilateral Cooperation Agreement to facilitate the implementation of the CETA's Conformity Assessment (CA) Protocol. The protocol is designed to allow for the mutual acceptance of test results and product certifications by Canadian and EU-recognized bodies and will ultimately support increased trade to the EU for Canadian companies. To kick start this agreement, SCC is developing a stakeholder engagement strategy

and SCC and the EA have already started to identify potential product categories to be included under the protocol. SCC also hosted an information session on CETA and the CA Protocol in March 2017, to provide Canadian regulators and conformity assessment bodies the opportunity to provide feedback on the process going forward.

Building on our existing Cooperation Agreement with the European Committee for Standardization (CEN) and the European Committee for Electrotechnical Standardization (CENELEC), this past year SCC successfully applied to become a Companion Standardization Body member of CEN. This membership will create new opportunities for Canadian businesses by providing insight on standards-related strategic developments in Europe, supporting technical alignment within major European markets and allowing Canadian stakeholders to participate in CEN committees.

### ***Regional partnerships***

Participation in regional standardization organizations is a critical part of SCC's vision to be an international standardization leader. This past year, SCC continued to build on its reputation as a regional leader and trusted advisor by strengthening its collaboration and strategic involvement with important regional standardization bodies, such as the Pan American Standards Commission (COPANT) and the Pacific Area Standards Congress (PASC).

In 2016–17, SCC took part in the annual meetings of COPANT and PASC to help develop and implement their strategic plans and set priorities for the year ahead. This allowed SCC to ensure these plans align with SCC's strategic initiatives and ultimately enhance trade opportunities for Canada. In recognition of

the leadership role SCC plays within their respective regions, and the contribution the organization makes regionally, COPANT and PASC members also unanimously supported SCC CEO John Walter's successful nomination as ISO President.

Embracing our role as a regional standardization leader, SCC also agreed to jointly host the 2017 annual meetings of COPANT and PASC. The theme for the spring 2017 meetings is *Regional Collaboration in a Global Environment*. This reflects SCC's strong belief in the need for greater regional cooperation to leverage each other's strengths and ensure a strong regional voice at the international level.

SCC also continues to support other countries as they build their standardization capacity. For example, the organization was asked to conduct a third-party assessment of Costa Rica's *Instituto de Normas Técnicas* (INTECO) standards development process and attest to their compliance with guidelines set out in the World Trade Organization Technical Barriers to Trade Agreement. This clearly demonstrates the leadership role SCC plays and that the organization is viewed as a trusted advisor.

As a respected voice on standardization, this past year Mr. Walter was invited to speak to Australian stakeholders about SCC's innovation agenda and success in engaging stakeholders. He also provided a video introduction for *Ecuador's Servicio Ecuatorio de Normalización (INEN) World Standards Day* celebration. These opportunities not only demonstrate Canada's position as a standardization leader, but are also a chance to highlight the importance of aligning standards in order to reduce trade barriers and allow businesses to compete globally.

## CANADA'S INTERNATIONAL AND REGIONAL STANDARDIZATION NETWORKS

SCC plays a critical role in supporting Canadian businesses as they expand and enter new export markets. By collaborating with national, regional and international standardization bodies from around the world, SCC helps to facilitate the trade of Canadian goods and services with these countries.

Regionally, SCC continues to reinforce its relationships with COPANT and PASC, particularly in helping them develop and implement their strategic plans. In 2016–17, we continued the planning work toward hosting the 2017 annual meetings for both COPANT and PASC, which will take place in Vancouver in spring 2017. The theme for the event will be *Regional Collaboration in a Global Environment*, reflecting SCC's strong belief in the need for cooperation within and between regions to leverage each other's strengths and drive strategic priorities forward. We also continue to strengthen our work with counterparts in Canada's key trading nations, including the United States and Mexico. North America is one of the most dynamic economic regions in the world and the economies of Canada, the United States and Mexico are deeply integrated. Maintaining close relationships with our North American neighbours is an important building block for increased regional standardization that supports the flow of trade and the success of Canada's exporters.

Internationally, SCC has Cooperation Agreements with the Standardization Administration of China (renewed in 2016), the American National Standards Institute, Mexico's *Dirección General de Normas*, Costa Rica's *Instituto de Normas Técnicas de Costa Rica*, and the Korean Agency for Technology and Standards. In 2016, SCC signed a bilateral cooperation agreement

with the European co-operation for Accreditation (EA) to facilitate the implementation of the Conformity Assessment Protocol within the Canada-European Union Comprehensive Economic Trade Agreement. SCC also recently renewed its joint Cooperation Agreement with the European Committee for Standardization (CEN) and the European Committee for Electrotechnical Standardization (CENELEC), and became a Companion Standardization Body member with CEN.

By taking on international leadership positions and being involved in key standardization committees, Canada has considerable input into governance and policy at the international level. This enables Canadian participants to improve Canada's ability to compete globally by influencing and shaping marketplace rules. SCC's CEO John Walter was elected as the next president of ISO and began serving as president-



EA Executive Secretary Andreas Steinhorst and SCC CEO John Walter sign a Cooperation Agreement, June 2016.

elect January 1, 2017. He will become ISO President effective January 1, 2018, for a two-year term. Mr. Walter is also a member of COPANT's Board of Directors and PASC's Executive Council.

Chantal Guay, SCC's Vice-President, Accreditation Services Branch, is the Convener of the Strategic and Regulatory Group (STAR) with ISO's Committee on conformity assessment (CASCO). She also holds a position on the Chairman's Policy and Coordination Group (CPC) of CASCO. The CPC coordinates the technical work of CASCO and assists the CASCO Chair in identifying strategic conformity assessment issues. As a recognized and active member of the International Accreditation Forum, the International Laboratory Accreditation Cooperation, the Inter-

American Accreditation Cooperation and the Asia Pacific Laboratory Accreditation Cooperation, SCC is also strategically positioned to influence and reinforce the value of accreditation both regionally and on the international stage.

As governments around the world look to standards and accreditation as a way to improve their competitiveness, SCC's international activities will remain critical to ensuring that standardization continues to help fuel Canada's economy. SCC's input at the international table helps to ensure that the needs, requirements and product attributes of Canadian manufacturers, as well as the needs of Canadian consumers, will be considered when international standards are being developed.



*Minister Zhi Shuping of China's General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) and SCC CEO John Walter sign a Cooperation Arrangement, September 2016.*

## CORPORATE GOVERNANCE

SCC's Governing Council reports to Parliament through the Minister of Innovation, Science and Economic Development. The organization's CEO is appointed by the Governor-in-Council on the recommendation of the Minister and reports directly to SCC's Governing Council. The Council is comprised of 13 members, 10 of whom are appointed by the Governor-in-Council through an Order-in-Council and the three other members sit on Governing Council by virtue of the Chair/Vice-Chair positions they hold on statutory committees established in the *Standards Council of Canada Act*. The Council is responsible for overseeing the strategic direction of the organization, ensuring fulfillment of the mandate and for providing guidance on governance matters.

SCC's Governing Council is appointed to represent a broad spectrum of stakeholder interests in the private sector and members have the knowledge and experience necessary to assist the Council in setting the strategic direction of the organization, providing direction on governance issues and ensuring the fulfillment of SCC's mandate. While Council members bring a variety of skill sets, varying perspectives and expertise to the work of Council, members are responsible for ensuring that decisions are taken in the best interest of SCC.

The Governing Council is also supported by two advisory committees:

- **Provincial-Territorial Advisory Committee (PTAC)**  
PTAC is established in the *Standards Council of Canada Act*. PTAC promotes cooperation and communication between the provinces, territories and SCC, and provincial and territorial participation in Canadian standardization activities.
- **Standards Development Organizations Advisory Committee (SDOAC)**  
SDOAC is also established in the *Standards Council of Canada Act*. SDOAC makes

recommendations to the Governing Council on matters related to voluntary standards development and promotes cooperation and communication between SCC and SCC-accredited SDOs.

SDOAC and PTAC report regularly to Council, through their Council representative, with respect to their actions. Their reports support SCC's strategic priorities and help develop standardization solutions that reduce duplication in federal, provincial and territorial regulations and standards.

### COMINGS AND GOINGS

The SCC Council Chair and members were actively engaged throughout the year to ensure that the organization had the members it needed to accomplish its mission. In April 2016, SDOAC Chair Rae Dulmage retired and Joseph Hosey was appointed SDOAC Chair. Council Vice-Chair W. A. Sam Shaw became Acting Council Chair in April 2016.

### SETTING STANDARDIZATION PRIORITIES

During the 2016–17 fiscal year, the Governing Council continued to focus on the important role standardization plays in supporting public policy objectives and providing value to Canadian governments, industry and consumers by ensuring that standards bolster Canada's efforts to build a more competitive and innovative economy. Council maintained a key role in setting and monitoring SCC's strategic direction and providing advice aimed at delivering greater value to Canada through standardization. The Council also reviewed governance aspects of SCC programming, such as standards development, National Standards of Canada and accreditation program requirements.

## MEMBERS OF SCC'S GOVERNING COUNCIL

(as of March 31, 2017)

### W. A. Sam Shaw, PhD

President and Chief Academic Officer, Yellowhead Tribal College; Managing Partner, William Shaw & Associates

*Acting Chair/Vice-Chair*

*Corporate Governance Committee Chair*

### Suzanne (Suzie) Gignac

Partner, Ernst & Young LLP

*Audit Committee Chair*

### Claude Bédard, PhD

President, Adjvants Euclid Canada Inc.

### Richard Raymond

Private Sector Representative

### Colin Clark

Chief Technical Officer, Brookfield Renewable

### Kathryn Coll

President and Managing Partner, HR Atlantic

### Glenn Feltham, PhD

President and CEO, Northern Alberta Institute of Technology

### Merete Heggelund

Chief Administrative Officer, Municipal Services, City of Medicine Hat, Alberta

### Joseph Hosey

General Manager, ULC Standards and Underwriters Laboratories of Canada Inc.

*SDOAC Chair*

### Paul Pierlot

Senior Manager, Competitiveness Initiatives, Business Services Division, Entrepreneurship Manitoba, Government of Manitoba

*PTAC Vice-Chair*

### Kathy Milsom

Corporate Director

### Sara Jane Snook

Principal, SJD Management Ltd.

### Jim Young

Director of Environment, Prince Edward Island Department of Communities, Lands and Environment

*PTAC Chair*



SCC's Governing Council and CEO: (standing left to right) Richard Raymond, Kathy Milsom, W. A. Sam Shaw (Acting Chair), Colin Clark, Glenn Feltham, Paul Pierlot, (seated left to right) Merete Heggelund, John Walter (CEO), Kathryn Coll, Sara Jane Snook and Joseph Hosey. Absent from photo: Claude Bédard, Suzanne Gignac and Jim Young.

## CORPORATE PROFILE

### MANDATE

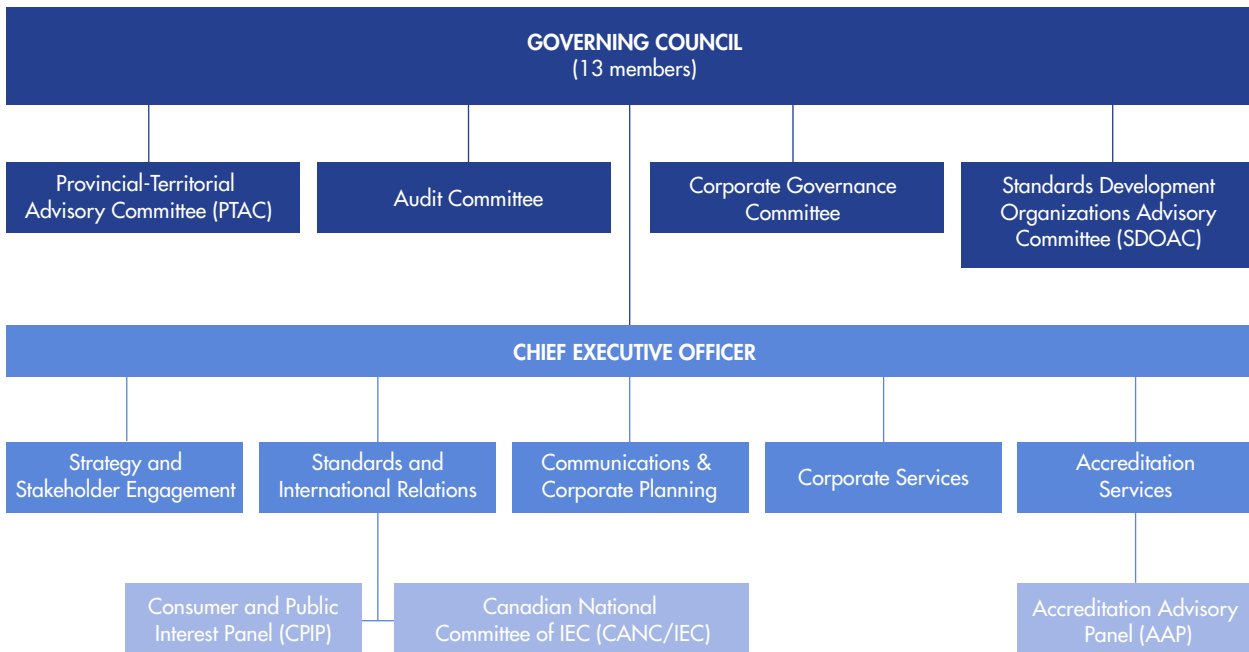
SCC’s mandate is to promote efficient and effective voluntary standardization in Canada, where the law does not expressly provide for standardization activities. In particular, SCC has a mandate to:

- Promote the participation of Canadians in voluntary standards activities
- Promote public- and private-sector cooperation in voluntary standardization in Canada
- Coordinate and oversee the efforts of people and organizations involved in Canada’s network of standardization professionals
- Foster quality, performance and technological innovation in Canadian goods and services through standardization-related activities

- Develop standardization-related strategies and long-term objectives to advance the national economy; support sustainable development; benefit the health, safety and welfare of workers and the public; assist and protect consumers; facilitate domestic and international trade; and further international cooperation in relation to standardization

### ORGANIZATIONAL STRUCTURE

The strategies and policies established by SCC’s Governing Council are implemented by SCC’s staff. The organization’s work is led by its Chief Executive Officer (CEO), John Walter. The CEO is supported by SCC’s Executive Team.



## STRATEGY AND STAKEHOLDER ENGAGEMENT BRANCH

The Strategy and Stakeholder Engagement branch plays a leading role in the development of strategies that enable SCC to achieve results in key areas. Through the development of policy positions on cross-cutting national, regional and international issues, the branch provides advice and support to the CEO, senior management, the Governing Council, and other SCC branches. The Strategy and Stakeholder Engagement branch also works to identify and define the conditions required for Canada to optimize its use of standardization.

To ensure that SCC meets its strategic priorities, the Strategy and Stakeholder Engagement branch develops engagement strategies and provides advice to address stakeholder objectives. The branch regularly interacts, and consults, with a variety of stakeholders including Federal, Provincial and Territorial governments, as well as industry, to drive the implementation of strategic objectives. The branch also provides secretariat functions to PTAC and NPSAC.

## STANDARDS AND INTERNATIONAL RELATIONS BRANCH

The Standards and International Relations branch facilitates Canada's participation in the standards development activities of the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC), two of the world's largest voluntary standardization bodies. The branch:

- oversees Canadian standards development activities under SCC-accredited standards development organizations,
- sets recommended requirements used for the accreditation of standards development organizations, and
- provides process governance and guidance to ensure compliance with appropriate requirements for the development, adoption and publication of National Standards of Canada.

The branch also manages the sale of ISO and IEC standards and National Standards of Canada, and coordinates Canada's interest in regional standards organizations such as:

- Pan American Standards Commission (COPANT),
- Pacific Area Standards Congress (PASC),
- Forum of the IEC National Committees of the Americas (FINCA), and
- Réseau Normalisation et Francophonie (RNF).

In doing so, SCC engages in capacity building activities intended to strengthen the standardization infrastructures of key regional and international trade partners.

## ACCREDITATION SERVICES BRANCH

SCC's Accreditation Services branch provides accreditation services to various customers, including SCC-accredited Standards Development Organizations (SDOs), product, process and service certifiers, management system certifiers, inspection bodies, greenhouse-gas verifiers and validators, personnel certifiers and testing laboratories. The branch is also Canada's compliance monitoring authority that administers the Organization for Economic Co-operation and Development (OECD) Good Laboratory Practice (GLP) quality system.

The Accreditation Services branch is a signatory to several Mutual Recognition Agreements and Multilateral Agreements with international accreditation forums. These forums have been created by accreditation bodies around the world to assist with international acceptance of conformity assessment results. The agreements are part of greater efforts to form a global accreditation system.

## CORPORATE SERVICES BRANCH

The Corporate Services branch provides professional services support to the organization. The branch is responsible for financial management, human resources, investment planning and business advisory services, IM/IT, corporate administration, contracting and procurement (including travel services).





*SCC's Executive Team: (standing left to right) Sylvie Lafontaine, Vice-President, Standards and International Relations Branch; John Walter, CEO; Jason Hergert, Vice-President, Corporate Services & Chief Financial Officer; (seated left to right) Chantal Guay, Vice-President, Accreditation Services Branch; Sandra Watson, Vice-President, Communications and Corporate Planning Branch & Corporate Secretary; Michel Girard, Vice-President, Strategy and Stakeholder Engagement Branch.*

## COMMUNICATIONS AND CORPORATE PLANNING BRANCH

The Communications and Corporate Planning branch provides corporate communications services for the organization that includes internal and external communications planning, a full line of communications products, website and event management, social media and translation services.

The branch is also responsible for corporate planning, risk management, government reporting (including Access to Information and Privacy requests), research, and standards inventory monitoring.

The Corporate secretariat role provides advice and secretariat and governance policy support to SCC's Governing Council.

## SUPPORTING BODIES

SCC is also supported by two advisory panels and one committee:

- **Accreditation Advisory Panel**  
The Accreditation Advisory Panel falls under the purview of SCC's Accreditation Services branch. The panel provides policy advice, with a view to ensuring fairness and impartiality in relevant SCC policies and programming.
- **Consumer and Public Interest Panel**  
The Consumer and Public Interest Panel provides strategic and policy advice on standardization matters that impact Canadian consumers and public interest groups, as well as, ISO Committee on consumer policy (COPOLCO). The panel falls under the purview of SCC's Standards and International Relations branch.
- **Canadian National Committee for the International Electrotechnical Commission**  
The Canadian National Committee of the IEC (CANC/IEC) provides strategic and policy advice to SCC on Canada's strategic priorities for companies operating in the energy, electrotechnical and electrical sector, as well as, IEC-related matters. The committee falls under the purview of SCC's Standards and International Relations branch.

## FINANCIAL PERFORMANCE

In 2016–2017, SCC's total revenue (excluding federal government funding) was \$9.8 million, which was 3 per cent higher than the \$9.5 million recorded during 2015–2016. The increase from last year was primarily due to a \$0.5 million increase in Accreditation Services revenue and was partially offset by a \$0.2 million year-over-year decrease in royalty revenues.

Revenue from Accreditation Services fees was \$7.8 million, which increased by 6 per cent, from the \$7.3 million recorded during 2015–2016. Assessment-related revenue was \$3.5 million from over 495 assessment activities performed during 2016–2017, which was an increase of \$0.6 million and 38 activities versus last fiscal year. Application fees and annual fees revenue declined by \$0.1 million; primarily due to lower than expected volume on new applications and a one-time annual fee reconciliation across the client base.

Royalties from the sale of standards totaled \$1.2 million, which was a decrease of 12 per cent from last year's \$1.4 million. This decline is a return to SCC's normal average rate of sales since 2015–2016 had higher than usual volume on the sales on standards. Prior year results benefited from updates to standards for ISO 9000/9001, *Quality Management*, and ISO14001, *Environmental Management Systems*. Also, during 2015–2016, SCC received one-time retrocessions for sub-licensees' sales from prior years.

Revenue from innovative services and other income amounted to \$0.8 million, which was consistent with the \$0.8 million recognized during the prior fiscal year.

Expenses for 2016–2017 were \$21.8 million, which was \$1.2 million higher than last fiscal year's expenses of \$20.6 million. Year-over-year increases were:

- Salaries and benefits expenses were \$0.6 million

higher than in the previous fiscal year, which was primarily the result of timing related to the filling of vacant positions as well as investment into positions that support the Government of Canada's Innovation agenda.

- Non-recoverable travel and delegate financial support costs were \$0.6 million higher than in the previous fiscal year due to increased participation in standards related activities and increased participation in international meetings. Process improvement efforts were successful and resulted in achievement of the planned levels of support to Canada's standards delegates.
- Recoverable travel and assessment related professional fees were \$0.3 million higher than in the previous fiscal year which is consistent with the increased activities and correlating accreditation services revenue.
- Memberships in international organizations also increased by \$0.1 million due to foreign exchange fluctuations. Memberships are primarily paid in Swiss francs. The currency impact of this expense is largely offset by similar royalty revenue also received in Swiss francs.

Partially offsetting these increases were year-over-year decreases:

- Accommodations, telecommunications and postage decreased by \$0.1 million since last year because last year's results included one-time costs related to SCC's facility lease and its resulting move.
- Other expenses were \$0.3 million lower than last fiscal year; primarily due to a one-time write-down of Tangible Capital Assets in prior year results that related to its Business Management Solution (BMS) project, which is a component of SCC's overall IM/IT modernization project.

Federal government funding of \$10.5 million was recognized during 2016–2017 and was \$0.3 million higher than the \$10.2 million recognized during 2015–2016. The year-over-year variance is primarily

**FINANCIAL OVERVIEW 2012–2013 TO 2016–2017**

Financial Overview	2012–2013	2013–2014	2014–2015	2015–2016	2016–2017 Budget	2016–2017 Actual
<b>Revenue</b>						
Accreditation fees	\$ 6,804,962	\$ 6,627,001	\$ 6,689,077	\$ 7,288,407	\$ 8,341,000	\$ 7,750,273
Royalties from standards sales	888,558	866,856	1,032,148	1,397,631	1,151,000	1,234,018
Innovative services	761,409	659,081	405,140	385,346	511,400	311,108
Other Income	786,151	770,607	424,151	448,761	500,300	529,780
	<b>9,241,080</b>	<b>8,923,545</b>	<b>8,550,516</b>	<b>9,520,145</b>	<b>10,503,700</b>	<b>9,825,179</b>
<b>Expenses</b>						
Accreditation Services	4,742,703	5,016,755	4,751,161	5,090,102	6,095,000	5,458,679
Standards Solutions and Strategy	5,392,967	7,160,327	8,008,512	7,149,560	8,953,000	8,350,050
Management and Administrative Services	7,445,050	7,545,819	7,663,053	8,129,030	7,836,300	8,020,916
	<b>17,580,720</b>	<b>19,722,901</b>	<b>20,422,726</b>	<b>20,638,692</b>	<b>22,884,300</b>	<b>21,829,645</b>
Deficit before parliamentary appropriations	<b>(8,339,640)</b>	<b>(10,799,356)</b>	<b>(11,872,210)</b>	<b>(11,118,547)</b>	<b>(12,380,600)</b>	<b>(12,004,466)</b>
Parliamentary Appropriations	10,318,993	8,081,241	12,889,535	10,194,937	10,274,000	10,515,380
<b>SURPLUS/(DEFICIT)</b>	<b>\$ 1,979,353</b>	<b>\$ (2,718,115)</b>	<b>\$ 1,017,325</b>	<b>\$ (923,610)</b>	<b>\$ (2,106,600)</b>	<b>\$ (1,489,086)</b>

due to a \$0.9 million increase in funding related to SCC's Infrastructure: Laying the Foundation initiative. Partially offsetting this increase were decreases for the end of SCC's Northern Infrastructure Standardization Initiative (NISI) funding (\$0.5 million) and lower spending on reimbursable one-time expenses (\$0.1 million).

The overall net annual deficit of \$1.5 million during 2016–2017 was a \$0.6 million improvement over the \$2.1 million deficit budgeted for the same time period due to the following:

- \$0.6 million decrease in professional fees; primarily related to the timing of strategic investments for the development of standards and guidance for climate resilient infrastructure, and standardization solution pilots and projects.
- \$0.2 million decrease in amortization due to the re-staged launch of SCC's BMS intended to automate numerous accreditation tasks.
- Salaries and benefits were \$0.3 million higher than budget which was primarily the result of investment into positions that support the Government of Canada's Innovation agenda, and

- All other expenses were \$0.1 million lower than budget, stemming mostly from meeting and events expenses due to cost containment and the increased use of online formats for promotion of key corporate events, World Accreditation Day and World Standards Day.
- continued implementation of an integrated information management/information technology (IM/IT) business management solution
- ongoing achievement of Accreditation Services targets: both planned assessments and fee structure adjustments

At March 31, 2017, SCC's accumulated surplus was \$3.8 million. \$1.0 million is reserved for adherence to SCC's Accumulated Surplus Target Policy. The balance is planned for reinvestment into the organization's strategic investments to advance SCC's key priorities.

### ENTERPRISE RISK MANAGEMENT ASSESSMENT

SCC's overall risks are annually determined as part of its corporate planning process. The organization uses the international standard ISO 31000, *Risk Management—Principles and Guidelines*, to guide its risk management process and ensure SCC has appropriate risk mitigation strategies in place.

Corporate risks are linked directly to the organization's performance. These indicators are closely monitored and updated using SCC's corporate risk and performance reporting framework. This framework is updated and regularly reported to both management and SCC's Governing Council. As part of SCC's risk management plan, the organization also reviews salient quarterly financial impacts, with a view to assessing these impacts against ongoing corporate risk areas.

During fiscal year 2016–2017, SCC's key areas of focus included:

- disciplined execution of key strategic objectives

SCC continues to experience an accumulated surplus in funds which is being drawn down over the course of its Corporate Plan. While the operating deficit was slightly less than originally planned due to delays in program spending, financial forecasting and system improvements have led to higher assurance of program delivery timing, improvements in predictability, and an ongoing decline in surplus funds as this financial risk continues to decrease.

Operating expenses are lower than planned mainly because of delayed spending in professional fees for some strategic objectives such as the development of standards and guidance for climate resilient infrastructure and project delays related to SCC's IM/IT integrated business management solution. Measures have been taken to correct those delays.

SCC achieved its planned surplus from Accreditation Services and its planned revenue from SCC's e-store royalties for fiscal year 2016–2017. The Accreditation Services branch continues to improve its scheduling and efficiency monitoring procedures to ensure alignment with customer expectations and deliver high quality service.

## MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements and all information in the Annual Report are the responsibility of SCC. The financial statements were prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

SCC management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. These controls and procedures are also designed to provide reasonable assurance that transactions are in accordance with the objectives of SCC's Governing Council, and are within SCC's mandate as stated in the *Standards Council of Canada Act*.

SCC's Governing Council, through its Audit Committee, is responsible for ensuring that management fulfills its responsibilities for financial

reporting and internal control. Comprised solely of Council members, the Audit Committee meets with management to review the financial statements on a quarterly basis and audited financial statements annually and reports on them to the Governing Council.

The Auditor General of Canada, the external auditor of SCC, conducts an independent audit, in accordance with Canadian auditing standards, and expresses an opinion on the financial statements. The Office of the Auditor General of Canada has full and free access to financial management of SCC and meets with SCC when required.



**John Walter**  
Chief Executive Officer



**Jason Hergert, CPA, CA**  
Chief Financial Officer

Ottawa, Canada  
June 7, 2017



Office of the  
Auditor General  
of Canada

Bureau du  
vérificateur général  
du Canada

## INDEPENDENT AUDITOR'S REPORT

To the Minister of Innovation, Science and Economic Development

### Report on the Financial Statements

I have audited the accompanying financial statements of the Standards Council of Canada, which comprise the statement of financial position as at 31 March 2017, and the statement of operations, statement of changes in (net debt) / net financial assets and statement of cash flow for the year then ended, and 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 public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 the auditor's 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, the auditor considers 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### *Opinion*

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Standards Council of Canada as at 31 March 2017, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Report on Other Legal and Regulatory Requirements

As required by the *Financial Administration Act*, I report that, in my opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Standards Council of Canada that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part X of the *Financial Administration Act* and regulations, the *Standards Council of Canada Act* and regulations, the by-laws of the Standards Council of Canada, and the directive issued pursuant to section 89 of the *Financial Administration Act*.

*N. Chartrand*

Nathalie Chartrand, CPA, CA  
Principal  
for the Auditor General of Canada

7 June 2017  
Ottawa, Canada

**STATEMENT OF FINANCIAL POSITION**

As of March 31	2017	2016
<b>Financial Assets</b>		
Cash and cash equivalents (Note 4)	\$1,757,216	\$2,999,849
Accounts receivable (Note 4)	3,715,833	3,931,766
Federal government departments and agencies receivable (Note 13)	430,508	344,135
Parliamentary appropriations receivable (Note 13)	241,380	365,937
	<b>6,144,937</b>	<b>7,641,687</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	2,994,781	2,319,002
Deferred contributions (Note 7)	84,774	97,285
Deferred revenue (Note 8)	2,133,759	2,402,971
Deferred lease inducement	1,037,168	1,113,995
	<b>6,250,482</b>	<b>5,933,253</b>
<b>(Net Debt) / Net Financial Assets</b>	<b>(105,545)</b>	<b>1,708,434</b>
<b>Non-financial Assets</b>		
Tangible capital assets (net) (Note 5)	2,759,781	2,493,500
Prepaid expenses	1,195,582	1,136,970
	<b>3,955,363</b>	<b>3,630,470</b>
<b>Accumulated Surplus</b>	<b>\$3,849,818</b>	<b>\$5,338,904</b>

Contractual commitments (Note 12)

The accompanying notes are an integral part of these financial statements.

Approved by the Governing Council:



W. A. Sam Shaw  
Interim SCC Chair



John Walter  
Chief Executive Officer

**STATEMENT OF OPERATIONS**

For the year ended March 31	2017 Budget (Note 14)	2017	2016
<b>Revenues from Operations</b>			
Accreditation Services fees	\$ 8,341,000	\$ 7,750,273	\$ 7,288,407
Royalties from sales of standards (Note 9)	1,151,000	1,234,018	1,397,631
Innovative Services	511,400	311,108	385,346
Other Income	500,300	529,780	448,761
	10,503,700	9,825,179	9,520,145
<b>Expenses (Note 11)</b>			
Accreditation Services	6,095,000	5,458,679	5,090,102
Standards Solution & Strategy	8,953,000	8,350,050	7,419,560
Management and Administrative Services	7,836,300	8,020,916	8,129,030
	22,884,300	21,829,645	20,638,692
<b>Deficit before parliamentary appropriations</b>	(12,380,600)	(12,004,466)	(11,118,547)
Parliamentary appropriations	10,274,000	10,515,380	10,194,937
<b>Deficit</b>	<b>(2,106,600)</b>	<b>(1,489,086)</b>	<b>(923,610)</b>
Accumulated surplus, beginning of year	4,554,000	5,338,904	6,262,514
<b>Accumulated surplus, end of year</b>	<b>\$ 2,447,400</b>	<b>\$ 3,849,818</b>	<b>\$ 5,338,904</b>

The accompanying notes are an integral part of these financial statements.

**STATEMENT OF CHANGES IN (NET DEBT) / NET FINANCIAL ASSETS**

For the year ended March 31	2017 Budget (Note 14)	2017	2016
Total deficit	\$(2,106,600)	\$(1,489,086)	\$ (923,610)
Acquisition of tangible capital assets	(744,000)	(551,516)	(2,129,001)
Write-down of tangible capital assets	—	—	326,392
Amortization of tangible capital assets	629,000	285,235	324,269
Increase in prepaid expenses	(9,000)	(58,612)	(285,508)
<b>Decrease in Net Financial Assets</b>	<b>(2,230,600)</b>	<b>(1,813,979)</b>	<b>(2,687,458)</b>
Net financial assets at beginning of year	735,000	1,708,434	4,395,892
<b>(Net Debt) / Net Financial Assets at End of Year</b>	<b>\$ (1,495,600)</b>	<b>\$ (105,545)</b>	<b>\$ 1,708,434</b>

The accompanying notes are an integral part of these financial statements.



**STATEMENT OF CASH FLOW**

For the year ended March 31	2017	2016
Net Cash from Operations:		
Total deficit	\$(1,489,086)	\$ (923,610)
Adjustments for non-cash items:		
Amortization of tangible capital assets	285,235	324,269
Write-down of tangible capital assets	—	326,392
Changes in:		
Prepaid expense	(58,612)	(285,508)
Deferred revenue	(269,212)	590,264
Deferred lease inducement	(76,827)	1,113,995
Accounts receivable	215,933	(588,324)
Federal government departments and agencies receivable	(86,373)	18,293
Parliamentary appropriations receivable	124,557	794,598
Payables and accrued liabilities	675,779	(291,189)
Deferred contributions	(12,511)	4,783
Cash (used in)/provided by operations	<b>(691,117)</b>	<b>1,083,963</b>
Capital Transactions:		
Additions of tangible capital assets	(551,516)	(2,129,701)
Disposal of tangible capital assets	—	700
Net Capital Transactions	<b>(551,516)</b>	<b>(2,129,001)</b>
Net decrease in cash	<b>(1,242,633)</b>	<b>(1,045,038)</b>
Cash and cash equivalents, beginning of year	2,999,849	4,044,887
Cash and cash equivalents, end of year	<b>\$ 1,757,216</b>	<b>\$ 2,999,849</b>

*The accompanying notes are an integral part of these financial statements.*

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2017

### 1. Authority, Mandate and Activities

Standards Council of Canada (SCC) was created by Parliament as a corporation under the *Standards Council of Canada Act* in 1970 (revised in 2006) to be the national coordinating body for voluntary standardization. SCC is a Crown corporation named in Part I of Schedule III to the *Financial Administration Act* and, for the purposes of the *Income Tax Act*, is deemed to be a registered charity.

SCC's mandate is to promote voluntary standardization activities in Canada, where standardization is not expressly provided for by law, in order to advance the national economy, support sustainable development, benefit the health, safety and welfare of workers and the public, assist and protect consumers, facilitate domestic and international trade and further international cooperation in relation to standardization.

In carrying out its mandate, SCC is engaged in the following activities:

- Foster quality, performance and technological innovation in Canadian goods and services through standards-related activities.
- Develop prioritized standards-related strategies and long-term objectives to advance Canada's economy; support sustainable development; benefit the health, safety and welfare of citizens; and assist and protect consumers.
- Accredite organizations engaged in standards development and conformity assessment.
- Represent Canada's interests internationally and regionally through membership in the International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC) and other regional standardization organizations.
- Approve National Standards of Canada (NSCs).
- Provide innovative services, advice and assistance to the Government of Canada in the negotiation of standardization-related aspects of international trade and mutual recognition agreements.

- Work with international standards bodies to develop agreements that facilitate trade.
- Foster and promote a better understanding of the benefits and usage of standards and accreditation services.
- Act as the premiere source to collect and distribute information on standards activities.

In July 2015, the Council was issued a directive (P.C. 2015-1109) pursuant to section 89 of the *Financial Administration Act* to align its travel, hospitality, conference and event expenditure policies and practices with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that is consistent with its legal obligations, and to report on the implementation of this directive in SCC's next corporate plan. SCC has compared its related policies against requirements of the directive and has revised its policies for the purposes of compliance. These revised policies became effective April 4, 2016. SCC has fully implemented the requirements of the directive.

### 2. Significant Accounting Policies

A summary of the significant accounting policies used in these financial statements follows:

#### a. Basis of Accounting

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) established by the Canadian Public Sector Accounting Board.

#### b. Cash and Cash Equivalents

Consistent with the *Standards Council of Canada Act* and associated by-laws, SCC maintains a bank account in a chartered bank of Canada in which all receipts are deposited and through which all of SCC's financial business takes place. Funds surplus to immediate operating requirements are invested in bank certificates with a chartered bank bearing the current interest rate and are cashable at any time.

c. **Tangible Capital Assets**

Tangible Capital Assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets.

Amortization is recorded on a straight-line basis over the estimated useful life of the assets:

Furniture:	5 years
Equipment (including software):	4 years
Leasehold improvements:	Lesser of term of the lease or expected useful life

d. **Prepaid Expenses**

Prepaid expenses include membership dues and are charged to expenses over the periods expected to benefit from them.

e. **Revenue Recognition—Deferred Revenue and Deferred Contributions**

Accreditation Services fees revenues are derived from application fees, annual accreditation fees and assessment fees. Application fees are recognized as revenue when received. Funds received or receivable in respect of the annual portion of accreditation fees are recorded as deferred revenue and are amortized to revenue on a straight-line basis over the period to which the fee applies. Funds received or receivable in respect of conformity assessment fees are recognized as revenue at the time the related services are provided.

Royalties from sales of standards are recognized as revenue in the period during which the related sales have occurred.

Contributions received from third parties that are restricted for the hosting of international meetings or conferences are included as part of a liability called “Deferred Contributions.” These contributions are not recognized as revenue until their related expenditures are incurred.

f. **Deferred Lease Inducement**

SCC has received funds from its landlord to pay the cost of tenant improvements made to its office space. Additionally, SCC has received the benefit of tenant inducements related to its office space lease. The value of these items, calculated based on provisions in the lease agreement, is recorded as a deferred lease inducement. It is amortized on a straight line basis over the duration of the lease and is recognized on the Statement of Operations as a reduction of rent expense.

g. **Expenses**

Expenses are reported on an accrual basis to ensure that the cost of all goods and services consumed in the year is expensed.

h. **Parliamentary Appropriations**

The Government of Canada provides funding to SCC. Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability.

i. **Pension Benefits**

SCC employees are covered by the Public Service Pension Plan (the “Plan”), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required from both the employees and SCC to cover current service costs. Pursuant to legislation currently in place, SCC has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of SCC.

j. **Employee Benefit Plan**

SCC sponsors an employee benefit plan for health, dental, life and long-term disability insurance through a third-party provider. SCC's contributions to the plan are recorded at cost and charged to salaries and benefit expenses in the year incurred. These contributions represent SCC's total obligation to the employee benefit plan. This plan does not require SCC to make further contributions for any future unfunded liabilities of the employee benefit plan.

k. **Vacation Pay**

Vacation pay is expensed as the benefit accrues to employees under their respective terms of employment. The liability for unused vacation benefit is calculated at the salary levels in effect at the end of the fiscal year.

l. **Measurement Uncertainty**

The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the recorded and disclosed amounts of assets, liabilities, and contingent liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the useful life expectancy of tangible capital assets, certain employee-related liabilities, as well as contingent liabilities.

Estimates are based on the best information available at the time of financial statement preparation and are reviewed quarterly to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

### 3. Accumulated Surplus

SCC is subject to the *Standards Council of Canada Act* and the *Financial Administration Act* (FAA) and any directives issued pursuant to the FAA. These Acts affect how SCC manages its capital; one of SCC's objectives is to effectively manage actual costs to

budget on an annual basis and to ensure that it has adequate capital to deliver its mandate and to ensure that it continues as a going concern.

SCC targets to maintain a level of accumulated surplus that helps to minimize the impact of financial risks on the organization. SCC's goal is to maintain an accumulated surplus target of \$1.0 million. SCC has determined that this target level of accumulated surplus allows the organization to remain financially sustainable.

SCC is prohibited from issuing its own capital or its own debt to meet any financial requirements and is not subject to externally imposed minimum capital requirements. Its capital management is granted annually through the approval of its Corporate Plan and Operating and Capital Budget.

### 4. Financial Instruments

SCC's financial instruments consist of cash and cash equivalents, accounts receivable, federal government departments and agencies receivable and accounts payable as well as accrued liabilities. For the year ended March 31, 2017, SCC's cash and cash equivalents balance of \$1,757,216 is all cash (March 31, 2016 cash and cash equivalents balance of \$2,999,849 consisted of \$2,023,627 term-deposits and \$976,222 of cash). All accounts receivable, accounts payable and accrued liabilities are incurred in the normal course of business. All are due on demand. The carrying value of each financial instrument approximates its fair value because of the short maturity of the instruments. All financial assets and financial liabilities are measured at cost or amortized cost.

In the normal course of business, SCC is primarily exposed to credit risk and liquidity risk. There has been no change to the level of risk compared to the prior year and no changes in the risk management practices used to manage risks. SCC's exposure and strategies to mitigate these risks are noted below:

## Credit Risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument leading to a financial loss. The maximum exposure the Council has to credit risk is in relation to its cash and cash equivalents, accounts receivable and federal government departments and agencies receivable. The carrying amount of these financial assets represents the maximum credit risk exposure at the Statement of Financial Position date.

Cash and cash equivalents are held at a reputable Canadian bank. Credit is granted to customers in accordance with existing accreditation program policies and is automatically granted to employees for travel and also to government departments, agencies, Crown corporations, and government business enterprises. There is minimal potential risk of loss related to these receivables. SCC does not hold any collateral as security. There is no concentration of credit risk with any one customer.

As at March 31, the aging of non-related party accounts receivable (net of allowance) is as follows:

	Total	Current	30-60 Days	60-90 Days	90-120 Days	>120 Days
2017	\$3,715,833	\$3,480,160	\$163,571	\$ 34,470	\$27,543	\$ 10,089
2016	\$3,931,766	\$3,104,114	\$415,378	\$121,781	\$14,515	\$275,978

SCC assesses the requirement for an allowance for bad debts by considering the age of the outstanding receivable and the likelihood of collection.

An account receivable is considered to be impaired and is either written-off or provided for when SCC determines that collection is unlikely and appropriate approvals for the write-down have been obtained.

At March 31, 2017, the allowance for bad debts is estimated at \$118,942 (March 31, 2016 was \$41,910). The following table provides a reconciliation of the allowance for the year.

	March 31, 2017	March 31, 2016
Balance, beginning of year	\$ 41,910	\$54,418
Charges for the year	122,013	2,670
Bad debts (write-offs)	(44,981)	(15,177)
<b>BALANCE, END OF YEAR</b>	<b>\$ 118,942</b>	<b>\$ 41,910</b>

## Liquidity Risk

Liquidity risk can occur should SCC have difficulty in meeting its obligations associated with financial liabilities. SCC's financial liabilities have contractual maturities of less than 365 days. SCC's objective is to maintain sufficient cash and cash equivalents through draw down of its voted parliamentary appropriations, collection of accreditation fees and other services, in order to meet its operating requirements. SCC manages liquidity risk through a detailed annual planning and monthly cash flow planning and billing process, which is structured to allow for sufficient liquidity from one billing period to the next. There has been no change to SCC's practices for the management of liquidity risk, nor has there been a change to SCC's level of liquidity risk compared to the prior year. SCC's financial liabilities are not significantly exposed to liquidity risk.

## Market Risk

Market risk occurs when the fair value of future cash flows of a financial instrument fluctuates due to changes in financial markets. Market risk is comprised of: interest risk, currency risk and other price risks such as equity risk. SCC's financial instruments are not significantly exposed to market risk.

## 5. Tangible Capital Assets

March 31, 2017	Furniture	Equipment	Leasehold Improvements	2017 Total
<b>Cost</b>				
Opening Balance	\$868,821	\$2,877,520	\$934,436	\$4,680,777
Additions	49,034	502,482	—	551,516
Write-downs	—	—	—	—
Disposals	—	(42,681)	—	(42,681)
Closing Balance	917,855	3,337,321	934,436	5,189,612
<b>Accumulated Amortization</b>				
Opening Balance	(450,259)	(1,691,804)	(45,214)	(2,187,277)
Amortization	(116,117)	(107,792)	(61,326)	(285,235)
Disposals	—	42,681	—	42,681
Closing Balance	(566,376)	(1,756,915)	(106,540)	(2,429,831)
<b>NET BOOK VALUE</b>	<b>\$ 351,479</b>	<b>\$ 1,580,406</b>	<b>\$ 827,896</b>	<b>\$ 2,759,781</b>

The Equipment category includes \$1,312,890 of assets under development at March 31, 2017 which are not being amortized.

March 31, 2016	Furniture	Equipment	Leasehold Improvements	2016 Total
<b>Cost</b>				
Opening Balance	\$425,822	\$2,235,436	\$1,357,450	\$4,018,708
Additions	442,999	1,085,809	600,893	2,129,701
Write-downs	—	(326,392)	—	(326,392)
Disposals	—	(117,333)	(1,023,907)	(1,141,240)
Closing Balance	868,821	2,877,520	934,436	4,680,777
<b>Accumulated Amortization</b>				
Opening Balance	(364,568)	(1,649,036)	(989,944)	(3,003,548)
Amortization	(85,691)	(159,401)	(79,177)	(324,269)
Disposals	—	116,633	1,023,907	1,140,540
Closing Balance	(450,259)	(1,691,804)	(45,214)	(2,187,277)
<b>NET BOOK VALUE</b>	<b>\$ 418,562</b>	<b>\$ 1,185,716</b>	<b>\$ 889,222</b>	<b>\$ 2,493,500</b>

The Equipment category includes \$972,005 of assets under development at March 31, 2016 which are not being amortized.

## 6. Accounts Payable and Accrued Liabilities

	March 31, 2017	March 31, 2016
Vendor payables and accrued liabilities	\$1,664,748	\$1,114,248
Salaries and benefits payable	1,159,972	1,042,595
Accrued vacation pay	170,061	156,547
Other	—	5,612
	<b>\$ 2,994,781</b>	<b>\$ 2,319,002</b>

## 7. Deferred Contributions

SCC receives funds from unrelated parties that are restricted to the hosting of international technical committee meetings and conferences. These funds have been recorded as a liability called "Deferred Contributions" and are recognized as revenue in the period that the related expenses are incurred.

Changes made to the balance of this account are as follows:

	March 31, 2017	March 31, 2016
Balance, beginning of year	\$ 97,285	\$ 92,502
Add: Contributions received	328,823	197,359
Less: Contributions recognized	(341,334)	(192,576)
	(12,511)	4,783
<b>BALANCE, END OF YEAR</b>	<b>\$ 84,774</b>	<b>\$ 97,285</b>

## 8. Deferred Revenue

SCC receives funds for the annual portion of its customers' accreditation fees. The annual portion of accreditation fees are calculated and invoiced based on customer accreditation agreements. These fees are recorded as deferred revenue. The fees are amortized

to revenue on SCC's Statement of Operations on a straightline basis over the period to which the fee applies—which is one year, based on the start of SCC's fiscal year which is April 1.

Changes made to the balance of this account are as follows:

	March 31, 2017	March 31, 2016
Balance, beginning of year	\$2,402,970	\$1,812,707
Add: Annual fees due per accreditation agreements	3,815,488	4,715,625
Less: Annual fees recognized into revenue	(4,084,699)	(4,125,362)
	(269,211)	590,263
<b>BALANCE, END OF YEAR</b>	<b>\$ 2,133,759</b>	<b>\$ 2,402,970</b>

## 9. Royalties from Sale of Standards

Royalties related to the sale of standards are generated from ISO and the IEC since SCC is a member body. Additionally, SCC earns royalties on the sale of standards from independent distributors through National Copyright Exploitation Agreements.

Since April 1, 1998, SCC has outsourced to an independent agent the fulfillment of sales made over its StandardsStore.ca website. This agreement requires the payment of royalties to SCC based on a revenue-sharing agreement of net sales.

## 10. Pension and Employee Benefits

SCC and all eligible employees contribute to the Public Service Pension Plan. Pension benefits accrue up to a maximum period of 35 years at a rate of two per cent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are fully indexed to the increase in the Consumer Price Index.

SCC's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada. SCC's and employees' contributions to the Plan for the year were as follows:

	March 31, 2017	March 31, 2016
SCC's contribution	\$1,111,673	\$1,113,763
Employees' contributions	\$ 863,465	\$ 716,094

The rates of contribution to the Plan are determined on a calendar-year basis and were as follows:

	Calendar Year	
	2017	2016
<b>Employees (pre-2013) – Current Service:</b>		
On earnings up to yearly maximum pensionable earnings (YMPE)	9.47%	9.05%
On earnings exceeding YMPE: 2017–\$55,300    2016–\$54,900	11.68%	11.04%
<b>Employees (post 2013) – Current Service:</b>		
On earnings up to yearly maximum pensionable earnings	8.39%	7.86%
On earnings exceeding YMPE: 2017–\$55,300    2016–\$54,900	9.94%	9.39%
<b>Employer – Expressed as a Multiple of Employee Contributions:</b>		
For pre-2013 employee contributions on current and elective service on single-rate employee contributions	1.01	1.15
For pre-2013 employee elective service on double-rate Contributions	0.01	0.08
For post 2013 employee contributions on current and elective service on single-rate employee contributions	1.00	1.11
For post 2013 employee elective service on double-rate employee contributions	nil	0.06
For existing Retirement Compensation Arrangement on earnings that exceed: 2017–\$163,100    2016–\$161,700	7.74	6.67

SCC sponsors an employee benefit plan for health, dental, life and long-term disability insurance through a third-party provider. For the year ended March 31, 2017, SCC paid \$693,527 for these employee benefits (March 31, 2016, was \$655,845).



## 11. Expenses

	March 31, 2017	March 31, 2016
Salaries and employee benefits	11,878,674	11,276,996
Professional and special services	4,995,854	4,499,486
Travel	1,862,893	1,510,165
Memberships in international organizations	1,180,401	1,073,558
Office accommodation	722,870	865,583
Amortization of premises and equipment	285,235	324,269
Telecommunications and postage	125,357	162,032
Office supplies	125,181	89,863
Bad debts expense	122,013	2,670
Conferences & Events	114,943	160,775
Offsite Storage & Other	101,320	83,920
Hospitality	75,037	934
Insurance	67,276	97,927
Repair & Upkeep	63,525	47,629
Rental of office equipment	41,942	31,529
Bank Charges	32,055	38,664
Publications and printing	27,905	24,998
Public relations	7,164	21,302
Write-Down of Tangible Capital Assets	—	326,392
	<b>\$21,829,645</b>	<b>\$20,638,692</b>

## 12. Contractual Commitments

SCC signed a 15 year office lease, effective July 2015.

SCC entered into agreements to lease office equipment. The future minimum annual rental payments under

these agreements, exclusive of operating expense and property tax, are included in the table below.

SCC has also entered into contracts with several Standards Development Organizations (SDOs) to assist with standardization initiatives.

March 31, 2017				
	Office Space	Office Equipment	Standardization Initiatives	Total
2017-2018	\$ 346,068	\$17,699	\$244,440	\$ 608,207
2018-2019	346,068	14,775	—	360,843
2019-2020	346,068	3,775	—	349,843
2020-2021	373,386	—	—	373,386
2021-2022	400,704	—	—	400,704
Thereafter	3,633,684	—	—	3,633,684
<b>TOTAL</b>	<b>\$ 5,445,978</b>	<b>\$ 36,249</b>	<b>\$ 244,440</b>	<b>\$5,726,667</b>

## 13. Related Party Transactions

SCC is related, in terms of common ownership, to all Government of Canada departments, agencies and Crown corporations. SCC enters into transactions with these entities, in the normal course of business, that are measured at the exchange amount.

For the year ended March 31, 2017, SCC has incurred expenses totaling \$247,028 (March 31, 2016, was \$506,614) and has recorded revenues of \$648,616 (March 31, 2016, was \$945,092) with related parties. As at March 31, 2017, SCC recorded accounts receivable with related parties of \$671,888 (March 31, 2016, was \$710,072) and accounts payable of \$46,360 (March 31, 2016, was \$2,849).

## 14. Budget Figures

Budget figures have been provided for comparison purposes. The 2016-17 budget is reflected in the Statements of Operations and the Statements of Change in (Net Debt)/Net Financial Assets. Budget data presented in these financial statements is based upon the 2016-17 figures contained within the 2016-17 to 2020-21 Corporate Plan and internal management budgets approved by Governing Council.

## 15. Comparative Figures

Certain comparative figures have been reclassified, in order to conform to the presentation changes adopted in fiscal year 2016-2017.

## GLOSSARY OF ACRONYMS

ADM	Assistant Deputy Minister	COPANT	Pan American Standards Commission
ANSI	American National Standards Institute	CPIP	(SCC) Consumer and Public Interest Panel
APLAC	Asia Pacific Laboratory Accreditation Cooperation	CRCP	Canadian Regulatory Council on Plumbing
ASB	Accreditation Services Branch	CRN	Canadian Registration Number
BC Crane Safety	BC Association for Crane Safety	CSEC	China Standardization Expert Committee
BMS	Business Management Solution	DGN	Dirección General de Normas
BNQ	Bureau de normalisation du Québec	EA	European co-operation for Accreditation
CA	Conformity Assessment	ETV	Environmental Technology Verification
CACES	Canadian Advisory Council on Electrical Safety	EU	European Union
CANC/IEC	Canadian National Committee of IEC	GDP	Gross domestic product
CASCO	Committee on Conformity Assessment	GHG	Greenhouse gas
CASCO CPC	ISO Committee on Conformity Assessment Chairman's Policy and Coordination Group	GIC	Governor in Council
CEN	European Committee for Standardization	GLP	Good Laboratory Practices
CENELEC	European Committee for Electrotechnical Standardization	IAF	International Accreditation Forum
CEO	Chief Executive Officer	IEC	International Electrotechnical Commission
CETA	Canada-European Union Comprehensive Economic and Trade Agreement	IGAC	Interprovincial Gas Advisory Council
CFTA	Canadian Free Trade Agreement	ILAC	International Laboratory Accreditation Cooperation
CHRSC	Canadian Hoisting and Rigging Safety Council	IM/IT	Information Management/ Information Technology
CCJC	Canada-China Joint Committee	INEN	Servicio Ecuatorio de Normalización (Ecuador)
		INTECO	Instituto de Normas Técnicas de Costa Rica

<b>ISED</b>	Innovation, Science and Economic Development Canada	<b>ORDs</b>	Other recognized documents
<b>ISO</b>	International Organization for Standardization	<b>PASC</b>	Pacific Area Standards Congress
<b>ISO/CASCO</b>	ISO Committee on Conformity Assessment	<b>PTAC</b>	(SCC) Provincial-Territorial Advisory Committee
<b>ISO/COPOLCO</b>	ISO Consumer Policy Committee	<b>QMS</b>	Quality management system
<b>ISO/IEC</b>	International Organization for Standardization/International Electrotechnical Commission	<b>RAAB</b>	Regulatory Authority Advisory Body
<b>ITU</b>	International Telecommunications Union	<b>SAC</b>	Standards Administration of China
<b>IWA</b>	International Workshop Agreement	<b>SCC</b>	Standards Council of Canada
<b>LAP</b>	Laboratory accreditation program	<b>SDOAC</b>	(SCC) Standards Development Organizations Advisory Committee
<b>MLAs</b>	Multi-lateral agreements	<b>SDOs</b>	Standards development organizations
<b>MOA</b>	Memorandum of Agreement	<b>SES</b>	Society of Standards Professionals
<b>MOU</b>	Memorandum of Understanding	<b>STAR</b>	Strategic Alliance and Regulatory Group within CASCO
<b>MSR</b>	Monitoring of Standards in Regulations	<b>ULC</b>	Underwriters Laboratories of Canada
<b>NAC</b>	Northern Advisory Committee	<b>WAD</b>	World Accreditation Day
<b>NACWP</b>	North American Competitiveness Work Plan	<b>WSD</b>	World Standards Day
<b>Natoc</b>	National Occupational Council of Canada	<b>WTO</b>	World Trade Organization
<b>NFPA</b>	National Fire Protection Association		
<b>NISI</b>	Northern Infrastructure Standardization Initiative		
<b>NPSAC</b>	National Public Safety Advisory Committee		
<b>NSCs</b>	National Standards of Canada		
<b>OCA</b>	Office of Consumer Affairs		
<b>OECD</b>	Organisation for Economic Co-operation and Development		