



# Annual Report 2012-2013

Canada

## Driving Innovation, Improving Quality of Life

The Standards Council of Canada (SCC) has been at the centre of dynamic shifts, developments and innovations in standardization that took place across Canada and internationally during this fiscal year.

Throughout 2012-2013, SCC focused its work on driving innovation and improving quality of life for Canadians—the theme of this year's annual report.

### Our Mandate

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

### 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.

### Our Vision

To improve Canadians' quality of life through leadership of Canada's standardization network.

## How to Reach Us

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# 2012-2013 Performance Against Objectives Overview

This fiscal year was a transformative one for SCC. From the services we offered, to the connections we made with stakeholders, we moved forward in new and exciting ways.

The following chart highlights SCC's key initiatives undertaken during 2012-2013, that have helped drive innovation and improve quality of life.

Strategic Priority 1: <b>Strengthen Canada's Standardization Network</b>	
Identify priorities and goals of the federal government that require standardization support	Engaged eight federal departments to identify their key standardization-related priorities.
	Assisted key federal departments in identifying standards of ongoing importance to regulators, and implemented a strategy to fund the update of those standards.
	Hosted the Assistant Deputy Ministers Committee on Standardization meeting to identify priorities and goals of the federal government that require standardization support.
Determine industry priorities and critical economic sectors	Hosted a forum with a cross-section of senior executives from Canada's electrical utilities sector, to determine this sector's standardization priorities and goals.
	Helped advance alignment of standards between Canada and the United States in the electrical and plumbing/heating sectors.
	Held an Industry Leaders Forum aimed at identifying the best way to engage with industry. Attendees represented key Canadian economic sectors, including construction and healthcare.
	Initiated development of a standards strategy for Canada's oil and gas sector, based on identified and validated priorities that sector leaders provided during SCC's first targeted sector engagement forum.
	Took the lead in a Task Force of the ICT Standards Advisory Council of Canada (ISACC), established for setting Canada's standardization priorities for the information and communication technology (ICT) sector.
Explore and secure other relationships regionally and internationally, to support the goals and priorities of the Government of Canada	Continued to support and advance a Memorandum of Agreement with emerging economies, including China, South Korea and Mongolia, to strengthen Canada's trade and investment interests.
	Successfully engaged Nova Scotia deputy ministers to begin to collaborate on a pilot project involving the monitoring of standards referenced in Canadian provincial/territorial (P/T) regulations and aimed at setting P/T standardization priorities and goals.
	Completed a Memorandum of Understanding (MOU) with Natural Resources Canada (NRCan) and Transport Canada on the adaptation of a training program to help first responders safely deal with electric/hybrid vehicle emergencies.
	Created three modules for online member orientation and engagement, to promote awareness of standards and SCC's services.

Strategic Priority 1: Strengthen Canada's Standardization Network (continued)	
Strengthen existing relationships with standards development organizations, to deliver on government priorities	Reviewed and updated the process and requirements for the accreditation of standards development organizations (SDOs) and the approval of National Standards of Canada (NSCs), for greater clarity, and to ensure Canadian market interests are addressed.
	Accredited two additional SDOs for the development of NSCs, providing more options for government, industry and consumers.
Obtain expert information for SCC's strategic direction through its advisory panels and committees	SCC's advisory panels provided strategic input into the organization's long-term vision of Canada's standardization network.
	Presented the 2012 SCC Awards, recognizing notable individual, organizational and committee contributions to voluntary standardization and conformity assessment.
	Worked with the Consumer and Public Interest Panel (CPIP) to identify top consumer priorities related to the development of standards and conformity assessment.
Broaden stakeholder consultation by establishing an online collaboration tool	Developed a social media plan and policy, and piloted <i>SCC Connect</i> , an online collaboration platform, to ensure Canadians can comment on our nation's most important standardization issues.

Strategic Priority 2: Deliver Standardization Solutions	
Respond to marketplace demands for SCC's accreditation services	Signed an MOU with Accreditation Canada to explore a partnership that would offer accreditation to ISO 15189:2012 <i>Medical laboratories — Requirements for quality and competence</i> , for laboratories within health institutions.
	Achieved successful closure to peer evaluation of SCC programs by the Asia Pacific Laboratory Accreditation Cooperation (APLAC).
	During World Standards Day 2012, SCC launched its new Energy Management Systems Accreditation Program for ISO 50001:2011 <i>Energy management systems — Requirements with guidance for use</i> .
Support Canada's standards development activities by developing standards roadmaps	Developed standardization roadmaps for the Smart Grid, consumer product safety, environmental technology verification, first responders, and natural gas.
	Published the document, <i>Consumer Product Safety in Canada: A guide to standards and conformity assessment options for manufacturers, importers and sellers</i> .
Carry out the Northern Infrastructure Standardization Initiative —Year 2	Established oversight of four SCC-funded standards being developed under the Northern Infrastructure Standardization Initiative (NISI), to help northern communities deal with the effects of climate change on built infrastructure.
Work with the Department of Foreign Affairs and International Trade Canada (DFAIT) on ongoing negotiations of the <i>Canada-European Union Comprehensive Economic and Trade Agreement</i>	Provided input on the technical barriers to trade (TBT) and Regulatory Cooperation chapters, and a Conformity Assessment Protocol, of the <i>Canada-European Union Comprehensive Economic and Trade Agreement (CETA)</i> .
	Provided policy advice on the TBT chapter of the <i>Canada and India Comprehensive Economic Partnership Agreement (CEPA)</i> .
Pursue capacity-building projects for developing and emerging economies	Continued to assist Mongolia in creating a strong national standards infrastructure using Canadian and international standards.
	Provided capacity-building to developing economies, to strengthen trade, under the Canada-Americas Trade-Related Technical Assistance (CATRTA) Program. Under CATRTA, SCC is helping to modernize standards infrastructures in Peru, Colombia, Honduras and the Caribbean community (CARICOM) countries.
Support the Canada-United States Regulatory Cooperation Council	Presented a value proposition to the Regulatory Cooperation Council (RCC) Secretariat, outlining the cost, to Canadian industry, of duplicative standards and certification requirements in the electrical and plumbing/heating sectors.

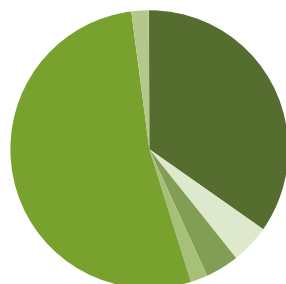
### Strategic Priority 3: Maximize the Benefits of Standards and Accreditation

Design a mechanism to determine criteria for establishing Canadians' strategic participation on standardization committees	Implemented a new program to allocate funding for Canadian experts to participate in international standardization activities at the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC).
Measure Canada's influence on international standardization bodies	Established objectives, measurements and criteria to evaluate Canada's governance and policy position on standards committees, and measured the effectiveness of Canadian participation at international technical standards committees.

### Strategic Priority 4: Drive Operational Efficiency and Productivity

Modernize SCC's information management/information technology architecture for stakeholder consultation	Established and began to implement the first phase of SCC's information management/information technology (IM/IT) vision; developed and finalized IM/IT architectural concept.
Implement innovative and transformative processes in SCC's business lines to maximize SCC's financial potential	Developed a three-year strategic plan for the delivery of SCC's accreditation services and began reviewing and designing a new pricing structure for delivering these services. The new pricing structure is expected to be implemented in 2013-2014.
Invest the necessary resources into updating SCC's quality management system	Implemented a simplified, corporate quality management system (QMS) to offer, primarily, modernized, streamlined processes for the delivery of SCC's accreditation services.
Implement SCC's three-year human resources plan	Implemented year one of SCC's human resources plan that focuses on recruitment, orientation, training and retention.

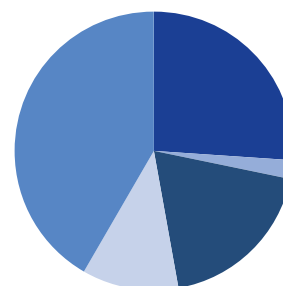
Figure 1: Financial Highlights



#### Revenue

Accreditation Services	\$ 6,804,962
Royalties from Standards Sales	\$ 888,558
Advisory Services	\$ 761,409
World Trade Organization/ NAFTA Enquiry Point	\$ 390,293
Government Funding	\$ 10,318,993
Other income	\$ 395,858

**Total** **\$ 19,560,073**



#### Expenses

Accreditation Services	\$ 4,702,302
World Trade Organization/ NAFTA Enquiry Point	\$ 390,293
Standards and International Relations	\$ 3,412,507
Policy and Stakeholder Relations	\$ 2,020,861
Management and Administrative Services	\$ 7,054,757

**Total** **\$ 17,580,720**

# Glossary of Acronyms

AAP	Accreditation Advisory Panel
APLAC	Asia Pacific Laboratory Accreditation Cooperation
APS	Advisory Panel on Standards
CAC	Canadian Advisory Committee
CATRTA	Canada-Americas Trade-Related Technical Assistance
CCPSA	<i>Canada Consumer Product Safety Act</i>
CEO	Chief Executive Officer
CEN	European Committee for Standardization
CENELEC	European Committee for Electrotechnical Standardization
CEPA	<i>Canada and India Comprehensive Economic Partnership Agreement</i>
CETA	<i>Canada-European Union Comprehensive Economic and Trade Agreement</i>
CIPH	Canadian Institute of Plumbing and Heating
CNC/IEC	(SCC's) Canadian National Committee of the International Electrotechnical Commission
COPANT	Pan American Standards Commission
CPIP	(SCC's) Consumer and Public Interest Panel
CWWA	Canadian Water and Wastewater Association
DFAIT	Foreign Affairs and International Trade Canada
EFC	Electro-Federation Canada
GHG	greenhouse gas
IAAC	InterAmerican Accreditation Cooperation
IAF	International Accreditation Forum
ICT	Information and Communication Technology
IEC	International Electrotechnical Commission
ILAC	International Laboratory Accreditation Cooperation
IM/IT	information management/information technology
ISACC	ICT Standards Advisory Council of Canada
ISD	International Standards Development
ISO	International Organization for Standardization
ISO/CASCO	ISO Committee on conformity assessment
ISO/COPOLCO	Consumer Policy Committee of ISO
ISO/IEC	International Organization for Standardization/International Electrotechnical Commission
MOU	Memorandum of Understanding
NAFTA	North American Free Trade Agreement
NISI	Northern Infrastructure Standardization Initiative
NRCan	Natural Resources Canada
NSCs	National Standards of Canada
PASC	Pacific Area Standards Congress
PSR	(SCC's) Policy and Stakeholder Relations (branch)
P/T	provincial/territorial
PTAC	(SCC's) Provincial-Territorial Advisory Committee
QMS	quality management system
RCC	Regulatory Cooperation Council
SCC	Standards Council of Canada
SDOs	standards development organizations
SDOAC	(SCC's) Standards Development Organizations Advisory Committee
TBT	Technical Barriers to Trade
WSD	World Standards Day
WTO	World Trade Organization

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- ▲ SCC continues to determine how our knowledge, experience and resources can best ensure Canadians' health and safety and their ability to compete globally.



- ▲ From left: SCC's CEO, John Walter and SCC's Interim Chairman, Dr. W.A. Sam Shaw



- ▲ Standards are key to protecting our health, our economy and our environment.

# Message from the Interim Chairman and the Chief Executive Officer

## Driving Innovation, Improving Quality of Life

Standards underpin our society. Without standards in place, many of the products, services and systems we depend upon every day would not function as they should. Standards provide an invisible infrastructure that ensures the lights in our houses turn on, our appliances work and our tap water is safe to drink.

SCC is the leader of Canada's standardization network. Our job is to make sure these standards are in place to protect the health and safety of Canadians, to strengthen Canada's competitiveness and to enable our companies to access global

supply chains. But even though standards are key to protecting our health, our economy and our environment, many Canadians are unaware of their existence or their value. As a result, they have not had an opportunity to provide input on standardization issues.

In recent years, SCC has worked hard to change that. We've established strong working relationships with government and industry to make regulators and companies aware of the important role standards play and how SCC can help them meet their objectives. These relationships

are leading to tangible changes that will offer greater protection to Canadians and greater opportunities for Canadian companies.

### Developing Relationships with Industry

Our challenge now lies in continuing to identify and validate the standardization priorities of Canada's key industry sectors. Energy is one sector for which SCC generated standardization solutions during this fiscal year. In October, we launched our Energy Management Systems Accreditation Program, which accredits certification bodies



- Standards provide an invisible infrastructure that ensures the lights in our houses turn on, our appliances work and our tap water is safe to drink.

to certify organizations to ISO 50001. Putting an energy management system in place allows companies and homeowners to increase their energy efficiency and achieve significant cost savings. As a result, Canadian organizations may gain an advantage to compete internationally and to open doors to new markets.

We will continue to target industries that matter most to Canada's competitiveness and to the well-being of Canadians. Whether it is the oil and gas, health or technology sector, SCC must identify sectors that are crucial to fulfilling the priorities of government. As well, we need to ensure that these sectors recognize the value of standards.

### **Working with Government to Improve Quality of Life**

Over the past year, we have collaborated with key federal government departments to find real solutions to their standardization challenges. These solutions are enabling the Government of Canada to better meet Canadians' needs, and to improve their quality of life. We are helping to develop new standards to address the

effects of climate change in the North. Together with NRCan, we are developing a smart grid roadmap that will lead to a more reliable and efficient electricity system. As well, we are working with Transport Canada to create a first responders training program for cases of electric and hybrid vehicle emergencies — a program that will help police, fire and emergency personnel save lives and ensure they do not endanger their own in the process.

By strengthening SCC's engagement with key sectors, we will be better able to meet their growing and changing standardization needs, and to help Canadian companies compete on the world stage.

SCC will work with key government departments to establish their standardization priorities, to make standardization part of their planning and reporting process. By doing so, we can identify standards critical to Canada and focus on the priorities most important to government. We will also continue

our crucial work of identifying outdated standards referenced in Canadian regulations and will prioritize those standards most critically in need of updating.

### **Offering Stakeholders Greater Protection and Choice**

Many of the standards currently referenced in Canadian regulations come from non-SCC-accredited organizations. Ensuring that these standards include the market interests of all Canadians is of paramount concern to SCC. Our accreditation of two additional SDOs this year was a major step toward protecting Canadian interests.

By looking to SDOs beyond Canada's borders, we are opening up trade opportunities, both domestically and internationally, are aligning standards with the United States and are eliminating trade barriers. Having new SDOs join long-standing SCC-accredited SDOs provides Canadians with more choice of standardization solutions.

### **Giving Canada a Global Voice**

SCC's role in international standards development helps increase our nation's level of international competitiveness.

For Canada to maintain a strong international presence, SCC must continue to nurture a pool of talented technical experts to sit on international standardization committees and provide strategic policy advice on governance committees. To help us in this endeavour, SCC has developed an engagement framework to identify priorities and areas where a Canadian voice is most needed. We have also increased our financial support for Canadians participating in international committees and have extended training for operational support to technical experts who participate internationally.

### Moving Forward in Innovative Ways

SCC is also developing working partnerships with other countries and geographic regions, to help them build their standardization networks. One example is the input we have provided on the TBT and Regulatory Cooperation chapters, and a Conformity Assessment Protocol, of CETA.

In Mongolia, we are imparting our knowledge and experience to help create a strong standardization infrastructure. Under the CATRTA Program, SCC is helping to modernize standards infrastructures in Peru, Colombia, Honduras and CARICOM countries. And our relationships with national standards bodies in Latin America, Europe and Asia increase Canada's international profile, offer increased trade

potential over the long term and promote the use of international standards.

This fiscal year, we renewed our organization, creating new and more effective ways to meet our customers' needs. We are changing the way we work as an organization and are developing a modern, efficient IM/IT infrastructure.

At SCC, we are not standing still. We are bringing innovative, useful ideas and techniques to life.

These new systems will be better equipped to support SCC's strategic priorities and to ensure we have the most appropriate and up-to-date tools to help us carry out our mandate. We also introduced a new corporate QMS, which will support the modernization and streamlining of our accreditation services and, ultimately, help us serve our customers better.

The strategic goals SCC set out a year ago were ambitious, and we have made great strides in

meeting them. By more broadly promoting what we do, and by solidifying our relationships with key stakeholders, SCC has increased the demand for our services. The challenge we now face is managing stakeholders' expectations.

### Past Accomplishments Lead to Future Success

SCC must now determine how our knowledge, experience and resources can best ensure Canadians' health and safety and their ability to compete globally. We continually search for new ways to do so. A recent example is by reaching out to our stakeholders through social media channels. One such channel is *SCC Connect*, a new online platform that we are piloting for discussing standards-related issues. SCC's use of social media will help ensure our nation's citizens have a voice in responding to the standardization issues most important to our health, economy and country.

We believe our past accomplishments will lead to future success for SCC and, most importantly, to benefiting our stakeholders and all Canadians.



John Walter  
Chief Executive Officer



Dr. W.A. Sam Shaw  
Interim Chairman







- ▲ The organization's vision is to improve Canadians' quality of life through leadership of Canada's standardization network.



# Corporate Profile

SCC is a federal Crown corporation. Its mandate is set out in its governing legislation, the *Standards Council of Canada Act*.



- ▲ SCC's Accreditation Services branch accredits conformity assessment bodies, such as testing laboratories and product certification bodies, to internationally recognized standards.
- ▲ SCC's Standards and International Relations branch engages with Canada's key industry sectors, such as oil and gas, as well as participates in international standards development.

## Mandate

The mandate of SCC 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 standards-related activities; and
- develop standards-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.



▲ SCC's governing Council works closely with SCC's CEO, to provide strategic direction to the organization. From left, standing: Richard Raymond, David Wigmore, John Walter, Suzanne Gignac, Dan Boyd and Claude Bédard. Seated: G. Rae Dulmage and David Fardy. Missing: Steven Reynolds and SCC's Interim Chairman, Dr. W.A. Sam Shaw

## SCC Council Structure

SCC's governing Council and Executive Team are supported by standing and advisory committees and panels (depicted in Figure 2).

## Governing Council

On behalf of governing Council, the Chairperson reports to Parliament through the Minister of Industry. The organization's CEO is appointed by the Minister of Industry and reports directly to SCC's governing Council.

The Council is comprised of 13 members, 10 of which 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 SCC 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.

## Committees of Governing Council and SCC Panels

The governing Council has two standing committees: the Audit Committee and the Corporate Governance Committee. Both committees play an important role in strategically supporting governance approaches for SCC's initiatives.

The organization is also supported by the following advisory panels and committees.

## Advisory Panel on Standards

SCC's Standards and International Relations branch receives strategic and policy advice from the organization's Advisory Panel on Standards regarding standards-related matters impacting economic prosperity and trade. The panel falls under the purview of SCC's Standards and International Relations branch.

## 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.

## Canadian National Committee of the IEC

The Canadian National Committee of the IEC (CNC/IEC) provides strategic and policy advice to SCC on IEC-related matters. The committee falls under the purview of SCC's Standards and International Relations branch.

## Consumer and Public Interest Panel

The Consumer and Public Interest Panel provides

strategic and policy advice on standardization matters that impact consumers and the public interest, especially regarding priority Canadian industry sectors. The panel falls under the purview of SCC's Standards and International Relations branch.

### Provincial-Territorial Advisory Committee

The Provincial-Territorial Advisory Committee (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

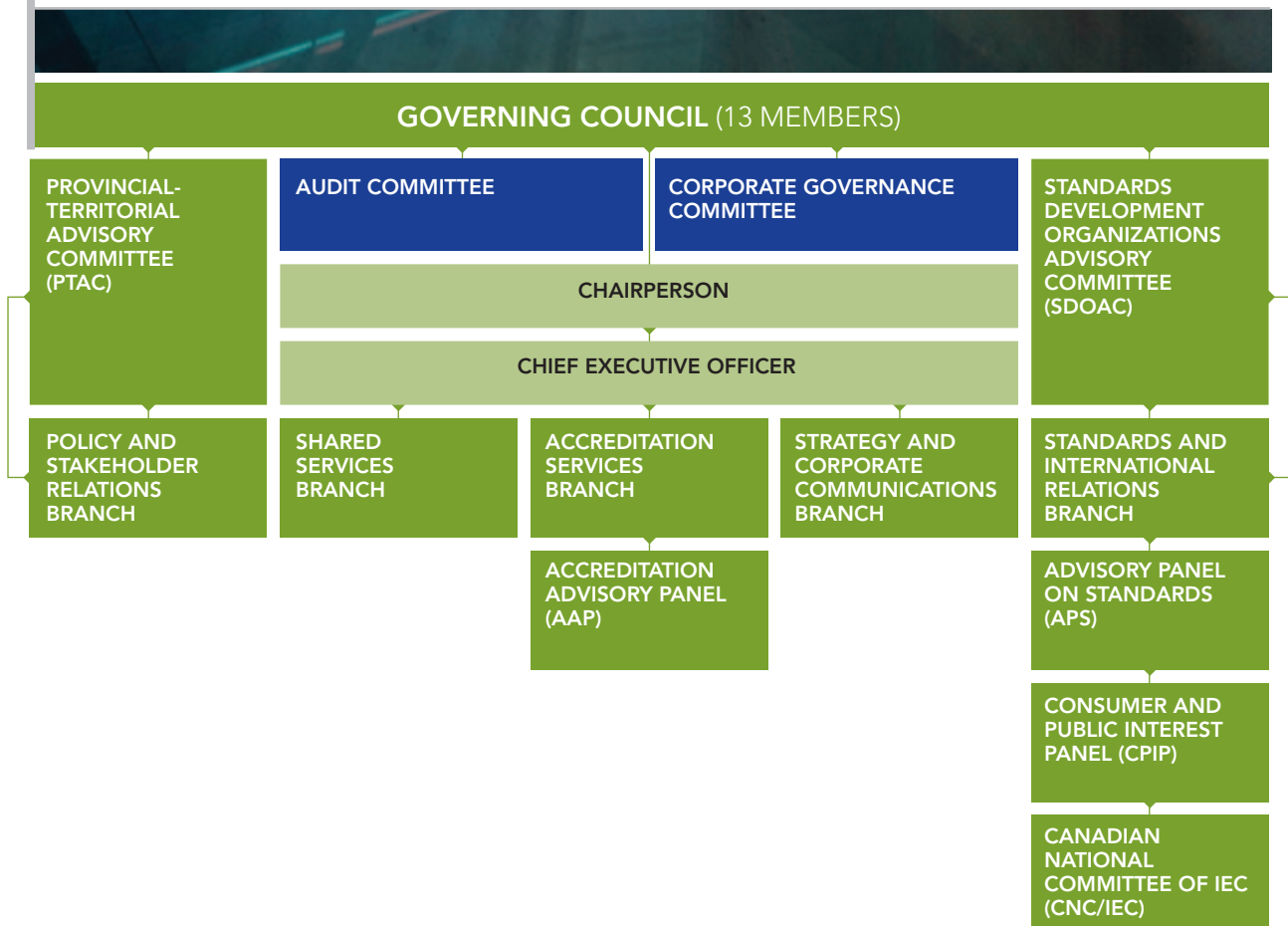
The Standards Development Organizations Advisory

Committee (SDOAC) is also established in the *Standards Council of Canada Act*. SDOAC promotes cooperation and communication between SCC and SCC-accredited SDOs.

### Staff and Activities

The strategies and policies established by SCC's governing Council are implemented by a staff of 94. The organization's work is led by its CEO, John Walter. The CEO is supported by SCC's Executive Team.

**Figure 2: Corporate and Council Structure**



**Figure 3: Executive Team**

## Core Activities

### Accreditation Services

SCC's Accreditation Services branch accredits conformity assessment bodies, such as testing laboratories and product certification bodies, to internationally recognized standards. SCC operates accreditation and recognition programs for:

- calibration and testing laboratories
- good laboratory practice
- greenhouse gas (GHG) validators and verifiers
- inspection bodies
- management systems certification bodies
- medical laboratories
- personnel certification bodies
- product and service certification bodies
- proficiency testing providers
- SDOs

SCC is also a signatory to several Mutual Recognition Agreements and Multilateral Agreements with organizations in place to assist with international acceptance of conformity assessment results. These agreements are part of greater efforts to form a global accreditation system, consistent with the goal of *one standard, one test, one certification recognized and accepted globally*.

These organizations include the International Accreditation Forum (IAF), the International Laboratory Accreditation Cooperation (ILAC), APLAC and the InterAmerican Accreditation Cooperation (IAAC).



SCC's Executive Team establishes SCC's strategic priorities and carries out the organization's daily operations. From left: Vice-President, Accreditation Services, Chantal Guay; Vice-President, Shared Services and Chief Financial Officer, Ernie Briard; CEO, John Walter; Vice-President, Standards and International Relations, Sylvie C. Lafontaine; Vice-President, Policy and Stakeholder Relations, Michel Girard; and Vice-President, Strategy, Corporate Communications and Corporate Secretary, Sandra Watson



## Policy and Stakeholder Relations

SCC's Policy and Stakeholder Relations (PSR) branch conducts strategic outreach and engagement of those stakeholders with the greatest potential influence and impact on standardization in Canada.

In its leadership and direction of SCC's member program, the branch provides orientation and support to Canadian standardization experts. PSR also coordinates business development activities, training and capacity-building initiatives, and manages the sale of standards, collections and related information/education products.

Through its analysis of trends and conditions of significance to standardization-related work, the PSR branch is able to:

- provide information to key Canadian government departments, to help them establish standardization priorities and goals;
- make recommendations that influence standards and conformity assessment-related aspects of trade and regulatory policy;
- facilitate the development of roadmaps in support of targeted areas of the economy that require standardization support; and

- identify and define the necessary conditions for Canada to optimize its use of standardization.

PSR monitors the use of standards incorporated by reference in regulations, codes and other instruments. In addition, the branch coordinates research and develops policy alternatives to foster the alignment of standards and certification requirements between Canada and the United States, as well as among Canadian jurisdictions.

## Shared Services

SCC's Shared Services branch provides overall shared service support to the organization and provides subject-area support to SCC's other branches. By nature, the branch has a broad mandate, encompassing both employees and external stakeholders. Shared Services provides functional support through:

- Business Advisory
- Contracting and Procurement (including travel)
- Facilities Management
- Financial Management
- Human Resources
- Information Management and Information Technology
- Investment Planning
- Translation Services

## Standards and International Relations

SCC's Standards and International Relations branch is primarily responsible for the following four areas of the organization:

- Canadian standards development;
- Canada's participation in international standards development;
- international and regional governance relations; and
- engagement with Canada's industry sectors and consumer public interest groups.

"One of the trends that is becoming increasingly evident is the movement toward greater interaction in standards development on a global scale. When technical committee meetings are organized, barriers between regions and between countries drop."

**John Walter,**  
CEO,  
**Standards Council  
of Canada**

SCC's Canadian Standards Development Program sets the requirements for accrediting organizations that develop consensus-based standards responding to Canada's interests and needs. These requirements include the governance and oversight of SCC-accredited SDOs, including the approval of NSCs.

The organization's International Standards Development (ISD) Program facilitates and manages Canada's participation in the international standards development activities of the technical committees and sub-committees of ISO and IEC. The ISD Program is responsible for the management of SCC Mirror Committees, which provide input into the development of international standards produced by technical committees or sub-committees. Included are mirror committees that fall under harmonization agreements with SCC-accredited SDOs. The ISD Program

monitors and reports the performance and engagement of Canadian delegates participating in international standards development activities.

SCC's International and Regional Relations Program assesses and aligns Canadian participation in international policy committees within ISO and IEC, as well as in regional organizations, including the Pacific Area Standards Congress (PASC), the Forum of IEC National Committees of the Americas, and the Pan American Standards Commission (COPANT).

The organization also has two new offices helping to roll out SCC's Industry Sector Engagement strategy for the development of standards and standardization solutions. The National Industry Sector Relations office engages with key Canadian industry sectors and with consumers and public interest groups. The Standards

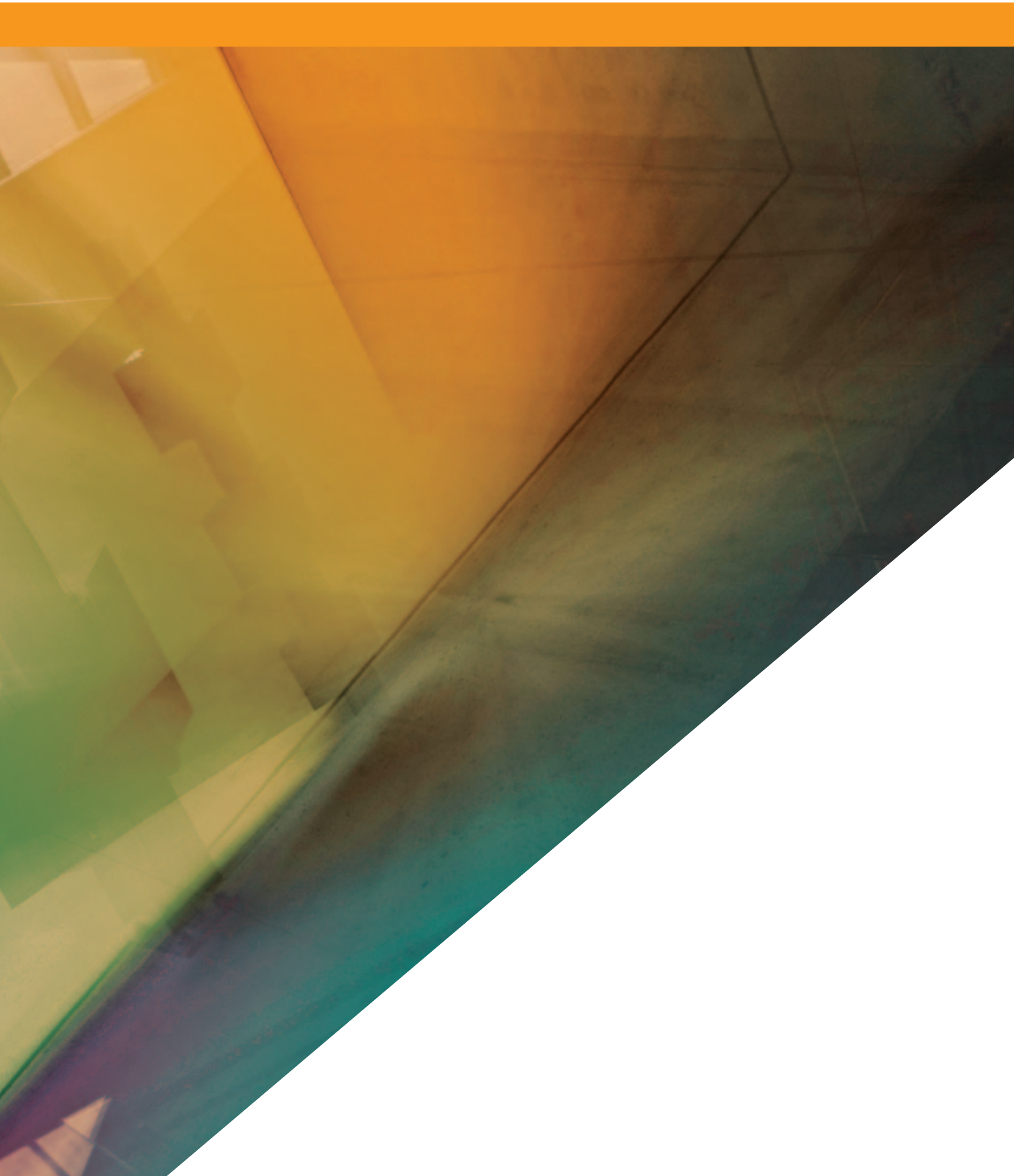
Development and Innovation office designs, creates and implements new standardization solutions, mechanisms and processes.

## Strategy and Corporate Communications

SCC's Strategy and Corporate Communications branch provides secretariat and governance policy support to SCC's governing Council and to its standing committees and panels. The mandate of this branch includes:

- Secretariat and Governance Policy
- Corporate Communications
- Corporate Planning and Risk Management
- Information and Research Services
- WTO/NAFTA Enquiry Point









- ▲ During 2012-2013, SCC's governing Council and SCC's CEO, John Walter, focused much of their attention on overseeing areas where the organization is most critically aligned with federal government priorities. From left: John Walter, David Fardy, Claude Bédard and Dan Boyd

## Corporate Governance



- ▲ Members of SCC's governing Council (from left): Richard Raymond, Suzanne Gignac and G. Rae Dulmage



- ▲ From left, SCC governing Council members Claude Bédard, Dan Boyd and David Wigmore

The primary role of SCC's governing Council is to provide strategic direction to the organization, to ensure SCC fulfills its mandate. The Council works closely with SCC's CEO, overseeing the development and implementation of SCC's corporate plans.

Although it is the Council that sets the strategic direction for the organization, SCC's management team and staff are responsible for implementing it.

During this fiscal year, the Council and its two standing committees — Corporate Governance Committee and Audit Committee — continued to work closely with SCC staff on several critical SCC initiatives. The Council focused much of its attention in 2012-2013 on overseeing areas where SCC is most critically aligned with federal government priorities, to ensure the additional \$2.1 million in annual federal

funding, allocated to the organization starting this fiscal year, is directed toward those priorities.

The Council reviewed governance aspects of certain key areas of SCC programming, such as standards development program requirements. Council members oversaw the review of Accreditation Services' mandate, programming and operations, as well as the upgrade of SCC's IM/IT tools. The Council also approved a revised policy document outlining the processes for handling suspensions or withdrawals of accreditation, complaints, disputes and appeals. The policy was revised to meet the requirements of

ISO/IEC 17011, as well as IAF and ILAC guidance documents.

This past year, SCC went through a Council-driven process to ensure all levels of the organization understand the importance of risk management, in setting SCC's strategic direction. In June 2012, the Audit Committee approved SCC's newly created risk management policy. The policy has strengthened SCC's risk management processes. SCC's Enterprise Risk Management policy establishes an enterprise-wide approach to risk management. SCC also developed a corporate risk and performance matrix and confirmed to staff its policy on risk management.

In 2013, the governing Council welcomed three new members: David Wigmore, in February and Claude Bédard and Suzanne Gignac, in March. Their combined experience, expertise and leadership will greatly contribute to SCC's mandate.

SCC's governing Council members possess growing knowledge of standards and accreditation, and bring private-sector and/or government experience to their Council work. Council members set SCC's strategic direction

and understand the key role standardization plays in supporting Canada's economy.



**Dr. W.A. Sam Shaw**  
*Interim Chairman*  
Vice-President of  
Natural Gas Policy  
Development at  
Encana Natural Gas



**Claude Bédard**  
*Private-Sector*  
*Representative*  
President of  
Euclid Admixture  
Canada Inc. and  
Vice-President  
of International  
Accounts for The  
Euclid Chemical  
Company of  
Cleveland, Ohio



**Dan Boyd**  
*Chair, Provincial*  
*Territorial Advisory*  
*Committee*  
Yukon Assistant  
Deputy Minister of  
Consumer Services  
and Infrastructure  
Development  
Division with the  
Department of  
Community Services



**G. Rae Dulmage**  
*Representative,*  
*Standards*  
*Development*  
*Organizations*  
*Advisory Committee*  
Director, Standards  
Department,  
Government  
Relations Office  
and Regulatory,  
Underwriters  
Laboratories of  
Canada



**David Fardy**  
*Private-Sector*  
*Representative*  
General Manager,  
Protrans Personnel  
Services Inc.



**Suzanne Gignac**  
*Private-Sector*  
*Representative*  
Partner at Ernst &  
Young LLP



**Richard Raymond**  
*Private-Sector*  
*Representative*  
Steel fabrication  
and product  
distribution



**Steven Reynolds**  
*Private-Sector*  
*Representative*  
Research and  
Development  
Manager,  
The Peelle  
Company Ltd.



**David Wigmore**  
*Vice-Chair, Provincial*  
*Territorial Advisory*  
*Committee*  
Acting Director,  
Risk Management,  
Labour and  
Advanced Education,  
Government of  
Nova Scotia









- ▲ Over the past fiscal year, SCC worked with key federal departments to identify critical Canadian standards that need to be updated.



- ▲ As it looks toward the future, SCC must make industry aware that standards and accreditation can improve the marketability and competitiveness of Canadian products internationally.

# Operating Environment and Context



- ◀ In today's global economy, standards are no longer merely national in scope and origin, but are international.

With standards becoming increasingly tied to a nation's innovation and trade potential, economies around the world need to increase their investment in standardization. At the same time, the needs of government, industry and consumer stakeholders worldwide are shifting.

To meet these realities, SCC strengthened Canada's standardization network during this fiscal year, by ensuring more strategic Canadian involvement in international standardization committees. We also developed new approaches to standardization issues to meet an expanded need for standards, and as new industry sectors and technologies create demand for different standardization solutions.

## Strengthening Canada's Competitive Edge Internationally

In today's global economy, standards are no longer merely national in scope and origin, but are international. More and more, the use of standards is a prerequisite to doing global trade. Governments around the world are looking to standards and accreditation as a way to increase their competitive edge.

The move toward international harmonization of standards has decreased the need for uniquely Canadian standards. This is particularly true in the area of emerging technologies, where the development of standards is primarily international. This shift makes it increasingly important for Canada to have a strong voice in global forums, so that we continue to influence public policy and international standards.

**Figure 4: Key Facts and Figures**

The following provides an overview of some key facts and figures impacting Canada's standardization landscape:

	2011-2012	2012-2013
Total number of standards maintained by SCC-accredited SDOs	2,973	2,940
Total number of standards maintained by international organizations (ISO, IEC)	28,869	30,358
Total number of Canadian volunteers participating on international technical standards development committees	2,619	2,628
Total number of Canadian federal government employees involved (through SCC) in international standardization committees	371	349
<b>Total number of NSCs approved by SCC</b>	<b>177</b>	<b>143</b>

Multiple sources: Data collected by SCC's Policy and Stakeholder Relations branch and SCC's Canadian Standards Database

Maintaining this strong Canadian voice, however, is a challenge SCC faces as the number of Canadian participants developing standards decreases. Fewer government stakeholders, industry representatives and academics are able to take part in standardization meetings, due to financial constraints and senior experts who are retiring and are not being replaced. Also, newer experts in the emerging technologies sector do not necessarily have the resources with which to participate on these committees.

### Using a More Strategic Approach

SCC is addressing these issues to ensure more strategic Canadian representation on international standardization committees. For instance, the

*"The global financial crisis showed how fundamentally interconnected the global economy truly is, and I think you see that in the work that you (SCC) do in standards. Standards are an essential component of economic analysis, innovation and productivity growth."*

*John Knuble,  
Industry Canada's  
Deputy Minister,  
speaking at SCC's World  
Standards Day 2012  
event in October 2012*

organization has strengthened its model for prioritizing how and where Canada engages in the development of international standards. As well, SCC is

revitalizing its member program, to better recruit and train new technical experts who participate on international committees.

Until recently, increasing awareness among government and industry stakeholders of the value of standards has been a challenge for standardization organizations. These organizations must develop new, focused and targeted stakeholder approaches so that key industry and government decision-makers are aware of the critical role standards—and their organizations—play in improving the health of their citizens and their economy. SCC has been successfully using this strategic approach during the 2012-2013 fiscal year and will continue to do so, to ensure Canadian organizations remain globally competitive.

## Delivering Clear Solutions

The pace of technology-driven innovation has continued to accelerate, giving rise to new industries and business practices. Increasingly, stakeholders around the world are recognizing the need and importance of incorporating standardization solutions into their programs and services at the beginning of the planning process, rather than as an afterthought. As a result, more regional, national and international standards are being referenced in federal regulations.

Over the past fiscal year, SCC worked with key federal departments to identify critical Canadian standards that need to be updated. We have taken steps to address this issue and

will continue this crucial work in the coming fiscal year.

Furthermore, to ensure standards being used by Canadian governments and industry protect Canadian interests and priorities, SCC's standards development program requirements were reviewed. This was done to ensure a greater commitment, on the part of SDOs, to meet the needs of Canadian government, industry and consumers.

This past year, SCC accredited two additional SDOs to develop NSCs: ASTM International and Underwriters Laboratories (UL), in order to provide industry and government with a greater choice of standards for use in Canada.

## Navigating Regulatory "Red Tape"

Navigating regulatory "red tape" has been identified as a significant burden for many Canadian businesses, affecting their productivity and competitiveness. Standardization solutions help reduce the burden of regulatory compliance on Canadian businesses. SCC is committed to working with federal departments, central agencies and SDOs to determine how Canada's existing standardization infrastructures can support government programs.

## Looking Toward the Future

As it looks toward the future, SCC must make industry aware that standards and accreditation can improve the marketability and competitiveness of Canadian products internationally. Standardization ensures that products meet both regulatory requirements and consumer expectations of quality. SCC must also reach out to industry sectors that most impact our economy and government priorities.



▲ ASTM International's Canadian Office Director, Diane Thompson, receives a certificate of accreditation from SCC's CEO, John Walter. ASTM and Underwriters Laboratories were accredited by SCC on February 4, 2013, to develop National Standards of Canada.







- ▲ SCC introduced an accreditation program for certifying organizations to ISO 50001, an international standard focused on energy management systems.



# Performance Against Objectives



- ▲ Throughout the past fiscal year, SCC worked to deliver its four strategic priorities, reinforcing the organization's vision to promote innovation and improve Canadians' quality of life through Canada's standardization network.

- ▲ In October 2012, SCC released a comprehensive standards roadmap to support the building of Canada's Smart Grid.

Throughout the past fiscal year, SCC worked to deliver its four strategic priorities: • Strengthen Canada's standardization network • Deliver standardization solutions • Maximize the benefits of standards and accreditation • Drive operational efficiency and productivity. These priorities reinforced the organization's vision to promote innovation and improve Canadians' quality of life through Canada's standardization network.

Building on the Performance Against Objectives Overview section at the front of this annual report, the following text provides fuller details on SCC's 2012-2013 activities and initiatives.

## Strategic Priority 1

### Strengthen Canada's Standardization Network

During this fiscal period, SCC set out to strengthen Canada's

standardization network. The organization's goal was to fill standards gaps in industry sectors critical to Canada's economy, and to better support federal government priorities. We also continued to raise awareness, among government, industry and consumer stakeholders, of the value of standards and accreditation.

## Setting Canada's Standardization Priorities and Goals

SCC continues to work interdepartmentally on standardization. With the organization's support and assistance, eight key federal departments and agencies have begun to identify their standardization priorities for 2013-2014. SCC and Industry Canada held an Assistant Deputy Ministers Committee on Standardization meeting in February 2013 to discuss funding standards that need updating. Other discussion items included establishing mechanisms to support departmental standardization priorities, and the need to begin reviewing the establishment of federal standardization priorities.

## Consulting with Industry

In 2012-2013, SCC reached out to 10 national oil and gas industry associations, which account for greater than 150,000 companies and experts working in this economic sector. Senior leaders from these associations shared their thoughts with SCC, outlining issues and concerns related to standardization in that sector.

Engaging these stakeholders was an important step toward identifying potential solutions to standardization issues facing Canada's oil and gas sector now and in the future. Obtaining stakeholders' input strengthened SCC's efforts to help the Government of Canada meet its

Economic Action Plan objectives of reducing bureaucratic red tape and barriers to business.

SCC's engagement with the oil and gas sector began with a workshop for that sector in June, held in Calgary, Alberta. Participants provided valuable input on their sector's standardization priorities.

*"When you adhere to standards, you have a measure... and when you're in a very small province, a national or international standard (can be applied) to testing and you have that bar set. We have the ability to trace back results... everything is documented now."*

*Anna-Marie MacFarlane,  
Laboratory Manager  
with PEI Analytical  
Laboratories (a division  
of the PEI Department of  
Agriculture and Forestry)  
Laboratory Focus  
Magazine  
(August 2012)*

As a result of this forum and other outreach activities, SCC has secured and developed effective bilateral working relationships with the executive teams of more than 10 national oil and gas sector associations. SCC has also cultivated relationships with a number of senior leaders from member companies and with

independent members from these associations.

Targeted stakeholders included those with primary interests in the exploration, production, transportation, processing, refining, storage, distribution and marketing of oil and gas. Stakeholders that provided input include organizations such as the Oil Sands Safety Association, the Petroleum Human Resources Council of Canada, the Canadian Energy Pipeline Association and the Canadian Association of Petroleum Producers.

## Gathering Valuable Input

Early in 2013, SCC transitioned into the next phase of its industry sector strategy. Reaching out to the electrical utility sector, SCC hosted a strategic session in Toronto on March 26, with the Canadian Electrical Association and working with the information and communications technology (ICT) community through the auspices of the ICT Standards Advisory Council of Canada (ISACC). In both cases, SCC was able to gather valuable input from Canadian experts on their industry's standards priorities.

In 2013-2014, SCC will continue to work with both industry sectors, to validate initial priorities identified for initiating the development of a sector-specific marketing strategy. This strategy will help SCC to strengthen standardization by minimizing bureaucratic red

tape and barriers to conducting global business.

## Reaching Out

On October 12, 2012, SCC celebrated the 43<sup>rd</sup> global World Standards Day (WSD) and held its Annual Public Meeting. The theme of WSD 2012 was *Less waste, better results—Standards increase efficiency*. The event featured notable speakers in the area of energy efficiency, including a panel discussion on the importance of energy efficiency standardization.

On the same day, SCC honoured the recipients of its 2012 SCC Awards for their outstanding achievements. These awards are presented biennially to recognize notable individual, organizational and committee contributions to voluntary

standardization and conformity assessment. The award winners' leadership, commitment and dedication to standardization are demonstrated by their contributions to the development, promotion and implementation of standards and standards-related activities. The ongoing dedication of these standardization experts helps SCC achieve its national strategic objectives.

## Boosting Consumer Product Safety

During this fiscal year, SCC also published a new tool to boost consumer product safety: *Consumer Product Safety in Canada: A guide to standards and conformity assessment options for manufacturers, importers and sellers*. The guide contains key information for businesses about product

safety standards, providing manufacturers, importers and sellers with a basic understanding of the role of standardization in the consumer product safety landscape.

"This guide is a useful tool to help businesses understand what they must do to make sure their products are safe for Canadians. Canadians expect that products they find on store shelves will be safe. Clear standards mean safer products on the market, which is good for everyone."

**Leona Aglukkaq,**  
**Minister of Health**  
**SCC news release**  
**(December 4, 2012)**



- During the 2012 SCC Awards ceremony on October 12, 2012, Dr. St. John Blakeley (photo, centre) was the 2012 recipient of the Roy A. Phillips award, one of six awards presented. Dr. Blakeley is accompanied by John Walter, SCC's CEO (left) and by Dr. W. A. Sam Shaw, SCC's Interim Chairman.



- Energy aspects of high-performance buildings was the topic of Melissa O'Mara's (Vice President Education/Government Solutions and High-Performance Green Buildings at Schneider Electric) WSD 2012 keynote address.

## SCC STAKEHOLDER PROFILE

### NAME AND TITLE:

T. D. Ellison, Past Executive Director, Canadian Water and Wastewater Association (CWWA)

### ROLE IN STANDARDIZATION:

CWWA has worked for many years to support standardization activities as a process that can supplement and complement regulations. The objective of CWWA was to foster stewardship, by municipalities and others, of our water resources. T. D. Ellison is the chair of two Canadian Mirror Committees to ISO Technical Committees on water.

### QUOTE:

***“Working with counterparts within an ISO Technical Committee is personally and professionally a very rewarding experience. It enables us to bring to our Mirror Committee members, outstanding and often non-published information in the Committee subject area. We then can disseminate this information within our own peer circles in Canada to the benefit of the sector we serve as a whole. We could not achieve this without the ongoing professional support provided by SCC and its staff from Standards and International Relations branch. Not only do they facilitate the proper functioning of the Mirror Committee, but they help us conform to the ISO protocols and guides. This is essential for us to provide, and to have accepted, our input to the standardization process.***

*With this support from SCC, we are now providing excellent information in a number of water services-related areas, which is helping us not only in the present context, but in preparing for challenge, we know we will face in the future, which others are facing now. Sustainable water services are both a national and global concern.*

***I genuinely believe that SCC is an agent of change in many social and economic respects, and its support of water issues is important both nationally and globally.”***



- ▲ Industry Canada's Deputy Minister, John Knubley, told some 150 WSD participants that standards are essential to innovation and productivity growth.



- ▲ On October 12, 2012, SCC celebrated the 43rd global WSD and held its Annual Public Meeting.





- ▲ The WSD 2012 panel of standardization experts provided a lively exchange on energy efficiency standardization. From left: Ross Hornby (panel moderator), Vice-President, Government Affairs and Policy, GE Canada; Elizabeth McDonald (President and CEO, Canadian Energy Efficiency Alliance); Ralph Suppa (President and General Manager, Canadian Institute of Plumbing & Heating); and Carol Buckley, Director General of the Office of Energy Efficiency at NRCan.

## Strategic Priority 2

### Deliver Standardization Solutions

#### Updating Critical Standards

Over the past fiscal year, SCC has been working with federal government officials to identify and prioritize the appropriate actions for addressing outdated standards referenced in Canadian federal regulations. Federal departments and agencies confirmed a total of 45 Canadian-based standards as being in critical need of updating, given their respective role in supporting regulatory objectives. SCC

has established umbrella service agreements with SDOs to fund these updates, by applying the additional \$2.1 million it has

received in annual government appropriation, as of 2012-2013, for modernizing standardization in Canada.

#### Developing Standards that Support Industry

We have made inroads in creating standardization and accreditation solutions that directly benefit key industries. SCC continues its work with the Canada-United States RCC Secretariat, to find ways of supporting regulatory cooperation through alignment of standards and certification requirements.

Over the past fiscal year, SCC has worked with the Canadian Institute of Plumbing & Heating (CIPH) and with Electro-Federation Canada (EFC), to strengthen



- ▲ In November 2012, SCC began work on the development of four new standards to support the adaptation of northern built infrastructure to a changing climate, under NISI. CSA Group will spearhead the formation and management of technical committees that will develop the standards. Shown: Bonnie Rose, President, Standards, CSA Group, and John Walter, SCC's CEO

"Many more countries plan to adopt ISO 50001; it's quickly become the global standard for energy management systems. ISO 50001 dispels the myth that energy is a fixed cost. When an organization implements this standard, it improves its energy performance, and that is a direct contribution to its bottom line."

**Carol Buckley,**  
*Director General  
of the Office of Energy  
Efficiency at NRCan*  
*SCC web feature article  
(December 2012)*

regulatory cooperation with the United States, in two ways. One way has been through the alignment of standards and certification requirements for new products. Another has been through the recognition of equivalent North American standards for existing products, in the electrical, plumbing and heating sectors.

In 2012-2013, SCC introduced the first and only accreditation program in Canada for the certification of organizations complying with ISO 50001, an international standard focused on energy management systems. Through certification to ISO 50001, Canadian

companies will have a system in place to increase their energy efficiency, improve energy performance and save money.

### **Creating Standards that Protect Canadians**

In October 2012, SCC released a comprehensive standards roadmap to support the building of Canada's Smart Grid. *The Canadian Smart Grid Standards Roadmap* was generated by a taskforce of industry and government experts from across Canada, under the direction of NRCan and the CNC/IEC. The recommendations outlined in the report identify standardization solutions needed for a modern electricity grid focused on quality, reliability, optimal usage and cost-efficiency.

"It's good to have that external assessment because it means you are meeting the standards and there is a consensus with your peers. It means people can rely on the results that you produce."

**Dr. Frances Jamieson,**  
*Public Health Agency's  
Acting Medical Director  
Laboratory Business  
Magazine  
(January Issue, 2013)*

Subject areas covered in the report include:

- smart grid policy, legislation and regulatory considerations
- privacy and security requirements
- transmission and distribution standards
- metering systems standards

"Natural Resources Canada continues to support new standards development. Within the last decade, the Energy Sector's Office of Energy Efficiency has supported standards development and maintenance for those standards referenced in the Energy Efficiency Regulations, and it uses other components of the National Standards system to ensure cost-effective compliance with the requirements."

**Serge P. Dupont,**  
*Deputy Minister,  
NRCan*

In November 2012, SCC began work on the development of four new standards to support the adaptation of northern built infrastructure to a changing climate, under NISI. SCC was granted \$2.5 million over five years for this project, which will establish NSCs to address the effects of climate change on northern community infrastructure. SCC successfully completed negotiations with CSA Group and awarded contracts for \$1.6 million for the development of NSCs related to the identified priority areas.

During 2012–2013, SCC teamed with NRCan and Transport

*"Accreditation is absolutely essential... look at the critical role that diagnostics play in the diagnosis and treatment of probably 95 per cent of (medical) conditions. It's also essential for you and me, as members of the public, that laboratories meet particular standards."*

**Wendy Nicklin,  
President and CEO  
of Accreditation Canada  
SCC web feature article  
(May 2012)**

standard will benefit Canadians by improving patient safety through traceability of all laboratory procedures, and by producing dependable and impartial results.

## Opening Doors for Industry and Government

During the fall of 2012, SCC expressed its support for Bill S-12, an Act to permit incorporation by reference, now before the Senate. The bill would allow regulators to incorporate documents, including standards, in all existing and new federal regulations and would enable regulators to use standards more effectively. SCC's CEO, John Walter, and its Vice-President, Policy and Stakeholder Relations, Michel Girard, were called as witnesses before the Senate Committee on Legal and Constitutional Affairs regarding Bill S-12. Walter and Girard expressed their support for the bill, as well as the need for policies or guidelines to be developed to clarify when and how regulators could use this process.

Over the past fiscal year, SCC provided policy advice on standards-related components of the ongoing trade negotiations of agreements with countries such as India, Japan and Ukraine, as well as Europe through CETA and as part of the *Trans-Pacific Partnership*.

*"National and international standards provide vital support to the Canada Consumer Product Safety Act (CCPSA), both through reference in regulations and for guidance in support of the general prohibition on products presenting a danger to health or safety. They also support the government's priority of supporting harmonized regulatory systems that protect safety while enabling trade."*

**Glenda Yeates,  
Deputy Minister,  
Health Canada**

Canada on the adaptation of a training program developed by the U.S. National Fire Protection Association to help Canadian first responders deal with electric and hybrid vehicle emergencies. The program will train police, fire and emergency personnel to safely respond to accidents involving electric vehicles, without endangering their own lives.

This past fiscal year, we also began a pilot project in partnership with Accreditation Canada to accredit medical testing laboratories in hospitals throughout Canada. In March 2013, SCC and Accreditation Canada announced they will offer ISO 15189 accreditation to Canada's healthcare and medical laboratory communities in the coming year. This international

"We can take advantage of the Canadian experience in assessment, evaluation and as an accrediting organization... Canada has a very systemized process. It's very important to develop the standardization model and do what Canada has done."

**Rosario Uria-Toro,**  
*Technical Secretariat  
at INDECOPI,  
Peru's standards body*

An MOU signed between SCC, the European Committee for Standardization (CEN) and the European Committee for Electrotechnical Standardization (CENELEC) will help advance the harmonization of standardization activities between Canada and Europe in sectors of strategic importance and create enhanced

"It was a very unique opportunity to have interacted with an organization that has a great deal of experience in standardization nationally and on the international level as well."

**German Nava (speaking  
about SCC), Director  
of Standardization,  
ICONTEC, Colombia's  
standards body**

market access for Canadian exporters. The MOU allows us to share best practices and identify sectors of common interest, such as: construction products, consumer product safety, environmental technologies and nanotechnologies, among other areas.

SCC also worked with representatives from Colombia, Honduras, Peru and the CARICOM, on capacity-building projects under the CATRTA Program, to advance Canada's trade interests in that region. In the case of Colombia and Peru, SCC organized workshops in Ottawa (Canada), Bogota (Colombia) and Lima (Peru), to share experiences and best practices on various standardization topics. Topics included methods and tools used by SCC to engage Canadian stakeholders in establishing standardization priorities and training to Colombia and Peruvian committee members and staff on participation in international standardization work. At the regional level, SCC held a regional workshop in Rio de Janeiro, Brazil, to strengthen the capacity of the NAFTA Enquiry Points of Honduras, Colombia, Peru and the CARICOM.



"In addition to the numerous geographic similarities and commercial interest shared by our two countries, I have found there to be a kindred spirit of collaboration and cooperation. SCC's recent standardization workshops and high-level meetings in Mongolia have already positively contributed to our relations; the proposed ongoing dialogue can only serve to increase economic and trade growth."

**Gregory Goldhawk,**  
*Canadian Ambassador to  
Mongolia*  
*SCC web feature article  
(April 2012), regarding  
SCC's three-day informa-  
tion exchange seminar  
in Mongolia with the  
Mongolian Agency for  
Standardization and  
Metrology*

- ◀ SCC hosted a workshop under the CATRTA Program in Ottawa July 9-12, 2012, to strengthen the capacity of the national standards bodies of Peru (INDECOPI) and Colombia (ICONTEC).



## Strategic Priority 3

### Maximize the Benefits of Standards and Accreditation

During fiscal year 2012-2013, the number of customers served by SCC's Accreditation Services branch increased from 426 to 441 customers — a 3.5 per cent increase. (See Figure 5.) At the same time, the branch continued to respond to shifting market and regulatory requirements. SCC's new Energy Management Systems Accreditation Program, for instance — which accredits bodies to certify organizations to ISO 50001 — is expected to gain momentum during the upcoming fiscal year.

ISO 50001 is one of many standards that Canadian delegations and experts accredited by SCC play an essential role in developing globally. These individuals attend hundreds of meetings each year on behalf of Canada. Their expertise guarantees Canadians' needs are voiced, favoured and then applied in the development of international standards.

As Canada's body to ISO and IEC, SCC monitors Canadian participation on technical committees. Currently, Canada participates in 358, or approximately 50 per cent of, ISO committees, and 106, or 62 per cent of, IEC committees.

### Ensuring Canada has a Voice Where it is Most Needed

As the number of international standards development committees grows, and as staff resources become more scarce, SCC initiated a more strategic approach to Canadian participation on these international committees. SCC has shifted its focus from the quantity of representatives, to ensuring the right experts are on the right committees at the right time. To do this, we have developed a monitoring system to evaluate and re-evaluate Canada's presence on international committees.

We have also implemented a new funding process for committee experts to provide Canadian experts where they are needed most.

**Figure 5: Customers of Accreditation Services Branch**

SCC Accreditation Services and Recognition Program

	2011-2012 Actual	2012-2013 Actual
Laboratories	324	332
- Testing and calibration (ISO/IEC 17025)		
- Proficiency testing providers (ISO/IEC 17043)		
- Medical laboratory (ISO 15189)		
Good Laboratory Practice (GLP) Recognition	27	34
Product certification bodies (ISO/IEC Guide 65)	33	32
Management systems certification bodies (ISO/IEC 17021)	20	19
Personnel certification bodies (ISO/IEC 17024)	5	6
Inspection bodies (ISO/IEC 17020)	15	16
GHG verification bodies (ISO 14065)	2	2
<b>Total number of SCC-accredited customers</b>	<b>426</b>	<b>441</b>

The number of SCC-accredited customers increased in 2012-2013 to 441 from 426.  
Source: SCC's Accreditation Services branch

SCC holds a number of governance positions at both international and regional forums. (See Figure 7.) This past fiscal year, SCC supported the election and official appointment of Ed Tymofychuk, of Manitoba Hydro, as president of the IEC Council Board. His election will assure a strong Canadian voice is maintained when it comes to the development of international standards for electrical, electronic and related technologies.

Canada has remained actively engaged in the development of international standards where voting submission rates have remained relatively flat (97.1 per cent in 2012). The total number of ballots submitted, however, has climbed to an additional 634 (approximately 20 per cent more compared to three years ago.) In 2012-2013, SCC implemented a monitoring system to improve its ability to compare the results of Canadian delegates in international standardization.

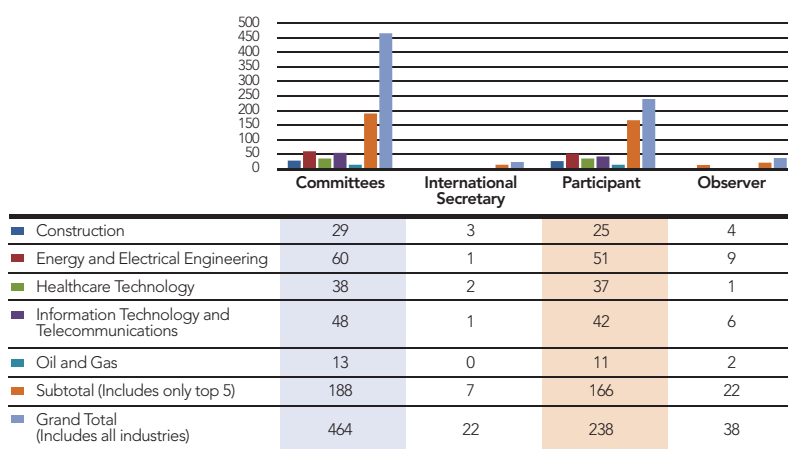
SCC's Accreditation Services branch has also mapped its international committee representation at the ISO Committee on conformity assessment (ISO/CASCO), as well as at the IAF, ILAC, IAAC, and APLAC bodies, and is developing a new process for determining priorities and ensuring Canada's influence is established internationally in matters of conformity assessment.

Accepted technical new work item proposals submitted by Canada to ISO have more than doubled compared to three years ago. These submissions show that Canada is increasing its role as a standards "maker" globally.

### **Figure 6: Canadian Involvement in International Technical Work**

In fiscal year 2012-2013, Canadians participated in a total of 464 technical committees and sub-committees. These committees develop new standards and update existing international standards for thousands of products, systems and services.

#### **Canadian Involvement in International Technical Work Ending March 31, 2013**



Source: SCC's Standards and International Relations branch

**Figure 7: International and Regional Networks**

PARTICIPATION	INTERNATIONAL	REGIONAL
<b>Standards Development</b>	<ul style="list-style-type: none"> <li>• Past President of IEC, Jacques Régis</li> <li>• Member of IEC Council Board:               <ul style="list-style-type: none"> <li>• Dr. Greg Stone</li> <li>• Ed Tymofychuk (President)</li> </ul> </li> <li>• Member of IEC Standardization Management Board, Keith Rodel</li> <li>• Member of ISO Technical Management Board, SCC's CEO, John Walter</li> <li>• Chair of ISO/COPOLCO, Norma McCormick</li> </ul>	<ul style="list-style-type: none"> <li>• Member of PASC's Executive Committee, SCC's CEO, John Walter</li> <li>• Member of Réseau Normalisation et Francophonie, SCC's Vice-President, Standards and International Relations, Sylvie Lafontaine</li> <li>• Member of COPANT's Board of Directors, SCC's CEO, John Walter</li> </ul>
<b>Accreditation Services</b>	<ul style="list-style-type: none"> <li>• Member of IAF and various working groups</li> <li>• Member of ILAC and various working groups</li> </ul>	<ul style="list-style-type: none"> <li>• Member of APLAC and various working groups</li> <li>• Member of IAAC and various working groups</li> </ul>

Multiple sources: SCC's Standards and International Relations branch Tracking Reports



- ▲ This past fiscal year, SCC introduced a new corporate QMS system, which provides a modernized, streamlined process, particularly for the delivery of accreditation services.

## Strategic Priority 4

### Drive Operational Efficiency and Productivity

The organizational culture within SCC has changed. We are raising the expectations of those we serve, and our own expectations for what we can deliver. And we

are modernizing our QMS, IM/IT infrastructure and human resources management processes.

### Modernizing the Way We Provide Services and the Way We Work

This past fiscal year, we introduced a new corporate QMS system, which provides a modernized, streamlined process, particularly for the delivery of accreditation services.

The simplified QMS framework will allow for new tools and procedures that will touch every aspect of the Accreditation Services branch's operations, including the accreditation process itself, new program development, and performance measurement.

The resulting overhaul of SCC's Accreditation Services branch will reduce the amount of documentation needed in the delivery of accreditation services and will ultimately help us achieve the following:

- strengthen customer relationships;
- create new processes for the delivery of accreditation services;
- develop innovative ways of delivering these services;
- fortify resource management;
- provide staff with the tools they need; and
- ensure processes are streamlined and consistent in support of delivering SCC's accreditation services.

SCC continues to take direction from ISO 9001:2008, which sets out the requirements of a QMS. As well, SCC's Accreditation Services branch continues to conform to ISO/IEC 17011.

### Infrastructure Upgrades

SCC recognizes that IM/IT is a critical component to achieving the organization's strategic and operational objectives. To

ensure our IM/IT systems are better equipped to support our organization's priorities and needs, we are modernizing our IM/IT system. We have a vision for an innovative, modern IM/IT architecture and are taking significant steps to make this vision a reality.

SCC continued to review infrastructure upgrades, to ensure we have the appropriate tools to deliver on our mandate and on our most critical strategic areas. SCC will move into the first phase of this IM/IT modernization in the coming fiscal year.

As a knowledge-based organization, SCC continues to invest in its people through training and professional development, to cultivate a culture of high-performance teams. SCC allocated 1.5 per cent of its salary budget to staff training this year.

### Supporting Staff Members

To better support staff members and their achievements, SCC developed and implemented an employee recognition plan and developed a corporate orientation program, this past year. Employee engagement surveys continue to be used for staff input and management decision-making. SCC has started the process to define its own Code of Conduct that reflects the mandate of SCC and the values and ethics that will guide us in fulfilling our mandate.

### Connecting with Stakeholders in New Ways

We are pursuing the use of *SCC Connect* as a platform for us to expand the scope of standardization experts, improve efficiencies and costs, and increase collaboration with government departments, industry experts, academics and consumers. *SCC Connect* would also help SCC recruit the best Canadian experts to negotiate on our behalf at national, regional and international standards committee meetings. The system is now in the testing phase as a pilot project with key consumer stakeholders across Canada.

SCC is also looking to social media channels, such as *LinkedIn* and *Twitter*, to reach more Canadians and to better gauge the standardization issues that matter most to government and industry stakeholders and to Canadian consumers.



## SCC STAKEHOLDER PROFILE

### NAME:

Fred Ghatala, Partner

### ORGANIZATION:

Waterfall Advisors Group

### ISO COMMITTEE:

International Convenor to ISO TC248/WG4 on Indirect effects and SCC Mirror Committee  
Chairperson to ISO TC248 on Sustainability criteria for bioenergy

***“The CAN-P-2018 program has been an effective mechanism to enable industry participation in important meetings of PC 248 Sustainability criteria for bioenergy. In ISO and other global expert consensus-driven, standards-setting processes, showing up is essential. Failing to attend one meeting can mean the difference between having a standard that works for Canada versus one that does not. The CAN-P-2018 is efficiently managed and transparent.***

***Our Canadian Advisory Committee appreciates the opportunity to utilize this program and believes that the resulting standard (ISO 13065) will be enhanced by Canadian participation.”***





- ▲ SCC will continue to lead a system that sparks innovation and improves the quality of life of all Canadians.

# Management Discussion and Analysis

In recent years, SCC has solidified its reputation as the leader of Canada's standardization network. In 2012-2013, SCC built on this reputation by providing key government and industry sector decision-makers with innovative, yet cost-effective solutions for their standardization issues. SCC accomplished this by focusing on its four strategic priorities for this fiscal year.



- ▲ Industry participation on regional and international standards committees is critical to our nation's economic growth and competitiveness, as well as for protecting Canadians' health and safety.



- ▲ Over the past fiscal year, SCC followed industry best practices, to ensure it has in place an increased risk accountability structure.

During 2012-2013, SCC concentrated on raising awareness, among key federal departments, of the organization's core activities. At the same time, SCC continued to build relationships with targeted Canadian economic sectors, and it intends to increase its engagement with them. Industry participation

on regional and international standards committees is critical to our nation's economic growth and competitiveness, as well as for protecting Canadians' health and safety.

SCC also created more options for Canadian governments and industries through the

accreditation of two additional SDOs during this fiscal year. During the accreditation process for these SDOs, SCC informed stakeholders that it can now offer them more standardization solutions to better serve their needs.

## Monitoring Risk

Over the past fiscal year, SCC monitored progress through risk-related performance indicators. In doing so, SCC followed industry best practices, to ensure it has in place an increased risk accountability structure. As well, SCC is driving operational performance and is reviewing the right risks, to ensure the organization meets its strategic objectives.

SCC continues to monitor associated risks in the following areas: stakeholder engagement, standards in regulations, industry outreach, Canada's strategic involvement on international committees, organizational effectiveness, and Accreditation Services branch's customer satisfaction level. SCC has corresponding risk control strategies in place for these identified areas of associated risks.

Given its strengthened relationship with government, SCC will now focus on extending its stakeholder reach to industry. The organization will ask specific industry sectors to prioritize their standardizations goals. With a targeted outreach strategy directed at both government and industry, SCC is now well-positioned to validate stakeholders' priorities and gain further insight on their market-related challenges and opportunities.

## Looking ahead

In the upcoming fiscal year, SCC will continue to: monitor trends, including standards referenced in regulations; ensure strategic participation on standardization committees, regionally and internationally; advance standardization to become part of Canada's public policy discussion; deliver customer-focused accreditation services; and meet the priorities of government and industry,

providing them with the right standardization solutions.

Internally, SCC will focus on modernizing its information technology infrastructure for improved stakeholder consultation, core programming and efficient operations. Implementing innovative and transformative business processes in all business lines will continue to be part of SCC's efforts to improve operations.

As a collaborative leader, SCC will also concentrate on mobilizing Canadian subject matter experts to strengthen this nation's standardization network. Through an innovative, responsive and flexible standards system, SCC will continue to lead a system that sparks innovation and improves the quality of life of all Canadians.







# Financial Performance

In 2012-2013, the Standards Council of Canada's (SCC's) total revenue (excluding government funding) was \$9.2 million, which is 5.7 per cent higher than the \$8.7 million recorded during 2011-2012. The increase over last year's performance was due primarily to an increase in Accreditation Services fees (\$349 thousand), as well as increases in Advisory Services (\$146 thousand) and royalties from the sales of standards (\$19 thousand).

Revenue from Accreditation Services fees of \$6.8 million increased by 4.6 per cent from the \$6.5 million recorded during 2011-2012. The increase is from the Certification Body Accreditation division (year-over-year increase of \$380 thousand) and an increase in accreditation service revenue from the standards development organizations (year-over-year increase of \$74 thousand). These increases were partially offset by a decrease in revenue due to the timing of reviews within Laboratories (year-over-year decrease of \$106 thousand).

Royalties from the sales of standards totalled \$889 thousand; slightly higher (\$19 thousand or 2.1 per cent) than the previous year's level of \$870 thousand. This increase is mainly

attributable to SCC's vendor diversification strategy. SCC continues to expand the number of non-exclusive vendors of ISO and IEC standards in Canada. The organization will expand its Standards in Education program while meeting new obligations under revised ISO rules regarding the distribution of standards in post-secondary institutions.

Revenue from Advisory Services agreements totalled \$761 thousand and is ahead of last year's revenue of \$615 thousand by \$146 thousand or 24 per cent. This change is due to standards roadmap development activities (\$101 thousand) for assignments related to natural gas and electric vehicles, as well as to a significant increase in revenues from the Canada-Americas Trade-Related Technical

Assistance (CATRTA) project. This capacity-building project focuses on standardization and conformity assessment bodies. The project will help remove technical barriers to trade between Canada and Caribbean/South American countries.

Revenue from other income sources amounted to \$396 thousand, which is better than the \$337 thousand recognized in 2011-2012. This revenue includes funds collected for delegate travel sponsorship, the hosting of a web document management system (SiteScape), training, interest income and other rebate-related revenues.

Net government funding of \$10.3 million was higher by \$2.2 million this fiscal year as compared to the previous year's

\$8.1 million. Appropriations have increased by \$2.1 million relative to last year, for additional funding to modernize Canada's standardization network and to support a stronger Canadian voice in developing international standards. This increase is augmented by additional government funding for reimbursement of selected non-recurring expenditures. As well, this increase is partially offset by SCC's adoption of the accounting standard for government transfers, which results in the removal of deferred government funding used for the acquisition of tangible capital assets.

Expenses for 2012-2013 were \$17.6 million, which were \$2.7 million higher than last year's expenses of \$14.9 million. The year-over-year increase is due primarily to increased salaries and benefits (\$1.1 million), professional fees, including delegate travel support (\$0.9 million), recoverable travel, and assessment contractor fees (\$0.5 million).

- Salaries and benefits expenses were \$1.1 million higher than last year, having resulted from the filling of vacancies as well as additional staffing related to strategic initiatives.
- Professional fees, including delegate travel, increased by \$908 thousand over last year, due to spending on strategic initiatives, such as SCC's quality management system (QMS), information technology (IT) infrastructure

modernization, the Northern Infrastructure Standardization Initiative (NISI) and initiatives for updating standards.

- Recoverable travel and assessment contractor fees increased by \$475 thousand over last year. This increased cost is the result of additional accreditation activity and is a complement to the year-over-year increase in assessment revenues. In addition, the Accreditation Services branch began a strategic transformation of its business while leading the project to refresh SCC's QMS. Both projects resulted in a demand against staff time that lead to an increased requirement for contractor services.

The net annual surplus of \$2.0 million during 2012-2013 is an improvement of \$3.2 million, versus a budgeted deficit of \$1.2 million for the same time period.

- \$2.1 million of the favourable variance to budget is from temporary delays within professional fees and a short-fall in spending against the delegate travel program. The temporary delays in professional fees are related primarily to NISI and to initiatives for updating standards. These initiatives have contractual commitments that were in place at year end, but spending will not occur until future years, when the contracted services

will be performed.

- \$1.0 million of the favourable variance is related to additional appropriations for reimbursement of selected other non-recurring expenditures, as well as to the removal of deferred government funding, to be consistent with the accounting standard related to the treatment of government transfers.
- Accreditation Services' short-fall to budget of \$0.3 million is due primarily to additional reliance on contractors, as well as to a shift in timing to next year for some customer assessments that were budgeted for this year.
- All other expenses were favourable to budget by \$0.4 million, driven primarily by meetings and events (\$0.2 million), travel constraints (\$0.1 million) and amortization (\$0.1 million).

At March 31, 2013, accumulated surplus was \$8.0 million. Although significant for SCC, this surplus is temporary. After \$1.5 million is internally restricted to ensure ongoing operations, consistent with SCC's Capital Adequacy Policy, \$2.6 million is required for contractual commitments related to standardization initiatives. Also, subsequent to year-end and prior to the release of the financial statements, SCC has entered into a further \$3.3 million of contractual commitments for standardization activity.



**Figure 8: Financial Overview 2008-2009 to 2012-2013**

Financial Overview	2008-2009	2009-2010	2010-2011	2011-2012	Budget 2012-2013	Actual 2012-2013
<b>Revenue</b>						
Accreditation Services	\$ 5,893,041	\$ 5,962,067	\$ 6,338,030	\$ 6,455,019	\$ 7,187,100	\$ 6,804,962
Royalties from standards sales	677,519	825,227	898,557	870,068	900,600	888,558
Advisory Services	344,569	418,118	320,486	615,231	794,400	761,409
World Trade Organization (WTO)/NAFTA Enquiry Point	360,559	360,620	354,135	385,710	388,800	390,293
Other income	463,474	449,705	336,672	337,157	415,800	395,858
	<b>7,739,162</b>	<b>8,015,737</b>	<b>8,247,880</b>	<b>8,663,185</b>	<b>9,686,700</b>	<b>9,241,080</b>
<b>Expenses</b>						
Accreditation Services	4,696,077	4,497,206	4,261,688	4,210,716	4,745,500	4,702,302
WTO/NAFTA Enquiry Point	360,559	360,620	354,203	385,710	388,800	390,293
Standards and International Relations	3,562,196	3,854,168	2,699,603	2,749,363	3,836,200	3,412,507
Policy and Stakeholder Relations	1,784,067	1,858,734	1,646,032	1,773,457	4,467,200	2,020,861
Management and Administrative Services	4,852,504	5,275,373	6,012,898	5,790,682	6,834,400	7,054,757
	<b>15,255,403</b>	<b>15,846,101</b>	<b>14,974,424</b>	<b>14,909,928</b>	<b>20,272,100</b>	<b>17,580,720</b>
<b>Deficit from Operations</b>	<b>(7,516,241)</b>	<b>(7,830,364)</b>	<b>(6,726,544)</b>	<b>(6,246,743)</b>	<b>(10,585,400)</b>	<b>(8,339,640)</b>
<b>Government Funding</b>						
Parliamentary appropriations	7,196,055	7,182,964	7,132,330	8,059,060	9,333,000	10,318,993
<b>Annual Surplus / (Deficit)</b>	<b>\$ (320,186)</b>	<b>\$ (647,400)</b>	<b>\$ 405,786</b>	<b>\$ 1,812,317</b>	<b>\$ (1,252,400)</b>	<b>\$ 1,979,353</b>

## Management Responsibility for Financial Statements

The accompanying financial statements and all information contained in the Annual Report are the responsibility of the Standards Council of Canada (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 the Council'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 to review the audited financial statements annually, and reports on them to the governing Council.

The Office of the Auditor General of Canada conducts an independent examination, in accordance with Canadian auditing standards, and expresses its 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.

A handwritten signature in black ink, appearing to read 'John Walter'.

John Walter  
Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Ernie Briard'.

Ernie Briard, CPA, CA  
Chief Financial Officer

Ottawa, Canada  
June 5, 2013



Auditor General of Canada  
Vérificateur général du Canada

## INDEPENDENT AUDITOR'S REPORT

To the Minister of Industry

### 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 2013, and the statement of operations, statement of changes in 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 2013, 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, after giving retroactive effect to the change in the method of accounting for government transfers as explained in Note 3 to the financial statements except for the change in the method of accounting for financial instruments that was applied on a prospective basis as explained in Note 3 to the financial statements, 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 and the by-laws of the Standards Council of Canada.

Clyde M. MacLellan, CA  
Assistant Auditor General  
for the Auditor General of Canada

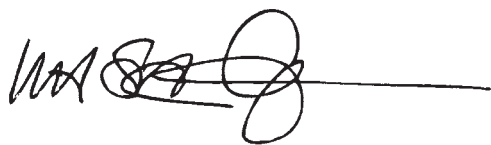
5 June 2013  
Ottawa, Canada

# Statement of Financial Position

As at	March 31, 2013	March 31, 2012 (Restated - Note 3)
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 6,838,507	\$ 5,440,235
Accounts receivable (Note 5)	2,683,965	2,087,591
Federal government departments and agencies (Note 13)	415,163	343,221
Parliamentary appropriations receivable	57,746	–
	<u>9,995,381</u>	<u>7,871,047</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 7)	1,678,162	1,596,575
Contributions received (Note 8)	54,250	22,498
Deferred revenue	1,905,092	1,950,282
	<u>3,637,504</u>	<u>3,569,355</u>
<b>Net Financial Assets</b>	<b>6,357,877</b>	<b>4,301,692</b>
<b>Non-financial Assets</b>		
Tangible capital assets (net) (Note 6)	849,184	930,065
Prepaid expenses	756,243	752,194
	<u>1,605,427</u>	<u>1,682,259</u>
<b>Accumulated Surplus</b>	<b>\$ 7,963,304</b>	<b>\$ 5,983,951</b>
Measurement uncertainty (Note 2j)		
Contractual commitments (Note 12)		
Contingent liabilities (Note 14)		

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

Approved by the governing Council:



Dr. W.A. Sam Shaw  
Interim Chairman



John Walter  
Chief Executive Officer



# Statement of Operations

For the year ended March 31	2013 Budget (Note 16)	2013	2012 (Restated - Note 3)
<b>Revenues from Operations</b>			
Accreditation Services fees	\$ 7,187,100	<b>\$ 6,804,962</b>	\$ 6,455,019
Royalties from sales of standards (Note 9)	900,600	<b>888,558</b>	870,068
Advisory Services	794,400	<b>761,409</b>	615,231
WTO/NAFTA Enquiry Point	388,800	<b>390,293</b>	385,710
Other income	415,800	<b>395,858</b>	337,157
	<u>9,686,700</u>	<u><b>9,241,080</b></u>	<u>8,663,185</u>
<b>Expenses (Note 11)</b>			
Accreditation Services	4,745,500	<b>4,702,302</b>	4,210,716
WTO/NAFTA Enquiry Point	388,800	<b>390,293</b>	385,710
Standards and International Relations	3,836,200	<b>3,412,507</b>	2,749,363
Policy and Stakeholder Relations	4,467,200	<b>2,020,861</b>	1,773,457
Management and Administrative Services	6,834,400	<b>7,054,757</b>	5,790,682
	<u>20,272,100</u>	<u><b>17,580,720</b></u>	<u>14,909,928</u>
<b>Deficit from Operations</b>	(10,585,400)	<b>(8,339,640)</b>	(6,246,743)
Parliamentary appropriations	9,333,000	<b>10,318,993</b>	8,059,060
<b>Annual Surplus / (Deficit)</b>	<b>(1,252,400)</b>	<b>1,979,353</b>	<b>1,812,317</b>
<b>Accumulated Surplus, Beginning of Year</b>	<u>4,104,000</u>	<u><b>5,983,951</b></u>	<u>4,171,634</u>
<b>Accumulated Surplus, End of Year</b>	<b>\$ 2,851,600</b>	<b>\$ 7,963,304</b>	<b>\$ 5,983,951</b>

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

## Statement of Changes in Net Financial Assets

For the year ended March 31	2013 Budget (Note 16)	2013	2012 (Restated - Note 3)
Total (deficit) / surplus	\$ (1,252,400)	<b>\$ 1,979,353</b>	\$ 1,812,317
Acquisition of tangible capital assets	(775,000)	<b>(242,513)</b>	(423,278)
Amortization of tangible capital assets	404,000	<b>323,394</b>	225,336
(Increase) / decrease in prepaid expense	<b>(245,000)</b>	<b>(4,049)</b>	22,695
<b>(Decrease) / Increase in Net Financial Assets</b>	<b>(1,868,400)</b>	<b>2,056,185</b>	<b>1,637,070</b>
Net financial assets at beginning of year	2,307,000	<b>4,301,692</b>	2,664,622
<b>Net Financial Assets at End of Year</b>	<b>438,600</b>	<b>6,357,877</b>	<b>4,301,692</b>

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

## Statement of Cash Flow

For the year ended March 31	2013	2012 (Restated - Note 3)
<b>Net Cash from Operations:</b>		
Surplus	<b>\$ 1,979,353</b>	\$ 1,812,317
Adjustments for non-cash items:		
Amortization of tangible capital assets	<b>323,394</b>	225,336
Changes in current liabilities and current assets other than cash	<b>(661,962)</b>	198,948
<b>Net Change in Cash from Operations</b>	<b>1,640,785</b>	<b>2,236,601</b>
<b>Cash Applied to Capital Transactions</b>		
Additions and disposal of tangible capital assets	<b>(242,513)</b>	(423,278)
<b>Net increase in cash</b>	<b>1,398,272</b>	<b>1,813,323</b>
Cash and cash equivalents, beginning of the year	<b>5,440,235</b>	3,626,912
<b>Cash and Cash Equivalents, End of the Year</b>	<b>\$ 6,838,507</b>	<b>\$ 5,440,235</b>

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

# Notes to the Financial Statements

March 31, 2013

## 1. AUTHORITY, MANDATE AND ACTIVITIES

The Standards Council of Canada (the Council) was created by Parliament as a corporation under the *Standards Council of Canada Act* in 1970 (revised 2006) to be the national coordinating body for voluntary standardization. The Council 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.

The mandate of the Council 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, the Council 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.
- Accredit 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 in other regional standardization organizations.
- Approve the National Standards of Canada.
- Provide 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.

## 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 (PSAB).

### b) 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: 4 years

Leasehold improvements: Lesser of term of the lease or expected useful life

**c) Prepaid Expenses**

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

**d) Revenue Recognition – Deferred Revenue**

Accreditation Services revenues are derived from application fees, annual accreditation fees and audit 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 accreditation fees 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 audit and 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.

Recoveries of expenses related to the agreement for the operation of the WTO/NAFTA Enquiry Point are recognized as revenue at the time the related expenses are incurred.

Contributions received from third parties that are restricted for the hosting of international meetings or conferences are

included as part of a liability called “Contributions Received.” These contributions are not recognized as revenue until their related expenditures are incurred.

**e) Expenses**

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

**f) Parliamentary Appropriations**

The Government of Canada provides funding to the Council. In accordance with Section PS 3410, 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.

**g) Pension Benefits**

Employees of the Council 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 by both the employees and the Council to cover current service cost. Pursuant to legislation currently in place, the Council 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 the Council.

**h) Employee Benefit Plan**

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

**i) 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 year.



## j) Measurement Uncertainty

The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the useful life expectancy predictions for 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 annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

## 3. CHANGE IN ACCOUNTING POLICIES

In March 2011, the Canadian PSAB updated Section PS 3410 for government transfers, which is to be applied to fiscal periods beginning on or after April 1, 2012.

The Council has retroactively adopted this standard and restated the prior years.

In accordance with Section PS 3410, 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. As a result, SCC no longer defers and amortizes the portion of appropriations used to purchase tangible capital assets over the same period as the acquired assets.

The impact of the adoption of this revised standard is presented below:

### a) Statement of Financial Position:

	Previously Stated for the Year Ended March 31, 2012	Restatement for the Year Ended March 31, 2012	Restatement for the Year Ended March 31, 2012
Total financial assets	\$ 7,871,047	\$ -	\$ 7,871,047
Deferred government funding	755,460	(755,460)	-
Total liabilities	4,324,815	(755,460)	3,569,355
Net financial assets	3,546,232	755,460	4,301,692
Non-financial assets	1,682,259	-	1,682,259
Accumulated surplus	\$ 5,228,491	\$ 755,460	\$ 5,983,951

### b) Statement of Operations:

	Previously Stated for the Year Ended March 31, 2012	Restatement for the Year Ended March 31, 2012	Restated for the Year Ended March 31, 2012
Deficit from operations	\$ 6,246,743	\$ -	\$ 6,246,743
Parliamentary appropriations	7,635,782	423,278	8,059,060
Amortization of deferred government funding	171,612	(171,612)	-
Surplus	1,560,651	251,666	1,812,317
Accumulated surplus, beginning of year	3,667,840	503,794	4,171,634
Accumulated surplus, end of year	\$ 5,228,491	\$ 755,460	\$ 5,983,951

**c) Statement of Cash Flow:**

	Previously Stated for the Year Ended March 31, 2012	Restatement for the Year Ended March 31, 2012	Restated for the Year Ended March 31, 2012
Surplus	\$ 1,560,651	\$ 251,666	\$ 1,812,317
Amortization of tangible capital assets	225,336	-	225,336
Amortization of deferred government funding	(171,612)	171,612	-
Changes in current liabilities and current assets other than cash	198,948	-	198,948
Net change in cash from operations	1,813,323	423,278	2,236,601
Addition of tangible capital assets	(423,278)	-	(423,278)
Parliamentary appropriations used for acquisition of tangible capital assets	423,278	(423,278)	-
Net increase in cash and cash equivalents	\$ 1,813,323	\$ -	\$ 1,813,323

#### 4. CAPITAL MANAGEMENT

The Council is subject to the *Standards Council of Canada Act* and the *Financial Administration Act* ("the Acts") and any directives issued pursuant to the Acts. These Acts affect how the Council manages its capital; one of its 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.

The Council maintains a minimum accumulated surplus required for its operations based on a percent of its current liabilities. As at March 31, 2013,

\$1.5 million has been put aside for operations. SCC determined that this minimum level of accumulated surplus ensures that it remains financially sustainable and also that it follows prudent business practices and guidelines existing in other similar organizations. The remaining accumulated surplus is set aside and restricted to fund designated spending.

The Council is prohibited from issuing its own capital or its own debt to meet any capital 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.

#### 5. FINANCIAL INSTRUMENTS

The Council's financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable, and accrued liabilities. Accounts receivable and accounts payable 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, the Council is primarily exposed to credit risk and liquidity risk. The Council's exposure and strategies to mitigate these risks are noted as per the following:

## 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 accounts receivable.

In all cases, prudence is observed at the time of the transaction. 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. The Council 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
2013	\$ 2,683,965	\$ 2,015,666	\$ 443,011	\$ 71,869	\$ 48,937	\$ 104,482
2012	\$ 2,087,591	\$ 1,617,675	\$ 144,203	\$ 63,015	\$ 42,927	\$ 219,771

The Council records an allowance for bad debts when considering the age of the outstanding receivable and the likelihood of collection. Provisions are also made for clients where collection of the receivable is doubtful based on information gathered through collection efforts.

An account receivable will be considered to be impaired or written-off when the Council has determined that collection can no longer be made and appropriate approvals have been obtained. During the year, no interest was earned on impaired assets, and none of the past due amounts have been re-

negotiated. Those amounts that are neither past due, nor provided for or impaired, are considered to be of good quality.

At March 31, 2013, the allowance for bad debts is estimated at \$30,238 (March 31, 2012 was \$37,352). The following table provides a reconciliation of the allowance during the year.

	March 31, 2013	March 31, 2012
Balance, beginning of year	\$37,352	\$33,000
Charges for the year	14,816	13,311
Bad debt (write-offs)	(21,930)	(8,959)
<b>Balance, End of Year</b>	<b>\$30,238</b>	<b>\$37,352</b>

### Liquidity Risk

Liquidity risk can occur should the Council have difficulty in meeting its obligations associated with financial liabilities. The Council's objective is to maintain sufficient cash and cash equivalents through drawdown of its voted parliamentary appropriations, collection of accreditation fees, and other services, in order to

meet its operating requirements. The Council 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. In addition, the Council has set guidelines for working capital of two months' cash requirements.

### 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. The Council's financial instruments are not significantly exposed to market risk.

## 6. TANGIBLE CAPITAL ASSETS

March 31, 2013

	Furniture	Equipment	Leasehold Improvements	2013 Total
<b>Cost</b>				
Opening Balance	\$ 388,495	\$ 1,804,031	\$ 967,741	\$ 3,160,267
Additions	20,124	166,223	56,166	242,513
Disposals	-	(131,693)	-	(131,693)
Closing Balance	408,619	1,838,561	1,023,907	3,271,087
<b>Accumulated Amortization</b>				
Opening Balance	(284,927)	(1,354,639)	(590,636)	(2,230,202)
Amortization	(23,068)	(172,721)	(127,605)	(323,394)
Disposals	-	131,693	-	131,693
Closing Balance	(307,995)	(1,395,667)	(718,241)	(2,421,903)
<b>Net Book Value</b>	<b>100,624</b>	<b>442,894</b>	<b>305,666</b>	<b>849,184</b>

There were no Tangible Capital Assets under construction at March 31, 2013.



**March 31, 2012**

	Furniture	Equipment	Leasehold Improvements	2012 Total
<b>Cost</b>				
Opening Balance	\$ 302,785	\$ 1,656,200	\$ 885,307	\$ 2,844,292
Additions	85,710	255,134	82,434	423,278
Disposals	-	(107,303)	-	(107,303)
Closing Balance	388,495	1,804,031	967,741	3,160,267
<b>Accumulated Amortization</b>				
Opening Balance	(277,946)	(1,334,254)	(499,969)	(2,112,169)
Amortization	(6,981)	(127,688)	(90,667)	(225,336)
Disposals	-	107,303	-	107,303
Closing Balance	(284,927)	(1,354,639)	(590,636)	(2,230,202)
<b>Net Book Value</b>	<b>103,568</b>	<b>449,392</b>	<b>377,105</b>	<b>930,065</b>

Cost at March 31, 2012 includes Tangible Capital Assets under construction, as follows:

- Furniture: \$53,127
- Equipment: \$191,882
- Leasehold improvements: \$82,434

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	March 31, 2013	March 31, 2012
Accounts payable and accrued liabilities	\$ 811,533	\$ 668,118
Salaries and benefits payable	737,107	817,760
Accrued vacation pay	106,407	91,272
Other	23,115	19,425
	<b>\$1,678,162</b>	<b>\$1,596,575</b>

## 8. CONTRIBUTIONS RECEIVED

The Council 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 "Contributions Received"

and are recognized as revenue at the time the related expenses are incurred.

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

	March 31, 2013	March 31, 2012
Balance, beginning of year	\$ 22,498	\$ 70,855
Add: Contributions received	78,900	241,922
Less: Contributions expended	(47,148)	(290,279)
	31,752	(48,357)
<b>Balance, End of Year</b>	<b>\$54,250</b>	<b>\$22,498</b>

## 9. ROYALTIES FROM SALE OF STANDARDS

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

## 10. PENSION BENEFITS

The Council 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.

The Council'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. The Council's and employees' contributions to the Plan for the year were as follows:

	March 31, 2013	March 31, 2012
Council's contribution	\$ 1,034,467	\$ 946,965
Employees' contributions	592,714	463,985

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

	Calendar Year	
	2013	2012
<b>Existing Employees (Pre-2013) – Current Service:</b>		
- On earnings up to yearly maximum pensionable earnings (YMPE)	<b>6.85%</b>	6.2%
- On earnings exceeding YMPE: 2013 – \$51,100 2012 – \$50,100	<b>9.2%</b>	8.6%
<b>New Employees – Current Service:</b>		
- On earnings up to yearly maximum pensionable earnings (YMPE)	<b>6.27%</b>	-
- On earnings exceeding YMPE: 2013 – \$51,100 2012 – \$50,100	<b>7.63%</b>	-
<b>Employer – Expressed as a Multiple of Employee Contributions:</b>		
- For existing employee contributions on current and elective service on single-rate employee contributions	<b>1.64</b>	1.74
- For new employee contributions on current and elective service on single-rate employee contributions	<b>1.57</b>	-
- For elective service on double-rate employee contributions	<b>0.32</b>	0.37
- For Retirement Compensation Arrangement on earnings that exceed: 2013 – \$150,900 2012 – \$148,000	<b>8.00</b>	8.95

## 11. EXPENSES

	March 31, 2013	March 31, 2012
Salaries and employee benefits	\$ 9,647,409	\$ 8,534,974
Professional and special services	2,686,811	1,832,500
Travel	2,354,316	1,749,701
Memberships in international organizations	928,068	961,884
Office accommodation	758,983	736,184
Amortization of tangible capital assets	323,394	225,336
Meeting expenses	250,742	318,408
Publications and printing	128,031	118,726
Office supplies	106,635	71,345
Telecommunications and postage	101,347	85,141
Other expenses	86,416	81,708
Insurance	74,466	74,491
Public relations	41,753	33,411
Repair and upkeep	38,974	37,339
Rental of office equipment	38,559	35,469
Bad debts expense	14,816	13,311
	<b>\$17,580,720</b>	<b>\$14,909,928</b>

## 12. CONTRACTUAL COMMITMENTS

In July 2000, the Council entered into an agreement to lease office space for a 15-year term. For operations purposes, the Council 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.

In addition, SCC has entered into contracts with several standards development organizations (SDOs) to assist with standardization initiatives. As at March 31, 2013, \$2.6 million of such future commitments were in place.

	March 31, 2013				March 31, 2012
	Office Space	Office Equipment	Standardization Initiatives	Total	Total
2012-2013	-	-	-	-	\$ 369,494
2013-2014	350,845	20,692	1,387,114	\$ 1,758,651	\$ 365,700
2014-2015	350,845	14,478	976,735	\$ 1,342,058	\$ 363,115
2015-2016	102,330	2,876	219,015	\$ 324,221	\$ 105,066
<b>TOTAL</b>	<b>\$ 804,020</b>	<b>\$ 38,046</b>	<b>\$ 2,582,864</b>	<b>\$ 3,424,930</b>	<b>\$ 1,203,375</b>

Subsequent to year end, and prior to the release of these financial statements, an additional \$3.3 million of contractual commitments have been entered into with the SDOs to assist with standardization activities over the next two fiscal years.

## 13. RELATED PARTY TRANSACTIONS

The Council is related, in terms of common ownership, to all Government of Canada departments, agencies and Crown corporations. The Council 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, 2013,

the Council has incurred expenses totaling \$53,508 (March 31, 2012 was \$57,192) and has recorded revenues of \$1,213,488 (March 31, 2012 was \$1,216,190) with related parties. As at March 31, 2013, the Council recorded accounts receivable with related parties of \$472,909 (March 31, 2012 was \$343,221) and accounts payable of \$15,804 (March 31, 2012 was \$791).

## 14. CONTINGENT LIABILITIES

SCC has been named as a defendant in an Alberta action, with the claimant seeking to have the action certified as a class action. While an amended statement of claim has been filed, no statement of defence has yet been filed, and this matter has not progressed at all during the year. There have been no new developments since SCC's last annual report was released, as nothing has been heard from Plaintiff's counsel. No steps have been taken by the Plaintiff in the action for 18 months. A similar action has commenced in

Saskatchewan, but nothing further has progressed with this item since the release of last year's annual report.

Accordingly, no provision has been made in these financial statements for any liability that may result. Any losses arising from these actions will be recorded in the year in which they become likely, and can be reasonably estimated.

## 15. COMPARATIVE BALANCES

Certain comparative figures have been reclassified, in order to conform to the presentation changes adopted in fiscal year 2012-2013.

## 16. BUDGET FIGURES

Budget figures have been provided for comparison purposes and have been derived from:

- the 2012-2013 internal management budgets approved by governing Council for revenue, expense and capital items; and
- the 2012-2013 to 2016-2017 Corporate Plan approved by governing Council for statement of changes in net financial assets figures.