

DEMONSTRATING VALUE



ANNUAL REPORT
2009-2010



Standards Council of Canada
Conseil canadien des normes

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 the National Standards System.

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2009-2010 Year at a Glance

The Standards Council of Canada (SCC) was involved in many varied endeavours of significance to Canadians throughout the 2009-2010 fiscal year. The following provides a sampling of some of those achievements and accomplishments.

At the National level

- An updated version 2009-2012 of the *Canadian Standards Strategy* was launched by SCC, providing enhanced leadership and direction for our National Standards System.
- SCC Chairman Hugh Krentz received the prestigious Leo B. Moore Medal from the Standards Engineering Society for contributions to standards development.
- The SCC's Greenhouse Gas program was recognized as the accreditation program for Canada's planned Offset System for Greenhouse Gases.
- The seventh ISO Social Responsibility Plenary Meeting was held in Québec City as a result of contributions by the SCC and the Bureau de normalisation du Québec (BNQ).
- 178 National Standards of Canada were approved throughout the year; 148 of those were adoptions of international standards.

With Clients

- Revenue generated from accreditation fees totalled \$5.9 million.
- SCC and Health Canada signed a Memorandum of Understanding establishing SCC as the monitoring authority for Good Laboratory Practices in pharmaceuticals, biologics and radiopharmaceuticals.
- The SCC's client survey results recorded an impressive 77 per cent satisfaction, two per cent higher than the set target.
- The anti-doping testing laboratory for the 2010 Olympic Winter Games in Vancouver was accredited by SCC.

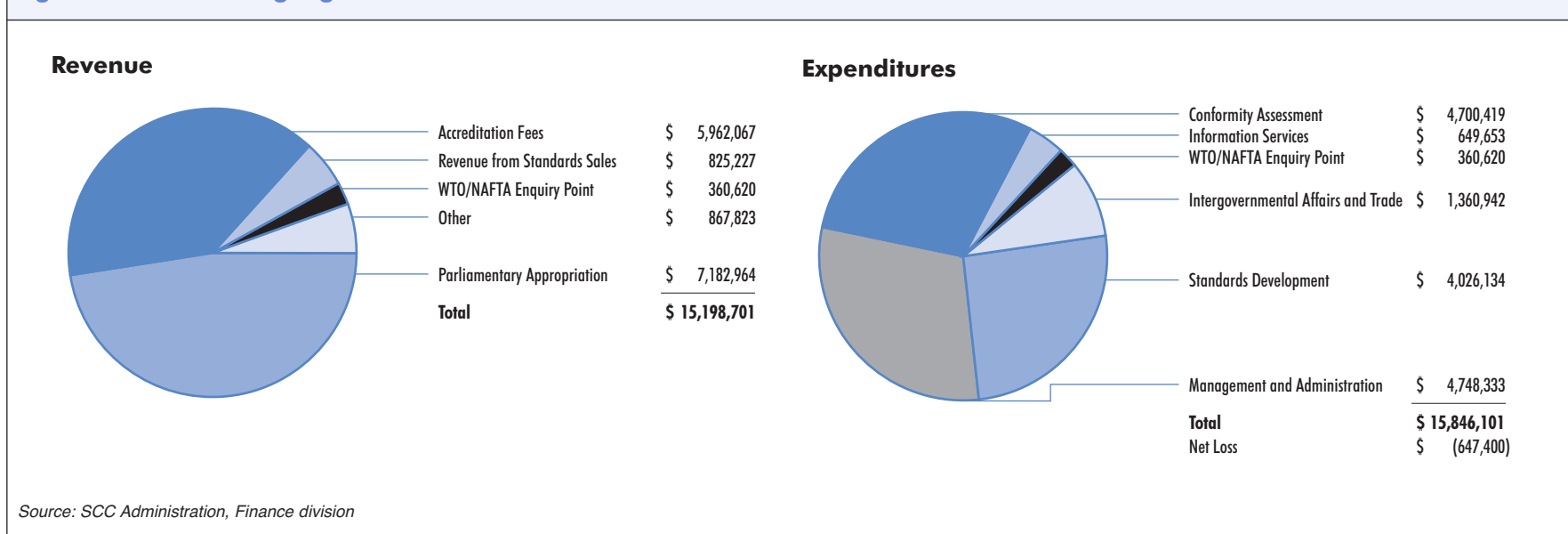
On the International front

- The ratio of Canadian participation in the work programs of ISO and IEC committees was 6 per cent higher than the established target.
- SCC renewed its *Agreement on Cooperation with the Standardization of China* (SAC).
- Canadian Norma McCormick was appointed chairperson of the International Organization for Standardization’s Committee on Consumer Policy (ISO/COPOLCO).
- The number of Canadians participating in international technical committees reached 2,648.
- SCC established procedures—with the department of Foreign Affairs and International Trade (DFAIT) to support Canadian negotiations towards a *Comprehensive Economic and Trade Agreement* between Canada and the European Union—specific to standardization-related issues.

Within the Organization

- Providing guidance and leadership, John Walter became the SCC’s new Executive Director and SCC Chairman Hugh Krentz was reappointed to another two-year term.
- The Office of the Auditor General’s 5-Year Special Examination of the SCC found no deficiencies in its systems and practices.

Figure 1: Financial Highlights





Message from the Chairman

Hugh Krentz

For almost four decades, the Standards Council of Canada (SCC) has been striving to demonstrate the positive worth that standardization has for consumers, businesses and governments both here at home and internationally.

As Canada faces a global recession that has shaken just about every economic system in the world, getting top value for their dollar remains a priority for Canadians. Providing assurance to people and organizations that the money they are spending will yield safe, quality, products and services is one of the most important areas where standardization can effectively demonstrate its true value.

Contributing to this goal is the latest update to the 2009-2012 *Canadian Standards Strategy* (CSS). Geared towards offering standardization-based solutions on national issues such as trade and consumer safety, in the first year since its launch, the CSS has seen renewed enthusiasm by its implementation and reporting team. As it always does, the SCC has aligned its own organizational priorities with those set out in our national strategy, and has continued to explore new areas where standards and conformity assessment can improve Canada's global competitiveness, strengthen social initiatives such as corporate social responsibility, as well as improve the health and safety of Canadians and of people around the world.

In 2009-2010, SCC helped open the doors to global markets for Canadian industry through its support and assistance on a number of Government of Canada international trade initiatives. As an example, SCC is contributing to the Technical Barriers to Trade chapter of the *Comprehensive Economic and Trade Agreement*. It is providing advice to the Department of Foreign Affairs and Trade (DFAIT) on Mexico's proposal to expand the Regulatory Cooperation Framework to include a North American memorandum of understanding on regulatory cooperation. And, it is working with its Advisory Committee on Trade (ACT) and Provincial-Territorial Advisory Committee (PTAC) to identify areas where standards and accreditation solutions can be applied to overcome interprovincial and international barriers to trade.

Contributing to the sustainability of developing countries, and enabling these to become more active in the areas of standardization and trade, also remained a focus for SCC as it shared the knowledge and technological tools it has employed to build its own National Standards System with those nations in need of assistance. Throughout the year, SCC offered varying degrees of expertise and support to Barbuda, Botswana, Colombia, Ghana, Malaysia, Peru, Trinidad and Tobago, Tunisia and the Ukraine.

Involvement and participation within the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) remained high through SCC's support for the hundreds of Canadians who contribute to more than half of those organizations' total technical committees. SCC's facilitation of Canadian input into the update of the *ISO Strategic Plan*, gave Canada a voice in ISO's upcoming strategic directions.

As part of maintaining good corporate governance, the SCC underwent its five-year special examination by the Office of the Auditor General (OAG). As in past examinations, OAG staff found no significant deficiencies in SCC's systems and practices, and determined that the organization's assets are well controlled. SCC continued to enhance its strategic planning processes and the mechanisms it uses to manage and monitor SCC's exposure to risk.

Amidst these initiatives, in 2009-2010, SCC addressed changes at the governing Council and executive levels of the organization. We saw the total number of Governor in Council appointments reduced by two, and welcomed the addition of private sector representative Richard A. Raymond, and PTAC representative Gary Gehring, both of whom will serve three-year terms. In September of 2009, John Walter became the organization's new Executive Director, overseeing the day-to-day operations of the SCC.

I was personally pleased to be asked to serve another two-year term as Chairman of SCC's governing Council, to be able to work with the SCC's new Executive Director, its staff and the many stakeholders from across the National Standards System. As we advance towards the strategies and goals set out in the CSS and in the SCC's corporate plan, I am confident that Canadians will become ever more aware of the demonstrated value this organization offers to their everyday lives and well-being.



Message from the Executive Director

John Walter

Throughout FY2009-2010, among many other priorities, the staff of the Standards Council of Canada (SCC) considered the best ways to measure success, to enhance service delivery and to provide evidence of the value of standardization for all Canadians.

As with most executives when they first join an organization, I spent my first few months in an assessment mode: learning, understanding and formulating a vision. As an organization, our time, energy and resources must be spent on activities that bring the greatest benefit to Canada. In this difficult economic climate, our efforts to raise awareness of the value of standards and conformity assessment are crucial to the success of our National Standards System.

As this country's national accreditation body, SCC is increasingly focused on demonstrating the benefits of standards and conformity assessment to Canadian industry, governments and citizens. SCC needs to quantify the financial worth and monetary value of standardization in order to show that there are clear measurable economic benefits to this work for the entire nation.

Highlighting the less tangible but equally valuable contributions of standardization in cultivating a safer, healthier and more prosperous Canada, has likewise been an integral part of SCC's role.

In 2009-2010, SCC continued to target key stakeholder groups, working to promote the importance of standardization as a regulatory instrument that supports the *Cabinet Directive on Streamlining Regulation* (CDSR), and to encourage governments at all levels to reference voluntary standards in regulation.

As part of ongoing efforts to increase revenue while demonstrating value to a wider representation of Canadians, we expanded our accreditation programs while striving to align our programs and services with federal government priorities. One such example, in support of Health Canada, involves establishing a regulatory regime that makes use of SCC accredited laboratories in the testing of products under the *Canada Consumer Product Safety Act* (CCPSA). Also with Health Canada, we signed an agreement that recognizes SCC as the mandatory authority on good laboratory practice standards for pharmaceuticals, biologics and radiopharmaceuticals.

To ensure that clients of our accreditation programs and services continue to enjoy demonstrated value, SCC is revisiting its existing fee structure with a view towards market alignment.

Adding value through its Education Program, SCC saw an increase of 56 per cent in the number of license agreements for the use of ISO and IEC standards in universities and colleges.

Another pivotal role for SCC is in protecting the integrity of the National Standards System: through enhanced participation in the Canadian Anti-Counterfeiting Network (CACN), and its support of the CCPSA among other initiatives. Internationally, Canada is a participating member on two new ISO committees geared towards developing anti-counterfeiting tools, and reducing fraud, thus ensuring Canadian input on the standards developed by these committees.

Canadian efforts to harmonize standards also continued. About 77 per cent of the National Standards of Canada approved by SCC have been adopted or adapted from international standards. Also, within the National Standards System, standards development organizations (those accredited by the SCC) harmonized 36 per cent of their technical committees with active international technical committees, thus streamlining standards development efforts.

Canada maintained its strong international and regional influence in standards forums in 2009-2010, through membership on both the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) Councils and their governing bodies. SCC also held important leadership positions at various international and regional conformity assessment bodies including as Chair of Pacific Accreditation Cooperation (PAC) and Vice-Chair of InterAmerican Accreditation Cooperation (IAAC)'s product certification sub-committee. Canadian representatives in these organizations protected Canada's interests by maintaining a high voting performance; in 2009-2010, over 80 per cent of proposed Canadian positions to PAC, IAAC, the International Accreditation Forum (IAF) and the Committee on Conformity Assessment (CASCO) were achieved.

SCC also maintained its target of over 50 per cent Canadian participation in ISO and IEC technical committees. In the past fiscal year, Canadians were involved in 493 – or 55.8 per cent – of 884 committees between the two organizations.

As the Standards Council of Canada moves into its fifth decade of providing national standardization expertise, SCC's staff and stakeholders will continue to work to demonstrate the inherent value of standardization activities to all Canadians.



Corporate Profile

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

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 the National Standards System (NSS);
- 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.

Structure

Governing Council

SCC's governing Council is appointed by the federal government and reports to Parliament through the Minister of Industry. The Council is comprised of up to 15 members who are responsible for setting the strategic direction of the organization.

The Council is also responsible for ensuring the fulfillment of SCC's mandate, and providing guidance on governance matters.

In addition, the Council works closely with SCC's management in the development of policy items and relevant strategic plans.

SCC's work includes: accreditation of standards development and conformity assessment organizations; approval of standards submitted as National Standards of Canada; adoption of relevant policies to support SCC programs and services; and approval of budgets and audited financial statements.

Committees of Council

The governing Council's committees include the Audit and Corporate Governance Committees, which play an important role in supporting governance approaches.

Advisory Committees

A number of SCC advisory committees, which report to Council, ensure that Council members have access to a wide variety of advice, information and viewpoints. In order to ensure that input from advisory committees reflects the diversity of Canadian stakeholders, all advisory committees are required to have a membership that includes representatives from varied professional backgrounds and from different regions of the country.

Two of these committees — the Provincial-Territorial Advisory Committee (PTAC) and the Standards Development Organizations Advisory Committee (SDOAC) — are established in the *Standards Council of Canada Act*.

Staff and Activities

The strategies and policies established by the Standards Council of Canada's governing Council are implemented by a staff of approximately 90. SCC's work is organized into six branches:

- Administration — Treasurer and Director, Rick Parsons
- Conformity Assessment — Director, Stephen Cross
- Corporate Services — Director, Sandra Watson
- Intergovernmental Affairs and Trade — Director, Elva Nilsen
- Standards — Director, Michel Bourassa
- Strategic Stakeholder Relations and Engagement — Director, Michel Girard

Administration

SCC's Administration branch provides administration and management services to the corporation. Its functions include human resources, translation services, and technical and information services management. The branch is also responsible for the corporation's financial management.

Conformity Assessment

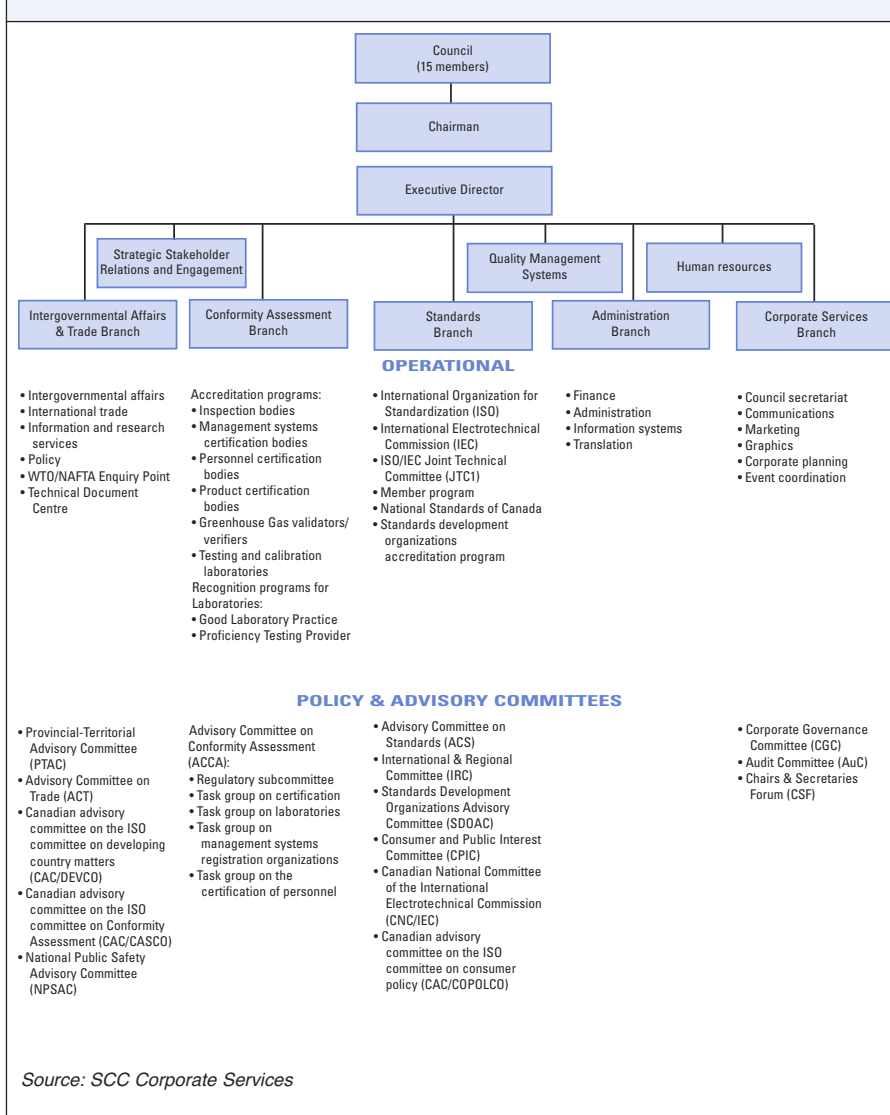
Conformity assessment is the practice of determining whether a product, service or system meets the requirements of a particular standard. SCC operates accreditation programs in the following fields:

- testing and calibration laboratories;
- greenhouse gas validators and verifiers;
- inspection bodies;
- management systems certification bodies;
- personnel certification bodies, and
- product and service certification bodies.

In addition, SCC offers a recognition program (GLP) and an accreditation program (PT):

- The Organization for Economic Co-operation and Development (OECD)'s Good Laboratory Practice (GLP) program; and
- Proficiency Testing (PT) provider recognition program.

Figure 2: Corporate, Council and Committee Structure



Source: SCC Corporate Services

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SCC is also a member of several organizations that have mutual recognition agreements in place to assist with international acceptance of conformity assessment results, as part of greater efforts to form a global accreditation system. These organizations include the International Accreditation Forum (IAF), the International Laboratory Accreditation Cooperation (ILAC), the Asia Pacific Laboratory Accreditation Cooperation (APLAC), the InterAmerican Accreditation Cooperation (IAAC), and the Pacific Accreditation Cooperation (PAC).

Corporate Services

SCC's Corporate Services branch provides secretariat and governance policy support to SCC's governing Council and its standing committees. The branch also provides corporate planning, as well as marketing and communications expertise to the organization.

Intergovernmental Affairs and Trade

SCC advises federal, provincial and territorial governments, business organizations, and non-governmental bodies on standards- and conformity assessment-related aspects of trade and regulatory policy. SCC encourages the increased use of Canada's National Standards System in regulatory activities and trade agreements.

SCC also gives Canadians access to comprehensive information on standards, technical regulations and conformity assessment through its Technical Document Centre and Information and Research Service, which together form Canada's contact point for the ISO information network (ISONET). SCC also provides cost-free access to ISO and IEC standards to students at Canadian colleges and universities for use within course studies.

In addition, SCC serves as Canada's World Trade Organization (WTO) and North America Free Trade Agreement (NAFTA) Enquiry Point.

Standards

Internationally, SCC manages Canada's participation in the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC)—two of the world's preeminent voluntary standardization bodies—and participation in regional standards organizations. Domestically, it encourages the adoption and application of international standards.

SCC also accredits organizations that develop standards in Canada. Its

accreditation programs are based on internationally recognized guides and standards.

Accredited standards development organizations may submit their standards for approval as National Standards of Canada. This designation indicates that a standard is the official Canadian standard on a particular subject. It also shows that the development process met certain specified criteria. National Standards of Canada may be developed in Canada or adopted, with or without changes, from international standards.

Strategic Stakeholder Relations and Engagement

Capitalizing on new opportunities for the National Standards System to provide social and economic benefits to Canada, is the focus of SCC's Strategic Stakeholder Relations and Engagement branch. Its role is to lead SCC efforts to promote the value of standardization to government departments, and with decision-makers in growing sectors of the economy, through strategic outreach and the engagement of key stakeholders.



June 9 2009: (right to left) SCC Chairman, Hugh Krentz and Sheila Fraser, Auditor General of Canada, alongside members of the Office of the Auditor General of Canada Special Examination team



Corporate Governance

The Standards Council of Canada's (SCC) governing Council is responsible for setting the strategic direction of the organization, ensuring the fulfillment of the SCC's mandate and providing direction on governance matters. It accomplishes its mandate by working closely with the organization's Executive Director and management in the development of relevant strategies and plans. At SCC, governance direction is provided by Council directly and through the advice offered by its two standing committees—the Corporate Governance and Audit committees.

During the past year, Council members remained focused in their functions as stewards of the corporation while devoting considerable energy to ensuring business continuity during a lengthy period without an Executive Director.

The Council was actively engaged in efforts to secure effective leadership for the SCC, working closely with the Government to secure the appointment of an Executive Director. This objective was realized in September, with the appointment of John Walter. Mr. Walter brings to the position his strong executive experience and extensive knowledge in standards development. His role is to ensure that Canadians' best interests are served by Canada's National Standards System. The SCC Chairman, Mr. Hugh Krentz, was also reappointed for a further two-year term. Credible and effective leadership is critical to the governance of the organization, as it underpins SCC's success in leading Canada's National Standards System.

Council continued its practice of holding an annual strategic planning session, in addition to similar planning sessions conducted by the organization's management, as a way to ensure SCC's strategic direction remains relevant and fully supported by Council and management. In its 2009-2010 to 2013-2014 Corporate Plan, Council broke down the five strategic priorities identified in these planning sessions into smaller goals and expected outcomes, using a "balanced scorecard" approach to measure success in achieving these goals. In setting these goals, Council remained

committed to fulfilling SCC's mandate while supporting federal government priorities, and meeting stakeholder needs.

SCC's quinquennial Special Examination from the Office of the Auditor General (OAG) in June, 2009 revealed no significant deficiencies in SCC's systems and practices. The Special Examination noted a number of good practices in the area of governance such as Council's role in strategic planning and ensuring sound reporting systems and practices in place. The review also noted SCC's development of an integrated risk management framework. Minor improvements in areas mentioned in previous reports were noted and are being implemented by management, with oversight provided by the Governance committee. In keeping with its ongoing commitment to transparency and accountability in governance, SCC has made the results of the 2009 Special Examination available to the public on its website (www.scc.ca).

SCC's Council, through its Corporate Governance committee, carried out its mandate to review and assess the performance of the organization, its advisory committees, and the Executive Director. The Committee monitored business development activities, partnerships, and succession plans. It also led the conduct of the Council's performance assessment, which will be further pursued in the upcoming fiscal year.

Figure 3: Council members 2009-2010



(left to right:)

David Fardy
Private sector representative
General Manager, Protrans Personnel Services Inc.

Suzanne Morin
Private sector representative
Assistant General, Counsel & Privacy Ombudsman,
Regulatory Law & Policy – Bell Canada

Richard Raymond
Private sector representative
Steel fabrication and product distribution sector

Norma McCormick (non-voting member)
Chair, Consumer and Public Interest Committee
Principal, Corporate Health Works Inc.

Steven Reynolds
Private sector representative
R&D Manager, The Peelle Company Ltd.

Hazel Cail
Vice-Chair, Provincial Territorial Advisory Committee
Associate Director, Strategy-Planning and Coordination
Alberta International and Intergovernmental Relations

Gary Gehring
Chair, Provincial and Territorial Advisory Committee
Manager, Program Evaluation, Saskatchewan Workers'
Compensation Board

Hugh Krentz
Chairman
Consultant to the Canadian Institute of Steel Construction

James G. Frank
Private sector representative
Economic policy and strategy consultant

Marian Gaucher
Chair, Standards Development Organization Advisory Committee
Manager, Standards Division, Canadian General Standards Board

Stephen Mallory
Private sector representative
President and CEO, Directors Global Insurance Brokers Ltd.

Hélène Lefebvre
Private sector representative
Engineering Specialist

Raymond Gagnon
Private sector representative
Partner, N.T.R. Management Consulting Group

Pierre-Paul Riopel (not present)
Private sector representative
President of the Tracks & Systems Group

Source: SCC Corporate Services

While the number of governing Council members remained unchanged in 2009-2010, Council welcomed two new members to the Council table, as well as reappointed four current members to their positions. The individuals on Council serve on a voluntary basis and without remuneration.

Council members continued to demonstrate a high level of commitment to their positions through consistent attendance at meetings and participation at SCC sponsored events. SCC Council members draw their experience from a wide range of industry sectors that represent many parts of Canadian society, thus ensuring that Council-devised policies and initiatives are balanced, provide value, and reflect the interests of all Canadians. As the governing Council continues to set and oversee the direction for SCC, it remains committed to a strong governance framework, through its own deliberations and the work of its two standing Committees.



Operating Environment and Context

Every year, the operating environment of the Standards Council of Canada (SCC) is affected by a number of different factors at both the national and international levels that shape the organization's strategic direction.

In 2009-2010, SCC formulated its strategic plan based on a combination of sources, including its mandate, the direction set out in the 2009-2012 *Canadian Standards Strategy*, the commitments drawn from its membership in regional and international organizations, and various global and national standardization-related issues.

As it continued to demonstrate the value of standardization and of Canada's National Standards System, a number of issues and challenges affected the environment and context within which the SCC operated.

National focus

Both on a year-to-year basis and in looking forward, SCC's strategic direction requires an increase in the national levels of understanding and awareness of the value of standardization, and of SCC's role in delivering that value to Canadians. Though it remains active in the international standardization community, SCC is renewing its efforts to demonstrate that value within Canada. The desired outcome is a marked increase in the use of standards and conformity assessment, greater support for the Canadians involved in the National Standards System, and a manifestation of the corresponding benefits to Canadian industry, consumers, and government.

Collaboration with standards development organizations

As more and more standards experts retire from the workforce, and the country continues to face an economic recession, the individuals and organizations that make up Canada's National Standards System face some difficult decisions

regarding their involvement with standardization. Many of the most active participants in Canada's national system, including the four SCC-accredited Canadian standards development organizations (SDOs) are likewise being severely impacted by these environmental challenges. SCC is working with the SDOs and others, to identify areas of mutual benefit where opportunities for collaboration can be leveraged, efficiencies and improvements gained, and maximum value can be obtained for Canada's national system.

International technical participation

To ensure that Canada's perspective is included in international standards development—thus helping Canadian business and industry meet international trade requirements—the country must maintain its participation in technical committee work internationally. However, support from Canada's industrial sector is fading, making it increasingly difficult to engage Canadian technical experts in standardization.

Participation and financial support from the private sector, particularly from industry, is vital to ensure Canadian volunteers are able to represent Canada's interests at the international standards development table. SCC is working to make Canadian businesses and companies more aware of the value of their support in ensuring home-grown companies are able to participate in the global marketplace alongside much larger players, and in encouraging greater acceptability of Canadian products, as well as more jobs for Canadians.

Maintaining credibility of programs and services

SCC's conformity assessment programs play an important role in protecting the quality and safety of goods and services available in the Canadian marketplace, and ultimately save governments, businesses and consumers time and money. However, a shrinking global accreditation market, combined with increased regional competition, has brought additional pressure to bear on an already strained environment. To remain successful in providing these programs and services, SCC must maintain credibility among its existing and prospective clients at home and abroad. In order to address existing resource constraints and respond to new challenges, SCC has re-examined its program structure and fees, and is exploring new approaches to the delivery of its conformity assessment services. It is also making its conformity assessment programs subject to regular peer evaluations so as to demonstrate continued conformance with international requirements (ISO/IEC 17011), and maintain signatory status to international and regional Mutual Recognition Agreements.



January 20 2010: Accreditation of the 2010 Winter Olympics Doping Control Laboratory (*left to right*) Daniel Coderre, Director General of the INRS-Institut Armand-Frappier; Michel Girard, Director of SCC Strategic Stakeholder Relations and Engagement; Christiane AYTE, Director of the INRS Doping Control Laboratory; Jacques Girard, Director of the Bureau de normalization du Québec; Dr. Alain Fournier, Director & assistant professor at INRS-Institut Armand-Frappier.

Increased demand

Along with the growing concern over climate change, health and safety, economic competitiveness, and unsafe products in the marketplace, there has been a noticeable increase in requests for SCC's programs and services. Between April 1, 2001 and March 31, 2009, demand for SCC's accreditation services grew by 21 per cent. The increased demand to participate in Government of Canada initiatives alone, demonstrates the value that representatives from various federal departments place on SCC's input and expertise.

SCC is examining its options, and exploring areas into which it can introduce new programs that will best address the needs of its existing and prospective clients.

Financial resources

Even though SCC has been working to expand the range of products and services that it offers to clients and stakeholders, its funding has remained static since 2001. Continuing to support government priorities and meet the needs of the private sector, while carrying out its own mandate and strategic objectives, has put SCC in a deficit financing situation where it is challenged to deliver on its essential programs and services.

SCC has embarked on a number of strategies to increase its revenues. In addition to developing a business case that demonstrates the need for additional financial resources, the organization is striving to widen its range of revenue-earning services.

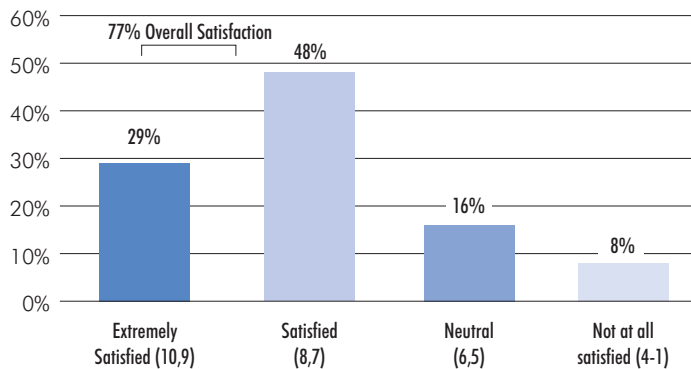
Human resources

Because standardization work requires a certain degree of technical and highly-specialized knowledge, SCC requires employees that boast relevant knowledge, experience and training. A similar situation is being faced by various other organizations that recruit for highly technical positions. To address this, SCC has established succession planning and implemented specific training and retention measures.

Figure 4: Customer satisfaction (Corporate-wide)

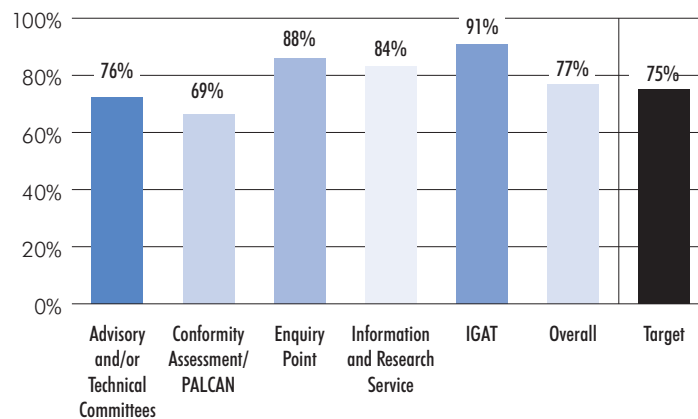
The SCC successfully completed customer surveys for the 2009-2010 period, reporting an impressive 77 per cent overall satisfaction (2 per cent higher than the target set for the year).

Overall Results of Survey FY 2009-2010



Source: Phase 5 Research

Results by Program 2009-2010



Source: Phase 5 research

Performance against objectives

Strategic Priority 1: Protect the Integrity of the National Standards System (NSS)

Participation in product safety and anti-counterfeiting activities

With the rise in counterfeit and falsified certification marks found on products, it has become more important than ever for the Standards Council of Canada (SCC) to protect the integrity and credibility of Canada's National Standards System.

As it sought partnerships and examined the standardization-related tools needed to address public-interest issues, SCC worked to raise awareness of counterfeiting issues and to ensure that products made and/or sold in Canada were safe for consumers.

Related initiatives included SCC involvement with the Canadian Anti-Counterfeiting Network (CACN). Two representatives from the Canadian National Committee of the International Electrotechnical Commission (CNC/IEC) were asked by SCC to take part in the CACN, reasoning that their knowledge of electrotechnical issues and products, as well as of standardization, would be of added value to the network.

SCC provided secretariat support to the National Public Safety Advisory Committee (NPSAC). It also facilitated work on a NPSAC pilot project that is expected to deliver a national approach on product safety for the electrical sector. If successful, the project will see all provinces and territories in Canada following a single, unified approach to electrical product safety. A study to gather perspectives from the affected jurisdictions is currently underway; completion of that study is expected in 2010.

In 2009-2010, a Product Advisory Notices tool was made available to users of the SCC website. As part of SCC accreditation, certification bodies are required to forward any information on safety-related product incidents, or recalls involving products that are certified for the Canadian marketplace, in particular where there is a significant risk to public health and safety. The web tool enables users to search for advisories, warnings and/or recalls related to products certified by SCC-

accredited certification bodies. Discussions with Health Canada to integrate this information into a possible nationwide recall database continue, however, completion is largely dependent on the approval of the *Canada Consumer Product Safety Act*.

In its efforts to increase the effectiveness of the National Standards System in addressing consumer safety, SCC provided input to Health Canada on the development of testing and certification program initiatives that support product safety programs. SCC also created the National Coordination Group for Consumer Safety, with the purpose of establishing an information-sharing forum for the Canadian advisory committee members—of the five project committees at the International Organization for Standardization (ISO)—that are currently developing standards with potential impact on the safety of those consumer products that are purchased or used by Canadians. It is anticipated that these committee members will use the information shared within the national group to enhance the quality of their interventions on their respective committees, and to help ensure that guidance provided on product safety-related matters within the five standards that are under development does not contradict or overlap.

With the intent of helping Canadian regulators address the proliferation of counterfeit products in Canada, SCC manages the regulatory subcommittee on this topic. SCC was a driving force in helping to establish ISO's project committees on anti-counterfeiting tools (ISO/TC 246), and fraud countermeasures and controls (ISO/TC 247). Subsequent to SCC acquiring the Secretariat of the project committee on Product Safety (ISO/PC243), a Canadian has been appointed as Chair. Work is progressing, and development of an international standard is expected in 2011. SCC has also been encouraging Canadian experts to contribute to future international standards for purpose-built anti-counterfeiting tools.

Promotion of the economic value of standardization

In 2009-2010, the results of the 2007 Conference Board of Canada study on The Economic Value of Standardization remained an integral component of efforts to promote the importance of standards and conformity assessment to Canada's overall economic prosperity, including the contributions made by standardization to innovation, enhanced productivity and trade.

The Standards Council of Canada (SCC) distributed the study's results to 92 Canadian university libraries, and to the deans of each of Canada's university business schools. The aim is to provide these institutions with quantitative proof that standardization actually benefits Canada's economy so that this information becomes entrenched in the minds of tomorrow's business leaders, who in-turn become champions of the National Standards System, SCC and the value of standardization.

The results of the Canadian study have been shared with regional and international standardization communities. The Canadian model was the basis for a similar study conducted by Senegal, and SCC has made presentations on this topic to various groups including the National Institute for Standards and Technology (NIST) Workshop on North American Standardization Education.

In December 2009, Industry Canada requested a literature review of the study so as to update the empirical findings, and determine which industries are likely to benefit most from increased standardization; the results of this review will be published in 2010-2011.

Implementation of Canadian Standards Strategy

In the first year of the 2009-2012 update to the *Canadian Standards Strategy* (CSS), the Standards Council of Canada (SCC) has made progress on a number of initiatives in support of the goals and priorities that are detailed in the strategy. Of the 14 objectives to be accomplished in 2009-2010, 11 have been completed or are on-track to be completed by June 1, 2010.

Completed initiatives include the redesign of an SCC-developed training workshop for regulators. The workshop, *Regulating Using Standardization Solutions*, was launched at the Community of Federal Regulators (CFR) conference in November 2009.

Of the remaining objectives for year one of the strategy, two are underway but have fallen behind schedule, and one has been delayed as it will be included in a larger discussion of SCC future priorities. SCC remains committed to meeting its targets for implementing the remaining 2009-2012 CSS goals and objectives.

Throughout the year, SCC engaged in discussions with various government departments, such as Foreign Affairs and Trade (DFAIT), Justice Canada, Industry Canada, and Environment Canada, regarding the referencing of standards and conformity-assessment activities in regulation.

SCC staff provided support to the negotiation of the *Comprehensive Economic and Trade Agreement* (CETA) between Canada and the European Union, so as to ensure that Canadian standards and conformity assessment priorities are brought to the table early in the process. SCC's contributions to CETA negotiations included input to the Technical Barriers to Trade and Regulation portion, and negotiations related to the *WTO Agreement on the Application of Sanitary and Phytosanitary Measures*. Assistance to CETA will continue to be a high-priority for SCC in 2010-2011.



October 14 2009: World Standards Day celebration (left to right) Gordon Brown, Member of Parliament for Leeds-Grenville; SCC Executive Director, John Walter; aboriginal artist Dawn Oman; and SCC Chairman Hugh Krentz

Performance against objectives

Strategic Priority 2: Strengthen Canada's international and regional participation and influence in standardization

Evaluate and strategically participate in international and regional standards development and accreditation bodies

Canada is viewed as an international leader in standardization, due in large part to its extensive involvement in international and regional, standards- and conformity assessment- organizations and activities.

In 2009-2010, the Standards Council of Canada (SCC) supported more than a



March 22 2010: Renewal of the Agreement in Cooperation between the Standardization Administration of China (SAC) and the SCC (*left to right*) Mr. Ji Zhengkun, Administrator for the SAC and SCC Executive Director, John Walter

dozen Canadians that held high-level positions at both international and regional standardization organizations (see Figure 5).

This high level of participation not only gives Canada the opportunity to provide input into policy decisions at these organizations—thus, helping Canadians involved in technical work better to reach their goals of creating standards that take Canadian interests into account—it allows those in Canada's standardization community to learn best practices from, and share ideas with other national standardization communities. The fact that so many Canadians hold high-level positions within these organizations is an indicator that Canada is recognized as a trusted peer that carries influence within the international standards community.

Standardization activities with emerging markets

As it works towards a stronger international standardization community, the Standards Council of Canada (SCC) is always alert to possible standards development or conformity assessment opportunities in economies that are starting to make an impact globally.

In the past fiscal year, SCC was involved in:

- Renewal of its agreement with the Standardization Administration of China (SAC);
- Development of an agreement with the Korean Agency for Technology and Standards (KATS) to cooperate on standards matters;
- Encouragement of the Pacific Area Standards Congress (PASC) to extend an invitation to the Bureau of Indian Standards (BIS) to become members; and
- Sponsorship of a delegate from Peru to attend the 2009 International Electrotechnical Commission (IEC) Annual General Assembly.

Figure 5: International and Regional Participation

Participation	International	Regional
Standards	<ul style="list-style-type: none"> • President of International Electrotechnical Commission (IEC) • Member on IEC Council Board • Member on IEC Standardization Management Board • Member on ISO Technical Management Board • Member on ISO/DEVCO Chairman's Advisory Group (CAG) • Chair of ISO/COPOLCO • Member on ISO Council 	<ul style="list-style-type: none"> • Member of COPANT Board of Directors • Member of Pacific Area Standards Congress (PASC) Executive Committee • Delegate to APEC subcommittee on standards and conformance
Conformity Assessment	<ul style="list-style-type: none"> • Vice-Chair of International Accreditation Forum (IAF) until October 2009 • Vice-Chair of IAF Technical Committee until October 2009 • Member of Executive Committee of the International Laboratory Accreditation Cooperation (ILAC) • Member of Executive Committee of the IAF • Member of ILAC's Accreditation Requirement Committee 	<ul style="list-style-type: none"> • Vice-Chair of IAAC's product certification subcommittee • Chair of Pacific Accreditation Cooperation (PAC) • Chair of the PAC Technical Committee • Member of Board of Management for the Asia Pacific Laboratory Accreditation Cooperation (APLAC) • Member of APLAC's Technical Committee • Member of APLAC's Proficiency Testing Committee

Multiple Sources: SCC branch tracking reports

Canadian impact on and participation in regional and international standardization organizations

Participation by Canadians in regional and international standards and conformity assessment organizations provides a certain degree of leverage and influence for Canada, which ultimately facilitates domestic and international trade, and contributes to the national economy.

SCC maintained its governance-level positions within IAF and PAC. By

demonstrating standardization leadership at the international and regional levels and helping to shape policy within these organizations, Canada is assured an active and respected voice in related international discussions.

To ensure that Canada's involvement in international and regional standardization organizations is as effective as possible, SCC formed the International and Regional advisory committee (IRC) to coordinate Canadian-held positions. The committee allows members to discuss developments on emerging issues of strategic interest to Canada and the National Standards System. The committee's first meeting was held in January, 2010.

Implement cross-frontier policy

The Standards Council of Canada (SCC) remained steadfast in support of the global standardization community's vision of a single set of internationally accepted standards and tests that enable the effective flow of goods or services through global markets. SCC's involvement in international and regional standardization bodies and its signatory status to *Mutual Recognition Agreements* (MRAs) and *Multilateral Agreements* (MLAs) are important steps towards the realization of this vision.

In 2009-2010, SCC retained its signatory status to all five of its *Mutual and Multilateral Recognition Agreements* (MRAs/MLAs) with international and regional accreditation bodies. As well, the organization performed 21 audit activities in cooperation with foreign accreditation bodies throughout the fiscal year, thus helping to streamline the process undergone by international organizations seeking accreditation from SCC.

Training/development opportunities for developing countries

Canada boasts a strong and well established National Standards System (NSS). Countries that are now working on developing national systems of their own, view Canada's as a model, and look to the Standards Council of Canada (SCC) to provide training in establishing similar standardization systems.

SCC is committed to assisting countries in establishing or enhancing their technical and administrative infrastructures so that they are able to improve their ability to benefit from participation in international, trade-related and standardization frameworks. This involvement ultimately also benefits Canada, in that it establishes potential alliances within the international standardization community, and possible trading partners in the future.

DEMONSTRATING VALUE

In 2009-2010, SCC assisted Malaysia in the implementation of an accreditation scheme for standards development organizations, and provided capacity-building technical assistance to Ghana and Tunisia. SCC also renewed hosting partnerships with Austria, Trinidad and Tobago, for the Export Alert! systems of e-mail notifications on trade-related regulatory changes.

Throughout the fiscal year, SCC continued discussions with Colombia, Peru and the Ukraine regarding technical assistance projects, and provided \$45,000 worth of development support efforts and assistance to several countries, including Trinidad and Tobago, Costa Rica, and Antigua and Barbuda, through the ISO-Funds-in-Trust.

Canadian participation and contribution to ISO and IEC

Canada is an active member of both the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC), with Canadians taking part in more than 50 per cent of these international organizations' work programs.

Canadians involved in technical committee work remained committed to ensuring Canada had its voice heard when it came to voting on the resulting standards. In 2009-2010, Canadians took part in 100 per cent of the draft international standard

and final draft international standard voting. This level of activity in ISO's and IEC's technical programs is essential to the maintenance of Canada's credibility as a standards leader, and to ensuring appropriate Canadian influence in the work of ISO and IEC.

Canada made additional contributions to these organizations, outside of its committee work. The Standards Council of Canada (SCC) participated in a review of ISO's Technical Management Board as it relates to the central secretariat and ISO's national members. Canadian stakeholders also provided input to ISO's strategic plan in 2009, the final version of which is expected to reflect a number of Canada's recommendations.

In addition, SCC streamlined the mandate of the Canadian National Committee to the IEC (CNC/IEC) with the intent of making it more focused and strategic. It also realigned the committee's membership to ensure better representation from industry associations. SCC established a task force on smart grids under the auspices of CNC/IEC, supported financially and otherwise by Natural Resources Canada. The task force will allow Canada to better determine its standards needs in the area of smart grid technology.

As a way to engage a new generation of Canadian volunteers in the work of the IEC, SCC helped the CNC/IEC to entice young working professionals by running a national competition in order to select those most interested in increasing their knowledge of the Canadian and IEC standardization systems. Winners of the competition are to be selected early in 2010-2011, and will attend the 2010 IEC Annual General Assembly being held in Seattle and Washington in October 2010.

Figure 6: Adoption of Canadian positions on letter ballots of international standardization forums

By the end of the 2009-2010 fiscal year, the target, as set out in the 2009-2010 SCC Corporate Plan, of achieving more than 80 per cent of proposed Canadian positions at these organizations had been met.

Organization	Target	Actual	Achieved
IAF	80%	100%	√
IAAC	80%	100%	√
PAC	80%	100%	√
IAAC	80%	100%	√
CASCO	80%	86%	√

Source: Letter ballots of above-listed organizations

National Standards of Canada

The Standards Council of Canada (SCC) continued to encourage the alignment of National Standards of Canada with international standards as a way of minimizing potential discrepancies which could then result in technical barriers to trade.

In 2009-2010, SCC exceeded its goal of ensuring that 70 per cent of standards approved as National Standards of Canada were adoptions of International Organization for Standardization (ISO) or International Electrotechnical Commission (IEC) standards; in actuality, about 77 per cent of the National Standards of Canada approved during the fiscal year were ISO or IEC adoptions or adaptations.

Harmonization between national and international technical work reduces redundancies, saving time and money. Committee members who take part in technical work on both the international committee and its national counterpart are

developing Canadian standards with knowledge of what is happening on the international scene, while promoting Canadian approaches and positions at the international level.

A significant number, 36 per cent, of Canada’s standards development committees were harmonized with technical committees at these two international organizations. This falls slightly short of its goal of having more than 40 per cent of committees harmonized. In addition, SCC updated its policy to harmonize the work of international standards committees with those of our national standards development committees.

Strategic participation by Canadians in relevant ISO/IEC committees

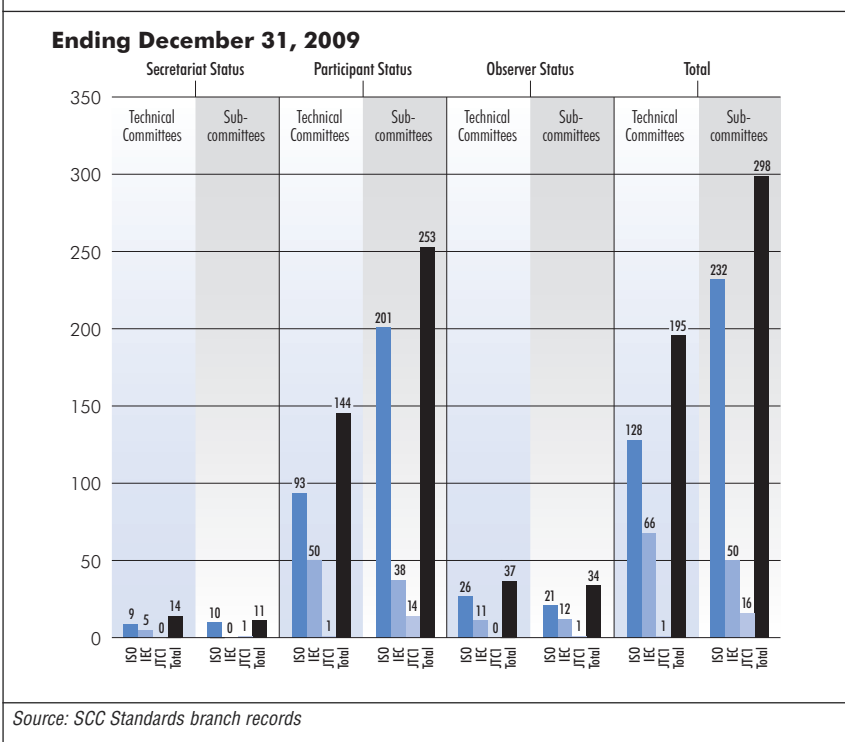
In 2009-2010, Canada met its membership targets for 2009 on important International Organization for Standardization (ISO) and International Electrotechnical Commission (IEC) committees. By March 31, 2010, there were 164 Canadians managing IEC and ISO committees, and 85 Canadians had been elected or appointed to policy and management committees at ISO and IEC.

In addition to the many benefits that having Canadian representation offers with respect to influence and leverage, strategic participation on committees of specific national interest has the potential to bolster innovation, and provide competitive advantage for Canadian businesses.

Canada participated on a number of task forces and strategic advisory groups that answer to ISO’s Technical Management Board (TMB), such as ISO/IEC JTCCG, the Joint Technical Coordination Group that reports to the TMB, and looks at coordination of the various ISO standards for Management Systems. Other such groups include the ISO, IEC and International Telecommunications Union’s Strategic Advisory Group on Security; ISO TMB’s Strategic Advisory Group on Energy Efficiency and Renewable Energy Sources; and ISO’s Task Force on Privacy.

Figure 7: Canadian Involvement in International Technical Work

FY 2009-2010, Canadians participated in a total of 208 technical committees, with another 298 participating in subcommittees. These committees develop new standards and update existing international standards for thousands of products, systems and services.



Performance against objectives

Strategic Priority 3: Define appropriate program/services and build capacity (increase revenues and participation) in selected programs and services

Expand Conformity Assessment accreditation programs

In 2009-2010, the accreditation programs overseen by the Standards Council of Canada (SCC) enabled a range of organizations to demonstrate the safety and effectiveness of their products, services and systems. By working in support of various government initiatives, and because of the incorporation of standards and conformity assessment references in regulations, SCC helped provide a level of assurance to Canadians in a range of areas.

In July 2009, SCC launched—in cooperation with the Canadian Food Inspection Agency—an accreditation program for organic certification bodies in support of the new organic agriculture regulations that had come into effect that month.

SCC provided Health Canada with proposals on how the department can include accredited testing laboratories in a regulatory regime that would support the Canada Consumer Product Safety Act (Bill C-6), and on how SCC can conduct research in support of Health Canada’s new product safety legislation. These proposals are aimed at ensuring that products being tested and delivered to the average Canadian are safe for use.

SCC is working with Health Canada in developing standardization solutions for use under the Natural Health Products Directorate, and has signed an agreement with Health Canada establishing SCC as the monitoring authority for the Good Laboratory Practices compliance of facilities in the area of pharmaceuticals, biologics and radiopharmaceuticals.

In 2009-2010, Environment Canada referenced SCC’s Greenhouse Gas Accreditation Program in its proposed guidelines for Canada’s Offset System for Greenhouse Gases. SCC is also providing support to Environment Canada in the development of the Environmental Technology Verification (ETV) program. The

Figure 8: Accreditation under SCC’s Conformity Assessment Branch

Accreditation programs offered by SCC	Number of Clients		
	2008-2009 Actual	2009-2010 Target	2009-2010 Actual
Laboratory (PALCAN/GLP)	311	315	321
Product certification bodies	29	31	31
Management systems certification bodies	23	20	19
Personnel Certification bodies	4	3	5
Inspection bodies	12	14	14
Greenhouse Gas Verification bodies	N/A	5	0
Medical Laboratory	N/A	5	5
Total	379	393	395

Source: SCC Conformity Assessment branch tracking reports

ETV program will help measure the validity of manufacturers' claims regarding the environmental impact of new products; it is being designed as a national framework that will be used in an international context.

SCC is involved in discussions with electrical regulators to expand the SCC program for the accreditation of Inspection Bodies to include the inspection of medical devices as a way to further ensure their safety. Likewise, SCC is working with regulators to develop inspection body accreditation criteria that will address the natural-gas delivery and burning equipment used by large consumer facilities.

Seek alternate sources of funding/resources

In order to offer the best value to its clients and to meet the needs of Canadian government, businesses and individuals, the Standards Council of Canada (SCC) continued to seek out new sources of revenue.

In 2009-2010, it conducted research in support of Health Canada's new product safety legislation, and under a memorandum of agreement with Health Canada provided \$58,000 worth of consulting services to support participation by consumers, and small- and medium- enterprises, in standardization.

SCC secured some revenue by designing and offering various types of training to interested stakeholders, including a workshop on the World Trade Organization's reduction of Technical Barriers to Trade, and an introductory course on standardization for federal regulators.

The launch of ExportAlert! systems for Tunisia and Ghana also resulted in some additional revenue. Ongoing discussions with a number of other economies may yield future revenue from the implementation of similar systems in those other territories.

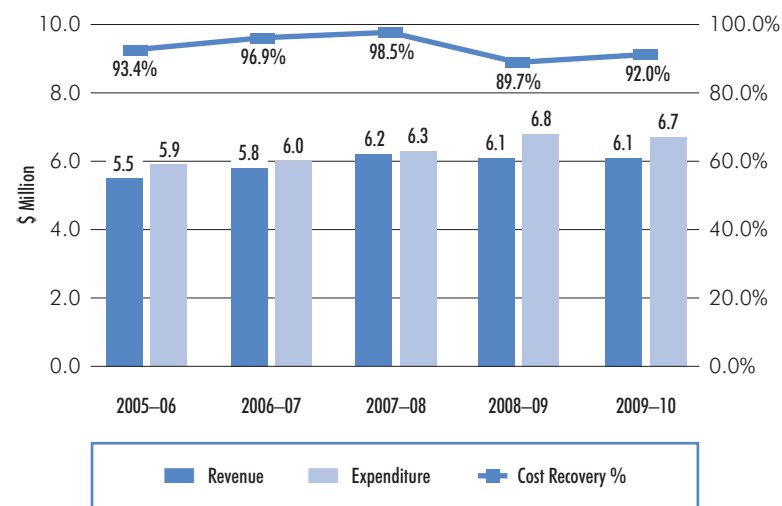
Achieve cost recovery targets of 94% set for all conformity assessment programs

Because the Standards Council of Canada (SCC)'s conformity assessment programs are almost self-sufficient and operate on a cost-recovery basis, there are increased opportunities for SCC to maximize its resources elsewhere and to seek funding from other sources. New accreditation programs that back-up the criteria of new and innovative standards can help provide more diverse services and products for government and businesses, in turn providing alternate sources of support for Canadian standardization.

To ensure SCC's accreditation programs are competitive and sustainable, SCC is

Figure 9: Overall cost recovery—Conformity Assessment branch

While slightly below the target identified for 2009-2010, cost recovery for SCC's Conformity Assessment branch was 92 per cent, an increase of over 2 per cent from the previous year.



Target for FY 2009-2010 = 94% Actual for FY 2009-2010 = 92%

Source: SCC Administration, Finance division

reconsidering how it charges for and delivers conformity assessment services. This includes a number of initiatives such as a two-year project to streamline the internal management and tracking of its conformity assessment business.

Enhance Member Program

The Standards Council of Canada (SCC) has taken steps to improve its Member Program for volunteers in the National Standards System (NSS) by embarking on a number of new initiatives in 2009-2010.

DEMONSTRATING VALUE

In addition to its suite of established training courses, an initiation module for new members, offering orientation and capacity-building for the Canadian volunteers who participate in standards development activities, was developed and tested in 2009-2010. SCC expects to begin offering this module in 2010-2011.

In January 2010, SCC held its first National Roundtable Task Force (NRTF) meeting on recruitment to the Member Program. During this meeting, at which all four of Canada's accredited standards development organizations were represented, SCC and the four organizations agreed to collaborate on the issue of recruiting and providing training to volunteers in the NSS. The group is in the process of establishing a strategy to achieve this goal, by identifying the challenges facing current standardization practices in Canada, recognizing new and existing stakeholders, developing mechanisms to increase collaboration, and to promote efficiency of existing resources.

Attracting new NSS volunteers, and training them on how to become active in standards development activities remains an important aspect of maintaining the vitality of Canada's national system. An increased number of properly trained volunteers will generate better contributions on behalf of Canada, and ensure their effectiveness in managing the process of consensus-based standards development.



August 12 2009: Standards Leadership Forum (*left to right*) Director of the SCC Standards Branch, Michel Bourassa; SCC Executive Director, John Walter; International Electrotechnical Commission President, Jacques Régis; and Secretary-General of the International Organization for Standardization, Robert Steele

Performance against objectives

Strategic Priority 4: Develop increased recognition of SCC's role among key stakeholder groups

Marketing and outreach initiatives targeted at key SCC stakeholder groups

Throughout 2009-2010, the Standards Council of Canada (SCC) continued to work to make its role known to potential stakeholders in the National Standards System (NSS). Much of this work was focused on outreach and promotion of the value of standardization to specific groups.

In an effort to reach out to government departments and agencies, as well as industry, and encourage these organizations to increase their use of the NSS, SCC developed a funding/participation strategy specific to federal, provincial, territorial and municipal governments. SCC continued to actively promote the application of standards and accreditation solutions to specific federal departments and agencies, including Health Canada, the Department of Foreign Affairs and Trade, Industry Canada, the Canadian International Development Agency (CIDA), Environment Canada, and Transport Canada, as well as various provincial regulators.

Many of SCC's outreach activities involved the hosting and organizing of meetings for NSS stakeholders. In May 2009, SCC and the Bureau de normalisation du Québec hosted the seventh plenary meeting of the International Organization for Standardization (ISO)'s Working Group on Social Responsibility. The meeting, which took place in Québec City over two days, brought together about 400 international experts on the ISO 26000 Social Responsibility guidance standard. In conjunction with this meeting, SCC participated in a Canadian forum on social responsibility, featuring presentations, workshops, and group as well as plenary meetings, which allowed SCC to help raise awareness of the value of the system and the many services available.

SCC also hosted the fourth Standards Leadership Forum (formerly the Canadian Leadership Forum) in August 2009, in Montréal. The forum brought together the chairs and vice-chairs of Canadian international committees, those managing technical committees and subcommittees, as well as Canadian standards

development organization project administrators and managers. The forum attracted 60 such members from across Canada, and included impressive keynote speakers from the world of standardization who came together to stimulate interest in the measurable results and many benefits of standardization.

As part of SCC's 2009 World Standards Day celebrations, the organization hosted the official launch of the 2009-2012 update of the *Canadian Standards Strategy* (CSS). About 200 representatives from government, industry and consumer organizations gathered to learn more about how this latest iteration of the CSS will benefit Canadians.

Other events hosted or organized by SCC in 2009-2010 included a meeting of the National Public Safety Advisory Committee (NPSAC) in Saskatoon, Saskatchewan in May; a joint meeting between NPSAC and the Provincial/Territorial Policy Advisory Committee on Codes (PTPACC) in May; and the 51st meeting of Provincial Territorial Advisory Committee in Edmonton, Alberta in September; as well as various meetings for international technical committees (see Figure 10).

SCC attended and presented at the Community of Federal Regulators (CFR) Annual National Workshop in November 2009. It also promoted its Information and Enquiry Point services to the export community at the joint Forum for International Trade Training/ Canadian Manufacturers & Exporters annual conference and trade fair in May 2009.

While at the Globe 2010 trade show and conference held in March, SCC—in collaboration with key members of the National Standards System (NSS)—showcased various standardization solutions and their role in addressing specific climate change issues.

Published in October 2009, SCC's own annual magazine, CONSENSUS, which has long been a voice for Canadian standardization and how it affects the everyday lives

Figure 10: Canadian hostings of international technical committee meetings

A summary of the various international technical committee meetings that were held in Canada throughout 2009-2010:

Date	Committee Number / Name
February	<ul style="list-style-type: none"> JTC1/SC32/WG1: Information Technology – Data management and interchange, Ottawa
May	<ul style="list-style-type: none"> IEC/65C/MT9: Industrial – process measurement, control and automation – Industrial networks, Ottawa ISO/TMB/WGSR: ISO Working Group on Social Responsibility, Québec City ISO/TC17/SC12: Continuous mill flat rolled products, Vancouver
June	<ul style="list-style-type: none"> ISO/TC59/SC14: Building Construction – Design Life, Ottawa IEC/TC79: Alarm and electronic security systems, Ottawa IEC/SC62B/WG46: Diagnostic imaging equipment – Particular requirements for basic safety and essential performance of dental X-ray equipment, Ottawa
August	<ul style="list-style-type: none"> ISO/TC27: Solid mineral fuels, Vancouver JTC1/SC35: Information Technology – User interfaces, Saskatoon ISO/TC43/WG9: Acoustics – Noise, Ottawa ISO/TC43/SC1/WG28: Noise – Basic machinery noise emission standards, Ottawa
September	<ul style="list-style-type: none"> ISO/TC241: Project Committee: Road-Traffic Safety Management System, Ottawa ISO/TC67: Materials, equipment and offshore structures for petroleum, petrochemical and natural gas industries, Victoria
October	<ul style="list-style-type: none"> ISO/TC94/SC15: Personal Safety-Protective clothing and equipment – Respiratory protective devices, Ottawa IISO/TC234: Fisheries and Aquaculture, Nanaimo
November	<ul style="list-style-type: none"> ISO/TC211: Geographic information/Geomatics, Québec City

Source: ISO, IEC web sites

of Canadians, focused on Tackling Climate Change through Standards. The articles examined how standards are used in various Canadian strategies to reduce greenhouse gas emissions and lessen the impact of climate change on the environment.

Government of Canada initiatives

In 2009-2010, the Standards Council of Canada (SCC) worked on several initiatives in support of strategies and priorities set out by the Government of Canada.

SCC received four proposals relating to the participation of consumers, and small- and medium-sized enterprises in standardization-related projects; and through Health Canada funding, provided financial support to 17 people in 2009.

SCC also provided input and revisions to the *Canada Consumer Product Safety Act* (Bill-C6); SCC’s contribution included research and the submission of a component specific to product safety. In addition, SCC worked with Health Canada to expand SCC’s Personnel Certification program to include certification for radon technologists; changes to the program are expected to come into effect later in 2010.

To help advance Canada’s trade interests, SCC provided input to the Department of Foreign Affairs and Trade (DFAIT) on issues related to technical barriers to trade in a number of areas, including the *Trade Policy Reviews* of World Trade Organization (WTO) and Asia-Pacific Economic Cooperation (APEC) countries. SCC provided the department with input on Mexico’s proposal to expand the Regulatory Cooperation Framework to include a *North American Memorandum of Understanding* on regulatory cooperation.

SCC also worked with DFAIT on the technical barriers to trade chapters of a number of free trade agreements, including agreements with Panama and Jordan, as well as the *Canada-European Union: Comprehensive Economic and Trade Agreement* (CETA).

Identifying opportunities to help implement the *Security and Prosperity Partnership* (SPP) *Regulatory Cooperation Framework* (RCF) between Canada, the U.S. and Mexico is a prime example of an ongoing effort in overcoming trade barriers. These efforts are continually utilizing standards and accreditation solutions to bridge the gap between national and international trade business while ensuring proper trade techniques are used.

SCC contributed to the WTO’s fifth *Technical Barriers to Trade* (TBT) triennial review, by providing input on proposals and the final revisions of the draft report. The report was approved at the November 2009 TBT Committee Meeting. SCC also contributed as a member of Canada’s delegation to the Technical Barriers to

Trade and to the Asia-Pacific Economic Co-operation subcommittee on standards and conformance meetings.

SCC also worked, through its Advisory Committee on Trade (ACT) and Provincial-Territorial Advisory Committee (PTAC), to identify areas where standards and accreditation solutions can be applied to overcome interprovincial and international barriers to trade.

In support of environmental initiatives, SCC worked with Environment Canada on accreditation requirements outlined in Canada's Offset System for verification bodies; and on extending the product certification and laboratory accreditation for the mercury content in compact lamps under the *Canadian Environmental Protection Act*. Following the report from the National Round Table on the Environment and the Economy, SCC is working on policy recommendations with respect to the application of standardization solutions as a means of adapting infrastructure to climate change in northern Canada.

SCC remains committed to promoting the use of voluntary standards to various government regulators and departments, including working with Justice Canada on addressing any issues to incorporation by reference.

Academic community

The Standards Council of Canada (SCC)'s Institutional Education Program provides standards from the International Organization for Standardization (ISO) and International Electrotechnical Commission (IEC)'s inventories to colleges and universities for a set period of time, free-of-charge. In 2009-2010, SCC saw the program grow substantially, with a 56 per cent increase in the number of license agreements.

As part of a new arrangement between SCC, IHS Canada, the company that sells and distributes standards documents on behalf of SCC, and the Council of Prairie and Pacific University Libraries (COPPUL), access to the complete collection of ISO standards will be provided to COPPUL members at a reduced rate.

By encouraging Canadian colleges and universities to use standards in their coursework, SCC is positioning Canada's National Standards System (NSS) as an important tool for future generations.

Targeting the academic community will help to ensure that an understanding of standards and conformity assessment is rooted within the Canadian post-secondary system of education. A familiarity with standardization, if entrenched in students' college and university coursework, will raise awareness of the NSS and create a long-lasting impact in various sectors.

Influencing the economic contributors of tomorrow, in such areas as small- and medium-sized enterprises, private and non-profit organizations, government agencies, trade, and business sectors, will promote the effective use of standardization, and provide college and university students with knowledge and understanding of the necessity and value of standards to the Canadian market.

Other education-related initiatives undertaken in 2009-2010, included working with the Centre d'élaboration des moyens d'enseignement du Québec to introduce standards in teaching material being prepared for students at the vocational training level. SCC remained engaged with the American National Standards Institute's Committee on Education so as to exchange information on issues pertaining to the introduction of standards into curricula in Canada, and to the sharing of best practices in educational activities.

Performance against objectives

Strategic Priority 5: Enhance organizational effectiveness

Further develop SCC's strategic planning process and risk management system

To demonstrate the value of standardization to Canadians, the Standards Council of Canada (SCC) is committed to mitigating risk while maximizing its ability to fulfill its mandate. In 2009-2010, SCC fine-tuned its strategic planning process by weaving enhanced business planning, performance measures and reporting practices into its existing planning activities.

SCC continued to update its *enterprise risk management assessment* (ERMA) document as part of its strategic planning sessions. Improvements to the assessment included the adoption of the criteria established in the International Organization for Standardization (ISO) standard for *Risk management — Principles and guidelines* (ISO 31000:2009) as part of managing SCC's own risk process. Risk management practices were also incorporated into various other SCC activities, such as the development of policies, programs and planning. SCC's corresponding quality documentation was updated accordingly to reflect these changes.

Governance practices and advisory committee structure

As a Crown corporation, the Standards Council of Canada (SCC) operates under the *Government's Federal Accountability Act*, and thus, its employees are protected under the *Public Servants Disclosure Protection Act* (PSDPA). To demonstrate its commitment to accountability, in 2009-2010, SCC informed its staff that the PSDPA provides them with a secure and confidential process for disclosure of serious wrongdoing in the workplace—such as the misuse of public funds or creating a substantial health or safety risk in the workplace—and protects them from reprisal. Because of the relatively small size of the SCC's staff, employees were informed that, under this Act, they can make disclosures covered by PSDPA directly to the Public Sector Integrity Officer.

As it helps set the strategic direction of the SCC, the governing Council is supported

by eight advisory committees that inform the Council on various aspects of standardization, and provide a voice for particular groups of stakeholders. With the goal of improving committee effectiveness, SCC's governing Council implemented changes to its advisory committee structure in 2009-2010. Changes included having subcommittees report to their parent committees, rather than to the governing Council; and replacing annual reporting of work plans with more in-depth reporting by committee chairs on an annual and as-needed basis. These changes, which were agreed to in 2008-2009, are geared towards eliminating redundancies between committees and demonstrating their true value by allowing them to broaden the scope of projects upon which they work.

Figure 11: Staff Training

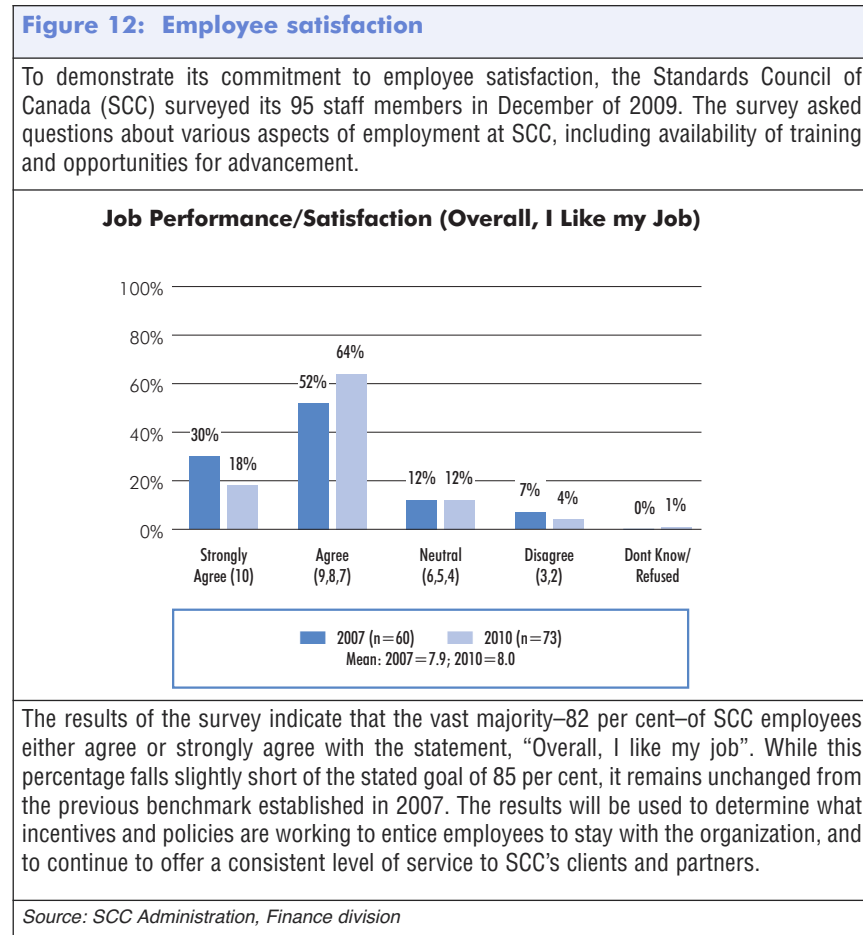
Given the highly specialized nature of SCC's training needs, it allocated 1.5 per cent (or \$98,500) of its total salary budget to training. In 2009-2010, 71.4 per cent of the allocated amount was used, which represents 1.1 per cent of the annual salary budget.

	Amount \$	% of Salary Budget
Total Training Budget	\$98,500	1.5%
Total Training Expenses	\$70,364	1.1%
% of Training Budget Used	71.4%	
Average Spending per Employee	\$809	

Source: SCC Administration, Finance division

Use of SCC's quality management system

The Standards Council of Canada (SCC) is committed to offering high-quality services and programs to its clients and stakeholders, and views its quality management system as a vital part of that commitment. SCC conducted a total of 12 internal quality assessments in 2009-2010; few non-conformances were discovered during these reviews, and staff and management were quick to rectify those that were found.



As well as conducting internal assessments, SCC also refined certain aspects of its quality management system, to better ensure SCC services and programs are consistently delivered and that they meet established criteria.

Human resources

The Standards Council of Canada (SCC) knows that its ability to demonstrate value to Canadians hinges largely on the talent and knowledge of its staff. Due to the technical and knowledge-based nature of positions at the SCC, the organization is continuously working to ensure that it has the proper staff complement to conduct its business effectively. In 2009-2010, SCC continued to strive to improve staff retention and recruitment by offering attractive incentives to its employees.

The SCC talent management program, which was introduced in 2008-2009, has been expanded to include the development and implementation of a succession plan that includes mentoring and identification of critical positions, and the deployment of “knowledge, skills and abilities” listings for all SCC positions, so as to help ensure that the right person is hired for the right job, at the right time.

Financial audit opinion and special examination

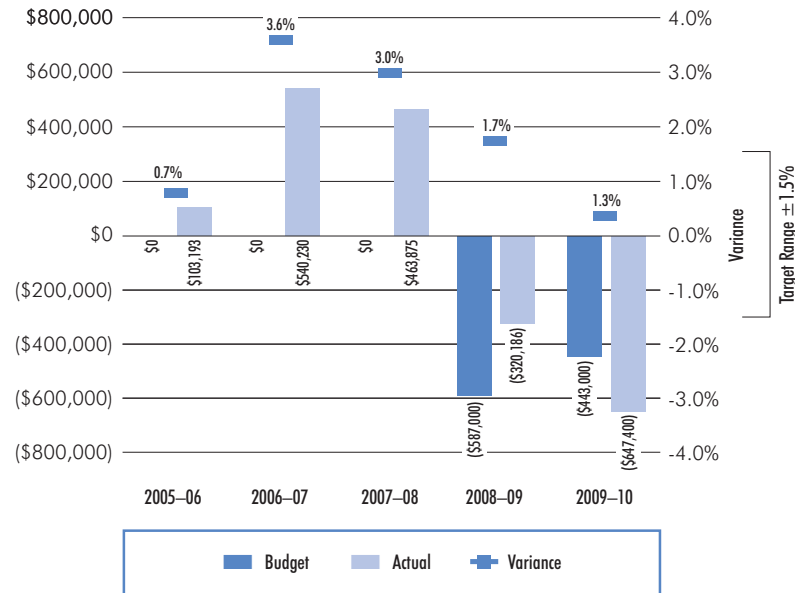
The Standards Council of Canada (SCC) undergoes an external financial audit each year. The objectives of this audit are to provide an independent opinion on whether the financial statements have been fairly presented, in all material respects in accordance with Canadian generally accepted accounting principles; that these principles have been applied on a basis consistent with the preceding year; and that the transactions provided to the auditor in the course of their examination were in all significant respects in accordance with Part X of the *Financial Administration Act*, the *Standards Council of Canada Act* and any attendant regulations. Following the audit, the Auditor General of Canada issues an opinion as to whether the SCC has sufficiently met these objectives.

In 2009-2010, the Office of the Auditor General provided SCC with an unqualified, objective opinion on its Audited Financial Statements.

SCC also undergoes a special examination by the Auditor General of Canada every ten years. Results of the latest examination, which were received in June 2009, found no significant deficiencies in the SCC systems and practices that were examined during the course of the audit.

Figure 13: Net income/loss as a percentage of budget

The net income/loss variance from the budget is within 1.5%.



Source: SCC Administration, Finance division

Financial management

In 2009-2010, to better focus its attention on demonstrating the value of standardization within Canada, the Standards Council of Canada (SCC) shifted some of its focus from the well-established international arena to national activities. It also conducted a review of revenue-generating programs within the Conformity Assessment branch, and examined the potential revenue from new business lines such as education/training and capacity-building activities.



November 5 2009: SCC employees at a Staff Service Recognition event.



Management discussion and analysis

Risk management is an integral component of the Standards Council of Canada (SCC)'s strategic planning. SCC manages risk through every level of the organization and embeds risk management practices into strategies, processes and operations. To this end, it has chosen to apply the principles and guidelines of risk management (*ISO 31000*), as part of its toolkit.

SCC's top ranked risks are monitored very closely by management who employ SMART goals (i.e. specific, measurable, actionable, relevant and timely) to ensure that the handling of these priorities is appropriate to their ranking. Financial resources, international technical participation, conformity assessment and human resources continue to be ranked as medium to high areas of risk for SCC.

SCC's Audit Committee oversees the effective implementation and use of its enterprise-wide risk mitigation strategies, twice annually. This approach adds value and applies a degree of rigor in the development and delivery of SCC's programs and services, and in SCC's ability to deliver on its mandate. The end result is that Canadians continue to benefit from the effective and efficient management of Canadian standardization activities.

Financial resources

The lack of sustainable long-term funding for standardization activities in Canada continues to be the most significant risk faced by the SCC. SCC is at risk of not being able to deliver on the full scope of its many responsibilities or support important public policy issues such as health and safety, trade and the environment. In recent years, demand for SCC's programs and services has been increasing. With its current level of resources, SCC is finding it ever more difficult to effectively support current and emerging governmental priorities.

To mitigate this risk, SCC continues to refine its business case to demonstrate resource requirements. SCC also continues to focus on revenue generation

opportunities to reduce financial pressure and to ensure long-term sustainability of its programs. This includes the expansion of existing accreditation programs as well as the creation of new ones. Various sources of revenue, such as royalties from standards sales, WTO/NAFTA Enquiry Point, fee-for-service contracts, and others, are being explored.

Conformity Assessment

SCC's Conformity Assessment branch continues to face threats on a number of fronts and is at risk of losing its competitive position to other accreditation bodies in the marketplace—most notably U.S.-based organizations. SCC's stretched resources limit its ability to improve service levels to existing clients, introduce new programs in a timely manner, and market its services adequately.

Through constant monitoring of the business environment, attempts at reducing costs to clients, efforts to increase the profile of SCC's accreditation services and the introduction of new streams of revenue, SCC is taking the necessary measures to manage this risk effectively.

International technical participation

The ability to sustain effective volunteer member representation within the Canadian standards system is another risk factor affecting Canada's ability to influence international standards. Inclusion of the Canadian perspective in international standards assures Canadian business and industry that their products and services will meet international requirements when exporting. Conversely, it assures the Canadian public that imported products will meet their needs.

It is estimated that a decade ago, SCC managed some 3,500 volunteers in international development. SCC now manages a pool of approximately 2,500

DEMONSTRATING VALUE

volunteers. SCC and Canadian companies involved in standardization are restricted by their resources and consequently are finding it increasingly difficult to fund technical participation at international meetings. To help mitigate this risk, SCC, in coordination with SCC-accredited standards development organizations will increase their level of collaboration to ensure that Canada is, at a minimum, represented on committees of strategic importance to the country. The development of a national recruitment strategy will address this issue and ensure that the right Canadian experts are represented on committees.

Human resources

SCC's staff complement is comprised of both technical and knowledge-based positions. This requirement will not diminish as international standards activities

move into such fields as nanotechnology and clean technology industry (e.g. green buildings, CO₂ capture and storage, distributed generation, etc.).

While staff turnover has been relatively low in the past few years, SCC continues to face challenges in recruiting for highly technical positions. With ongoing investment in training and development of its staff, particularly in technical fields, SCC continues to focus on minimizing this risk.

For example, the completion and implementation of SCC's succession plan in 2009 has helped it to manage risk. SCC's focus on recruitment and selection, training and development, in addition to succession planning, has added a positive measure of control in this area.

Figure 14: Financial Overview 2005-2010

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010 (Budget)	2009-2010 (Actual)	2010-2011 (Budget)
Revenue							
Accreditation fees	\$5,438,548	\$5,663,079	\$5,763,908	\$5,893,040	\$6,124,000	\$5,962,067	\$6,263,000
Revenue from standards sales	561,764	698,056	718,315	677,519	720,000	825,227	750,000
WTO/NAFTA Enquiry Point	260,798	260,945	339,827	360,559	361,000	360,620	361,000
Parliamentary appropriation	7,084,089	7,614,779	7,110,108	7,196,055	7,164,000	7,182,964	7,132,000
Other	793,592	866,086	1,085,384	808,044	628,000	867,823	592,000
	\$14,138,791	\$15,102,945	\$15,017,542	\$14,935,217	\$14,997,000	\$15,198,701	\$15,098,000
Expenses							
Conformity Assessment	4,064,677	4,144,329	4,390,338	4,901,576	4,645,000	4,700,419	4,996,000
Information Services	455,855	526,513	471,961	547,384	575,000	649,653	497,000
WTO/NAFTA Enquiry Point	260,798	260,945	339,827	360,559	361,000	360,620	361,000
Standards Development	3,857,269	4,093,266	3,718,082	3,730,871	3,969,500	4,026,134	3,246,000
Intergovernmental Affairs and Trade	913,540	1,038,507	1,088,779	1,187,265	1,207,000	1,360,942	1,429,000
Management and administration	4,483,459	4,499,155	4,544,680	4,527,748	4,682,500	4,748,333	4,962,000
	\$14,035,598	\$14,562,715	\$14,553,667	\$15,255,403	\$15,440,000	\$15,846,101	\$15,491,000
Net income (loss)	\$103,193	\$540,230	\$463,875	(\$320,186)	(\$443,000)	(\$647,400)	(\$393,000)



Finance

In 2009-2010, the Standards Council of Canada (SCC)'s total revenue (other than Parliamentary appropriation) was just over \$8 million—about 4 per cent higher than the \$7.74 million recorded in FY 2008-2009 and ahead of the budgeted \$7.83 million. The increase was due primarily to higher Conformity Assessment fees and Royalties from Standards Sales.

Revenue from Conformity Assessment accreditation fees (\$5.96 million) increased by about 1 per cent from the \$5.89 million recorded in 2008-2009. The increase, less than the rate of inflation, continues the trend of single-digit increases and is due in large part to the combination of maturing programs, increased competition and recessionary forces.

Regarding SCC conformity assessment programs, revenue for Certification rose 11 per cent while Management Systems and the Accreditation for Laboratories (PALCAN) program revenues declined by 2 per cent and 3 per cent respectively though both programs met revenue targets for the year.

Overall cost recovery for the Conformity Assessment branch was 92 per cent, an increase of over 2 per cent from the previous year. Improved cost recovery levels were attributed to cost containment as direct program expenditures were right on budget and 4 per cent or \$204,000 less than the previous year. On a program basis, full cost recovery percentages were 90 per cent for Certification (82 per cent in 2008-2009); 107 per cent for Management Systems, (93 per cent the previous year) and 85 per cent for PALCAN (92 per cent in the previous year).

Royalties from the sales of standards totalled \$825,227, much better than the budgeted \$720,000 and an increase of 22 per cent from the previous year's level of \$677,519. The increase reflected global growth for most sellers of standards, and can also be attributed to a concerted effort by standards sellers to combat copyright abuse through education and the use of digital-rights management. In addition, a retroactive increase in royalty rates on ISO web store sales resulted in an additional \$72,000 in revenue.

Revenues from sponsorship/partnership agreements totalled \$418,000, a significant increase from the 2008-2009 level of \$345,000. This increase related to the conclusion of work undertaken by SCC on CIDA-funded developing country projects, along with projects undertaken by the Conformity Assessment group on behalf of Natural Resources Canada and Transport Canada.

Revenue from other income sources amounted to \$449,705 (compared to \$463,475 in 2008-2009) and a budgeted \$423,000. This revenue includes funds collected from web hosting of outside clients for SiteScape and ExportAlert! services; amortization of deferred revenue related to leasehold improvements and capital asset acquisitions; sponsorship of international technical committee meetings; and interest income. With the exception of interest income which was virtually nil for the year, versus a budget of \$30,000, all were either on, or well above budget.

Government funding of \$7.18 million was slightly lower than the previous year's \$7.19 million. Parliamentary Appropriation supported 45 per cent of SCC's operating and capital expenditures, compared to 47 per cent for FY 2008-2009

In total, expenses for FY 2009-2010 were \$15.85 million, compared to the previous year's total of \$15.26 million and to the budgeted \$15.44 million. Year over year, operating costs increased in Information Services, Standards Development, Intergovernmental & Trade, and Management and Administrative Services whereas Conformity Assessment recorded a decline. Increases from both 2008-2009 and over budget were primarily related to one-time reorganization costs which will result in reduced personnel costs in future years.

Total operational revenues and funding including Parliamentary Appropriation, fell short of expenditures by \$647,400, in comparison to the budgeted operational deficit of \$443,000.

Management Responsibility for Financial Statements

The accompanying financial statements and all information in the Annual Report are the responsibility of the Standards Council of Canada. The financial statements were prepared by management in conformity with Canadian generally accepted accounting principles appropriate to the Council's operations. Financial information presented throughout the Annual Report is consistent with the financial statements. The non-financial information provided in the Annual Report has been selected on the basis of its relevance to Council's objectives.

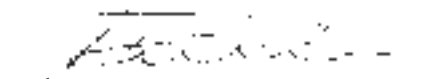
Council maintains a system of financial and management controls and procedures designed to provide reasonable assurance that the transactions undertaken by the Council are appropriately authorized, that assets are safeguarded and that financial records are properly maintained to provide reliable financial statements. These controls and procedures are also designed to provide reasonable assurance that transactions are in accordance with the Council's objectives and within its mandate as stated in the *Standards Council of Canada Act*.

The Auditor General annually provides an independent, objective review of the financial records to determine if the financial statements present fairly in all material aspects the operating results, cashflows and financial position of the Council in accordance with Canadian generally accepted accounting principles.

The Board, through its Audit Committee, is responsible for reviewing management's financial and reporting practices in order to satisfy itself that these responsibilities are properly discharged by management. The Audit Committee, comprised solely of Board members, meets with management and the Auditor General representatives to review the annual financial statements and reports on them to the Board.



John Walter
Executive Director



Rick Parsons
Treasurer and Director of Administration
Ottawa, Canada
June 15, 2010

Auditor's Report

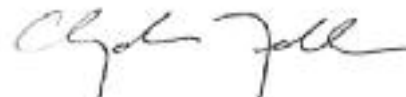
To the Minister of Industry

I have audited the statement of financial position of Standards Council of Canada as at 31 March 2010 and the statements of operations and comprehensive income, changes in shareholder's equity and cash flows for the year then ended. These financial statements are the responsibility of the Council's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Council as at 31 March 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Financial Administration Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Council 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 the by-laws of the Council.



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

Ottawa, Canada
15 June 2010

Statement of Financial Position

As at March 31	2010	2009
ASSETS		
Current		
Cash	\$ 1,372,794	\$ 3,645,217
Accounts receivable net:		
Federal government departments and agencies (Note 13)	259,458	389,067
Other	1,579,941	1,179,081
Parliamentary appropriation receivable	2,021,000	784,000
Prepaid expenses	810,925	819,000
	6,044,118	6,816,365
Property, plant, and equipment (Note 5)	559,490	639,738
	\$ 6,603,608	\$ 7,456,103
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 1,487,956	\$ 1,561,339
Deferred accreditation fees	2,002,561	1,958,080
Deferred revenue	12,662	12,956
	3,503,179	3,532,375
Long term		
Deferred government funding (Note 6)	412,486	466,451
Deferred revenue - Tenant improvement allowance (Note 7)	147,004	173,287
	559,490	639,738
	4,062,669	4,172,113
SHAREHOLDER'S EQUITY		
Retained earnings	2,483,659	3,131,059
Accumulated other comprehensive income (Note 8)	57,280	152,931
Equity	2,540,939	3,283,990
	\$ 6,603,608	\$ 7,456,103
Commitments (Note 12)		

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

Approved by the Council:


Chair


Executive Director

Statement of Operations and Comprehensive Income

For the year ended March 31	2010	2009
Revenue		
Conformity Assessment accreditation fees	\$ 5,962,067	\$ 5,893,040
Royalties from sales of standards (Note 9)	825,227	677,519
WTO/NAFTA Enquiry Point	360,620	360,559
Sponsorship/Partnership Funding	418,118	344,569
Other	449,705	463,475
	8,015,737	7,739,162
Expenses (Note 10)		
Conformity Assessment	4,700,419	4,901,576
Information Services	649,653	547,384
WTO/NAFTA Enquiry Point	360,620	360,559
Standards Development	4,026,134	3,730,871
Intergovernmental Affairs and Trade	1,360,942	1,187,265
Management and Administrative Services	4,748,333	4,527,748
	15,846,101	15,255,403
Net loss before government funding	(7,830,364)	(7,516,241)
Government funding		
Parliamentary appropriation for operating expenses	7,015,259	7,027,123
Amortization of deferred government funding (Note 6)	167,705	168,932
	7,182,964	7,196,055
Net loss	(647,400)	(320,186)
Other comprehensive Income		
Contributions received (Note 8)	(95,651)	42,216
Comprehensive loss	\$ (743,051)	\$ (277,970)

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

Statement of Changes in Shareholder's Equity

For the year ended March 31	2010	2009
Retained Earnings		
Balance at the beginning of the year	\$ 3,131,059	\$ 3,451,245
Net loss	(647,400)	(320,186)
Balance at the end of the year	2,483,659	3,131,059
Accumulated Other Comprehensive Income		
Balance at the beginning of the year	152,931	110,715
Other comprehensive income (loss)	(95,651)	42,216
Balance at the end of the year	57,280	152,931
Total Shareholder's Equity at the End of the Year	\$ 2,540,939	\$ 3,283,990

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

Statement of Cash Flows

For the year ended March 31	2010	2009
Operating activities		
Net loss	\$ (647,400)	\$ (320,186)
Adjustments for non-cash items		
Amortization of property, plant, and equipment	193,988	195,215
Amortization of deferred government funding	(167,705)	(168,932)
Amortization of tenant improvement allowance	(26,283)	(26,283)
	(647,400)	320,186)
Changes in restricted contributions from non-owners	(95,651)	42,216
Changes in current liabilities and current assets other than cash	(1,529,372)	526,011
Cash flows provided by operating activities	(2,272,423)	248,041
Investing activities		
Additions to property, plant, and equipment	(113,740)	(101,877)
Financing activities		
Funding for acquisition of property, plant, and equipment		
Parliamentary appropriation	113,740	101,877
(Decrease) Increase in cash during the year	(2,272,423)	248,041
Cash at the beginning of the year	3,645,217	3,397,176
Cash at the end of the year	\$ 1,372,794	\$ 3,645,217

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

Notes to Financial Statements March 31, 2010

1. AUTHORITY, OBJECTS, AND PROGRAMS

The Standards Council of Canada (SCC) 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 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 SCC performs the following activities:

- accrediting organizations engaged in standards development and conformity assessment;
- representing Canada's interests internationally and regionally through membership in the International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC), and in other regional standards organizations;
- overseeing and coordinating Canada's participation in international standardization work;
- approving National Standards of Canada;
- providing advice and assistance to the Government of Canada in the negotiation of standardization-related aspects of international trade and mutual recognition agreements;
- working with international and foreign standards bodies to develop standardization agreements that facilitate trade;
- fostering and promoting an understanding of the benefits and usage of standards and conformity assessment;
- collecting and distributing information on standards activities; and
- operating Canada's North American Free Trade Agreement and World Trade Organization enquiry points on behalf of the federal government.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies are:

(a) Property, plant, and equipment

Property, plant, and equipment are recorded at cost and amortized on a straight line basis over the estimated useful life of the assets as follows:

Furniture	5 years
Equipment	4 years
Leasehold improvements	lesser of term of the lease or expected useful life

(b) Revenues

Funds received or receivable in respect of conformity assessment application fees and the annual portion of accreditation fees are recorded as deferred accreditation fees and are recognized as revenues in the year in which they are earned. Application fees are recognized as revenue upon completion of the assessment process and granting of accreditation. Annual fees 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 for the period in which the related sale occurred.

Recoveries of expenses in respect of an agreement for the operation of the World Trade Organization/North American Free Trade Agreement (WTO/NAFTA) Enquiry Point are recognized as revenue at the time the related expenses are incurred.

Restricted contributions from non-owners received for the hosting of international meetings or conferences are included as part of Other Comprehensive Income until such time that it is appropriate to recognize the amounts in income. Contributions received for the hosting of international meetings or conferences are recognized as revenue at the time the related expenses are incurred. The Council also administers a fund on behalf of an unrelated entity which is included as a current liability. Contributions received for this fund and its related expenditures are recorded directly to the liability.

(c) Expenses

Expenses are recognized when goods and services are received.

(d) Parliamentary appropriations

The Government of Canada provides funding to the Council. The portion of the parliamentary appropriation used to purchase depreciable property, plant, and equipment is recorded as deferred government funding and amortized on the same basis and over the same periods as the related property, plant, and equipment. The portion of the appropriation related to operations is recorded in the Statement of Operations and Comprehensive Income in the year for which it is approved.

(e) Vacation pay

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

Demonstrating VALUE

(f) Employee benefit plan

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

(g) Pension benefits

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. Although the plan is a defined benefit plan, it meets the definition of a multi-employer plan, which is accounted for as a defined contribution plan, as sufficient information is not available to account for it as a defined benefit plan. The Council's contributions to the plan are currently based on a multiple of the employee's required contributions, and may change over time depending on the experience of the Plan. These contributions represent the total pension obligations of the Council and are expensed during the year in which the services are rendered. The Council is not currently required to make contributions with respect to any actuarial deficiencies of the Public Service Pension Plan.

(h) Management estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. The useful life expectancy predictions for property, plant, and equipment and certain employee-related liabilities are the most significant items where estimates are used. Actual results could differ from management's best estimates as additional information becomes available in the future.

(i) Financial instruments – measurement and recognition

As required by Section 3855, the Council has classified cash as a financial asset held for trading and is measured at fair value. Accounts receivable are classified as loans and receivables. Accounts payable and accrued liabilities are classified as other financial liabilities. Financial assets classified as loans and receivables and financial liabilities other than those held for trading are initially measured at fair value and subsequently measured at amortized cost.

(i) Future accounting changes

In December 2009, the Public Sector Accounting Board (PSAB) issued an amendment to the Introduction to Public Sector Accounting Standards of the PSA Handbook. This amendment eliminated the Government Business Type Organizations (GBTO) classification and entities currently classified as a GBTO are required to re-assess their classification.

Under the revised introduction, the Council is classified as an Other Government Organization (OGO). As an OGO, the Council has determined the most appropriate basis

of accounting to meet the needs of the users of its financial statements would be the standards issued by the Public Sector Accounting Board. The Council will adopt the standards issued by the Public Sector Accounting Board for its fiscal year beginning April 1, 2011. The Council is currently evaluating the impact of the adoption of these standards but the Council does not expect the adoption of these standards will have a material impact on its financial statements.

3. CAPITAL MANAGEMENT

SCC's capital includes retained earnings and other comprehensive income as follows:

	2010	2009
Retained earnings	\$ 2,483,659	\$ 3,131,059
Accumulated other comprehensive income	57,280	152,931
Equity	\$ 2,540,939	\$ 3,283,990

SCC operates on a cost-recovery basis. Its objective when managing capital is to effectively manage actual costs to budget on an annual basis and to ensure that it has adequate capital to deliver its mandate and to ensure that it continues as a going concern. SCC is prohibited from issuing its own capital or its own debt to meet any capital requirements.

SCC's capital management is approved annually through its corporate plan and budget.

There is no externally imposed capital requirement that the SCC is required to comply with.

SCC has managed its actual costs to budget as approved in its 2009-10 corporate plan and budget. No changes were made in the objectives during the years ended March 31, 2010 or March 31, 2009.

4. FINANCIAL INSTRUMENTS

The Council's financial instruments consist of cash, 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 and are non-interest bearing. The carrying value of each financial instrument approximates its fair value because of the short maturity of the instruments.

In the normal course of business the Council is exposed to credit risk and liquidity risk. The Council's exposure and strategies to mitigate these risks are noted below:

Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument, leading to a financial loss. The maximum exposure the SCC has to credit risk is \$ 1,579,941 which is in relation to its accounts receivable. Credit is granted to customers as required for the assessment of additional fees that may be determined to be applicable after audit or accreditation. Credit may also be granted to customers in accordance with existing policies pertaining to deferred payment of fees. In all cases, prudence with respect to credit risk incurred is observed at the time of the transaction. Credit is automatically granted to employees for travel and salary advances. Credit is also automatically extended to government departments, agencies, Crown corporations, and government business enterprises. There is minimal potential risk of loss related to receivables from governmental agencies and employees. SCC does not hold any collateral as security. There are no concentrations of accounts receivable with any one customer and accordingly no significant credit risk.

As at March 31, the aging of non-related party accounts receivable is as follows (for terms and conditions relating to related party receivables, refer to Note 12):

	Total	Current	30-60 Days	60-90 Days	90-120 Days	>120 Days
2010	\$ 1,579,941	\$ 981,367	\$ 225,652	\$ 130,197	\$ 69,648	\$ 173,077
2009	\$ 1,179,081	\$ 885,065	\$ 112,366	\$ 54,194	\$ 6,336	\$ 121,120

SCC will record an allowance 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 allowance is reversed once collection of the debt is successful or the amount is written off.

An account receivable will be considered to be impaired or written-off when the SCC is certain that collection will not 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 renegotiated. Those that are neither past due, nor provided for or impaired are considered to be of good quality.

At March 31, 2010 accounts receivable at initial value of \$50,000 (2009 - \$24,400) were impaired and fully provided for. The following table provides a reconciliation of the allowance during the year.

The movement in this allowance is summarized below:

	2010	2009
Balance at beginning of year	\$ 24,400	\$ 33,103
Add charge for the year	74,490	47,690
Less utilized	(48,890)	(56,393)
Balance at end of year	\$ 50,000	\$ 24,400

Liquidity risk

Liquidity risk is the risk that the SCC will encounter difficulty in meeting its obligations associated with financial liabilities. SCC's objective is to maintain sufficient cash through drawdown of its voted parliamentary appropriation, collection of Conformity Assessment fees and other services in order to meet its operating requirements. SCC manages liquidity risk through a detailed annual planning and monthly cash flow planning and billing process which is structured to allow for sufficient liquidity from one billing period to the next. In addition, the SCC sets guidelines for working capital of two month's cash requirements, a current ratio of 2.5 to 1 and a quick ratio of 2 to 1.

As at March 31, 2010, all accounts payable and accrued liabilities are due within one year.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: Interest rate risk, currency risk and other price risks such as equity risk. SCC's financial instruments are not significantly exposed to market risk.

5. PROPERTY, PLANT, AND EQUIPMENT

	2010		2009	
	Cost	Accumulated amortization	Net book value	Net book value
Furniture	\$ 284,226	\$ 274,678	\$ 9,548	\$ 13,433
Equipment	1,567,965	1,357,026	210,939	226,027
Leasehold improvements	777,697	438,694	339,003	400,278
	\$ 2,629,888	\$ 2,070,398	\$ 559,490	\$ 639,738

Demonstrating VALUE

6. DEFERRED GOVERNMENT FUNDING

Deferred government funding represents the unamortized portion of parliamentary appropriation used to purchase depreciable property, plant, and equipment.

Changes in the deferred government funding balance are as follows:

	2010	2009
Balance at beginning of year	\$ 466,451	\$ 533,506
Add appropriation used to acquire depreciable property, plant, and equipment	113,740	101,877
Less amortization	(167,705)	(168,932)
Balance at end of year	\$ 412,486	\$ 466,451

7. DEFERRED REVENUE – TENANT IMPROVEMENT ALLOWANCE

The Council has received funds from the landlord to pay the cost of tenant improvements made to the office space it leases. These funds have been recorded as deferred revenue and are being amortized to income over the duration of the lease.

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

	2010	2009
Balance at beginning of year	\$ 173,287	\$ 199,570
Less amortization	(26,283)	(26,283)
Balance at end of year	\$ 147,004	\$ 173,287

8. CONTRIBUTIONS RECEIVED

The Council has received funds from unrelated parties on a voluntary basis, which are restricted to the hosting of international technical committee meetings and conferences held in Canada. These funds from non-owners have been recorded in other comprehensive income as 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:

	2010	2009
Balance at beginning of year	\$ 152,931	\$ 110,715
Add contributions received	188,352	205,480
Less contributions expended	(284,003)	(163,264)
	(95,651)	42,216
Balance at end of year	\$ 57,280	\$ 152,931

9. ROYALTIES FROM SALES OF STANDARDS

As of April 1, 1998 the Council has outsourced the operation of the Standards Sales Service to an independent agent. The agreement requires the payment of royalties to the Council based on a revenue sharing of net sales.

10. EXPENSES

	2010	2009
Salaries and employee benefits	\$ 9,307,324	\$ 8,464,348
Travel	1,967,012	2,228,660
Professional and special services	1,538,869	1,547,782
Memberships in international organizations	1,033,065	1,023,140
Office accommodation	657,858	635,372
Meetings	288,752	325,320
Publications and printing	203,413	121,544
Amortization of property, plant, and equipment	193,988	195,215
Repair & Upkeep	117,930	137,696
Office supplies	110,296	104,440
Telecommunications and postage	99,814	112,710
Insurance	77,192	79,597
Bad debts expense	74,490	47,690
Public relations	58,022	92,605
Rental of office equipment	39,528	59,533
Other	78,548	79,751
	\$ 15,846,101	\$ 15,255,403

11. 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 percent 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 and employees' contributions to the Public Service Pension Plan for the year were as follows:

	2010	2009
Council's contributions	\$ 852,545	\$ 842,429
Employees' contributions	\$ 427,217	\$ 395,029

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

	2010	2009	2008
Employees – current service:			
- On earnings up to yearly maximum pensionable earnings (YMPE)	5.5%	5.2%	4.9%
- On earnings exceeding YMPE: 2010 - \$47,200, 2009 - 46,300, 2008 - \$44,900	8.4%	8.4%	8.4%
Employer - expressed as a multiple of employee contributions:			
- For contributions on current and elective service on single rate employee contributions	1.94	1.91	2.02
- For elective service on double rate employee contributions	0.47	0.46	0.51
- For Retirement Compensation Arrangement (RCA) On earnings that exceed: 2010- \$139,500, 2009 - \$136,700, 2008- \$130,700	8.9	7.5	7.3

12. COMMITMENTS

The Council has entered into an agreement to lease office space for a fifteen-year term which commenced in July 2000. The future minimum annual rental payments under this agreement, exclusive of operating expense and property tax, are as follows:

2010-2011	\$ 345,290
2011-2012	\$ 350,845
2012-2013	\$ 350,845
2013-2014	\$ 350,845
2014-2015	\$ 350,845
Balance	\$ 102,330

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, which are measured at the exchange amount, with these entities in the normal course of business. During the year, the Council incurred expenses totaling \$17,677 (2009 - \$60,581) and recorded revenues of \$1,331,114 (2009 - \$1,349,877) with related parties. As at March 31, 2010, the Council recorded accounts receivable with related parties of \$259,458 (2009 - \$389,067) and accounts payable of \$0 (2009 - \$13,300).

14. SUBSEQUENT EVENTS

In April 2010, the Council reorganized its structure. This reorganization resulted in a headcount reduction of six positions. One-time employee severance and benefit arrangements costs associated with this reduction are estimated at \$502,469 which will be charged to operations for the fiscal year ending March 31, 2011.

15. COMPARATIVE FIGURES

Certain 2009 comparative figures have been reclassified to conform to the financial statement presentation adopted for 2010.