

Standards Council of Canada
Conseil canadien des normes

STRENGTHENING STANDARDIZATION: SUPPORTING CANADA

SUMMARY OF CORPORATE PLAN
2013-2014 TO 2017-2018

SUMMARY OF OPERATING BUDGET
2013-2014

SUMMARY OF CAPITAL BUDGET
2013-2014

OUR MANDATE

TO PROMOTE EFFICIENT AND EFFECTIVE VOLUNTARY STANDARDIZATION IN CANADA,
WHERE STANDARDIZATION IS NOT EXPRESSLY PROVIDED FOR BY LAW.

OUR MISSION

TO LEAD AND FACILITATE THE DEVELOPMENT AND USE OF NATIONAL AND
INTERNATIONAL STANDARDS AND ACCREDITATION SERVICES IN ORDER TO ENHANCE
CANADA'S COMPETITIVENESS AND WELL-BEING.

OUR VISION

TO IMPROVE CANADIANS' QUALITY OF LIFE THROUGH LEADERSHIP
OF CANADA'S STANDARDIZATION NETWORK.

HOW TO REACH US

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From helping to develop an effective standards regime for smart grid technologies...

...to accrediting those that verify conformity to standards of laboratories and greenhouse gas (GHG) validators, while helping to reduce bureaucratic red tape in many industries...

...to creating standards that address how climate change impacts new infrastructure in the North...

SCC is at the heart of exciting shifts, developments and innovations taking place in standardization across this country and internationally.

1. INTRODUCTION

Since 1970, the Standards Council of Canada's (SCC) mandate and mission have been clear: promote efficient and effective standardization to strengthen Canada's competitiveness and social well-being. **Everything we do is aimed at improving Canadians' quality of life.**

We advocate the use of standards and accreditation for two key reasons. First, because standards and accreditation support regulators in meeting public policy objectives. And second, because standards help industry reduce costs, increase productivity and access global markets. **Standards set the foundation for virtually all products and services in any economy.**

Strengthening Standardization: Supporting Canada

We are delivering on our promise to support Canada's Economic Action Plan in two key ways. **First, we are modernizing Canada's standardization network.** SCC is expanding and strengthening ties with government and industry and is updating certain critical standards referenced in Canadian federal regulations. **Second, we are supporting a stronger Canadian voice in developing international standards.**

Standards are a necessary complement to regulations and are an important part of Canada's regulatory regime. SCC's vital work to harmonize standards with the United States, carried out through the Canada-U.S. Regulatory Cooperation Council, is a significant priority for the Government of Canada (GC).

SCC's Accreditation Services exemplify how the work we do supports Canada's top-level public policy objectives. SCC's new Energy Management Systems Accreditation Program is one such example. By accrediting certification bodies to ISO 50001, SCC is helping these organizations improve their clients' energy efficiency, costs and energy performance as well as potentially boost trade. Accreditation by SCC provides credibility and confidence in products, systems and services in Canada and abroad.

In the past few years, we have made tremendous strides in delivering and advancing our mission and mandate, and in demonstrating how vitally important standards and accreditation are to government, industry, consumers and Canadian citizens.

Standards and accreditation are now increasingly becoming part of the public policy debate. However, there remain opportunities for greater use of standards and accreditation in public policies.

Targeted stakeholder engagement with government and industry will ensure greater use and understanding of the value these critical instruments play in enhancing Canada's competitiveness and well-being.

Moving forward, we will continue to deliver on our clear vision to improve Canadians' quality of life through leadership of Canada's standardization network and aligning standardization priorities to meet Canada's most important economic sectors.

1.1 EXECUTIVE SUMMARY

With the goal of increasing Canada's competitiveness and health and safety levels, SCC is building on its strategic priorities set out in last year's Corporate Plan. Over the past couple of years, SCC has garnered a reputation among decision-makers as a credible and action-oriented organization and has secured effective working relationships with executive leaders across Canadian industry. SCC plans to leverage its strengths and will continue to demonstrate value to government and industry stakeholders by providing vital and innovative standardization solutions.

In 2013-2014, the organization will continue to implement the following four strategic priorities:

- **Strengthen Canada's standardization network;**
- **Deliver standardization solutions;**
- **Maximize the benefits of standards and accreditation; and**
- **Drive operational efficiency and productivity.**

To maintain its stature as a world-class standardization network, SCC will:

Strengthen Canada's standardization network, by:

- determining standardization priorities for key areas of the Canadian economy, achieved through consultations with both government and industry, to enable the development of targeted standardization solutions that meet their needs; and
- increasing the agility of Canada's standardization network and providing cost-effective options to Canada's key industry players and regulatory regime through the accreditation of eligible standards development organizations (SDOs).

Deliver standardization solutions, by:

- promoting standardization as a policy tool for the GC;
- supporting a number of top government priorities, including the Canada-U.S. Regulatory Cooperation Council (RCC), Canada's North, as well as international and domestic trade agreements: *Canada-European Comprehensive Economic and Trade Agreement (CETA)*, the *Comprehensive Economic Partnership Agreement (CEPA)* between Canada and India, and the *Agreement on Internal Trade (AIT)*;
- delivering standards and accreditation solutions across a variety of economic programs and sectors that matter most to Canadians, such as health and safety, the environment and trade;
- facilitating the creation of a standards strategy for key sectors of Canada's economy, such as the oil and gas sector;
- updating critical standards referenced in Canadian federal regulations; and
- assisting federal departments with complementary standards solutions for their own government departments' plans and priorities.

Maximize the benefits of standards and accreditation, by:

- coordinating Canada's representation, leadership and influence on International Organization for Standardization (ISO) and International Electrotechnical Commission (IEC) committees, in areas critical to Canada's economy and competitiveness;
- aligning and securing financial support for Canadian experts to ensure targeted participation;
- responding to marketplace needs and regulatory requirements for new and innovative accreditation services; and
- implementing a streamlined, customer-focused accreditation process that includes education and support for both new and existing customers.

Drive operational efficiency and productivity, by:

- aligning resources with strategic objectives, including:
 - disciplined usage of SCC's financial base, balancing the needs across base operations and key strategic investments;
 - upgrading information management and technology (IM/IT) systems to support the organization's operational objectives;
 - modernizing SCC's quality management system; and
 - providing learning and growth opportunities.

Together, SCC's activities, initiatives and innovations will play an essential role in carrying out its vision as well as create a sustainable business model for the organization's long-term success.

2. CANADA'S STANDARDIZATION NETWORK

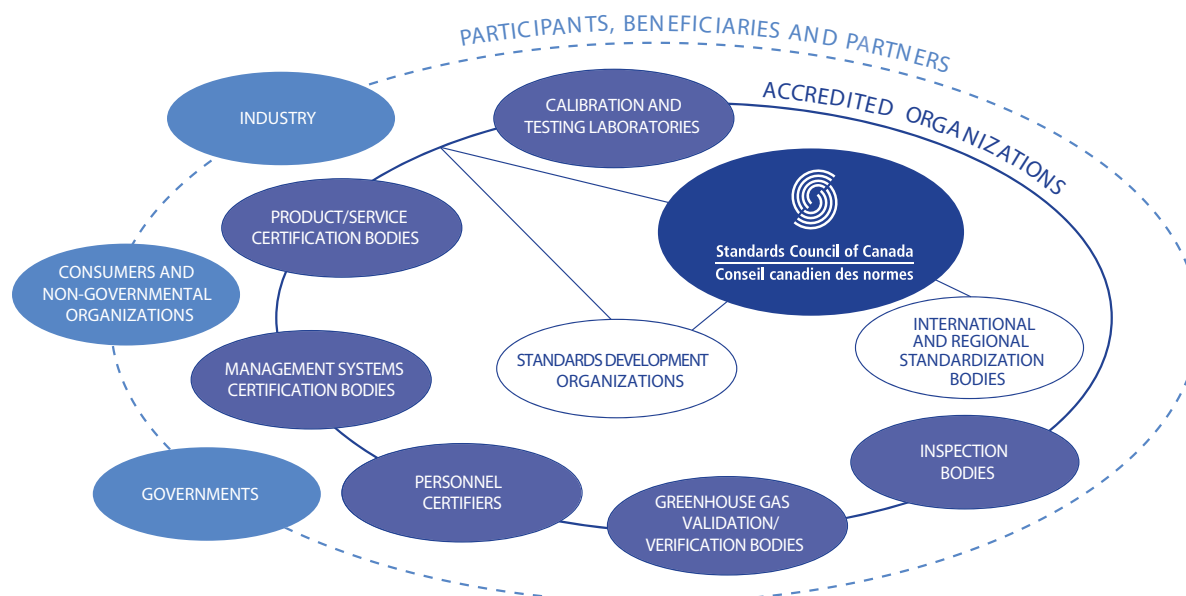
SCC's strengthened strategic position with government and industry comes from the organization's ability to deliver a credible suite of standardization solutions. SCC is now better resourced and positioned to address a broader range of issues that are critical to Canada's economic and social goals. These issues align with this nation's most relevant public policy objectives. This work has contributed to strengthening Canada's standardization network.

More than 12,500 Canadian volunteer members, representing industry, provincial and federal regulators, non-government organizations and consumers, participate in national and international standardization committees. SCC coordinates the activities of individuals and organizations

that participate in international and regional standards development committees. SCC also facilitates the participation of approximately 2,600 of these members on technical committees. These committees provide Canada's official position at various regional and international standardization bodies. More than 400 organizations are accredited by SCC.

The diagram below presents the organizations and beneficiaries of Canada's standardization network. As illustrated, SCC accredits, coordinates and enables network members to contribute Canadian expertise that will influence the formation and evolution of global standards that matter most to Canada.

Figure 1 Canada's Standardization Network



2.1 LINKING SCC ACTIVITIES TO GOVERNMENT PRIORITIES

SCC's work ties in closely with many GC objectives and plays an important role in Canada's Economic Action Plan, under several main priorities of the plan, including regulatory cooperation and support for Canada's North.

Increasing Canada's International Competitiveness

- SCC is a key contributor to Canada's Economic Action Plan. As such, the GC has made an additional investment to strengthen its regulatory regime and to support a stronger Canadian voice in developing international standards. A strengthened standardization network will contribute to a more competitive Canada.
- SCC's standardization input into free trade agreements helps to strengthen market access for Canadian business and industry, including CETA.
- SCC's partnerships with other international standardization bodies aim to support free trade agreements. In 2012, SCC signed a cooperation agreement with two European Standards Organizations: the European Committee for Standardization (CEN) and the European Committee for Electrotechnical Standardization (CENELEC).
- SCC continues to support and advance memorandums of agreement (MOAs) with emerging economies, including China, Korea and Mongolia. The MOAs support collaboration in areas of mutual interest to strengthen Canada's trade and investment interests.
- In 2012, SCC visited Mongolia to conduct a series of standardization workshops and explore opportunities for strengthening market access for Canadian and Mongolian exporters. With Mongolian exports totaling more than \$241 million in 2011, this relationship is expected to increase bilateral trade.
- In 2012, SCC strengthened its financial support for Canadians and Canadian enterprises volunteering in international standards development. Participation in international standardization committees provides Canadian industry with a competitive advantage.
- SCC is recognized as an international accreditation body by the International Accreditation Forum (IAF) and the International Laboratory Accreditation Cooperation (ILAC). SCC accreditation provides confidence and credibility in products, systems and services, both in Canada and abroad, giving Canadian exporters a competitive advantage.
- SCC provides ongoing standardization policy and technical advice to government and industry in support of the World Trade Organization Technical Barriers to Trade (WTO/TBT) committee participation.
- SCC provides capacity-building to developing economies to strengthen trade, including to the CARICOM region under the Canada-Americas Trade-Related Technical Assistance (CATRTA) Program.

Assisting with Regulatory Reform

- SCC collaborates with the Canada-U.S. Regulatory Cooperation Council (RCC) to identify how standardization can contribute to the alignment of Canadian and U.S. regulatory approaches.
- SCC has established a credible strategy and methodology for long-term monitoring of standards used in regulations. SCC assists government departments with using standardization solutions as alternatives to new regulations.
- SCC's work supports the federal Red Tape Initiative by ensuring that standards reflect and support domestic and global supply chains and by streamlining Canada's conformity assessment processes with those of other countries as part of trade negotiations. SCC's input into the Agreement on Internal Trade (AIT) facilitates trade domestically.

Supporting the Health and Safety of all Canadians

- Under the Northern Infrastructure Standardization Initiative (NISI), SCC is developing four new standards to support the adaptation of northern infrastructure to a changing climate.
- SCC helps Canada support safe food through the accreditation of certification bodies to the international standard ISO 22000. These bodies certify the management systems of manufacturers, distributors and retailers to this international standard.
- SCC holds the Secretariat and Chair positions for the international committee that has developed a guidance standard on Consumer Product Safety (ISO 10377).
- SCC's accreditation programs address Canadians' healthcare and safety needs, including for medical laboratories, food safety, testing laboratories, medical devices and occupational health and safety management systems.

Strengthening the Environment

- Under the oversight of Natural Resources Canada and the Canadian National Committee to the International Electrotechnical Commission (CNC/IEC), SCC issued a comprehensive standards roadmap to support the building of Canada's Smart Grid.
- SCC's accreditation to ISO 50001 helps companies manage energy and reduce costs through SCC's new Energy Management Systems Accreditation Services Program.
- SCC's accreditation program for assessing the competency of organizations verifying GHG emissions supports the GC's sustainability agenda, which includes initiatives to reduce GHGs.

Streamlining Efficiencies

- SCC continues to align its IM/IT projects to current strategic objectives, including a business solution for improving delivery of accreditation services.
- Increased demand for various standardization solutions has led SCC to carry out a variety of other fee-for-service initiatives in several of SCC's operational branches.
- SCC has a matrix in place to measure the benefits of participating on international and regional standardization committees. This measurement tool ensures the organization's participation continues to hold value for Canada.

3. CORPORATE PROFILE

SCC IS A FEDERAL CROWN CORPORATION. ITS MANDATE IS SET OUT IN ITS GOVERNING LEGISLATION, THE *STANDARDS COUNCIL OF CANADA ACT*.

3.1 MANDATE

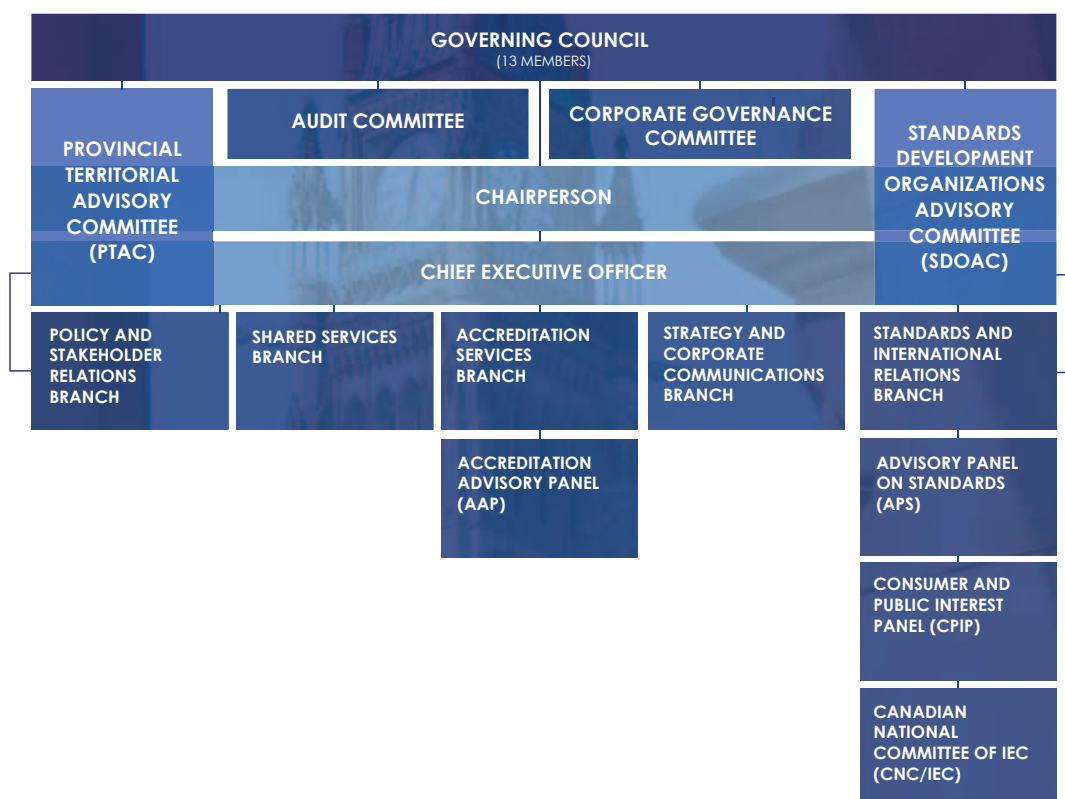
The mandate of SCC is to promote efficient and effective voluntary standardization in Canada, where the law does not expressly provide for standardization activities. In particular, SCC has a mandate to:

- promote the participation of Canadians in voluntary standards activities;
- promote public- and private-sector cooperation in voluntary standardization in Canada;
- coordinate and oversee the efforts of people and organizations involved in Canada's network of standardization professionals;
- foster quality, performance and technological innovation in Canadian goods and services through standards-related activities; and
- develop standards-related strategies and long-term objectives to advance the national economy; support sustainable development; benefit the health, safety and welfare of workers and the public; assist and protect consumers; facilitate domestic and international trade; and further international cooperation in relation to standardization.

3.2 SCC COUNCIL STRUCTURE

SCC's governing Council and Executive Team are supported by various standing and advisory committees. This structure, as depicted in Figure 2, is described as follows:

Figure 2 SCC Structure



Governing Council

SCC's governing Council and Chairperson are appointed by the federal government and report to Parliament through the Minister of Industry. The Chief Executive Officer is also appointed by the Minister of Industry and reports directly to SCC's governing Council. The Council is comprised of 13 members who are responsible for overseeing the strategic direction of the organization. The Council is also responsible for ensuring the fulfillment of SCC's mandate and for providing guidance on governance matters.

In addition, the Council works closely with SCC's management in providing guidance for developing policy items and advice on the organization's strategic direction.

This work also includes the approval of relevant policies to support SCC programs and services, oversight in the area of risk management, and approval of budgets and audited financial statements.

Additional information on SCC operations and governance can be found on our website at: www.scc.ca.

The members of the Council referred to in the *Standards Council of Canada Act* must be representative of a broad spectrum of interests in the private sector and have the knowledge or

experience necessary to assist the Council in the fulfillment of its mandate. SCC's current Council members include:

Dr. W.A. Sam Shaw

Interim Chairman
Vice-President of Natural Gas
Policy Development at Encana
Natural Gas

Claude Bédard

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

Dan Boyd

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

G. Rae Dulmage

*Chair, Standards
Development Organizations
Advisory Committee*
Director, Standards Department,
Government Relations Office
and Regulatory, ULC Standards

David Fardy

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

Suzanne Gignac

Private-Sector Representative
National Assurance Partner
Ernst & Young LLP

Richard Raymond

Private-Sector Representative
Steel fabrication and
product distribution

Steven Reynolds

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

David Wigmore

*Vice-Chair, Provincial Territorial
Advisory Committee*
Acting Director
Building, Fire and Technical
Safety Nova Scotia Labour
and Advanced Education

Committees of governing Council

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

Advisory Panel on Standards

SCC's Standards branch is supported by the Advisory Panel on Standards, which provides strategic and policy advice on standards-related matters. The panel falls under the purview of the Standards branch.

Accreditation Advisory Panel

SCC's Accreditation Services branch is supported by the Accreditation Advisory Panel. This panel provides policy advice and oversight with to ensure fairness and impartiality in relevant SCC policies and programming. The panel falls under the purview of the Accreditation Services branch.

Canadian National Committee of the International Electrotechnical Commission

The Canadian National Committee of the Electrotechnical Commission (CNC/IEC) provides strategic and policy advice to SCC on IEC-related matters.

Consumer and Public Interest Panel

The Consumer and Public Interest Panel (CPIP) provides strategic and policy advice on standardization matters as they affect consumers and the public interest, especially in relation to Canadian priority sectors. The panel reports directly to the Standards branch.

The Provincial-Territorial Advisory Committee

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

The Standards Development Organizations Advisory Committee

The Standards Development Organizations Advisory Committee (SDOAC) is also established in the *Standards Council of Canada Act*. SDOAC promotes cooperation and communication between SCC and SDOs.

3.3 STAFF AND ACTIVITIES

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



SCC's core activities are described as follows:

Accreditation Services

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

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

SCC is also a member of several organizations that have mutual recognition agreements (MRAs) in place to assist with international acceptance of conformity assessment results. These agreements are part of greater efforts to form a global accreditation system, consistent with the goal of "one standard, one test-accepted everywhere."

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

Strategy and Corporate Communications

The Strategy and Corporate Communications branch provides secretariat and governance policy support to SCC's governing Council and to its standing committees. Its mandate includes the following support areas:

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

Shared Services

The Shared Services branch provides overall shared service support to SCC and each of its branches. The mandate of this branch includes the following support areas:

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

Policy and Stakeholder Relations

The Policy and Stakeholder Relations (PSR) branch conducts strategic outreach and engagement to those stakeholders with the greatest potential to influence and impact standardization in Canada.

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

Through its analysis of trends and conditions of significance to standardization-related work, the PSR branch is able to: identify and define the necessary conditions for Canada to optimize its use of standardization; facilitate the development of roadmaps in support of targeted economic areas; provide baseline information to key federal departments to set standardization priorities and goals; and make recommendations that influence standards- and conformity assessment-related aspects of trade and regulatory policy.

PSR monitors the status of more than 900 standards incorporated by reference in federal regulations. In addition, it coordinates research and develops policy alternatives to foster the harmonization of standards and certification requirements between Canada and the United States as well as between Canadian jurisdictions.

Standards and International Relations

The Standards and International Relations branch is primarily responsible for the following four areas: Canadian Standards Development, International Standards Development, International and Regional Relations, and engagement with National Industry Sectors and Consumers and Public Interest groups.

SCC's Canadian Standards Development Program sets the requirements for SDOs engaged in developing consensus-based standards that respond to Canada's interests and needs. These requirements include the governance and oversight of SCC-accredited SDOs, and approval of National Standards of Canada (NSCs).

The organization's International Standards Development (ISD) Program facilitates and manages Canada's participation in the international standards development activities of the technical committees and sub-committees of ISO and IEC. The ISD Program is responsible for managing SCC Mirror Committees, including those that fall under harmonization agreements with SCC-accredited SDOs. The ISD Program monitors and reports the performance and engagement of Canadian delegates participating in international standards development activities.

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

The branch is responsible for engaging with key industry sectors of the Canadian economy as well as for seeking input from consumers and public interest groups on standardization priorities for Canada as it pertains to the development of international standards. The branch facilitates the creation of an international standards strategy for targeted key sectors, such as the oil and gas sector.

3.4 STANDARDIZATION SOLUTIONS

SCC provides a wide range of innovative standardization solutions to meet its stakeholders' needs and priorities. The organization offers standardization services, expertise, knowledge, advice and guidance for governments, industry and consumers. SCC's corporate website (www.scc.ca) is SCC's primary communications channel to deliver information about standardization, SCC program developments and current news and events.

Standardization Solutions	Description	Value
Risk Assessments for Federal Departments	SCC undertakes research to identify standards referenced in federal regulations, and works with federal departments to identify and monitor critically outdated standards.	Assists federal regulators with the burden of identifying critically outdated standards. Provides an added benefit of helping government stakeholders embed other standardization solutions into their plans and priorities.
Departmental Standardization Priorities and Goals	SCC creates profiles for a number of federal departments. These profiles include the outcome of the risk assessments and the identification of standardization support required to align with departmental programming and standardization goals. These profiles require the collaboration of SCC-accredited SDOs.	These profiles will help all federal government departments incorporate important standardization activities into their programming and address the issue of outdated standards.
Standards Roadmaps	SCC collaborates with key stakeholders to scope the standardization landscape for targeted sectors of Canada's economy, such as smart grid technology and electric vehicles. Standards roadmaps are policy documents that provide a state of standardization on a sector-by-sector basis.	Roadmaps provide stakeholders with strategies to better understand standards and accreditation for a particular area of the economy. As well, roadmaps identify gaps and opportunities where standardization could play a greater role in advancing key economic sectors.

Standardization Solutions	Description	Value
Standards Policy Leadership	SCC leads the development of policy and analyzes trends in standardization. Through this work, SCC offers one-of-a-kind standardization expertise to support government initiatives such as regulatory reform, red tape reduction and domestic trade.	SCC delivers unique standardization expertise that underpins several programs and services across various government departments, including Health Canada, Environment Canada, Foreign Affairs and International Trade Canada (DFAIT), and the National Research Council. Canadians benefit through increased value of programs and services.
Trade Policy Advice	SCC is DFAIT's primary advisor on standardization issues for the negotiation of bilateral and multi-lateral foreign trade agreements.	SCC's input into trade negotiations ensures that standards and accreditation criteria promote global access to markets for Canadian industry.
Accreditation Services	As a mandated government accreditation body, SCC accredits: SDOs; management systems certification bodies; testing and calibration laboratories; GHG validation and verification bodies; personnel certification bodies; product and service certification bodies; and inspection bodies.	Accreditation by SCC demonstrates recognition that an organization has met the relevant internationally recognized standards and is competent to provide related standards development or conformity assessment services. SCC's Accreditation Services can also offer regulators solutions for public policy issues including water quality, food safety, medical testing and GHG emissions reductions.
Information and Research Services	SCC's Information and Research Services offers bilingual, customized research services including personalized information on a growing range of standards, legislation and certification issues in world markets. Research can be conducted to meet specific clients' needs.	Clients benefit from SCC's technical expertise by gaining an understanding of the requirements they need to know before manufacturing their product or exporting their product to world markets. Information can also be provided on a sector-by-sector basis. SCC's participation in a worldwide network of standardization information centres provides an added value to Canadian industry and government stakeholders.
Advisory Services	SCC provides standardization research, gap analysis, roadmaps and training to scope the standardization landscape for various industry sectors.	Provides industry stakeholders with standardization expertise on a sector-by-sector basis, thus providing small- and medium-sized business solutions. Standards provide governments with essential regulatory instruments to avoid duplication and ultimately save time and money.

Standardization Solutions	Description	Value
StandardsStore.ca	SCC's StandardsStore.ca offers customers the ability to purchase standards, standards collections and related information products from Canadian, international, U.S. and foreign SDOs online.	Offers clients a single point of entry to purchase Canadian, international, U.S. and foreign standards. In addition, it provides customers with a database of available standards, thus providing solutions for smaller-sized businesses.
Export Alert!	SCC's Export Alert! service provides automated e-mail notifications that help regulators and exporters keep abreast of regulatory changes in global markets. Export Alert! has generated much interest among WTO member countries as a model system for meeting WTO notification obligations, and has resulted in hosting arrangements with various foreign WTO members for the delivery of Export Alert! in their respective countries.	National stakeholders have an opportunity to comment on draft foreign regulations before they become law. Export Alert! hosting partners benefit from Canada's expertise in operating a successful notification service, eliminating the need to develop their own service.
Capacity-building Projects	SCC offers training and technical assistance to developing countries, so that they can develop or strengthen their standardization infrastructure and/or meet WTO/TBT obligations. A number of capacity-building projects targeting Caribbean countries have been funded through the CATRTA program.	Recipients benefit from SCC's technical knowledge, expertise and best practices in the areas of standardization and accreditation. They also benefit from an understanding of WTO/TBT Enquiry Point and notification activities. SCC is recognized as a leader in these areas, and has a national standardization infrastructure and WTO/TBT Enquiry Point and Notification Authority that other countries wish to model.
WTO NAFTA/Enquiry Point	The WTO/NAFTA Enquiry Point is operated by SCC under contract with DFAIT. The Enquiry Point responds to technical enquiries from other WTO and NAFTA members on market-entry requirements, including standards, regulations and conformity assessment practices that apply to products.	As the WTO/NAFTA Enquiry Point, SCC serves as the central point of contact in Canada for WTO member countries seeking to obtain information on standardization-related market-entry requirements.

4. OUR OPERATING ENVIRONMENT

4.1 STRATEGIC ISSUES

Over the last two years, SCC has significantly solidified its reputation among new and existing stakeholders. With a focused outreach strategy, SCC will continue to propel its status as a world leader in standardization. The organization's focus nationally is critical to Canada's success in the international arena. SCC will continue to strengthen Canada's base of standardization experts so that the organization influences international standards important to Canada's key economic sectors. As such, SCC's strategic priorities for 2013-2014 will focus on addressing the following strategic issues:

Standardization as a policy tool for government and a business strategy for industry

Standardization serves as a policy tool for government. Offering low-risk solutions, standards and accreditation touch upon virtually all public policy objectives, including: the economy, domestic and international trade, the environment and healthcare.

As well, marketplace demands and regulatory requirements have created the need for accreditation services in areas such as energy management, GHG verification, medical laboratories and food safety.

With clear support from government for standardization, Canada is leveraging standardization on a number of fronts to help it meet domestic, regional and international challenges. SCC is supporting the government toward improving its regulatory regime, creating greater efficiencies,

reducing duplication, and improving access to global markets.

Through strengthened leadership, SCC has managed in three short years to ensure standardization has become part of the public policy debate. Through continued, credible achievements, SCC will maintain progress on this front.

For industry, participation in standards is sometimes overlooked because of its associated cost. Standards and accreditation can improve a company's competitiveness as well as the marketability of its products, ensuring products comply with regulatory requirements. Standards development improves a product's value which, in turn, helps organizations limit risk and enhance their business strategies. As a result, organizations can keep abreast of the latest industry technology trends; inform management of needed changes in strategy due to standardization; and anticipate the need for adoption of standards to improve processes, production or consumer confidence. To support the marketplace in this way, Canada needs to maintain a responsive and flexible standardization network.

In 2013-2014, SCC will continue its outreach to government, industry and consumers to encourage greater participation in Canada's standardization network. The organization will also continue to help government and industry identify customized standardization solutions.

Standardization is a complex, multi-stakeholder process

Determining Canada's standardization priorities is a complex, multi-stakeholder process. With standards becoming increasingly tied to a nation's innovation and trade potential, greater investment in standardization is required. However, the challenge that many countries face is that standardization is becoming increasingly complex. SCC is well-positioned as a quasi-government entity to facilitate this process and recognizes the need to balance both public and private interests. With standards and accreditation activities housed under one roof, the Canadian model for standardization is unique—providing the capacity for a centralized source of expertise.

As the national body for standards and accreditation, SCC continues to leverage its position to better identify and confirm Canada's standardization priorities. The organization continues to bring new stakeholders into the standardization network in order to maximize the potential of standards and accreditation for Canada's economic competitiveness, health and well-being.

Over the last year, SCC developed a strong relationship with the federal government, built on trust and collaboration, to help meet domestic policy goals and objectives. Expanded outreach with Canadian industry, such as oil and gas, electro-technical and consumer and public interest is an important SCC strategy. Strengthening Canada's standardization network in this way will help increase Canada's competitiveness, productivity and innovation in key economic sectors.

Standards and accreditation in a global world

Governments around the world are using standards and accreditation to sharpen their competitive edge. Over the last few years, several global economies have moved standardization further up the priority list, ensuring it plays a key role in their industrial strategy. Emerging economies such as China continue to strategically position themselves at the international level, to achieve greater economic benefits. Assuming secretariat positions and other leadership roles on international standards committees remains an important innovation strategy for China and other regional trading blocs such as Europe. Many countries that often adopt standards are now seeking positions on committees to ensure their country's technology is being used, or that, at the very least, they have a say in the marketplace rules of engagement.

As the world economy further integrates, the need for uniquely Canadian standards is decreasing. In fact, with the global transformation toward international harmonization, the majority of new international standards developed are in emerging technologies. With increased complexity of global supply chains, the need for interoperability standards is essential. A multi-disciplined approach to standardization is therefore also required. Current trends suggest

that the interest in the development and use of international standards will continue to grow, given the global market situation. Canada's position at the international level has therefore never been more crucial.

The significant number of standards committees makes it impossible to be involved in all national, regional and technical committees. Canada must more forcefully advance its interests in the context of countries that are aggressively shaping standards for their own interests. Canada needs to take advantage of these opportunities to ensure its expertise and technologies are embedded in new international standards.

This situation has led to the strategic prioritization of standards taking on a higher profile in Canada as countries actively use standards to meet domestic policies and objectives. Ensuring this nation is represented by the right expert, on the right committee, continues to be a strategy SCC is vigorously pursuing.

Succession planning of technical experts, as well as technical assessors, is at a critical stage. Actively reaching out to a younger generation of experts is needed. SCC will strengthen its member program to attract technical experts from key areas of Canada's economy. Orientation and training will also be enhanced so that Canadian experts have the necessary skills sets to participate in international standardization committee meetings.

Accreditation

SCC's Accreditation Services branch is well-positioned in the marketplace as the mandated government accreditation body and addresses several public policy issues in areas such as healthcare and the environment. Accreditation services offered by SCC provide cost-effective solutions that ultimately save governments and industry money. Over the planning period, SCC will focus on business development, to determine marketplace needs and regulatory requirements for new and innovative accreditation services.

A leader in Canada and around the world, SCC's accreditation services bring a value-added

component to its customers not offered by its competitors. SCC has a unique reputation in Canada as being a mandated government accreditation body that offers in-depth technical expertise to its customers. Nevertheless, SCC's accreditation services continue to face challenges as well as opportunities.

One of SCC's corporate strategic objectives is to "strengthen global accreditation networks." Accreditation stakeholders have been successful in developing a global accreditation system. Today, international and regional mutual recognition agreements (MRAs) enjoy a high degree of recognition. This global accreditation system has been beneficial for industry, conformity assessment bodies (CABs) and developing economies. Despite these positive impacts, this trend presents a downside as well. Increased exposure translates into additional service requirements and a contraction of the accreditation market in its entirety due to greater acceptance of these mutual agreements.

There are a number of challenges facing SCC's Accreditation Services branch, including:

- competitive pricing, both domestically and globally
- small domestic market
- aging pool of highly skilled technical assessors
- lack of customer relationship management support tools
- lag time for program development to deliver new programs can be difficult because of resource constraints, manual internal processes and lengthy processes for developing enabling regulations that include SCC accreditation requirements

In 2013-2014, SCC will concentrate on raising its profile as the accreditor of choice in Canada through relationship-building and a customer-centric approach. SCC will expand its accreditation services to meet the demands of the marketplace, review its pricing model, develop a succession plan for technical assessors and strengthen customers' experience with the implementation of an accreditation business solution.

Realignment of resources

Over the last two years, SCC has undergone a significant structural shift affecting most areas of the organization. People, financial resources, IT and internal processes are all being realigned to better support SCC's strategic objectives.

SCC's staff is comprised of highly knowledgeable people, with significant expertise in standards and accreditation. Over the planning period, SCC will invest in training and other professional development initiatives to help the organization keep pace with a competitive market for a highly skilled workforce.

SCC's IM/IT infrastructure is outdated. As new IM/IT projects take shape, the organization's long-term vision ensures better integration between systems. Due diligence is being taken to ensure effective migration to more interoperable systems. Over the planning period, SCC will work on several IM/IT projects to support the organization's four strategic priorities. Key investment in IM/IT will include:

- Document and Records Management
- Customer Relationship Management (CRM)
- Enterprise Resource Planning (ERP)
- Content Management System (CMS)

The above-mentioned architectural functionality will effectively meet SCC's business requirements including: an operational process solution for Accreditation Services branch; tools to automate and improve SCC's ability to closely monitor standards in regulations; a social collaboration platform to connect users on standardization topics; and a CRM system to effectively manage Canada's standardization network.

4.2 KEY TRENDS IN STANDARDIZATION

Raising awareness of the value and strategic importance of standardization to support Canada's economic growth, productivity and health and safety is critical to SCC. By analyzing trends in participation levels and current gaps in the standards development landscape, SCC has developed a more targeted approach to influence Canada's key industry sectors.

In doing so, SCC reviews a number of data sources to compile facts and figures. These sources include the standards catalogues of the SCC-accredited SDOs¹, data published by ISO, IEC and the International Telecommunications Union (ITU), and SCC's own database of international technical committee participants.

Key Facts and Figures	As of March 31, 2011	As of March 31, 2012	Change
Number of Canadian standards	3,482	2,973	↓
Number of standards maintained by key international standardization organizations (ISO, IEC, ITU)	27,958	28,869	↑
Number of NSCs approved by SCC	114	177	↑
Number of Canadian volunteer members participating on international standardization committees	2,758	2,619	↓
Number of federal government representatives participating in ISO/IEC/ITU international standardization activities	401	371	↓

Key Trends Regarding Standardization

The following outlines key trends and challenges affecting standardization in Canada:

Canada's standards base has decreased

With Canada and the rest of the world moving toward international harmonization, the need for uniquely Canadian standards is decreasing.

In fact, the number of uniquely Canadian standards is expected to continue to decrease as the use and/or harmonization of regional and international standards increases.

Canada's catalogue of national standards is shrinking. In 2012, the number of active Canadian standards was approximately 3,000, compared with the late 1990s when SDOs collectively maintained more than 5,000 active standards.

¹SCC-accredited SDOs are: Bureau de Normalisation du Québec, The Canadian General Standards Board, the Canadian Standards Association, ULC Standards, Underwriters Laboratories Inc. and ASTM International.

Canada's international standards catalogue and activities are growing

Canadians have doubled their use of international standards over the last five years. In fact, more and more NSCs are straight adoptions (i.e., without modification) of international standards. A number of factors, including market globalization and the interoperability of supply chains, are contributing to this trend. In 2012, Canada approved 177 NSCs. Of those, 59 standards were developed domestically, and 118 were national adoptions of international standards. The situation was different in 2011, with 69 domestic and 45 international standards.

Canadian participation in international standardization is now more targeted

The maintenance and expansion of ISO/IEC chairs, secretariats and convenorships, as well as key policy leadership positions in critical economic areas, is challenging: intense resources are needed to participate. Standards development often requires in-depth technical research and knowledge. This activity involves increased coordination at all levels, regionally, nationally and internationally.

Over the last couple of years, the number of Canadian volunteer members participating in international standardization committees has ranged between 2,500 and 2,700. In 2012, 2,619 members participated on international committees. Given flatlined participation levels, SCC has needed to ensure more strategic Canadian involvement.

With Canadian subject matter experts and their organizations keeping a closer watch on their financial resources, many of these experts are unable to participate in face-to-face meetings. Newer experts in emerging technologies also do not necessarily have resources to participate. As a result, Canada's volunteer base in standards development is not increasing as more senior experts retire and are not being replaced. To address this issue and to ensure representation on international committees in Canada's national interest, in 2012

SCC strengthened its model for prioritization of how and where Canada engages in the development of international standards. As well, revitalizing SCC's member program will focus on recruitment and training for new experts who participate on international committees to further strengthen Canada's international participation.

Regulators using standards with greater frequency

Federal and provincial regulators have steadily increased their reliance on Canadian and international standards. In addition, regulators oversee a broadening scope of products manufactured outside of Canada. Given the increasing importance of standards to meet regulatory objectives, SCC is working closely with federal departments to help meet their regulatory objectives through standardization.

5. STRATEGIC PRIORITIES FOR 2013-2014 to 2017-2018

The following four strategic priorities have been established for the 2013-2014 to 2017-2018 planning period:

- Strengthen Canada's standardization network;
- Deliver standardization solutions;
- Maximize the benefits of standards and accreditation; and
- Drive operational efficiency and productivity.

SCC reviews these priorities and initiatives on an ongoing basis and adjusts for them as required, given changes in the operating environment.

STRATEGIC PRIORITY 1: STRENGTHEN CANADA'S STANDARDIZATION NETWORK

Strategic Outcome: Canada's standardization network is optimally serving the standardization requirements of both government and industry.

SCC is playing a key role in the creation of a more effective standardization framework that will help Canada's economic and social infrastructures thrive. The organization is achieving this goal by working with both government and industry to identify and advance Canadian standardization priorities.

Over the last year, SCC has made significant progress with key federal departments (Health Canada, Transport Canada, Industry Canada, Public Works and Government Services Canada and Natural Resources Canada, among others) by assisting them in developing a keener understanding of the value of standards and accreditation and how

these solutions apply to their own priorities. By continuing its work with these departments and collaborating with the ADM Committee on Standardization, SCC will identify the standardization priorities of the federal government.

Ongoing collaboration and engagement with targeted industry stakeholders will also strengthen Canada's standardization network. Over the last two years, having achieved greater awareness of standardization among more government influencers, SCC can now better engage with industry sectors. This engagement will enable the organization to identify standards and certification required for sectors of strategic importance to Canada such as oil and gas, electro-technical, consumer and public interest.

SCC has developed effective bilateral working relationships with national industry association executive teams to identify and validate Canada's industry standardization goals and priorities that affect this nation's economy and global competitiveness. SCC has cultivated relationships with senior leaders from national association member companies and organizations. In turn, these corporations have targeted their discussions to leverage standardization solutions that respond to current and near-future industry sector challenges and opportunities.

SCC will also continue to work with the provinces and territories to set standardization priorities and goals, and will use its established standardization model to review standards referenced in regulation that may require updating.

With a view to strengthening Canada's standardization network, SCC will be promoting, encouraging and facilitating the harmonization of standards and expanding the number of eligible SCC-accredited SDOs to increase standardization options. These initiatives will ultimately help to increase trade and Canadian competitiveness.

This will ensure that the standards currently being used in Canada from non-accredited SDOs adhere to Canadian requirements and provide an opportunity to fill gaps that may exist.

Key Initiatives

- Identify and validate Canada's strategic standardization priorities for targeted areas of industry critical to Canada's economy, such as oil and gas.
- Support standardization initiatives that affect Canada's economy (e.g., Smart Grid and energy efficiency).
- Establish standardization leadership to grow awareness of the value of standards in Canadian provinces and territories.
- Strengthen the ADM Committee on Standardization through liaison with Industry Canada and Treasury Board of Canada Secretariat.
- Strengthen Canada's standardization network through the accreditation of eligible new SDOs.
- Use existing social media and develop an online social collaboration platform to leverage discussions on standardization topics, engage stakeholders, provide tools and assist in the prioritization of standardization goals for Canada.
- Monitor, evaluate and report on performance of Canadian participation in regional and international standards committees and take corrective action when necessary.
- Leverage advisory panels and committees to ensure both are engaged in long-term strategic objectives of Canada's standardization network.
- Develop and implement an extranet solution for mirror committees to use to strengthen, negotiate and coordinate Canada's positions and participation with ISO and IEC.
- Implement corporate communications strategy to strengthen Canada's standardization network and to ensure standardization continues to be part of the public policy debate.
- Leverage World Standards Day and World Accreditation Day events, annual public meeting, and other events to strengthen Canada's standardization network with the inclusion of new and existing stakeholders.

STRATEGIC PRIORITY 2: DELIVER STANDARDIZATION SOLUTIONS

Strategic Outcome: Standardization solutions offered by SCC are recognized as critical solutions that support the agendas of both government and industry.

Standardization solutions are delivered across a variety of programs and sectors of the economy that matter most to Canadians, including health and safety, the environment, and trade. SCC is focused on mobilizing the expertise of Canada's standardization network to deliver solutions to key stakeholders in government and industry. Supporting government departments' plans and priorities remains a goal for SCC.

SCC will continue to work with federal departments and industry to develop and identify priorities and goals. Through this work, SCC has established a credible strategy and methodology for long-term monitoring of standards used in regulations. These profiles will assist senior decision-makers in setting and benchmarking standardization priorities and goals. This includes the review and update of important standards. SCC continues to engage departments and industry by helping them understand their current use of standards, and develops roadmaps to identify, support and update future standardization priorities and goals.

SCC will collaborate with subject matter experts to develop roadmaps aimed at mapping standardization gaps and opportunities in key sectors of the economy. Areas such as Smart Grid, consumer product safety and natural gas have already been supported with standardization mapping solutions. SCC will maintain development of robust private-public relationships to devise standardization roadmaps. These roadmaps serve to support critical infrastructure relevant to Canadian government and industry.

To increase the responsiveness of Canada's standardization network, SCC is working to improve the identification and evaluation of needs for new standards or revisions to existing standards.

Key Initiatives

- Engage government departments in standardization activities:
 - Oversee funding allocated to specific national standardization priorities; and
 - Pilot Monitoring of Standards in Regulations (MSR) project.
- Collaborate with the RCC to identify how standardization can contribute to the alignment of Canadian and U.S. regulatory approaches.
- Implement applicable initiatives for improvement based on recommendations from the Canadian Institute of Plumbing and Heating and Electro-Federation Canada (e.g., remove duplicate certifications).
- Serve as the primary standardization advisor to DFAIT in the negotiation of key foreign trade agreements (e.g., CETA, CEPA between Canada and India, as well as in support of Canada's domestic trade agreement, the AIT).
- Implement phases 2 and 3 of NISI including progress on the development of four national standards to support Canada's northern infrastructure:
 - community drainage and climate change in northern Canada;
 - thermosyphon-supported foundations for new buildings;
 - risk management of snow loads on northern buildings; and
 - management of the effects of permafrost degradation on existing buildings.
- Support Canada's Mongolian Engagement Strategy through shared standardization practices in the sectors of mining, transportation infrastructure, winter roads and building construction, urban planning, emergency preparedness, and environmental protection.
- Increase standardization capacity of national standardization bodies in the CARICOM region through the CATRTA program:
 - Complete workshops and sub-projects under CATRTA to strengthen trade partners' national standardization systems.
- Develop industry standardization profiles supporting the identification, validation and engagement of key stakeholders to facilitate the creation of a standards strategy that starts addressing Canada's industry standardization challenges, opportunities and priorities in vital areas to Canada's economy and competitiveness.
- Develop a long-term standards sales strategy.
- Develop a strategic plan for Accreditation Services branch and a three-year strategic business plan.
- Implement the medical laboratories program business development strategy in partnership with Accreditation Canada.
- Leverage new Accreditation Services branch programs, such as ISO 50001, to reach a new base of accreditation customers.

STRATEGIC PRIORITY 3: MAXIMIZE THE BENEFITS OF STANDARDS AND ACCREDITATION

Strategic Outcome: A stronger Canadian voice is established regionally and internationally to maximize the benefits of standards and accreditation for Canada's economic and social well-being.

Canada needs to be a standardization leader in areas that matter most to our social and economic foundations. Having divergent standards, or standards not recognized in the global marketplace, will impede the sale of Canadian exports and technologies and cost Canada millions of dollars in lost revenue. The recognition that international competition is based on global standards continues to gain wider support in Canada and around the world. Minimizing technical barriers to trade through harmonized standardization practices will improve Canadian competitiveness.

Current trends suggest interest in the development and use of international standards will continue to grow. SCC must positively influence public policy (and encourage participation by the right Canadians, on the right international committees, at the right time), to ensure Canada doesn't fall behind in areas of critical importance to national economic growth and competitiveness.

Given this premise, SCC revised its procedures in February 2012 to provide funding allocation for Canadians participating in international standards development committee meetings. These new procedures enable a more equitable and transparent approach and ensure that participation is aligned with areas of national interest that engage in standardization activities to advance Canada's economy, support sustainable development, benefit the health, safety and welfare of workers, protect consumers and the public, and facilitate trade. This year, SCC will leverage changes made to the policy, to encourage stronger Canadian influence and more strategic participation on international standardization committees.

SCC's Accreditation Services branch will undergo a strategic review of its operations. Areas of improvement, as identified in its 2012 customer satisfaction survey, will be addressed to provide value-added service to new and existing customers. Over this planning period, SCC will implement a new, streamlined and customer-focused accreditation process and develop a business solution to provide customers with a more timely and responsive service.

Key Initiatives

- Strategically engage and coordinate Canada's representation, leadership and influence on ISO and IEC committees that are critical to Canada's economy and competitiveness.
- Strategically align and continue to secure financial support for Canadian experts attending international standardization meetings, to facilitate technological advancement for Canada and benefit Canadian domestic and export markets.
- Engage a comprehensive platform of stakeholders (government, industry, manufacturers and end users) to ensure necessary secretariats and committees are established.
- Develop a rigorous performance management system to ensure the effectiveness of Canadian participation on regional and international standards committees for the benefit of Canada.
- Collaborate with Industry Canada to identify Canada's Information and communications technology (ICT) standards priorities and ensure a more strategic participation of Canadians in the ITU and Joint ISO/IEC Technical Committee (JTC) in the area of ICT standards.
- Strengthen SCC's member program to ensure effective recruitment, training and recognition of technical committee members.
- Initiate a strategic review of service delivery options for SCC's Accreditation Services branch.
- Implement a new, streamlined and customer-focused accreditation process (including education of and support for existing and potential customers).

STRATEGIC PRIORITY 4: DRIVE OPERATIONAL EFFICIENCY AND PRODUCTIVITY

Strategic Outcome: SCC's resources are managed effectively, to ensure operational efficiency and productivity, in support of SCC's strategic priorities.

Given the significant breadth and depth of initiatives SCC is delivering over this planning period, the organization continues to align its resources to support its strategic priorities.

SCC staff is comprised of a committed and dedicated team. Through delivery of innovative standardization solutions, SCC is increasingly pushing boundaries to ensure the full scope of its mandate is exercised to achieve its objectives. To retain its competitive workforce and promote the valuable

contributions SCC staff is making to Canada's standardization network, the organization offers a stimulating, innovative and productive environment. Additionally, SCC sets aside approximately 1.5 per cent of its salary budget for learning and growth opportunities.

The organization's overall financial position remains stable through the recent injection of funding. Ongoing focus continues on effective financial management as SCC prioritizes its base core expenditures and strategic investments for optimal balance. The return-on-investment in standardization is being considered, as is the need for even greater entrenchment of standardization solutions within industry and government.

The redesign of the organization's quality management system centers on the Accreditation Services branch, with a focus on meeting customer requirements and promoting continuous improvement and consistency in the delivery of its products and services. Processes are being simplified and streamlined to improve efficiencies and to support timely and responsive service delivery.

Anticipated benefits of this overhaul include a sustainable and maintainable system providing heightened customer satisfaction as well as projected cost efficiencies.

The IM/IT infrastructure has been customized on an application-by-application basis. Significant progress has been made over the last year to develop an overall IM/IT architecture design that conceptualizes the evolution from a fragmented, outdated series of systems to an integrated, enterprise-wide system. This system will encompass best practice document and records management, CRM, ERP and a CMS. Embedded in these functional areas is the enterprise concept for social collaboration, which will enable SCC to reach a much broader group of stakeholders in areas of priority for Canada as well as the technology solution to support the Accreditation Services branch's business operations' transformation.

During this planning period, the goal will be to implement a design to support both internal transactional processing and external collaboration activities.

During 2013-2014, SCC expects to fully align its operational infrastructure to the organization's current strategic objectives. Much of this infrastructure renewal is being developed to support broader consultation and collaboration with stakeholders from governments, industry and consumer groups.

Key Initiatives

- Develop a centralized standards repository to search for, view and retrieve information on a variety of standardization activities and processes.
- Implement a modernized QMS to improve Accreditation Services branch's processes, ensuring both clarity of execution and efficiency are maximized.
- Implement an accreditation business solution and central standards repository in an integrated, inter-operable environment consistent with the overall IM/IT architecture.
- Commence implementation of functional modules to support the IM/IT architectural vision including: Single Sign On, document management, CRM, CMS and ERP solutions as the foundation for meeting organizational objectives.
- Implement SCC's staff and Council succession plan.
- Provide orientation and training to new Council members.
- Implement a succession planning program for contract assessors with the Accreditation Services branch.
- Increase the flexibility and responsiveness of SCC's NSC process.

6. PERFORMANCE AND RISK

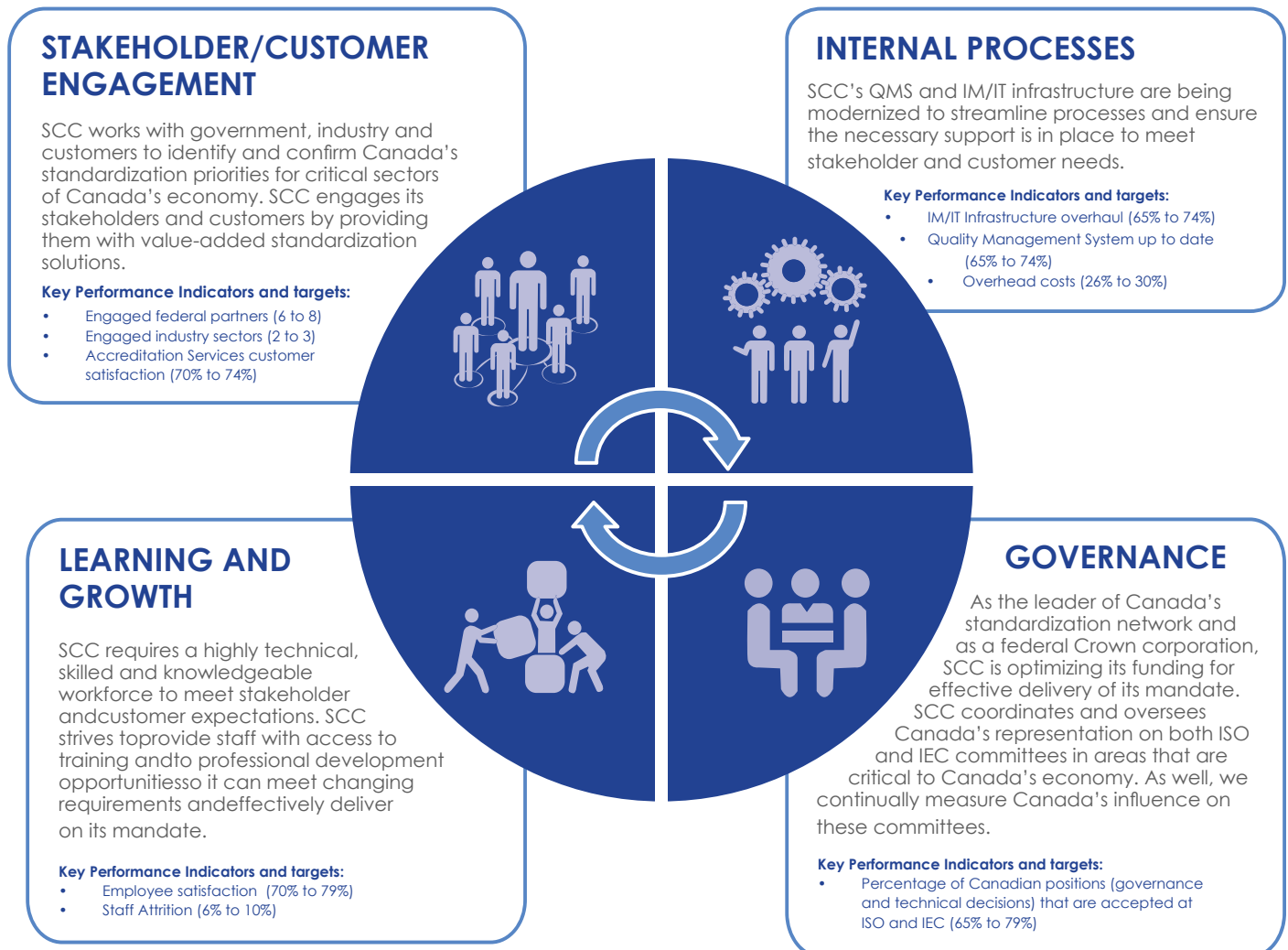
6.1 PERFORMANCE

SCC will manage risk alongside performance within the following four areas of performance: stakeholder/customer engagement, learning and growth, internal processes, and governance.

SCC has developed an integrated approach to performance and risk. This approach provides current best practices related to performance and risk for the following reasons:

- avoids duplication;
- links strategic priorities, risk tolerances and performance perspectives;
- provides risk tolerance thresholds and enables us to monitor areas that may impede SCC from achieving its priorities;
- provides an increased risk accountability structure;
- monitors progress through risk-informed performance indicators and identifies emerging risks related to business objectives, thereby helping to identify areas for performance improvement; and
- prevents using a silo approach to assess corporate risks.

Figure 3



6.2 ENTERPRISE RISK MANAGEMENT ASSESSMENT

In 2012-2013, SCC fully incorporated the international standard ISO 31000, *Risk Management – Principles and Guidelines*. In June 2012, SCC's Audit Committee approved the organization's newly created risk management policy, moving the organization further along the risk management maturity spectrum. Having the policy in place provides SCC with strengthened risk management processes and specifies SCC's level of risk appetite.

Additionally, SCC adopted a revised risk framework that was also reviewed and approved by the Audit Committee in June 2012. The revised framework identifies corporate risks, tolerance levels and indicators. With this revised framework in place, management now has a more advanced internal business tool to monitor and report on risk. The framework also clearly establishes roles and responsibilities of SCC's governing Council and senior management, with the Council having responsibility to set risk parameters and management responsibilities that effectively manage and mitigate corporate risks.

Since then, and in concert with the annual development of the corporate plan, the organization's risk profile has been updated. This ensures the profile directly links SCC's corporate performance to strategic priorities. SCC is increasingly looking to optimize organizational risk efforts and to maximize opportunities to link risk and performance. Continually linking performance and risk metrics provides a more coordinated accountability structure for better managing risk alongside corporate performance. As an organization that innovates, SCC must not only effectively mitigate organizational risk, but also seize opportunities at the other end of the risk spectrum.

At its annual risk management workshop held in May 2012, SCC also reviewed its current risks related

to the organization's four strategic priorities described in this plan. Supporting risk mitigation strategies were established at the workshop.

SCC's senior managers monitor risks associated with projects and initiatives through monthly management meetings. Together, they determine the appropriate action for mitigating any shifting levels of risk.

A number of SCC's ongoing strategic initiatives are also directly aligned with GC public policy priorities. The organization is therefore closely monitoring these initiatives to minimize any risks associated with SCC's reputation. SCC continues to make progress with federal departments on updating standards referenced in regulation.

The organization continues to be mindful of other reputational risks associated with stakeholder engagement. With an aggressive outreach strategy targeting industry and government, SCC is cautious about potential reputational risks among various stakeholders. The upside to this strategy is the organization is able to validate stakeholders' priorities and gain further insight on their market-related challenges and opportunities.

SCC's key risks are directly aligned with the organization's strategic objectives. Ongoing efforts will continue to integrate a more robust risk framework within the organization. SCC will also maintain development of stronger risk mitigation strategies in order to ensure successful implementation of ongoing and future strategic initiatives.

SCC recognizes that IM/IT is crucial to achieving the organization's strategic and operational objectives. Critical IM/IT projects are viewed as a risk exposure to the organization, given the significant resources required to modernize IM/IT infrastructure. For this

planning period, SCC has built in an aggressive schedule for continuing the work required to upgrade and modernize its IM/IT tools and platform. This strategy will ensure the organization can deliver on its mandate and on the most critical strategic priorities. More generally, other key areas of strategic focus and risk mitigation that continue to be relevant for this planning period include:

- CEO and council succession planning;
- stakeholder engagement and associated reputational risks;
- customer satisfaction;
- updating standards referenced in regulation;
- strategic international participation on ISO and IEC committees;
- internal risk controls, people, and sound financial controls; and
- modernizing SCC's QMS.

7. OUR FINANCIAL PLAN

7.1 ORGANIZATIONAL FOCUS

SCC is now in its fourth year of transformation. The journey began as a vision, developed into strategic goals and priorities, and has now become an every-day operating reality.

By the end of the current forecast year, SCC will be executing on all of its major strategic operating initiatives as well as its capital projects. The restructuring in prior years is now starting to solidify and position SCC to deliver. The focus in this fiscal year has been to make progress on goals concurrently while stabilizing the operating environment via frameworks to support best practice and controlled processes.

Savings achieved in prior fiscal periods have allowed SCC the opportunity to re-invest in SCC's technology and infrastructure platform to create a firm footprint with respect to its overall architecture. This foundation will benefit SCC across its priority areas such as government-identified needs and/or gaps in Canadian standardization activities, as well as to strengthen Canada's voice in the global standardization network.

7.2 2012-2013 OPERATING FORECAST VS. 2012-2013 BUDGET

For the year ended March 31, 2013, SCC forecasts a net deficit from operations of \$8.9 million (an improvement of \$1.7 million compared to the 2012-2013 operating budget). This net positive performance variance can be attributed primarily to the timing delays inherent in NISI and the outdated standards initiative.

SCC also forecasts a net surplus for the year, after appropriations, of \$1.3 million against a budgeted net deficit of \$1.3 million. This represents an additional improvement of \$0.9 million over and above the \$1.7 million operating improvement described above, and is primarily due to a one-time additional parliamentary appropriation and the removal of deferred government funding used to cover amortization.

The \$1.3 million surplus for 2012-2013 results in an accumulated net surplus of \$7.2 million. Although significant for SCC, this surplus is temporary as next year's plan will utilize most of the accumulated surplus. Once \$2.6 million is internally restricted for Operations, \$0.5 million reserved for spending commitments against NISI and \$3.3 million is used to fund next year's commitments, there is only \$0.8 million of the \$7.2 million accumulated surplus remaining to cover budgetary risks and/or future re-investment into SCC.

Total revenue from operations is forecast at \$9.8 million, relatively on par with the budgeted amount of \$9.7 million. While federal department roadmap commitments failed to materialize, additional CATRTA projects were contracted.

7.3 2012-2013 FORECAST TO 2013-2014 CORPORATE PLAN

For fiscal year 2013-2014, revenue from SCC operations is planned at \$9.7 million, which is slightly less than the \$9.8 million in revenues that was forecasted for 2012-2013. This reduction is driven by SCC revenue from advisory and other services, which is expected to decrease by \$384 thousand. This is primarily due to the completion of two projects in the Central Americas supporting Canada's efforts to maximize trade in the region as well as fewer federal requests to produce standards roadmaps. This decrease in revenue from advisory and other services is offset by an expected increase in revenue from Accreditation Services—up \$267 thousand, an increase of four per cent year-over-year.

For fiscal year 2013-2014, expenses from SCC operations are expected to increase to \$22.7 million, which is 18 per cent higher (\$4.0 million) than the \$18.7 million that was provisioned for 2012-2013. This increase can be attributed to SCC executing in 2013-2014 on five expanded strategic operating initiatives (SOIs) that were tasked by the GC in respect of emerging priorities. These include:

- international delegates – to support Canadian experts on international committees in areas of economic importance to Canada;
- capacity-building for Mongolia – to support Canada's Mongolian Engagement Strategy;
- CATRTA - to support Canada's efforts to maximize trade and investment with this region of the world
- NISI – to support Canada's North and infrastructure that has been affected by a changing climate; and
- outdated standards referenced in federal regulations – to support Canada's regulatory system.

Although these five SOIs were funded by the GC under Canada's Economic Action Plan 2011, implementation of these multi-year projects began in 2011-2012 and will continue in 2013-2014: \$2.1 million

per year to update standards referenced in federal regulations (SOI 5) and develop a more prominent Canadian presence on international standards development bodies (SOI 1-3); and \$500 thousand per year for five years to address adaptation of northern infrastructure to a changing climate (SOI 4).

In order to effectively execute on these SOIs, SCC expenses from operations have been planned at \$22.7 million. Spending is in relation to core activity support (e.g., industry workshops and training and core development), salaries and benefits for the full-time staffing complement required to implement emerging government priorities and IM/IT architecture upgrades critical to ensuring access to Canadian technical experts, supporting current and future work and delivering services for SCC's accreditation customers. As well, professional fees will be incurred for contracts negotiated with SDOs to address outdated standards.

The IM/IT architecture upgrades include document and records management, CRM, ERP, and a CMS.

The SCC's planned deficit from operations for 2013-2014 is estimated at \$13.0 million. After government funding of \$9.7 million, it will have a net deficit of \$3.3 million for the year, which will be addressed using a portion of the \$7.2 million in accumulated surplus from 2012-2013. This will result in an accumulated surplus for 2013-2014 of \$3.9 million, of which \$2.1 million will be internally restricted for operations, \$0.4 million reserved for spending commitments against NISI and \$0.8 million used to fund a planned deficit in 2014-2015. The remaining \$0.6 million will be used to cover budgetary risks and/or future re-investment into SCC.

SCC has aligned its financial reporting to capture the SOIs and capital projects separately. The following are descriptions of the associated \$5.6 million operational funding requirements for 2013-2014.

International Delegates (\$1.1 million)

Canada's participation in international standardization activities is an important global trade strategy. Canadian expertise and technologies can be more readily accepted worldwide with a stronger investment in standardization. It also ensures that Canada's views are taken into account, that Canadians are kept abreast of the directions and trends of ongoing global standardization activities and better prepares Canada to advance its economic, trade and regulatory efforts by complying with international standards.

For the five-year plan, SCC has projected an overall fixed investment of \$1.1 million per year. SCC has further assumed industry funding participation over the course of the five-year plan, with a mix that evolves from 10% / 90% to 40% / 60% by the end of the 2017-2018 fiscal year.

SCC will continue to analyze whether the planned investment level is appropriate, based on an assessment of tangible value for Canada.

Developing Countries – Mongolia (\$63 thousand)

A MOU is in place between SCC and the Mongolian Agency for Standardization and Metrology (MASM). The relationship between Canada and Mongolia has been in place for over two years now, with the two national standards bodies agreeing via the MOU to enhance trade. SCC has begun to provide advice and resources to assist MASM in building its capacity in standards and conformity assessment infrastructure in order to enhance market access for both Canadian and Mongolian exporters.

Canada Americas Trade Related Technical Assistance (\$292 thousand)

The work performed in the past two years on this multiple project initiative was the outcome of the original workshop, "Bridging the Standards Divide," in 2011. SCC's subsequent report detailed 15 potential sub-projects that will help Caribbean countries to strategically participate in standardization activities, to build regional accreditation services and to improve their understanding and ability to manage technical barriers to trade obligations. In 2013-14, SCC has planned for the finalization of both the Peru and Colombia sub-projects, as well as the one-time Pan American Standards Commission (COPANT) sub-project. In the following year, 2014-2015, SCC has planned for up to two projects relating to accreditation.

Northern Infrastructure Standardization Initiative (NISI) (\$473 thousand)

For the 2013-2014 plan, NISI is in its third year of a five-year initiative in partnership with Aboriginal Affairs and Northern Development Canada (AANDC). SCC is creating a means of coordinating federal departments and agencies engaged in northern infrastructure, to ensure consistency and coherence in adapting this infrastructure to deal with climate change. In September 2012, SCC contracted for the development of national standards in four focus areas, with expected deliverables over the course of the next two to three years.

Outdated Standards Referenced in Federal Regulations (\$3.2 million)

There are more than 2,000 different standards incorporated by reference in federal regulations, National Model Codes and the National Master Specification maintained by Public Works and Government Services Canada. A significant proportion of these standards have to be updated to keep up with advances in technology and to enhance the health and safety of Canadians. SCC has been working with relevant federal departments and agencies to address this issue. In 2012-2013, SCC drafted a list of top federal priorities related to standards referenced in federal regulations based on risk assessments from key departments and agencies. SCC is expecting to fund contracts in this fiscal year, with deliverables spanning the next two fiscal years, hence the large funding requirement in fiscal year 2013-2014.

IM/IT Architecture Modernization (\$494 thousand)

SCC is modernizing its IM/IT architecture and associated solutions with the following objectives:

- enable the business to deliver on the SCC vision and associated priorities;
- deliver a streamlined and modernized architecture that is easier and cheaper to maintain and build upon;
- move from a customized solution set to out-of-the-box capabilities and features; and
- ensure a seamless stakeholder experience.

A multi-year plan has been documented and will consist of delivering a fully integrated architecture with Single Sign On, document and records management, CRM, CMS and ERP solutions as the foundation for meeting SCC's IM/IT needs.

STATEMENT OF OPERATIONS

For the year ended March 31

(In thousands of dollars)	Actuals	Forecast	Plan				
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
REVENUE FROM OPERATIONS							
Accreditation Revenue	6,455	7,197	7,464	7,838	8,230	8,642	9,075
SCC eStore	870	901	911	957	1,005	1,056	1,109
Advisory Services	615	955	646	582	543	640	650
Enquiry Point & Notification Services	386	389	396	416	437	459	482
Other Income	337	374	282	395	487	600	713
TOTAL REVENUE FROM OPERATIONS	8,663	9,816	9,699	10,188	10,702	11,397	12,029
TOTAL EXPENSES	14,910	18,695	22,737	20,709	20,630	20,398	20,343
SURPLUS/(DEFICIT) FROM OPERATIONS	(6,247)	(8,879)	(13,038)	(10,521)	(9,928)	(9,001)	(8,314)
PARLIAMENTARY APPROPRIATIONS	8,059	10,142	9,729	9,729	9,729	9,229	9,229
NET SURPLUS /(DEFICIT) FOR THE YEAR	1,812	1,263	(3,309)	(792)	(199)	228	915
ACCUMULATED SURPLUS/(DEFICIT), BEGINNING OF YEAR	4,172	5,984	7,247	3,938	3,146	2,947	3,175
ACCUMULATED SURPLUS/(DEFICIT), END OF YEAR	5,984	7,247	3,938	3,146	2,947	3,175	4,090

PRO FORMA STATEMENT OF FINANCIAL POSITION

For the year ended March 31

(In thousands of dollars)	Actuals	Forecast	Plan				
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
ASSETS							
FINANCIAL ASSETS							
Cash	5,440	6,972	2,370	1,795	1,737	2,378	3,546
Accounts Receivable: Federal Departments and Agencies	343	401	353	364	375	386	398
Other	2,088	3,235	3,332	3,432	3,535	3,641	3,750
TOTAL FINANCIAL ASSETS	7,871	10,608	6,055	5,591	5,647	5,405	7,694
LIABILITIES							
Accounts Payable and Accrued Liabilities	1,597	2,929	2,338	2,385	2,433	2,482	2,532
Contributions Received	22	73	75	77	79	81	83
Deferred Revenue	1,950	2,009	2,069	2,131	2,195	2,261	2,329
TOTAL LIABILITIES	3,569	5,011	4,482	4,593	4,707	4,824	4,944
NET FINANCIAL ASSETS	4,302	5,597	1,573	998	940	1,581	2,750
NON-FINANCIAL ASSETS							
Prepaid Expenses	752	705	726	748	770	793	817
Capital Assets (Net)	930	945	1,639	1,400	1,237	801	523
TOTAL NON-FINANCIAL ASSETS	1,682	1,650	2,365	2,148	2,007	1,594	1,340
ACCUMULATED SURPLUS/(DEFICIT)	5,984	7,247	3,983	3,146	2,947	3,175	4,090

PRO FORMA STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31

(In thousands of dollars)	Actuals	Forecast	Plan				
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Total Annual Surplus/(Deficit)	1,812	1,263	(3,309)	(792)	(199)	228	915
Acquisition of Capital Assets	(423)	(321)	(1,169)	(419)	(444)	(144)	(144)
Amortization of Tangible Capital Assets	225	306	475	658	607	580	422
(Increase)/Decrease on Prepaid Expenses	23	47	(21)	(22)	(22)	(23)	(24)
INCREASE/(DECREASE) IN NET ASSETS	1,637	1,295	(4,024)	(575)	(58)	641	1,169
NET ASSETS/(DEBT), BEGINNING OF PERIOD	2,665	4,302	5,597	1,573	998	940	1,581
NET ASSETS/(DEBT), END OF PERIOD	4,302	5,597	1,573	998	940	1,581	2,750

PRO FORMA STATEMENT OF CASH FLOWS

For the year ended March 31

(In thousands of dollars)	Actuals	Forecast	Plan				
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
NET CASH FROM OPERATIONS							
Annual Surplus/(Deficit)	1,812	1,263	(3,309)	(792)	(199)	228	915
Adjustments for Non-Cash Items:							
Amortization of Premises and Equipment	225	306	475	658	607	580	422
Changes in current liabilities and current assets other than cash	199	284	(599)	(22)	(22)	(23)	(25)
NET CHANGE IN CASH FROM OPERATIONS	2,236	1,853	(3,433)	(156)	386	785	1,312
CASH APPLIED TO CAPITAL TRANSACTIONS							
Additions to tangible capital assets	(423)	(321)	(1,169)	(419)	(444)	(144)	(144)
INCREASE IN CASH AND CASH EQUIVALENTS	1,813	1,532	(4,602)	(575)	(58)	641	1,168
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,627	5,440	6,972	2,370	1,795	1,737	2,378
CASH AND CASH EQUIVALENTS, END OF YEAR	5,440	6,972	2,370	1,795	1,737	2,378	3,546

CAPITAL INVESTMENT PLAN

For the year ended March 31

(In thousands of dollars)	2011-2012	2012-2013		Five-Year Plan				
	Actuals	Forecast	Budget	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
IM/IT Infrastructure Equipment	34	75	79	24	24	24	24	24
Software & Other	221	145	710	1,095	380	370	70	70
Furniture & Small Office Equipment	86	45	15	50	15	50	50	50
Leasehold Improvements	82	56	0	0	0	0	0	0
TOTAL CAPITAL INVESTMENT PLAN	423	321	804	1,169	419	444	144	144