



Standards Council of Canada
Conseil canadien des normes

Leading Canada's Standardization Network

Summary of Corporate Plan 2014-2015 to 2018-2019

Summary of Operating Budget for 2014-2015

Summary of Capital Budget 2014-2015



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

Standards Council of Canada
270 Albert Street, Suite 200
Ottawa, Ontario K1P 6N7
Telephone: +1 613 238 3222
Fax: +1 613 569 7808
www.scc.ca
info@scc.ca

ISBN 978-0-920360-XX-0
Ottawa, February 2014

Printed in Canada on recycled and recyclable paper

Table of contents

1. Introduction	3
2. Executive Summary	5
3. Canada's Standardization Network	9
4. Linking SCC Activities to Government of Canada Priorities	10
5. Corporate Profile	12
5.1 Mandate	12
5.2 SCC's Council Structure	12
5.3 Staff and Activities	16
5.4 Standardization Solutions	19
6. SCC's Operating Environment	22
6.1 Key Trends	22
6.2 Strategic Issues	24
7. Strategic Priorities	28
8. Performance and Risk	39
8.1 Aligning Risk and Performance	39
8.2 Corporate Risks	41
9. SCC's Financial Plan	43
9.1 Organizational Focus	43
9.2 2013-2014 Operating Forecast vs. 2012-2013 Actual Results	44
9.3 2013-2014 Operating Forecast vs. 2013-2014 Budget	44
9.4 2013-2014 Forecast to 2014-2015 Corporate Plan	44
9.5 2013-2014 Capital Expenditures Forecast	47
9.6 2014-2015 Capital Budget and 5-Year Capital Investment Plan	48

List of Figures

Figure 1: Canada's Standardization Network	9
Figure 2: SCC Council Structure	13
Figure 3: SCC's Executive Team	16
Figure 4: Key Facts and Figures	22
Figure 5: Areas of Performance	40

Glossary of Acronyms

AANDC	Aboriginal Affairs and Northern Development Canada
AAP	Accreditation Advisory Panel
AIT	Agreement on Internal Trade
ANSI	American National Standards Institute
APLAC	Asia Pacific Laboratory Accreditation Cooperation
APS	Advisory Panel on Standards
CAC	Canadian Advisory Committee
CANC/IEC	(SCC's) Canadian National Committee for the International Electrotechnical Commission
CARICOM	Caribbean Community
CATRTA	Canada-Americas Trade-Related Technical Assistance
CEO	Chief Executive Officer
CEN	European Committee for Standardization
CENELEC	European Committee for Electrotechnical Standardization
CEPA	<i>Canada and India Comprehensive Economic Partnership Agreement</i>
CETA	<i>Canada-European Union Comprehensive Economic and Trade Agreement</i>
CIPH	Canadian Institute of Plumbing and Heating
COPANT	Pan American Standards Commission
CPIP	(SCC's) Consumer and Public Interest Panel
DFATD	Department of Foreign Affairs, Trade and Development
EFC	Electro-Federation Canada
GHG	Greenhouse Gas
IAAC	InterAmerican Accreditation Cooperation
IAF	International Accreditation Forum
ICT	Information and Communication Technology
IEC	International Electrotechnical Commission
ILAC	International Laboratory Accreditation Cooperation
IM/IT	information management/information technology
ISACC	ICT Standards Advisory Council of Canada
ISD	International Standards Development
ISO	International Organization for Standardization
ISO/CASCO	ISO Committee on conformity assessment
ISO/COPOLCO	Consumer Policy Committee of ISO
ISO/IEC	International Organization for Standardization/International Electrotechnical Commission
MASM	Mongolian Agency for Standardization and Metrology
MOU	Memorandum of Understanding
NAFTA	North American Free Trade Agreement
NFPA	National Fire Protection Association
NISI	Northern Infrastructure Standardization Initiative
NSCs	National Standards of Canada
PASC	Pacific Area Standards Congress
PTAC	(SCC's) Provincial-Territorial Advisory Committee
QMS	quality management system
RCC	Regulatory Cooperation Council
RNF	Réseau Normalisation et Francophonie
SCC	Standards Council of Canada
SDOs	standards development organizations
SDOAC	(SCC's) Standards Development Organizations Advisory Committee
TPP	Trans-Pacific Partnership
WTO	World Trade Organization

1. Introduction

The Standards Council of Canada (SCC) has been at the heart of exciting changes in the global world of standardization and has raised its profile as the leader of Canada's standardization network. Everything SCC does is for the benefit of Canadians' economic and social well-being.

Our national standardization network is all about driving economic growth through innovation and improving the quality of life for Canadians. Thousands of people and organizations across this nation contribute to this network, ensuring standards, and conformity assessment programs, are in place to benefit Canadians.

Standards set the foundation for virtually all products and services in any economy. Standardization is the development and application of standards publications that establish accepted practices, technical requirements and terminologies for products, services and systems. Standards help to ensure better, safer and more efficient methods and products, and are an essential element of technology, innovation and trade. Conformity assessment programs, such as accreditation and certification programs, provide third-party attestation that an organization has met one or more specific standards. Standards, and conformity to standards, protect us every time we turn on a tap, undergo a critical medical test or put a toy in a child's hand. But standards don't just keep Canadians safe. Standards fuel our economy.

Standardization supports government regulatory bodies in meeting public policy objectives and helps industry reduce costs and increase productivity. Standardization also eases entry into international markets, which is critical to

Canada's economic success. SCC is there, working with Canadian industries, to ensure that standards developed support key Canadian sectors, helping these sectors enter new markets and compete at the global level.

SCC is collaborating with government and industry stakeholders, toward developing standardization solutions in new and innovative ways. The organization has strengthened its ties with government to make regulators aware of the important role standards play and to monitor standards in regulations that may require updating. SCC is currently funding the review and update of critical standards that are referenced in Canadian regulations, and will continue this vital work to ensure standardization is part of public policy discussion and included in future government departmental plans. The organization will continue to be transparent and seek feedback from a broad base of stakeholders to ensure Canada's standardization network remains vibrant and strong, and continues to respond to the needs of government and industry — and ultimately the consumer.

Opening Doors for Industry

SCC is also helping Canadian companies access global markets by playing a pivotal role in supporting and advising on international trade agreements. Through agreements such as the *Canada-European Union: Comprehensive Economic and Trade Agreement* (CETA) and the *Canada-Americas Trade-Related Technical Assistance Program* (CATRTA), SCC is helping to reduce trade barriers and increase investment opportunities for Canadian industries.

In 2013-2014, SCC focused on identifying the industry sectors that contribute most to Canada's economy. The organization is forging strong relationships with sectors such as oil and gas, energy, and information technology, to demonstrate how standards can support their priorities and help them compete on the world stage. Recent findings, obtained during SCC's first targeted sector engagement forum with oil sector leaders, identified the need to address standardization solutions related to labour mobility barriers, disparities among national occupational health and safety standards, and importing pipeline components and parts. In the coming year, SCC will continue to strengthen these relationships within sectors of strategic importance to Canada. SCC's goal is to determine how SCC can best meet these sector standardization priorities to further promote Canadian competitiveness.

Greater Choice Equals Better Service

SCC is offering more standardization options than ever before, through the accreditation of additional standards development organizations (SDOs). Accrediting these organizations provides greater flexibility and increased opportunities to resolve regulatory issues, harmonize standards and improve trade. Demonstrating its continued efforts to ensure more standardization solutions are available for use by government, industry, and consumer groups, SCC has increased its complement of accredited SDOs to include: the Air-Conditioning, Heating, and Refrigeration Institute; ASTM International; and, Underwriters Laboratories. SCC has put in place new mechanisms to minimize the duplication of both standards and the effort required to develop and update standards. The organization has also restructured its accreditation services to focus more clearly on service delivery and its customers.

At the international level, SCC is working diligently, in several ways, to ensure Canada's voice is heard. One way is by facilitating the participation of Canadian experts on international technical committees. SCC's goal is to ensure Canadian expertise and technologies are embedded in new international standards. SCC is also taking steps to address the declining pool of Canadian assessors, through a recruitment campaign in specialized fields, such as management systems certification, greenhouse gas (GHG) verification and validation, and medical laboratories. Assessors play a vital role within Canada's conformity assessment system, and it is crucial that SCC attracts – and retains – these experts.

A Clear Vision for the Future

As a small, knowledge-based organization that has a significant impact in guarding Canada's health and safety, and in enhancing Canadian competitiveness, SCC has made significant strides in strengthening Canada's standardization network. SCC is creating a competitive advantage for Canadian companies and is enhancing Canadians' quality of life.

Looking toward the future, the organization will continue to build on its past successes by remaining at the centre of dynamic shifts, developments and innovations in standardization. At this important juncture, with unprecedented awareness and support from government, as well as industry involvement, SCC will continue to advance the development of a national standardization strategy.

2. Executive Summary

Over the past fiscal year, SCC has made significant progress toward strengthening Canada's standardization network. This achievement has been reached through the organization's engagement of government and industry stakeholders: first, to provide solutions for updating standards referenced in government regulations; second, to provide more options with the accreditation of additional SDOs; and third, to address the duplication of standards and effort among SCC-accredited SDOs. SCC has also embarked on important initiatives to align standards both nationally and internationally, and is working to increase Canadian membership on targeted international committees, in order to boost Canada's voice internationally.

In leading Canada's standardization network, SCC must effectively align and define standardization priorities for Canada. To do so, the organization will continue to generate awareness of the importance of standardization and to influence both government and industry decision-makers.

Strategic Priority 1

SCC will **engage targeted stakeholders to strengthen Canada's standardization network**, promoting the benefits of standardization to ensure greater coordination of, and collaboration among, SCC's stakeholders. Working with governments to identify and validate strategic standardization priorities for Canada is a continued priority for SCC. The organization will further engage industry to secure greater participation and funding for standardization activities of strategic importance to Canada. SCC will continue to work with stakeholders to reduce the overlap and duplication of standards and efforts domestically and internationally, as well as among SCC-accredited SDOs. The organization

will also continue to consult with consumers and public interest groups to determine priority areas, where standardization solutions can be of benefit. With greater stakeholder engagement, including governments, industry, and consumer and public interest groups, SCC's aim is to work collaboratively with stakeholders to develop a consolidated, more responsive, national approach to standardization.

Strategic Priority 2

The organization will **deliver standardization solutions essential to the priorities of governments and industry**. Standardization solutions, including accreditation services, are required to protect and enhance Canadians well-being in areas such as health, safety, the environment and trade.

SCC will continue to provide solutions and funding for the updating of standards key to government and industry use in Canada. Helping federal departments find ways to ensure ongoing monitoring and maintenance of standards important to Canada's regulatory

agenda is a goal that SCC continues to pursue. SCC, for example, is funding the updating of two Canadian organic food standards, two standards referenced in Natural Resources Canada's Explosives Regulations, and six design standards for petroleum storage tank systems.

Expansion of SCC's Energy Management Systems Accreditation Program is planned. In 2012, SCC launched Canada's first and only program for the accreditation of bodies that seek to certify organizations to the international standard *ISO 50001 – Energy Management Systems*. By establishing energy management systems and processes in accordance with ISO 50001, organizations can improve their overall energy performance, including energy efficiency, use and consumption.

Strategic Priority 3

Demonstrating Canadian leadership in the development and use of standards, and in conformity assessment, is central to **maximizing the benefits of standards and accreditation regionally and internationally, to advance Canada's competitiveness and social well-being**. SCC coordinates the participation of Canadian experts at international standards development committee meetings of the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC). The organization will continue to align and secure financial support for Canadian experts attending international standardization meetings, target expert participation in technical meetings that matter most to Canadians, and further strengthen its member program to ensure effective recruitment, training and recognition of technical committee members. SCC will lead and coordinate the development of strategic plans for regional standardization organizations such as the *Pan American Standards Commission* (COPANT) and the *Pacific Area Standards Congress* (PASC).

Strategic Priority 4

SCC is working to **drive operational efficiency and productivity through high-performance teams**. Its ability to maintain skilled and engaged staff, equipped with the right tools to carry out the organization's objectives, is vital to SCC's success. The organization will continue the next phase of its human resources strategy to implement succession planning, foster team excellence, and address the results of its employee engagement survey. SCC remains focused on quality management, improving its processes and implementing an information management/information technology (IM/IT) platform that will provide modernized tools to more effectively carry out the organization's activities. SCC has tightened its reporting frameworks and metrics to transparently demonstrate key result areas.

In 2014-2015, the organization will build on its past-year successes and continue to advance initiatives in support of these four strategic priorities:

1. Engaging targeted stakeholders to strengthen Canada's standardization network.
2. Delivering standardization solutions that are essential to the priorities of governments and industry.
3. Maximizing the benefits of standards and accreditation regionally and internationally, to advance Canada's competitiveness and social well-being.
4. Driving operational efficiency and productivity through high-performance teams.

Financial Plan

SCC's operating budget for 2014-2015 will be \$23,197,000 and its capital budget for 2014-2015 will be \$884,000, a total of \$24,081,000. The total appropriations from the Government of Canada in 2014-2015 are

\$11,729,000 from existing reference levels which includes a \$2 million re-profile from fiscal year 2013–2014. The amount of funding for the re-profile is fully committed through signed contracts. Revenue to be generated for 2014-2015 from operations, including accreditation services, SCC eStore, and advisory services is forecasted at \$9,396,000. The budget for 2014–2015 forecasts a net deficit of \$2,072,000, which will be funded out of accumulated surplus as SCC rebalances its financial position to enable optimal delivery of its mandate.

Key strategic investments included in the 2014-2015 spending amount of \$5.3M, which will address targeted execution of SCC's priorities, are as follows:

- **International delegates and industry participation (\$1.1 million):**
Canada participates in international standardization activities to ensure Canada's voice is represented in areas of strategic importance to Canada's economic and social well-being.
- **Capacity building:**
 - Mongolia and China (\$68 thousand):** A memorandum of understanding (MOU) has been signed with the *Mongolian Agency for Standardization and Metrology* to focus on sectors that have mutual trade benefits for both Canada and Mongolia. SCC will also lead discussions with the *Standardization Administration of China* (SAC) to determine best practices for standardization to reduce barriers to trade.
 - CATRTA (\$164 thousand):**
SCC will work with Caribbean countries on projects to assist with standardization activities, regional accreditation services and managing technical barriers to trade.

- **Northern Infrastructure Standardization Initiative (NISI) (\$1.2 million):** Working with Aboriginal Affairs and Northern Development Canada (AANDC), five new standards will be developed by 2015-2016 to support the adaptation of critical codes and standards for new infrastructure, retrofits, repair and maintenance to infrastructure in Canada's north. These standards will cover areas of community drainage, thermosyphon-supported foundations for new buildings, risk management of snow loads on northern buildings, and the management of the effects of permafrost degradation on existing buildings.
- **Updating standards referenced in federal regulations (\$2.2 million):**
SCC works with federal departments and will focus on updating 28 standards that support trade, health and safety, and help mitigate risk to Canadians.
- **IM/IT modernization (\$596 thousand):**
SCC is implementing an integrated business management solution and supporting infrastructure (year 3 of 4-year plan).

Strategic Risks

SCC's overall risks are annually determined as part of its corporate planning process. The organization uses the international standard ISO 31000, *Risk Management – Principles and guidelines* to guide the risk management process ensuring SCC has the right risk mitigation strategies in place. Corporate risks are linked directly to the organization's performance. These indicators are closely monitored and updated using SCC's corporate risk and performance reporting framework which is updated on a monthly basis for management, and twice annually for the Audit Committee who then report to governing Council. For 2014-2015, key areas of risk include the following, and are further described in Section 8.3 of this Plan:

- **Reputation:** In order to fulfill its mandate as Canada's standardization leader, SCC must protect its reputation and demonstrate value to its stakeholders.
- **Updating standards referenced in federal regulations:** Standards must be reviewed and updated regularly in order to respond to technological and commercial advancements, support federal regulations and keep Canadians safe.
- **Customer Service:** SCC's accreditation services must meet marketplace demands and support regulatory requirements in order to remain competitive.
- **Canada's voice:** Ensuring Canada is represented by the right subject-matter expert at regional and international standardization committee meetings, is critical to Canadian competitiveness.
- **Business infrastructure:** Updated business processes and tools are required to meet mandated objectives. They are also essential in supporting the requirements needed to maintain SCC's status as an international accreditor.

3. Canada's Standardization Network

SCC guides the work of standardization in Canada. This includes the development, monitoring, conformity assessment, and validation of standardization activities.

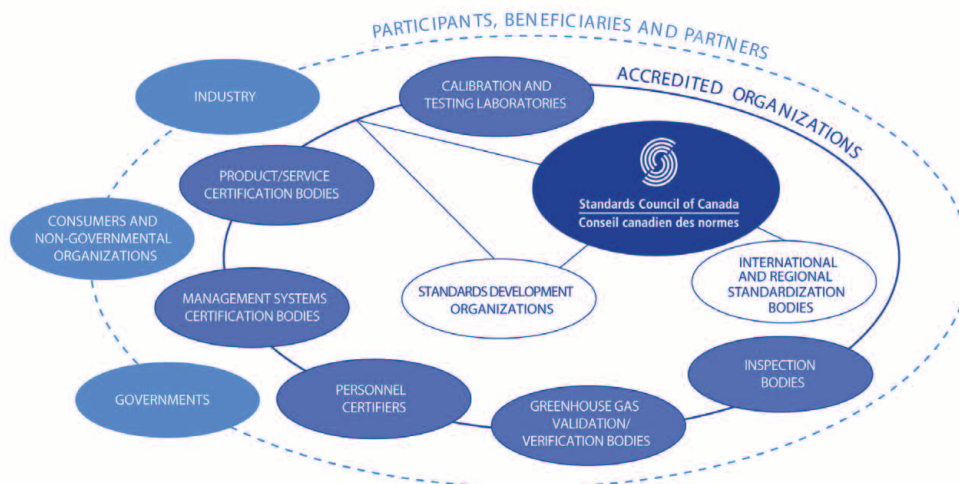
More than 12,500 Canadian volunteer members, representing industry, provincial and federal regulators, non-government organizations and consumers, participate in national and international standardization committees. SCC coordinates the activities of individuals and organizations that participate in international and regional standards development committees. SCC also facilitates the participation of over 2,600 of these members on technical committees. These committees provide Canada's official position at various regional and international standardization bodies. Approximately 500 organizations are accredited by SCC.

Figure 1 represents the organizations and beneficiaries of Canada's standardization

network. As illustrated, SCC accredits, coordinates and enables network members to contribute Canadian expertise to influence the formation and evolution of global standards that matter most to Canada.

To further strengthen Canada's standardization network, SCC has accredited additional SDOs. SCC research revealed that a growing number of standards used by Canadian industry and regulators originated from United States (U.S.)-based and international SDOs. Working to increase the alignment of standards and broaden opportunities for trade between Canada and the U.S., the accreditation of additional SDOs will now generate more standardization solutions for use by Canadian governments, industry and consumers.

Figure 1: Canada's Standardization Network



4. Linking SCC activities to Government of Canada Priorities

A stronger standardization network benefits all Canadians. In the October 16, 2013, Speech from the Throne, entitled, "*Seizing Canada's Moment-Prosperity and Opportunity in an Uncertain World*," the Government of Canada outlined its priorities going forward.

From protecting the Canadian consumer and Canada's North, to supporting Canada's trade agenda, to strengthening Canada's regulatory regime, SCC's activities are aligned to support Canada's priorities.



Defending Canadian Consumers

SCC will invest \$4.4 million over four years (\$2.2 million in 2014-2015) to fund the update of key standards referenced in federal government regulation.

Through the Assistant Deputy Minister (ADM) Committee on Standardization, SCC is working to identify and validate standardization priorities and continues to engage with representatives from key industry sectors. SCC industry sectors such as: oil and gas; Canadian utilities; electrical and consumer products; and information and communications technology; to confirm standardization priorities and solutions in support of sector priorities and goals.

SCC is working with the Provincial Territorial Advisory Committee (PTAC) to reduce overlap and duplication in federal, provincial and territorial regulations and standards, in support of the *Agreement on Internal Trade* (AIT).

SCC continues its work on a foundational pilot project for monitoring and reporting on the use of standards in Nova Scotia regulations. This project is expected to strengthen coordination between provinces and territories, and to reduce inter-provincial trade barriers.



Canada's Trade Agenda

SCC is Canada's primary advisor on standardization for international free trade and for domestic trade-related issues. The organization continues to provide the Department of Foreign Affairs, Trade and Development (DFATD) with policy advice, and input into, the negotiations of the *Canada and India Comprehensive Economic Partnership Agreement* (CEPA) and the *Trans-Pacific Partnership* (TPP). SCC's work on trade agreements, capacity-building projects with emerging economies and strategic planning for COPANT and PASC are aligned to *Canada's Global Markets Action Plan*.

Canada's Trade Agenda (continued)

SCC has joined forces with the American National Standards Institute (ANSI) on a Canada-U.S. standards development pilot project with members of the Canadian Institute of Plumbing and Heating (CIPH) and Electro-Federation Canada (EFC). Joint Canada-U.S. standards will minimize both trade barriers and process overlap, as well as reduce elevated costs associated with using separate systems as identified in the *Canada-USA Price Gap* publication. [1]

SCC has renewed its MOU with the Mongolian Agency for Standardization and Metrology (MASM), to develop standardization infrastructure enhancements for Mongolia.

SCC continues to provide capacity-building assistance to economies where there is value to Canada, such as China and the CARICOM region under CATRTA. SCC provides strategic leadership to COPANT and PASC.

SCC invests \$1.1 million annually to support Canadian subject matter expert participation in international standardization activities to further strengthen Canada's voice.

[1] *The Canada-USA Price Gap, Report of the Standing Senate Committee on National Finance*, February 2013

Safeguarding Families and Communities

SCC is supporting the implementation of Health Canada's *Consumer Product Safety Act*, through the delivery of two standardization mapping initiatives. SCC's support confirms that the required standards are in place to ensure the safety of products entering the Canadian marketplace.

SCC continues to co-chair the Smart Grid Standards Advisory Committee with the Canadian Electricity Association. The committee aims to pursue smart grid technologies that will enhance the reliability, resiliency and efficiency of the North American electrical network.

SCC joined forces with the National Fire Protection Association (NFPA) to adapt electric vehicle safety training modules, used by U.S. first responders, for Canadian deployment – helping police, fire and emergency personnel save lives.

Canada's Northern Sovereignty

SCC supports Canada's North through NISI. Entering year four of this initiative, the organization is monitoring the progress of five new standards being developed to support and protect Northern Canadians by providing the tools needed to adapt to a changing climate. SCC will spend \$2.5 million over 5 years to develop these standards (\$1.2 million in 2014-15)

5. Corporate Profile

In 1964, the Government of Canada conducted a comprehensive review of standards activity in Canada. The study identified a number of areas for improvement, including: coordination and long-term planning; support from industry and government; and Canadian involvement in international standardization. In response to this, SCC was established in 1970 as a federal Crown corporation. Its mandate is set out in its governing legislation, the *Standards Council of Canada Act*.

5.1 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.

Annual Public Meeting

Through its Annual Public Meeting, held as required under Canada's *Financial Administration Act*, SCC invites stakeholders and members of the public to learn more about SCC's mandate. During this meeting, SCC's stakeholders and members of the public are given the opportunity to ask questions, to make observations, and to interact with SCC's management team and governing Council. In 2013, SCC held its annual public meeting in Vancouver in tandem with its World Standards Day event, which highlighted how international standards ensure quality laboratory results.

5.2 SCC Council Structure

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

Governing Council

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

Figure 2: SCC Council Structure



Governing Council Members

Kathy Milsom

Chair

Corporate Director

Dr. W.A. Sam Shaw

Vice-Chair

Deputy Vice Chancellor,
Academic Affairs, of the Higher
Colleges of Technology in the
United Arab Emirates

Claude Bédard

Private-Sector Representative

President, Euclid Admixture
Canada Inc.
Vice-President of Key Accounts,
The Euclid Chemical Company
of Cleveland, Ohio

Colin Clark

Private-Sector Representative

Chief Technical Officer of
Brookfield Renewable Energy
Group

Glenn Feltham

Private-Sector Representative

President and CEO of the
Northern Alberta Institute of
Technology (NAIT)

G. Rae Dulmage

*Representative, 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

Gail Greenwood

*Vice-Chair - Provincial Territorial
Advisory Committee*

Director, Trade Policy, Trade
Initiatives Branch of the Ministry
of International Trade, British
Columbia

Richard Raymond

Private-Sector Representative

Steel fabrication and product
distribution

David Wigmore

*Chair, Provincial Territorial
Advisory Committee*

Director, Building, Fire and
Technical Safety Nova Scotia
Labour and Advanced
Education

Steven Reynolds

Private-Sector Representative

Research and Development
Manager, The Peelle Company
Ltd.

The Council is comprised of 13 members. Ten of these members are appointed by the Governor in Council through an Order in Council. The three other members sit on governing Council by virtue of the Chair/Vice-Chair positions they hold on statutory committees established in the SCC Act. The Council is responsible for overseeing the strategic direction of the organization, ensuring fulfillment of the mandate and for providing guidance on governance matters.

The members of governing Council 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 has a Council profile to assist with selection of Council members. This involves the need for an appropriate mix from various industry sectors and geographic representation. Financial literacy, expertise and understanding of corporate governance concepts and processes; understanding of complex standards policy issues; and ability to assess management recommendations are among some of the skill sets required to serve as an SCC Council member.

A full complement of council members for SCC governance is critical. SCC submits profiles of qualified candidates for Council selection membership and continually works with the Minister's office on this front.

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

Governing Council is also supported by two advisory committees, Provincial-Territorial Advisory Committee and Standards

Development Organizations Advisory Committee, as established in the SCC Act.

Audit Committee

The Audit Committee of Council oversees the financial management of the organization. In 2014-2015, the Audit Committee, as part of its workplan, will monitor and review items such as:

- Financial components of the Corporate Plan (5-year operational plan)
- Financial components of the Annual Report (audited financial statements)
- Annual expenditures
- The capital budget
- Enterprise risk management policy
- Quarterly financial statements

Members are also responsible for assessing and making recommendations on the effectiveness of internal controls and areas of potential risk or exposure, for reviewing and providing advice to Council on any internal audits or special examinations, and for monitoring any management responses to these plans or reports.

Corporate Governance Committee

The Corporate Governance Committee of Council oversees and improves the functioning of the Council and its advisory committees. In 2014-2015, the Corporate Governance Committee, as part of its workplan, will monitor and review items such as:

- the responsibilities, objectives and performance of the Chief Executive Officer (CEO)
- the responsibilities and objectives of the Chair
- conflict of interest guidelines, SCC advisory committee structure and terms of reference, the performance of Council and committees
- methods by which the Council fulfills its duties and responsibilities

Provincial-Territorial Advisory Committee

PTAC is established in the SCC Act. PTAC promotes cooperation and communication between the provinces, territories and SCC, and provincial and territorial participation in Canadian standardization activities.

Standards Development Organizations Advisory Committee

The Standards Development Organizations Advisory Committee (SDOAC) is also established in the SCC Act. SDOAC promotes cooperation and communication between SCC and SCC-accredited SDOs. There are currently 7 SCC-accredited SDOs: Bureau de normalisation du Québec (BNQ); Canadian General Standards Board (CGSB); CSA Group; ULC Standards; ASTM International; Underwriters Laboratories (UL); and, Air-Conditioning, Heating, and Refrigeration Institute (AHRI).

SCC management is supported by the following advisory panels and committee:

Advisory Panel on Standards

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

Accreditation Advisory Panel

The Accreditation Advisory Panel falls under the purview of SCC's Accreditation Services branch. The panel provides policy advice, with a view to ensuring fairness and impartiality in relevant SCC policies and programming.

Canadian National Committee of the International Electrotechnical Commission

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

Consumer and Public Interest Panel

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

5.3 Staff and Activities

The strategies and policies established by SCC's governing Council are implemented by SCC's staff of 95.

The organization's work is led by its CEO, John Walter. The CEO is supported by SCC's Executive Team.

Figure 3: SCC's Executive Team



Strategic decision-making is guided by SCC's executive team. SCC has well-established strategic planning and risk management practices. The executive team reviews and tracks monthly progress on key corporate initiatives which ensures that decision-making is responsive and resilient to changes in the environment, and incorporates risk and financial accountability into the process. These practices support overall performance tracking.

For an increased risk accountability structure, SCC monitors progress through risk-informed performance indicators. This approach provides assurance that SCC is driving performance and reviewing the right risks to assist the organization in meeting its corporate objectives. Additionally, roles and responsibilities are outlined including those of SCC's governing Council and executive team to set risk parameters that effectively manage and mitigate risks. This overall risk and performance framework assists the executive team with strategic decision-making.

SCC manages risk alongside performance within the following four areas of performance: stakeholder engagement/customer satisfaction,

employee engagement, internal processes, and governance, which is discussed further in section 8 of this plan. Both SCC's governing Council as well as the Minister of Industry is kept informed of progress and key issues through quarterly reports from the CEO.

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:

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

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

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

Policy and Stakeholder Relations

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

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

- Provide information to key Canadian government departments, to help them establish standardization priorities and goals.
- Make recommendations that influence standards and conformity assessment-related aspects of trade and regulatory policy.
- Facilitate the development of roadmaps in support of targeted areas of the economy that require standardization support.
- Identify and define the necessary conditions for Canada to optimize its use of standardization.

The branch monitors the use of standards incorporated by reference in regulations,

codes and other instruments. In addition, the branch coordinates research and develops policy alternatives to foster the alignment of standards and certification requirements between Canada and the U.S., as well as among Canadian jurisdictions. The branch also manages the sale of standards, collections and related information/education products.

Shared Services

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

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

Standards and International Relations

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

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

SCC's Canadian Standards Development Program sets the requirements for accrediting organizations that develop consensus-

based standards responding to Canada's interests and needs. These requirements include the governance and oversight of SCC-accredited SDOs, including the approval of National Standards of Canada.

The organization's International Standards Development 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 International Standards Development Program is responsible for the management of SCC mirror committees. These committees provide input into the development of international standards produced by technical committees or sub-committees. Included are mirror committees that fall under harmonization agreements with SCC-accredited SDOs. The ISD Program monitors and reports the performance and engagement of Canadian delegates participating in international standards development activities.

SCC's International and Regional Relations Program assesses and aligns Canadian participation in international policy committees within ISO and IEC, in regional organizations, including PASC, the Forum of IEC National Committees of the Americas, COPANT. The organization also plays a guidance role, as one of the founding members, to the Réseau Normalisation et Francophonie (RNF), facilitating capacity building initiatives in standardization for its members.

The branch is responsible for the implementation of SCC's industry sector engagement strategy, facilitating the development of standards and standardization solutions in key Canadian economic sectors. SCC continues to engage consumer and public interest groups to ensure their voice is heard in

the development of standardization solutions as priorities areas are being addressed. In addition, a standards development innovation team helps with the creation and implementation of new standardization solutions, mechanisms and processes.

Strategy and Corporate Communications

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

- Secretariat and Governance Policy
- Corporate Communications
- Corporate Planning and Risk Management
- Government Reporting and Access to Information and Privacy (ATIP)
- Website Management and Social Media
- Information and Research Services

5.4 Standardization Solutions

SCC offers standardization services, expertise, knowledge, advice and guidance for governments, industry and consumers. Under SCC's strategic priority 2 (described in section 7), *"Delivering standardization solutions that are essential to the priorities of governments and industry,"* the organization provides a wide range of innovative standardization solutions

to meet stakeholders' needs and priorities. SCC's corporate website (www.scc.ca) is the organization's primary communications channel to deliver information about standardization, SCC program developments and current news and events. The following are examples of the standardization solutions that SCC provides to its stakeholders:

Standardization Solutions	Description	Value
Update of standards for government and industry use	SCC undertakes research to identify standards referenced in federal regulations, and works with federal departments to ensure that critical standards are reviewed and/or updated regularly.	Assists federal regulators with identifying critical standards referenced in government regulations that may require updating— thereby reducing regulatory red tape and further protecting the economic and social well-being of Canadians.
Reduce duplication of effort and standards among SDOs	SCC coordinates with SCC-accredited SDOs and other SCC stakeholders to reduce the duplication of standards and effort.	Through a newly developed Centralized Notification System and Dispute Resolution Mechanism, SCC will help to minimize duplication of standards and effort in Canada. This improved coordination of standards development activities and resources strengthen Canada's standardization system.
Accreditation Services	As Canada's national accreditation body, SCC offers accreditation services in the manufacturing sector including products in electrical and plumbing, as well as in areas such as: food safety, water quality, GHG emissions reduction, etc.	Accreditation by SCC demonstrates recognition that an organization has met internationally recognized standards and is deemed competent to provide related standards development or conformity assessment services. SCC's Accreditation Services offers regulators solutions that support public policy issues, including water quality, food safety, medical testing and GHG emissions reductions.

Standardization Solutions	Description	Value
Advisory Services	SCC provides standardization research, gap analysis, roadmaps and training to scope out the standardization landscape for various industry sectors.	Provides industry stakeholders with standardization expertise sector by sector, generating small- and medium-sized business solutions. Standards provide governments with essential regulatory instruments to avoid duplication and ultimately save time and money.
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 through AIT.	SCC delivers unique standardization expertise that underpins several programs and services of benefit to Canadians across various government departments, including Health Canada, Environment Canada, DFATD, and the National Research Council.
Trade Policy Advice	SCC is DFATD's primary advisor on standardization issues as they impact negotiations of bilateral and multi-lateral foreign trade agreements.	SCC's input into trade negotiations ensures that standardization criteria promote global access to markets for Canadian industry.
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.	SCC is recognized as a standardization leader that has a strong national standardization infrastructure. Developing countries benefit from SCC's technical knowledge, expertise and best practices in the area of standardization.
Industry Sector Profiles	New strategies and enhanced coordination with industry are required to strengthen the effectiveness of Canada's standardization network. SCC researches and works with key industry sectors, such as oil and gas, to discuss challenges and opportunities within the sector and to identify where standardization solutions can assist.	SCC's industry sector profiles outline where standardization solutions can improve collaboration between sector players and offer standardization solutions to address gaps and opportunities within a particular sector.

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.	Offering clients the convenience of purchasing Canadian, international, U.S. and foreign standards in one place, SCC's StandardsStore.ca also provides customers with a database of available standards, further enabling solutions for smaller-sized businesses.
Information and Research Services	SCC's Information and Research Services provides Canadians with standardization information ranging from consumer product safety to how to compete as a business globally. Offering bilingual, customized research services, including personalized information on a growing range of standards, legislation and certification issues in world markets, research can also be conducted to meet clients' specific needs.	Clients benefit from SCC's technical expertise by gaining an understanding of the requirements they need to know before manufacturing or exporting their product to world markets. Information can also be provided sector by sector. SCC's participation in a worldwide network of standardization information centres provides an added value to Canadian industry and government stakeholders.
Standards Roadmaps	SCC collaborates with key stakeholders to scope out the standardization landscape for targeted sectors of Canada's economy, such as smart grid technology and electric vehicles. Roadmaps are developed to enable affected stakeholders to consider existing gaps and opportunities in industry sectors to select applicable standards and accreditation solutions, and are usually prepared by SCC through fee-for-service contracts.	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.

6. SCC's Operating Environment

SCC's management team determines the organization's corporate priorities and initiatives in support of SCC's mandate, as part of SCC's annual planning process. During the planning process, SCC analyzes key trends in its operating environment, both internally and externally.

6.1 Key Trends

To track and understand the standardization landscape, SCC maintains a database of facts and figures that have been compiled from: SCC-accredited SDO standards catalogues; data published by ISO, IEC and the

International Telecommunications Union (ITU); and SCC's own database of international technical committee participants.

Figure 4: Key Facts and Figures

Key Facts and Figures	As of March 31, 2011	As of March 31, 2012	As of March 31, 2013	Trend	What does this mean?
Number of Canadian standards	3,482	2,973	2,940	✓	The need for uniquely Canadian standards continues to decline as Canada and the world move toward more global alignment.
Number of standards maintained by key international standardization organizations (ISO, IEC, ITU)	27,958	28,869	30,358	^	With global alignment, there has been a significant increase in standards being maintained by international organizations. International standards lessen trade barriers easing entry into international markets.

Figure 4: Key Facts and Figures (continued)

Key Facts and Figures	As of March 31, 2011	As of March 31, 2012	As of March 31, 2013	Trend	What does this mean?
Number of National Standards of Canada (NSCs) approved by SCC	114	177	143	↗	<p>Only SCC-accredited SDOs can apply for NSCs. It is anticipated that SCC's accreditation of additional SDOs will increase the number of standards, referenced in government regulations, that become NSCs.</p> <p>With the decline in the number of uniquely Canadian standards and an increase in the number of international standards, SDOs are increasingly adopting international standards and applying for NSC status. SCC must therefore improve its processes to more efficiently adopt international standards, to ensure more global alignment for Canada.</p>
Number of Canadian volunteer members participating on international standardization committees	2,758	2,619	2,628	↘	<p>SCC must do more to attract and retain Canadian volunteers, and must strategically target the committees on which these volunteers participate, to ensure the greatest benefit for Canada.</p>
Number of federal government representatives participating in ISO/IEC/ITU international standardization activities	401	371	349	↘	<p>Standards are needed to meet regulatory requirements. SCC must work closely with government departments to prioritize and align their standardization requirements.</p> <p>With government participation declining, SCC must work with government to ensure increased strategic participation by Canada on ISO/IEC/ITU committees.</p>
Number of standards incorporated by reference in federal regulations and national model codes	1,667	*	1,712	N/A	<p>Standards are a necessary complement to Canada's national regulatory framework.</p> <p>* SCC produced a data baseline in 2011 and then an update in 2013. As such, there is no data available for 2012.</p>

6.2 Strategic Issues

Over the past fiscal year, SCC has made significant progress toward strengthening Canada's standardization network. This has been achieved through the organization's engagement of government and industry stakeholders: first, by providing solutions for updating standards referenced in government regulations; second, by providing more options for government and industry use, with the accreditation of additional standards development organizations (SDOs); and third, by addressing the duplication of standards and effort among SCC-accredited SDOs.

As part of its strategic planning, each year SCC's management team and governing Council, and stakeholders discuss strategic issues impacting Canada's standardization network. In 2014-2015, the organization will closely monitor how the following may impact the delivery of SCC's mandate.

Standardization supports a rapidly changing global marketplace

The world of trade is changing. In recent years, the international trade arena has taken on a greater level of competitiveness and complexity. Intensified legal, technical and regulatory requirements need to be met to export to foreign markets. At the same time, the world of standardization is changing to support exporters' needs. Standardization plays a significant role in supporting global trade: bringing quality and value to Canadian exporters, to Canadian society and to the world.

With standards increasingly being tied to a nation's gross domestic product (GDP), and to a country's ability to innovate and trade, economies around the world must increase their investment in standardization. Industries,

too, must be made aware of the clear economic benefits of standardization, including: efficiency and productivity gains, energy cost reductions for companies, superior quality and safety in products, and market opportunities created through early adoption of new standards.

Standardization as a policy tool for government

Standardization has long been relied upon and proven to drive economic competition, innovation and growth. As a policy tool influencing many public policy objectives – including the economy, domestic and international trade, the environment and healthcare – standardization activities directly support the government's plan for a strong and competitive Canada. Canada must leverage standardization to improve its regulatory regime, create greater efficiencies, reduce duplication and improve access to global markets.

Through effective targeted outreach, in three short years, SCC has significantly raised the awareness of the value of standardization among key government departments. Outcomes of this outreach include a permanent increase in federal appropriation, the formation of the ADM Committee on Standardization, and a collaborative effort and methodology for monitoring and updating standards in regulations. Regulators are also turning to SCC for standardization solutions to support their regulatory objectives. SCC will continue to work closely with regulators to offer standardization solutions as policy alternatives.

SCC will continue working with federal government departments, through the ADM Committee on Standardization, to further identify and align standardization priorities of greatest benefit to Canadians.

Standardization as a business strategy for industry

Standards and accreditation services play a vital role in helping industry meet rapidly evolving business requirements. Having standards and accreditation services in place ensure products meet regulatory requirements, which, in turn, limits risk and enhances marketability for Canadian businesses. 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 the adoption of standards to improve processes, production or consumer confidence.

Ensuring standardization priorities are identified in industry, will not only improve businesses' operations, but also expand the potential for growth and productivity and further protect the health and safety of Canadians.

To further strengthen Canada's standardization network, SCC must engage industry sectors that are key to Canada's competitive advantage and align standardization priorities that promote Canada's economic and social well-being. The organization has initiated support from the oil and gas and electrical sectors and will continue to engage other targeted industry sectors to support small and medium enterprises.

Strengthening Canada's standardization network

Canada's standardization network includes individuals and organizations involved in the development, promotion and implementation of standards and related conformity assessment activities and services. By strengthening its standardization network, Canada is ensuring standards are in place to protect the health and safety of Canadians, to strengthen the nation's competitiveness and to enable Canadian companies to access global supply chains.

International standards adoptions

It is estimated that 80 per cent of world trade is impacted by standardization and Canada must adhere to a broadening and evolving spectrum of standards and conformity assessment requirements in order to access U.S. and global markets. SCC recognizes that a more responsive and effective standardization system is required to ensure that Canada's standardization network has the flexibility to adjust to shifting marketplace realities. The organization must work to align standardization practices in order to improve economic opportunities for Canadians. The adoption of international standards, and other international deliverables, further eases the entry of products and services into foreign and domestic markets, leading to increased business advantages for Canadians.

Working with stakeholders, SCC is examining ways to improve Canada's policies on adopting international standards and other international deliverables, such as, technical reports and technical specifications, in order to make adoptions more timely and cost-effective.

Reducing duplication of efforts and standards

With more standardization options available in the Canadian marketplace, the possibility of duplication of effort and standards increases, which equates to a lack of efficiency, confusion in the marketplace, and heightened costs. Concerns related to duplication were intensified by some stakeholders following SCC's accreditation of additional SDOs. SCC has since been working with numerous stakeholders, including SDOAC members, to address the duplication of standards used in Canada, and the duplication of effort of those involved in standards development activities.

Reducing red tape

Duplicative regulatory requirements act as a barrier to cross-border trade, both internally, to Canada (provinces and territories), and externally, to other countries, such as the U.S. This ultimately costs Canadian consumers millions of dollars each year. In fact, any differences in the standards referenced in regulations may create marketplace barriers. To reduce these barriers, industry sectors such as plumbing and heating, and electrical, are seeking to align voluntary standards.

SCC is working with industry on ways to align standardization and minimize overlap both nationally, through PTAC, and internationally, through the Canada-U.S. Regulatory Cooperation Council, in order to reduce red tape and increase economic growth, while maintaining public safety objectives.

Further strengthening Canada's global voice

Today, more than ever before, standardization organizations must embrace the new standardization model. This model avoids spreading subject-matter expertise across almost a thousand technical committees. Instead, the new standardization model focuses on a smaller number of committees that are the senior policy forums in standards organizations globally.

Countries around the world continue to strategically position themselves at the international level to achieve greater economic benefits. Many of these countries, that adopt standards, seek positions on these technical committees to propel their own technologies and to influence the marketplace rules of engagement. As the world economy further integrates, ensuring Canada is represented on international committees

is important to influencing international standards that will benefit Canadians and enhance this nation's competitiveness.

As at March 31, 2013, there are 2,628 volunteer Canadian experts participating on international standardization committees. This is about a 5% decrease from March 31, 2011, where Canada had 2,758 experts participating — a trend that SCC has witnessed over the last decade as more senior experts retire and are not replaced. Newer experts in emerging technologies do not have resources to participate resulting in fewer regulators, industry representatives and academics participating in face-to-face meetings. Succession planning for technical expert participation, as well as for assessors, is needed. With input from its stakeholders, SCC is revamping its policies and procedures to reduce barriers for participation and offer easier entry for qualified younger professionals to participate on targeted technical committees.

By evaluating Canada's governance and policy position on standards committees, and by measuring the effectiveness of Canadian participation at international technical standards committees, SCC is better able to target which committees are of greatest benefit for Canada's participation.

Accreditation Services

The increasingly competitive and complex international trade arena has particularly impacted smaller-sized exporters as establishing credentials with global customers is critical to their success. For these organizations, complying with standards is necessary. Third-party conformity assessment demonstrates recognition that organizations have met the relevant nationally and internationally recognized standards and criteria required for doing business in a given market. These organizations

can then certify to these standards gaining a competitive global edge.

SCC's Accreditation Services branch offers in-depth technical expertise to its customers and accreditation services in fields such as energy management and medical laboratories. To be effective, SCC relies on assessors to carry out work within Canada's conformity assessment system. These assessors help organizations maintain or achieve SCC-accredited status by conducting assessments in a particular field. SCC is now facing a declining pool of assessors and will continue its recruitment campaign to attract and retain these experts.

The global move towards standards alignment is also creating a changing environment opening both the regulatory, and non-regulatory, market to more accreditation service providers. As such, SCC's Accreditation Services branch must compete and differentiate itself from other accreditation providers. Having undergone an organizational restructure this past year to improve its service delivery to better meet its customers' expectations, the Accreditation Services branch will continue improving its quality management system

and will be examining its pricing model for customers in the coming year.

Resources

SCC is a knowledge-based organization. Its overall business success hinges on its ability to maintain a skilled and engaged staff, as well as, a group of efficient and modernized tools and processes that SCC can use to respond to market trends. To keep pace with a competitive market for a highly skilled workforce, SCC has put in place an employee-focused strategy. This strategy is designed to foster team excellence, through training and development, improve leadership skills, and to ensure succession planning. SCC will also continue to renew its electronic platforms, to meet business requirements across all operations of the organization.

7. Strategic Priorities

In 2013, SCC received a Letter of Priorities from the Minister of Industry. The direction received in the letter is consistent with the four strategic priorities and supporting initiatives as outlined in this Corporate Plan.

Standards set the foundation for virtually every product, service and system originating in Canada, and impact all Canadians' quality of life. SCC's mandate is to promote efficient and effective voluntary standardization, to strengthen Canada's competitiveness and social well-being. To fulfil its mandate, SCC will carry out initiatives in accordance with the following four strategic priorities:

Strategic Priority 1:

Engaging targeted stakeholders to strengthen Canada's standardization network

Strategic Outcome:

Canada has a responsive, flexible and well-coordinated standardization system that protects Canadians' health and safety and enhances this nation's economic competitiveness.

What success will look like:

Canada's standardization network is supporting government and industry policy and strategic objectives.

How measured:

2014-2015

- 8 federal departments and agencies to analyze where standardization activities should be integrated in their regulatory and business plans and priorities (measured by responses to an SCC-designed questionnaire)
- 3 industry sectors engaged and contribute resources to support Canada's standardization network.
- Industry/SCC funding participation ratio: 10% / 90%
- Commitment with 6 provinces to complete an inventory of standards referenced in regulations

Target:

2018-2019

- 8 federal departments and agencies include standardization activities in their regulatory and business plans and priorities
- Continue to engage industry sectors and contribute resources to support Canada's standardization network
- Industry/SCC funding participation ratio: 40% / 60%
- Commitment with all provinces to complete an inventory of standards referenced in regulations

Overview of Strategic Priority 1:

Canada's standardization network includes individuals and organizations involved in the development, promotion and implementation of standards and related conformity assessment activities and services. SCC's number one job is to ensure the integrity of Canada's standardization network, while providing standardization options that address the needs of Canadians. The organization will continue to ensure that Canada has a standardization network that is robust and effective at improving Canadians' quality of life, and driving economic growth and competitiveness. In 2014-2015, SCC will:

- Identify and validate Canada's standardization priorities.
- Raise awareness, among industry stakeholders, of the value standards can play in sectors that offer Canada a competitive advantage.
- Provide standards and conformity assessment options to governments and industry.
- Minimize the duplication of standards used in Canada, and the duplication of effort of those involved in standards development activities.
- Align standardization practices in key sectors, with the U.S., as well as with other important trading partners.
- Engage consumers and public interest groups to address their priority areas of standardization and help ensure the safety of products and services that are manufactured, imported and sold in Canada.

These activities will contribute to creating a responsive, flexible and well-coordinated standardization system that protects Canadians' health and safety and enhances this nation's economic competitiveness.

Working with government

Through chairing of the ADM Committee on Standardization, SCC will continue to work with federal departments to further identify and validate federal government strategic standardization priorities, and assess where standards and accreditation can play a greater role in supporting the plans and priorities of government. The eight government departments represented on the ADM Committee are: the Canadian Food Inspection Agency, Environment, Health, Natural Resources, Transport, Human Resources and Skills Development, Public Works and Government Services, and Industry. Three others attend the ADM committees: the Regulatory Cooperation Council, Treasury Board of Canada Secretariat, and the Department of Justice.

Engaging industry

SCC is implementing a targeted outreach strategy with industry sectors to raise their awareness of the benefits of standardization. The objectives of this outreach strategy are to provide standardization solutions addressing industry needs, and to increase participation of and funding for standardization activities from key economic sectors.

Minimizing duplication of effort and standards

SCC has been working with numerous stakeholders, including a task force created by SDOAC, to solicit feedback and recommendations on how it may further strengthen Canada's standardization network and address the duplication of standards and effort.

Working with SDOAC to minimize the duplication of standards and effort in

Canada, SCC has implemented a centralized notification system for new projects from SCC-accredited SDOs, where a list, with titles of all new standards, can be found in one repository. This repository provides for a single point of access to information on standards development activities, where stakeholders can go to find proposed standards, standards currently under development and a list of published standards. This system will also enable stakeholders to more easily determine standards that may be duplicative and resolve associated issues, more immediately. SCC also implemented a dispute resolution mechanism that involves a new collaborative approach to conflict resolution. This mechanism will be used prior to launching a complaint under SCC's existing complaint resolution process.

These two initiatives represent important actions being taken to minimize duplication of standards and effort, and to improve the coordination of standards development activities in Canada. Going forward, SCC will monitor the success and use of these new tools to minimize issues related to duplication of standards and effort in Canada.

Reducing inter-provincial/ territorial trade barriers

SCC is the Secretariat to the National Public Safety Advisory Committee (NPSAC), consisting of representatives from federal, provincial and territorial regulators and SDOs. SCC works with NPSAC in the application and alignment of codes and standards used in Canada for items such as: elevating devices, fuel, boilers and pressure vessels, as well as electrical safety. Moving forward, SCC will continue to work with NPSAC and other federal/provincial/territorial committees to

enhance their structure, governance and impact on Canada's standardization network.

Through PTAC, SCC is working to promote cooperation and communication between the provinces, the territories and SCC, to ensure collaborative provincial and territorial participation in Canada's national standardization network. SCC has signed an MOU with the province of Nova Scotia to implement a pilot project for monitoring and aligning standards referenced in provincial regulations. The results of this pilot will be used to develop an approach to align standards within Canada, where practical. The goal is to enhance coordination between provinces and territories and reduce inter-provincial trade barriers. This will ease barriers to internal trade in support of Canada's *Red Tape Reduction Action Plan* and AIT.

Aligning standards and certification requirements regionally

SCC is also working to increase the alignment of standards to reduce conformity assessment costs, which broaden opportunities for trade between Canada and the U.S. Promoting the use of standardization to the Canada-U.S. Regulatory Cooperation Council, SCC has been working with federal stakeholders to explore alignment approaches, reduce duplicative standards and certification requirements and find solutions in important manufacturing sectors such as plumbing, heating, and electrical.

SCC and the American National Standards Institute (ANSI) are working together to develop joint Canada-U.S. standards in the electro-technical, and plumbing and heating sectors. One standard identified for this pilot project is the balloon-type ball

backwater valve. Integrating standards such as this one between Canada and the U.S., will reduce the price discrepancies, remove barriers to trade, and protect the safety requirements of both countries.

SCC will continue to work with government and industry stakeholders to explore these opportunities to strengthen Canada's standardization network.

Strategic direction for Canada's standardization network

Building on the organization's success in engaging federal departments and agencies, provincial/territorial governments, and industry, SCC will continue the future development of a national standardization strategy. This will generate a heightened focus on the importance for governments to maintain up-to-date and aligned standards and compliance requirements in regulations, to support Canada's future economic growth and social well-being. The direction will focus on aligning standards between jurisdictions, to reduce red tape, while maintaining high standards for Canadians' health and safety. Through dialogue with senior provincial decision-makers on the benefits of investing resources strategically and streamlining governance mechanisms, this work will also result in value-added standardization activities that address industry sector priorities along with the establishment of metrics and performance outputs.

Key initiatives in support of strategic priority 1:

Key Initiatives

1. Through the ADM Committee on Standardization, SCC will:
 - work with federal departments to identify and validate federal government strategic standardization priorities; and
 - assess where standards and conformity assessment can play a greater role in supporting the plans and priorities of government.
2. Implement a targeted outreach strategy with industry, and consumer and public interest groups:
 - to provide standardization solutions to Canada's key industry sectors;
 - achieve greater participation and resource allocation for standardization activities of strategic importance to Canada;
 - engage consumers and public interest groups in areas of priorities to further safeguard Canadians;
 - align standards and certification requirements between Canada and the U.S. to ease trade barriers and provide savings to Canadians; and
 - reduce overlap and duplication in federal, provincial and territorial regulations and standards.
3. Continue to advance the strategic direction for Canada's standardization strategy.

Strategic Priority 2:

Delivering standardization solutions that are essential to the priorities of governments and industry.

Strategic Outcome:

SCC is delivering standardization solutions that meet the needs of government and industry stakeholders, while protecting the health and safety of Canadians.

What success will look like:

Standardization solutions offered by SCC are recognized as essential solutions that support the agendas of governments and industry.

How measured: 2014-2015

- 28 identified standards funded for government and industry use in Canada.
- 75% of Accreditation Services branch's customers satisfied.
- Effective management of contracts for 5 standards to be developed to support NISI.
- 3 industry sector proposals to address standardization gaps and initiate the delivery of solutions and deliver solutions.

Target:

2018-2019

- 28 identified standards are updated for government and industry use in Canada.
- TBD *
- 5 standards developed to support NISI.
- 3 industry sector proposals yearly to address standardization gaps and initiate the delivery of solutions.

*While target is set at 75% for 2014-2015, future targets will be established based on benchmark

Overview of Strategic Priority 2:

SCC provides a wide range of innovative standardization solutions to meet its stakeholders' needs and priorities. The organization offers standardization solutions including: trade policy advice, expertise, knowledge and guidance, for governments and industry, as well as for consumers. Covering areas such as health, safety, and the environment, SCC delivers accreditation services, across a variety of programs and sectors of the economy.

Updating standards

Effective and current standards respond to technological and commercial advancements, support federal regulations and help keep Canadians safe. Standards must therefore be reviewed and updated regularly. SCC is taking a lead role to ensure standards in regulations are up to date. Bringing together federal departments and agencies, SCC led an interdepartmental risk assessment and prioritization exercise in 2012. The result has

been the development of a collaborative process for updating standards of greatest relevance to Canada. SCC is working with government departments to address the updating of 46 critical standards, referenced in Canadian regulations, that support trade, health and safety, and mitigate risk to Canadians. SCC will provide \$4.4 million over the next four years towards updating 28 of these standards.

Supporting trade

SCC is Canada's primary advisor on standardization issues for international free trade, and continues to provide DFATD with input and policy advice on the standardization-related components of the negotiations for CEPA and TPP. SCC's contributions will assist with minimizing barriers to technical trade and with the alignment of standards with these regional trading blocs. Through these efforts, SCC will help strengthen trade opportunities for Canada.

The organization will continue to assist emerging countries with standardization-related, capacity-building projects. These projects will also benefit Canada, where future trade opportunities exist. Under CATRTA, SCC will assist CARICOM countries in strengthening their standardization infrastructure by engaging them more in standardization activities, and helping to develop and improve regional accreditation services. Mongolia is one of the fastest growing economies, and Canada is one of its largest investors. Through an MOU, SCC will continue work with Mongolia to strengthen its standardization infrastructure in the areas of mining, roads and construction. SCC and Mongolia will continue to identify other standardization sectors of mutual interest, to strengthen bilateral trade.

Protecting Canada's North

SCC's investment of \$2.5 million (\$1.2 million in 2014-2015) in NISI will result in the development of five new standards to support the adaptation of critical codes and standards for new infrastructure, retrofits, and maintenance of and repairs to existing infrastructure in Canada's North. These standards will cover areas of community drainage, thermosyphon-supported foundations for new buildings, risk management of snow loads on northern buildings, and the management of the effects of permafrost degradation on existing buildings. As part of the Government of Canada's Clean Air Agenda, NISI is a joint project being led by SCC with support from Aboriginal Affairs and Northern Development Canada (AANDC). Two and a half million dollars have been invested in this five-year project. SCC will deliver on year four in 2014-2015.

Developing standardization roadmaps and delivering standardization solutions

Through its targeted outreach to industry stakeholders, SCC will bring together subject matter experts from targeted industry sectors to develop standardization roadmaps. These roadmaps will help to identify gaps and opportunities in standardization within a particular sector. SCC will also be working with industry partners in oil and gas, energy, information, communication, and telecommunication sectors, to develop and implement standardization solutions in their strategic priority areas.

Offering accreditation solutions

SCC is Canada's national accreditation body. Its accreditation services help organizations meet important regulatory requirements and help strengthen the quality of products, systems and services used by Canadians.

The organization will further expand its accreditation services to support vital industry sectors such as energy management and medical laboratories. SCC will also perform a market analysis assessment to ensure optimal programming in these and other areas key to Canada's economic and social well-being.

Providing information and research services

As the premier source of standardization information in Canada, SCC will continue to provide information and research services to governments, industry and consumers. SCC's aim is to provide customer-focused information to stakeholders and help them navigate through the complexities of standards, technical regulations and conformity assessment requirements in local and foreign markets.

Key initiatives in support of strategic priority 2:

Key Initiatives

1. Strengthen Canada's regulatory system:
 - work with key departments to address the update of standards referenced in regulations;
 - invest \$4.4 million over the next four years for the update of standards; and
 - Implement year four of NISI.
2. Provide capacity-building assistance for emerging economies, where there is value to Canada:
 - Mongolia and China, and CARICOM countries under the CARTRA Program.
3. Provide DFATD with policy advice and input into free trade agreements:
 - *Comprehensive Economic Partnership Agreement and the Trans-Pacific Partnership.*
4. Implement year 2 of 3-year Accreditation Services' strategic plan.
5. Work with industry partners in oil and gas, energy, information and telecommunication sectors, to develop and implement standardization solutions in their strategic priority areas.

Strategic Priority 3:

Maximizing the benefits of standards and accreditation regionally and internationally to advance Canada's competitiveness and social well-being.

Strategic Outcome:

Canadian decision-makers are optimally serving and influencing the strategic direction of targeted international and regional standardization forums.

What success will look like:

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.

How measured: 2014-2015

- 90% of ISO and IEC policy decisions reflecting Canada's position accepted at ISO and IEC
- 80% of Canada's voting submission rate in ISO and IEC standards development

Target: 2018-2019

- Maintain 90% of ISO and IEC policy decisions reflecting Canada's position accepted at ISO and IEC
- Maintain 80% of Canada's voting submission rate in ISO and IEC standards development

Overview of Strategic Priority 3:

As one of the most trade-dependent nations among the G8 countries, Canada's prosperity depends on international trade. Standards and harmonized conformity assessment practices make this nation's prosperity possible by enabling compatibility of products and services. SCC plays a strategic role in supporting Canadian competitiveness by ensuring Canada's leadership on ISO and IEC standards and conformity assessment committees. SCC will continue to focus in this core area of its work by collaborating with SDOs, governments and industry, to direct resources where Canada needs to be a "standards setter."

Strengthening Canada's voice

As Canada's standardization leader, SCC must ensure this nation has the ability to influence the outcome of international standards in areas of strategic importance to the Canadian economy. With a continuing decline in Canadian volunteers on international technical committees, SCC has implemented

a scorecard on governance and technical positions held by Canada on technical committees, to measure both participation and influence. This scorecard allows the organization to better target its allocation of funding for technical and governance members to align with Canadian standardization priorities.

SCC invests \$1.1 million annually in international delegate and industry participation and is working with its stakeholders to update requirements for Canadian participation in ISO and IEC committees. SCC's goals are to reduce barriers to participation and to ease entry for key professionals to participate, learn and gain experience in standards and conformity assessment activities. SCC will also invest resources towards international standards development activities of key significance to the Canadian economy and ensure that Canadian experts have the right training and tools to effectively advance Canadian positions internationally.

Leadership within regional standardization organizations is also important for Canadian competitiveness and for access to regional supply chains. SCC will provide strategic leadership in coordinating the development of strategic plans for regional standardization organizations, such as COPANT and PASC. In his role as ISO Vice-President (Policy), SCC's CEO will lead the development of ISO's strategic plan 2016-2020. This appointment to ISO Council provides the opportunity for Canada to have considerable input into governance and policy at the international level.

Through leadership positions on, and involvement in, key standardization committees, Canadian companies and stakeholders can shape marketplace rules that directly affect their ability to compete globally.

Improving the process to adopt international standards

Research conducted by SCC has revealed the existence of a significant number of non-Canadian standards referenced in Canadian regulations. This number includes standards issued by international SDOs (such as ISO and IEC), where Canada may or may not participate, nor adopt officially through a Canadian process. SCC is seeking feedback from stakeholders to improve the timeliness and process for the adoption of international standards. More-timely adoptions will support Canadian industry by easing entry of products and services into foreign and domestic market, reducing barriers to trade and generating increased competitive business advantages.

Key initiatives in support of strategic priority 3:

Key Initiatives

1. Demonstrate Canadian leadership at ISO and IEC by:
 - being standards setters on committees of strategic importance to Canada;
 - continuing to target its financial support for Canadian experts in those key areas;
 - strengthening the member program: right tools and training;
 - identifying and enhancing collaboration opportunities between ISO/IEC to improve efficiencies and reduce duplication of effort; and
 - leveraging Canada's global opportunity by supporting ISO VP (Policy).
2. Provide strategic leadership to the COPANT and PASC, and thereby increasing Canada's influence in those key market.
3. Improve the process for adopting international standards and other international deliverables.
4. Improve the efficiency of the approval process of NSCs, for more timely availability in the marketplace.

Strategic Priority 4:

Driving operational efficiency and productivity through high performance teams.

Strategic Outcome:

SCC's resources are managed effectively to ensure operational efficiency and productivity, and to support SCC's strategic priorities.

What success will look like:

SCC's resources (people, tools and processes) are optimally aligned to SCC's strategic direction, to better serve stakeholders and strengthen Canada's standardization network.

How measured:

2014-2015

- 70% employees engaged
- 5% staff attrition rate (voluntary)
- 75% of QMS up to date.
- 65% of total IM/IT infrastructure overhaul up to date (year 3 of 4-year plan)
- Achieve \$476K in cost reduction and spending efficiencies
- Implement SCC values, ethics and code of conduct

Target:

2018-2019

- 75% employees engaged
- Maintain 5% staff attrition rate (voluntary)
- 100% of QMS up to date. Maintain QMS.
- 100% of total IM/IT infrastructure overhaul up to date
- Sustain cost reduction and spending efficiencies
- A culture entrenching SCC values, ethics and code of conduct is achieved and sustained

Overview of Strategic Priority 4:

SCC is a small, knowledge-based organization that has a significant impact in guarding Canada's health and safety and in enhancing Canadian competitiveness. Going forward, SCC will continue to transform its culture, processes and IM/IT infrastructure to better serve stakeholders and strengthen Canada's standardization network. SCC is committed to communicating changes and ensuring transparency with stakeholders throughout this evolution, using different communications channels. Through the organization's social media platform, SCC will continue to explore innovative ways to engage stakeholders on various standards-related issues.

Human Resources

SCC's programs and services require a staff complement of technical and knowledge-based positions. As SCC continues to roll out its human resources plan, its focus will be on staff development and training, and on succession planning for key positions within the organization. SCC will also target key areas to improve employee engagement, such as professional development, performance management and communications.

SCC Values

In 2013, SCC underwent a values and ethics exercise. Through full staff involvement, SCC established and defined its core values of: respect, integrity and professionalism. SCC's values, ethics, and code of conduct will help the organization strive for operational

efficiency and effectiveness in delivery of its programming through continuous improvement of its programs and services offerings.

Improving service delivery

To improve service delivery, SCC's Accreditation Services branch has created a customer services group to provide customers with a single point of contact for all accreditation needs and a technical services group to oversee assessment work. In addition to improving its processes, the Accreditation Services branch will revise its fee structure to meet the changing requirements of its customers and to remain competitive. These improvements will ensure successful completion of an Accreditation Services peer review/audit. SCC will also continue to conduct yearly customer service surveys to ensure it is continually aligned with the needs of its customers.

Infrastructure

As part of its ongoing transformation, SCC is reviewing its processes with the objective of becoming more efficient and responsive to stakeholders and customers. The organization continues to implement change management initiatives to ensure modernized policies and procedures within its QMS and towards a renewed IM/IT infrastructure that meets stakeholder and customer needs.

Over the next fiscal year, SCC will invest \$1.4 million in operating expenses (\$596 thousand) and capital (\$775 thousand) to continue to implement an IM/IT solution to meet its business requirements across all operations of the organization. This solution will enable increased flexibility for business growth and expanded outreach with customers and other key stakeholders.

SCC's work environment is antiquated and existing space is at capacity. Congruent with SCC's lease expiration in July, 2015, SCC will begin the process of securing a more modernized workplace, either within the existing location or with a move to an alternate location.

Focusing on continuous improvement

SCC continues to improve its financial position through strict cost-containment measures, streamlined procurement processes, improved performance tracking and maximized efficiencies, where possible. Internal audits of SCC's strategic planning processes will take place during the 2014-2015 planning period, and a governance review will be conducted, as well.

Key initiatives in support of strategic priority 4:

Key Initiatives

1. Continue next phase of SCC's human resources strategy including succession planning and fostering leadership excellence.
2. Address outcomes of employee engagement survey and improve employee engagement rating.
3. Further improve QMS and implement IM/IT solutions to ensure effective and efficient tools are in place to meet business requirements across all operations of the organization.
4. Complete implementation of a sustainable values and ethics program.
5. Successfully complete Accreditation Services peer review/audit.

8. Performance and Risk

SCC has developed an integrated approach to performance and risk. Using an SCC-designed risk/performance framework, the organization has identified corporate risks, tolerance levels and risk and performance indicators.

8.1 Aligning Risk and Performance

To ensure it has an increased risk accountability structure, SCC monitors progress through risk-informed performance indicators. This approach provides assurance that SCC is driving performance and reviewing the right risks, to deliver on corporate results and key corporate metrics as outlined in this Corporate Plan. Additionally, roles and responsibilities are outlined, including those of SCC's governing Council and senior management, to set risk parameters that effectively manage and mitigate risks.

As depicted in Figure 5, SCC manages risk alongside performance within the following four areas of performance: stakeholder engagement/customer satisfaction; employee engagement; internal processes; and governance. Each of the four areas is directly aligned to SCC's four strategic priorities for 2014-2015, which are:

1. Engaging targeted stakeholders to strengthen Canada's standardization network.
2. Delivering standardization solutions that are essential to the priorities of governments and industry.
3. Maximizing the benefits of standards and accreditation regionally and internationally to advance Canada's competitiveness and social well-being.
4. Driving operational efficiency and productivity through high-performance teams.

SCC's approach to managing risk follows current best practices related to performance and risk, for the following reasons:

- links strategic priorities, risk tolerances and performance perspectives;
- provides risk tolerance thresholds and enables SCC to monitor areas that may impede the organization 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;
- prevents using a silo approach to assess corporate risks; and
- avoids duplication.

Figure 5: Areas of Performance



8.2 Corporate Risks

SCC's overall risks are annually determined as part of its corporate planning process. The organization uses the international standard ISO 31000, *Risk Management – Principles and guidelines* to guide the risk management process ensuring SCC has the right risk mitigation strategies in place. Corporate risks are linked directly to the organization's performance. These indicators are closely monitored and updated using SCC's corporate risk and performance reporting framework which is updated on a monthly basis for management, and twice annually for the Audit Committee who then report to governing Council. For 2014-2015, key areas of risk mitigation include the following:

- **Reputation:** In order to fulfill its mandate as Canada's standardization leader, SCC must protect its reputation and demonstrate value to its stakeholders. In all that SCC does, it needs to consider reputational risks associated with strategic directions and actions undertaken. Given its increased profile, SCC recognizes the importance of effective communications, governance and leadership of Canada's standardization network. Through open and transparent communication and ongoing consultation with stakeholders from government and industry, SCC will ensure that its strategic goals are aligned with Canada's health and safety objectives and support Canadian competitiveness. SCC continues to align its work directly to the priorities of the Government of Canada to demonstrate value.
- **Updating standards referenced in federal regulations:** Standards must be reviewed and updated regularly in order to respond to technological and commercial advancements, support federal regulations and keep Canadians

safe. Mandated to protect the health and safety of Canadians, it is imperative that SCC work to update standards referenced in federal regulations that support trade, enhance health and safety, and mitigate risk to Canadians. SCC continues to work with federal government departments to update standards referenced in regulations and has currently invested \$4.4 million over four years to fund the update of key standards.

- **Customer Service:** SCC's accreditation services meet marketplace demands and support regulatory requirements. SCC is working to enhance its business processes and improve its programs and service offerings. To remain competitive and mitigate risk, SCC is focused on improving customer satisfaction in the areas of quality, timeliness, and cost effectiveness of services.
- **Canada's voice:** Ensuring Canada is represented by the right subject-matter expert at regional and international standardization committee meetings, is critical to Canadian competitiveness. With a decline in volunteer experts participating on international committees, SCC, through its member program, is working to attract, train and retain experts to participate on committees of strategic importance to Canada. SCC has criteria in place to measure both participation and influence on these committees, in order to ensure Canadian interests are considered in shaping marketplace rules.
- **Business infrastructure:** Updated business processes and tools are required to meet mandated objectives and requirements for SCC to maintain its status as an international accreditor. SCC will continue to modernize its IM/IT infrastructure and update its QMS processes. SCC, too,

remains focused on cost-containment measures and performance tracking.

As SCC continues with its business transformation, its ability to manage associated risks is supported by a strong risk mitigation culture and an effective risk management framework. SCC's priority risk focus remains the close monitoring of key strategic investment initiatives. Many of the organization's ongoing strategic initiatives are directly aligned with government public policy priorities. These priorities are closely monitored as SCC continues to make progress with federal departments in aligning standardization priorities and updating standards referenced in regulations. SCC is engaged with a number of federal departments — helping them incorporate standardization solutions into departmental plans, as well as promoting their use as policy alternatives.

Given its strengthened relationship with government, SCC is extending its stakeholder reach to engage specific industry sectors in prioritizing Canada's standardizations goals. With a targeted outreach strategy directed at both government and industry, the organization is well-positioned to validate stakeholders' priorities and gain further insight into market-related challenges and opportunities. SCC must, however, stay in front of any reputational risks that may occur and has implemented a proactive communications strategy to learn more about stakeholder needs along with market-related challenges and opportunities. The organization will closely monitor reputational risks associated with a raised profile.

SCC has developed solutions to address 46 identified standards of greatest relevance to Canada, and allocates funds to its accredited SDOs for the development or update of NSCs. While SCC has made significant progress in providing solutions to

update standards referenced in Canadian regulations for government and industry use, the organization monitors the contracts awarded that are associated with the update of these standards. SCC is targeting 28 of these standards for funding by 2014-2015.

As Accreditation Services continues to implement its three-year strategic plan, all tactical initiatives related to tools, IM/IT, pricing and professional development continue to support SCC achieving an overall customer satisfaction rate more than 75 per cent.

Canadian international participation on both standards and conformity assessment committees helps protect the health and safety of Canadians and enhances this nation's competitiveness. In the last two years, SCC has strengthened its model for prioritization of how and where Canada engages in the development of international standards. The organization continues to closely monitor Canadian influence on international committees.

With people at the heart of SCC's success, employee engagement remains a high priority for the organization. Knowledge based and technical skills are required to carry out the strategic objectives of the organization. As such, SCC is focused on professional development and succession to ensure greater employee engagement. The target is to achieve at least 70 per cent of total staff engagement for this fiscal year.

SCC's IM/IT infrastructure and QMS are critical to the organization's ability to carry out its strategic direction. Significant attention has been placed on both QMS and IM/IT modernization, and it is expected that the risk level for these two projects will continue to decline during this planning period. The target is to complete at least 65 per cent of SCC's IM/IT modernization initiative and 75 per cent of SCC's QMS is up to date.

9. SCC's Financial Plan

In the spirit of the government of Canada's Budget 2014's operating budget freeze, SCC has more than \$400 thousand of cost reductions/efficiencies formally built into its plan for 2014-2015. With one full time employee (FTE) reduction planned for 2014-2015, the balance of SCC's five-year corporate plan does not include FTE growth. Controllable costs such as travel, meetings and events, as well as professional fees are carefully reviewed and incremental activity is permitted only if affordable and delivers value to SCC and its stakeholders. Finally, SCC is not currently seeking additional government funding (appropriations), thus operating budget increases are self-funded from either additional revenue or from the organization's accumulated surplus.

9.1 Organizational Focus

SCC continues to build on past-year successes, advancing SCC initiatives in support of strategic objectives. The organization ensures that this activity is intended to benefit Canadians' economic and social well-being.

SCC remains focused on quality management, improving its processes and implementing an IM/IT modernized platform that will provide the tools necessary to more effectively carry out the organization's activities. Additionally, SCC has tightened its reporting framework and metrics in order to effectively communicate key result areas.

SCC has re-invested its accumulated surplus from prior years into IM/IT and infrastructure to create a firm foundation to advance its initiatives. These initiatives support SCC's strategic priority areas such as government-identified needs, gaps in Canadian standardization activities, and/or strengthening Canada's voice in the global standardization network.

SCC's corporate plan financial statements and its capital budget are developed based on planned operating activity and include the following assumptions:

- inflationary effects on costs, including salaries and benefits, of 2% per year
- no increase in headcount
- employee turnover ratio included at 4%
- no increase in employee incentives
- SCC eligible employees contribute to the Public Service Pension Plan. SCC's responsibility with regard to the pension plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada
- cost savings from process efficiencies
- facilities lease renewal in 2015 with landlord lease incentives covering planned leasehold improvements

Corporate Plan preparation requires management to make estimates based on the best information available at the time of preparation. Key opportunities and risks along with their associated sensitivities are summarized on the following page.

9.2 2013-2014 Operating Forecast vs. 2012-2013 Actual Results

For the current fiscal year, SCC forecasts a net deficit from operations of \$10.7 million. This represents a deficit increase from prior year actuals of \$2.4 million due primarily to SCC's continued effort on a series of strategic operating initiatives. The 2013-2014 forecast calls for increased revenue from operations (\$0.5 million) and increased expenses (\$2.9 million) primarily professional fees, Canadian delegate financial support and salaries and benefit costs related to temporary resources and filling of vacancies. This increase is due to the focus on strategic operating initiatives consistent with SCC's vision and mandate and ensuring all resources are aligned with standardization priorities to better protect Canadians and to meet the needs of Canada's most important economic sectors.

9.3 2013-2014 Operating Forecast vs. 2013-2014 Budget

For March 31, 2014, SCC forecasts a deficit from operations of \$10.7 million which is a decrease in the deficit of \$2.4 million compared to the 2013-2014 operating budget. The majority of this variance can be attributed to reduced professional fees due to the timing of spending related to contractual commitments for standardization activity that will not occur until next fiscal year (\$2.2 million). The decrease in the net deficit from operations compared to the prior year is due primarily to reduced salaries and benefits costs as a result of vacancies and reduced travel, translation and accommodations expenses.

Due to the timing delays with contractual commitments for standardization activity, SCC has moved \$2.0 million of its 2013-2014 appropriations into the 2014-2015 fiscal year. This "reprofile" of appropriations ensures proper cash management of contracts in alignment with *Financial Administration Act* and Treasury Board requirements regarding the draw-down of appropriations. The amount of funding for the reprofile is fully committed through signed contracts and is expected to be spent by the end of next year. As a result of the appropriations reprofile, SCC forecasts a total deficit for the year of \$2.9 million against a budgeted net deficit of \$3.3 million.

After consideration for the \$2.9 million deficit for 2013-2014, SCC is forecasting an accumulated net surplus of \$5.1 million at March 31, 2014. This surplus is temporary as next year's plan will utilize most of the accumulated surplus: Once \$1.5 million is internally restricted for operations and \$523 thousand is reserved for spending commitments against the Northern Infrastructure Standardization Initiative (NISI), the balance of \$3.0 million is required to pay for signed contractual commitments.

Total revenue from operations is forecast at \$9.8 million, which is in line with the budgeted amount of \$9.7 million.

9.4 2013-2014 Forecast to 2014-2015 Corporate Plan

For fiscal year 2014-2015, SCC has planned for a deficit from operations of \$13.8 million which is \$3.1 million higher than forecast for fiscal year 2013-2014. This variance stems from \$391 thousand less operating revenue and \$2.7 million more expense.

Overall, revenue from operations is planned at \$9.4 million, which reflects a decrease of \$391 thousand or 4% from the revenues forecasted for 2013-2014. Accreditation Services revenue is up \$366 thousand, an increase of 5% year-over-year due to organic growth of the business. Advisory and other services revenues have decreased by \$757 thousand due to a decrease in the number of CATRTA projects, as the agreements with the Conference Board of Canada conclude (\$274 thousand), as well as a loss of revenue stemming from memorandum of agreements not expected to be renewed (\$396 thousand) for the WTO/NAFTA Enquiry Point service contract with DFATD.

Overall, expenses from operations are planned at \$23.2 million, a \$2.7 million or 13 per cent increase over the 2013-2014 forecast of \$20.5 million. This increase is driven primarily by professional fees which have increased by \$2.5 million, all related to SCC's strategic operating investments: spending against contracts that are in place for updating standards are planned to increase by \$1.3 million; NISI is planned to increase by \$0.5 million; and various shared services projects for modernization and operational efficiency improvements around IM/IT, Human Resources and Facilities are planned to increase by \$0.7 million. The remaining \$270 thousand increase in expenses relates to a combination of core activity support, inflation and increased amortization due to anticipated capital acquisitions (required to modernize our IM/IT and work environment to more effectively carry out the organization's activities).

After government appropriations of \$11.7 million, SCC has planned a net deficit of \$2.1 million which will be funded out of accumulated surplus as SCC rebalances its financial position to enable optimal delivery of its mandate. Appropriations have increased

by \$4.0 million versus the 2013-2014 forecast because of the reprofile of \$2.0 million from 2013-2014 to 2014-2015 as explained in section 9.3. The annual deficit of \$2.1 million is \$823 thousand lower than SCC's forecasted prior year deficit of \$2.9 million.

Last year SCC identified and aligned its financial reporting to capture spending related to key Strategic Operating Initiatives. These multi-year initiatives continue into fiscal 2014-2015 as SCC drives them toward completion. They address targeted execution on SCC's priorities as follows:

- International Delegates and Industry Participation
- Capacity Building:
 - Developing Countries – Mongolia and China
 - CATRTA
- NISI
- Outdated Standards Referenced in Federal Regulations
- IM/IT Modernization, including the implementation of an integrated business management solution and supporting infrastructure

The planned expenditures related to the detailed key strategic initiatives that follow will be allocated an amount of \$5.3 million in 2014-2015 (an increase of \$1.8 million from the forecast 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 on-going 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 2018-2019 fiscal year.

To assist with improving the participation and engagement of industry, SCC plans to conduct conferences with several sectors that will cost approximately \$130 thousand for travel, meetings expense and professional fees related to facilitation.

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

Capacity Building

Developing Countries – Mongolia & China (\$68 thousand)

An 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, 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.

SCC and the SAC initiated discussions in fiscal 2013-2014, whereby delegations from China will come to Canada to learn best practices.

CATRTA (\$164 thousand)

The work performed in the past three years on this multiple project initiative was the outcome of the original workshop - the "Bridging the Standards Divide" in 2011. SCC's subsequent report detailed a potential 15 sub-projects that will assist Caribbean countries to engage in strategic participation in standardization activities, to build regional accreditation services and to improve their understanding and ability to manage technical barriers to trade obligations. In 2014-2015, SCC has a final project planned, related to a COPANT workshop in Cuba. There are no additional projects planned for CATRTA beyond 2014-2015.

NISI (\$1.2 million)

For the 2013-2014 plan, NISI is in its fourth year of a five year initiative in partnership with 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 of 2012, SCC contracted for the development of national standards in four focus areas, with expected deliverables over the course of the following 2-3 years. A fifth and final standard will be contracted during the fourth quarter of 2013-2014.

Updating Standards available for Government and Industry use (\$2.2 million)

There are more than two thousand 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 need 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 following two fiscal years, hence the large funding requirement in fiscal 2014-2015.

It must be clearly understood that even if SCC is successful in securing financial support from government and/or industry, to address the renewal, where required, of outdated standards, SCC is only tackling a small portion of a number of critical standardization issues. In addition, there is a capacity challenge; even if additional funding is found to consider such a magnitude of standardization solutions, the existing SDOs in Canada would not likely have the capacity to execute on all of these deliverables. SCC is investigating policy alternatives to broaden the availability of up to date standards in Canada.

IM/IT Architecture Modernization (\$596 thousand)

SCC is modernizing its IM/IT application architecture and associated infrastructure 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
- Ensure a seamless stakeholder experience

A multi-year plan has been documented and consists of delivering a modernized architecture with the foundation being an

integrated business management solution and supporting infrastructure providing Document Management, Customer Relationship Management, Project Portfolio and Activity Tracking, and Workflow and Collaboration. 2014-2015 is year 3 of the 4 year plan (see sections 9.5 and 9.6 for further details).

9.5 2013-2014 Capital Expenditures Forecast

Total capital expenditures in 2013-2014 are forecast at \$660 thousand which is \$509 thousand lower than the original budget of \$1.1 million.

The decrease in capital expenditures compared to plan relates to timing of expenditures. In 2011-2012, SCC conceptualized the evolution of its IM/IT architecture from a fragmented, outdated series of systems to an integrated, enterprise-wide system. This system would encompass best practice Document and Records Management, Customer Relationship Management, Project Portfolio and Activity Tracking, and Workflow and Collaboration.

SCC's capital policy with respect to IM/IT projects states that any and all costs incurred during the application and development phase of the project will be capitalized, or deemed to be assets, not expenses of SCC. The application development phase starts once the following activities have occurred:

- the determination of the existence of needed technology;
- conceptual formulation of alternatives; and,
- evaluation and selection of the solution

The modernization project was initiated in fiscal year 2012-2013 with an original budget assumption that SCC would reach the application development phase by mid-year 2013-2014. However, the business requirements gathering has taken longer to complete, based

on both the complexity of the requirements, as well as the inter-connectivity between SCC branches. The original plan assumed that SCC would implement the results of a Request for Proposal (RFP) process started in the third quarter of the forecast year, to be able to contract with the vendor(s) in the fourth quarter. This timeline would have enabled SCC to be in a position to begin capitalizing its investment by the fourth quarter of 2013-2014. Therefore, a portion of the capital component of this project cannot be triggered and the associated funds moved to next fiscal year.

The capital spend in the current forecast relates primarily to the IM/IT modernization initiative, as well as other projects, such as hardware/software scheduled refresh and minor finance system upgrades / modules.

9.6 2014-2015 Capital Budget and 5-Year Capital Investment Plan

SCC's 2014-2015 total capital investment budget is planned at \$884 thousand. Consistent with SCC's modernization vision and key strategic priority to "Achieve Operational Excellence", SCC will be executing on its technical architectural design to translate its IT vision into reality.

The 2014-2015 plan year is an extension of the 2013-2014 forecast year with respect to the IM/IT vision and project work. The five year plan is built on the assumption that that SCC will begin to implement the outcomes of the RFP during the first quarter of 2014-2015.

All these functional IM/IT areas noted in the last section (Document Management, Customer Relationship Management, Project Portfolio and Activity Tracking, Workflow and Collaboration) will be solutioned in an integrated, inter-operable environment.

SCC plans to continue the upgrade of its financial system with added functionality such as the automation of its invoicing process, use of electronic fund transfer payment methods, an electronic cheque signature application, and financial management reporting tools. Focusing in these areas will drive operational efficiency.

The lease for SCC's head office in Ottawa expires in June 2015. As such, SCC has planned for significant leasehold improvements and furniture costs in 2015-2016. Over the coming months, SCC will be reviewing its accommodation options and finalizing its plan for facilities modernization.

In addition, furniture, small office equipment life cycle upgrades and other minor capital investments are planned at a cost of \$50 thousand per year starting in 2014-2015 and carrying through for all five years of the Plan. For the extended plan years, additional spending in capital relates to the second and third phases of the architectural overhaul. Areas such as the following have been planned for delivery within these years:

- Sitescape decommissioning
- Intranet modernization
- Business intelligence and reporting

Pro Forma Statement of Operations

For the year ended March 31

(in thousands of dollars)	Actuals 2012-2013	Forecast 2013-2014	Five-Year Plan				
			2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Revenue from Operations							
Accreditation Revenue	6,805	7,325	7,691	7,922	8,160	8,405	8,657
SCC eStore	889	881	881	907	934	962	991
Advisory Services	761	802	528	326	334	342	350
Enquiry Point & Notification Services	390	396	-	-	-	-	-
Other Income	396	383	296	382	489	596	603
Total Revenue from Operations	9,241	9,787	9,396	9,537	9,917	10,305	10,601
Total Expenses	17,581	20,453	23,197	20,651	18,985	19,520	19,705
Surplus / (Deficit) from Operations	(8,340)	(10,666)	(13,801)	(11,114)	(9,068)	(9,215)	(9,104)
Parliamentary Appropriations	10,319	7,771	11,729	9,729	9,229	9,229	9,229
Net Surplus / (Deficit) for the year	1,979	(2,895)	(2,072)	(1,385)	161	14	125
Accumulated Surplus / (Deficit), Beginning of year	5,984	7,963	5,068	2,996	1,611	1,772	1,786
Accumulated Surplus / (Deficit), End of year	7,963	5,068	2,996	1,611	1,772	1,786	1,911

Pro Forma Statement of Financial Position

For the year ended March 31

(in thousands of dollars)	Actuals 2012-2013	Forecast 2013-2014	Five-Year Plan				
			2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Financial Assets:							
Cash	6,839	3,846	1,942	1,229	1,820	1,796	1,643
Accounts Receivable:							
Federal Departments and agencies	472	412	312	312	312	312	312
Other	2,684	3,035	3,037	2,600	2,619	2,715	2,988
Total Financial Assets	9,995	7,293	5,273	4,141	4,751	4,823	4,943
Liabilities:							
Accounts Payable and Accrued Liabilities	1,678	1,706	1,913	1,770	1,758	1,591	1,525
Contributions Received	54	114	189	191	193	195	197
Deferred Revenue	1,905	2,262	2,330	2,479	2,432	2,236	2,048
Tenant Improvement Allowance	0	0	0	1,800	1,620	1,440	1,260
Total Liabilities	3,637	4,082	4,432	6,240	6,003	5,462	5,030
Net Financial Assets / (Debt)	6,358	3,211	841	(2,099)	(1,252)	(639)	(87)
Non-Financial Assets:							
Prepaid Expenses	756	764	772	780	788	796	804
Capital Assets (Net)	849	1,093	1,383	2,930	2,236	1,629	1,197
Total Non-Financial Assets	1,605	1,857	2,155	3,710	3,024	2,425	1,998
Accumulated Surplus / (Deficit)	7,963	5,068	2,996	1,611	1,772	1,786	1,911

Pro Forma Statement of Changes in Net Assets

For the year ended March 31

(in thousands of dollars)	Forecast 2013-2014	Five-Year Plan				
		2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Total Annual Surplus / (Deficit)	(2,895)	(2,072)	(1,385)	161	14	125
Acquisition of Capital Assets	(660)	(884)	(2,235)	(144)	(144)	(144)
Amortization of tangible capital assets	416	594	688	838	751	579
(Increase) / Decrease in Prepaid Expenses	(8)	(8)	(8)	(8)	(8)	(8)
Increase / (Decrease) in Net Assets / (Debt)	(3,147)	(2,370)	(2,940)	847	613	552
Net Assets / (Debt) Beginning of year	6,358	3,211	841	(2,099)	(1,252)	(639)
Net Assets / (Debt) End of year	3,211	841	(2,099)	(1,252)	(639)	(87)

Pro Forma Statement of Cash Flows

For the year ended March 31

(in thousands of dollars)	Actuals 2012-2013	Forecast 2013-2014	Plan				
			2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Net Cash from Operations							
Annual Surplus / (Deficit)	1,979	(2,895)	(2,072)	(1,385)	161	14	125
Adjustments for Non-Cash Items:							
Amortization of premises and equipment	323	416	594	688	838	751	579
Changes in current liabilities and current assets other than cash	(661)	146	440	2,237	(264)	(645)	(713)
Net Change in Cash from Operations	1,641	(2,333)	(1,038)	1,540	735	120	(9)
Cash Applied to Capital Transactions							
Additions to premises and equipment	(242)	(660)	(884)	(2,235)	(144)	(144)	(144)
Increase in Cash and Cash Equivalents	1,399	(2,993)	(1,922)	(695)	591	(24)	(153)
Cash and Cash Equivalents, Beginning of year	5,440	6,839	3,846	1,924	1,229	1,820	1,796
Cash and Cash Equivalents, End of year	6,839	3,846	1,924	1,229	1,820	1,796	1,643

Capital Investment Plan

For the year ended March 31

(in thousands of dollars)	2012-2013	2013-2014		Five-Year Plan				
	Actuals	Forecast	Budget	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
IM/IT infrastructure equipment	87	35	24	24	24	24	24	24
Software & Other	80	595	1,095	845	370	70	70	70
Furniture & small office equipment	20	30	50	15	698	50	50	50
Leasehold Improvements	56	-	-	-	1,143	-	-	-
Total Capital Investment Plan	243	660	1,169	884	2,235	144	144	144