


Agility.  
Flexibility.  
Compassion.

**2020–2021  
Annual Report**



In a difficult year for all Canadians, the Standards Council of Canada (SCC) was proud to play a part in the country's response to the COVID-19 pandemic.

Bringing the power of standardization to bear, we helped tackle the crisis while advancing work on other fronts to prepare for emerging challenges, seize new opportunities and address the next big questions that Canadians will face.

Guided by the principles of **agility, flexibility and compassion**, the actions we took in 2020–2021 have opened up new possibilities for standardization to deliver even more value and contribute to Canadian prosperity and wellbeing for decades to come.

# SCC at a glance

## 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

## Vision

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

## Mandate

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

## Three strategic priorities

### Innovation

Deliver innovation through standardization

### Canadian Leadership

Deliver competitive advantage and economic prosperity through standardization

### Organizational Excellence

Strengthen the organization's culture of excellence

## Focused on what matters to Canadians

### A resilient healthcare system

Supporting the creation of new National Standards of Canada for long-term care with standards development organizations, provincial and territorial governments and Health Canada.

### COVID-19 recovery

Supporting made-in-Canada capacity to produce, test and certify personal protective equipment (PPE).

### Gender equality and inclusivity

Ensuring the economic, societal and safety benefits of standardization are enjoyed equally and by all through research and gender-equitable technical expertise.

### The digital economy

Accelerating the development of data governance standards for Canada along with ethics and safety standards for artificial intelligence.

### Expanded markets for business

Helping Canadian innovators use standardization to reach new markets while reducing internal barriers to trade by harmonizing regulatory regimes.

### Climate change

Embedding climate change adaptation and resilience in building codes, guidelines and standards, and incorporating environmental management standards into government regulations and policies.



# Spotlight on Canadian leadership



**Chantal Guay**, SCC's CEO represent Canada on the ISO Council.



**Cynthia Milito**, SCC's Senior Director of Accreditation Services, is a member of the CASCO's Chairman's Policy and Coordination Group, which develops standards and addresses issues related to conformity assessment.



**Colin Clark**, Acting Chair of SCC's Governing Council and President of the Canadian National Committee of IEC, serves on the IEC Council Board, which makes decisions on policy recommendations.



**Sheila Leggett**, Chair of ISO/TC 207 Environmental management, leads the technical committee responsible for developing high-impact ISO 14000 series of standards on environmental management.



**Elias Rafoul**, SCC's Vice-President, Accreditation Services Branch is on the InterAmerican Accreditation Cooperation (IAAC) Executive Committee, which is one of the regional cooperation bodies recognized by IAF and ILAC.



**Tony Capel**, Convenor for the IEC Standards Management Board, advances harmonization between IEC and ISO standards for digital transformation.



**Mkabi O. Walcott**, SCC's Vice-President, Standards and International Relations Branch, is on the ISO Technical Management Board responsible for managing technical committee structures, and on the IEC Council Board task force that implements IEC's strategic plan.



**Grace Abuhamad**, a Canadian representative for the 2020 IEC Young Professionals Workshop, participates in the mirror committee for the joint ISO and IEC subcommittee on Artificial Intelligence.

Waterstone  
CANADA'S  
**MOST  
ADMIRED**  
CORPORATE  
CULTURES  
2020

140  
employees

81%  
employee engagement

60.7%  
female workforce

## An engaged and diverse workforce

57.2%  
female leadership team  
(directors and above)

30.6%  
Of the 121 employees who chose  
to complete the self-identification  
survey, 37 identify as indigenous or  
belonging to a visible minority



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# Message from the CEO and the Acting Chair of Council

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**Being an organization dedicated to standardization, it's probably not surprising we concluded early in the pandemic that we ourselves would need a "standardized" approach to steer SCC through the challenge. From the outset of the 2020–2021 fiscal year, we committed ourselves to being agile and flexible, and to guiding our decisions with compassion.**

Our ability to live up to those principles—combined with growing recognition of the value of standardization to solve complex problems—led us to be called on throughout the year as a strategic partner in the Government of Canada's efforts to address Canadians' health, safety, economic and societal needs.

We acted swiftly to help ensure a secure supply of personal protective equipment (PPE) across the country. We retooled our accreditation services business so Canadian companies could continue to obtain the certifications they needed to perform and compete. We transitioned and adapted to a digital way of working that will influence how we carry out our duties for years to come. Despite massive disruption and unexpected circumstances, we met our corporate objectives.

Our ability to serve as a trusted advisor and objective facilitator proved useful in helping advance the work towards harmonized digital credentials for all Canadians, and in contributing to the Treasury Board Secretariat's Second Round of Targeted Regulatory Reviews.

Last year as well, we developed solutions to support the government's 50–30 Challenge led by Innovation, Science and Economic Development (ISED) Canada. We also engaged in productive discussions with Health Canada, Natural Resources Canada and other federal partners on their own strategic standardization files, and many other stakeholders.

These achievements would not have been possible without dedicated and innovative people capable of responding to complex challenges amid ongoing uncertainty. Our thanks go to every member of the SCC team for their contributions last year. Working from home has created an unexpected sense of community, giving us glimpses into, and better understanding of, each other's lives and personal realities. The lessons we have learned together and skills we have acquired position us to continue to deliver on our objectives as the digital and virtual future of work takes hold.

The members of our technical committees, the standards development organizations and all our partners throughout the standardization system were also pivotal to our accomplishments in 2020–2021. They demonstrated dedication and perseverance throughout the year, and we are grateful for their support. Standardization is not the domain of any





one organization: it truly is a system, a network, and it is the collective strength of all stakeholders that holds the greatest promise for Canada and Canadians.

Among the many events that made 2020–2021 a significant year, we marked the 50th anniversary of SCC. That occasion provided a moment for our organization to pause and take stock of where we've come from and, more importantly, where we want to go. Looking ahead, we are resolved to be a provider of standardization solutions to knock down trade barriers, create opportunities, and help Canadian businesses shape emerging markets—with the safety and interests of the public always in mind.

**Chantal Guay**, ing. P.Eng. FCAE  
CEO

**Colin Clark**, P.Eng., FEIC  
Acting Chair

# Pivoting to tackle emerging challenges

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## **A rapid response to a national health care crisis**

**As soon as it was clear the country might face a shortage of personal protective equipment (PPE) in the early days of the COVID-19 pandemic, SCC engaged partners in government and across the standardization system to develop a national certification program for N95-equivalent gear. That quick and effective response bolstered Canada's frontline capacity and allowed domestic manufacturers to get lifesaving products swiftly to market.**

The Canadian Standards Association (CSA Group) needed a scope extension to certify Canadian-made PPE: SCC expedited that process and at the same time rallied standards development organizations (SDOs) to create a new national PPE standard. With those steps in place, Health Canada was able to quickly issue guidance to Canadian manufacturers referencing the new Canadian certification process. Canada now has the domestic capability to manufacture and certify its own PPE as the pandemic continues—and to address any future health crises.

## **Setting new standards in health**

The COVID-19 pandemic brought to light the need for new national standards for long-term care homes across the country. In collaboration with the Health Standards Organization (HSO) and CSA Group, we began working on two such standards: one focused on service quality and the other on safe operating practices and infection control. Combined, the new National Standards of Canada will help provide greater health and safety protections for long-term care residents.

Prevention is a key piece of public health strategy that standardization can support. On that front, SCC entered an agreement with Health Canada last year to create a new National Standard of Canada for smoking cessation, supporting the government's commitment to cut Canadian tobacco use to less than five percent of the population by 2035.

## **For Canadians' digital advantage**

The pandemic underscored and increased Canadians' dependence on digital technologies. That added urgency to the Government of Canada's goal of creating harmonized digital credentials for all Canadians. SCC brought an impartial problem-solving approach and novel standardization tools such as workshop agreements and technical specifications to propel the collaborative project with the provinces and territories. Once established, the credentials will streamline and simplify Canadians' access to platforms, programs and services.



As that work got underway, we continued our efforts with the Canadian Data Governance Standardization Collaborative to tackle big questions of standardization and data governance. A new Roadmap aligned with Canada's Digital Charter will be published in 2021, outlining key data governance issues and identifying ways to close existing standardization gaps.

With help from the Canadian Advisory Committee on General Data Protection Regulation (CAC-GDPR), we issued a guidance document to introduce Canadian organizations to the GDPR and recommend standardization solutions to facilitate compliance. The document will help organizations take the first steps on their path to GDPR compliance and guide them on the use of relevant standards.

SCC achieved  
an overall score of  
**97%**  
against its corporate  
objectives in a year  
of disruption.

## Advancing gender equality and inclusivity

The federal 50–30 Challenge calls on Canadian organizations to achieve gender parity (50 percent) and significant representation (30 percent) of other under-represented groups on boards and in senior management. Last year, we began work on a Guidance Document that will establish the key terms and definitions to help companies take the Challenge and evaluate their performance. Also on the gender front, our research report, *When One Size Does Not Protect All: Understanding Why Gender Matters for Standardization*, gained worldwide recognition for showing how gendered standards put lives at risk. We continued to implement our five-year strategy to improve gender equity in Canada and targeted recruitment of women for technical committees.

**“** *In this era of innovations and disruptions in every sector, standards continue to play a critical role in keeping the products and equipment safe and effective, ensuring the safety and trust of consumers. It is very important for all the stakeholders, including women and men, to participate in the standards development and revision process. If we do not include everyone, we are ignoring a talent pool, we are not getting perspective of all, and standards may not be construed as complete. SCC's initiative and leadership in advancing gender responsive standards is crucial to building a more inclusive world.”*

**Gurvinder Chopra**, VP-Standards and Regulation,  
Electro-Federation Canada





606

Accreditation  
Services customers,  
up 5% over the  
previous year

## Boosting Canada's leadership in artificial Intelligence

Last year, SCC and ISED launched a joint project with funding from the Treasury Board Secretariat Centre for Regulatory Innovation to apply conformity assessment to artificial intelligence (AI). The unique collaboration among regulators, conformity assessment bodies and AI developers will lay the groundwork for a full-scale, first-in-kind AI accreditation program. SCC is also helping Canadian experts shape the global future of AI. A collaborative effort secured Canada two seats at the table for the first-ever ISO/IEC AI Management System Standard: one in 2018 as Convenor of Working Group 1 and another as Project Editor in October 2020.

## Flexibility

# Rethinking “business as usual”

## Pivoting to remote accreditation

When physical distancing and travel restrictions prevented onsite conformity assessments and client meetings, SCC retooled its Accreditation Services business model for digital delivery. The shift transformed a year of projected losses for the accreditation business into one of strong customer satisfaction, greater efficiency, higher margins and a new foundation for growth.

While remote assessments had been done before the pandemic and some guidance existed on the international level, working solely in a virtual mode—at scale—required quick and careful rethinking. Assessors needed to be on board with the approach, and the technologies involved had to be proven effective for SCC and customers alike.

To make the pivot happen, our team supplemented its previous investments in collaboration technology with risk assessments, technical support and guidance on how to adapt data-sharing rules to ensure quality and security. In-person training programs were also moved online, first as a pilot but quickly evolving into a full-time offering.

In the end, our Accreditation Services business proved that many assessments could be just as effective online as in person. In the end, customer satisfaction averaged 90 percent, not one customer felt the need to take advantage of our offer to waive late payment fees, and we ended up growing our accreditation customer base over the year—results that will help shape how we deliver services in a blended fashion in the future.

“*FM Approvals’ relationship with SCC helps extend our reach for the benefit of our customers who require Canadian product certification and increases manufacturers’ market acceptance as well as the overall availability of property loss prevention products that meet the most rigorous standards. The ongoing support provided by SCC, especially during the pandemic, has been exemplary.*”

**Bob Lovell**, Vice President—Auditing and Quality Assurance, FM Approvals

## Engaging virtually

To gather perspectives on Canada’s climate change vulnerabilities and inform the next phase of our infrastructure and climate change programming, we shifted an already-planned large-scale consultation process entirely online. Through a virtual forum, we were able to collect input from hundreds of individuals across the country. We also conducted key informant interviews and focus groups, commissioned SDO catalogue reviews and an economic study, and developed a research-based prioritization framework for key risk areas.

Embracing digital channels helped us maintain relationships and momentum with domestic and international partners last year. We put to use the training in “virtual excellence” our team invested in the previous year, and worked online with technical committees and SDOs to continue the development of National Standards of Canada. We used industry best practices to provide technical experts and SDOs with the resources and support they needed to participate in standards development activities virtually. We sought feedback from our community of experts and took a continuous improvement approach to our tools and channels, collaboration hubs, newsletters, recruitment practices and more.





**95%**  
of SCC employees  
agreed that SCC  
“cares about me and  
my well-being during  
this challenging situation  
[of the pandemic].”

*Source: SCC 2<sup>nd</sup> Pulse Survey  
Results, November 2020*

## Culture as a competitive advantage

Culture comes from the combination of an organization's intent and the values of its people. In a difficult year like 2020–2021, culture was especially important to performance, productivity and team cohesion. SCC was pleased to be recognized as having one of Canada's Most Admired™ Corporate Cultures of 2020 by Waterstone Human Capital.

## Compassion

# Creating the conditions for people to succeed

## All in this together

**The COVID-19 pandemic disrupted businesses and lives all over the world. Aware of the impacts on partners, customers and staff, SCC resolved to practice “compassionate leadership” grounded in care and understanding. That eased the way through a challenging time and enabled SCC employees to deliver on their objectives—and beyond expectations.**

To monitor how employees were faring, SCC issued internal Pulse surveys in April and November. In response to findings that staff lacked the right equipment, funds were allocated to help them make their home workspaces ergonomic and productive. When it emerged that people were feeling tired and overworked, the organization revisited and adjusted its corporate objectives for the year. In many cases—such as the HR team’s revised succession planning target—the original goals were ultimately met. The second survey found that 95 percent of SCC staff felt SCC and their manager demonstrated concern for their wellbeing, a signal that efforts to provide a supportive environment were succeeding.

The pandemic made mental health a priority topic for organizations in virtually every sector of the economy in 2020–2021. To relieve the stresses on

our workforce, we allowed for flexible schedules that let staff balance work and home responsibilities and entrusted our employees to achieve results in their own ways. Particular effort was made to ensure underrepresented groups were considered, such as incorporating gender-based analysis plus (GBA+) thinking into our return-to-work strategy.

## Responding to real needs

We practiced compassion in our interactions with partners and stakeholders by recognizing their strains and pressures, pursuing “patient productivity” in our projects and work with technical experts, and waiving late fees for accreditation customers. As part of our COVID-19 response at the pandemic’s onset, we also made some standards available for no fee to help companies impacted by the disruption. The Long-Term Care National Standards of Canada, in development with HSO and CSA Group, will also be made available at no fee.

*“The overall support of the federal government during the past year, including the efforts made by SCC to provide access to standards at no fee, was very much appreciated. It helped us continue delivering world-class engineering services and products to all our customers.”*

**John Mannarino**, President, Mannarino Systems & Software Inc.

## Representing Canada internationally

# International activities and collaborations

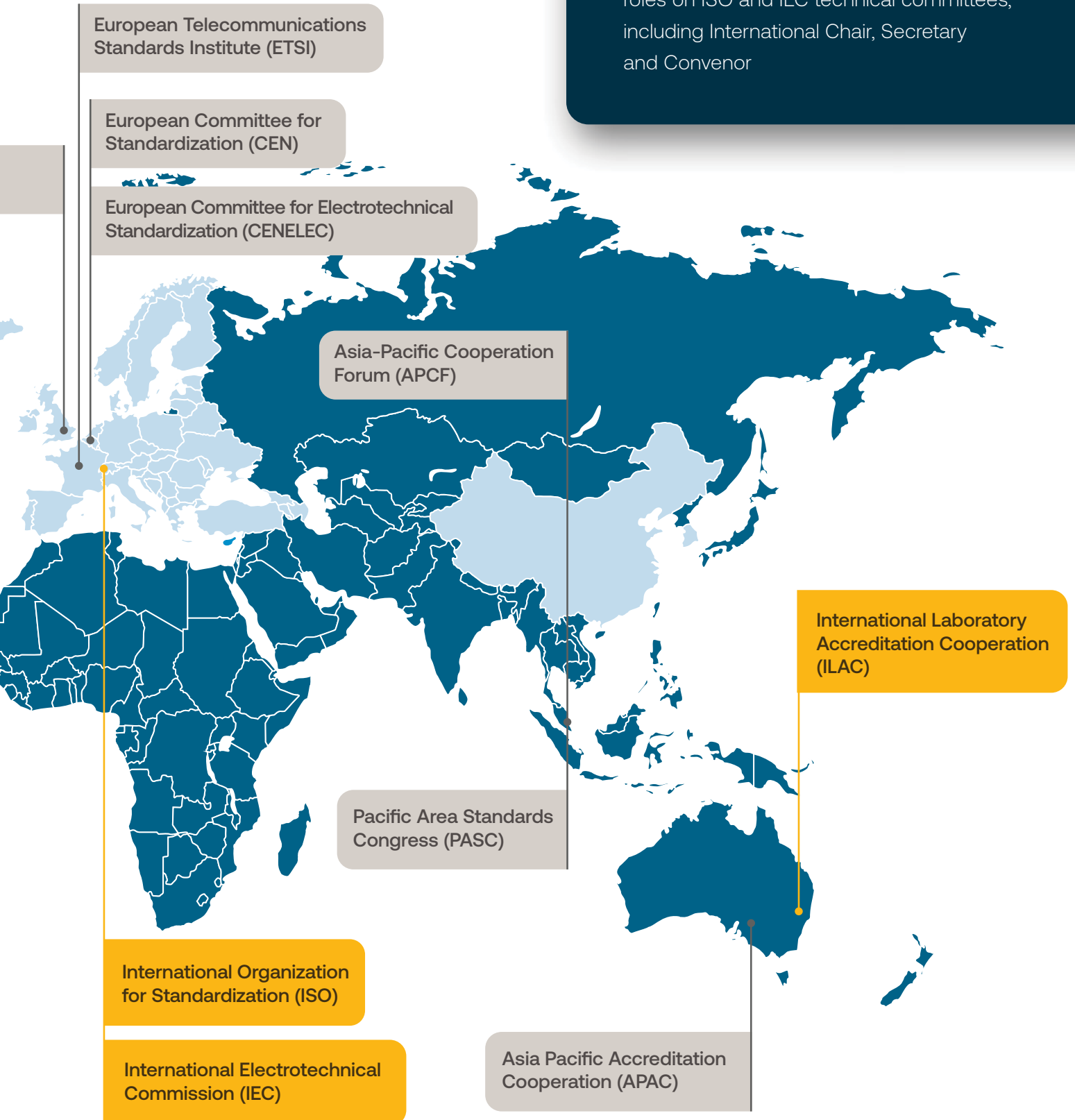
Participation and leadership in international and regional standardization organizations is a critical part of SCC's strategic priority to be an international leader in standards and accreditation. Promoting efficient and effective standardization to advance the national economy, facilitate international trade, and further international cooperation is part of SCC's mandate, and entering into cooperation arrangements with similar organizations in other countries supports these aims.



**Note:** Indicated on the map are the standardization organizations' headquarter, secretariat or main office.



Canada holds **207** leadership roles on ISO and IEC technical committees, including International Chair, Secretary and Convenor

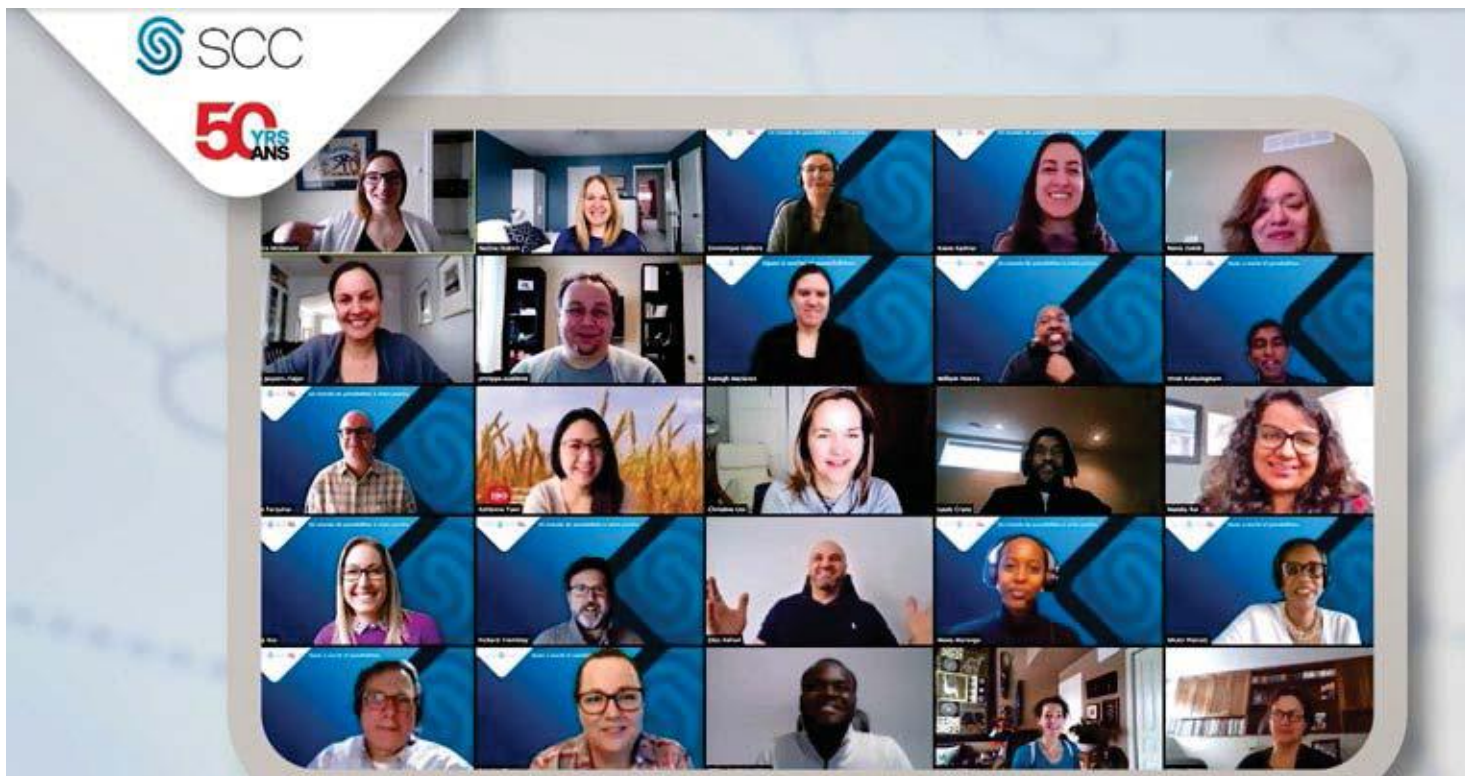


## SCC at 50

# Standardization for the benefit of humanity

SCC was founded in 1970 to promote the efficient and effective use of standardization in Canada. Since then, we have been Canada's national and international voice on standards and accreditation, continuing to drive Canada's health, wellbeing and economic prosperity.

To celebrate our 50<sup>th</sup> anniversary, in 2020 we launched a dynamic website filled with feature stories about the impact SCC has achieved through its people, partners and engagement with the global standardization system. The site showcased the role standardization plays in everyday life now and in shaping the future to come. From cross-border trade to data privacy, from gender equity to time zones, standardization is all around us, and SCC will continue to be its proud champion for decades to come.





## SCC through the years

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Visit our 50<sup>th</sup> anniversary microsite to learn more about SCC's contributions to Canada—and what's next: <https://scc50ccn.ca/>.

### 1970

The Standards Council of Canada is formed through the *Standards Council of Canada Act*

### 1972

Canada earns its first seat on the International Organization for Standardization's governing Council.

### 1980

SCC accredits Canada's first certification organization.

### 1988

Roy A. Phillips becomes the first Canadian elected president of the ISO.

### 2018

SCC appoints Chantal Guay, ing. P.Eng., as its Chief Executive Officer, the first woman to occupy the position

### 2020

SCC publishes world-first report on gender equity: *When One Size Does Not Protect All*

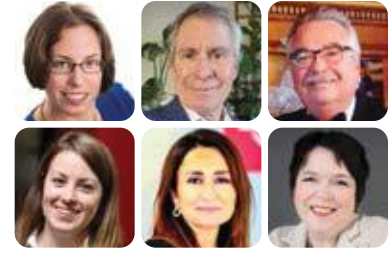
## A new look for our next 50

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SCC has evolved substantially over the years. Looking ahead to the next 50, with a renewed sense of the value standardization can bring to all corners of Canadian life, we refreshed our brand identity in 2020 with an updated logo and the determination—expressed in a new tagline—to “open a world of possibilities”.



# Recognizing excellence in standardization



Every two years, SCC recognizes the commitment of inspiring individuals, organizations and committees who dedicate their time and expertise in support of Canada's national standardization network. The 2020 edition of these awards coincides with our 50<sup>th</sup> anniversary as Canada's respected voice for standards and accreditation on the world stage.

## **Hugh Krentz Award: Alfred (Fred) Leber**

As chair of several international committees, Fred has contributed to the harmonization of Canada–U.S. fire protection standards and helped make equipment more cost effective throughout North America. For this work, he received the Hugh Krentz award, which recognizes exceptional leadership and contributions of an individual in Canada's standardization network.

## **SCC Corporate Commitment Award: Réseau Normalisation et Francophonie (RNF)**

RNF's Women, Youth and Standardization project empowers women and young entrepreneurs to share best practices and integrate standards into business plans in Francophone countries. For this important work, RNF was awarded the SCC Corporate Commitment Award, which recognizes contributions by a group or organization in support of standardization activities nationally and internationally.

## **SCC Committee Achievement Award: CAN/BNQ 9700–800— Healthy Enterprise**

The CAN/BNQ 9700–800 National Standard of Canada published in 2020 reflects the importance to both employers and employees of safeguarding the health and wellness of Canada's workforce. The committee behind the standard was recognized with the SCC Committee Achievement Award for supporting Canada's national standardization network.







## **SCC Young Leader Award: Gillian Wintonic**








Gillian's passion for using standards to improve public safety led her to spearhead the development of UL/ULC safety standards in oil and gas, electrical utility and environmental sustainability. For this and her ongoing advocacy to involve young women in standardization, she was awarded the SCC Young Leader Award, which honours an engaged and active participant of the standardization network under the age of 40.

## **McMahon Dedicated Service Award: Christine Geraghty**














In her 20 years at SCC, Christine has provided incredible support and trusted advice to chairs and members of high-profile international technical committees. Her diligence, commitment and vast knowledge of policies and procedures ensure Canadian priorities are advanced at an international level. For those decades of work, she received the McMahon Dedicated Service Award, which recognizes notable contributions to standardization by SCC personnel.











# Corporate deliverables













#	FY 2020–21 Deliverable	Status	Status at March 31, 2021	Strategic priority
1	COVID-19 Pandemic Response Plan—Internal	SUCCEEDED 	<ul style="list-style-type: none"> <li>• Strong business planning, monitoring and reporting in place, including a robust business continuity plan (BCP).</li> <li>• Rapid and successful transition to remote capabilities, with minimal impact on operations.</li> <li>• Future strategy for a flexible workplace developed, and plan in place for safe re-integration into the workplace.</li> <li>• Extensive internal communications focusing on psychological health, tools and resources since the start of the pandemic.</li> </ul>	ORGANIZATIONAL EXCELLENCE 
2	COVID-19 Pandemic Response Plan—External	SURPASSED 	<ul style="list-style-type: none"> <li>• Proposal developed highlighting how standardization can contribute to Canada's economic recovery effort.</li> <li>• Four high-level presentations given on how the standardization system and SCC will support COVID-19 response efforts and recovery.</li> <li>• References to long-term care built into national recovery plans, 2020 Speech from the Throne and Fall Economic Statement.</li> <li>• Standardization tools and resources made available for PPE, crisis management and business continuity; all SCC-accredited SDOs continue to provide COVID-19-relevant standards at no fee; SCC continues to coordinate future standards work for PPE and long-term care, including participation in the Treasury Board Secretariat's (TBS) interdepartmental committee.</li> <li>• Processes reviewed and adapted to expedite scope extensions for accredited labs and certification bodies.</li> </ul>	CANADIAN LEADERSHIP 
3	Canadian Interests Representation on International Stage	SUCCEEDED 	<ul style="list-style-type: none"> <li>• Ongoing CEO participation in the development of young professionals' program (YPP) and survey for end-users working groups.</li> <li>• CEO participation in the ISO Strategy 2030 Implementation Plan and Measurement Framework Task Force with ISO Council approval of the implementation plan and measurement framework.</li> <li>• CEO representation of Canada on ISO Council's Standing Committees on Oversight (CSC/OV) and ISO Smart.</li> <li>• Discussion of PASC convened by CEO to engage with ISO, IEC, and ITU and Executive Committee (PASC EC) to discuss implementation of the new PASC Strategic Plan 2021-2025.</li> </ul>	CANADIAN LEADERSHIP 









#	FY 2020–21 Deliverable	Status	Status at March 31, 2021	Strategic priority
4	Recognition of Importance of Standardization Network	SURPASSED 	<ul style="list-style-type: none"> <li>Discussed <i>Monitoring Standards in Regulation</i> report.</li> <li>Provided input into ISED's Digital Trust Initiative.</li> <li>Collaborated with CSA Group, HSO, and Ministers of Health and Seniors to further discuss role and work of the standardization system in long-term care.</li> <li>Worked closely with ISED and the Minister's Office to implement the 50/30 Challenge.</li> <li>Participated as a member in Regulatory Review tables.</li> <li>Developed proposal with Health Canada to use standards for online credentials verification.</li> <li>Developed program proposals to support priorities of Environment and Climate Change Canada (ECCC) and Infrastructure Canada.</li> <li>Worked with Economic Strategy Table and engaging in ongoing discussions with Industry Strategy Council.</li> <li>Supported ISED by using standardization to address digital credential challenges in conjunction with Provinces and Territories.</li> </ul>	ORGANIZATIONAL EXCELLENCE 
5	Maintain Employee Health and Engagement in COVID-19 Environment	SUCCEEDED 	<ul style="list-style-type: none"> <li>Reduced level of employee anxiety interfering with ability to work.</li> <li>Confirmed positive staff perception of SCC's handling of the pandemic.</li> <li>Received favourable response to communication of tools and resources to address mental health.</li> </ul>	ORGANIZATIONAL EXCELLENCE 
6	Implementation and Improvement of Talent Management Strategy	SUCCEEDED 	<ul style="list-style-type: none"> <li>Established a six-person diversity and inclusion committee and developed work plan to review policy and processes in relation to diversity.</li> <li>Submitted annual report on diversity to Employment and Social Development Canada.</li> </ul>	ORGANIZATIONAL EXCELLENCE 
7	Succession Plans and Learning Plans for Non-Critical Management Positions	SURPASSED 	<ul style="list-style-type: none"> <li>Succession and learning plans in place for 50% of all non-critical management positions.</li> </ul>	ORGANIZATIONAL EXCELLENCE 
8	Standardization Strategies to Support Canadian Innovative Competitiveness	SUCCEEDED 	<ul style="list-style-type: none"> <li>Delivered 15 innovation strategies and 10 intellectual property strategies for a total of 25.</li> </ul>	INNOVATION 
9	Canadian Innovative Companies Job Creation, Access to Market (National/International), or Revenue Generation	DID NOT MEET 	<ul style="list-style-type: none"> <li>53% of respondents reported an increase in revenue, exports and/or employment, 6% below target.</li> <li>87.5% of respondents were satisfied or extremely satisfied with SCC services.</li> <li>93.8% of respondents would recommend working with SCC to other organizations.</li> </ul>	INNOVATION 




#	FY 2020–21 Deliverable	Status	Status at March 31, 2021	Strategic priority
10	Cybersecurity Certification Program	SURPASSED 	<ul style="list-style-type: none"> <li>Four certification bodies were recognized for CyberSecure. All four are working towards transitioning to full ISO/IEC 17021–1:2015 accreditation.</li> <li>Four bodies applied for the ISO/IEC 17021–1:2015.</li> </ul>	INNOVATION 
11	Roadmap for Canadian Data Governance Standardization Collaborative	DID NOT MEET 	<ul style="list-style-type: none"> <li>Completing roadmap for Canadian Data Governance Standardization Collaborative; identifying future standards development opportunities; aiming to publish roadmap and report in Q1 of FY2021–22.</li> </ul>	INNOVATION 
12	Increase in Young Professionals Participation to Committees	SUCCEEDED 	<ul style="list-style-type: none"> <li>1.8% year-over-year increase young professionals participating as technical experts on international committees.</li> </ul>	CANADIAN LEADERSHIP 
13	Targeted Outreach to Academia to Support Uptake of International Standards	SURPASSED 	<ul style="list-style-type: none"> <li>Used outreach to drive a 63% increase in uptake of international standards used by academics that have agreements with SCC.</li> </ul>	CANADIAN LEADERSHIP 
14	Action Plan from Canadian Expert Satisfaction Survey	SUCCEEDED 	<ul style="list-style-type: none"> <li>Action plan approved by SCC's Senior Management Committee in April 2020, implementation on-track.</li> </ul>	CANADIAN LEADERSHIP 
15	International Technical Committee Participation Voting Rate	SUCCEEDED 	<ul style="list-style-type: none"> <li>Maintained 100% voting rate on international technical committee participation.</li> </ul>	CANADIAN LEADERSHIP 
16	Development of National Standards Strategy	SUCCEEDED 	<ul style="list-style-type: none"> <li>Developed strategy for international standards development.</li> <li>Established inter-branch steering committee.</li> </ul>	CANADIAN LEADERSHIP 

#	FY 2020–21 Deliverable	Status	Status at March 31, 2021	Strategic priority
17	Reconciliation Agreement with Regulatory and Cooperation Table	SUCCEEDED 	<ul style="list-style-type: none"> <li>Advanced negotiations for gasfitters reconciliation agreement (RA) begun in fall 2020.</li> </ul>	CANADIAN LEADERSHIP 
18	Implementation of Action Plan from Accreditation Services Customer Satisfaction Survey	SUCCEEDED 	<ul style="list-style-type: none"> <li>Action plan in place and positive impact on customers confirmed.</li> </ul>	CANADIAN LEADERSHIP 
19	Parameters for the Availability of Standards Referenced in Legislation	SUCCEEDED 	<ul style="list-style-type: none"> <li>Engagements under way with ISED, TBS, the Department of Justice and the Standards Development Organizations Advisory Committee (SDOAC) working group to establish parameters for availability of standards referenced in legislation.</li> <li>Submitted proposal for standards accessibility to ISED; received ministerial signature.</li> </ul>	CANADIAN LEADERSHIP 
20	Proposal & Report for Standards in Action: Building a Climate Resilient Future	SURPASSED 	<ul style="list-style-type: none"> <li>Submitted two proposals to extend and expand SCC's infrastructure programming for standards to support resilience in infrastructure program (Adaptation) and low carbon &amp; green infrastructure program (mitigation).</li> <li>Released consultation report March 31, 2021.</li> </ul>	CANADIAN LEADERSHIP 
21	ISO/TC 207 Briefing to ECCC/NRCan Science Union and Baseline	SUCCEEDED 	<ul style="list-style-type: none"> <li>Ongoing engagement with ECCC and Natural Resources Canada (NRCan) science units, additional discussions to define linkages between the work of ISO/TC 207 and departmental priorities to occur next fiscal.</li> <li>NRCan Deputy Minister briefed on the Monitoring Standards in Regulations (MSR) database, SCC's programming and ISO standards.</li> <li>ECCC Assistant Deputy Minister briefed on SCC standardization work, including status of ISO/TC 207 and SC7 and potential areas for greater involvement from ECCC in support of committee's work.</li> <li>ECCC and NRCan technical and science units briefed at various points throughout the year on the work of ISO/TC 207 and how SCC can support the participation of departments to advance their policy/regulatory objectives.</li> <li>ISO/TC 207 Catalogue linked to MSR database and baseline established to facilitate FY 2021–22 objective setting.</li> </ul>	CANADIAN LEADERSHIP 

#	FY 2020–21 Deliverable	Status	Status at March 31, 2021	Strategic priority
22	Standardization Strategies to Support Canadian Infrastructure Resiliency to Climate Change	SUCCEEDED 	<ul style="list-style-type: none"> <li>Three strategies under development: <ul style="list-style-type: none"> <li>Guidance Document on Understanding Climate Change Information for Standards Development (WSP and ICLEI- Local Governments for Sustainability).</li> <li>Indigenous Community Based Climate Monitoring Guidance Document (Scout Engineering &amp; Consulting Ltd. and Crown-Indigenous Relations and Northern Affairs Canada)</li> <li>National Standard of Canada on Inflow and Infiltration in New Sewers.</li> </ul> </li> <li>Objectives will be exceeded by program end, with 43 standardization strategies against a target of 36 delivered or under development.</li> </ul>	CANADIAN LEADERSHIP 
23	Phase 1 Canadian Infrastructure Program   Baseline and Methodology for Uptake of Standardization Strategies	SUCCEEDED 	<ul style="list-style-type: none"> <li>Baseline and methodology developed under the Performance Management Framework (PMF) to measure the uptake of the standardization strategy for the Infrastructure Program.</li> </ul>	CANADIAN LEADERSHIP 
24	Action Plan to Respond to Employee Engagement Survey	SUCCEEDED 	<ul style="list-style-type: none"> <li>Action plan in place to address three main areas arising from employee engagement survey: communications related to SCC's vision, innovation, compensation.</li> </ul>	CANADIAN LEADERSHIP 
25	Talent Management Strategic Plan	SUCCEEDED 	<ul style="list-style-type: none"> <li>Strategic talent management plan completed and presented to the Governance Committee.</li> </ul>	ORGANIZATIONAL EXCELLENCE 
26	Enterprise Architecture Design	SUCCEEDED 	<ul style="list-style-type: none"> <li>Achieved 18% compliance with new targeted enterprise architecture designed to strengthen bridge between technology solutions and SCC's business needs.</li> </ul>	ORGANIZATIONAL EXCELLENCE 
27	Gap Assessment on Compliance with ISO 9001:2015	SUCCEEDED 	<ul style="list-style-type: none"> <li>Completed gap assessment compliance with ISO 9001:2015 Quality Management Systems, with gap resolution ongoing.</li> </ul>	ORGANIZATIONAL EXCELLENCE 

#	FY 2020–21 Deliverable	Status	Status at March 31, 2021	Strategic priority
28	IT Strategic Plan / System Access Monitoring Policy / Cyber Security Strategy	SUCCEEDED 	<ul style="list-style-type: none"> <li>• Cyber Security Strategy Vision 2021 / 2025 approved.</li> <li>• Web Application Firewall now in place.</li> <li>• Completed or were underway with 2020/21 activities identified in IT Strategic Plan 2020/21–2024/25 — including Enterprise Architecture and Roadmap, release management, and email services migration to the cloud.</li> <li>• Data architecture/information management strategy to guide governance and business intelligence under development.</li> </ul>	ORGANIZATIONAL EXCELLENCE 
29	Availability of Qualified Assessment Personnel	SUCCEEDED 	<ul style="list-style-type: none"> <li>• Four staff assessors completed qualifications in the Inspection Body Accreditation Program (IBAP), Certification Body Accreditation Program (CBAP), Laboratory Accreditation Program (LAP) and Proficiency Testing Accreditation Program (PTAP).</li> <li>• Two contract assessors completed IBAP and CBAP qualifications.</li> </ul>	CANADIAN LEADERSHIP 
30	Compliance with the Official Languages Act (OLA)	SUCCEEDED 	<ul style="list-style-type: none"> <li>• Completed gap analysis to identify potential areas of improvement regarding SCC obligations under the OLA.</li> <li>• Completed linguistic profiles for all Branches and drafted actions to address deficiencies, with some steps already taken.</li> </ul>	ORGANIZATIONAL EXCELLENCE 
31	Sustainable Funding Model	SUCCEEDED 	<ul style="list-style-type: none"> <li>• New funding model to be developed and put in place post-pandemic.</li> </ul>	CANADIAN LEADERSHIP 



#	FY 2020–21 Deliverable	Status	Status at March 31, 2021	Strategic priority
32	Stakeholder Strategy / Increase Research on Value of Standardization	SUCCEEDED+ 	<ul style="list-style-type: none"> <li>• Applied values of flexibility, agility and compassion to its approach to engagement.</li> <li>• Stakeholder engagement strategy focused on achieving maximum impact related to the pandemic.</li> <li>• Continued existing relationships and engagement with all stakeholders while allowing for flexibility and agility to refocus to meet their evolving and changing needs.</li> <li>• Developed action plan to operationalize and integrate SCC's stakeholder map and stakeholder framework into an engagement strategy.</li> <li>• Developed engagement pilot project with federal government stakeholders.</li> <li>• Hired consultant to map stakeholder engagement process to Lean/Agile methodology; completed mapping of staff who engage with federal government contacts; completed post-mortem analysis of previous CRM-like tools used conducted.</li> <li>• Achieved the following related to ongoing research into value of standardization: <ul style="list-style-type: none"> <li>▸ Signed and commenced contract for research on the economic impact of harmonizing the Canadian Electrical Code</li> <li>▸ Published and promoted report on link between standardization and unintentional fatalities of men and women; shared throughout the World Trade Organization, ISO, IEC, PASC, ISO/IEC Joint Strategic Advisory Group on Gender Responsive Standards, UNECE Gender Responsive Standards Initiative and BSI.</li> <li>▸ Presented to Council and published on the economic value of standardization to the Canadian economy.</li> </ul> </li> </ul>	ORGANIZATIONAL EXCELLENCE 

# About our organization

## Our business units

### Strategy and Stakeholder Engagement

Leads the development of standardization strategies that enable SCC and its stakeholders to achieve its overarching results, and provides standardization-related policy advice to the federal, provincial/territorial and municipal governments.

### Standards and International Relations

Facilitates Canada's participation in standards development activities of the International Organization for Standardization and the International Electrotechnical Commission, oversees Canadian standards development activities, and represents Canada's interest in regional standards organizations.

### Accreditation Services

Accredits conformity assessment bodies such as testing laboratories and product certifiers to internationally recognized standards, and provides training on said standards to engage accreditation experience.

### Human Resources

Handles talent management, recruitment, compensation and employee benefits.

### Corporate Services

Provides professional services to support the organization in the areas of strategic and corporate planning, financial management and control, enterprise risk management, information technology, privacy and security, and procurement.

### Office of the CEO

Fosters alignment and coordination of all SCC activities, legal matters, and communications to ensure the organization is advancing toward the same strategic goals, ultimately driving better decisions that lead to better results.

## Our executive team



**Chantal Guay,**  
ing. P.Eng., FCAE,  
Chief Executive Officer



**Dominique Dallaire,**  
Chief Human  
Resources Officer

**Greg Fyfe,**  
Vice-President,  
Corporate Services and  
Chief Financial Officer



**Elias Rafoul,**  
Vice-President,  
Accreditation  
Services Branch



**Richard Tremblay,**  
Vice-President,  
Strategy and  
Stakeholder Engagement



**Mkabi O. Walcott,**  
Vice-President,  
Standards and International  
Relations Branch

**Annie Roy,**  
Senior Director,  
Communications



**Christine List,**  
Corporate Secretary  
and Legal Counsel



# Our Governing Council

The SCC Governing Council reports to Parliament through the Minister of Innovation, Science and Industry. It is composed of up to 13 members, 10 of whom are appointed by the federal government and three others who are members of the Governing Council via the Chair/Vice-Chair positions they hold on statutory committees established pursuant to the *Standards Council of Canada Act*. Members represent a broad spectrum of stakeholder interests and, together, bring the required mix of skills and experience needed to guide management to deliver on SCC's mandate.

The Governing Council has overall responsibility for the oversight of SCC, holds management accountable for fulfilling SCC's statutory mandate, achieving corporate objectives, and ensures that significant risks to the corporation are identified and well-managed. It also plays an important role in setting SCC's strategic direction and ensuring alignment with the priorities of the Government of Canada.



**Colin Clark**, Chief Technical Officer, Brookfield Renewable, Acting Council Chair



**Tom Bursey**, Vice President and Chief Financial Officer, Council of Canadian Academies, Chair of the Audit Committee



**Kathy Milsom**, Corporate Director, Interim Chair of the Corporate Governance Committee



**Mary Cianchetti**, President of Standards, CSA Group, Chair of SCC's SDOAC



**Paul Pierlot**, Senior Manager, Competitiveness Initiatives, Government of Manitoba, and Vice-Chair of SCC's Provincial-Territorial Advisory Committee (PTAC)



**Mike Burns**, Former Assistant Deputy Minister, Asset Management, Northwest Territories Department of Infrastructure



**François Coallier**, Professor, Department of Software and IT Engineering, École de technologie supérieure



**Jeff Dolan**, Executive Director, Technical Safety, Government of Nova Scotia and Vice-Chair of SCC's PTAC



**Zakiah Kassam**, Principal of AirVironment Canada



**Glenda Reid**, Former Executive Director, St. Patrick's Mercy Home



**Brent Schacter**, Professor in the Department of Internal Medicine, University of Manitoba



**Tayt Winnitoy**, Executive Vice President, Consumer Protection BC



# Financial Performance

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**Throughout the 2020–2021 fiscal year, SCC combined resilience with strong financial management practices to enable the optimal use of resources. SCC was fast and decisive in its response to the pandemic caused by COVID-19; it developed alternative work arrangements and modernized tools to allow for virtual collaboration and meetings. SCC maintained multiple “what-if” scenarios of its annual forecast to enable quicker response times to the challenges presented by COVID-19. For instance, SCC re-tasked savings from travel restrictions as well as other efficiencies to provide additional capacity in both people and tools. Additionally, SCC re-examined its corporate priorities early in the year, course corrected throughout and managed to deliver strong performance against its revised objectives.**

SCC’s total revenue in 2020–2021 (excluding federal government funding) was \$9.3 million, which was \$1.5 million or 14 per cent lower than the \$10.8 million recorded during 2019–2020. The decline from last year was primarily due to the pandemic which drove a decrease of \$1.1 million in assessment revenues, primarily in travel which is a recoverable cost with no net impact, and a \$0.3 million decrease in delegate support contributions. Other income also decreased by \$0.2 million while royalty revenues from the sales of standards increased by \$0.1 million. SCC’s 2020–2021 total revenue (excluding federal government funding) of \$9.3 million was \$3.0 million lower than its plan of \$12.3 million, made up by lower revenue from accreditation assessment \$2.0 million, other income and innovative services \$0.6 million and delegate support contributions \$0.4 million.

Revenue from Accreditation Services fees was \$6.6 million, which is \$1.1 million or 14% lower than the \$7.7 million recorded during 2019–2020 and \$2.0 million or 23% lower than its 2020–2021 plan. These revenue shortfalls were primarily driven by a lack of travel stemming from restrictions due to COVID-19. Accreditation services had to re-schedule many of its planned assessments throughout the year and every attempt was made to conduct required assessments remotely. An assumption used to develop SCC’s most likely Q1 forecast estimated that approximately only 30% of planned activity was suitable for remote assessment; but by utilizing improved collaboration tools and working with its pool of third party assessors, Accreditation Services was able to conduct 97% of its originally planned assessment activities. The impact of revenue shortfalls on SCC surplus was mitigated by lower accreditation related expenses, in particular within recoverable travel expenses. Overall, the Accreditation Services branch exceeded its revised financial performance target for the year.

Royalties from the sale of standards totaled \$1.7 million, which was an increase of \$0.1 million or 6% from the previous year's \$1.6 million. Versus this year's plan of \$1.8 million, royalties from the sale of standards experienced a decrease of 6% or \$0.1 million. These revenues are subject to fluctuations due to changes in standards, as well as overall economic activity. Sales volume was higher than expected—especially in light of the global pandemic and its economic impact.

The Delegate Support program was significantly reduced in 2020–2021 due to the inability to travel for technical committee meetings. This resulted in less than a thousand dollars of Delegate Support contributions which was a decrease of \$0.3 million from 2019–2020 and a decrease of \$0.4 million versus budget. Technical committees found ways to work virtually through the pandemic, resulting in substantially lower than planned costs for meetings. This affects the delegate support program in respect of contributions (revenue) and expenses: both of which nearly fell to zero this fiscal year. Through its forecast process, SCC re-invested nearly \$1 million of net savings from this program into other capacity building initiatives, staffing, improved work tools and increased collaboration with other international standards organizations with converging interests.

Innovative services revenue was \$0.6 million which was on par with last year's result of \$0.6 million and \$1.0 million higher than plan. This increase is due to revenue from varying business opportunities that SCC was able to conduct in 2020–2021. During the year, SCC continued to explore opportunities to generate alternative sources of funding from leveraging its expertise in standardization.

Revenue from other income amounted to \$0.3 million, which was \$0.2 million or 40% lower than the \$0.5 million recognized during the prior fiscal

year. Last year, SCC received an unanticipated re-distribution of \$0.3 million from the International Organization for Standardization (ISO) related to their accumulated surplus. There was no similar distribution of surplus in 2020–2021. Other income of \$0.3 million in 2020–2021 was also \$0.4 million or 57% lower than plan of \$0.7 million. Part of the plan variance stems from re-distribution of the ISO accumulated surplus that didn't happen this year (\$0.3 million), while the balance of shortfall (\$0.1 million) is due primarily to a delayed start on SCC's sustainable funding initiative. SCC planned to generate revenue to recover costs in providing Standards expertise and advisory services but held off on this initiative in 2020–2021 due to market conditions.

Operating expenses through March 31 were \$27.7 million, which was \$4.0 million lower than planned expenses of \$31.7 million and \$1.5 million lower than the \$29.2 million of expenses recognized during 2019–2020. The COVID-19 pandemic caused most of the variation from both plan and prior year results. In fact, SCC responded well by reinvesting a significant portion of this underspend variance in travel to other impact and support areas.

Operating expenses were \$(4.0) million lower than planned expenses of \$31.7 million:

- -\$2.8 million lower Travel due to pandemic related restrictions;
- -\$2.3 million of reduced Professional and special services due to the temporary suspension of the Delegate support program (-\$1.5 million), less reliance on external assessors (-\$0.5 million) and timing on program spending (-\$0.3 million);
- -\$0.3 million less in Conferences, events and hospitality due to the fact that SCC didn't host any in-person meetings compared to plan;

- +\$1.3 million of additional expense within Salaries and employee benefits stemming from:
  - ▶ +\$0.6 million from a lower vacancy rate than planned (SCC experienced a vacancy rate of 6% vs planned 10%),
  - ▶ +\$0.3 million in unplanned promotions and incentives,
  - ▶ +\$0.2 million in one-time expenses that are recovered through appropriations; and
  - ▶ +\$0.2 million from an increase in the reserve for outstanding vacation liability as SCC relaxed its 10 vacation day carryover limit in response to a shift of spring break from March to April.
- +\$0.1 million in all other expenses with no significant variance in any remaining expense items.

Operating expenses were -\$1.5 million lower than last year's expenses of \$29.2 million:

- -\$2.5 million lower Travel due to pandemic related restrictions;
- -\$1.3 million of reduced Professional and special services due to the temporarily suspended Delegate support program;
- -\$0.3 million less in Conferences, events and hospitality due to fewer in-person meetings compared to last year;
- +\$0.3 million more on Office supplies for the program SCC implemented to reimburse staff for setting up their home office for remote work,
- +\$2.3 million within Salaries and employee benefits that stems from a combination of planned staffing increases that correlate with program spending as well as incremental spending on additional staff to add capacity during the pandemic.

Through March 31, 2021, SCC has recognized \$18.6 million in Parliamentary appropriations, which was \$0.3 million higher than its plan of \$18.3 million and similar to prior year appropriations of \$18.6 million. The increase versus plan is due to the recovery of \$0.2 million in one-time reimbursements and a \$0.1 million transfer of appropriations from Treasury Board Canada to assist with a report on artificial intelligence. Although there was no overall year-over-year change in appropriations, \$0.5 million of increases in program funding were offset by a \$0.5 million decrease in the reimbursement of one-time costs. Program funding increase of \$0.5 million was derived from *Standards to Support Resilience in Infrastructure* program and *Innovation and Superclusters* program (\$0.1 million), *Innovation, Intellectual Property and Standards-Setting* program (\$0.1 million), *CyberSecure Canada initiative* (\$0.2 million) and *Using Conformity Assessment to Test Artificial Intelligence Project* (\$0.1 million).

At March 31, 2021, SCC's accumulated surplus was \$6.8 million. SCC's modest surplus this year of \$0.1 million is at its lowest level in years as SCC successfully continues to close the timing difference between new program funding received in-year and activity levels. \$1.0 million is required for adherence to SCC's Accumulated Surplus Target Policy; and the balance of accumulated surplus will primarily be drawn down to honour SCC's commitments in the achievement of its program deliverables.

Standards Council of Canada  
**Financial Overview 2016–2017 to 2020–2021**

Financial Overview	2016–2017	2017–2018	2018–2019	2019–2020	2020–2021 Budget	2020–2021 Actual
<b>Revenue</b>						
Accreditation fees	\$ 7,750,273	\$ 8,008,784	\$ 7,867,962	\$ 7,723,071	\$ 8,594,000	\$ 6,629,232
Royalties from standards sales	1,234,018	1,578,477	2,064,385	1,568,236	1,809,000	1,704,836
Innovative services	311,108	227,087	284,454	625,268	773,000	641,491
Delegate support contributions	342,454	407,686	359,997	342,818	411,000	847
Other income	187,326	326,045	451,155	529,852	714,000	285,759
	<b>9,825,179</b>	<b>10,548,079</b>	<b>11,027,953</b>	<b>10,789,245</b>	<b>12,301,000</b>	<b>9,262,165</b>
<b>Expenses (restated)</b>						
Accreditation services	5,458,679	5,770,228	5,897,870	6,295,578	6,900,000	5,443,756
Standards solution & strategy	8,350,050	9,080,271	10,609,103	12,540,657	14,480,000	11,508,725
Management and administrative services	8,020,916	9,089,755	10,219,704	10,366,349	10,311,000	10,785,333
	<b>21,829,645</b>	<b>23,940,254</b>	<b>26,726,677</b>	<b>29,202,584</b>	<b>31,691,000</b>	<b>27,737,814</b>
<b>(Deficit) from operations</b>	<b>(12,004,466)</b>	<b>(13,392,175)</b>	<b>(15,698,724)</b>	<b>(18,413,339)</b>	<b>(19,390,000)</b>	<b>(18,475,649)</b>
<b>Government funding</b>						
Parliamentary appropriations	10,515,380	13,828,495	17,973,672	18,578,854	18,321,000	18,575,862
<b>Annual (deficit) / surplus</b>	<b>\$ (1,489,086)</b>	<b>\$ 436,320</b>	<b>\$ 2,274,948</b>	<b>\$ 165,515</b>	<b>\$ (1,069,000)</b>	<b>\$ 100,213</b>





# Enterprise Risk Management

SCC assesses its overall risks as part of its corporate planning process and reviews and updates them regularly using the international standard ISO 31000, Risk Management as the basis for that assessment. SCC also aligns its risk management practices with Treasury Board guidelines to ensure the organization has appropriate strategies in place.

In accordance with the *Financial Administration Act*, SCC applies rigorous financial management practices to safeguard those resources. To remain relevant, SCC recognizes the importance of maintaining the confidence of government, industry, and other stakeholders in the value of standardization and the role SCC plays to advance it. That confidence requires SCC to meet its organization requirements and manage its risks effectively to maintain its recognition on international and regional standardization regimes and bodies.

Over the last fiscal year and for the foreseeable future, SCC monitors the following key risk areas:

## Pandemic Response Plan

In March 2020, SCC added COVID-19 Pandemic Response as a significant item to its Enterprise Risk Management Registry. The operating environment shaped by the COVID-19 crisis fundamentally changed the focus of standardization. SCC responded by establishing internal controls and plans to address potential staff reductions due to illness, equipping teams with key tools for remote work and collaboration (ensuring productivity and work-from-home resilience) and strengthening mental wellness programs and activities. The senior leadership team reviewed business continuity plans regularly to ensure the organization was able to respond effectively to the impact of the pandemic.

Externally, SCC acted on requests for standardization strategies to alleviate the immediate health and safety impacts of the crisis. As the nation embarks on the road to recovery, the standardization system will be relied upon to provide tools and strategies.

## Virtual Culture and the Future of Work

An engaging and caring workplace culture has many positive impacts on staff morale and productivity as well as SCC's ability to attract and retain staff, deliver on its mandate, and maintain its reputation. SCC continuously surveys employee engagement, implemented a healthy workplace strategy that includes components on mental health to ensure a vital and vibrant SCC culture. SCC's shift to virtual work is being supported by external experts and work is underway to design its workplace of the future and adapting its culture to a more virtual workplace.

## Availability of Core Business Systems

SCC's existing systems, databases and applications will not meet the organization's future needs, affecting the ability of staff to meet core requirements and inhibiting SCC's growth and innovation. Cybersecurity threats also present significant risks. To address these, SCC developed its IT enterprise architecture and integrated roadmap for IM/IT that includes both IT operations and maintenance. The IT team has been cross-training staff to eliminate single points of failure on aging systems. As well, a threat risk assessment has been completed and an action plan is in place to address any medium or high cybersecurity risks. All employees are required to complete cybersecurity awareness training.

## Resource Capacity

SCC's ability to carry out its core functions and achieve impact depends on having access to technical experts, a full complement of key personnel and a right-skilled workforce. To increase the participation of experts, SCC promotes the benefits of contributing to the standardization system and actively recruits the talent of the future. To address the risks of long-term absences or position vacancies, SCC has developed succession plans for key positions and has a recruitment strategy in place. To ensure the availability of qualified assessment personnel to deliver on accreditation activities and meet customer needs, SCC has implemented a long-term assessor resource plan to attract and retain competent and qualified assessors complemented by new tools and training. In the context of COVID-19, SCC's Accreditation Services has had to quickly pivot to remote and online assessments to mitigate risks to its revenue base, and to safeguard national supply chains for critical personal protective equipment and laboratory testing.

# Management Responsibility for Financial Statements

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

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

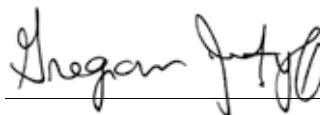
SCC's Governing Council, through its Audit Committee, is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. Comprised solely of independent Council members, the Audit Committee meets with management to review the financial statements on a quarterly basis and the audited financial statements and Annual Report annually and reports on them to the Governing Council which approves the financial statements.

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



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**Chantal Guay**, ing., P. Eng.  
Chief Executive Officer



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**Greg Fyfe**, CPA, CMA  
Chief Financial Officer and  
Vice-President Corporate Services

Ottawa, Canada  
June 4, 2021



## INDEPENDENT AUDITOR'S REPORT

To the Minister of Innovation, Science and Industry

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of the Standards Council of Canada (the SCC), which comprise the statement of financial position as at 31 March 2021, and the statement of operations, statement of changes in net financial assets and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the SCC as at 31 March 2021, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the SCC in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other Information*

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the Financial Performance section included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the SCC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the SCC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the SCC's financial reporting process.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SCC's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the SCC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the SCC to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Report on Compliance with Specified Authorities**

### *Opinion*

In conjunction with the audit of the financial statements, we have audited transactions of the Standards Council of Canada coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are Part X of the *Financial Administration Act* and regulations, the *Standards Council of Canada Act* and regulations, the by-laws of the Standards Council of Canada, and the directive issued pursuant to section 89 of the *Financial Administration Act*.

In our opinion, the transactions of the Standards Council of Canada that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Financial Administration Act*, we report that, in our opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

*Responsibilities of Management for Compliance with Specified Authorities*

Management is responsible for the Standards Council of Canada's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Standards Council of Canada to comply with the specified authorities.

*Auditor's Responsibilities for the Audit of Compliance with Specified Authorities*

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.

*N. Chartrand*

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

Ottawa, Canada  
4 June 2021

Standards Council of Canada  
**Statement of Financial Position**

As at March 31, 2021 2020

**Financial assets**

Cash and cash equivalents (Note 4)	\$ 8,598,269	\$ 7,425,549
Accounts receivable (Note 4)	1,812,033	2,160,181
Federal government departments and agencies receivable (Note 14)	177,746	211,100
Parliamentary appropriations receivable (Note 14)	174,862	668,854
	<b>10,762,910</b>	10,465,684

**Liabilities**

Accounts payable and accrued liabilities (Note 6)	3,105,183	3,840,924
Deferred contributions (Note 7)	61,730	2,214
Deferred revenue (Note 8)	3,084,711	1,966,301
Deferred lease inducement (Note 9)	776,334	857,974
	<b>7,027,958</b>	6,667,413

**Net financial assets** 3,734,952 3,798,271

**Non-financial assets**

Tangible capital assets (Note 5)	1,843,622	1,619,311
Prepaid expenses	1,248,240	1,309,019
	<b>3,091,862</b>	2,928,330

**Accumulated surplus** \$ 6,826,814 \$ 6,726,601

Contractual rights (Note 12)  
Contractual obligations (Note 13)

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

Approved by the Governing Council:



**Colin Clarke**

Acting Chair

Approved by Management:



**Chantal Guay**

Chief Executive Officer

Standards Council of Canada  
**Statement of Operations**

For the year ended March 31,	2021 Budget (Note 15)		2021		2020
Revenues from operations					
Accreditation services fees	\$	8,594,000	\$	6,629,232	\$ 7,723,071
Royalties from sales of standards		1,809,000		1,704,836	1,568,236
Delegate support contributions		411,000		847	342,818
Innovative services		773,000		641,491	625,268
Other income		714,000		285,759	529,852
		12,301,000		9,262,165	10,789,245
Expenses (Note 11)					
Accreditation services		6,900,000		5,443,756	6,295,578
Standards solution & strategy		14,480,000		11,508,725	12,540,657
Management and administrative services		10,311,000		10,785,333	10,366,349
		31,691,000		27,737,814	29,202,584
Deficit before parliamentary appropriations		(19,390,000)		(18,475,649)	(18,413,339)
Parliamentary appropriations		18,321,000		18,575,862	18,578,854
Surplus / (Deficit)		(1,069,000)		100,213	165,515
Accumulated surplus, beginning of year		7,130,000		6,726,601	6,561,086
Accumulated surplus, end of year	\$	6,061,000	\$	6,826,814	\$ 6,726,601

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



Standards Council of Canada  
**Statement of Changes in Net Financial Assets**

For the year ended March 31,	2021 Budget (Note 15)		2021		2020
Surplus / (Deficit)	\$	(1,069,000)	\$	<b>100,213</b>	\$ 165,515
Acquisition of tangible capital assets		(225,000)		<b>(654,313)</b>	(176,200)
Loss on disposal of tangible capital assets		–		<b>5,797</b>	–
Amortization of tangible capital assets		432,000		<b>424,205</b>	417,637
(Increase) / Decrease in prepaid expenses		(21,000)		<b>60,779</b>	(584,707)
<b>Decrease in net financial assets</b>		<b>(883,000)</b>		<b>(63,319)</b>	<b>(177,755)</b>
Net financial assets at beginning of year		4,415,000		<b>3,798,271</b>	3,976,026
<b>Net financial assets at end of year</b>	<b>\$</b>	<b>3,532,000</b>	<b>\$</b>	<b>3,734,952</b>	<b>\$ 3,798,271</b>

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

Standards Council of Canada  
**Statement of Cash Flow**

For the year ended March 31,	2021	2020
<b>Operating Transactions:</b>		
Surplus	\$ 100,213	\$ 165,515
Adjustments for non-cash items:		
Amortization of tangible capital assets	424,205	417,637
Amortization of deferred lease inducement	(81,640)	(81,562)
Loss on disposal of tangible capital asset	5,797	—
Changes in:		
Prepaid expense	60,779	(584,707)
Deferred revenue	1,118,410	274,334
Deferred lease inducement	(for zero value)	56,020
Accounts receivable	348,148	250,052
Federal government departments and agencies receivable	33,354	(63,297)
Parliamentary appropriations receivable	493,992	230,818
Accounts payable and accrued liabilities	(712,001)	420,704
Deferred contributions	59,516	(13,035)
Cash provided by operating transactions	1,850,773	1,072,479
<b>Capital transactions:</b>		
Additions of tangible capital assets	(678,053)	(207,293)
Cash applied to capital transactions	(678,053)	(207,293)
Increase in cash and cash equivalents	1,172,720	865,186
Cash and cash equivalents, beginning of the year	7,425,549	6,560,363
Cash and cash equivalents, end of the year	\$ 8,598,269	\$ 7,425,549

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

# Notes to the Financial Statements

**March 31, 2021**

## 1. Authority, Mandate and Activities

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

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

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

- Foster quality, performance and technological innovation in Canadian goods and services through standards-related activities.
- Develop prioritized standards-related strategies and long-term objectives to advance Canada's economy; support sustainable development; benefit the health, safety and welfare of citizens; and assist and protect consumers.
- Accredite organizations engaged in standards development and conformity assessment.
- Represent Canada's interests internationally and regionally through membership in the International

Organization for Standards (ISO), the International Electrotechnical Commission (IEC) and various regional standardization organizations.

- Approve National Standards of Canada (NSCs).
- Provide innovative services, advice and assistance to the Government of Canada in the negotiation of standardization-related aspects of international trade and mutual recognition agreements.
- Work with international standards bodies to develop agreements that facilitate trade.
- Foster and promote a better understanding of the benefits and usage of standards and accreditation services.
- Act as the premiere source to collect and distribute information on standards activities.

In July 2015, SCC was issued a directive (P.C. 2015-1109) pursuant to section 89 of the *Financial Administration Act* to align its travel, hospitality, conference and event expenditure policies and practices with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that is consistent with its legal obligation. SCC's policies and practices are aligned with the most recent Treasury Board policies, directives and related instruments as required by the section 89 directive.

## 2. Significant Accounting Policies

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

### a) Basis of Accounting

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

## **b) Cash and Cash Equivalents**

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

## **c) Tangible Capital Assets**

Tangible Capital Assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Amortization is recorded on a straight-line basis over the estimated useful life of the assets:

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

Tangible capital assets that are under development are not subject to amortization. When work is completed, the tangible capital asset portion is reclassified to the appropriate line item of tangible capital assets and is amortized accordingly.

## **d) Prepaid Expenses**

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

## **e) Revenue Recognition, Deferred Revenue and Deferred Contributions**

Accreditation services fees revenues are derived from application fees, annual accreditation fees and assessment fees. Application fees are recognized as revenue when the application is made. The annual portion of accreditation fees is calculated and invoiced based on customer accreditation agreements and the fees received or receivable are recorded as deferred revenue and then amortized to revenue on a straight-line basis over the period

to which the fee applies—which is one year, based on the start of SCC's fiscal year of April 1. Funds received or receivable in respect of assessment fees are recognized as revenue at the time the related services are provided.

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

Royalties related to the sale of standards are generated from ISO and the IEC since SCC is a member body. Additionally, SCC earns royalties on the sale of standards from independent distributors through National Copyright Exploitation Agreements. Since April 1, 1998, SCC has outsourced to an independent agent the fulfillment of sales made over its StandardsStore.ca website. This agreement requires the payment of royalties to SCC based on a revenue-sharing agreement of net sales.

Innovative Services are fees that SCC collects in exchange for providing standards related solutions and expertise to customers. The rights to collect Innovative Services fees are created via contracts and revenue is recognized as work progresses.

Delegate support contributions are received from third parties to support delegate participation on technical committees. This restricted funding is initially recorded as "Deferred Contributions" and is recognized as delegate support contributions revenue when the related expenditures are incurred.

Other income includes various items, most notably profit distributions from the International Standards Organization and interest income. The profit distributions are recognized as revenue in the period in which the distributions are announced and interest is recognized as it is earned.

## **f) Deferred Lease Inducement**

SCC has received funds from its landlord to pay the cost of tenant improvements made to its office space. Additionally, SCC has received the benefit of tenant inducements related to its office space lease. The value of these items, calculated based on provisions in the lease

agreement, is recorded as a deferred lease inducement. It is amortized on a straight-line basis over the duration of the lease and is recognized on the Statement of Operations as a reduction of rent expense.

#### **g) Expenses**

Expenses are reported on an accrual basis to ensure that the cost of all goods and services consumed in the year is expensed. Expenses are presented by function on the Statement of Operations. Accreditation Services expenses relate to SCC accreditation programs where SCC accredits conformity assessment bodies and standards development organizations, such as testing laboratories and product certification bodies, to internationally recognized standards. Standards Solutions & Strategy expenses relate to the development and application of standards publications to ensure the effective and coordinated operation of standardization in Canada and representation of Canada's interests on standards-related matters in foreign, regional and international forums. Management and Administrative services include the cost of general services, accommodations, insurance, network and telephone expenses, amortization and facilities maintenance.

#### **h) Parliamentary Appropriations**

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

#### **i) Pension Benefits**

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

employees have rendered service and represent the total pension obligation of SCC.

#### **j) Employee Benefit Plan**

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

#### **k) Vacation Pay**

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

#### **l) Measurement Uncertainty**

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

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

#### **m) Related Party Transactions**

SCC is related, in terms of common ownership, to all Government of Canada departments, agencies and Crown corporations. Transactions with these entities are



undertaken on terms and conditions similar to those adopted as if the entities were dealing at arm's length and are measured at the exchange amount. Related party receivables are recorded at SCC's normal terms whereby invoices are due within 30 days. Related party payables are recorded at terms agreed upon with its vendors and are usually due within 30 days of invoicing or upon receipt of invoice.

Related parties also include key management personnel (KMP) having authority and responsibility for planning, directing and controlling the activities of SCC, as well as their close family members. SCC has defined its KMP to be its Vice-Presidents, its Chief Executive Officer and members of its Governing Council. Transactions with KMP are measured at the exchange amount.

### 3. Accumulated Surplus

SCC is subject to the *Standards Council of Canada Act* and the *Financial Administration Act* and any directives issued pursuant to the *Financial Administration Act*. These affect how SCC manages its capital; one of SCC's objectives is to effectively manage actual costs to budget on an annual basis and to ensure that it has adequate capital to deliver its mandate and to ensure that it continues as a going concern.

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

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

### 4. Financial Instruments

SCC's financial instruments consist of cash and cash equivalents, accounts receivable,

federal government departments and agencies receivable, accounts payable and accrued liabilities. For the year ended March 31, 2021, SCC's cash and cash equivalents balance of \$8,598,269 consisted of \$6,600,000 term-deposits and \$1,998,269 of cash (March 31, 2020 was \$7,425,549 and consisted of \$5,812,903 term-deposits and \$1,612,646 of cash). All accounts receivable, accounts payable and accrued liabilities are incurred in the normal course of business. All are generally due within 30 days. The carrying value of each financial instrument approximates its fair value because of the short maturity of the instruments. All financial assets and financial liabilities are measured at cost or amortized cost.

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

#### Credit Risk

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

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

As at March 31, the aging of SCC's receivables is as follows:

**Non-Related Party Accounts Receivable** (accounts receivable):

		Total		Current		30–60 Days		60–90 Days		90–120 Days		>120 Days
<b>2021</b>	\$	1,812,033	\$	1,591,489	\$	120,414	\$	15,752	\$	8,195	\$	76,183
<b>2020</b>	\$	2,160,181	\$	1,627,098	\$	314,966	\$	24,611	\$	20,530	\$	172,976

**Related Party Accounts Receivable** (federal government departments and agencies and parliamentary appropriations receivable):

		Total		Current		30–60 Days		60–90 Days		90–120 Days		>120 Days
<b>2021</b>	\$	352,608	\$	352,287	\$	–	\$	39	\$	20	\$	262
<b>2020</b>	\$	879,954	\$	877,680	\$	–	\$	199	\$	1,371	\$	704

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

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

At March 31, 2021, the allowance for bad debts is estimated at \$10,069 (March 31, 2020 was \$22,166). The following table provides a reconciliation of the allowance for the year.

		March 31, 2021	March 31, 2020
Balance, beginning of year	\$	22,166	\$ 36,474
Recoveries / (write-offs)		(50,847)	7,168
Bad debt allowance expense/(Reduction)		38,750	(21,476)
<b>Balance, end of year</b>	<b>\$</b>	<b>10,069</b>	<b>\$ 22,166</b>

## Liquidity Risk

Liquidity risk can occur should SCC have difficulty in meeting its obligations associated with financial liabilities. SCC's financial liabilities have contractual maturities of less than 365 days. SCC's objective is to maintain sufficient cash and cash equivalents through drawdown of its voted parliamentary appropriations, collection of accreditation fees and other services, in order to meet its operating requirements. SCC manages liquidity risk through a detailed annual planning and monthly cash flow planning and billing process, which is structured to allow for sufficient liquidity from one billing period to the next. SCC's financial liabilities are not significantly exposed to liquidity risk.

## Market Risk

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

## 5. Tangible Capital Assets

March 31, 2021

	Furniture		Equipment		Leasehold Improvements		2021 Total
<b>Cost</b>							
Opening balance	\$	1,050,731	\$	2,622,092	\$	1,154,479	\$ 4,827,302
Additions		–		647,084		7,229	654,313
Disposals		–		(101,832)		-	(101,832)
Closing balance		1,050,731		3,167,344		1,161,708	5,379,783
<b>Accumulated amortization</b>							
Opening balance		(891,711)		(2,005,211)		(311,069)	(3,207,991)
Amortization		(68,901)		(274,794)		(80,510)	(424,205)
Disposals		–		96,035		-	96,035
Closing balance		(960,612)		(2,183,970)		(391,579)	(3,536,161)
<b>Net book value</b>	<b>\$</b>	<b>90,119</b>	<b>\$</b>	<b>983,374</b>	<b>\$</b>	<b>770,129</b>	<b>\$ 1,843,622</b>

The Equipment category includes \$64,360 of assets under development at March 31, 2021 which were not being amortized at the time.

The additions of tangible capital assets in the Statement of Cash Flow are adjusted for 2019–2020 additions paid in 2020–2021 of \$23,740.

March 31, 2020

		Furniture		Equipment		Leasehold Improvements		2020 Total
<b>Cost</b>								
Opening balance	\$	1,047,049	\$	2,610,264	\$	1,126,747	\$	4,784,060
Additions		4,157		144,311		27,732		176,200
Disposals		(475)		(132,483)		0		(132,958)
Closing balance		1,050,731		2,622,092		1,154,479		4,827,302
<b>Accumulated amortization</b>								
Opening balance		(766,790)		(1,924,607)		(231,915)		(2,923,312)
Amortization		(125,396)		(213,087)		(79,154)		(417,637)
Disposals		475		132,483		0		132,958
Closing balance		(891,711)		(2,005,211)		(311,069)		(3,207,991)
<b>Net book value</b>	<b>\$</b>	<b>159,020</b>	<b>\$</b>	<b>616,881</b>	<b>\$</b>	<b>843,410</b>	<b>\$</b>	<b>1,619,311</b>

The additions of tangible capital assets in the Statement of Cash Flow are adjusted for 2018–2019 additions paid in 2019–2020 of \$54,833 and 2019–2020 additions paid in 2020–2021 of \$23,740.

## 6. Accounts Payable and Accrued Liabilities

	March 31, 2021	March 31, 2020
Vendor payables and accrued liabilities	\$ 1,372,539	\$ 1,609,022
Salaries and benefits payable	1,258,436	1,972,460
Accrued vacation pay	474,208	259,442
<b>\$ 3,105,183</b>	<b>\$ 3,840,924</b>	

## 7. Deferred Contributions

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

	March 31, 2021	March 31, 2020
Balance, beginning of year	\$ 2,214	\$ 15,249
Add: Contributions received	60,363	319,092
Less: Contributions recognized	(847)	(332,127)
Net contributions	59,516	(13,035)
<b>Balance, End of Year \$ 61,730</b>	<b>\$ 2,214</b>	

## 8. Deferred Revenue

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

	March 31, 2021	March 31, 2020
Balance, beginning of year	\$ 1,966,301	\$ 1,691,967
Add: Annual Fees collected per customer agreements	5,220,698	4,367,894
Less: Annual Fees recognized into revenue	(4,102,288)	(4,093,560)
Net Contributions	1,118,410	274,334
<b>Balance, End of Year \$ 3,084,711</b>	<b>\$ 1,966,301</b>	

## 9. Deferred Lease Inducement

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

	March 31, 2021	March 31, 2020
Balance, beginning of year	\$ 857,974	\$ 883,516
Add: Inducements received	0	56,020
Less: Inducements recognized	(81,640)	(81,562)
Net inducements	(81,640)	(25,542)
<b>Balance, End of Year \$ 776,334</b>	<b>\$ 857,974</b>	

## 10. Pension and Employee Benefits

### Pension Benefits:

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

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

	March 31, 2021	March 31, 2020
SCC's contribution	\$ 1,470,145	\$ 1,273,575
<b>Employees' contributions</b>	<b>\$ 1,400,612</b>	<b>\$ 1,140,112</b>

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

	<b>Calendar Year</b>	
	<b>2021</b>	<b>2020</b>
<b>Employees (pre-2013)—Current Service:</b>		
- On earnings up to yearly maximum pensionable earnings (YMPE)	<b>9.83%</b>	9.53%
- On earnings exceeding YMPE: 2021-\$61,600 2020-\$58,700	<b>12.26%</b>	11.72%
<b>Employees (post 2013)—Current Service:</b>		
- On earnings up to yearly maximum pensionable earnings	<b>8.89%</b>	8.69%
- On earnings exceeding YMPE: 2021-\$61,600 2020-\$58,700	<b>10.59%</b>	10.15%
<b>Employer - Expressed as a Multiple of Employee Contributions:</b>		
- For pre-2013 employee contributions on current and elective service on single-rate employee contributions	<b>1.01</b>	1.01
- For pre-2013 employee elective service on double-rate Contributions	<b>.005</b>	0.01
- For post 2013 employee contributions on current and elective service on single-rate employee contributions	<b>1.00</b>	1.00
- For post 2013 employee elective service on double-rate employee contributions	<b>nil</b>	nil
- For existing Retirement Compensation Arrangement on earnings that exceed: 2021-\$181,600 2020-\$173,000	<b>3.59</b>	3.80

### Employee Benefits:

For the year ended March 31, 2021, SCC paid \$1,181,762 for its employees' benefits plan (March 31, 2020 was \$980,477).



## 11. Expenses

	2021	2020
Salaries and employee benefits	\$ 18,007,998	15,721,565
Professional and special services	5,967,053	7,276,739
Memberships in international organizations	1,241,976	1,242,454
Office accommodation	865,302	739,414
Office supplies	645,739	296,600
Amortization of premises and equipment	424,205	417,637
Insurance	105,982	97,340
Telecommunications and postage	104,996	131,548
Offsite storage & other	81,820	79,692
Publications and printing	70,819	78,644
Repair & upkeep	53,134	80,748
Bank charges	47,994	63,560
Bad debt allowance expense / (reduction)	38,751	(21,476)
Conferences & events	30,425	278,899
Travel	21,886	2,548,071
Rental of office equipment	15,444	24,532
Hospitality	8,493	146,617
Loss on disposal of tangible capital assets	5,797	–
	<b>\$ 27,737,814</b>	<b>29,202,584</b>

## 12. Contractual Rights

SCC has signed contractual agreements with its accreditation services customers. The multi-year accreditation services contracts include an annual fee portion that is payable yearly. As at March 31, 2021 SCC had contractual rights to \$1,349,506 of uncollected annual fees pertaining to fiscal year 2021–2022 (March 31, 2020 was \$2,131,152 pertaining to fiscal year 2020–2021).

SCC also has contractual agreements to collect royalty fees from ISO, IEC and various other standards sellers like the Canadian Standards Association, Camelot Clarivate and Information Handling Services. Agreements cover the fiscal year 2021–2022 and are renewed upon expiry at similar terms. Since the revenue from these contracts is based on the volume of sales, the value of the contracts fluctuates, but is expected to approximate \$1.8 million which is SCC's average over the past three years of \$1.8 million

with no anticipated volume growth or decline. At March 31, 2020 the expectation was \$1.8 million.

## 13. Contractual Obligations

SCC signed a 15 year office lease, effective July 2015, as well as a lease amendment for additional space effective December 2018 with the same term ending period.

SCC entered into agreements to lease office equipment. The future minimum annual rental payments under these agreements, exclusive of operating expense and property tax, are included in the table below.

SCC has also entered into contracts with several standards development organizations to assist with standardization initiatives.

The contractual obligations as of March 31, 2021 are as follows:

	Office Space		Office Equipment		Standardization Initiatives		Total
2021–2022	\$	464,811	\$	13,353	\$	4,256,002	\$ 4,734,166
2022–2023		464,811		13,104		290,246	768,161
2023–2024		464,811		4,368		–	469,179
2024–2025		464,811		–		–	464,811
2025–2026		491,224		–		–	491,224
thereafter		2,329,369		–		–	2,329,369
<b>Total</b>	<b>\$</b>	<b>4,679,837</b>	<b>\$</b>	<b>30,825</b>	<b>\$</b>	<b>4,546,248</b>	<b>\$ 9,256,910</b>

There are no commitments with related parties included in standardization initiatives (March 31, 2020 was \$6,596).

## 14. Related Party Transactions

For the year ended March 31, SCC's related party transactions are summarized as follows:

	2021	2020
Revenues	\$ 874,922	1,034,215
Parliamentary appropriations	18,575,862	18,578,854
Expenses	132,403	125,068
Federal government departments and agencies receivable and parliamentary appropriations receivable	352,608	879,954
Accounts payable and accrued liabilities	\$ 22,349	10,452

Related party revenues were derived primarily from accreditation services fees while expenses were primarily related to Professional and special services, as well as Telecommunications and postage.

There were no significant transactions with KMP and their close family members; nor were there any transactions that have occurred at a value different from that which would have been arrived at if the parties were unrelated.

## 15. Budget Figures

Budget figures have been provided for comparison purposes and have been sourced from SCC's 2020–2021 to 2024–2025 Corporate Plan approved by SCC's Governing Council.

## 16. Comparative Figures

Certain comparative figures have been reclassified, in order to conform to the presentation changes adopted in fiscal year 2020–2021.



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