

scc  ccn


AMPLIFYING OUR **IMPACT**

 2022–2023
Annual Report

Standards
Council
of Canada

Open a world of possibilities.

Canada

A man with a beard and curly hair, wearing a blue and white striped shirt, is smiling and looking at a tablet held by a woman. The woman has a large, curly afro hairstyle and is wearing a white and blue striped t-shirt under a brown jacket. They are in a modern office environment with a white railing and a hanging light fixture visible in the background. A large yellow and maroon graphic overlay is in the bottom left corner, containing text.

Standardization enhances quality of life for people across Canada and around the world. It makes products and services safer and improves their functionality. But to have the greatest impact, the standardization system must expand to more sectors—especially those with social dimensions—and involve more people.

In 2022–2023, the Standards Council of Canada (SCC) worked to **amplify our impact**, collaborating with more interested parties and on more emerging issues than ever before, to ensure Canada’s standardization system benefits more people, communities and industries both domestically and internationally.

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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 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 AND COMPETITIVENESS

Deliver innovation and competitive advantage through standardization

CANADIAN LEADERSHIP

Deliver economic prosperity and create opportunities for international leadership through standardization

ORGANIZATIONAL EXCELLENCE

Strengthen SCC's culture of excellence

Focused on what matters to Canadians

Health and well-being

Supporting the creation of new national standards for long-term care along with standards-based solutions for mental health and substance use health services.

The digital economy

Accelerating the development of data governance standards along with standardization for the responsible use of artificial intelligence (AI), while empowering Canadian businesses to protect themselves against cyber attacks.

Technology development

Using standards to create a common language for new concepts and technologies, including benchmarks for the design and development of innovations.

Trade and business development

Helping Canadian innovators use standardization to reach new markets and better leverage their intellectual property, while reducing internal barriers to trade by harmonizing regulatory regimes.

Gender equality and inclusivity

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

Climate action and sustainability

Embedding climate change adaptation and resilience in building codes and standards; incorporating environmental management standards into government policies; and ensuring consistency and trust in environmental, social and corporate governance (ESG) reporting.

A diverse workforce

▶ **150**
employees

▶ **60%**
of our workforce is women

▶ **57%**
of our leadership team is women
(directors and above)

▶ **30%**
who chose to complete the
self-identification survey
identify as Indigenous or
belonging to a visible minority

Continuous improvement through accreditation

SCC is Canada's national accreditation body, accrediting conformity assessment organizations such as testing laboratories and certification bodies to internationally recognized standards. Conformity assessment determines that a product, service or system meets the requirements of a particular standard.

▶ **641**
accreditation customers

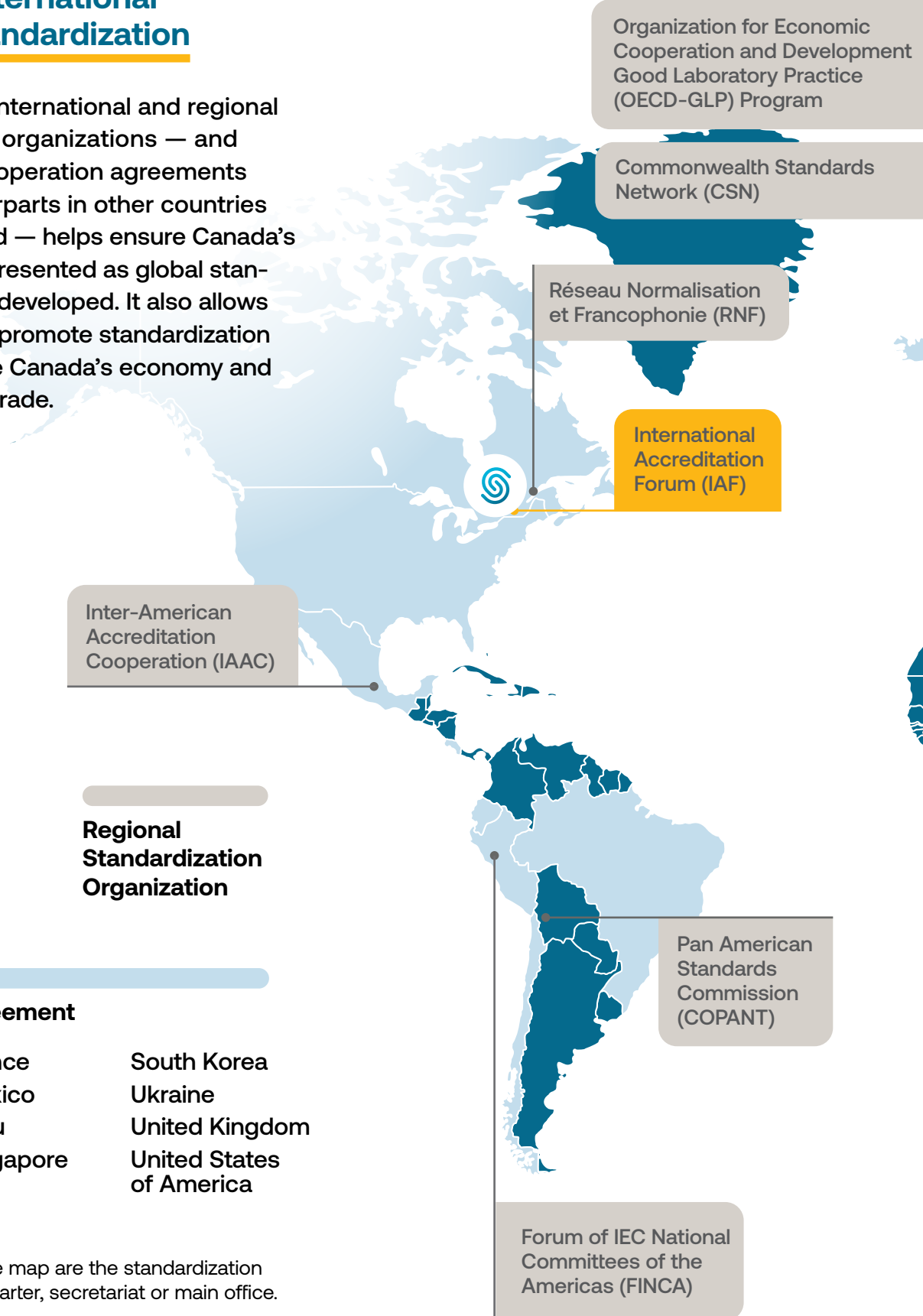
▶ **50**
new applicant customers in 2022–2023

▶ **4**
new accreditation programs and/or
subprograms in 2022–2023

▶ **11**
accreditation programs offered—
making SCC the largest accreditation
body in Canada

Canada's international voice on standardization

Participating in international and regional standardization organizations — and entering into cooperation agreements with our counterparts in other countries around the world — helps ensure Canada's interests are represented as global standards are being developed. It also allows us to effectively promote standardization that will advance Canada's economy and facilitate global trade.



Organization for Economic Cooperation and Development Good Laboratory Practice (OECD-GLP) Program

Commonwealth Standards Network (CSN)

Réseau Normalisation et Francophonie (RNF)

International Accreditation Forum (IAF)

Inter-American Accreditation Cooperation (IAAC)

Pan American Standards Commission (COPANT)

Forum of IEC National Committees of the Americas (FINCA)

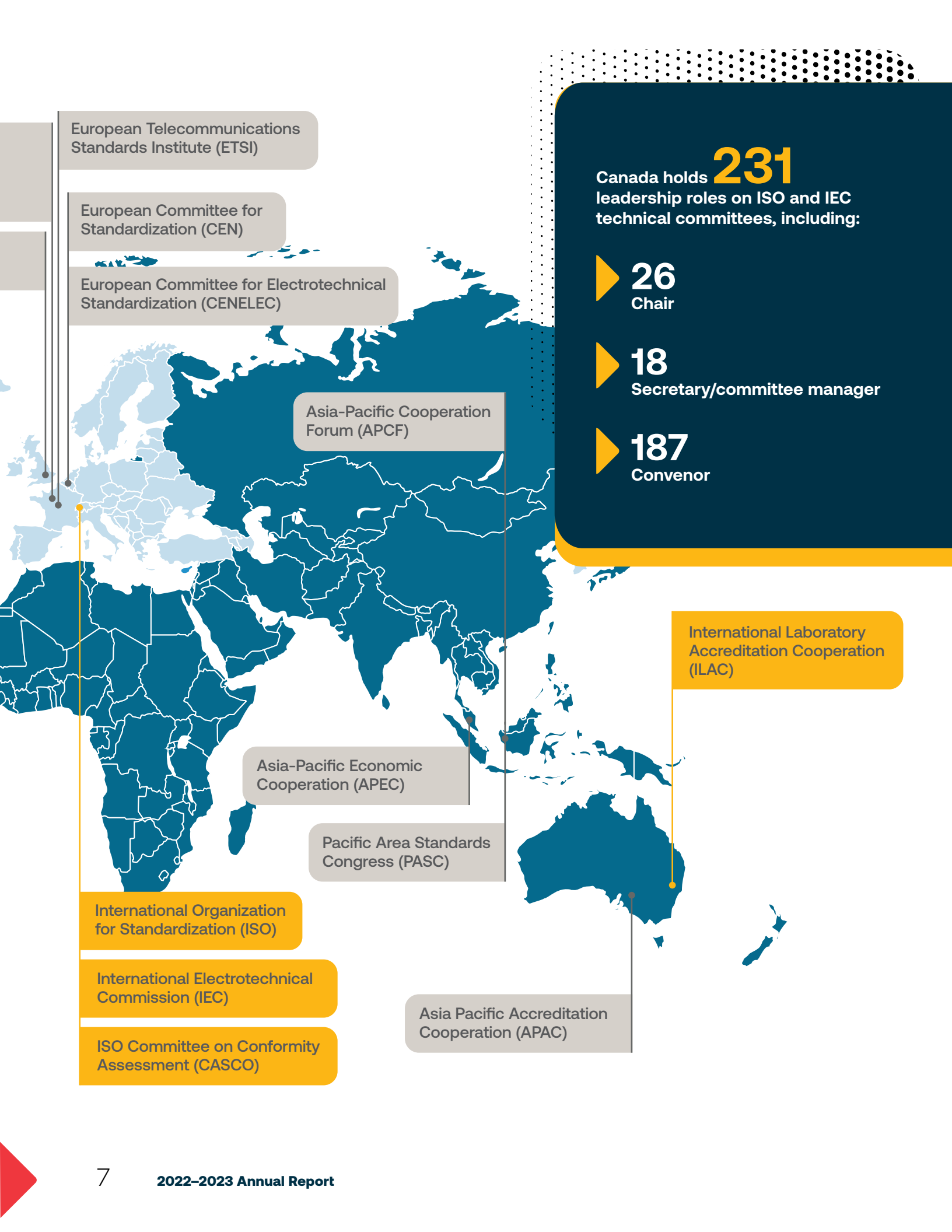
International Standardization Organization

Regional Standardization Organization

Cooperation Agreement

- | | | |
|------------|-----------|--------------------------|
| Brazil | France | South Korea |
| Costa Rica | Mexico | Ukraine |
| Ecuador | Peru | United Kingdom |
| Europe | Singapore | United States of America |

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



European Telecommunications Standards Institute (ETSI)

European Committee for Standardization (CEN)

European Committee for Electrotechnical Standardization (CENELEC)

Asia-Pacific Cooperation Forum (APCF)

Asia-Pacific Economic Cooperation (APEC)

Pacific Area Standards Congress (PASC)

International Laboratory Accreditation Cooperation (ILAC)

International Organization for Standardization (ISO)

International Electrotechnical Commission (IEC)

ISO Committee on Conformity Assessment (CASCO)

Asia Pacific Accreditation Cooperation (APAC)

Canada holds **231** leadership roles on ISO and IEC technical committees, including:

▶ **26**
Chair

▶ **18**
Secretary/committee manager

▶ **187**
Convenor

Canadian leadership on the world stage

The following SCC representatives played key roles in international standardization committees in 2022–2023:



Tony Capel, 2021 Lord Kelvin Award recipient, is the Convenor for the IEC Directives Maintenance Team and a member of the ISO/IEC Joint Directives Maintenance Team. He also serves on the IEC Strategic Group 12 (Digital Transformation) that advances harmonization between IEC and ISO standards.



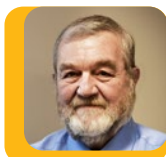
Jim MacFie, Member of Policy Committee of the Canadian National Committee of IEC, serves on IEC's Standardization Management Board and Directives Maintenance Team, as well as on the ISO/IEC Joint Directives Maintenance Team.



Colin Clark, Acting Chair of SCC's Governing Council and President of the Canadian National Committee of IEC, serves on the IEC Board.



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



Marty Cole is a member of the Conformity Assessment Board, with David Briere as alternate member.



Michelle Parkouda, SCC's Manager of Research, serves on the IEC Diversity Advisory Committee.



Bruce Farquhar, Director Global Standards at SCC, serves on the ISO Technical Management Board (TMB).



Shawn Paulsen is Vice-President of CANS/IEC and the IEC Vice President and Chair of the Conformity Assessment Board.



Lynne Gibbens, SCC's Manager for International Standards Development (ISD) for IEC, serves on the IEC Forum.



Elias Rafoul, SCC's Vice-President, Accreditation Services Branch, serves on the InterAmerican Accreditation Cooperation Executive Committee and also on the National Conference of Standards Laboratories International Executive Committee.





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



Kristel Van der Elst served on the IEC Market Strategy Board.



Sofia Jaspers-Faijer, SCC's Program Manager for ISD Secretariat Solutions, serves on the IEC Forum.



Message from the CEO and the Acting Chair of the Governing Council

Standardization is everywhere, yet it is nearly invisible. It plays a critical role in enabling our world to function. Standardization ensures that everything, from our refrigerators to our phones and other mobile devices, works as it should. Canada's standardization system is trusted the world over for supporting our quality infrastructure, ensuring products and services are safe and of high quality. However, it is becoming increasingly clear that we must amplify and extend our impact beyond our traditional focus — such as consumer products, food and infrastructure — and bring the same certainty and trust into new areas. At the same time, there is an urgent need to broaden our reach of consultation and work to ensure that we hear from those stakeholders and entities most affected by standards.

Our National Standards Strategy, released in 2022, is a critical tool in support of these goals. It sets a clear path forward for everybody involved in Canada's standardization system, detailing explicit priorities to amplify our reach, to be more agile in how we respond to emerging standardization needs, and to be more inclusive so standards are

truly for everyone. We are honoured to have had the opportunity to listen to and engage with our colleagues and committed partners to develop this robust and thoughtful strategy. We look forward to working with partners throughout the Canadian standardization system and beyond to achieve its vision.

We expanded our accreditation service offerings this year, including one completely new program and additions to several others. We also began testing innovative ways to accelerate conformity assessment process development. These new approaches will improve how quickly the system can assess compliance with cutting-edge standards in AI and other emerging fields.

We are also bringing the benefits of standardization to more areas that matter to people in Canada and around the world, including climate resilience, digital economy, health (including mental health), and ESG initiatives. For example, last year, we supported the development of ISO's Net Zero Guidelines and attended COP27 in Egypt to promote those guidelines and show how they can help countries transform climate commitments into real action. The importance of standards was also noted in Canada's National Adaptation Strategy, and we have received funding to support our role in delivering on this strategy to help our country adapt to the realities of climate change.

This year also saw us refresh our core organizational values, inspiring us to be more ambitious and reach farther to extend our impact. Every member of our team had a chance to contribute. Our new values truly represent what we as an organization, and as individuals within that organization, aspire to be.

We thank every member of the SCC team for their commitment and engagement. Their work makes a real difference every day. We also thank the members of our technical committees, Governing Council and partner organizations for their continued support, as well as those who place their trust in us as their accreditation partner. The future looks bright. Your efforts are a tremendous part of that.



Chantal Guay

Chantal Guay, ing. P.Eng.
FCAE, ICD.D
CEO



Colin Clark

Colin Clark, P.Eng. FEIC
Acting Chair



A renewed strategy to meet evolving needs

In 2022, we launched the **National Standards Strategy (NSS)** which identifies key priorities and sectors for the Canadian standards system over the next decade to ensure it is well positioned to meet the values, interests and emerging needs of Canadians.

As a strategy for the whole standards system and not just SCC, the NSS was developed through engagement with hundreds of interested parties across Canada. It explores new thinking and new priorities, and identifies the need to engage with new actors in the standardization network.

It was further informed by key trends in global and Canadian standardization:

Global trends

- The rise of the United Nations Sustainable Development Goals in driving the agenda for standards development
- The urgency of responding to climate change
- The ongoing impact of and recovery from the COVID-19 pandemic
- The proliferation of different solutions outside the traditional standards system for addressing emerging issues, including environmental, social and corporate governance issues
- The need for standards in the health and social sectors
- Ongoing work associated with trade agreements
- The need to support key enabling technologies and innovations
- The changing geopolitical context
- Concerns about the capacity of the international standards-setting system
- Limited awareness of the value of standards

Canadian trends

- The race to meet 2030 emissions reduction and 2050 net-zero targets, deliver climate change mitigation and build climate-resilient infrastructure in the North
- Diversity, equity and inclusion
- Indigenous reconciliation
- The need to standardize the production and distribution of cannabis in the context of legalization

- Access to standards
- Funding for standards development
- Concerns about the capacity of the national standards system

To ensure the standards system meets the needs of Canadians in light of these trends, the NSS is intended to build on our strengths, address weaknesses in the national system and leverage opportunities where standards can create value, particularly for our most important economic and social goals.



National Standards Strategy at a glance

Vision

Unlock the full potential of standards to support public policy and deliver benefits for all Canadians.

Mission

Support sustainable development, prosperity, health and safety, competitiveness, trade, and effective public policy for all Canadians. In doing so, the system anticipates the diverse needs of Canadian society, and effectively promotes Canadian interests at the international level.

Values

- Transparency
- Coordination
- Openness
- Agility
- Impartiality and consensus
- Diversity, equity and inclusion
- Effectiveness and relevance
- Coherence
- Development dimension

System priorities

- Strengthen diversity, equity, inclusion and participation in the standards system.
- Support facilitation of trade in goods and services through harmonized standards solutions.
- Ensure the sustainability of Canada's standards system.
- Strengthen engagement with Indigenous Peoples.

Sector priorities

- Climate change mitigation, adaptation and resilience
- Environmental, social and corporate governance
- Health, well-being and safety
- Digital economy and advanced manufacturing
- Supply chain stability

The NSS will bring focus to ongoing collaboration and standards development initiatives throughout the standards system. At SCC, we will embed its principles into our own corporate strategy, and we encourage other organizations to use the NSS as a framework to meet their own national and organizational objectives.



An expanded focus

A growing understanding that standards are not just technical specifications but can also support societal change has increased demand for standards in new areas. To meet that demand, SCC is expanding its work into new sectors to better serve the needs of Canada and the world.

Accelerating conformity assessment for AI and digital governance

Proper oversight of AI and related technologies is essential to promote positive outcomes and mitigate potential harms, but their rapid evolution makes this difficult. In particular, a faster approach is needed to develop conformity assessment, which typically takes a few years following the publication of a standard. In 2022–2023, we worked with Innovation, Science and Economic Development Canada to launch a first-of-its-kind pilot that defines and tests requirements for a conformity assessment scheme for AI. What's unique about this program is that it is being developed in parallel with the draft ISO/IEC 42001 standard on AI management systems and the Treasury Board of Canada Secretariat's Algorithmic Impact Assessment tool — that is, before the standards and tools are fully complete.

This approach will make it easier for the standardization system to keep pace with the advancement of AI technologies. It can also be applied to other emerging and quickly evolving technologies that would benefit from having conformity assessment available as soon as a standard is published.

As we continue to shift toward a digital economy, there is also increased need for standards to govern digital credentials (electronic representations of identity or other certificates) and the digital trust systems that issue and verify those credentials. We are working with the Government of Canada to lead the development of consensus-based standards and conformity assessment tools for digital credentials and digital trust services in Canada. This year, we completed work on the Technical Specification and began the accreditation pilot, which, set baseline requirements for interoperability and trust among digital credential issuers, verifiers and holders.



New standards for better long-term care

After the COVID-19 pandemic exposed persistent issues in Canada's long-term care (LTC) sector, we called on the Canadian Standards Association (CSA Group) and Health Standards Association (HSO) to develop two complementary standards to create safer physical LTC environments and improve the delivery of high-quality LTC services. [CSA Z8004:22 Long-Term Care Home Operations and Infection Prevention and Control](#) and [CAN/HSO 21001:2023 Long-Term Care Services](#) were published in

December 2022 and January 2023, respectively, following extensive stakeholder consultations. Both standards reflect the needs, vision and voices of more than 20,000 LTC residents, family members, caregivers, LTC providers, health system leaders and members of the public. These stakeholders provided input through surveys, consultation workbooks, virtual town halls and public review. CSA Group and HSO, with our support, are now engaging with government decision-makers and industry stakeholders to ensure they are equipped to implement the standards, whether on a voluntary basis or through legislation.

Strengthening Canada's quantum ecosystem

In January 2023, the federal government launched the [National Quantum Strategy](#) to guide Canada's investment and work in the advancement of quantum technologies. We supported the development of the strategy with workshops and an international quantum standards landscape scan. In addition, we are now working with Innovation, Science and Economic Development Canada to draft three roadmaps in support of the strategy's key missions: computing, communications and sensing, with a focus on how standardization is critical to commercializing quantum technologies.

Assessing the well-being of rural communities

Rural communities contribute substantially to Canada's economic success. To support their growth and prosperity, we participated in the development of [CSA R113:22, Indicators for Rural Community Well-Being, Services, and Quality of Life](#), published by CSA Group in April 2022. This standard promotes the use of common definitions and key indicators of healthy conditions in communities, which will provide more consistent and reliable data to support decision-making.

International guidelines for safe cannabis production

In October 2022, ISO published a set of three International Workshop Agreements offering guidance and best practices for cannabis facilities and operations, covering building and equipment safety, safe handling, and good production practices. Based on an ISO workshop hosted by SCC and UL Solutions, these agreements will support safe and sustainable cannabis production around the world.

Accreditation for U.S. food safety testing

This year, we became the first and only Canadian organization recognized as an accreditation body under the U.S. Food and Drug Administration's Laboratory Accreditation for Analyses of Food program. This recognition enables us to accredit laboratories to conduct testing on food products for the U.S. market in certain circumstances, helping ensure a safer food supply chain.

Guidance to improve the gender-responsiveness of standards

As part of the ISO/IEC Joint Strategic Advisory Group on Gender-Responsive Standards, we led the development of [Gender-Responsive Standards guidance](#) that ISO and IEC technical committees can use to ensure the standards they develop take gender differences into account. This work supports the UN Declaration on Gender-Responsive Standards and Standards Development and will provide better outcomes for more people using standards.



A broader range of perspectives

For standardization to improve the well-being of the most people possible, those developing standards must engage with and hear from a wide variety of interested parties with different experiences and perspectives. By broadening the range of people we work with, SCC is helping ensure the standardization system reflects the full spectrum of needs.

Greater engagement with those most affected

In March 2022, the Government of Canada announced a collaboration with SCC to fulfill its commitment to developing standards-based solutions to address the mental health and substance use health needs of people in Canada. As part of this initiative, we launched the National Mental Health and Substance Use Health Standardization Collaborative with the support of Health Canada, the Public Health Agency of Canada and the Canadian

Institutes of Health Research. The Collaborative gives us the opportunity to work more directly with populations who have the potential to be most affected by standards in this area, including Indigenous communities, people with lived and living experience, and service providers. Their contributions are invaluable to the development of standards-based solutions that will address six key priorities: integrated youth services, primary care integration, digital mental health and substance use apps, substance use treatment centres, substance use workforce, and integrated services for complex health needs.

Sharing our expertise

As Canada's accreditation organization, we have a wealth of knowledge to share with the standardization community around the world. In October 2022, we hosted the Organisation for Economic Co-operation and Development's (OECD) 15th Training Course for Good Laboratory Practice (GLP) Inspectors. More than 35 countries were represented at the four-day event in Montreal, which included discussion and hands-on workshops based on the OECD's GLP procedures for inspection.

We expanded our Learning Centre offerings, launching two new courses to support inspection and conformity assessment: [Understanding the](#)

[OECD Principles of GLPs](#) and [Introduction to ISO/IEC 17065:2012](#). We have also responded to increased demand for private workshops, delivering 17 workshops last year on topics ranging from mastering internal audits to understanding the accreditation requirements for testing and calibration laboratories.

In addition, we collaborated with Réseau Normalisation et Francophonie and Université Laval to launch two free online courses on the value of standardization. These courses aim to help businesses and innovators understand and leverage the standardization system. Through these efforts, we are raising awareness of the importance of standardization and helping improve the standardization system across Canada and around the world.



Supporting global ESG commitments

Building on our decades of work in the Canadian and international sustainability space, we continued to work with ISO and the IEC on developing and promoting standards to help companies meet their environmental, social and governance (ESG) commitments. While there are many voluntary ESG frameworks already available, this work will help bring more cohesion and consistency to these frameworks by enabling companies to reference globally accepted ESG standards. This will help them move beyond disclosure and set concrete targets, supported by tools to drive performance. It will also increase trust in ESG reporting by giving organizations clearer targets and enabling consumers to assess the true merit of ESG claims.

Standardization to enhance international trade

To support the vital role of standardization in international trade, we formed new partnerships and strengthened existing ones with standardization bodies and trade partners around the world. In May 2022, we signed a memorandum of understanding to cooperate with the U.S. National Institute of Standards and Technology, and in September, we renewed our arrangement with European Accreditation in support of the Canada–European Union Comprehensive Economic and Trade Agreement. In early 2023, we travelled to Australia and New Zealand to strengthen our relationships with our counterparts at the Australian National Association of Testing Authorities, the Joint Accreditation System of Australia and New Zealand, and International Accreditation New Zealand. We will also have a key role in promoting Canada's Indo-Pacific Strategy, which will create new opportunities for Canadian businesses and ensure a strong economy.

Faster adoption of building codes

Following the March 2022 publication of the latest editions of the National Model Building Codes, we are now working in close collaboration with the National Research Council of Canada (NRC) and with federal, provincial and territorial partners to support the modernization of the codes system.

This will enable faster adoption of the new codes, as well as future editions. Under the current system, it often takes years for codes to be adopted and applied in some jurisdictions — often longer than it takes to update and publish the next edition. The new governance model will make adoption easier so Canada's construction industries can benefit sooner from improvements to electrical standards, fire safety, energy efficiency and more.

Engaging the next generation of standards professionals

Last year, we sent two young professionals (YPs) to represent Canada at the 2022 IEC General Meeting in San Francisco. Oshara Narangoda and Katrina de Asis (winners of the 2020 IEC Young Professionals Competition) participated in the YP Programme alongside the General Meeting, including workshops, plenary sessions and networking events. Offering opportunities for YPs to get involved in standards development is critical to ensuring the next generation plays a role in shaping the standardization system of the future.

Advancing climate resilience

In fall 2022, we worked with the Centre d'enseignement et de recherche en foresterie de Sainte-Foy, Health Canada, the Intact Centre on Climate Adaptation and the NRC to host a workshop on urban heat island mapping. Bringing together more than 40 subject matter experts in a diverse range of fields from across Canada, this workshop aimed to capture the current state of urban heat island mapping in Canada and develop a plan to move forward with standardizing it. Following the workshop, we are now drafting a national workshop agreement to pave the way for the development of standards in this area that will help make Canadian communities safer and more climate resilient.



Committed to continuous improvement

In addition to our work with stakeholders, technical advisors, and Canadian and international organizational partners, our impact is also shaped by what goes on within our own organization. By ensuring SCC is representative and inclusive of all people, we are better positioned to help the standardization system reflect the needs of Canada’s diverse population.

Updating our core values

Together with our employees, we developed four new core values this year. These new values will inform everything we do and how we do it, strengthen the caring and people-focused culture we have and deliver on our vision and mission.

We are people-focused

Our people come first. We create an inclusive environment for people to reach their full potential, we value our employees’ well-being, and we are invested in their success.

We are purposeful

We are intentional in everything we do to ensure we maximize our impact for Canadians.

We are forward-thinking

We foster an innovative standardization system by looking to the future to understand and address Canadians’ evolving priorities and needs.

We work as one

We are strongest when we collaborate and work together for the well-being of Canadians.

Promoting inclusion, diversity, equity and accessibility

Advancing inclusion, diversity, equity and accessibility (IDEAs) within our organization is a key element of our talent management strategy. This year, we developed our IDEAs Roadmap based on a gap analysis of our current practices, setting out the steps needed to close those gaps and putting IDEAs principles at the heart of everything we do. An IDEAs Advisory Committee with broad representation from across SCC is overseeing the roadmap and our work in this area over the next few years.

As a complement to our IDEAs approach, and in compliance with new federal requirements, this year we published our [Accessibility Plan](#). The plan was developed in consultation with our employees, contract assessors and others who interact with SCC, particularly those with disabilities. It includes concrete goals we intend to achieve by 2025 in six key areas: the built environment, employment, information and communications technology (ICT), communication other than ICT, procurement, and design and development of programs and services.

Taken together, the Accessibility Plan and the IDEAs Roadmap provide us with clear strategies to ensure SCC is an inclusive place for all.

Building a flexible, supportive, workplace culture

We are committed to building a future-ready workforce and embracing new ways of working to deliver our mandate and support our employees. Through our Flexible Workplace Project, we have been rethinking how we work and what model will be best for us as an organization. This year, employees tested different ways of working and shared their experiences to shape our way forward. We are now moving forward with a flexible work model that combines the benefits of remote working with the advantages of coming together in person when it makes sense to do so. The model is being finalized and will be implemented in the coming year.

We also developed a Workforce Plan to address our staffing needs. With a better understanding of what those needs are and where we have gaps, we can move forward with strategies to ensure we have the right talent in the right place at the right time to fulfill our mandate.





Recognizing excellence in standardization

SCC Awards

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.

This edition of the awards holds special significance as we honoured the life of Hugh Krentz, who passed away in November 2022. Hugh served as SCC Chair for 10 years until 2011. An Officer of the Order of Canada and former president of the Canadian Institute of Steel Construction, his outstanding contributions to standardization are widely recognized at home and abroad.



Hugh Krentz Award: James W. Boyden

James' contributions to national and international standardization exemplify the exceptional leadership and impact that Hugh Krentz made. As a respected leader, James chaired several committees, including CSA CAC TC279 on ISO 56005 Innovation Management, and MC/ISO/TC 176 Quality Management and Quality Assurance. He was instrumental in developing a new personal protective equipment standard for certification of N95 respirators to allow safe opening of

workplaces in Canada. For this, James received the Ontario Public Service Amethyst Award, the Ontario government's highest honour for individual contributors.



SCC Committee Achievement Award: Northern Advisory Committee

The Northern Advisory Committee provides advisory support on standards development under the Northern Infrastructure Standardization Initiative, helping reduce the financial vulnerability of the North and promote the health and safety of people in Canada. For its work, the committee was recognized with the SCC Committee Achievement Award.



SCC Young Leader Award: Tommy Chiu

Tommy Chiu was recognized as this year's Young Leader for his contributions to national and international standards in the electrotechnical sector. He advocates for telecommunications industry standards and smart building initiatives that conserve energy and minimize environment impact.



McMahon Dedicated Service Award: Anneke Olvera

The McMahon Dedicated Service Award recognizes notable contributions from SCC personnel. Anneke Olvera has been with SCC for over 20 years, and has been an outstanding ambassador for SCC and standardization. Her dedication helped define SCC's long-term strategy for data and AI standards, and her expert facilitation has helped educate and inspire external collaborators to become more engaged in standardization leadership.



Special recognition: CSA Group Technical Subcommittee on Long-Term Care Homes and HSO Long-Term Care Services Technical Committee

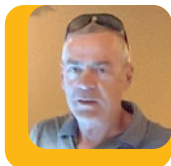
SCC recognized these committees for their complementary work on two LTC standards that will create safer physical LTC environments and improve the delivery of high-quality LTC services across Canada. Their dedication and agility in responding to an urgent need for setting new standards in health also raised the profile of standardization to the public.

IEC 1906 Awards

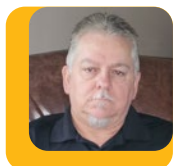
The IEC grants the 1906 Award in recognition of exceptional individual achievements that advance standardization in the electrotechnical space. In 2022, recipients included 11 Canadians—the highest number of Canadians to receive this award in a single year.



Harald Buchwald, Expert of IEC TC 77/SC 77B: High-frequency phenomena



Richard Roberts, Expert of IEC Technical Committee 65: Industrial process measurement, control and automation



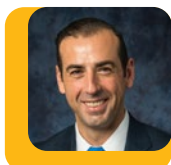
Joe Fitzharris, Expert of IEC Technical Committee 114: Marine energy – wave, tidal and other water current converters



François Sergerie, Expert of IEC Technical Committee 4: Hydraulic turbines



Ajay Garg, Expert of IEC Technical Committee 8: System aspects of electrical energy supply



Itai Suez, Expert of IEC Technical Committee 82: Solar photovoltaic energy systems



Elias Ghannoum, Expert of IEC Technical Committee 7: Overhead electrical conductors



Denis Thibault, Expert of IEC Technical Committee 4: Hydraulic turbines



Jim MacFie, Expert of ISO/IEC Technical Committee, JTC1: Information technology



















Alexandre Trudel, Expert of IEC Technical Committee 4: Hydraulic turbines













Jonathan Paradis, Expert of IEC Technical Committee 76: Optical radiation safety and laser equipment











Corporate deliverables











#	Objective title	Strategic priority	Outcome	Status	Targets	Status description
1	A National Standards Strategy (NSS) is developed to identify priorities and areas of focus for Canada's standardization system.	Innovation and Competitiveness 	1.1	Partially Achieved 	NSS approved and published Implementation plan for the NSS developed	NSS was approved in June 2022 and published in July 2022. The draft implementation plan was presented in March 2023.
2	Standardization strategies are created through the Intellectual Property (IP) Program to help Canadian businesses create jobs, access markets, and generate revenue.	Innovation and Competitiveness 	1.1	Surpassed 	9 standardization strategies delivered through the IP Program to help Canadian businesses create jobs, access markets and generate revenue 66% of respondents report an increase in employment, exports and/or revenue by March 31, 2023 (baseline: 53% in 2020–2021)	9 standardization strategies were delivered. 68% of respondents reported an increase in employment, exports and/or revenue in this year's annual survey (surpassing target of 66%).
3	Standards to improve the safety and quality of long-term care in Canada are developed and promoted for incorporation in regulations, guidance and/or use by long-term care facilities.	Innovation and Competitiveness 	1.1	Achieved 	2 standards published	CAN/CSA Z8004:2022 was published on December 1, 2022. CAN/HSO 21001 was published on January 31, 2023.
4	Standardization strategies to address mental health and substance use health are delivered through the Standards to Address Mental Health & Substance Use Health Program.	Innovation and Competitiveness 	1.1	Deferred 	6 standardization strategies delivered Roadmap published	An agreement was reached between Health Canada and SCC to defer the delivery of the 6 integrated national standards-based deliverables (standardization strategies) and the accreditation/conformity assessment roadmap from March 31, 2023, to March 31, 2024.







#	Objective title	Strategic priority	Outcome	Status	Targets	Status description
5	Canadian priorities in AI are supported through the development of a standardization collaborative, standardization strategies and a conformity assessment program.	Innovation and Competitiveness 	1.2	Deferred 	AI standardization roadmap published AI conformity assessment program sandbox pilot completed	Target deferred for future years, considering that the AI and data governance programs are 5 years each.
6	Technical specifications for public and private digital credentials and digital trust services are developed to ensure they meet the minimum requirements for interoperability and the safety, privacy and well-being of Canadians.	Innovation and Competitiveness 	1.2	Partially Achieved 	Technical specification published	Technical specification was published in April 2023.
7	Federal regulators are equipped with insight and direction on how to use standards and conformity assessment to support modern, agile and responsive regulations.	Innovation and Competitiveness 	1.2	Achieved 	A minimum of 2 opportunities for the standardization system to support modern, agile and responsive regulations	2 opportunities identified: <ul style="list-style-type: none"> • Development of National Standard of Canada for Hydrogen Traceability underway with Natural Resources Canada. Contract developed and signed with Bureau de normalisation du Québec. • Development of National Technical Specification for Enhanced Train Control underway in support of Transport Canada policy and regulatory objectives in rail safety.
8	Coordination with public safety and provincial/territorial and municipal regulators is strengthened.	Canadian Leadership 	2.1	Surpassed 	Engagement plan developed and initial engagement with 3 municipal regulators started 2 strategic initiatives identified to support the Regulatory Authority Advisory Bodies (RAABs)	Engagement plan has been developed and 3 municipal regulators engaged. 3 strategic initiatives have been identified to support RAABs.







#	Objective title	Strategic priority	Outcome	Status	Targets	Status description
9	Internal trade is facilitated through standardization alignment initiatives with provinces and territories.	Canadian Leadership 	2.1	Achieved 	At least 1 new standardization alignment initiative	Provincial-Territorial Advisory Committee was officially chosen by the Reconciliation and Cooperation Table to lead the development of a reconciliation agreement to ensure timely and aligned adoption of the Canadian Electrical Code across Canada.
10	Gender inclusivity in standardization is assessed and advanced.	Canadian Leadership 	2.1	Achieved 	<p>Review of implementation plan for SCC Young Professionals Standardization Framework</p> <p>Thematic session at the Standards Development Organizations Advisory Committee (SDOAC) delivered to increase awareness on addressing gender equity in standards development</p> <p>Preliminary research on the impact of increased gender balance on standards development completed</p> <p>Opportunities identified to leverage the United Nations Economic Commission for Europe (UNECE) guidelines on gender-responsive standards and the ISO/IEC Joint Strategic Advisory Group (JSAG) to increase awareness and provide training on gender-responsive standards development</p>	<p>Implementation plan for SCC Young Professionals Standardization Framework was completed and integrated into the NSS implementation plan.</p> <p>Thematic session was delivered at the SDOAC on addressing gender equity in standards development.</p> <p>Research has identified an association between participation of women on mirror committees and the evaluation of their performance. Results were shared corporately at a session on International Women's Day and with SCC Senior Management.</p> <p>The UNECE guidelines and JSAG guidance were released. SCC participated as an expert providing training to member bodies on developing gender action plans as part of ISO's capacity building at a session in the Philippines in December. Additionally, IEC's Diversity Advisor Committee is exploring opportunities to leverage the guidance documents to improve diversity at IEC.</p>
11	Academia is engaged and supported in the use of standards through agreements with SCC.	Canadian Leadership 	2.1	Surpassed 	<p>10 agreements established</p> <p>Action plan for engagement with academia and research community on standardization in Canada completed</p>	<p>22 agreements have been established with academic and research communities across 13 institutions.</p> <p>Key activities from the academia and young professionals' strategies will be incorporated in the NSS implementation plan.</p> <p>Promotion and capacity building in standardization content opportunities/needs have been identified, and 2 initiatives are underway.</p>

#	Objective title	Strategic priority	Outcome	Status	Targets	Status description
12	An international standards strategy roadmap (ISDR) is developed to identify areas of priority and participation in standardization activities for SCC.	Canadian Leadership 	2.1	Achieved 	ISDR approved by SCC Council	Draft International Standardization Roadmap was approved by SCC Senior Management.
13	Standardization initiatives of strategic importance to Canada are promoted internationally.	Canadian Leadership 	2.2	Surpassed 	5 new Canadian work item proposals submitted internationally	Canada submitted 7 new work item proposals: <ul style="list-style-type: none"> 1. ISO/TC 34/SC 2 Oleaginous seed and fruits and oilseed meals 2. ISO/TC260/ WG2 Human resource management – Employee engagement metrics 3. JTC1/SC35 Information technology – User Interface component accessibility – Part 24: visual presentation of audio information in sign languages 4. ISO/TC 249 Traditional Chinese medicine (Carthamus tinctorius flower IS) N1233 5. ISO/TC82/WG4 Inspection and maintenance of mine shaft and associated structures 6. ISO/TC207/SC2 Validation and verification of sustainability information: Part 1: General principles and requirements; Part 2: Verification process 7. IEC/TC 57 Power systems management and associated information exchange – Data and communications security – Part 100-41: Conformance and testing for 62351-1 A Profile

#	Objective title	Strategic priority	Outcome	Status	Targets	Status description
14	The participation of young professionals on technical committees is maintained.	Canadian Leadership 	2.2	Surpassed 	19% of technical and governance committee members are young professionals Baseline: 18% (established in fiscal year 2020–2021)	24% of members are young professionals.
15	Representation in regional and international strategic governance roles is maintained.	Canadian Leadership 	2.2	Surpassed 	Representation in 51 governance roles Baseline: 51 governance roles	SCC is participating in 96 governance leadership positions in regional and international organizations.
16	Standardization strategies that address climate change adaptations for infrastructure and buildings are initiated through the renewed Standards to Support Resilience in Infrastructure Program.	Canadian Leadership 	2.2	Surpassed 	9 standardization strategies initiated 3-year baseline for uptake completed	12 standardization strategies have been initiated. 3-year baseline for uptake has been completed, and uptake targets established.
17	A strategy for incorporating sustainability into Canada's standardization system is developed.	Canadian Leadership 	2.3	Partially Achieved 	Strategy developed and presented to SCC Council	Proposed SCC Sustainability Strategy was developed and incorporated into the National Standards Strategy implementation plan. The strategy was presented to and approved by SCC Senior Management.
18	A flexible workplace model and strategy are implemented.	Organizational Excellence 	2.3	Achieved 	Office reconfiguration design and budget plan based on 2021–2022 pilot approved Supporting policies for workplace reintegration and sustainable workplace strategy proposed Office reopening during fiscal year (dependent on public health guidelines)	Phase 2 of the current project structure was completed with findings and survey results pointing to Phase 3 implementation of a structured and formal reopening of the office with intention and purpose in 2023–2024. Facilities changes, technology updates and, most importantly, manager engagement and training will support this.

#	Objective title	Strategic priority	Outcome	Status	Targets	Status description
19	Strong employee engagement is fostered.	Organizational Excellence 	3.1	Achieved 	To be identified through the results of 2021–2022 employee engagement survey	Project plan is in place, with progress monitored through HR working group. Development of 2024 survey has commenced.
20	SCC's diversity strategy, including ongoing alignment with government reporting requirements and an employment equity and recruitment plan, is implemented.	Organizational Excellence 	3.1	Achieved 	SCC recognized as an equitable employer by Employment and Social Development Canada (ESDC) Diversity training provided to all employees Gap analysis conducted	SCC continues to be recognized as an equitable employer by ESDC. Diversity training has been provided to all employees. Gap analysis was completed.
21	SCC employees' well-being, including mental health, is supported.	Organizational Excellence 	3.1	Achieved 	Baseline established	Baseline has been established at 70%.
22	A workforce planning methodology to better align future resource needs and build competencies and capabilities of the workforce is developed.	Organizational Excellence 	3.1	Achieved 	Workforce planning methodology developed	Workforce planning methodology has been developed. Current state workforce plans have been completed and presented to SCC Senior Management and SCC Branches.
23	SCC's corporate values are refreshed to support SCC's strategy.	Organizational Excellence 	3.1	Partially Achieved 	Corporate values updated and communicated internally Employees trained on refreshed corporate values	SCC's values have been updated. Refreshed values have been communicated internally to all staff.

#	Objective title	Strategic priority	Outcome	Status	Targets	Status description
24	Employees are provided with modern digital tools for collaborative and virtual work, improved stakeholder engagement, and robust security.	Organizational Excellence 	3.2	Partially Achieved 	<p>All known critical and high vulnerabilities in SCC architecture resolved</p> <p>Document classification policy for SCC finalized</p> <p>Data centre architecture redesigned to eliminate vulnerabilities</p> <p>Digital signatures implemented</p> <p>Quality management system (QMS) and IT helpdesk migrated from legacy platforms</p> <p>SCC website and related business applications upgraded</p> <p>Customer relationship management (CRM) system implemented</p> <p>SCC Information Management (IM) Strategy and supporting policy updated</p>	<p>All vulnerabilities discovered as part of the assessment by third party have been mitigated.</p> <p>IM strategy and supporting policy have been updated.</p> <p>QMS and IT helpdesk have been migrated.</p> <p>Digital signatures are implemented.</p> <p>SCCs website upgrade has been delayed.</p> <p>CRM phase 1 of Stakeholder Engagement is in support mode. Phase 2 is in flight.</p> <p>Data classification policy is in development.</p>
25	Progress is made toward ISO 9001:2015 Quality Management certification.	Organizational Excellence 	3.2	Achieved 	<p>SCC services and scope of certification defined</p> <p>Internal audit program for defined scope created</p>	<p>Updated QMS scope definition and ISO 9001 Scope was approved by SCC Senior Management.</p> <p>2022–2023 internal audit program was developed and approved by SCC Senior Management. All audits were completed by the end of the fiscal year.</p>
26	Sustainable strategies for remote/virtual accreditation services are established.	Organizational Excellence 	3.2	Achieved 	<p>All witness activities completed on-site for certification bodies, management systems and greenhouse gas accreditations programs</p> <p>Inspections for good laboratory practice program done on-site</p> <p>Blended model piloted for testing labs and office audits</p>	<p>All witness activities were completed on-site for certification bodies, management systems and greenhouse gas accreditations programs.</p> <p>Inspections for good laboratory practice program were done on-site.</p> <p>Blended and/or hybrid (in special cases) assessments are being piloted on a case-by-case basis.</p>

#	Objective title	Strategic priority	Outcome	Status	Targets	Status description
27	Results framework for delivery of standardization strategies is developed to align with SCC's operating model and stakeholder needs.	Organizational Excellence 	3.3	Delayed 	Results framework for delivery of standardization strategies complete (including methodology for developing indicators and setting targets)	Delayed to next fiscal year to align with SCC's soft launch of its refreshed strategic framework.
28	Standardization strategies are developed to support key policy and regulatory priorities of federal, provincial, territorial and municipal government stakeholders.	Organizational Excellence 	3.3	Surpassed 	3 strategies presented to one or more government stakeholders	4 standardization strategies were presented to support key policy and regulatory priorities.
29	Accreditation Services has a market assessment and growth plan for service delivery.	Organizational Excellence 	3.3	Surpassed 	<p>Strategies, activities and tactics outlined in the marketing plan fully implemented</p> <p>Accreditation Services marketing plan (including market analysis, strategies and tactics) implemented with existing resources</p> <p>6%* (*2–3% of this growth is related to the end of the pandemic and clients coming back online)</p> <p>N/A (new fee structure to be implemented by March 31, 2023)</p> <p>N/A* (*new schemes begin to generate revenue in the following year)</p> <p>4 new schemes made available [Reference Materials (ISO / IEC 17034), Aerospace (AS9100), Artificial Intelligence (ISO 42001), Business Continuity & Privacy (ISO 22301)]</p>	<p>Marketing plan strategies, activities and tactics are on-track to be delivered as planned.</p> <p>Revenue growth targets surpassed as a result of a near full resumption of activities post-pandemic, customer conversions and pricing strategy changes which took effect on April 1, 2022. Overall, results have realigned to pre-pandemic expectations.</p> <p>4 new programs and/or schemes launched:</p> <ol style="list-style-type: none"> 1. Reference Materials (ISO/IEC 17034) 2. Business Continuity & Privacy (ISO 22301) available under Management System (ISO/IEC) 17021 3. Food and Drug Administration under Laboratory testing (ISO/IEC 17025) available for already accredited labs 4. Clean Fuel Regulation under (ISO/IEC 17025) in consort with Transport Canada



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 enhance the accreditation experience.

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, information management, privacy and security, quality management, and procurement.

Human Resources

Handles talent management, recruitment, compensation, employee benefits and organizational development, and fosters and promotes a strong internal culture within the SCC workplace.

Office of the CEO

Fosters alignment and coordination of all SCC activities, corporate governance, 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,
Chief Executive Officer



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



Brady Allin,
Special Advisor,
Chief Executive Officer



Christine List,
Corporate Secretary
and General Counsel



Pierre Bilodeau,
Vice-President,
Strategy and Stakeholder
Engagement; Interim
Vice-President, Standards
and International Relations



Elias Rafoul,
Vice-President,
Accreditation Services



Dominique Dallaire,
Chief Human
Resources Officer



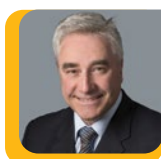
Annie Roy,
Senior Director,
Communications



Our governing council

SCC's 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 via the chair or 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 and corporate objectives. The Governing Council also plays an important role in setting SCC's strategic direction and ensuring alignment with the priorities of the Government of Canada.



Colin Clark, Senior Operating Partner and Chief Technical Officer, Brookfield Renewable — Acting Council Chair



William Hawkins, Executive Director, Building and Technical Standards, Government of Saskatchewan Ministry of Government Relations



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



Zakiah Kassam, Principal, AirVironment Canada



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



Kathy Milsom, Former Chair, Standards Council of Canada, Interim Corporate Governance Committee Chair



Mary Cianchetti, President of Standards, CSA Group



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



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



Brent Schacter, Professor, Department of Internal Medicine, University of Manitoba



Jeff Dolan, Executive Director, Technical Safety, Government of Nova Scotia



Tayt Winnitoy, Executive Vice-President, Consumer Protection BC



Financial performance

Fiscal 2022–2023 saw SCC focus on prioritization, business development, accreditation services and the start of new programs in AI and data governance. SCC also settled into a new post-pandemic normal with increased levels of travel, although still below pre-pandemic levels. SCC continued its permanent flexible workplace using increasing levels of remote-work enabling technology and virtual collaboration tools while maintaining delivery of objectives without disruption in performance. Additionally, SCC continuously re-examined its corporate priorities throughout the year and course corrected where necessary to deliver strong performance against its objectives as we continued to combine resilience and strong financial management to optimize the use of limited resources.

SCC's total revenue in 2022–2023 (excluding federal government funding) was \$15.5 million, which was \$5.1 million or 49 per cent higher than the \$10.4 million recorded during 2021–2022. The increase from last year was primarily due to business development efforts through Innovative services revenue which increased by \$2.8 million, and Accreditations services revenue which finished \$1.8 million higher than last year. Combined results for Other income, Royalties and Delegate support contributions also finished higher than both prior year and Corporate Plan (Plan).

Revenue from Accreditation services activities was \$9.1 million, which is \$1.8 million or 25 per cent higher than the \$7.3 million recorded during 2021–2022, and \$0.9 million or 11 per cent higher than its Plan of \$8.2 million. These revenue gains were primarily driven by increased activity from new business as well as the recovering assessments that were

postponed due to COVID-19 travel restrictions. Approximately half of the revenue was generated from recoverable travel. Accreditation services had to re-schedule many of its on-site assessments during the pandemic and has endeavored to catch-up as the momentum for travel continued to build. Every attempt was made to conduct required assessments remotely. By utilizing improved collaboration tools and working with its pool of third-party assessors, Accreditation services was able to conduct all its originally planned assessment activities. Additionally, the Accreditation services branch achieved its overall financial performance targets for the year.

Innovative services revenue was \$3.9 million, which was \$2.8 million or 255 per cent higher than last year's result of \$1.1 million but was \$2.4 million or 38 per cent lower than its Plan of \$6.3 million. Increasing revenues from its standardization solution

services has become a pillar of SCC's sustainable funding strategy. This increase is part of SCC's strategic effort to diversify funding by generating revenue, primarily cost recovery, where we are collaborating with stakeholders on projects with standardization implications. Overall, for the year, SCC still achieved its net contribution Plan of \$1.5 million for these business development opportunities. Going forward, SCC will continue to explore opportunities to generate alternative sources of funding from leveraging its expertise in standardization.

Royalties from the sale of standards totaled \$2.0 million, which was an increase of \$0.2 million or 11 per cent from the previous year's \$1.8 million. Versus this year's Plan of \$1.8 million, royalties from the sale of standards increased equally by 11 per cent or \$0.2 million. These revenues are subject to fluctuations due to changes in standards, as well as overall economic activity. Sales volume was slightly higher than expected for the year.

SCC also saw an increase in travel driven by the return to international in-person technical committee meetings for the development of standards and support funding to Canadian industry delegates to attend in-person technical committees. While the increases are not expected to return to pre-pandemic levels, there has been a strong interest from external organizers for in-person attendance. We continue to follow a virtual meeting first preference, and technical committee volunteers found ways virtually resulting in substantially lower than planned costs for meetings.

Revenue from Other income amounted to \$0.5 million, which was \$0.3 million or 150 per cent higher than the \$0.2 million recognized during the prior fiscal year. Other income of \$0.5 million in 2022-2023 was also \$0.2 million or 67 per cent higher than Plan of \$0.3 million. This is primarily the result of inflation and a greater than expected interest return on deposits.

Operating expenses through March 31 were \$32.5 million, which was \$4.0 million or 11 per cent lower than planned expenses of \$36.5 million and \$4.1 million or 14 per cent higher than the \$28.4 million of expenses recognized during 2021-2022. Late approval of program funding

and timing differences of program spending were the largest drivers of variance from both Plan and prior year results.

Operating expenses of \$32.5 million were \$4.0 million or 11 per cent lower than planned expenses of \$36.5 million:

- \$6.5 million of reduced Professional and special services primarily due to the reduced revenue targets of sustainable funding projects (\$3.6 million). Also, delayed timing on program spending (\$2.9 million) carried into the next fiscal year;
- \$2.3 million of additional expense within Salaries and employee benefits stemming from:
 - \$1.4 million from unplanned positions that were included into budget as a result of anticipated needs to support business priorities;
 - \$0.4 million from a lower vacancy rate than planned (SCC experienced a vacancy rate of 5 per cent vs planned 7 per cent);
 - \$0.3 million in one-time expenses that are recovered through appropriations;
 - \$0.2 million in unplanned promotions and incentives; and
- \$0.2 million less spending across all other expenses with no significant variance in any one remaining expense items.

Operating expenses of \$32.5 million were \$4.1 million or 14 per cent higher than last year's expenses of \$28.4 million:

- \$2.3 million from Salaries and employee benefits stemming from a combination of planned staffing increases to add capacity that correlates with program spending, business development and overall capacity constraints;
- \$1.2 million of increased travel expenses associated with additional assessment activity (\$0.5 million) and non-recoverable travel (\$0.7 million). Note that travel expenditures are significantly below pre-pandemic levels (fiscal 2019-2020 spending was \$2.5 million) and that there was little travel expense in the prior fiscal year (\$26 thousand);

- \$0.3 million in Conferences (\$0.2 million) and Hospitality (\$0.1 million) commiserate with the return of travel and no material amount invested on any one event. Combined conferences and hospitality spending in the prior fiscal year was \$62 thousand; and
- \$0.3 million in all other expenses with no significant variance in any remaining expense items.

Through March 31, 2023, SCC has recognized \$18.0 million in Parliamentary appropriations, which was \$2.4 million or 15 per cent higher than the Plan of \$15.6 million and \$1.3 million or 7 per cent lower than prior year appropriations of \$19.3 million. The decrease versus prior year is primarily due to the sunseting of temporary program funding:

Program (\$ million)	Plan vs. Actual			Prior Year vs. Current Year		
	Plan	Actual	B/(W)	2022	2023	B/(W)
Base / Main estimates	\$ 9.2	\$ 9.2	-	\$ 9.2	\$ 9.2	-
Infrastructure	1.7	1.7	-	1.5	1.7	0.2
Innovation and CETA	-	-	-	3.3	-	(3.3)
Cyber security	-	-	-	0.4	-	(0.4)
Intellectual property	2.4	2.4	-	2.1	2.4	0.3
Regulatory capacity fund	-	-	-	0.2	-	(0.2)
Pan-Canadian artificial intelligence strategy	2.0	2.0	-	1.7	2.0	0.3
50-30 challenge: Standardization strategy	0.3	0.6	0.3	0.4	0.6	0.2
Data governance / Digital credentials	-	1.8	1.8	-	1.8	1.8
CSPS - Staff training access	-	-	-	-	-	-
One-time expenditure recovery	-	0.3	0.3	0.5	0.3	(0.2)
Parliamentary appropriations	\$ 15.6	\$ 18.0	\$ 2.4	\$ 19.3	\$ 18.0	(\$ 1.3)

SCC's Surplus for the year was \$1.0 million and as of March 31, 2023, SCC's Accumulated surplus was \$9.0 million. The increase in SCC's Accumulated surplus this year is primarily due to timing and the in-year approval of funding with insufficient lead time to initiate expenditures against the funds. This is a common challenge with adjustments to approved levels of government funding. SCC's updated Corporate Plan will reflect the balance between funding and expenditures over the next five years. The Accumulated surplus is fully committed to fulfill SCC's temporary program deliverables, for investment in IM/IT modernization and security and staffing programs, primarily in the next two years, and to maintain a \$1.5 million reserve for risk as per SCC's Accumulated surplus target policy:



Financial overview

2018–2019 to 2022–2023

Financial overview	2018–2019	2019–2020	2020–2021	2021–2022	2022–2023 Plan	2022–2023 Actual
Revenue						
Accreditation fees	\$ 7,867,962	\$ 7,723,071	\$ 6,629,232	\$ 7,332,138	\$ 8,216,000	\$ 9,069,342
Royalties from standards sales	2,064,385	1,568,236	1,704,836	1,754,649	1,811,000	1,953,943
Innovative services	284,454	625,268	641,491	1,066,526	6,254,000	3,898,605
Delegate support contributions	359,997	342,818	847	–	187,000	66,816
Other income	451,155	529,852	285,759	209,193	341,000	483,323
	11,027,953	10,789,245	9,262,165	10,362,506	16,809,000	15,472,029
Expenses						
Accreditation services	5,897,870	6,295,578	5,443,756	5,913,703	6,529,000	7,331,153
Standards solution and strategy	10,609,103	12,540,657	11,508,725	11,164,823	17,292,000	12,227,177
Management and administrative services	10,219,704	10,366,349	10,785,333	11,325,534	12,695,000	12,922,093
	26,726,677	29,202,584	27,737,814	28,404,060	36,516,000	32,480,423
(Deficit) from operations	(15,698,724)	(18,413,339)	(18,475,649)	(18,041,554)	(19,707,000)	(17,008,394)
Government funding						
Parliamentary appropriations	17,973,672	18,578,854	18,578,854	19,271,621	15,648,000	17,967,928
Annual (deficit)/surplus	\$ 2,274,948	\$ 165,515	\$ 103,205	\$ 1,230,067	\$ (4,059,000)	\$ 959,534



Enterprise risk management

SCC assesses its overall risks as part of its corporate planning process and reviews and updates its Risk Registry 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 the 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 among international and regional standardization regimes and bodies. SCC monitored the following key risk areas over the last fiscal year and will continue to do so for the foreseeable future:

Workforce culture in a flexible workplace

An engaging and caring workforce culture has a significant positive impact 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, and implemented a healthy workplace strategy that includes mental health components to ensure its culture remains dynamic and vibrant. Over the last year, as part of an organization-wide exercise, SCC updated its values to reflect its commitment to a people-focused and inclusive culture. External experts continue to support SCC's shift to telework, and work is underway to design the organization's workplace of the future and adapt its culture to a flexible workplace.

Cybersecurity and IT resiliency

SCC's existing systems, databases, and applications will not meet the organization's future needs as it moves to a permanent hybrid environment affecting the ability of staff to meet core requirements and inhibiting SCC's growth and innovation. Cybersecurity threats also present significant risks. The overall industry consensus is an increasing risk and exposure to cybersecurity events. To address these, SCC maintains its IT enterprise architecture and integrated roadmap for IM/IT that includes both IT operations and maintenance. SCC significantly reduced single points of failure on aging systems and conducts ongoing monitoring of threats. SCC adheres to the Canadian Centre for Cyber Security as a main approach to threat risk assessment. Actions plans are in place to address any medium or high cybersecurity risks. All employees are required to complete cybersecurity awareness training and testing on a frequent basis to maintain a functional level of security awareness.

Resource capacity

SCC's ability to carry out its core functions and achieve impact depends on its access to technical experts, a sufficient complement of key personnel and a workforce with the right skills. 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. SCC has adopted a workforce planning methodology to further work towards having the right complement of staff available to meet the future needs of the organization. Current-state workforce plans were also completed and presented to senior management. To address recent survey results trends which indicate workload challenges and general capacity constraints, the management team is studying further the need to prioritize activities and resource allocation. 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 aftermath of COVID-19, SCC's accreditation services has leveraged remote and online assessments to improve contribution and resource deployment.



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.



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



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

Ottawa, Canada
June 20, 2023



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

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 2023, 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 2023, 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.



Mimma Venema, CPA, CA, CGA
Principal
for the Auditor General of Canada

Ottawa, Canada
20 June 2023

Standards Council of Canada

Statement of Financial Position

As at March 31,	2023	2022
Financial assets		
Cash and cash equivalents (Note 4)	\$ 5,386,450	\$ 5,122,529
Accounts receivable (Note 4)	2,504,300	1,742,944
Federal government departments and agencies receivable (Note 14)	963,412	155,347
Parliamentary appropriations receivable (Note 14)	1,814,592	3,751,600
	10,668,754	10,772,420
Liabilities		
Accounts payable and accrued liabilities (Note 6)	3,335,765	2,588,292
Deferred contributions (Note 7)	135,608	96,848
Deferred revenue (Note 8)	369,317	2,327,411
Deferred lease inducement (Note 9)	612,895	694,615
	4,453,585	5,707,166
Net financial assets	6,215,169	5,065,254
Non-financial assets		
Tangible capital assets (Note 5)	1,415,263	1,670,104
Prepaid expenses	1,385,983	1,321,523
	2,801,246	2,991,627
Accumulated surplus	\$ 9,016,415	\$ 8,056,881

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 Clark
Acting Chair

Approved by Management:



Chantal Guay
Chief Executive Officer

Standards Council of Canada

Statement of Operations

For the year ended March 31,	2023 Budget (Note 15)		2023	2022
Revenues from operations				
Accreditation services fees	\$ 8,216,000	\$ 9,069,342	\$ 7,332,138	
Royalties from sales of standards	1,811,000	1,953,943	1,754,649	
Delegate support contributions	187,000	66,816	-	
Innovative services	6,254,000	3,898,605	1,066,526	
Other income	341,000	483,323	209,193	
	16,809,000	15,472,029	10,362,506	
Expenses (Note 11)				
Accreditation services	6,529,000	7,331,153	5,913,703	
Standards solution and strategy	17,292,000	12,227,177	11,164,823	
Management and administrative services	12,695,000	12,922,093	11,325,534	
	36,516,000	32,480,423	28,404,060	
Deficit before parliamentary appropriations	(19,707,000)	(17,008,394)	(18,041,554)	
Parliamentary appropriations	15,648,000	17,967,928	19,271,621	
Surplus/(Deficit)	(4,059,000)	959,534	1,230,067	
Accumulated surplus, beginning of year	9,791,000	8,056,881	6,826,814	
Accumulated surplus, end of year	\$ 5,732,000	\$ 9,016,415	\$ 8,056,881	

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,	2023 Budget (Note 15)		2023	2022
Surplus/(Deficit)	\$	(4,059,000)	\$ 959,534	\$ 1,230,067
Acquisition of tangible capital assets		(1,108,000)	(241,682)	(304,590)
Loss on disposal of tangible capital assets		-	1,182	-
Amortization of tangible capital assets		590,000	495,341	478,108
(Increase)/Decrease in prepaid expenses		(33,000)	(64,460)	(73,283)
Increase/(Decrease) in net financial assets		(4,610,000)	1,149,915	1,330,302
Net financial assets at beginning of year		6,956,000	5,065,254	3,734,952
Net financial assets at end of year	\$	2,346,000	\$ 6,215,169	\$ 5,065,254

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,	2023	2022
Operating transactions:		
Surplus	\$ 959,534	\$ 1,230,067
Adjustments for non-cash items:		
Amortization of tangible capital assets	495,341	478,108
Amortization of deferred lease inducement	(81,720)	(81,719)
Loss on disposal of tangible capital assets	1,182	-
Changes in:		
Prepaid expenses	(64,460)	(73,283)
Deferred revenue	(1,958,094)	(757,300)
Accounts receivable	(761,356)	69,089
Federal government departments and agencies receivable	(808,065)	22,399
Parliamentary appropriations receivable	1,937,008	(3,576,738)
Accounts payable and accrued liabilities	719,201	(516,891)
Deferred contributions	38,760	35,118
Cash (used in)/provided by operating transactions	477,331	(3,171,150)
Capital transactions:		
Additions of tangible capital assets	(213,410)	(304,590)
Cash applied to capital transactions	(213,410)	(304,590)
Net increase/(decrease) in cash and cash equivalents	263,921	(3,475,740)
Cash and cash equivalents, beginning of the year	5,122,529	8,598,269
Cash and cash equivalents, end of the year	\$ 5,386,450	\$ 5,122,529

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

Notes to the financial statements

March 31, 2023

1. Authority, mandate and activities

SCC was created by Parliament as a corporation under the *Standards Council of Canada Act* in 1970 (last revised in 2019) 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 premier source to collect and distribute information on standards activities.

In July 2015, SCC was issued a directive (PC. 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 service 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 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 ISO 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, 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, 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 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, 2023, SCC's cash and cash equivalents balance of \$5,386,450 consisted of \$4,000,000 term-deposits and \$1,386,450 of cash (March 31, 2022 was \$5,122,529 and consisted of \$4,001,928 term-deposits and \$1,120,601 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	
2023	\$	2,504,300	\$	1,723,707	\$	353,688	\$	14,136	\$	106,511	\$	306,258
2022	\$	1,742,944	\$	1,242,422	\$	126,665	\$	5,675	\$	37,526	\$	330,656

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	
2023	\$	2,778,004	\$	2,759,339	\$	32,552	\$	(4,315)	\$	60	\$	(9,632)
2022	\$	3,906,947	\$	3,891,938	\$	15,009	\$	–	\$	–	\$	–

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.

As of March 31, 2023, the allowance for bad debts is estimated at \$42,706 (March 31, 2022 was \$35,084). The following table provides a reconciliation of the allowance for the year.

	March 31, 2023		March 31, 2022	
Balance, beginning of year	\$	35,084	\$	10,069
Recoveries/(write-offs)		(2,925)		10,068
Bad debt allowance expense/(reduction)		10,547		14,947
Balance, end of year	\$	42,706	\$	35,084

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, 2023	Furniture		Equipment		Leasehold improvements		2023 Total
Cost							
Opening balance	\$	738,338	\$	2,683,048	\$	1,161,708	\$ 4,583,094
Additions		4,252		209,158		28,272	241,682
Disposals		–		(192,433)		–	(192,433)
Closing balance		742,590		2,699,773		1,189,980	4,632,343
Accumulated amortization							
Opening balance		(683,952)		(1,756,393)		(472,645)	(2,912,990)
Amortization		(28,909)		(385,055)		(81,377)	(495,341)
Disposals		–		191,251		–	191,251
Closing balance		(712,861)		(1,950,197)		(554,022)	(3,217,080)
Net book value	\$	29,729	\$	749,576	\$	635,958	\$ 1,415,263

The Equipment category includes \$96,934 of assets under development as of March 31, 2023, which were not being amortized at the time.

The additions of tangible capital assets in the Statement of Cash Flow are adjusted for 2022–2023 additions paid in 2023–2024 of \$28,272.

March 31, 2022	Furniture		Equipment		Leasehold improvements		2022 Total
Cost							
Opening balance	\$	1,050,731	\$	3,167,344	\$	1,161,708	\$ 5,379,783
Additions		–		304,590		–	304,590
Disposals		(312,393)		(788,886)		–	(1,101,279)
Closing balance		738,338		2,683,048		1,161,708	4,583,094
Accumulated amortization							
Opening balance		(960,612)		(2,183,970)		(391,579)	(3,536,161)
Amortization		(35,733)		(361,309)		(81,066)	(478,108)
Disposals		312,393		788,886		–	1,101,279
Closing balance		(683,952)		(1,756,393)		(472,645)	(2,912,990)
Net book value	\$	54,386	\$	926,655	\$	689,063	\$ 1,670,104

The Equipment category includes \$55,391 of assets under development at March 31, 2022 which were not being amortized at the time.

6. Accounts payable and accrued liabilities

	March 31, 2023	March 31, 2022
Vendor payables and accrued liabilities	\$ 1,597,844	\$ 996,875
Salaries and benefits payable	1,276,577	1,159,437
Accrued vacation pay	461,344	431,980
	\$ 3,335,765	\$ 2,588,292

7. Deferred contributions

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

	March 31, 2023	March 31, 2022
Balance, beginning of year	\$ 96,848	\$ 61,730
Contributions received (refunded)	105,576	(37,643)
Contributions credited (recognized)	(66,816)	72,761
Net Contributions	38,760	35,118
	\$ 135,608	\$ 96,848

8. Deferred revenue

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

	March 31, 2023	March 31, 2022
Balance, beginning of year	\$ 2,327,411	\$ 3,084,711
Add: Fees due per agreements	4,138,784	3,618,399
Less: Fees recognized into revenue	(6,096,878)	(4,375,699)
Net fees	(1,958,094)	(757,300)
	\$ 369,317	\$ 2,327,411

9. Deferred lease inducement

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

	March 31, 2023	March 31, 2022
Balance, beginning of year	\$ 694,615	\$ 776,334
Add: Inducements received	-	-
Less: Inducements recognized	(81,720)	(81,719)
Net inducements	(81,720)	(81,719)
	\$ 612,895	\$ 694,615

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 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, 2023	March 31, 2022
SCC's contribution	\$ 1,910,937	\$ 1,665,567
Employees' contributions	\$ 1,649,625	\$ 1,575,192

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

	Calendar year	
	2023	2022
Employees (pre-2013) – Current service:		
On earnings up to yearly maximum pensionable earnings (YMPE)	9.35%	9.36%
On earnings exceeding YMPE: 2023-\$66,600 2022-\$64,900	12.37%	12.48%
Employees (post 2013) – Current service:		
On earnings up to yearly maximum pensionable earnings	7.93%	7.95%
On earnings exceeding YMPE: 2023-\$66,600 2022-\$64,900	11.72%	11.82%
Employer – Expressed as a multiple of employee contributions:		
For pre-2013 employee contributions on current and elective service on single-rate employee contributions	1.02	1.02
For pre-2013 employee elective service on double-rate contributions	.01	.01
For post 2013 employee contributions on current and elective service on single-rate employee contributions	1.00	1.00
For post 2013 employee elective service on double-rate employee contributions	nil	nil
For existing Retirement Compensation Arrangement on earnings that exceed: 2023-\$196,200 2022-\$191,300	5.29	5.91

Employee benefits:

For the year ended March 31, 2023, SCC paid \$1,376,116 for its employees' benefits plan (March 31, 2022, was \$1,268,931).

11. Expenses

	2023 Budget (Note 15)	2023	2022
Salaries and employee benefits	\$ 18,824,000	\$ 21,097,002	\$ 18,772,930
Professional and special services	12,347,000	5,751,055	5,882,294
Memberships in international organizations	1,279,000	1,269,962	1,223,670
Travel	1,046,000	1,237,546	26,019
Office supplies	989,000	971,179	555,117
Office accommodation	836,000	712,721	842,915
Amortization of premises and equipment	590,000	495,341	478,109
Conferences & events	94,000	250,862	39,173
Hospitality	58,000	133,708	22,486
Insurance	115,000	122,107	108,451
Telecommunications and postage	123,000	110,456	135,435
Offsite storage & other	73,000	103,628	92,618
Publications and printing	50,000	70,981	73,260
Repair & upkeep	62,000	66,711	92,769
Bank charges	5,000	58,611	28,676
Rental of office equipment	25,000	16,824	15,192
Bad debt expense	-	10,547	14,946
Loss on disposal of tangible capital assets	-	1,182	-
	\$ 36,516,000	\$ 32,480,423	\$ 28,404,060

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, 2023 SCC had contractual rights to \$3,558,190 of uncollected annual fees pertaining to fiscal year 2023–2024 (March 31, 2022 was \$3,542,178 pertaining to fiscal year 2022–2023).

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 2023–2024 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 revenue from these sources over the past three years. As of March 31, 2022, the expectation was \$1.8 million.

There were \$296,508 of related party rights as of March 31, 2023 (March 31, 2022 was \$265,994).

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.

March 31, 2023

	Office space		Office equipment		Standardization initiatives		Total	
2023–2024	\$	464,811	\$	14,160	\$	4,850,075	\$	5,329,046
2024–2025		464,811		14,688		653,299		1,132,798
2025–2026		491,224		14,688		99,600		605,512
2026–2027		517,637		14,688		–		532,325
2027–2028		517,637		–		–		517,637
thereafter		1,294,094		–		–		1,294,094
	\$	3,750,214	\$	58,224	\$	5,602,974	\$	9,411,412

Commitments with related parties included in standardization initiatives were \$443,590 as of March 31, 2023 (March 31, 2022, was \$285,611).

14. Related party transactions

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

	2023	2022
Revenues	\$ 4,378,010	\$ 1,424,766
Parliamentary appropriations	17,967,928	19,271,621
Expenses	78,032	120,717
Federal government departments and agencies receivable and parliamentary appropriations receivable	2,778,004	3,906,948
Accounts payable and accrued liabilities	–	12,999

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

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 2022–2023 to 2026–2027 Corporate Plan approved by SCC’s Governing Council.



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