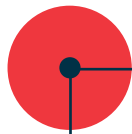


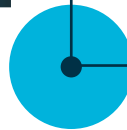


Standards Council of Canada
Conseil canadien des normes



REACH AND IMPACT

2019–2020
SCC ANNUAL REPORT



Canada 

SCC at a glance

MISSION

To lead and facilitate the development and use of national and international standards and accreditation services in order to enhance Canada's competitiveness and well-being

VISION

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

MANDATE

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

3 strategic priorities



INNOVATION

Deliver innovation through standardization



CANADIAN LEADERSHIP

Deliver competitive advantage and economic prosperity through standardization



ORGANIZATIONAL EXCELLENCE

Strengthen the organization's culture of excellence

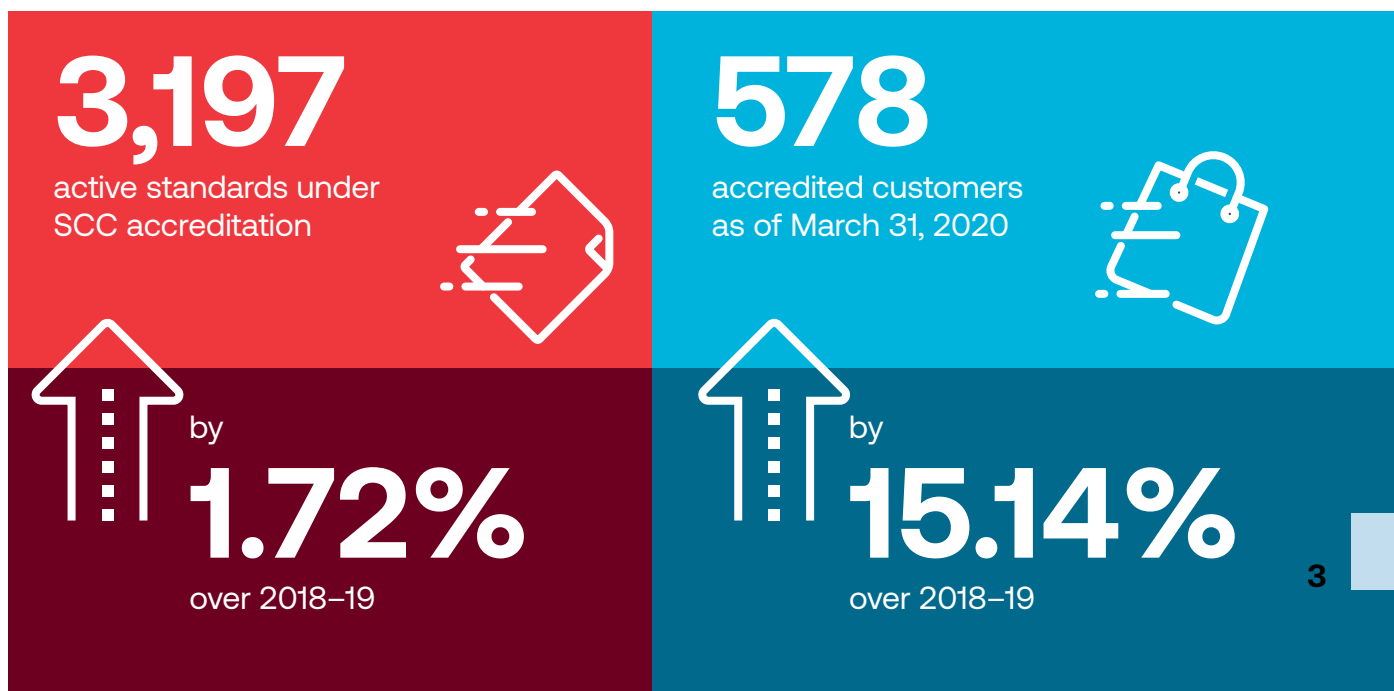


Flagship initiatives

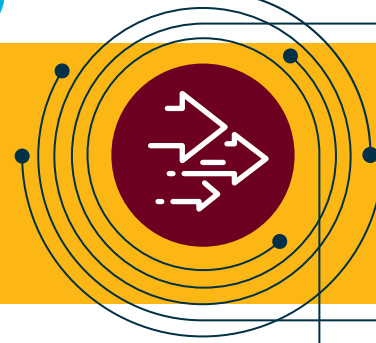
Innovation	Canadian Free Trade
Helping innovators commercialize, scale up and go global through standardization strategies	Reducing and preventing barriers to internal trade across provinces and territories, and aligning regulatory requirements
International Trade	Cannabis
Aligning requirements across borders through international standardization and helping open the doors of trade for Canadian business	Helping develop international standards for categorizing, testing, packaging and labelling cannabis, and supporting standardization on cannabis in Canada
Infrastructure and Environment	General Data Protection Regulation
Making Canadian infrastructure climate-resilient and helping grow the country's cleantech industry	Helping Canadian organizations navigate the European Union's data protection laws
Gender and Standardization Strategy	Canadian Data Governance Standardization Collaborative
Supporting gender-responsive standards and gender balance in standards development with an action plan	Collaborating to tackle data governance in Canada and creating a level playing field through standards



Leadership in standards and accreditation



Reaching out farther



To increase the impact of standardization across Canada in 2019–20, we reached out to a broader-than-ever array of partners and stakeholders.

Our **Academia Standardization Engagement Strategy** encourages educational institutions to incorporate standards in curricula.

Our **Young Professionals Standardization Framework and Action Plan** aim to develop the next generation of standardization experts.

Our **Canadian Data Governance Collaborative** brought together over 200 experts to tackle data governance in Canada and create a level playing field through standardization.

Our outreach included new partners in sectors such as **Canadian utilities**.

We collaborated with the **Canadian Security Establishment** on guidelines and documentation to support the CyberSecure Canada program.

We surveyed key stakeholders outside of our organization for their perspective on our performance.



83%

satisfaction rate for Accreditation Services customers

70%

satisfaction rate among technical expert members

91%

satisfaction rate among the innovators we support



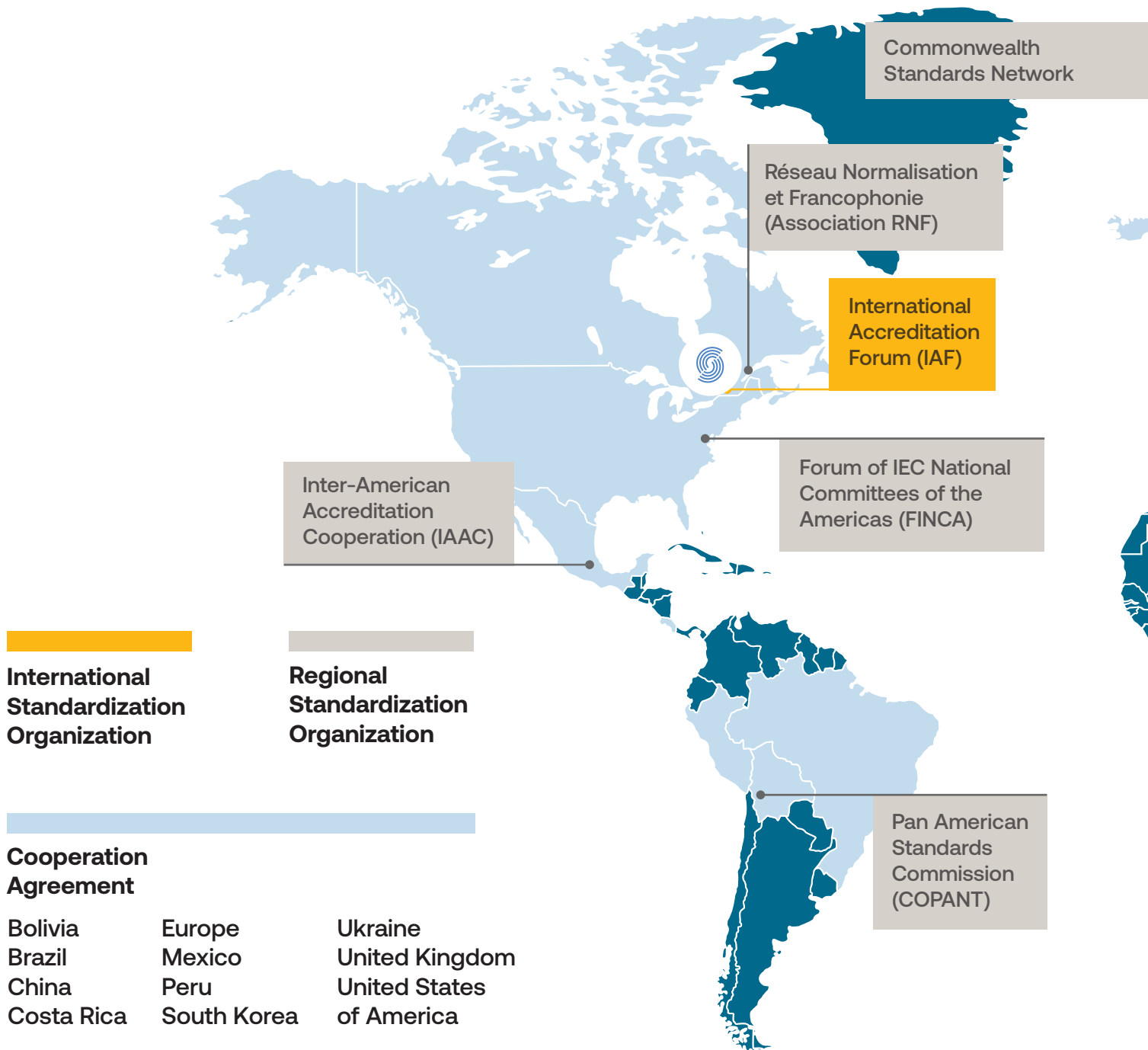
OUR TECHNICAL MIRROR COMMITTEES

Every year, we engage thousands of experts from across Canada through our technical committees to ensure Canada's interests are represented in international standards development. The Standards Council of Canada (SCC) oversees Canadian participation in hundreds of international technical committees as the national member body at International Organization for Standardization (ISO) and International Electrotechnical Commission (IEC).

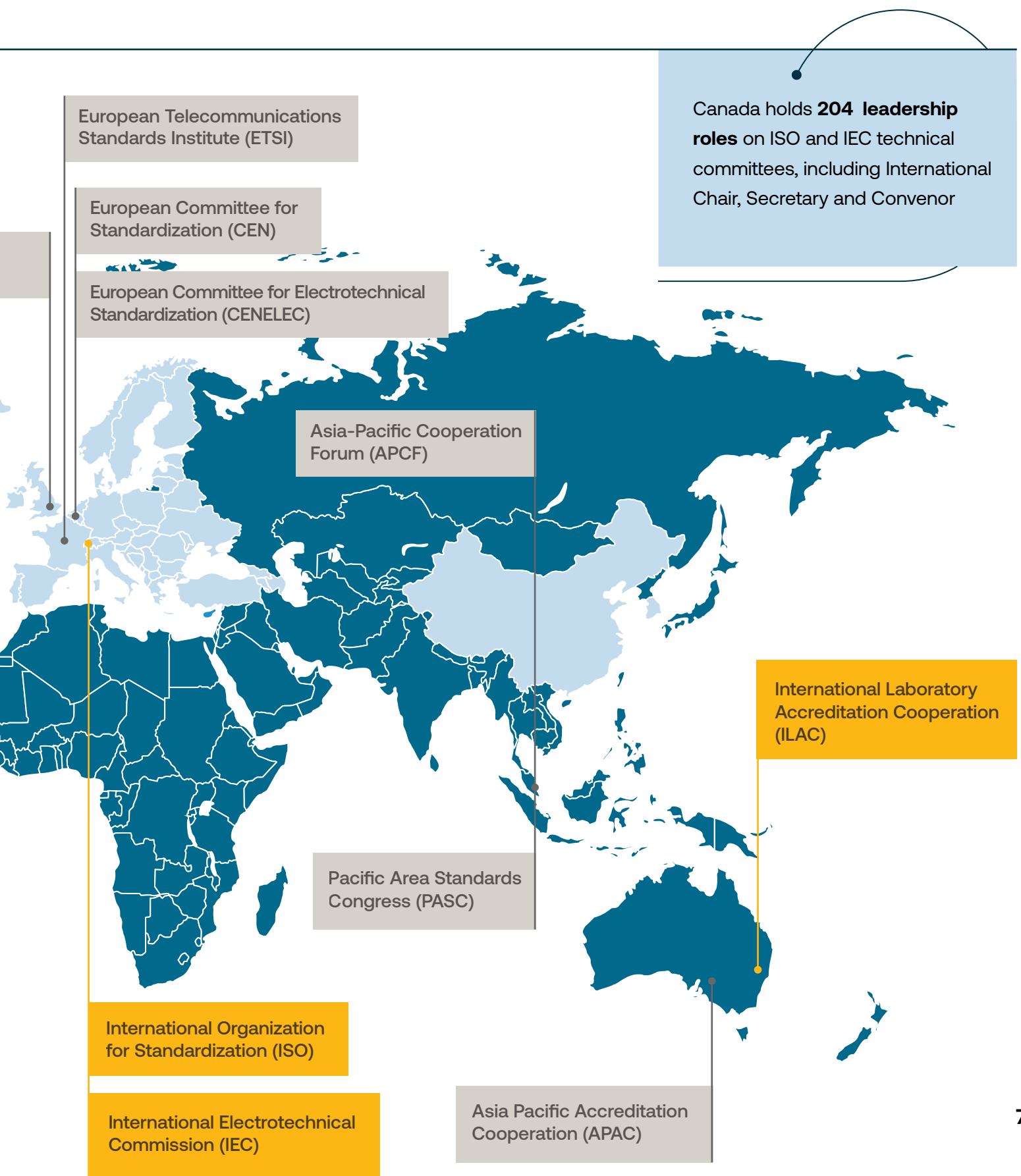


Collaborating Around The World

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



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



An engaged and diverse workforce



81%

employee engagement

128

employees



60%

female workforce

30%

of employees identify as belonging to a visible minority

62%

female leadership team (directors and above)

Contents

SCC at a glance	2	Safer roads from coast to coast to coast	18
Reaching out farther	4	Sharing knowledge and tools to build climate-resilient communities	20
Message from the CEO and the Chair of Council	10	Helping Canadian innovators access new markets	22
Advancing regulatory cooperation and alignment for freer trade	12	Corporate deliverables	24
Collaborating across sectors to transform the data governance landscape	14	About our organization	29
Using standards to bring social change	16	Financial Performance	32



From food to technology to the homes we live in and the transportation we take to work, standards touch every aspect of our lives.

Standards and conformity assessment provide confidence in the quality and safety of products and services, and play an integral role in protecting the health, safety and well-being of Canadians while helping businesses prosper.

At SCC, we promote the value of standards and conformity assessment with our partners, bringing people together, fostering collaboration and advancing Canadian interests at home and abroad. We help knock down trade barriers and create opportunities for businesses to expand into new markets.

In 2019–20, we extended our reach to new partners and stakeholders, working proactively and collaboratively with them to increase the impact of standardization across the country.

“

Our relationship with SCC remains very important to us and to the success and integrity of Canada’s renowned standardization framework. The ability for Canadian standards developers to work effectively and seamlessly together is crucial to meeting the pace and diversity of growing standardization needs in Canada. More than ever, our collective work to identify and develop new nimble standards deliverables, to improve on access and availability of standards, and to strengthen Canada’s voice in international standards forums, has kept Canada at the forefront of emerging issues and technologies.”

Mary Cianchetti

President of Standards, CSA Group
Chair of SCC’s Standards Development
Organizations Advisory Committee



Message from the CEO and the Chair of Council

2019–20 was the year many of our recent strategic efforts began to pay off in key ways. We extended our reach to new sectors, partners and stakeholders. We saw standardization deliver powerful and positive economic, social and environmental impacts for Canadians, directly supporting Canada’s Innovation and Skills Plan, and free trade within our country.

Our outreach connected us to innovative companies and sectoral superclusters, enabling them to use standardization to access new markets. It brought together national stakeholders through our Provincial–Territorial Advisory Committee (PTAC) to improve the flow of goods and services across Canada and solve issues collaboratively in forward-thinking ways. It garnered us a seat on the ISO Council that will keep our country close to the pulse of international standards development for years to come.

As we reached out, we continued to deepen our productive, constructive relationships with Canada’s standards development organizations (SDOs) and conformity assessment bodies, and with thousands of technical experts across the country whose insights are invaluable to our work.

The strength of our relationships proved itself with the outbreak of COVID-19 toward the end of the fiscal year. Together with standards development organizations, we compiled a reference guide to essential standards for companies and manufacturers that were switching production lines and developing new products in response to global demand for medical equipment. The guide also provides advice on how to deal with the pressures of business continuity and crisis management.

We have seen that same kind of cooperation and collaboration internally within our team, which adjusted successfully to a remote working model after we closed our office on March 15. It takes dedicated and engaged people to stay productive through challenging times. As attested to by our most recent employee engagement

survey results, SCC is fortunate to have such people. Engagement scored 81 per cent, up from 77 per cent two years ago. Employees identified SCC’s commitment to diversity and inclusion as an important factor in improved engagement, demonstrating that our efforts in those areas are delivering results.

To enhance the SCC experience, we provided training in values and ethics as well as harassment and discrimination. We also hosted events related to mental health and well-being, including the Not Myself Today program that promotes open dialogue about mental health. Olympic figure skater and mental health advocate Elizabeth Manley also visited our offices to share her inspiring story.

Last year, we also surveyed key stakeholders outside our organization to gauge our performance, including users of our accreditation services, the expert members on our technical mirror committees and the innovators we work with. Accreditation Services exceeded its target with an 83 per cent satisfaction rating. Innovator satisfaction was 91 per cent and technical expert satisfaction was 70 per cent — a respectable score but one for which we have developed an action plan to improve.

With our achievements in 2019–20, we laid the foundation for even greater impact going forward on large-scale issues such as climate change. We will continue to reflect the values and makeup of our country through gender responsive standards. And we will attend to the needs of all parts of Canada — cities, rural areas and the North.

By training more than half of our team in strategic foresight — a methodology for envisioning future needs — we strengthened our

capacity to look ahead and understand where we can bring value over the long term.

In the coming year, SCC will continue to work in emerging sectors, building on our demonstrated ability to bring people together and produce important tools, standards, conformity assessments and more to benefit all our stakeholders.

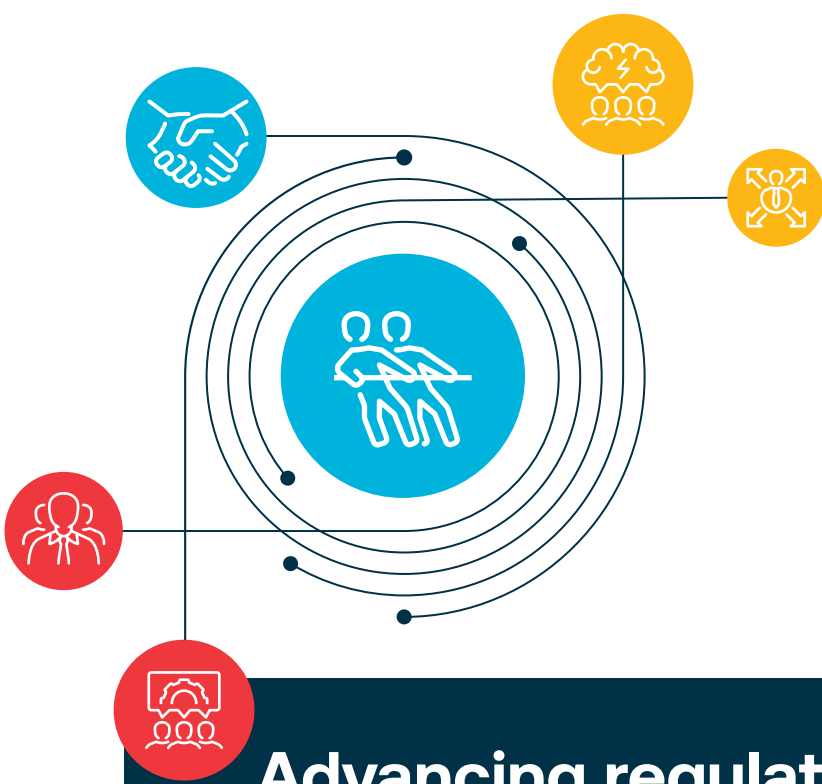
Chantal Guay, ing. P.Eng.
CEO

Kathy Milsom, P.Eng., ICD.D
Chair



AMPLIFYING CANADA'S INTERNATIONAL VOICE

In November 2019, SCC CEO Chantal Guay became the first woman to both lead SCC and represent Canada on the International Organization for Standardization Council. Canada was already represented on the ISO Technical Management Board that oversees ISO technical committees. Chantal's appointment amplifies Canada's global voice — creating new opportunities for SCC to advance Canadian interests in trade, innovation, environmental issues and more.



4

new sectors added to standards alignment work supporting the Canadian Free Trade Agreement



Advancing regulatory cooperation and alignment for freer trade

A two-year consensus-building process led by SCC's Provincial-Territorial Advisory Committee culminated last year with a new agreement that makes it easier for manufacturers to sell their products across the country.

For pressure equipment such as water heaters to be sold nationwide in Canada, designs had to be registered through seven separate processes: a time-consuming and costly endeavour for manufacturers that inhibited trade. PTAC worked with Canada's Regulatory Reconciliation and Cooperation Table and national, provincial and territorial stakeholders to negotiate a single design review process that would address that obstacle.

The *Reconciliation Agreement for the Canadian Registration Number (CRN) for Pressure Equipment* that came into force in January 2020 allows manufacturers to have their equipment recognized in any participating province or territory. The savings of time and money they reap as a result can be passed on to consumers in the form of lower prices.

On the heels of the CRN agreement, PTAC is working to find a solution for gas fitters that will provide greater workforce mobility and make it easier for gas fitters to be deployed where they're needed during emergencies.



Scaling up standardization to deliver bigger benefits for Canada

Beyond making trade easier for individual companies, standards can help entire industries gain competitive advantages globally. In 2019–20, we continued our work with Canada's Innovation Superclusters—five government-supported consortia of industry, academia and not-for-profit sector players in key innovation areas—helping them implement standardization strategies and raise awareness of the benefits of standardization. Our ongoing engagement with the Superclusters has allowed us to extend our reach beyond single firms to entire economic sectors, magnifying the impact that standards can deliver.



THE POWER OF IP AND STANDARDS COMBINED

SCC signed a memorandum of understanding last year with the Canadian Intellectual Property Office (CIPO) to create new opportunities to promote the benefits of a combined strategic approach to intellectual property (IP) and standardization. As a first step, we co-hosted a series of webinars with CIPO and began working directly with Canadian innovators to help them realize the benefits of a combined IP and standardization strategy for their businesses. IP can be embedded in the standardization process and become a powerful tool that can influence standards development, create opportunities for certification, or improve interoperability between technologies.



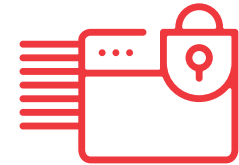
“ We are pleased to sign this memorandum of understanding with SCC to strengthen our collaboration in supporting Canadian businesses with their intellectual property and standards-setting strategies. ”

Johanne Bélisle
CEO, CIPO



8

certification bodies signed-on to deliver the National Cybersecurity Certification Program, CyberSecure Canada



Collaborating across sectors to transform the data governance landscape



SCC’s largest cross-sector initiative reached an important milestone last year: beginning development of a standardization roadmap that will identify Canadian priority areas for data governance and recommend an action plan for clearly defined standardization strategies to address them.

The Canadian Data Governance Standardization Collaborative is identifying where standards and conformity assessments can help strike the right balance between data commercialization and privacy protection. Involving more than 200 representatives of academia, civil society, consumers, standards


development organizations, government and industry, marks a shift in our approach from advising to more actively facilitating collective action. The Collaborative’s comprehensive, consensus-based roadmap will support Canada’s Digital Charter for trust in a digital world.

“ Standards are a foundational piece of any data initiative and this Collaborative is instrumental in securing the future of Canada’s data ecosystem. ”

Anil Arora

Chief Statistician of Canada
Statistics Canada





NEW COLLABORATION TOOLS FOR ADVANCING STANDARDS

The legacy IT platform used by our network of technical committee members reached its end of life last year. In rapid time, we rolled out a new solution—the SCC Standards Hub—to facilitate collaborative work, information sharing, online voting and more. By the end of March 2020, all members—more than 2,000 experts—had migrated to the new platform.

We also introduced three new standardization options that are especially useful in fast-changing technology and regulatory environments: a national community-sourced deliverable to capture current practices and ideas on emerging or existing issues; a national workshop agreement to kick-start consensus-building; and a national technical specification that can be developed faster than a full national standard and helps leverage Canadian IP in standards development.

Stronger cybersecurity for Canadian SMEs

To better equip Canada's small and mid-sized enterprises (SMEs) to thrive in the digital era and protect themselves against increasingly harmful and sophisticated cyber threats, we launched, in close collaboration with Innovation, Science and Economic Development Canada and the Communications Security Establishment, a new

accreditation program in 2019: CyberSecure Canada. Companies that receive accreditation will be able to certify their clients against a set of baseline security controls outlined in a National Standard of Canada. This certification will provide a badge they can display to promote their cyber security achievement: a mark of trust that will help boost consumer confidence in the digital economy.



One of 50

standards bodies to sign the
UN Declaration for Gender
Responsive Standards in May 2019



Using standards to bring social change

In August 2019, SCC became one of the first national standards organizations to publish a five-year strategy to improve gender equity in standards aligned with the United Nations Declaration for Gender Responsive Standards.

Unacknowledged gender bias in standards has been shown to have high economic and societal costs. We joined 50 international, regional and national standards bodies in signing the UN Declaration for Gender Responsive Standards last May, resolving to not only identify inequities but also take active steps to overcome them.

The strategy and workplan we developed following that signing set out how we will improve gender representation in standards development, build gender expertise into the standardization system and contribute research on key gender issues. Work on those fronts got underway during the fiscal year, with a focus on internal and external awareness raising that included SCC presentations to the Asia-Pacific Economic Cooperation.

Going forward, we will evaluate the effectiveness of our recruitment strategies in attracting both women and men to advise on technical committees and participate in other standards development activities.



ENGAGING THE NEXT GENERATION OF STANDARDS LEADERS

The Young Professionals and Academia Action Plan we developed in 2020 will drive ongoing engagement with young professionals in Canada's standardization system—helping sustain Canada's international leadership in standardization for decades to come. Throughout the year we continued to work closely with universities, trade and business associations as well as professional bodies to increase the use of standards in academic curricula, encourage participation in international standardization competitions, and increase young professionals' awareness of standardization and participation on SCC's technical committees.



“Participating in the IEC Young Professionals Programme was an unforgettable experience. The opportunities to collaborate and network with experts from around the world were phenomenal. I highly recommend young Canadian professionals get involved in the important work of standardization and conformity assessment.”

Yunhao Kayla Zhang

Hydro One Networks Inc.



Federal regulations in Canada include
497 references

to standards under SCC accreditation—
 amounting to 33.7% of all references to
 standards in Canadian Federal regulations



Safer roads from coast to coast to coast

We worked with Transport Canada to bring our internationally recognized accreditation services into the department’s new regulatory scheme for electronic logging devices (ELDs) in transport trucks.

Mandatory by June 2021, ELDs will ensure drivers conform to hours of service defined by the Canadian Council of Motor Transport Administrators and help prevent tragic accidents such as the 2018 collision in Humboldt, Saskatchewan, that killed 16 people and injured 13 more. We also brought the initiative to our PTAC for consideration as a way of ensuring a harmonized pan-Canadian approach to ELDs through the Regulatory Reconciliation and Cooperation Table. A harmonized approach will save transport companies the time and cost of complying with multiple certification schemes across the country.

Bringing greater regulatory alignment to the cannabis industry

In October 2018, Canada became the first member of the Organisation for Economic Co-operation and Development (OECD) and G7 country to legalize recreational cannabis. Since then, SCC has accredited several cannabis-testing laboratories across the country. Last year, we extended the reach of our cannabis-related work internationally, contributing to standardization strategies for foundational specifications, classifications and testing standards that will help ensure consistent approaches to cannabis across borders—with the aims of ensuring quality, public safety and greater regulatory alignment.



MODERNIZING REGULATIONS WITH STANDARDS

SCC took part in a second round of regulatory reviews launched last year aimed at modernizing Canadian regulations to strengthen key areas of the economy: digitalization, clean technology and international standards. The reviews will result in roadmaps (to be published later in 2020) that include initiatives to increase the use of standardization—as an effective base for regulations. The international component provides the opportunity to demonstrate the value of increasing Government of Canada participation in international standards development.



9

new standardization strategies under development to adapt Canadian infrastructure to climate change impacts



Sharing knowledge and tools to build climate-resilient communities

We reached out across Canada last year to raise awareness and promote the uptake of standards for adapting infrastructure to the new realities of climate change.

That outreach included a workshop in Yukon, co-led with CSA Group, on ways to apply four specific infrastructure standards, as well as a partnership with CSA Group and Crown Indigenous Relations and Northern Affairs to develop highly visual plain-language tools communicating Northern infrastructure standards to broad and diverse audiences.

Through the Northern Infrastructure Standardization Initiative (NISI), we also financed the publication of five new standardization strategies specifically for the North—covering everything from fire resilience and erosion mitigation to wastewater planning. Going forward, many of these will be referenced in Northern infrastructure building guidelines.

Fortifying Canada's flood-mapping guidelines

In response to the destructive flooding experienced in Montreal, Ottawa/Gatineau, Winnipeg and other communities across Canada, last year we joined with Natural Resources Canada and Public Safety Canada to host a national workshop on standardizing federal flood-mapping guidelines. The workshop brought together more than 70 participants from across the country to develop a standardization roadmap that will inform future flood-mapping approaches and help better protect Canadian communities.





A CLIMATE CAMPAIGN FOR ALL CANADIANS

In March 2020, we launched the *Standards in Action: Building a Climate-Resilient Future* campaign to shed light on how standards could further help Canada adapt to climate change, based on survey findings, expert interviews and focus groups. The results of this consultation will be used to boost the uptake of published standards, and to develop future ones.

“

The knowledge and tools developed through NISI are facilitating the adaptation and mitigation of climate change to northern built infrastructure while truly meeting the needs of northern communities in ensuring sustainable and quality infrastructure. ”

Nelson Pisco

Director, Technical Services, Department of Community and Government Services, Government of Nunavut



17

innovation proposals developed
in support of Canada's Innovation
and Skills Plan



Helping Canadian innovators access new markets

As part of our ongoing work with innovative Canadian companies, in 2019–20 we helped Spartan Bioscience participate in two key international standards technical committees—creating a path to market for a homegrown medical testing technology.

Spartan's technology was so novel, it wasn't recognized by existing standards. We helped the firm become a member of the American Society of Heating, Refrigerating and Air-Conditioning Engineers, and helped it participate in an ISO technical committee — giving Spartan the opportunity to conform to international consensus standards, demonstrate the quality and reliability of its products, and access the global marketplace.

Spartan Bioscience's solution allows frontline health workers and other users to conduct polymerase chain reaction DNA testing anywhere, anytime, with nearly immediate results. By doing so, it avoids the need to send samples to labs for testing, with days-long delays. Extensive and rapid testing is vitally important in pandemic scenarios such as COVID-19.

Making the right strategic choices early

We helped another Canadian firm, KA Imaging, strategically fill an industry gap and build on existing IEC standards to deliver a competitive advantage and encourage market adoption of its ground-breaking Reveal X-ray technology. With SCC's support, the company is currently leading a new standards-related work item proposal that would use metrics to help differentiate its product's performance from that of similar technologies. Conformance with this new IEC standard will help secure market acceptance for Reveal, which has a unique ability to distinguish between soft tissue and bone, providing insights into diseases such as lung cancer and pneumonia as well as coronaviruses including COVID-19.



Spartan

“

With SCC's help, we have been able to engage the global stakeholder community and build critical consensus on how to standardize our markets. This has allowed us to access existing markets and even create new ones.”

Paul Lem, CEO
Spartan Bioscience































A NOVEL SOLUTION FOR DISASTER RELIEF









In 2019–20, we helped WindTrans have an existing standard amended so its versatile Zelda pump could be successfully commercialized. The Zelda pump runs on kinetic energy without an engine or motor and can be used in locations where no external power supply is available to put out fires, contain floods or remove up to 90 per cent of oil from a spill. It can also be used as a turbine to produce electricity when connected to a generator.





























Corporate deliverables

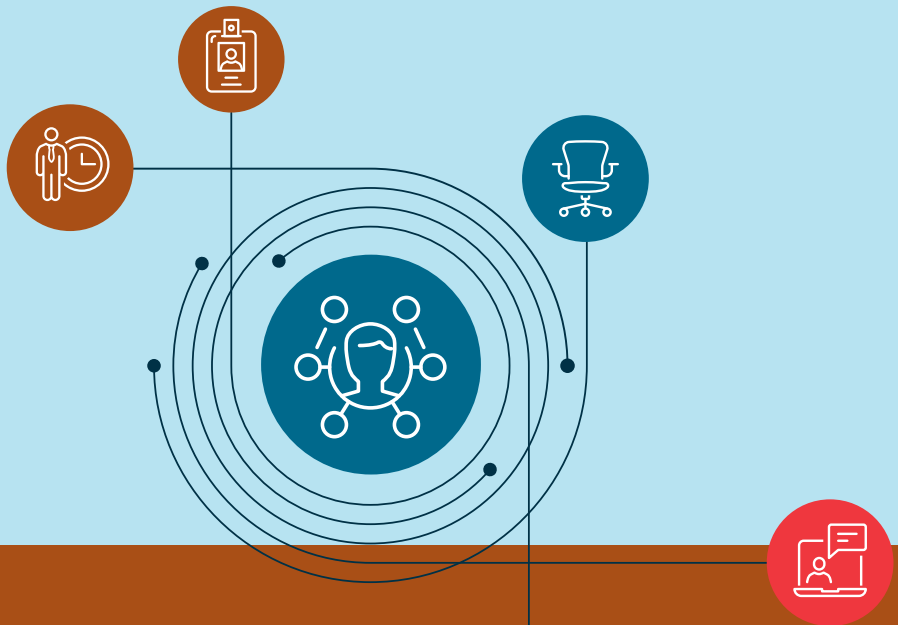
	FY 2019–20 deliverable	Status	Status as of March 31, 2020	Strategic priority
1.	In support of Canada's Innovation and Skills Plan, 15 additional standardization proposals are developed to support Canadian companies' competitiveness and stimulate economic growth.	 SURPASSED	17 innovation proposals developed to support Canadian companies' competitiveness and stimulate economic growth.	 INNOVATION
2.	Six standardization strategies are advanced in support of Canada's Intellectual Property Strategy.	 SUCCEEDED	Six standardization strategies advanced.	 INNOVATION
3.	One new internationally recognized standards delivery model for technical specifications is developed.	 SUCCEEDED	One new internationally recognized standards delivery model for technical specifications developed.	 INNOVATION
4.	In collaboration with the Communications Security Establishment (CSE), parameters and seed documentation are developed for a National Cybersecurity Certification Program that provides SMEs with the ability to protect themselves, their customers and their suppliers against cyber threats.	 SUCCEEDED	In collaboration with CSE, parameters and seed document were developed and published.	 INNOVATION
5.	Six certification bodies have agreed to participate in principle in the National Cybersecurity Certification Program.	 SURPASSED	Eight organizations have agreed to participate in principle.	 INNOVATION

	FY 2019–20 deliverable	Status	Status as of March 31, 2020	Strategic priority
6.	In support of the Regulatory Reconciliation & Cooperation Table (RCT) of the Canadian Free Trade Agreement (CFTA), standards alignment work is underway in two additional sectors.	 SURPASSED	In support of the RCT of the CFTA, standards alignment work is underway in four additional sectors.	 CANADIAN LEADERSHIP
7.	Roadmap developed on possible alignment opportunities in support of the CFTA to be delivered to the RCT.	 SUCCEEDED	Roadmap developed on possible alignment opportunities in support of the CFTA to be delivered to the RCT.	 CANADIAN LEADERSHIP
8.	Six standardization strategies under development for each of Canada's six Economic Strategy Tables (clean technology, agri-food, health/bio sciences, advanced manufacturing, digital industries and resources of the future).	 DID NOT MEET - DELAYED -	Project delayed pending appointment or reappointment of the chairs by the federal government.	 CANADIAN LEADERSHIP
9.	One of six standardization strategies is completed for Canada's Economic Strategy Tables.	 SUCCEEDED	One of six standardization strategies completed: Clean Technology Economic Strategy Table.	 CANADIAN LEADERSHIP
10.	100% of new Canadian expert technical committee members and 50% of current members are trained on enhanced toolkit.	 SURPASSED	100% of new Canadian experts for technical committees trained on the enhanced toolkit. 56% of current members trained on enhanced toolkit.	 CANADIAN LEADERSHIP
11.	95% member voting submission rate maintained on technical committees.	 SURPASSED	100% voting submission rate maintained on technical committees.	 CANADIAN LEADERSHIP
12.	Young professional engagement and recruitment strategy and action plan is developed to support the delivery of standardization strategies.	 SUCCEEDED	Young professional engagement and recruitment strategy and action plan developed.	 CANADIAN LEADERSHIP
13.	Academic outreach program is developed to support the delivery of standardization strategies.	 SUCCEEDED	Academic outreach program developed.	 CANADIAN LEADERSHIP
14.	Long-term assessor resource plan is implemented to attract and retain competent and qualified assessors to support SCC's accreditation programs.	 SUCCEEDED	Long-term assessor resource plan implemented to attract and retain competent and qualified assessors to support SCC's accreditation programs.	 CANADIAN LEADERSHIP

	FY 2019–20 deliverable	Status	Status as of March 31, 2020	Strategic priority
15.	<p>In support of the Government of Canada’s objective to adapt infrastructure to climate change impacts, four standardization strategies for the management and use of climate and weather data are under development.</p>	 SURPASSED	<p>Four standardization strategies for the management and use of climate and weather data are under development:</p> <ul style="list-style-type: none"> • Mobilizing thermally comfortable playground design • Capital planning process to address impacts of climate change on NCC Assets • Federal flood mapping guidelines standardization strategy • Increasing high wind safety for Canadian homes 	 CANADIAN LEADERSHIP
16.	<p>In support of the Government of Canada’s objective to adapt infrastructure to climate change impacts, five standardization strategies for updates to critical infrastructure are under development.</p> <p><i>Under development means contract has been signed and work has been initiated.</i></p>	 SUCCEEDED	<p>Five standardization strategies for updates to critical infrastructure:</p> <ul style="list-style-type: none"> • Stormwater inflow and infiltration for existing communities • Best practices for making existing communities flood resilient • Quality management standards for wastewater and stormwater • High wind safety for low-rise residential and small buildings (pending contract signature) • SDO review of infrastructure standards requiring climate change updates 	 CANADIAN LEADERSHIP
17.	<p>In support of the Government of Canada’s objective to adapt infrastructure to climate change impacts, five standardization strategies for updates to Northern infrastructure standards are published.</p>	 SUCCEEDED	<p>Five standardization strategies for updates to northern infrastructure published:</p> <ul style="list-style-type: none"> • Planning, design, operation and maintenance of wastewater treatment in northern communities using lagoon and wetland systems • Review and update of CSA Plus 4011-10: Infrastructure in permafrost: A guideline for climate change adaptation and the development of complementary enhanced technical guidance for highly technical users • Erosion protection for northern community infrastructure • Fire-resilient building design and materials • Techniques for dealing with high winds as it pertains to northern infrastructure 	 CANADIAN LEADERSHIP
18.	<p>Two new standards delivery frameworks are developed to enhance Canadian national standards systems and improve participation models.</p>	 SUCCEEDED	<p>Two new standards delivery frameworks developed to enhance Canadian national standards systems and to improve participation models.</p>	 CANADIAN LEADERSHIP

	FY 2019–20 deliverable	Status	Status as of March 31, 2020	Strategic priority
19.	Requirements and guidance are revised and implemented to enhance criteria for attainment of self-declaration status for SDOs.	 SUCCEEDED	Requirements and guidance revised and implemented to enhance criteria for the attainment of self-declaration status for SDOs in June 2019.	 CANADIAN LEADERSHIP
20.	An engagement score of 77% is maintained on staff engagement survey.	 SURPASSED	81% achieved on staff engagement survey.	 ORGANIZATIONAL EXCELLENCE
21.	At least 1.5% of salary dollars invested are in staff training annually.	 SURPASSED	3.73% of salary dollars invested in staff training.	 ORGANIZATIONAL EXCELLENCE
22.	Critical positions for succession plan are in place.	 SUCCEEDED	Talent review discussion completed for five of the seven management positions identified as critical, and recruitment strategy in place for the remaining two positions.	 ORGANIZATIONAL EXCELLENCE
23.	Action plans are in place to respond to employee engagement survey in the areas of professional growth, innovation and stakeholder focus.	 SUCCEEDED	Action plans in place.	 ORGANIZATIONAL EXCELLENCE
24.	73% achieved on Canadian expert satisfaction survey.	 DID NOT MEET	70% achieved on Canadian expert satisfaction survey.	 ORGANIZATIONAL EXCELLENCE
25.	81% achieved on accreditation services customer satisfaction survey.	 SURPASSED	83% achieved.	 ORGANIZATIONAL EXCELLENCE
26.	Information management practices are in place and full elimination of targeted documents is slated under data retention policy.	 SUCCEEDED	Information management practices in place and 100% of targeted documents slated for destruction under data retention policy eliminated.	 ORGANIZATIONAL EXCELLENCE

	FY 2019–20 deliverable	Status	Status as of March 31, 2020	Strategic priority
27.	Review and upgrade of IT architecture is 25% complete.	 SURPASSED	Review and upgrade of IT architecture 40% completed.	 ORGANIZATIONAL EXCELLENCE
28.	Full implementation of collaboration platform (Standards Hub).	 SUCCEEDED	Full implementation of collaboration platform (Standards Hub). All JTC1, ISO and IEC committees, representing 450 technical committees, migrated to the Standards Hub.	 ORGANIZATIONAL EXCELLENCE
29.	Cybersecurity program reviewed annually (at a minimum) to face new threats and 100% of staff are retrained as appropriate.	 SUCCEEDED	Cybersecurity program annual review completed and 100% of staff were retrained as appropriate.	 ORGANIZATIONAL EXCELLENCE
30.	97.5% of staff pass cybersecurity intrusion threat (phishing) simulation.	 SUCCEEDED	97.7% of staff passed the cybersecurity intrusion threat (phishing) simulation.	 ORGANIZATIONAL EXCELLENCE
31.	Fiscal year financial results are within 5% of Corporate Plan expenditures overall	 SUCCEEDED	Fiscal year financial results were within 1% of Corporate Plan expenditures overall.	 ORGANIZATIONAL EXCELLENCE



About our organization

Our business units

Strategy and Stakeholder Engagement	Standards and International Relations
<p>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</p>	<p>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</p>
Accreditation Services	
<p>Accredits conformity assessment bodies such as testing laboratories and product certifiers to internationally recognized standards</p>	
Corporate Services	Human Resources
<p>Provides professional services to support the organization in the areas of financial management and control, enterprise risk management, information technology, privacy and security, and procurement</p>	<p>Handles talent management, recruitment, compensation and employee benefits</p>

Our executive team



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



Dominique Dallaire,
Chief Human
Resources Officer



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



Elias Rafoul,
Vice-President,
Accreditation
Services Branch



Richard Tremblay,
Vice-President,
Strategy and
Stakeholder Engagement



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



Annie Roy,
Director,
Communications



Christine List,
Corporate Secretary
and Legal Counsel

Our Governing Council

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

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



Kathy Milsom,
P.Eng, ICD.D,
Corporate Director
Chair of SCC



Michael Burns,
P. Eng. (retired)
Former Assistant Deputy
Minister, Asset Management,
Northwest Territories (GNWT)
Department of Infrastructure



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



Mary Cianchetti,
President of
Standards CSA Group
*Standards Development
Organizations Advisory
Committee Chair*



Colin Clark,
Chief Technical Officer
Brookfield Renewable
Vice-Chair
*Corporate Governance
Committee Chair*



François Coallier,
Ph.D., P. Eng.
Professor
École de technologie
supérieure



Kathryn Coll,
President and
Managing Partner
HR Atlantic



Jeff Dolan,
Executive Director,
Technical Safety
Government of Nova Scotia
*Provincial-Territorial Advisory
Committee Vice-Chair*



Zakiah Kassam,
Principal
AirVironment Canada



Paul Pierlot,
Director, Regulatory
Accountability
Government of Manitoba
*Provincial-Territorial Advisory
Committee Chair*



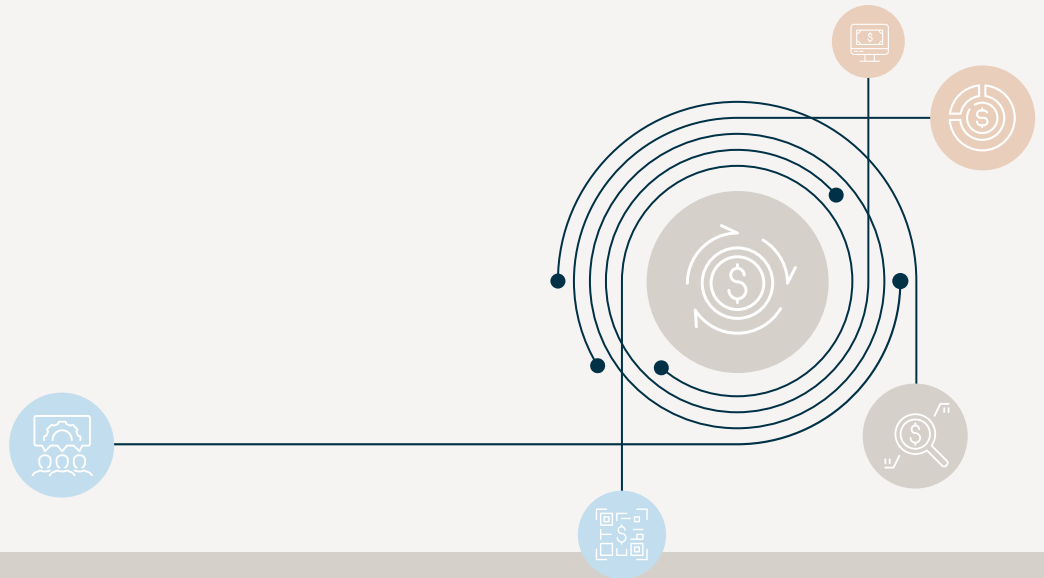
Glenda Reid,
BN, MBA
Former Executive Director,
St. Patrick's Mercy Home



Brent Schacter,
MD FRCPC
Professor Emeritus,
University of Manitoba



Tayt Winnitoy,
Executive Vice President
Consumer Protection BC



Financial Performance

In 2019–2020, SCC’s total revenue (excluding federal government funding) was \$10.8 million, which was \$0.2 million or 2 per cent lower than the \$11.0 million recorded during 2018–2019. The decline from last year was primarily due to a decrease of \$0.5 million in royalty revenues from the sale of standards and was partially offset by an increase of \$0.3 million in innovative services. SCC’s 2019–2020 total revenue (excluding federal government funding) of \$10.8 million was similar to its 2019–2020 budget of \$10.9 million; Offsetting variances to budget were: other income which was \$0.4 million ahead of budget, innovative services which was \$0.3 million ahead of budget offset by accreditation assessment revenue which was \$0.5 million below budget and royalty revenues from the sale of standards which was \$0.2 million below budget.

Royalties from the sale of standards totaled \$1.6 million, which was a decrease of \$0.5 million or 24 per cent from the previous year’s \$2.1 million. Versus this year’s budget of \$1.8 million, royalties from the sale of standards experienced a decrease of 11% or \$0.2 million. These revenues are subject to fluctuations due to changes in standards, as well as overall economic activity. Last year’s results experienced higher than average annual sales that resulted from updates to several quality management related standards. Accordingly, SCC planned for a decline in current year

sales; but overall economic softness (especially during the latter part of 2019–2020) contributed to lower sales than budgeted.

Revenue from Accreditation Services fees was \$7.7 million, which was similar to the \$7.8 million recorded during 2018–2019 but was \$0.5 million or 6% lower than its 2019–2020 budget. Revenue from assessments was the main driver of the budget shortfall. Assessment-related revenue was \$3.6 million from more than 420 assessment activities performed during 2019–2020; however, the organization had planned \$4.2 million of revenue from over 460 activities. This decline is primarily driven by volume however, because of a ban on all travel due to Covid-19, accreditation services had to re-schedule many of its budgeted assessments for February and March. While every attempt was made to conduct planned assessments remotely, only about 30% of planned activity is suitable for remote assessments. The impact of revenue shortfalls on SCC surplus was mitigated by lower accreditation related expenses as the Accreditation Services branch achieved its financial performance budget.

Revenue from other income amounted to \$0.5 million, which was the same as the \$0.5 million recognized during the prior fiscal year and \$0.4 million higher than budget. SCC experienced an unanticipated re-distribution of \$0.3 million from the International Organization for

Standardization (ISO) related to their accumulated surplus. SCC experienced a similar unanticipated redistribution last year but did not plan for that level of redistribution to repeat in 2019-2020.

Innovative services revenue was \$0.6 million which was \$0.3 million higher than both prior year and budget. This increase is due to revenue from non-recurring business opportunities that SCC was able to start in 2019-2020. During the year, SCC began exploring opportunities to generate alternative sources of funding from leveraging its standardization expertise. While SCC is optimistic about these early successes, it remains cautious about the certainty of future revenues from this stream.

Operating expenses through March 31st were \$29.2 million, which was \$0.1 million lower than budgeted expenses of \$29.3 million and \$2.5 million higher than the \$26.7 million of expenses recognized during 2018-2019. Expenses finished on track to budget as expenditures related to approved programs have continued to ramp up. The increased expenses versus prior year were expected and largely offset by increases in approved appropriations.

Although operating expenses were less than 1% off from budget at \$0.1 million, there were offsetting variances, primarily:

- -\$1.0 million related to the timing of program and corporate professional fees for deliverables that are carried into 2020-2021;
- -\$0.2 million on non-recoverable travel and meeting expenses due to lower than planned activities stemming from the Covid-19 travel ban;
- -\$0.2 million on recoverable assessment travel and assessor fees related to a reduction in accreditation activities;
- +\$1.2 million in salaries, benefits and training due to one-time expenses (\$0.7million), additional training (\$0.2 million) and an increase in staffing (\$0.3 million); and
- +\$0.1 million of variance attributed to all other expenses.

Operating expenses were \$2.5 million higher than last year because of planned cost increases related to:

- +\$2.1 million for staffing (salaries, benefits and training) related to planned program positions;
- +\$1.4 million in professional fees for consulting related to program spending for the Infrastructure and Innovation initiatives as well as IM-IT modernization projects;
- +\$0.4 million of program engagement related costs including non-recoverable travel and meetings;
- -\$1.6 million related to a prior-year write-off of SCC's Business Management Software; and
- +\$0.2 million of year-over year growth in all other expenses.

Through March 31, 2020, SCC has recognized \$18.6 million in Parliamentary Appropriations, which was \$0.7 million higher than its budget of \$17.9 million and \$0.6 million higher than prior year appropriations of \$18.0 million. The increase versus budget is due to the recovery of \$0.7 million in one-time reimbursements. The increase from prior year is primarily due to program funding (\$0.8 million), offset by decrease of (\$0.2 million) in one-time reimbursements. Increase in program funding includes: Adapting Infrastructure to climate change initiative (\$0.3 million), Canada's Innovation and Skills Plan (\$0.3 million) and CyberSecure Canada (\$0.2 million).

At March 31, 2020, SCC's accumulated surplus was \$6.7 million. SCC's modest surplus this year of \$0.2 million is at its lowest level in 3 years as SCC successfully closes the timing difference between new program funding received in-year and activity levels. \$1.0 million is required for adherence to SCC's Accumulated Surplus Target Policy; the balance will be utilized on a multi-year planned program of reinvestment into the organization and infrastructure advancing SCC's mandate and initiatives over the following fiscal years. SCC has a planned deficit in four of the next five years of its Corporate Plan to reflect the catch-up of spending against programs such as Intellectual Property, Cybersecurity, Innovation and Infrastructure.

Financial Overview 2015–2016 to 2019–2020

Financial Overview	2015–2016	2016–2017	2017–2018	2018–2019	2019–2020	2019–2020
					Budget	Actual
Revenue						
Accreditation fees	7,288,407	7,750,273	8,008,784	7,867,962	8,224,206	7,723,071
Royalties from standards sales	1,397,631	1,234,018	1,578,477	2,064,385	1,790,000	1,568,236
Innovative services	385,346	311,108	227,087	284,454	310,000	625,268
Delegate support contributions	185,591	342,454	407,686	359,997	430,000	342,818
Other Income	263,170	187,326	326,045	451,155	97,000	529,852
	9,520,145	9,825,179	10,548,079	11,027,953	10,851,206	10,789,245
Expenses (Restated)						
Accreditation Services	5,090,102	5,458,679	5,770,228	5,897,870	6,433,673	6,295,578
Standards Solution & Strategy	7,419,560	8,350,050	9,080,271	10,609,103	13,591,136	12,540,657
Management and Administrative Services	8,129,030	8,020,916	9,089,755	10,219,704	9,301,397	10,366,349
	20,638,692	21,829,645	23,940,254	26,726,677	29,326,206	29,202,584
(Deficit) from Operations	(11,118,547)	(12,004,466)	(13,392,175)	(15,698,724)	(18,475,000)	(18,413,339)
Government Funding						
Parliamentary Appropriations	10,194,937	10,515,380	13,828,495	17,973,672	17,910,000	18,578,854
Annual (Deficit) / Surplus	(923,610)	(1,489,086)	436,320	2,274,948	(565,000)	165,515

Enterprise Risk Management

SCC's overall risks are determined, and regularly reviewed, as part of its corporate planning process. The organization uses the international standard ISO 31000, *Risk Management*, to guide its risk management process and ensure SCC has appropriate risk mitigation strategies in place.

SCC's risks are closely monitored by both management and SCC's Governing Council and updated through the corporate risk registry. The organization also reviews salient quarterly financial impacts, with a view to assessing these impacts against ongoing corporate risk areas.

During fiscal year 2019-2020, SCC's key areas of focus included:

- disciplined execution against strategic priorities in support of key Government of Canada initiatives;
- ensuring resource capacity to deliver on strategic priorities;
- continued implementation of essential business tools; and
- achievement of financial targets.

Forecasting and contracting improvements are in place to further mitigate risks in carrying out the organization's planned initiatives in support of its mandate. SCC has continued to improve its financial tracking and processes, as well as increase its resource capacity, to deliver against its commitments and its planned decrease in the accumulated surplus.

SCC remains focused on carefully monitoring the delivery of essential business tools to mitigate any risks with delivering in key areas of SCC's priorities. This includes digitization solutions, such as an improved collaboration hub for standards development and a management system to support learning and human resources practices.

In March 2020, SCC added COVID-19 Pandemic Response as a significant item to its Enterprise Risk Management Registry. This included mitigations already in place and future state mitigations for this fluid situation.

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.
Chief Executive Officer



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

Ottawa, Canada
June 4, 2020



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 2020, 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 2020, 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.



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

Ottawa, Canada
4 June 2020

STANDARDS COUNCIL OF CANADA
STATEMENT OF FINANCIAL POSITION

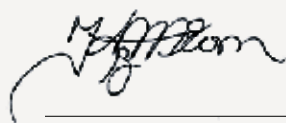
As at March 31,	2020	2019
Financial Assets		
Cash and cash equivalents (Note 4)	\$ 7,425,549	\$ 6,560,363
Accounts receivable (Note 4)	2,160,181	2,410,233
Federal government departments and agencies receivable (Note 15)	211,100	147,803
Parliamentary appropriations receivable (Note 15)	668,854	899,672
	10,465,684	10,018,071
Liabilities		
Accounts payable and accrued liabilities (Note 6)	3,840,924	3,451,313
Deferred contributions (Note 7)	2,214	15,249
Deferred revenue (Note 8)	1,966,301	1,691,967
Deferred lease inducement (Note 9)	857,974	883,516
	6,667,413	6,042,045
Net Financial Assets	3,798,271	3,976,026
Non-financial Assets		
Tangible capital assets (Note 5)	1,619,311	1,860,748
Prepaid expenses	1,309,019	724,312
	2,928,330	2,585,060
Accumulated Surplus	\$ 6,726,601	\$ 6,561,086

Contractual rights (Note 13)

Contractual commitments (Note 14)

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

Approved by the Governing Council:



Kathy Milsom
Chair

Approved by Management:



Chantal Guay
Chief Executive Officer

STANDARDS COUNCIL OF CANADA
STATEMENT OF OPERATIONS

For the year ended March 31,	2020 Revised Budget (Note 16)	2020	2019
Revenues from Operations			
Accreditation services fees	\$ 8,224,206	\$ 7,723,071	\$ 7,867,962
Royalties from sales of standards (Note 10)	1,790,000	1,568,236	2,064,385
Delegate support contributions	430,000	342,818	359,997
Innovative services	310,000	625,268	284,454
Other income	97,000	529,852	451,155
	10,851,206	10,789,245	11,027,953
Expenses (Notes 12, 17)			
Accreditation Services	6,433,673	6,295,578	5,897,870
Standards Solution & Strategy	13,591,136	12,540,657	10,609,103
Management and Administrative Services	9,301,397	10,366,349	10,219,704
	29,326,206	29,202,584	26,726,677
Deficit before parliamentary appropriations	(18,475,000)	(18,413,339)	(15,698,724)
Parliamentary appropriations	17,910,000	18,578,854	17,973,672
Surplus / (Deficit)	(565,000)	165,515	2,274,948
Accumulated Surplus, beginning of year	7,336,000	6,561,086	4,286,138
Accumulated Surplus, end of year	\$ 6,771,000	\$ 6,726,601	\$ 6,561,086

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,	2020 Revised Budget (Note 16)	2020	2019
Surplus / (Deficit)	\$ (565,000)	\$ 165,515	\$ 2,274,948
Acquisition of tangible capital assets	(270,000)	(176,200)	(825,659)
Loss on disposal of tangible capital assets	-	-	636
Write-down of tangible capital assets	-	-	1,360,871
Amortization of tangible capital assets	369,000	417,637	657,043
(Increase) / Decrease in prepaid expenses	(12,000)	(584,707)	429,143
Increase / (Decrease) in Net Financial Assets	(478,000)	(177,755)	3,896,982
Net financial Assets at beginning of year	3,207,000	3,976,026	79,044
Net financial Assets at end of year	\$ 2,729,000	\$ 3,798,271	\$ 3,976,026

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,	2020	2019
Operating Transactions:		
Surplus	\$ 165,515	\$ 2,274,948
Adjustments for non-cash items:		
Amortization of tangible capital assets	417,637	657,043
Loss on disposal of tangible capital asset	–	636
Write-down of tangible capital asset	–	1,360,871
Changes in:		
Prepaid expense	(584,707)	429,143
Deferred revenue	274,334	90,364
Deferred lease inducement	(25,542)	(76,825)
Accounts receivable	250,052	(384,922)
Federal government departments and agencies receivable	(63,297)	18,724
Parliamentary appropriations receivable	230,818	143,823
Accounts payable and accrued liabilities	420,704	725,971
Deferred contributions	(13,035)	813
Cash provided by operating transactions	1,072,479	5,240,589
Capital Transactions:		
Additions of tangible capital assets	(207,293)	(887,226)
Cash applied to capital transactions	(207,293)	(887,226)
Increase in cash and cash equivalents	865,186	4,353,363
Cash and cash equivalents, beginning of the year	6,560,363	2,207,000
Cash and cash equivalents, end of the year	\$ 7,425,549	\$ 6,560,363

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

Notes to the Financial Statements

March 31, 2020

1. Authority, Mandate and Activities

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

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

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

- Foster quality, performance and technological innovation in Canadian goods and services through standards-related activities.
- Develop prioritized standards-related strategies and long-term objectives to advance Canada's economy; support sustainable development; benefit the health, safety and welfare of citizens; and assist and protect consumers.
- Accredite organizations engaged in standards development and conformity assessment.
- Represent Canada's interests internationally and regionally through membership in the International Organization for Standards (ISO), the International Electrotechnical Commission (IEC) and various regional standardization organizations.
- Approve National Standards of Canada (NSCs).
- Provide innovative services, advice and assistance to the Government of Canada in the negotiation of standardization-related aspects of international trade and mutual recognition agreements.

- Work with international standards bodies to develop agreements that facilitate trade.
- Foster and promote a better understanding of the benefits and usage of standards and accreditation services.
- Act as the premiere source to collect and distribute information on standards activities.

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

2. Significant Accounting Policies

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

a) Basis of Accounting

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

b) Cash and Cash Equivalents

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

c) Tangible Capital Assets

Tangible Capital Assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development,

improvement or betterment of the assets. Amortization is recorded on a straight-line basis over the estimated useful life of the assets:

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

d) Prepaid Expenses

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

e) Revenue Recognition, Deferred Revenue and Deferred Contributions

Accreditation services fees revenues are derived from application fees, annual accreditation fees and assessment fees. Application fees are recognized as revenue when the application is made. The annual portion of accreditation fees is calculated and invoiced based on customer accreditation agreements and the fees received or receivable are recorded as deferred revenue and then amortized to revenue on a straight-line basis over the period to which the fee applies—which is one year, based on the start of SCC’s fiscal year of April 1. Funds received or receivable in respect of assessment fees are recognized as revenue at the time the related services are provided.

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

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

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

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

f) Deferred Lease Inducement

SCC has received funds from its landlord to pay the cost of tenant improvements made to its office space. Additionally, SCC has received the benefit of tenant inducements related to its office space lease. The value of these items, calculated based on provisions in the lease agreement, is recorded as a deferred lease inducement. It is amortized on a straight-line basis over the duration of the lease and is recognized on the Statement of Operations as a reduction of rent expense.

g) Expenses

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

h) Parliamentary Appropriations

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

i) Pension Benefits

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

j) Employee Benefit Plan

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

k) Vacation Pay

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

l) Measurement Uncertainty

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

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

m) Related Party Transactions

SCC is related, in terms of common ownership, to all Government of Canada departments, agencies and Crown corporations. Transactions with these entities are undertaken on terms and conditions similar to those adopted as if the entities were dealing at arm’s length and are measured at the exchange amount. Related party receivables are recorded at SCC’s normal terms whereby invoices are due within 30 days. Related party payables are recorded at terms agreed upon with its vendors and are usually due within 30 days of invoicing or upon receipt of invoice.

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

3. Accumulated Surplus

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

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

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

4. Financial Instruments

SCC's financial instruments consist of cash and cash equivalents, accounts receivable, federal government departments and agencies receivable, accounts payable and accrued liabilities. For the year ended March 31, 2020, SCC's cash and cash equivalents balance of \$7,425,549 consisted of \$5,812,903 term-deposits and \$1,612,646 of cash (March 31, 2019 was \$6,560,363 and consisted of \$4,527,239 term-deposits and \$2,033,124 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
2020	\$ 2,160,181	\$ 1,627,098	\$ 314,966	\$ 24,611	\$ 20,530	\$ 172,976
2019	\$ 2,410,233	\$ 2,151,387	\$ 69,713	\$ 119,255	\$ 33,408	\$ 36,470

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
2020	\$ 879,954	\$ 881,387	-\$ 3,707	\$ 199	\$ 1,371	\$ 704
2019	\$ 1,047,475	\$ 989,861	\$ 28,687	\$ 28,927	\$ 0	\$ 0

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

An account receivable is considered to be impaired and is either written-off or provided for when SCC

determines that collection is unlikely and appropriate approvals for the write-down have been obtained.

At March 31, 2020, the allowance for bad debts is estimated at \$22,166 (March 31, 2019 was \$36,474). The following table provides a reconciliation of the allowance for the year.

	March 31, 2020	March 31, 2019
Balance, beginning of year	\$ 36,474	\$ 75,421
Recoveries / (Write-offs)	7,168	(32,833)
Bad Debt Allowance Reduction	(21,476)	(6,114)
Balance, end of year	\$ 22,166	\$ 36,474

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, 2020

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

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

March 31, 2019

	Furniture	Equipment	Leasehold Improvements	2019 Total
Cost				
Opening Balance	\$ 910,233	\$ 3,959,585	\$ 954,236	\$ 5,824,054
Additions	137,943	515,205	172,511	825,659
Write-downs	–	(1,814,494)	–	(1,814,494)
Disposals	(1,127)	(50,032)	–	(51,159)
Closing Balance	1,047,049	2,610,264	1,126,747	4,784,060
Accumulated Amortization				
Opening Balance	(666,933)	(1,935,617)	(167,865)	(2,770,415)
Amortization	(100,984)	(492,009)	(64,050)	(657,043)
Write-downs	–	453,623	–	453,623
Disposals	1,127	49,396	–	50,523
Closing Balance	(766,790)	(1,924,607)	(231,915)	(2,923,312)
Net Book Value	\$ 280,259	\$ 685,657	\$ 894,832	\$ 1,860,748

6. Accounts Payable and Accrued Liabilities

	March 31, 2020	March 31, 2019
Vendor payables and accrued liabilities	\$ 1,609,022	\$ 1,685,982
Salaries and benefits payable	1,972,460	1,551,844
Accrued vacation pay	259,442	213,487
	\$ 3,840,924	\$ 3,451,313

7. Deferred Contributions

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

	March 31, 2020	March 31, 2019
Balance, Beginning of Year	\$ 15,249	\$ 14,436
Add: Contributions received	319,092	360,810
Less: Contributions recognized	(332,127)	(359,997)
Net Contributions	(13,035)	813
Balance, End of Year	\$ 2,214	\$ 15,249

8. Deferred Revenue

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

	March 31, 2020	March 31, 2019
Balance, Beginning of Year	\$ 1,691,967	\$ 1,601,603
Add: Annual Fees collected per customer agreements	4,367,894	4,281,669
Less: Annual Fees recognized into revenue	(4,093,560)	(4,191,305)
Net Annual Fees	274,334	90,364
Balance, End of Year	\$ 1,966,301	\$ 1,691,967

9. Deferred Lease Inducement

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

	March 31, 2020	March 31, 2019
Balance, Beginning of Year	\$ 883,516	\$ 960,341
Add: Inducements received	56,020	-
Less: Inducements recognized	(81,562)	(76,825)
Net Inducements	(25,542)	(76,825)
Balance, End of Year	\$ 857,974	\$ 883,516

10. Royalties from Sales of Standards

Royalties related to the sale of standards are generated from ISO and the IEC since SCC is a member body. Additionally, SCC earns royalties on the sale of standards from independent distributors through National Copyright Exploitation Agreements.

Since April 1, 1998, SCC has outsourced to an independent agent the fulfillment of sales made over its StandardsStore.ca website. This agreement requires the payment of royalties to SCC based on a revenue-sharing agreement of net sales.

11. Pension and Employee Benefits

Pension Benefits:

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

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

	March 31, 2020	March 31, 2019
SCC's contribution	\$ 1,273,575	\$ 1,086,624
Employees' contributions	\$ 1,140,112	\$ 1,038,050

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

	Calendar Year	
	2020	2019
Employees (pre-2013) – Current Service:		
- On earnings up to yearly maximum pensionable earnings (YMPE)	9.53%	9.56%
- On earnings exceeding YMPE: 2020 – \$58,700 2019 – \$57,400	11.72%	11.78%
Employees (post 2013) – Current Service:		
- On earnings up to yearly maximum pensionable earnings	8.69%	8.68%
- On earnings exceeding YMPE: 2020 – \$58,700 2019 – \$57,400	10.15%	10.18%
Employer – Expressed as a Multiple of Employee Contributions:		
- For pre-2013 employee contributions on current and elective service on single-rate employee contributions	1.01	1.01
- For pre-2013 employee elective service on double-rate Contributions	0.01	0.01
- 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: 2020 – \$173,000 2019 – \$169,300	3.80	3.79

Employee Benefits:

For the year ended March 31, 2020, SCC paid \$980,477 for its employees' benefits plan (March 31, 2019 was \$862,350).

12. Expenses

	2020	2019
Salaries and employee benefits	\$ 15,721,565	\$ 13,803,755
Professional and special services	7,276,739	5,726,700
Travel	2,548,071	2,321,513
Memberships in international organizations	1,242,454	1,239,914
Office accommodation	739,414	700,935
Amortization of premises and equipment	417,637	657,042
Office supplies	296,600	140,173
Conferences & events	278,899	158,252
Hospitality	146,617	69,989
Telecommunications and postage	131,548	115,863
Insurance	97,340	94,521
Repair & upkeep	80,748	63,001
Offsite storage & other	79,692	85,826
Publications and printing	78,644	110,301
Bank charges	63,560	51,750
Rental of office equipment	24,532	31,750
Write-down of tangible capital assets	-	1,360,870
Loss on disposal of tangible capital assets	-	636
Bad debt allowance reductions	(21,476)	(6,114)
	\$ 29,202,584	\$ 26,726,677

13. 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, 2020 SCC had contractual rights to \$2,131,152 of uncollected annual fees pertaining to fiscal year 2020–2021 (March 31, 2019 was \$2,323,894 pertaining to fiscal year 2019–2020).

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 2020–2021 and are renewed upon expiry at similar terms. Since the revenue from these contracts is based on the volume of sales, the value of the contracts fluctuates, but is expected to approximate \$1.8 million which is SCC's average over

the past three years of \$1.7 million adjusted for anticipated volume growth. At March 31, 2019 the expectation was \$2.1 million.

14. Contractual Commitments

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, 2020				
	Office Space	Office Equipment	Standardization Initiatives	Total
2020–2021	\$ 433,123	\$ 45,307	\$ 2,685,167	\$ 3,163,597
2021–2022	464,811	30,825	621,250	1,116,886
2022–2023	464,811	17,472	74,930	557,213
2023–2024	464,811	4,368	–	469,179
2024–2025	464,811	–	–	464,811
thereafter	2,820,591	–	–	2,820,591
TOTAL	\$ 5,112,958	\$ 97,972	\$ 3,381,347	\$ 8,592,277

There are commitments of \$6,596 with related parties included in standardization initiatives in 2020–2021 (March 31, 2019 was \$10,190).

15. Related Party Transactions

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

	2020	2019
Revenues	\$ 1,034,215	\$ 829,414
Parliamentary appropriations	18,578,854	17,973,672
Expenses	125,068	71,100
Federal government departments and agencies receivable and parliamentary appropriations receivable	879,954	1,047,475
Accounts payable and accrued liabilities	\$ 10,452	\$ 45,002

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

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

16. Budget Figures

Budget figures have been provided for comparison purposes. The 2019–2020 operating budget is reflected in the Statements of Operations and the Statements of Changes in Net Financial Assets. Budgets figures are based on the amounts included in the 2019–2020 to 2023–2024 Corporate Plan approved by the Governing Council and subsequent adjustments to account for significant changes that transpired between the finalization of the Corporate Plan and SCC’s previous year-end of March 31, 2019. These adjustments were shared with SCC’s Audit Committee. There were two adjustments:

1. Revisions to the Accreditation Services Branch activity planning assumptions that resulted in higher assessor fees and travel costs. Since these costs are recoverable from customer billings, there was a corresponding increase in revenues; and
2. SCC wrote-off its Business Management System at the end of 2018-2019. The removal of the tangible capital asset resulted in a lower expected amortization expense in 2019-2020.

	Approved Corporate Plan	Accreditation Services Activity Revisions	Adjust Amortization	Net Adjustments	Revised 2020 Budget
Revenue from Operations	\$ 10,394,000	\$ 457,206	\$ –	\$ 457,206	\$ 10,851,206
Expenses	29,364,000	457,206	(495,000)	(37,794)	29,326,206
Deficit before parliamentary appropriations	(18,970,000)	–	495,000	495,000	(18,475,000)
Parliamentary appropriations	17,910,000	–	–	–	17,910,000
Surplus/(Deficit)	\$ (1,060,000)	\$ –	\$ 495,000	\$ 495,000	\$ (565,000)

The budget figures were also adjusted to reflect a change in presentation as a result of the corporate reorganization described in Note 17. This resulted in a reclassification of \$489,336 of budgeted expenses from Management and Administrative Services to Standards Solution & Strategy.

17. Comparative Figures

Certain comparative figures have been reclassified, in order to conform to the presentation changes adopted in fiscal year 2019–2020. There was reorganization of SCC’s CEO, Strategy and Communications branches that resulted in a reclassification of \$329,002 in prior year expenses from Management and Administrative Services to Standards Solution & Strategy on the Statement of Operations.

Standards Council of Canada

600-55 Metcalfe Street
Ottawa, Ontario K1P 6L5

+1 613 238 3222

www.scc.ca



Standards Council of Canada
Conseil canadien des normes