



**MOVING
FORWARD
TOGETHER**

**2021–2022
Annual Report**





Standardization is a proven tool for improving quality of life and economic prosperity. Standards, accreditation, and conformity assessment are in greater demand than ever before as Canada seeks to solve complex, interconnected challenges and seize emerging opportunities.

Moving forward together with a diverse and growing array of partners, in 2021–2022 the Standards Council of Canada (SCC) brought the power of standardization to bear on issues from climate change to the digital economy — for the benefit of communities, industries and all Canadians.



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SCC at a glance

Mission

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



Vision

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



Mandate

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



Focused on what matters to Canadians

Health and well-being

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

The digital economy

Accelerating the development of data governance standards along with ethics and safety standards for artificial intelligence, while empowering Canadian businesses to protect themselves against cyber attacks.

Technology development

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

Expanded markets for business

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

Gender equality and inclusivity

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

Sustainability

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

Three strategic priorities

Innovation

Deliver innovation through standardization

Canadian leadership

Deliver competitive advantage and economic prosperity through standardization

Organizational excellence

Strengthen SCC's culture of excellence

Canadian leadership on the world stage

The following SCC representatives are among Canadians who played key roles in international standardization committees in 2021–2022:



Colin Clark, Acting Chair of SCC's Governing Council and President of the Canadian National Committee of the International Electrotechnical Commission (IEC) and member of the IEC Board.



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



Chantal Guay, SCC's CEO, represents Canada on the International Organization for Standardization (ISO) Council, the ISO Strategy and Policy Committee, the ISO Oversight Committee, the ISO/IEC SMART programme steering committee, and is also Chair of the Pacific Asia Standards Congress (PASC).



Michelle Parkouda, SCC's Manager of Research, serves on the IEC Diversity Advisory Committee and also leads the development of guidelines for the Gender-Responsive Standards Initiative within UNECE Working Party 6.



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



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



Mkabi O. Walcott, SCC's Vice-President, Standards and International Relations Branch, serves on the ISO Technical Management Board, on the IEC Business Advisory Committee and also on the Pan American Standards Commission (COPANT) Board of Directors.



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



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



Jeffrey Hunt, Chair of ISO/TC 176 Quality Management and Quality Assurance, leads the technical committee responsible for developing the ISO 9000 Quality Management series of standards.

An engaged and diverse workforce

149
employees

86%
employee engagement score

60%
female workforce

57%
female leadership team
(directors and above)

30%
of the 149 employees who chose
to complete the self-identification
survey identify as Indigenous or
belonging to a visible minority

Continuous improvement through accreditation

SCC is Canada's national accreditation body, accrediting conformity assessment organizations such as testing laboratories to internationally recognized standards.

619
accreditation customers

34
new applicant customers in 2021–2022

10
accreditation programs

88.5%
satisfaction rate among SCC's Accreditation Services customers — one of the highest scores we have ever achieved — thanks to a renewed focus on customer service, including remote assessments, bilingual offerings and clearly communicated assessment findings.

A successful conclusion to the Innovation Initiative

2021–2022 marked the fifth and final year of our Innovation Initiative, through which we helped Canadian businesses achieve commercialization through standardization, allowing them to scale up their companies, reduce development cost, increase their exports and overall bring in more revenue.

63

standardization strategies delivered to Canadian innovators

\$4.46 million

in funding dedicated to implementing the strategies

62%

of participating companies reported an increase in exports, sales or employment

53

Canadian innovators participating on national and international technical committees for new standard development

The economic impacts of standardization

A new report published by SCC in 2021 confirmed the economic impact of standards.

Standardization contributed to

\$5.86 billion

of Canada's \$33.7 billion GDP growth in 2019

Standardization helped generate

38.4%

of Canada's labour productivity growth between 1981 and 2019



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

The ongoing pandemic continued to teach the world lessons last year — about everything from the vulnerability of supply chains and new needs for the health system to the skyrocketing demand for digital technologies. What became increasingly clear is that standardization has an important role to play in all those domains and many more.

It was not only those within the standardization system who recognized this. Standards were called for in a number of ministerial mandate letters, including that of the new federal Minister of Mental Health and Addictions. SCC was mentioned by name multiple times in the 2021 federal budget, which dedicated nearly \$30 million over five years to standards for artificial intelligence, data governance and climate-resilient infrastructure. The Prime Minister himself spoke about the need for more standards, a strong signal for all government departments to leverage the tools and expertise of SCC and our partners going forward.

Those partnerships are only going to become more important over time. Both with our traditional partners and stakeholders we have always worked with, as well as new entrants to the field with knowledge and insights essential to answering emerging questions.

We were not shy last year to jump in and work with that broader range of partners, federally, provincially and territorially, across industry and academia, in Canada and around the world. We have also extended our reach, sharing insights and best practices with other accreditation bodies in the interest of strengthening the sector as a whole and delivering more value together.



That commitment to collective success — to standardization that benefit everyone, everywhere — has long been epitomized by SCC member Tony Capel, who deservedly received the 2021 Lord Kelvin Award from IEC for his contributions to standards for wireless networks, cybersecurity and smart grids. It is the highest honour given by the IEC and the first time it has ever been awarded to a Canadian, and all of us at SCC are proud to acknowledge Tony's achievements.

Tony's areas of endeavour point to the ways in which standardization is increasingly needed beyond the classic domains of physical health and safety — into new territory just being defined today that will determine the shape of our society for generations to come.

With that big-picture future in mind, we are now in the process of planning SCC's vision for the next 10 years, which aims to put the power of standardization to work for all. To get there, we will need to work even more collaboratively with partners and stakeholders, including those who are not yet part of the standardization system, and reach out to new groups of stakeholders that are not as familiar with the system.

We thank every member of the SCC team for their ongoing dedication and effort throughout another challenging year. We also thank our Council members for their commitment, dedication and unwavering support in SCC providing all the value it can to Canada and Canadians. Finally, we thank the members of our technical committees and partner organizations for their continued support and engagement. Moving forward together, we know we can make life safer, healthier, more prosperous and more sustainable for people, communities and businesses in Canada and around the world.

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

Colin Clark, P.Eng. FEIC
Acting Chair



Tackling generation-defining issues

From climate change and artificial intelligence (AI) to public health and wellness, we worked with our partners throughout 2021–2022 to define standardization strategies for the most complex, interconnected challenges — and to ensure the choices we make as a society today have the greatest benefit for generations to come.

Securing the digital economy

In a data-driven marketplace, security and privacy are key. Last year, we worked with the CIO Strategy Council to develop a new standard that will help small businesses defend against cyber threats. The standard will become part of the CyberSecure Canada certification program that was introduced in 2019. Four certification bodies are now participating in this program, helping to create more opportunities for companies to strengthen their cyber security posture.

Following two years of collaborative engagement with 220 experts across the country, we published the Canadian Data Governance Standardization Roadmap in June 2021. The roadmap contains 35 recommendations for using standards and conformity assessment to ensure Canada's digital infrastructure is built on a foundation of quality and trust — and we are now working with our partners to implement them. We also started to lay the groundwork for a new collaborative on AI that will bring together developers, researchers, regulators and the public to define strategies for ensuring AI is used ethically and in line with Canada's priorities.

Mitigating climate change

The cement and concrete industry is one of the world's largest sources of industrial CO2 emissions. In May 2021, SCC partnered with Innovation, Science and Economic Development Canada, the Cement Association of Canada, the National Research Council, and other members of industry and government to develop a roadmap that will position Canada as a global leader in low-carbon cement and concrete production. Standardization strategies, alongside green procurement practices and the optimization of design and construction to meet green requirements, form integral parts of the solutions suggested in this roadmap. If all the roadmap's objectives are met, more than 15 megatonnes of greenhouse gas emissions could be eliminated by 2030.

Safe, reliable long-term care

As part of our ongoing work with the Health Standards Organization and CSA Group, two new National Standards of Canada for long-term care (LTC) were sent out for public consultation last year: one focused on the delivery of safe, compassionate, evidence-informed care; the other on the health infrastructure and environmental design of LTC homes. Both standards are expected to be published later this year.



Partnering on mental health and addictions

In March 2022, the Hon. Carolyn Bennett, Minister of Mental Health and Addictions, announced a partnership with SCC to develop new national standards covering six priority areas — from substance use treatment to digital mental health. These standards will formalize Canadians’ expectations of timeliness and quality in mental health and substance use services. A collaborative involving diverse stakeholders will help inform these and future standards, including representatives from provinces and territories, Indigenous partners, health organizations, and people with lived and living experience of mental health and substance use.



“By establishing standards, from the bottom up, for delivering safe and effective mental health and substance use services, we will lay the groundwork together for a long-term solution to a long-standing problem.”

~ The Hon. Carolyn Bennett,
Minister of Mental Health and Addictions

Safety on the move



Global rail consulting agency Ricardo Certification became the first organization accredited under SCC's new Independent Safety Assessor (ISA) for Railway Systems Accreditation Program. Accredited ISAs are proven to meet the highest national and international standards — and will play a vital role in ensuring safety is considered during railway network design and construction.





Engaging with partners in new ways

It takes a broad mix of perspectives to solve complex problems, which is why last year we brought together diverse stakeholders — including many not traditionally part of Canada’s standardization system — to contribute expertise and help build consensus around solutions that rise to the country’s challenges.

Consulting far and wide

To develop standards that better meet the needs of industry, government and consumers, last year we began work on Canada’s National Standards Strategy (NSS) by kicking off an extensive consultation process. Building on lessons learned from the first year of the pandemic, those consultations were all held virtually — a format that ultimately opened the floor to more people from more places, which will help ensure the NSS is reflective of the needs of all Canadians. The NSS will identify the priorities and sectors the Canadian standards system should focus on, and help guide how Canada develops standards and participates in the international standards-setting process.

Building capacity

Standards are typically produced by accredited standards development organizations (SDOs). Yet other groups have valuable insights and expertise that can inform standardization solutions. The Diversity Institute at Ryerson University is a case in point. We worked with them to develop a

[publicly available specification \(PAS\)](#) that will help organizations meet the 50–30 Challenge, which aims to bring more women and other equity-deserving groups into senior management and leadership positions. The Diversity Institute consulted with more than 400 experts to establish key terms and definitions for measuring workplace diversity and inclusion, providing a common language and guidance to empower organizations to take concrete action in bringing more diverse voices to the table. The PAS will aid organizations in the first steps of implementing diversity, equity, and inclusion practices within their businesses through the 50–30 Challenge.

“This document was truly a collaborative effort. We hope it will assist organizations in moving beyond words to action in advancing representation in the leadership of equity-deserving groups.”

~ Wendy Cukier, Academic Director,
Diversity Institute

Canadian response to the shortage of PPE

Shortages of personal protective equipment (PPE) in the early months of the COVID-19 pandemic highlighted the need for a domestic supply of filtering respirators that meet required performance and quality requirements to protect Canadians. In August 2021, we funded CSA Group to develop a new National Standard of Canada to ensure a steady supply and testing of PPE in Canada – this was particularly important because Canadian manufacturers faced barriers getting their products certified by the traditional testing facilities in the U.S. The standard and the accompanying certification program was developed by CSA in record time, just over a year. We are now working through the Treasury Board Secretariat and others to raise awareness of the standard among provincial/territorial stakeholders to ensure the standard is well understood and adopted into regulation.

Standardization in the classroom

We have developed two continuing education online learning modules in collaboration with Université Laval and the Réseau Normalisation et Francophonie to raise awareness of the importance of standardization. In addition to agreements we have with colleges and universities to use standards in the classroom, we have also partnered with learning platform provider Riipen to find students who can help us with standardization-related research activities. Our first pilot project with data analytics students from Cambrian College is looking at the economic value of volunteerism in standards development.



Explaining flexible, standard-based solutions to new stakeholders

To help organizations make use of the full range of standard-based solutions available to them, in August 2021 we published a guidance document summarizing our six main tools — from national standards and technical specifications to community-sourced guidance — and how each one is developed and can be applied.



A new SDO for accessibility

Accessibility Standards Canada (ASC) joined Canada's standardization network as our 13th accredited SDO. The standards ASC develops will become National Standards of Canada — and through ASC's experience in accessibility, social change, human rights and inclusion, will benefit all Canadians by helping create a country without barriers.





Expanding standardization internationally

Standardization plays a vital role in addressing complex issues around the world. SCC is Canada's voice at the table of international standards development and international accreditation bodies forums — and in 2021–2022, our leadership role expanded as more organizations called upon our expertise.

Consistency in ESG reporting

Last year we proposed and began co-chairing, along with representatives from the UK and Brazil, a Strategic Advisory Group to advise the ISO Technical Management Board on how to establish common approaches to ESG reporting. There are currently many voluntary frameworks companies can use to share ESG information prior to financial disclosure, which makes reporting inconsistent and results difficult to compare globally. Companies also lack guidance on how best to transform existing business processes to address the indicators of various ESG frameworks.

Our work at ISO will align with other efforts by financial management institutions to bring ESG standards up to date with today's sustainability requirements. By ensuring ESG frameworks are referencing globally accepted ISO standards in a unified way, we will help increase the trust in and value of ESG reporting — for the benefit of more people and places around the globe.

Setting IEC's future direction

IEC develops global standards for all electrical and electronic technologies — and SCC is helping to make IEC more strategic and effective in its operations. Last year our representative Colin Clark participated on the IEC Governance Review Task Force, whose recommendations will strengthen governance and bring more transparency to decision-making across the organization. This review resulted in changes to the roles and responsibilities as well as the creation of three new advisory bodies: the Business Advisory Committee (BAC), Diversity Advisory Committee (DAC), and Governance and Audit Committee (GAC). SCC sits on both the BAC and DAC. We also contributed to the development of IEC's new strategic plan, which was approved by IEC Board in February 2022 and will be submitted later this year to the IEC General Assembly for final approval.

Stronger bonds with the UK to facilitate and support trade



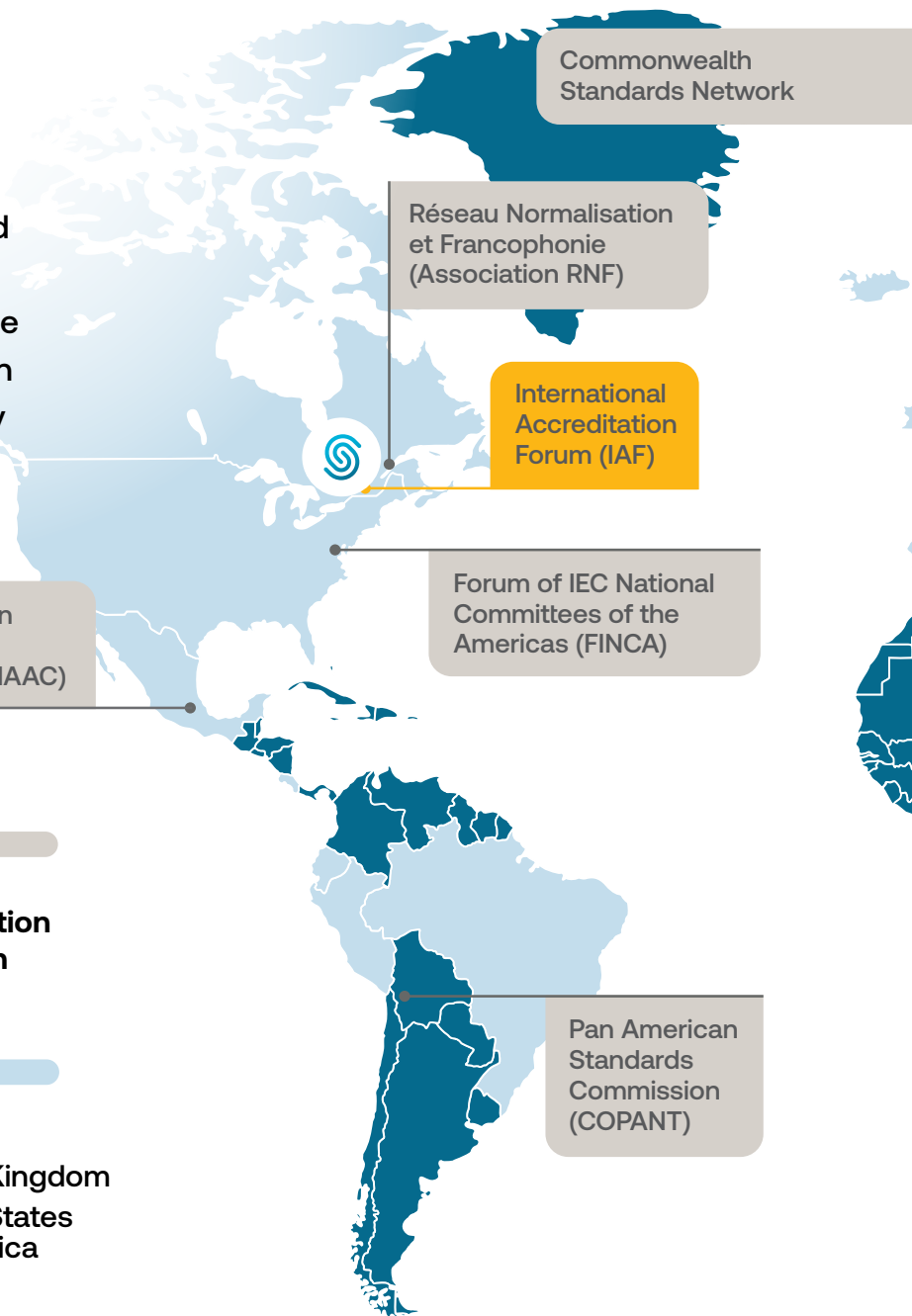
The renewal of our cooperation agreement with the UK Accreditation

Service (UKAS) in February 2021 will play a key role in facilitating trade between Canada and the UK. It will also help promote awareness of each other's accreditation systems and share resources to improve service delivery. Together, we hosted a webinar in May highlighting how Canada-UK trade is strengthened through accreditation and conformity assessment.



Canada's international voice on standardization

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



International Standardization Organization

Regional Standardization Organization

Cooperation Agreement

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

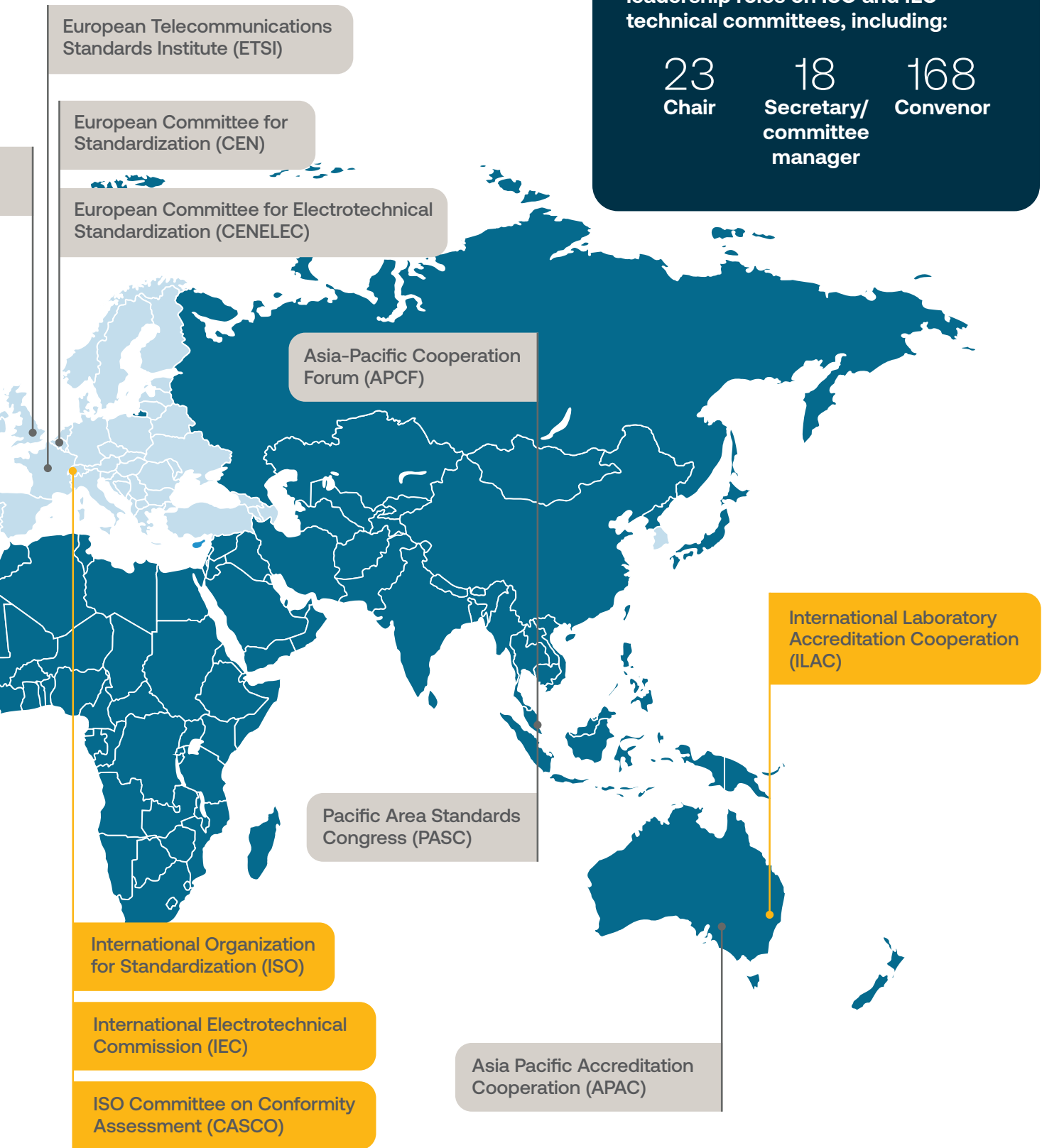
Note: Indicated on the map are the standardization organizations' headquarter, secretariat or main office.

Canada holds **209**
leadership roles on ISO and IEC
technical committees, including:

23
Chair

18
Secretary/
committee
manager

168
Convenor





Building a future-ready workplace together

The lessons learned from the COVID-19 pandemic continued to shape our approach to the future of work at SCC — guided by our values of flexibility, agility and compassion.

Committed to new ways of working

SCC is getting ready for a hybrid workplace, making investments last year in digital tools to better support our own teams as well as our partners. Stakeholders continued to respond favourably to our remote assessment approach, and we held discussions with several SDOs about how best to develop standards in a virtual environment. Seizing what we see as a once-in-a-generation opportunity to rethink how we work, our new Flexible Workplace Project will generate guidelines and policies for return-to-office procedures and remote working — with staff involved in the entire process. Our goals are to give employees more flexibility in when and where they want to work while providing a modern workplace that allows us to attract and retain top talent, and at the same time evolve and adapt to the needs of our stakeholders.

Focused on safety and well-being

As part of our growing commitment to mental health, last year we encouraged all managers to take training on how to support their teams during difficult times. We also partnered with a professor from the University of Ottawa to develop a new training program on how to prevent and address violence and harassment in the workplace, based on the requirements set out in Bill C-65 that apply to all federally regulated industries. The training, which featured separate courses for staff and managers, was extremely well received.



A holistic approach to diversity and inclusion

We finished the development of our Inclusion, Diversity, Equity and Accessibility (IDEA) Strategy last year, which will put diversity and inclusion at the heart of everything we do. Inspired by ISO 30415 Human Resource Management — Diversity and inclusion, it focuses on educating our people about IDEA principles at every stage of their SCC journey — from attracting and onboarding new hires to ongoing development, management, retention and recognition. The IDEA Strategy will be officially implemented in the next year.

Supporting our people during the pandemic

As a direct result of increased messaging around the importance of mental health and wellness, the number of people who used our employee assistance program to access mental health services and supports increased from previous years. We also offered continued support to help employees set up home offices and allowed them to work more flexible hours based on their individual situations.







86%
employee engagement rate — a record high for SCC, up 15 percentage points since 2015–2016













98%
employee engagement survey participation rate — a reflection of SCC's strong internal culture













Corporate deliverables



The ongoing impacts of the COVID-19 pandemic added unforeseen pressures to our operations, affecting some project milestones and adding urgent and new standardization need of our customers and partners. In recognition of our changing operational realities — and to manage workloads to deliver essential services while protecting the health and well-being of our team — we conducted a corporate prioritization exercise in September 2021 to re-adjust our performance targets. As a result, some of our originally planned deliverables were deferred, delayed or partially achieved during this fiscal year.













#	FY 2021–2022 Deliverable	Status	Strategic Priority	Target	Status Description at March 31, 2022
1	Standardization strategies to help Canadian businesses create jobs, access markets and generate revenue	Partially Achieved 	Innovation 	25 additional standardization strategies delivered to help Canadian businesses gain market advantage 66% of innovative Canadian businesses reporting that standardization strategies have improved job creation, access to market or revenue generation within two years of working with SCC	29 standardization strategies delivered 62% of respondents indicated that standardization strategies have improved job creation, access to market or revenue generation within two years of working with SCC
2	Regulatory review projects under Treasury Board Secretariat (TBS) initiatives for digitalization, cleantech and international standards	Achieved 	Innovation 	For proposals accepted and funded by the TBS Regulatory Review Program, and where SCC is identified as the lead: <ul style="list-style-type: none"> workplan completed and work initiated results indicators to evaluate outcomes are developed targets are identified baseline and methodology developed to measure results indicators 	5 SCC-led programs identified in the TBS Regulatory Review Program 4 out of 5 identified projects had workplans completed and work was initiated 1 project was deferred due to external circumstances
3	Standards to improve the safety and quality of long-term care in Canada	Surpassed 	Innovation 	Development of 2 standards has started (Stage 20: working draft study initiated)	Development of 2 standards have completed Stage 40 and are now in Stage 50: Approval. Both standards are on track for delivery in 2022







#	FY 2021–2022 Deliverable	Status	Strategic Priority	Target	Status Description at March 31, 2022
4	Strengthened capacity to certify and test personal protective equipment (PPE)	Achieved 	Innovation 	2 new laboratories and 1 new certification body Baseline: 1 certification body	4 labs were approved for PPE testing
5	Accreditation of certification bodies under ISO 17021-1	Achieved 	Innovation 	4 certification bodies recognized under the CyberSecure Canada certification program for small and medium-sized enterprises	2 additional certification bodies recognized under the CyberSecure Canada program (for a total of 4)
6	Expansion of service offering	Partially Achieved 	Innovation 	3 new scheme offerings for Management Systems Certification Bodies and Lab Accreditation Program	1 scheme offering (AS 9001 Aerospace) approved for implementation; 2 planned scheme offerings (ISO 27701 Information Security Management Systems and ISO/IEC 17025 V2X) delayed to next fiscal year due to pandemic-related market timing issues
7	Canada's national standards on cybersecurity	Achieved 	Innovation 	Publication of National Standard of Canada for Cybersecurity	National Standard of Canada for Cybersecurity published in Q3 2021–2022
8	Canadian Data Governance Standardization Collaborative	Deferred 	Innovation 	100% of prioritized recommendations resulting from the Canadian Data Governance Standardization Collaborative Round 1 have plans in place Identification of Round 2 standardization priorities	Deferred to next fiscal year due to delays in accessing funding as a result of Fall 2021 federal election
9	Strategies for uptake of national/international standards in regulation	Achieved 	Innovation 	Increase in the number of references to standards in federal, provincial and territorial (F/P/T) regulations and in the percentage of up-to-date standards referenced in Canadian federal regulations Baseline: 6,048 references to standards as of March 31, 2020; 66.1% as of March 31, 2020	Total number of references to standards in F/P/T regulations increased since last fiscal year to 6,073 (1,535 federal references, 4,538 P/T references) Percentage of up-to-date federal references increased to 66.6%


#	FY 2021–2022 Deliverable	Status	Strategic Priority	Target	Status Description at March 31, 2022
10	Reduction of trade barriers through standardization alignment and adoption of standards	Partially Achieved 	Canadian Leadership 	1 new standardization alignment agreement negotiated Qualitative and quantitative evaluation of Canadian registration number (CRN) agreement completed by end of fiscal year 2021–2022	Agreement for the gasfitters reconciliation agreement negotiated Evaluation of CRN agreement deferred to fiscal year 2022–2023 in consideration of corporate prioritization exercise and timing of availability of the data necessary for evaluation
11	Reduction of trade barriers by extending standardization alignment work within the Reconciliation and Cooperation Table (RCT)	Surpassed 	Canadian Leadership 	1 additional sector is engaged to be aligned in support of the reduction of technical barriers to trade by standardization alignment work under the RCT and/or Provincial-Territorial Advisory Committee (PTAC) workplans	2 additional sectors engaged: the Canadian Electrical Code Reconciliation Agreement and biomass boilers
12	Engagement with academic institutions to support their use of international standards through agreements with SCC	Achieved 	Canadian Leadership 	Maintain current rate of usage of international standards by academia through agreements with SCC Baseline: 77 international standards currently used by targeted academia with agreements with SCC	Current rate has been maintained through engagement with academia
13	Clarification of regulations and laws supporting referencing of standards while ensuring copyrights are protected	Deferred 	Canadian Leadership 	Joint Committee on Scrutiny and Regulations (JCSR), Department of Justice, ISED and standards development organizations are engaged to start defining “accessibility” and protecting copyright interests	JCSR formation and meetings have been delayed since 2019 due to impacts of COVID-19 and delays stemming from 2021 federal election
14	Promotion of gender-responsive standards development	Achieved 	Canadian Leadership 	Guidance document on developing gender-responsive standards for the UNECE is finalized	Guidance document finalized
15	Strategy for Canadian representation on international technical committees	Achieved 	Canadian Leadership 	National Standards Strategy draft is presented to Council by March 31, 2022*	National Standards Strategy drafted and presented to Council. Final version of draft produced

*target was adjusted in April 2021.

#	FY 2021–2022 Deliverable	Status	Strategic Priority	Target	Status Description at March 31, 2022
16	Work item proposals submitted internationally in areas of strategic importance to Canada	Surpassed	Canadian Leadership	5 new Canadian work item proposals submitted internationally in areas of strategic importance to Canada	11 new Canadian work item proposals submitted internationally in areas of strategic importance to Canada
17	Participation of young professionals on technical committees	Surpassed	Canadian Leadership	18% of technical committee members are young professionals	19.9% of technical committee members are young professionals
18	Representation in regional and international strategic governance roles	Surpassed	Canadian Leadership	Representation in strategic governance roles regionally and internationally is maintained Baseline: 51 governance roles	Representation in strategic governance roles is greater than baseline: SCC currently holds 74 governance roles
19	Incorporation of ISO/TC207 standards into government regulations and policies	Achieved	Canadian Leadership	Baseline and methodology defined to measure incorporation of ISO/TC 207 standards for environmental management systems and tools into federal, provincial and territorial regulations and policies	Baseline and methodology definition completed 11% of all ISO/TC 207 standards (6 unique standards) are currently referenced in F/P/T regulations
20	Promotion and uptake of standardization strategies developed under Canadian Infrastructure Program	Achieved	Canadian Leadership	Baseline and methodology defined to measure the uptake of standardization strategies developed under the Canadian Infrastructure Program	Baseline and methodology definition completed
21	Implementation of a workplace reintegration plan and sustainable workplace strategy	Achieved	Organizational Excellence	First cohort of staff able to return to the office in a safe and flexible manner	Flexible Workplace Pilot initiated and completed in December, which included a significant amount of preparation work to ensure pandemic-related safety in the office; impact of fifth wave of COVID-19 required an adjustment of approach, but target is considered achieved
22	Strong employee engagement	Surpassed	Organizational Excellence	Employee engagement survey score at a minimum maintained at the industry's 25 th percentile	Employee engagement survey score exceeded industry's 25 th percentile

#	FY 2021–2022 Deliverable	Status	Strategic Priority	Target	Status Description at March 31, 2022
23	Implementation of diversity strategy	Achieved 	Organizational Excellence 	Diversity strategy is translated into workplan	Strategy and workplan shared with senior management
24	Healthy workplace, including mental health	Achieved 	Organizational Excellence 	Management is trained on how to effectively support mental health in the workplace Baseline and targets established	Training sessions were provided to management on how to support mental health in the workplace. Based on the engagement survey, baseline and target established at 81% of staff that are favourable on how mental health in the workplace is supported
25	Workforce plan	Partially Achieved 	Organizational Excellence 	Workforce plan is developed and socialized	Workforce planning methodology developed and socialized with management
26	Modern digital work toolkit	Achieved 	Organizational Excellence 	Enterprise end point protection is in place Cybersecurity analyst staffed per Threat and risk assessment (TRA)/Communications Security Establishment (CSE) requirements Implementation of the Accreditation Services Branch (ASB) customer relationship management (CRM) system is complete Board portal statement of requirements is complete	Enterprise end point protection rolled out to all SCC devices Cybersecurity analyst staffed per TRA/CSE requirements ASB CRM system implemented Board portal statement of requirements completed
27	Quality Management System certification under ISO 9001:2015	Delayed 	Organizational Excellence 	100% of non-conformities to ISO 9001:2015 QMS are addressed	Delayed to next fiscal year because of corporate prioritization exercise
28	Strategies for remote/virtual accreditation services	Achieved 	Organizational Excellence 	Plan for establishment of sustainable strategies for remote/virtual accreditation services is developed and approved	Plan developed and approved

#	FY 2021–2022 Deliverable	Status	Strategic Priority	Target	Status Description at March 31, 2022
29	Implementation of stakeholder management framework	Achieved 	Organizational Excellence 	Methodology and tools for the collection and analysis of data are developed 1 pilot project is implemented	Methodology, guiding principles and tools developed and managed through internal input and consultation 1 pilot project implemented, engaging with 5 departments (Health Canada, Transport Canada, Natural Resources Canada, Environment and Climate Change Canada, Employment and Social Development Canada) using the developed methodologies and tools
30	Growth of SCC's international recognition	Achieved 	Organizational Excellence 	Strategic partnerships with other accreditation bodies are developed	Representation at all international committees increased in 2021–2022 Memorandum of understanding signed with United Kingdom Accreditation Service Discussions underway with American National Standards Institute and Joint Accreditation System of Australia and New Zealand
31	Collaboration with key federal departments	Surpassed 	Organizational Excellence 	1 strategy is presented to one or more federal departments to support their key initiatives	3 strategies presented to and approved by federal departments in support of their key initiatives: <ul style="list-style-type: none"> • Mental Health Standardization Program • Standardization Strategy for Transport Canada's Enhanced Train Control Regulations • Smoking Cessation Standardization Strategy



About our organization

Our business units

Strategy and Stakeholder Engagement

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

Accreditation Services

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

Human Resources

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

Standards and International Relations

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

Corporate Services

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

Office of the CEO

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

Our executive team



Chantal Guay,
Chief Executive Officer



Pierre Bilodeau,
Vice-President,
Strategy and Stakeholder
Engagement Branch

Dominique Dallaire,
Chief Human Resources
Officer



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



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



Annie Roy,
Senior Director,
Communications

Elias Rafoul,
Vice-President,
Accreditation
Services Branch



Christine List,
Corporate Secretary
and General Counsel



Our Governing Council

SCC's Governing Council reports to Parliament through the Minister of Innovation, Science and Industry. It is composed of up to 13 members, 10 of whom are appointed by the federal government and three others who are members via the chair or vice-chair positions they hold on statutory committees established pursuant to the *Standards Council of Canada Act*. Members represent a broad spectrum

of stakeholder interests and, together, bring the required mix of skills and experience needed to guide management to deliver on SCC's mandate and corporate objectives. The Governing Council also plays an important role in setting SCC's strategic direction and ensuring alignment with the priorities of the Government of Canada.



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



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



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



Zakiah Kassam, Principal, AirVironment Canada



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



Kathy Milsom, Former Chair, Standards Council of Canada



Mary Cianchetti, President of Standards, CSA Group



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



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



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



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



Tayt Winnitoy, Executive Vice-President, Consumer Protection BC



Financial performance

The 2021–2022 fiscal year marks the second full year of the COVID-19 global pandemic. Throughout both years SCC has maintained a 100% telework approach with relatively minimal disruption in performance. SCC has combined resilience with strong financial management practices to enable the optimal use of resources and has re-tasked savings from travel restrictions as well as other efficiencies to provide additional capacity in both people and tools. Additionally, SCC has continuously re-examined its corporate priorities throughout the year and course corrected where necessary to deliver strong performance against its objectives.

SCC's total revenue in 2021–2022 (excluding federal government funding) was \$10.4 million, which was \$1.1 million or 12 per cent higher than the \$9.3 million recorded during 2020–2021. The increase from last year was primarily due to Accreditations Services revenue, which totaled \$0.7 million higher than last year, and Innovative Services revenue, that increased by \$0.4 million. Combined results for Other Income, Royalties and Delegate Support Contributions finished on par with the prior year and Corporate Plan (Plan).

Revenue from Accreditation Services activities was \$7.3 million, which is \$0.7 million or 11% higher than the \$6.6 million recorded during 2020–2021, and on par with its plan of \$7.3 million. These revenue gains were primarily driven by increased activity as the business continued to recover on activities that were postponed due to COVID-19 travel restrictions. Accreditation services had to reschedule many of its planned assessments during the pandemic and every attempt was made to conduct required assessments remotely. By utilizing improved collaboration tools and working with its pool of third-party assessors, Accreditation Services was able to conduct all of its originally planned assessment activities. Additionally, the Accreditation Services branch achieved its overall financial performance targets for the year.

Innovative services revenue was \$1.1 million, which was \$0.4 million or 67% higher than last year's result of \$0.6 million, and \$0.2 million or 15% lower than its plan of \$1.3 million. Increasing revenues to recover costs related to its part of standardization services has become a pillar of SCC's sustainable funding strategy. Some of the revenue shortfall in this program is offset by higher appropriations where the funding arrangements dictated different classification. Overall, for the year, SCC achieved both of its revenue and margin targets for Innovative Services. SCC continues to explore opportunities to generate alternative sources of funding from leveraging its expertise in standardization.

Royalties from the sale of standards totaled \$1.8 million, which was an increase of \$0.1 million or 6% from the previous year's \$1.7 million. Versus this year's plan of \$1.6 million, royalties from the sale of standards increased by 13% or \$0.2 million. These revenues are subject to fluctuations due to changes in standards, as well as overall economic activity. Sales volume was higher than expected, especially considering the global pandemic and its economic impact.

The Delegate Support program was effectively suspended for the second consecutive year 2021–2022 due to the pandemic. This resulted in the second consecutive year of no revenue from contributions. Technical committees found ways to work virtually through the pandemic, albeit at a reduced level, resulting in substantially lower-than-planned costs for meetings. This affects the delegate support program in respect of contributions (revenue) and expenses: both of which nearly fell to zero this fiscal year. Through its forecast process, SCC reinvested nearly \$1 million of net savings from this program into other capacity building initiatives, staffing, improved work tools and increased collaboration with other international standards organizations with converging interests. Consistent with a controlled return to travel, SCC is planning for a gradual return of the Delegate Support program next year. However, the lasting impact on the nature of its Delegate Support is still being assessed and it is expected to remain below historical levels permanently.

Revenue from Other Income amounted to \$0.2 million, which was \$0.1 million or 33% lower than the \$0.3 million recognized during the prior fiscal year. Other Income of \$0.2 million in 2021–2022 was also \$0.2 million or 50% lower than the plan of \$0.4 million, primarily the result of lower than expected re-distribution of the ISO accumulated surplus (\$0.1 million).

Operating expenses through March 31 were \$28.4 million, which was \$0.5 million or 2% lower than planned expenses of \$28.9 million, and \$0.7 million or 3% higher than the \$27.7 million in expenses recognized during 2020–2021. The COVID-19 pandemic continued to be a driver of the variances from both the Plan and the prior year's results. SCC responded well by reinvesting a significant portion of this underspend variance in travel to other high-impact and support areas.

Operating expenses were $-\$0.5$ million or 2% lower than planned expenses of \$28.9 million:

- $-\$0.8$ million in reduced Professional and Special Services, primarily due to delayed timing on program spending ($-\$0.8$ million) carried into the next fiscal year. Savings from the temporary suspension of the Delegate Support program ($-\$0.2$ million) were offset by increased use of external assessors due to volume ($+\$0.2$ million);
- $-\$0.7$ million lower Travel due to pandemic-related restrictions;
- $+\$0.9$ million of additional expenses within Salaries and Employee Benefits stemming from:
 - $+\$0.4$ million in one-time expenses that are recovered through appropriations;
 - $+\$0.3$ million from a lower vacancy rate than planned (SCC experienced a vacancy rate of 5% vs. planned 7%);
 - $+\$0.3$ million in unplanned promotions and incentives; and
- $+\$0.1$ million in all other expenses with no significant variance in any remaining expense items.

Operating expenses were +\$0.7 million or 3% higher than last year's expenses of \$27.7 million:

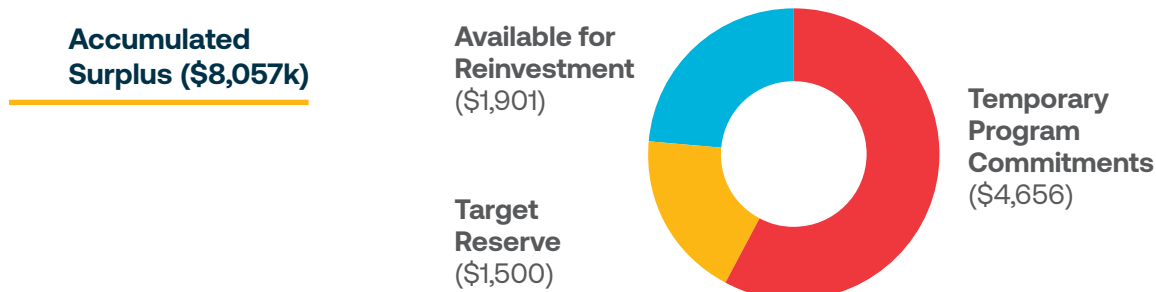
- +\$0.8 million within Salaries and Employee Benefits stemming from a combination of planned staffing increases that correlate with program spending, as well as incremental
- -\$0.1 million in all other expenses, with no significant variance in any remaining expense items.

spending on additional staff to add capacity during the pandemic; and

Through March 31, 2022, SCC has recognized \$19.3 million in Parliamentary appropriations, which was \$4.3 million or 29% higher than its plan of \$15 million and \$0.7 million or 4% higher than the prior year's appropriations of \$18.6 million. The increase versus the plan and prior year are primarily due to unplanned opportunities and the recovery of one-time reimbursements:

Program (\$ million)	Plan vs. Actual			Prior Year vs. Current Year		
	Plan	Actual	B/(W)	2021	2022	B/(W)
Base/Main Estimates	9.2	9.3	0.1	9.3	9.3	-
Standards to Support Resilience in Infrastructure Program	-	1.5	1.5	3.2	1.5	(1.7)
Innovation and Skills Plan	3.3	3.3	-	3.1	3.3	0.2
National Cyber Security Strategy	0.4	0.4	-	0.6	0.4	(0.2)
Intellectual Property Strategy	2.1	2.1	-	2.1	2.1	-
Regulatory Capacity	-	0.2	0.2	0.1	0.2	0.1
Pan-Canadian Artificial Intelligence Strategy	-	1.7	1.7	-	1.7	1.7
50-30 Challenge	-	0.4	0.4	-	0.4	0.4
One-time Expenditure Recovery	-	0.4	0.4	0.2	0.4	0.2
Parliamentary Appropriations	\$ 15.0	\$ 19.3	\$ 4.3	\$ 18.6	\$ 19.3	\$ 0.7

SCC's Surplus for the year was \$1.2 million and as March 31, 2022, SCC's Accumulated Surplus was \$8.1 million. SCC's growth in Accumulated Surplus this year is primarily due to timing and the in-year approval of funding without enough lead time to initiate expenditures against the funds. This is a common challenge with adjustments to approved levels of government funding. SCC's updated Corporate Plan will reflect the balance between funding and expenditures over the next five years. The Accumulated Surplus is fully committed to fulfill SCC's requirements in the achievement of its temporary program deliverables, for investment in the organization over the 5-year planning horizon, and to adhere to SCC's Accumulated Surplus Target Policy (\$1.5 million):



Standards Council of Canada

Financial Overview 2017–2018 to 2021–2022

Financial Overview	2017–2018	2018–2019	2019–2020	2020–2021	2021–2022 Plan	2021–2022 Actual
Revenue						
Accreditation fees	\$ 8,008,784	\$ 7,867,962	\$ 7,723,071	\$ 6,629,232	\$ 7,318,000	\$ 7,332,138
Royalties from standards sales	1,578,477	2,064,385	1,568,236	1,704,836	1,559,000	1,754,649
Innovative services	227,087	284,454	625,268	641,491	1,343,000	1,066,526
Delegate support contributions	407,686	359,997	342,818	847	74,000	–
Other income	326,045	451,155	529,852	285,759	363,000	209,193
	10,548,079	11,027,953	10,789,245	9,262,165	10,657,000	10,362,506
Expenses (restated)						
Accreditation services	5,770,228	5,897,870	6,295,578	5,443,756	5,917,000	5,913,703
Standards solution and strategy	9,080,271	10,609,103	12,540,657	11,508,725	12,925,000	11,164,823
Management and administrative services	9,089,755	10,219,704	10,366,349	10,785,333	10,055,000	11,325,534
	23,940,254	26,726,677	29,202,584	27,737,814	28,897,000	28,404,060
(Deficit) from operations	(13,392,175)	(15,698,724)	(18,413,339)	(18,475,649)	(18,240,000)	(18,041,554)
Government funding						
Parliamentary appropriations	13,828,495	17,973,672	18,578,854	18,575,862	15,046,000	19,271,621
Annual (deficit)/surplus	\$ 436,320	\$ 2,274,948	\$ 165,515	\$ 100,213	\$ (3,194,000)	\$ 1,230,067

Enterprise risk management

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

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

SCC monitored the following key risk areas over the last fiscal year and will continue to do so for the foreseeable future:

Pandemic Recovery

The operating environment shaped by the COVID-19 crisis fundamentally changed the focus of standardization. SCC responded by establishing internal controls and plans to address potential staff reductions due to illness, equipping teams with key tools for remote work and collaboration (ensuring productivity and telework resilience) and strengthening mental wellness programs and activities. The senior leadership team reviewed business continuity plans regularly to ensure the organization was able to respond effectively to the impact of the pandemic.

Externally, SCC acted on requests for standardization strategies to alleviate the immediate health and safety impact of the crisis. After more than two years from the pandemic's onset, the nation has embarked on the road to recovery. The industry will rely upon

standardization system to provide tools and strategies to help rebuild trust in our institutions, drive Canada's socio-economic affluence and respond to the most important crisis facing society, namely the climate change crisis.

Virtual Culture and the Future of Work

An engaging and caring workplace culture has a significant positive impact on staff morale and productivity, as well as SCC's ability to attract and retain staff, deliver on its mandate, and maintain its reputation. SCC continuously surveys employee engagement and implemented a healthy workplace strategy that includes mental health components to ensure its culture remains dynamic and vibrant. External experts support SCC's shift to telework, and work is underway to design the organization's workplace of the future and adapt its culture to a flexible workplace.

Availability of Core Business Systems

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

Resource Capacity

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

Management Responsibility for Financial Statements

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

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

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

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



Chantal Guay, ing. P.Eng. FCAE, ICD.D,
Chief Executive Officer



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

Ottawa, Canada
June 14, 2022



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 2022, 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 2022, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Compliance with Specified Authorities

Opinion

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

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

Responsibilities of Management for Compliance with Specified Authorities

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

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

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



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

Ottawa, Canada
14 June 2022

Standards Council of Canada

Statement of Financial Position

As at March 31, 2022

2022

2021

Financial assets

Cash and cash equivalents (Note 4)	\$	5,122,529	\$	8,598,269
Accounts receivable (Note 4)		1,742,944		1,812,033
Federal government departments and agencies receivable (Note 14)		155,347		177,746
Parliamentary appropriations receivable (Note 14)		3,751,600		174,862
		10,772,420		10,762,910

Liabilities

Accounts payable and accrued liabilities (Note 6)		2,588,292		3,105,183
Deferred contributions (Note 7)		96,848		61,730
Deferred revenue (Note 8)		2,327,411		3,084,711
Deferred lease inducement (Note 9)		694,615		776,334
		5,707,166		7,027,958

Net financial assets

5,065,254 3,734,952

Non-financial assets

Tangible capital assets (Note 5)		1,670,104		1,843,622
Prepaid expenses		1,321,523		1,248,240
		2,991,627		3,091,862

Accumulated surplus

\$ **8,056,881** \$ 6,826,814

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

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

Approved by the Governing Council:



Colin Clark
Acting Chair

Approved by Management:



Chantal Guay
Chief Executive Officer

Standards Council of Canada

Statement of Operations

For the year ended March 31, 2022	2022 Budget (Note 15)	2022	2021
Revenues from operations			
Accreditation services fees	\$ 7,318,000	\$ 7,332,138	\$ 6,629,232
Royalties from sales of standards	1,559,000	1,754,649	1,704,836
Delegate support contributions	74,000	–	847
Innovative services	1,343,000	1,066,526	641,491
Other income	363,000	209,193	285,759
	<u>10,657,000</u>	<u>10,362,506</u>	<u>9,262,165</u>
Expenses (Note 11)			
Accreditation services	5,917,000	5,913,703	5,443,756
Standards solution & strategy	12,925,000	11,164,823	11,508,725
Management and administrative services	10,055,000	11,325,534	10,785,333
	<u>28,897,000</u>	<u>28,404,060</u>	<u>27,737,814</u>
Deficit before parliamentary appropriations	(18,240,000)	(18,041,554)	(18,475,649)
Parliamentary appropriations	15,046,000	19,271,621	18,575,862
Surplus/(Deficit)	(3,194,000)	1,230,067	100,213
Accumulated surplus, beginning of year	7,328,000	6,826,814	6,726,601
Accumulated surplus, end of year	\$ 4,134,000	\$ 8,056,881	\$ 6,826,814

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, 2022	2022 Plan (Note 15)	2022	2021
Surplus/(Deficit)	\$ (3,194,000)	\$ 1,230,067	\$ 100,213
Acquisition of tangible capital assets	(462,000)	(304,590)	(654,313)
Loss on disposal of tangible capital assets	-	-	5,797
Amortization of tangible capital assets	456,000	478,108	424,205
(Increase)/Decrease in prepaid expenses	(21,000)	(73,283)	60,779
Increase/(Decrease) in Net Financial Assets	(3,221,000)	1,330,302	(63,319)
Net financial assets at beginning of year	4,704,000	3,734,952	3,798,271
Net financial assets at end of year	\$ 1,483,000	\$ 5,065,254	\$ 3,734,952

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, 2022	2022	2021
Operating Transactions:		
Surplus	\$ 1,230,067	\$ 100,213
Adjustments for non-cash items:		
Amortization of tangible capital assets	478,108	424,205
Amortization of deferred lease inducement	(81,719)	(81,640)
Loss on disposal of tangible capital assets	–	5,797
Changes in:		
Prepaid expenses	(73,283)	60,779
Deferred revenue	(757,300)	1,118,410
Accounts receivable	69,089	348,148
Federal government departments and agencies receivable	22,399	33,354
Parliamentary appropriations receivable	(3,576,738)	493,992
Accounts payable and accrued liabilities	(516,891)	(712,001)
Deferred contributions	35,118	59,516
Cash (used in)/provided by operating transactions	(3,171,150)	1,850,773
Capital Transactions:		
Additions of tangible capital assets	(304,590)	(678,053)
Cash applied to capital transactions	(304,590)	(678,053)
(Decrease)/Increase in cash and cash equivalents	(3,475,740)	1,172,720
Cash and cash equivalents, beginning of the year	8,598,269	7,425,549
Cash and cash equivalents, end of the year	\$ 5,122,529	\$ 8,598,269

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

Notes to the Financial Statements

March 31, 2022

1. Authority, Mandate and Activities

SCC was created by Parliament as a corporation under the *Standards Council of Canada Act* in 1970 (last revised in 2019) to be the national coordinating body for voluntary standardization. SCC is a Crown corporation named in Part I of Schedule III to the *Financial Administration Act* and, for the purposes of the *Income Tax Act*, is deemed to be a registered charity.

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

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

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

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

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

2. Significant Accounting Policies

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

a) Basis of Accounting

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

b) Cash and Cash Equivalents

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

c) Tangible Capital Assets

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

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

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

d) Prepaid Expenses

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

e) Revenue Recognition, Deferred Revenue and Deferred Contributions

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

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

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

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

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

f) Deferred Lease Inducement

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

g) Expenses

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

h) Parliamentary Appropriations

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

i) Pension Benefits

SCC employees are covered by the Public Service Pension Plan, a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required

from both the employees and SCC to cover current service costs. Pursuant to legislation currently in place, SCC has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of SCC.

j) Employee Benefit Plan

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

k) Vacation Pay

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

l) Measurement Uncertainty

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

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

m) Related Party Transactions

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

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

3. Accumulated Surplus

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

SCC targets to maintain a level of accumulated surplus that helps to minimize the impact of financial risks on the organization.

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

4. Financial Instruments

SCC's financial instruments consist of cash and cash equivalents, accounts receivable, federal government departments and agencies receivable, accounts payable and accrued liabilities. For the year ended March 31, 2022, SCC's cash and cash equivalents balance of \$5,122,529 consisted of \$4,001,928 in term deposits and \$1,120,601 of cash (March 31, 2021 was \$8,598,269 and consisted of \$6,600,000 in term deposits and \$1,998,269 in 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
2022	\$	1,742,944	\$	1,242,422	\$	126,665	\$	5,675	\$	37,526	\$	330,656
2021	\$	1,812,033	\$	1,591,489	\$	120,414	\$	15,752	\$	8,195	\$	76,183

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
2022	\$	3,906,947	\$	3,891,938	\$	15,009	\$	–	\$	–	\$	–
2021	\$	352,608	\$	352,287	\$	–	\$	39	\$	20	\$	262

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

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

As of March 31, 2022, the allowance for bad debts is estimated at \$35,084 (March 31, 2021 was \$10,069). The following table provides a reconciliation of the allowance for the year.

		March 31, 2022		March 31, 2021
Balance, beginning of year	\$	10,069	\$	22,166
Recoveries/(write-offs)		10,068		(50,847)
Bad debt allowance expense/(reduction)		14,947		38,750
Balance, end of year	\$	35,084	\$	10,069

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

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

March 31, 2021	Furniture		Equipment		Leasehold Improvements		2021 Total
Cost							
Opening balance	\$	1,050,731	\$	2,622,092	\$	1,154,479	\$ 4,827,302
Additions		–		647,084		7,229	654,313
Disposals		–		(101,832)		–	(101,832)
Closing balance		1,050,731		3,167,344		1,161,708	5,379,783
Accumulated Amortization							
Opening balance		(891,711)		(2,005,211)		(311,069)	(3,207,991)
Amortization		(68,901)		(274,794)		(80,510)	(424,205)
Disposals		–		96,035		–	96,035
Closing balance		(960,612)		(2,183,970)		(391,579)	(3,536,161)
Net Book Value	\$	90,119	\$	983,374	\$	770,129	\$ 1,843,622

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

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

6. Accounts Payable and Accrued Liabilities

	March 31, 2022	March 31, 2021
Vendor payables and accrued liabilities	\$ 996,875	\$ 1,372,539
Salaries and benefits payable	1,159,437	1,258,436
Accrued vacation pay	431,980	474,208
	\$ 2,588,292	\$ 3,105,183

7. Deferred Contributions

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

	March 31, 2022	March 31, 2021
Balance, beginning of year	\$ 61,730	\$ 2,214
Contributions received (refunded)	(37,643)	60,363
Contributions credited (recognized)	72,761	(847)
Net Contributions	35,118	59,516
Balance, End of Year	\$ 96,848	\$ 61,730

8. Deferred Revenue

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

	March 31, 2022	March 31, 2021
Balance, beginning of year	\$ 3,084,711	\$ 1,966,301
Add: Fees due per agreements	3,618,399	5,220,698
Less: Fees recognized into revenue	(4,375,699)	(4,102,288)
Net annual fees	(757,300)	1,118,410
Balance, End of Year	\$ 2,327,411	\$ 3,084,711

9. Deferred Lease Inducement

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

	March 31, 2022	March 31, 2021
Balance, beginning of year	\$ 776,334	\$ 857,974
Add: Inducements received	0	0
Less: Inducements recognized	(81,719)	(81,640)
Net inducements	(81,719)	(81,640)
Balance, End of Year	\$ 694,615	\$ 776,334

10. Pension and Employee Benefits

Pension Benefits

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

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

	March 31, 2022	March 31, 2021
SCC's contribution	\$ 1,665,567	\$ 1,470,145
Employees' contributions	\$ 1,575,192	\$ 1,400,612

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

	Calendar Year	
	2022	2021
Employees (pre-2013) – Current Service:		
On earnings up to yearly maximum pensionable earnings (YMPE)	9.36%	9.83%
On earnings exceeding YMPE: 2022–\$64,900 2021–\$61,600	12.48%	12.26%
Employees (post 2013) – Current Service:		
On earnings up to yearly maximum pensionable earnings	7.95%	8.89%
On earnings exceeding YMPE: 2022–\$64,900 2021–\$61,600	11.82%	10.59%
Employer – Expressed as a Multiple of Employee Contributions:		
For pre-2013 employee contributions on current and elective service on single-rate employee contributions	1.02	1.01
For pre-2013 employee elective service on double-rate contributions	.01	.005
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: 2022–\$191,300 2021–\$181,600	5.91	3.59

Employee Benefits:

For the year ended March 31, 2022, SCC paid \$1,268,931 for its employees’ benefits plan (March 31, 2021 was \$1,181,762).

11. Expenses

		Budget (Note 15)		2022		2021
Salaries and employee benefits	\$	17,874,359	\$	18,772,930	\$	18,007,998
Professional and special services		6,714,523		5,882,294		5,967,053
Memberships in international organizations		1,240,891		1,223,670		1,241,976
Office accommodation		765,100		842,915		865,302
Office supplies		621,042		555,117		645,739
Amortization of premises and equipment		486,188		478,109		424,205
Telecommunications and postage		128,000		135,435		104,996
Insurance		175,000		108,451		105,982
Repair & upkeep		36,100		92,769		53,134
Offsite storage & other		4,000		92,618		81,820
Publications and printing		10,000		73,260		70,819
Conferences & events		75,179		39,173		30,425
Bank charges		-		28,676		47,994
Travel		733,318		26,019		21,886
Hospitality		33,300		22,486		8,493
Rental of office equipment		-		15,192		15,444
Bad debt expense		-		14,946		38,751
Loss on disposal of tangible capital assets		-		-		5,797
	\$	28,897,000	\$	28,404,060	\$	27,737,814

12. Contractual Rights

SCC has signed contractual agreements with its accreditation services customers. The multi-year accreditation services contracts include an annual fee portion that is payable yearly. As at March 31, 2022 SCC had contractual rights to \$3,542,178 of uncollected annual fees pertaining to fiscal year 2022–2023 (March 31, 2021 was \$1,349,506 pertaining to fiscal year 2021–2022).

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 2022–2023 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 with anticipated volume growth. As of March 31, 2021 the expectation was \$1.8 million.

There were \$265,994 of related party rights as of March 31, 2022 (there were no contractual rights with related parties included at March 31, 2021).

13. Contractual Obligations

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

SCC entered into agreements to lease office equipment. The future minimum annual rental

payments under these agreements, exclusive of operating expense and property tax, are included in the table below.

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

March 31, 2022

	Office Space		Office Equipment		Standardization Initiatives		Total	
2022–2023	\$	464,811	\$	13,104	\$	2,812,467	\$	3,290,382
2023–2024		464,811		4,368		340,988		810,167
2024–2025		464,811		–		63,281		528,092
2025–2026		491,224		–		–		491,224
2026–2027		517,637		–		–		517,637
thereafter		1,811,731		–		–		1,811,731
	\$	4,215,025	\$	17,472	\$	3,216,736	\$	7,449,233

Commitments with related parties included in standardization initiatives were \$285,611 as of March 31, 2022 (there were no commitments with related parties included at March 31, 2021).

14. Related Party Transactions

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

	2022	2021
Revenues	\$ 1,424,766	\$ 874,922
Parliamentary appropriations	19,271,621	18,575,862
Expenses	120,717	132,403
Federal government departments and agencies receivable and parliamentary appropriations receivable	3,906,948	352,608
Accounts payable and accrued liabilities	12,999	22,349

Related party revenues were derived primarily from Innovative services and Accreditation Services Fees while expenses were primarily related to Professional and Special Services, as well as Telecommunications and Postage.

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

15. Budget Figures

Budget figures have been provided for comparison purposes and have been sourced from SCC's 2021–2022 to 2025–2026 Corporate Plan approved by SCC's Governing Council.

Standards Council of Canada

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