

*Reaching
Forward to
a Better
Future*

2023-2024
ANNUAL REPORT



Standardization is vital to Canada's future. It gives us a way to tackle some of the biggest challenges facing not only our country but society as a whole, bringing together many different perspectives to arrive at a consensus on the best way to move forward.

In 2023–2024, the Standards Council of Canada (SCC) focused on issues relating to digital technologies and artificial intelligence (AI), international trade and supply chain resilience, climate change mitigation and adaptation, and mental health. We engaged with a wide range of collaborators to co-design solutions that will enable us to **reach forward to a better future** for all people in Canada.



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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 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.

Strategic priorities

1 Innovation and competitiveness

Lead the development of standardization strategies to support Canadian businesses and deliver benefits to all people living in Canada



2 Canadian leadership

Create opportunities for Canada through domestic and international leadership in standardization



3 Organizational excellence

Provide services through a high-performing team and by collaborating with Canadian experts, governments, industry and other standardization system players



Economic impact for Canadian businesses

According to a recent survey of private-sector companies that had worked with SCC...

95%

would recommend SCC to other organizations

73%

that had access to a ready-to-use standardization solution reported increased job creation, exports and/or revenue

67%

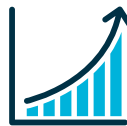
reported increased job creation, exports and/or revenue as a result of working with SCC



The top five reported **benefits** of working with SCC are:



access to expert knowledge



awareness of future standardization trends



leadership in the industry



influence on future standardization activities



networking with key players on current research needs

A diverse workforce

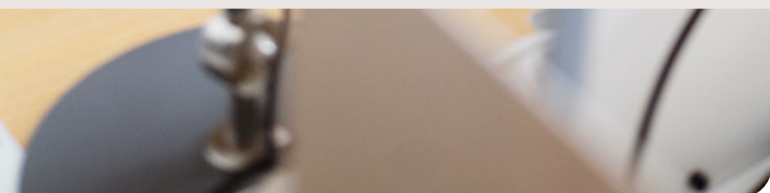
153
employees



61%
of our workforce
identify as women

64%
of our leadership team
identify as women
(directors and above)

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



More effective standardization through accreditation

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

• **629**

accreditation customers

• **56**

new applicant customers
in 2023–2024

• **11**

accreditation programs offered — making
SCC the largest accreditation body in Canada

• **94%**

customer satisfaction rate



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.

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

Commonwealth Standards Network (CSN)

Réseau Normalisation et Francophonie (RNF)

International Accreditation Forum (IAF)

North American Accreditation Forum (NAAF)

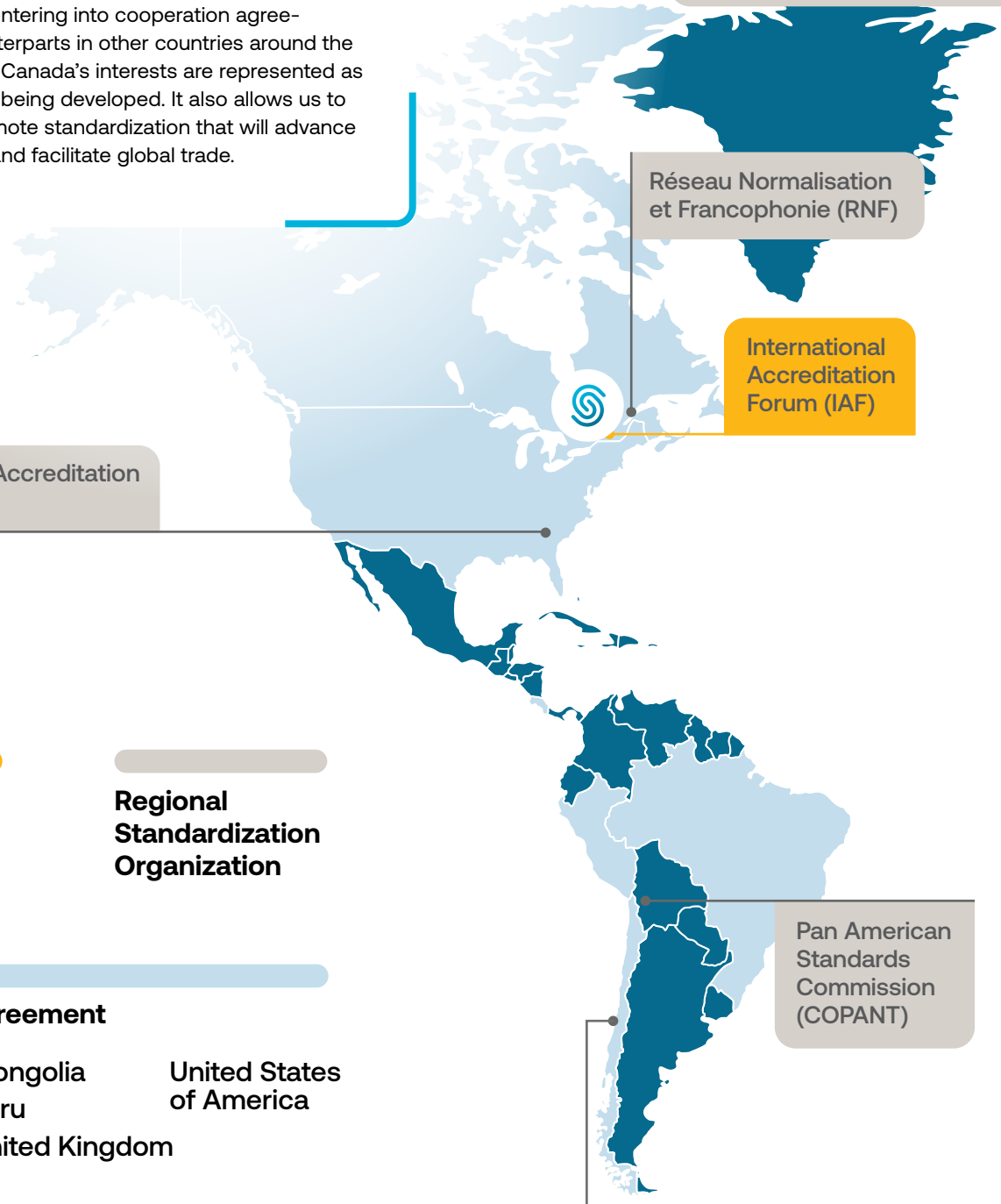
International Standardization Organization

Regional Standardization Organization

Cooperation Agreement

- Brazil
- Costa Rica
- Europe
- Mongolia
- Peru
- United Kingdom
- United States of America

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



Pan American Standards Commission (COPANT)

Forum of IEC National Committees of the Americas (FINCA)

European Telecommunications Standards Institute (ETSI)

European Committee for Standardization (CEN)

European Committee for Electrotechnical Standardization (CENELEC)

International Aerospace Quality Group (IAQG)

Asia-Pacific Cooperation Forum (APCF)

Asia-Pacific Economic Cooperation (APEC)

Pacific Area Standards Congress (PASC)

International Organization for Standardization (ISO)

International Electrotechnical Commission (IEC)

ISO Committee for Conformity Assessment (CASCO)

Asia Pacific Accreditation Cooperation (APAC)

International Laboratory Accreditation Cooperation (ILAC)

Canada holds **249 leadership** roles on ISO and IEC technical committees, including:

▶ **27** chair

▶ **19** secretary/committee manager

▶ **203** convenor

Canada holds the Secretariat for ISO Technical Committee 207 on environmental management — one of the leading committees in climate change standards. Zakiah Kassam was appointed in June 2023 as the new international chair of the committee.



Zakiah Kassam



Message from the CEO and the Chair of the Governing Council

When we developed the National Standards Strategy in 2022, we spoke with hundreds of interested parties across the country to learn about their priorities and the areas they'd like the standardization system to focus on that would amplify the impact of standards on people and businesses in Canada.

We heard about some of the most pressing challenges we face as a society, a country and a species. That includes mitigating and adapting to the effects of climate change. Ensuring the digital economy uses new technologies like artificial intelligence in an ethical and responsible way. Bringing more stability and resiliency to the country's supply chains so the economy can withstand and navigate unpredictable (and potentially catastrophic) events.

These challenges may be massive in scope, but we can't be afraid of tackling them. Because in doing so we ensure everybody in Canada can lead a more fulfilling life. That's why SCC is doing whatever is possible within the scope of our mandate to reach forward and help build that better future. And we're not doing it alone. As the custodian of Canada's standardization system, we're able to bring together diverse perspectives and expertise from across the country to co-design the most appropriate solutions.

For example, last year we helped inform the development and publication of the first international standard for AI management systems. We contributed important research and developed recommendations for standardizing ESG reporting and disclosure tools based on Canadian priorities. And we continued to work closely with our partners in government to advance Canada's Indo-Pacific Strategy, which will provide opportunities for Canadian workers and businesses for decades to come.

This kind of work requires us to be forward-thinking, anticipating the areas where standardization will deliver the greatest possible value. It also requires us to be purposeful in everything we do. That's why last year we underwent a process to enhance integration across all areas of our organization. This strategic alignment empowers us to better respond to the challenges facing Canada and the global community. With a clear and unified sense of purpose, we are positioned to deliver standardized solutions as one SCC now and into the future.

Chantal Guay



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

As we look ahead to 2024–2025, we will build upon the great work we have done in recent years. The fruits of those labours are evident in the form of truly innovative and memorable projects and initiatives. As standardization gains greater recognition as a key enabler of a brighter future, we extend heartfelt gratitude to every member of the SCC team and the Governing Council, as well as all others within the standardization system, for their unwavering dedication and active involvement in making that happen. We've made incredible progress over the past year. Your efforts are key to growing the impact standardization has on people in Canada — and to making our country a better place now and in the years ahead.

François Coallier



François Coallier, PhD, ing. P.Eng.
Chair of the Governing Council



Shaping the safe evolution of digital technologies and AI

Artificial intelligence and other digital technologies have the potential to deliver significant benefits for Canada and the world, but only if they are developed and used responsibly. Standards and conformity assessment (or assurance) are vital to ensuring that happens. That's why SCC has been at the forefront of setting those standards and making sure they're applied appropriately.

Working together to standardize responsible AI management

Traditionally, there's a gap between the development of a standard and the subsequent implementation of a conformity assessment scheme to measure compliance, often spanning several years. But AI is evolving too quickly for that approach to keep pace. To be effective at governing how AI systems are created, used and managed, the standard on AI management systems (ISO/IEC 42001) had to be applicable as soon as it was published in December 2023. To make that happen, we teamed up with three partners to pilot a new approach: developing

and testing a conformity assessment program while the standard was still being drafted.

We selected ATB Financial, an Alberta-based personal banking company with a relatively mature AI ecosystem, to undergo the pilot conformity assessment process. Ernst & Young (EY) was charged with measuring ATB Financial's organizational systems and processes against the ISO/IEC standard. We also brought on the Responsible AI Institute to assess ATB Financial's AI applications against its own certification scheme for AI products. This pilot, which concluded in December 2023, enabled us to use a real-world scenario to determine how easy or difficult it was to prove and assess compliance with the new ISO/IEC standard and how multiple standards looking at different layers of AI might work together.

Through iterative and open discussions among all partners, we were able to establish the conformity assessment scheme in record time. We were also able to bring our feedback from that process to ISO/IEC through the SCC-led Canadian mirror committee so the standard could be improved while still in development. This made the final published standard easier for companies to use and understand.



We've always aimed to align everything we do with the latest standards and best practices. But that's been hard with our AI tools, because until now, there haven't been any internationally recognized frameworks we could use to make sure we were doing things the right way — and assure our clients and stakeholders of that. Being a part of this project was an incredible opportunity to make sure we were on the right track and address any weaknesses as soon as possible. Improving AI governance is not a one-day process, so getting assessed against the standard early meant we could embed the learnings into our action plans for the coming year.

Although auditing and compliance verification is nothing new to ATB, I've never been involved with the standard development process. SCC was always right there to answer our questions, support us in our discussions with EY and the RAI Institute, connect us to the mirror committee, and provide guidance throughout the whole process.

— Yukun Zhang
*Director of AI Governance and Responsible AI
ATB Financial*

I've been involved with standard development before, but this was a novel experience. Typically, you work with a theoretical use case and try to anticipate the compliance questions or challenges a company might have. But here we had real conversations with ATB Financial, including a lot of dialogue about how they interpreted the standard's requirements, what was challenging about meeting them, and so on. That gave us a lot we could take back to the mirror committee to point out areas of the standard that weren't clear enough or seemed incomplete, or where more guidance might be required to help companies seeking certification later.

SCC was a great partner in this work, making sure the right information got passed along to the right people to ensure everyone's efforts were optimized. Standards development needs to happen faster — so the agility and creativity SCC demonstrated here will be really important in the age of AI.

— Cathy Cobey
*Responsible AI Co-Lead
EY Global*



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We'd previously assessed ATB Financial's AI tool, and now doing so again in parallel with the ISO/IEC standard gave us a much better understanding of how the two standards work together, and how actions taken to meet the organizational standard might affect compliance with the application standard, and vice versa. It's exciting to be able to contribute that understanding to the industry and see how all the various 'puzzle pieces' involved in AI governance — laws, standards, certification schemes — can fit together to provide assurance about specific AI applications and the organizations that use them.

This process also underscored just how important the nature and extent of human involvement is to every facet of responsible AI use. That led us to update our own assessment scheme to ensure we're putting enough emphasis on that 'human in the loop' element when we evaluate a company's AI applications.

— **Var Shankar**
Executive Director
Responsible AI Institute

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Olivier Blais,
Moov AI co-founder

A standard informed by Canadian industry

The Canadian mirror committee that provided feedback on the new ISO/IEC standard for AI management systems also involved industry leaders like Olivier Blais, co-founder of Moov AI. When Blais met representatives from SCC at an AI trade show in 2019, he immediately accepted their invitation to join the mirror committee, eager to help shape the standards governing AI to ensure they are relevant to and usable by small and medium-sized enterprises. Since then, he has become the chair of the mirror committee and served as project editor on two technical specifications on AI quality evaluation.

“The SCC team and the mirror committee are really receptive to new ideas,” says Blais. “If you see something missing that will help the AI field, you can bring it up and they’ll support it. It’s been a great experience getting to be part of developing the standards, best practices and controls that will help AI be safer.”

A new collaborative to guide AI and data governance

In 2023, we launched the AI and Data Governance Standardization Collaborative to address national and international issues. These include standardization strategies to support the Canadian economy, support for Indigenous leadership in the AI and digital economy, consistency across domestic and international standards, and a larger role for Canadian innovators in shaping the advancement of responsible AI. The Collaborative, which includes members from government, industry, civil society, Indigenous organizations, academia and standards development organizations, is an extension of the Canadian Data Governance Standardization Collaborative formed in 2019. The new Collaborative will build on the recommendations outlined in the previous group's [Data Governance Standardization Roadmap](#).

Cybersecurity certification for defence contractors

In November 2023, we received funding approval to develop a new program based on the U.S. Department of Defense's Cybersecurity Maturity Model Certification program. In collaboration with Public Services and Procurement Canada; Innovation, Science and Economic Development Canada; the Department of National Defence; the Canadian Commercial Corporation; the Canadian Centre for Cyber Security; and the Communications Security Establishment, we will develop a program to accredit conformity assessment bodies. The Canadian Program for Cybersecurity Certification will equip us to evaluate the cybersecurity measures of companies vying for defence contracts in Canada.

Certification for digital credentials and digital trust services

Throughout the year, we worked with 20 product developers, one conformity assessment body and an observation committee of more than 110 members who began testing a conformity assessment program for a technical specification on digital credentials and digital trust services that was published in May 2023. Following the conclusion of the pilot program, a full-scale conformity assessment program is expected to be ready in the next few years to support consistent application of the technical specification.

Expanded work with the National Institute of Standards and Technology

In November 2023, we met with senior leadership from the U.S. National Institute of Standards and Technology (NIST) to discuss how we can further advance our work together to support trade by aligning the two countries' work on standards, conformity assessment and accreditation. The meeting was specifically focused on critical sectors including AI and machine learning, communication technologies, and quantum technologies.



Bringing Canada to the world

Standardization helps support strong and prosperous international trade by breaking down barriers and levelling the playing field for all companies. By making sure Canada has a seat at the international table — in trade negotiations and technical committees — SCC helps ensure Canada’s interests are represented as standards are being developed so Canadian businesses are well-positioned to compete globally.

Advancing trade in the Indo-Pacific region

Canada’s Indo-Pacific Strategy is meant to advance the country’s interests in that region with stronger relationships, greater market access for Canadian companies, and more diverse and resilient supply chains in the face of an increasingly complex and uncertain world. We will help achieve these goals by working closely with our counterpart standards and accreditation organizations in the region, and by increasing our participation in the Asia-Pacific Economic Cooperation (APEC) Sub-Committee on Standards and Conformance (SCSC).

In November 2023, we signed a cooperation agreement with the Mongolian Agency for Standardization and Metrology (MASM), recognizing the importance of strengthening the global use of international standards. We are now working together to develop a workplan for boosting MASM’s profile within ISO and collaborating on projects of mutual interest. With this work underway, we are pursuing agreements with additional standards and accreditation bodies in the region and plan to have a new agreement signed by March 2025.

We have been actively involved in supporting projects of the APEC SCSC, including co-sponsoring four projects proposed by other members since April 2023. We are also putting together a proposal for a project of our own on the importance of having micro, small and medium-sized enterprises participate in international standards development. At an AI workshop hosted by Australia, we moderated a panel on inclusive consultation practices and shared information on how participation in international standards development has had a positive impact on Canada's exports.

Why standardization is the key to the export market

Canada's economic success depends in large part on the strength of its small and medium-sized enterprises (SMEs). That makes it critical for us to understand the impact our involvement in international standards development is having on SMEs across the country — so we can make better decisions on how to help facilitate their journey into the global marketplace. That's where SCC Senior Researcher Diane Liao comes in. Her May 2023 research paper, [*Paving the Road to Global Markets: How Increasing Participation in International Standards Development Can Boost Exports From Small and Medium Enterprises*](#), is the first stage in understanding how our work with international partners affects the likelihood of exporting by Canadian SMEs.

Drawing on a national survey of SMEs, Liao's analysis showed that greater participation in international standards development (measured by participation on technical committees and subcommittees) was associated with higher engagement of SMEs in international trade and more Canadian exports.

Closer ties between standards and codes

We have been working with partners across the standardization system to enhance collaboration and alignment between Canada's national model codes development system (which covers building, fire, plumbing, energy and other codes) and the standards development system. SCC CEO Chantal Guay was elected Alternate Chair of the Advisory Council on Harmonized Construction Codes, which is made up of industry, the regulatory community, emergency responders, civil society groups and others interested in building codes, and is now chairing a national working group on system agility and referenced standards. Bringing more cohesion to standardization and code development activities will better support innovation in the construction sector to address priorities such as accessibility, climate resilience and energy efficiency. It will also allow for faster builds to meet the housing and infrastructure needs of people in Canada.

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“We know that demonstrating compliance with international standards can be a big barrier to exporting — especially for smaller businesses. Our research suggests that the more we participate in developing those standards, the more we can advocate for the interests of our small businesses and make standards compliance more accessible for them.”

— Diane Liao
Senior Researcher
SCC

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Taking action to protect the planet

The effects of climate change are becoming more evident every year. That makes it vital to do everything we can to prevent and mitigate those effects while also adapting to make our world more resilient to them. SCC is at the forefront of supporting the development of standards that offer specific metrics for evaluating Canada’s green initiatives and provide globally applicable benchmarks and strategies.

Leading the way on global ESG tools

In response to climate change and other global challenges, organizations and municipalities are making sustainable and positive advances on environmental, social and governance (ESG) activities. Investors, regulators and the public all want to know what progress is being made on those commitments. But without globally accepted frameworks for measuring ESG initiatives, reporting can be inconsistent, making it harder to tell what’s real and what’s “greenwashing.” Standards bring rigour and methodology that go beyond simple disclosure.

In June 2023, we published [*Beyond Disclosure: Driving Performance & Trust in ESG*](#). This report outlines issues with the current fragmentation in reporting requirements and inconsistencies in approaches. It also recommends actionable strategies to improve trust in ESG reporting through standards — for example, extending reporting tools to organizations of all types and sizes, including those not being served by existing frameworks and standards.

To that end, we have been working with the World Council on City Data and conducting extensive cross-Canada engagement with financial institutions and city leaders to develop a new international standard that will help municipalities mobilize the capital needed to fund sustainable infrastructure and services such as affordable housing and public transit. Published in spring 2024, ISO 37125 (Environmental,

Social and Governance Indicators for Cities) provides an internationally accepted way to measure a city's ESG performance. An accompanying conformity assessment program, which will be available later in 2024, will enable cities to access more and higher quality venture capital opportunities by allowing for the benchmarking and measurement of sustainability performance of those investments.

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This report provides a solid foundation to bring rigour to ESG reporting through standardization. One of the things we're looking into now is how to provide consistent ways of measuring performance across ESG frameworks on key areas, such as net-zero emissions and environmental stewardship. We are also exploring how we can help ensure standards that support ESG users incorporate inclusion, diversity, equity and accessibility principles and reflect Indigenous perspectives and priorities.

We're also trying to make standards themselves more accessible, especially for smaller companies that lack the resources to meet all the requirements of ESG frameworks. That might mean advocating for ESG standards that let companies report at varying levels depending on their size and capacity, offering a stepped path toward compliance that meets them where they are while encouraging them to go farther. Or it might be as simple as improving standards databases with better tagging and the enhancement of publicly available information to make the standards more visible and searchable, as organizations are more likely to use them if they know they exist.

— **Ulrikke Oernholt**

Sector Specialist
Standardization Services Branch, SCC

More and more cities are looking for help measuring their ESG performance. As they become increasingly active in the ESG ecosystem, they require high-calibre, globally standardized data. Local, regional, provincial and national governments alike need trusted data to avoid the risks of so-called greenwashing; to support their credit ratings; and to measure progress on their commitments to become more environmentally sustainable, socially inclusive and well governed. SCC was instrumental in setting up consultations with cities and banks across Canada to get their input to help develop the key performance indicators in the ISO standard. And, looking forward, SCC is already on board to help set up a certification protocol for the standard.

This work also led to SCC nominating me as co-chair of the ISO coordinating committee on ESG in partnership with representatives from the UK and Brazil. In this role, I'm going beyond cities to develop ESG frameworks for corporations, especially smaller companies around the world. SCC's leadership in this field is remarkable.

— **Patricia McCarney**

CEO, World Council on City Data
Co-Chair, ISO ESG Committee
Convenor, ISO/TC 268 Working Group 2 on City Indicator



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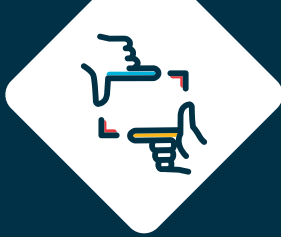
Building climate-resilient communities

In 2023, we received additional funding under the National Adaptation Strategy to augment our Standards to Support Resilience in Infrastructure Program with 50 new standardization strategies. These projects will address key priority areas including building climate-resilient transportation infrastructure, strengthening assets against climate risks such as urban heat and flooding, expanding green and natural infrastructure, and developing new materials for low and embodied carbon in the construction sector.

Verification of clean fuel claims

In 2023, in partnership with Environment and Climate Change Canada, we began formally accrediting verification and validation bodies to assess organizations' compliance with the Clean Fuel Regulations (CFR) and their eligibility for credits under that program. To reduce emissions and advance the adoption of clean technologies, the CFR encourages fuel producers to use accredited verification and validation bodies to confirm that their clean fuels meet the regulations. Interest in the program has been very strong since its inception, and over the course of the year, we more than doubled our pool of accredited verification and validation bodies to help drive innovation and meet the growing demand for the program's incentives.





FEATURE

New guidance for mental health and substance use health services

To support the delivery of safe and effective mental health and substance use health (MHSUH) services, we worked with Health Canada, standards development organizations and other partners to develop standards-based documents in six priority areas:

- ▶ Integration of MHSUH services into primary care settings
- ▶ Digital MHSUH apps
- ▶ Integrated, community-based MHSUH services for youth
- ▶ Early psychosis intervention
- ▶ Withdrawal management services
- ▶ Behavioural and technical competencies for non-expert prescribers

We also continued our work with the MHSUH Collaborative, which brings together more than 300 interested parties from federal and provincial/territorial governments; First Nations, Inuit and Métis governments and communities; experts; academic and research bodies; people with lived and living experience; industry; MHSUH service providers; professional associations; pan-Canadian health organizations; and standards development bodies. Together, we have developed a comprehensive roadmap to identify and address key issues and gaps in existing and needed standards for MHSUH, with the goal of enhancing MHSUH service delivery and treatment outcomes.





Working together to shape our culture

We do our greatest work for Canada when we are at our best. That means there is a direct connection between our investment in our own corporate culture and the impact we can have. That's why we are intentional in fostering a highly engaged, high-performing culture that is focused on our people, built with contributions from every employee.

This year, we continued to invest in our culture with a new flexible workplace model, ongoing mental health and well-being initiatives, the development of core competencies that make us accountable to living our values every day, and the growth of an advisory committee to advance our work in inclusion, diversity, equity and accessibility.

Celebrating an exceptional corporate culture

We are proud to have been recognized as one of Canada's Most Admired Cultures since 2020 by Waterstone Human Capital. This prestigious award is testament to our dedication to our people and to creating a culture where every team member can thrive.

One of our culture's strengths is robust employee participation to shape our corporate initiatives. Our biennial staff engagement surveys are a vital way to collect some of that input. This year, we heard from 95% of our staff and achieved an engagement score of 82%. These results tell us that our ongoing evolution is heading in the right direction, while also highlighting opportunities for improvement. Employee input helps shape our plans to continue to evolve and improve the employee experience.

After consultation and testing phases in previous years, we activated our co-designed flexible work model this year. This model strengthens our ability to consistently deliver on our goals, helps employees balance their priorities and reflects our values. It was built to fit SCC's needs and the way our organization works, balancing remote working with coming together in person for meaningful face-to-face time — which offers tremendous benefits and connections for our work.

Fostering inclusion, diversity, equity and accessibility

To reflect the importance of inclusion, diversity, equity and accessibility (IDEA) principles to SCC, we established an IDEAs Advisory Committee in early 2023. This broadly representative group from across SCC provides a collaborative forum for advancing IDEA work within our organization. The committee has a roadmap to prioritize and guide IDEA work each year, with training and education at its core. During 2023–2024, committee members and employees of the human resources branch received in-depth training to complement their existing understanding of IDEA principles and formed working groups to start progressing the key elements of the roadmap.

Some accomplishments from the year include developing a framework to determine which culturally significant events SCC will formally mark as an organization, incorporating more inclusive language into our core statements, offering training courses for employees to support their learning, and providing

support for hiring managers to help them apply IDEA principles in recruitment and hiring processes. The committee's work is intended to help create a more inclusive, diverse, equitable and accessible workplace where all employees can see themselves reflected.

Supporting well-being at work

Employee well-being is vital to a healthy workplace culture, so we took many actions over the last year to demonstrate our commitment to our team's mental health and well-being. We offered the Mind Your Health program, fitness subsidies, an employee and family assistance program, and training to enable team members to better support each other. We also hosted in-person social events, including a springtime planting event in May and an organization-wide picnic in August. These activities gave employees a chance to take a step back from work, get to know each other better, and focus on their mental health and well-being.

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Inclusion has always been very close to my heart, so I jumped at the chance to join the new committee and really appreciated the opportunity to take an even deeper dive through the comprehensive training we got. We all came into the training with robust knowledge, but we all still learned a lot and embraced new perspectives, which allowed us to advance this work from a more deeply informed position, with a common language and shared understanding. The IDEAs roadmap is iterative: it's a living document that will be updated and refined as work progresses and as we deepen our understanding and knowledge of IDEA practices.

In January 2024, we put some of these principles into action and hosted SCC's very first Multicultural Festival to celebrate our diversity, giving people from across the organization the opportunity to share and learn about each other's cultures through food, artefacts and presentations. Activities that help us learn and connect around the IDEA principles will continue to be part of our annual plans.

— Muhammad Aashir

SCC IDEAs Advisory Committee member

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Canadian leadership on the world stage

The following experts made a notable impact on the world of international standardization in 2023–2024:



Sheila Leggett, former chair of ISO Technical Committee 207 on environmental management, received a certificate of appreciation signed by ISO Secretary General Sergio Mujica. The certificate was presented in recognition

of Leggett’s leadership and incredible contributions to advancing international standards to address environmental and climate impacts and support sustainable development.



Tanya Deer, an expert on IEC Technical Committee 82 on solar photovoltaic energy systems, received an IEC 1906 Award for her exceptional and persistent efforts as project leader for Technical Specification 62257-100. This

document introduces a series of specifications for off-grid renewable energy and hybrid systems to improve access to electricity, particularly in rural areas.



Walter Jager, an expert on IEC Technical Committee 111 on environmental standardization for electrical and electronic products and systems, received an IEC 1906 Award this year. This award recognizes his excellent leadership as



convenor on two key teams and his overall contributions to IEC standardization work.





IEC 1906 winners representing Canada







The IEC grants the 1906 Award in recognition of exceptional individual achievements that advance standardization in the electrotechnical space. In addition to Deer and Jager, four other experts representing Canada were recognized in 2023:





- ▶ **Paul Cotton**, expert on ISO/IEC JTC1: Information technology
- ▶ **Ted Mavronicolas**, expert on IEC Technical Committee 9: Electrical equipment and systems for railways
- ▶ **Gréguy Saint-Pierre**, expert on IEC Technical Committee 106: Methods for the assessment of electric, magnetic and electromagnetic fields associated with human exposure
- ▶ **Gouri Shankar Bhuyan**, expert on IEC Technical Committee 114: Marine energy – Wave, tidal and other water current converters





Corporate deliverables











#	Objective title	Strategic priority	Status	Targets	Status description
1	An implementation plan for the National Standards Strategy (NSS) is developed to advance areas of priority and focus for Canada's standardization system.	Innovation and competitiveness 	Achieved 	Phase 2 of the NSS implementation plan developed by March 31, 2024.	The NSS implementation plan was developed and received broad support following presentation to Council at its June 2023 meeting.







#	Objective title	Strategic priority	Status	Targets	Status description
2	Standardization advisory services are delivered to foster innovation and prosperity by helping Canadian businesses create jobs, access markets and generate revenue.	Innovation and competitiveness 	Surpassed 	<p>9 standardization strategies delivered through the IP Program to help Canadian businesses create jobs, access markets and generate revenue by March 31, 2024.</p> <p>66% of Canadian businesses surveyed for whom standardization strategies have been created through the IP Program report that these strategies have improved job creation, access to market or revenue generation within 2 years.</p>	<p>As of March 31, 2024, 9 standardization strategies were delivered.</p> <p>73% of Canadian businesses for whom standardization strategies were created through the Innovation/IP Program reported strategies have improved job creation, access to market or revenue generation. This represents a 10% increase over target.</p>
3	Standardization strategies to address mental health and substance use health are delivered through the Standards to Address Mental Health & Substance Use Health Program.	Innovation and competitiveness 	Achieved 	<p>6 standardization strategies delivered to address mental health and substance use health by March 31, 2024.</p> <p>Assessment of roadmap findings identifying gaps and standardization recommendations for other areas of mental health and substance use for future implementation completed by March 31, 2024.</p> <p>Baseline established for participant satisfaction in the Collaborative.</p>	<p>6 standardization strategies were delivered by March 31, 2024.</p> <p>The roadmap was completed and delivered by March 31, 2024.</p> <p>A comprehensive Mental Health and Substance Use Health Accreditation Recommendation Report was developed and delivered by March 31, 2024.</p> <p>Survey data indicates 70% of participants were satisfied with the activities of the Collaborative.</p>





#	Objective title	Strategic priority	Status	Targets	Status description
4	Canadian priorities in AI are supported through the development of a standardization collaborative, a data governance collaborative, standardization strategies and a conformity assessment program.	Innovation and competitiveness 	Achieved 	7 standardization strategies initiated to address recommendations resulting from the Standardization Roadmap Round 1. Completion of an AI conformity assessment pilot by March 31, 2024. Establishment of a new standardization collaborative for AI and Data Governance by March 31, 2024.	All 7 standardization strategies have been advanced by March 31, 2024. The final conformity assessment pilot report was delivered as planned by March 31, 2024. The first meeting of the Steering Committee was held July 24, 2023, which represents the formal launch of the collaborative.
5	Technical specifications for public and private digital credentials and digital trust services are developed to ensure they meet the minimum requirements for interoperability and the safety, privacy and well-being of Canadians.	Innovation and competitiveness 	Achieved 	Implementation of accreditation pilot started by March 31, 2024. 1 certification body recruited for the program by March 31, 2024.	The pilot has been initiated. Registration for the pilot was held in May 2023. 5 potential conformity assessment bodies signed up for consideration, with 1 selected.
6	The Canadian Program for Cyber Security Certification is an accreditation program established to enhance the resilience of Canada's defence procurement supply chain.	Innovation and competitiveness 	Deferred 	Have 1 employee in place by March 31, 2024, to implement the framework.	The framework has not yet been established due to delays in receiving the Canadian version of the NIST standards from the Canadian Centre for Cyber Security.



#	Objective title	Strategic priority	Status	Targets	Status description
7	Federal regulators are equipped with insight and direction on how to use standards and conformity assessment to support modern, agile and responsive regulations.	Canadian leadership 	Achieved 	4 federal departments engaged on theme of accessibility in support of Treasury Board Secretariat (TBS) Regulatory Review on Accessibility/Copyright by March 31, 2024. 5 federal departments engaged to discuss the status of the standards referenced in their regulations by March 31, 2024.	SCC supported Transport Canada's Office of Regulatory Policy and Innovation to advance the accessibility of standards incorporated by reference in regulation through the Regulatory Evaluation Platform. Transport Canada is leading this initiative on behalf of the federal government, and several departments, including Environment and Climate Change Canada, Employment and Social Development Canada, Innovation, Science and Economic Development Canada and Health Canada, are being consulted. Analysis was initiated to identify prevalent trends and standardization priorities of each department with regard to the status of the standards referenced in their regulations. The development of an engagement strategy will continue in the new fiscal year with a focus on aligning SCC's NSS to departmental objectives.
8	Coordination with public safety and provincial/territorial and municipal regulators is strengthened, helping Canadian businesses create jobs, access markets and generate revenue.	Canadian leadership 	Surpassed 	2 strategic initiatives identified to support Regulatory Authority Advisory Bodies (RAABs) in the public safety network by March 31, 2024.	5 new strategic initiatives have been identified and work is ongoing.



#	Objective title	Strategic priority	Status	Targets	Status description
9	Internal trade is facilitated through standardization alignment initiatives with provinces and territories.	Canadian leadership 	Partially Achieved 	1 new standardization alignment initiative underway to incorporate references in regulations and the timely adoption of regulations in Canada to reduce technical barriers by March 31, 2024.	Considering the number of projects (4) being advanced by the Provincial-Territorial Advisory Committee and efforts needed to develop the agreement for the aligned and timely adoption of the Canadian Electrical Code (9 rounds of negotiation took place as of March 31, 2024), it was agreed that SCC would not seek to launch a new initiative at this time, focusing instead on completing ongoing activities.
10	Diversity and inclusion in standardization is advanced.	Canadian leadership 	Achieved 	<p>Progress against SCC's gender work plan:</p> <ul style="list-style-type: none"> ▶ Review of existing research to identify barriers to female participation in technical committees and assess if further research is required completed by March 31, 2024. ▶ Collection of demographic data through member survey (various groups) to establish a baseline on key aspects underway. <p>10 agreements established with academia and research communities for the use of international standards per year.</p> <p>Comparative analysis of female representation by sector for participation in technical and governance committees completed by March 31, 2024.</p>	<p>Research from ISO has been delayed. However, data collection was done, and our member survey did not find a significantly different satisfaction rating between men and women.</p> <p>As of March 31, 2024, SCC is maintaining 23 agreements with 11 academic institutions.</p> <p>Analysis was done on the participation of women in standards development compared to the labour force. Overall, women represent 47% of the labour force and 25.1% of standard development committee members. We will continue to monitor this data to track trends over time.</p>

#	Objective title	Strategic priority	Status	Targets	Status description
11	An International Standardization Roadmap (ISR) is developed to identify areas of priority and participation in standardization activities for SCC.	Canadian leadership 	Achieved 	Phase 2 of the International Standardization Roadmap implementation plan developed by March 31, 2024.	All deliverables representing the key aspects of the ISR Phase 2 implementation plan were delivered by March 31, 2024.
12	Standardization initiatives of strategic importance to Canada are promoted internationally, including activities in support of the Indo-Pacific Strategy.	Canadian leadership 	Surpassed 	3 new Canadian work item proposals submitted internationally in areas of strategic importance to Canada by March 31, 2024.	6 new work items were submitted, representing a 100% increase over target.
13	Representation in regional and international strategic governance roles is maintained.	Canadian leadership 	Surpassed 	Representation in 40 regional and international strategic governance roles by March 31, 2024.	As of March 31, 2024, Canada maintained representation in 68 strategic governance roles.
14	Standardization strategies that address climate change adaptations for infrastructure and buildings are initiated through the existing and augmented (i.e. program extended) Standards to Support Resilience in Infrastructure Program (SSRIP).	Canadian leadership 	Surpassed 	17 standardization strategies initiated to address climate change adaptations for infrastructure and buildings through the SSRIP by March 31, 2024.	18 standardization strategies were initiated.
15	Sustainability is further integrated into Canada's standardization system by incorporating the objectives of SCC's sustainability strategy into implementation plans for the NSS and ISR.	Canadian leadership 	Achieved 	Incorporation of SCC's Sustainability Strategy activities and objectives into the NSS and ISR implementation plans by March 31, 2024.	An SCC Climate Change and Sustainability Strategy and internal collaboration framework, incorporating ESG, has been developed and was finalized in Q4 to enable implementation of relevant NSS/ISR priorities.

#	Objective title	Strategic priority	Status	Targets	Status description
16	A flexible workplace model and strategy are implemented.	Organizational excellence 	Achieved 	Supporting policies for hybrid work model in place by September 30, 2023. Hybrid working model implemented by March 31, 2024.	The Flexible Work Policy is in place. The hybrid working model is fully implemented, including a corporate calendar of in-office activities and a digital office booking solution, is in place since September 20, 2023.
17	Strong employee engagement and well-being (including mental health) is fostered.	Organizational excellence 	Achieved 	Score maintained at industry's 75 th percentile. A baseline percentage of employees reporting positive well-being in the workplace is established by March 31, 2024. Analysis conducted of existing well-being activities, projects and survey outcomes by March 31, 2024. 2 initiatives related to maximizing well-being in the workplace identified by March 31, 2024.	Employee engagement survey is complete. An engagement score of 82% was achieved. 74% of staff reported positive workplace well-being.
18	SCC's diversity strategy,, including ongoing alignment with government reporting requirements, is implemented.	Organizational excellence 	Surpassed 	Strategies identified to address gaps identified in 2022–23 IDEA gap analysis. All staff trained in diversity and inclusion by March 31, 2024. Diversity and inclusion score from 2022–23 staff engagement survey is maintained.	Deep-dive training for committee members and HR has been completed. A highly successful staff-led Multicultural Festival was held in January 2024. The training target has been met and an IDEAs committee has been established. Engagement survey score rose from 83% satisfaction in 2022 to 87% in 2024.

#	Objective title	Strategic priority	Status	Targets	Status description
19	SCC's strategic framework is updated to deliver deeper impact and engage a broader stakeholder base by way of Canada's standardization system.	Organizational excellence 	Achieved 	Formal launch plan for refreshed strategic framework in place by March 31, 2024.	The new strategic framework has been finalized and launched.
20	Employees are provided with modern digital tools for collaborative and virtual work, improved stakeholder engagement, and robust security.	Organizational excellence 	Achieved 	4 projects identified for delivery in the 2023–24 Enterprise Architecture roadmap underway or implemented by March 31, 2024. 2 additional functional areas (member services and programs) onboarded as part of Phase 2 of the CRM project by March 31, 2024. Standards Data Fabric project initiated by March 31, 2024. Modernization of SCC's finance system (ERP) underway by March 31, 2024.	4 projects are underway as of March 31, 2024.

#	Objective title	Strategic priority	Status	Targets	Status description
21	Standardization advisory services are modernized to meet increased demand and emerging needs of standardization system stakeholders.	Organizational excellence 	Achieved 	Standardization Advisory Service delivery model and implementation options identified by March 31, 2024. 3 strategies presented to 1 or more government stakeholders.	A draft framework identifying proposed standardization advisory services lines has been developed. An organizational review of relevant functions and capability areas has been conducted to support the development of a conceptual delivery model and implementation options. A new organizational structure and horizontal streams have been identified to support implementation. 3 strategies have been presented and discussed with Transport Canada, Environment and Climate Change Canada, and the National Research Council of Canada.

#	Objective title	Strategic priority	Status	Targets	Status description
22	The Accreditation Services branch (ASB) is implementing its growth plan for service delivery.	Organizational excellence 	Delayed 	2 new accreditation services schemes and/or programs developed. 4% increase in revenues attributed to the new accreditation service offerings. Alignment of SCC's accreditation service offering aligned with the NSS and a framework developed for a National Accreditation Strategy that complements the NSS.	2 new programs are in development. These are multi-year projects and will not be ready for launch until 2025. Some in-year iterative growth has occurred, with current customers expanding their scope of accreditation; the customer base remains stable. Conformity assessment and accreditation aspects were integrated into the NSS implementation plan. A detailed companion document describing ASB's role in the implementation of the NSS was developed and supports ASB's responsibilities in sector-specific strategic frameworks under development.



About our organization

Our business units

Standardization Services

Oversees Canadian standards development activities and facilitates Canada's involvement in international standards development and bilateral partnerships, provides policy guidance to governments, and leads initiatives for impactful public policy solutions.

Accreditation Services

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

Corporate Services

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

Human Resources

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

Office of the CEO

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

Our executive team



Chantal Guay,
Chief Executive Officer



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



Brady Allin,
Director, Strategy
and Integration, Special
Advisor to the CEO



Christine List,
Vice-President,
Chief Legal Officer and
Corporate Secretary



Pierre Bilodeau,
Vice-President,
Standardization Services



Elias Rafoul,
Vice-President,
Accreditation Services



Dominique Dallaire,
Vice-President, Culture,
and Chief Human
Resources Officer



Annie Roy,
Vice-President and Chief
Communications Officer

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.



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



Colin Clark,
Chief Technical
Officer, Brookfield
Renewable —
Vice-Chair



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



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



William Hawkins,
Executive Director,
Building and
Technical Standards,
Government of
Saskatchewan
Ministry of
Government
Relations; Vice-Chair
of the Provincial-
Territorial Advisory
Committee



Dennis Hogan,
Chief Executive
Officer, St. John's
International
Airport Authority



Ralph M. Paroli,
Director, Parnassa
Building Envelope
Standards and
Technology; former
Director of R&D,
National Research
Council – Metrology
(retired)



Mark Ramlochan,
Head of Standards
Planning, UL
Standards and
Engagement; Chair
of the Standards
Development
Organizations
Advisory Committee



Dianne Salt,
Chief
Communications
Officer (former),
Sodexo



**Ahmed Fathi
Shalabi,**
professional
engineer (retired)



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



Marc Y. Tassé,
Professor, University
of Ottawa and
McGill University;
President and Chief
Executive Officer,
Sira International
Risk Advisors



Tayt Winnitoy,
Chief Operating
Officer, Consumer
Protection BC

A hand holding a pen is positioned over a laptop keyboard. The background is a blurred image of a laptop screen displaying a bar chart and a pie chart. A network of white lines and dots is overlaid on the image, connecting various points across the scene. The overall color palette is light blue and white, with a large, stylized white arrow shape pointing downwards from the top right corner.

Financial performance

During 2023–2024, SCC progressed against its strategic priorities of “Innovation and competitiveness”, “Canadian leadership” and “Organizational excellence”. It focused on continued business development, accreditation services and the start of new programs like the Canadian Program for Cybersecurity Certification and Canada’s Indo-Pacific Strategy. Throughout the year, SCC regularly examined its allocation of resources. This was to ensure a sustained delivery against corporate priorities and to accomplish balanced financial performance against its objectives. Additionally, SCC maintained its focus on a five-year planning horizon, consistent with its Corporate Plan, to plan for future resource needs and proactively manage potential areas of risk. This strategic financial management approach, combined with resilience, enabled SCC to optimize resource management and deliver on its objectives.

SCC ended its fiscal year with an annual surplus of \$1.4 million, a favourable variance of \$2.7 million compared with the planned deficit of \$1.3 million and was \$0.4 million higher than the prior year's annual surplus of \$1.0 million. The planned deficit represents SCC's intent to catch up on spending against the carry-over of prior year program spending commitments; a recurring trend. Continuing the trend in this current year, the late approval of certain program funding combined with an associated delay in the start of program deliverables caused a temporary surplus relative to plan and a carry-over of spending commitments into future fiscal years.

SCC's total revenue in 2023–2024 (excluding federal government appropriations) was \$18.3 million, which was \$2.8 million or 18 per cent higher than the \$15.5 million recorded during 2022–2023. The increase from last year was primarily due to business development efforts through innovative services revenue which increased by \$1.5 million, and accreditation services revenue which finished \$1.0 million higher than last year. Combined results for other income, royalties and delegate support contributions also finished higher than both the prior year and SCC's plan.

Revenue from accreditation services activities was \$10.1 million, which was \$1.0 million or 11 per cent higher than the \$9.1 million recorded during 2022–2023, and \$0.8 million or 9 per cent higher than its plan of \$9.3 million. These revenue gains were primarily driven by an increase in the number of assessment activities relative to both its plan and the prior year. Also, an increase in customer on-site assessments as part of a return to normal operations following the pandemic and the recovery of associated travel-related costs accounted for more than half of the year-over-year revenue growth. The accreditation services branch closely monitors its activities with the goal of delivering its planned contribution. It also conducts regular analysis to gauge the impact of inflation and changes on program pricing, to maintain reasonable growth and contribution levels. The accreditation services branch achieved its overall financial performance targets for the year.

Innovative services revenue was \$5.4 million, which was \$1.5 million or 39 per cent higher than last year's result of \$3.9 million but was \$0.9 million or 14 per cent lower than its plan of \$6.3 million. Increasing revenues from its standardization solution services continues to be a pillar of SCC's financial sustainability strategy. This increase is part of SCC's strategic efforts to diversify its funding and revenue sources by generating revenue through



collaboration with interested parties on projects that have standardization implications. Overall, for the year, SCC achieved an additional \$1.1 million net contribution from this source of revenue. Going forward, SCC will continue to explore opportunities to generate alternative sources of revenue from leveraging its expertise in standardization.

Royalties from the sale of standards totaled \$2.1 million, which was an increase of \$0.2 million or 11 per cent higher than plan of \$1.9 million and was slightly higher than the prior year royalties revenue of \$2.0 million. These revenues are subject to fluctuations due to changes in standards and economic activity. Additionally, it continues to be challenging for SCC as well as its resellers to forecast demand/sales volumes. Sales volumes were slightly higher than expected for the year, driven in part by an updated cybersecurity standard earlier in the fiscal year.

Revenue from other income amounted to \$0.6 million, which was \$0.1 million or 20 per cent higher than the \$0.5 million recognized during the prior fiscal year. Other income of \$0.6 million in 2023–2024 was also \$0.3 million or 100 per cent higher than plan of \$0.3 million. This is primarily the result of inflation and a greater than expected interest return on deposits.

Operating expenses were 6 per cent lower than planned expenses and 15 per cent higher than prior fiscal year. Salaries and benefits, Travel and Professional fees were the largest drivers of variance from both plan and prior year results.

Operating expenses were \$37.3 million, which was \$2.2 million or 6 per cent lower than planned expenses of \$39.5 million:

- ▶ \$5.0 million of reduced Professional and special services primarily due to delayed timing on program spending (\$4.5 million) carried into the next fiscal year and the reduced activity associated with lower revenue on sustainable funding projects (\$0.5 million);
- ▶ \$1.7 million of additional expense within Salaries and employee benefits stemming from:
 - \$0.7 million from a lower vacancy rate than planned (SCC experienced a vacancy rate of 3 per cent vs planned 7 per cent);
 - \$0.6 million from unplanned positions hired as a result of anticipated needs to support business priorities;
 - \$0.3 million in one-time expenses that are recovered through appropriations;
 - \$0.1 million in unplanned recruitment expenses and benefits;
- ▶ \$1.1 million of additional travel and meeting expenses related to increase in assessment activity and a return to pre-pandemic levels of travel for non-recoverable meetings; and

- ▶ no significant variance in any one remaining expense items.

Operating expenses of \$37.3 million were \$4.8 million or 15 per cent higher than prior fiscal year expenses of \$32.5 million:

- ▶ \$2.0 million from Professional and special services consistent with planned spending for programs, business development;
- ▶ \$1.7 million from Salaries and employee benefits stemming from a combination of planned staffing increases to add capacity that correlates with program spending, business development and overall capacity constraints;
- ▶ \$0.9 million of increased travel expenses associated with additional assessment activity (\$0.6 million) and non-recoverable travel (\$0.3 million); and
- ▶ \$0.2 million in all other expenses with no significant variance in any remaining expense items.

In 2023–2024, SCC recognized \$20.4 million in parliamentary appropriations, which was \$0.2 million or 1 per cent higher than the plan of \$20.2 million and \$2.4 million or 13 per cent higher than prior year appropriations of \$18.0 million. The increase versus plan is due to the recovery of one-time expenses while the increase from prior year is primarily due to new temporary funding programs:

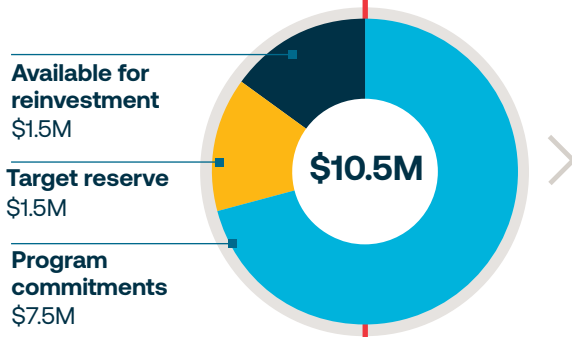
Program (\$ million)	Plan vs. Actual			Prior Year vs. Current Year		
	Plan	Actual	Variance	2023	2024	Variance
Base / Main estimates	\$ 11.5	\$ 11.5	–	\$ 9.2	\$ 11.5	\$ 2.3
Infrastructure	2.2	2.2	–	1.7	2.2	0.5
Infrastructure III	1.5	1.5	–	–	1.5	1.5
Cyber security II - CMMC	0.5	0.5	–	–	0.4	0.4
Intellectual property	–	–	–	2.4	–	(2.4)
Pan-Canadian artificial intelligence strategy	1.9	1.9	–	2.0	1.9	(0.1)
50–30 challenge: standardization strategy	0.4	0.4	–	0.6	0.4	(0.2)
Data governance / Digital credentials	1.8	1.8	–	1.8	1.8	–
Indo-Pacific strategy	0.4	0.4	–	–	0.4	0.4
One-time expenditure recovery	–	0.2	0.2	0.3	0.3	–
Total appropriations	\$ 20.2	\$ 20.4	\$ 0.2	\$ 18.0	\$ 20.4	\$ 2.4

As of March 31, 2024, SCC's Accumulated surplus was \$10.5 million. The increase in SCC's Accumulated surplus this year is primarily due to timing and the in-year approval of funding with insufficient lead time to initiate expenditures against the funds. This is a common challenge for SCC, with adjustments to approved levels of government funding being made in-year. SCC's current Corporate Plan reflects the balance between funding and expenditures over the next five years.

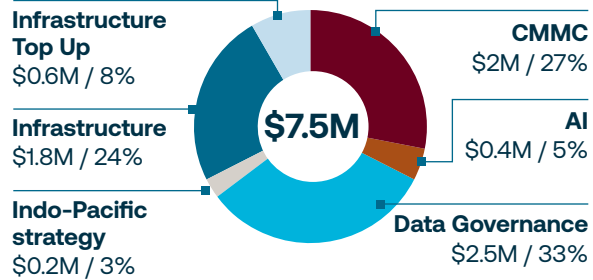
During this planning timeframe, SCC's Accumulated surplus is fully committed to:

- ▶ program commitments that carry over into future fiscal years (\$7.5 million)
- ▶ a reserve for risk as per SCC's Target Reserve Policy (\$1.5 million)
- ▶ strategic one-time investments such as IM/IT modernization and security and amounts required to offset inflationary pressures over the next 6–12 months (\$1.5 million)

Accumulated surplus (\$10.5M)



Program commitments



Financial overview 2019–2020 to 2023–2024

Financial overview	2019–2020	2020–2021	2021–2022	2022–2023	2023–2024 Plan	2023–2024 Actual
Revenue						
Accreditation fees	\$ 7,723,071	\$ 6,629,232	\$ 7,332,138	\$ 9,069,342	\$ 9,261,000	\$10,124,942
Royalties from standards sales	1,568,236	1,704,836	1,754,649	1,953,943	1,857,000	2,116,253
Innovative services	625,268	641,491	1,066,526	3,898,605	6,335,000	5,362,348
Delegate support contributions	342,818	847	–	66,816	203,000	59,450
Other income	529,852	285,759	209,193	483,323	308,000	645,525
	10,789,245	9,262,165	10,362,506	15,472,029	17,964,000	18,308,518
Expenses						
Accreditation services	6,295,578	5,443,756	5,913,703	7,331,153	7,748,000	8,293,470
Standards solution and strategy	12,540,657	11,508,725	11,164,823	12,227,177	18,425,000	15,627,460
Management and administrative services	10,366,349	10,785,333	11,325,534	12,922,093	13,284,000	13,373,093
	29,202,584	27,737,814	28,404,060	32,480,423	39,457,000	37,294,023
(Deficit) from operations	(18,413,339)	(18,475,649)	(18,041,554)	(17,008,394)	(21,493,000)	(18,985,505)
Government funding						
Parliamentary appropriations	18,578,854	18,578,854	19,271,621	17,967,928	20,150,000	20,420,236
Annual surplus/(Deficit)	\$ 165,515	\$ 103,205	\$ 1,230,067	\$ 959,534	\$ (1,343,000)	\$ 1,434,731

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 of Canada Secretariat guidelines to ensure the organization has appropriate mitigation strategies in place.

SCC is partly funded from appropriations and partly from revenue generated from its operations. In accordance with the *Financial Administration Act*, SCC applies rigorous financial management practices to safeguard those resources. To remain relevant, SCC recognizes the importance of maintaining the confidence of government, industry, and other stakeholders in the value of standardization and the role SCC plays to advance it. That confidence requires SCC to meet its organizational requirements and manage its risks effectively to maintain its status as a trusted advisor and representative on international and regional standardization regimes and bodies.

Below are the key risks that SCC has monitored and managed over the past fiscal year and will continue to monitor over the upcoming fiscal year.

Financial sustainability

In terms of mitigation of financial risks, SCC has strong financial controls in place, a lean discretionary spending base and limited exposure attributed to a relatively straightforward funding and disbursement operating environment. SCC's main challenge is to maintain financial sustainability while delivering against an increasing portfolio of standardization objectives in priority and emerging sectors. While SCC benefits from program funding in some of these areas and has been shifting towards a higher proportion of self-generated funding, there are limitations. SCC's fixed base funding has been significantly eroded by inflation over the past decade, and the costs of doing business, such as maintaining a vigilant IT security environment, continue to rise. Increasingly, SCC's ability to deliver on its strategic objectives is at risk.

SCC continues to manage existing resources by:

- ▶ rebalancing its 5-year plan annually, including aligning expenditures with the most impactful strategic priorities
- ▶ aligning expenditures to the Corporate Plan and operating budget
- ▶ seeking out cost recovery opportunities where possible and appropriate
- ▶ monitoring financial results against plan in a timely manner and reporting regularly to the Governing Council
- ▶ scrutinizing and reprioritizing expenditures at the executive management level before making significant commitments

These efforts have helped SCC become a lean and focused operation. However, resources are insufficient to both address new demands at the national and international standardization level as well as new compliance requirements. As such, SCC continues to look to cost containment, prioritization and a reduction in non-essential activities to balance its financial plan. SCC is also exploring potential alternative sources of revenue and a permanent increase in base funding to offset a decade of inflationary erosion.

Availability of key personnel and capacity

SCC is a knowledge and process-driven organization and therefore is dependent on its employees to deliver its mandate and achieve the desired outcomes outlined in this plan. While this risk previously centered around continuity and succession planning for key leadership positions, recent indicators point to the nature of the risk having evolved to be primarily a risk of losing capacity due to unsustainable workloads. This risk stems from the increased demands placed on SCC relating to emerging sectors, such as the digital economy and environmental sustainability. This risk is further exacerbated in many instances as SCC staffs only 1 full-time employee (FTE) in some key areas due to budget limitations.

Mitigations to the risk of excessive workload and the impact of vacancies include:

- ▶ more responsive recruitment processes
- ▶ workplace planning reviews to better match requirements with skills and demand
- ▶ personnel management practices such as exit interviews to look for improvement opportunities
- ▶ a flexible workplace model to improve retention and recruitment prospects
- ▶ the use of employee engagement surveys to monitor and respond to employee feedback for an improvement of the professional and work-life experience
- ▶ promotion and full transparency on training and development opportunities

A related but distinct risk is the availability of sufficient qualified assessment personnel to implement the Accreditation Services program. To ensure the availability of qualified assessment personnel to deliver accreditation activities and meet customer needs, SCC has implemented an on-going needs analysis as well as assessor resourcing initiatives to attract and retain competent and qualified assessors, complemented by new tools and training. SCC's accreditation services has implemented remote and online assessments to mitigate risks to its revenue base.

Technical and governance committee experts

SCC provides financial support to volunteers who represent Canada as delegates to technical and governance committees of standard-setting bodies. Due to SCC's resource-constrained environment and the impact of inflationary pressures on its budget, the level of support available for technical and governance committees has decreased. We have reduced our support to Canadian delegates by half of pre-pandemic levels, leading to fewer experts participating in international standard-setting activities on Canada's behalf. This has raised concerns about the reduced level of support leading to Canada's influence in international standard-setting being reduced. SCC is addressing these concerns where possible by ensuring resources are allocated to the highest priority technical committees.

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*.



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

Ottawa, Canada
June 6, 2024

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.



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



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 2024, 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 2024, 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
6 June 2024

Standards Council of Canada

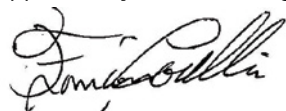
Statement of financial position

As at March 31,	2024	2023
Financial assets		
Cash and cash equivalents (Note 5)	\$ 6,751,528	\$ 5,386,450
Accounts receivable (Note 5)	2,686,966	2,504,300
Federal government departments and agencies receivable (Note 15)	2,526,773	963,412
Parliamentary appropriations receivable (Note 15)	551,873	1,814,592
	12,517,140	10,668,754
Liabilities		
Accounts payable and accrued liabilities (Note 7)	4,313,318	3,335,765
Deferred contributions (Note 8)	88,619	135,608
Deferred revenue (Note 9)	130,974	369,317
Deferred lease inducement (Note 10)	531,176	612,895
	5,064,087	4,453,585
Net financial assets	7,453,053	6,215,169
Non-financial assets		
Tangible capital assets (Note 6)	1,585,343	1,415,263
Prepaid expenses	1,412,750	1,385,983
	2,998,093	2,801,246
Accumulated surplus	\$ 10,451,146	\$ 9,016,415

Contractual rights (Note 13)
Contractual obligations (Note 14)

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

Approved by the Governing Council:



François Coallier, PhD, ing. P.Eng.
Chair, Governing Council

Approved by Management:



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

Standards Council of Canada

Statement of operations

For the year ended March 31,	2024 Budget (Note 16)		2024	2023
Revenues from operations				
Accreditation services fees	\$	9,261,000	\$ 10,124,942	\$ 9,069,342
Royalties from sales of standards		1,857,000	2,116,253	1,953,943
Delegate support contributions		203,000	59,450	66,816
Innovative services		6,335,000	5,362,348	3,898,605
Other income		308,000	645,525	483,323
		17,964,000	18,308,518	15,472,029
Expenses (Note 12)				
Accreditation services		7,748,000	8,293,470	7,331,153
Standards solution and strategy		18,425,000	15,627,460	12,227,177
Management and administrative services		13,284,000	13,373,093	12,922,093
		39,457,000	37,294,023	32,480,423
Deficit before parliamentary appropriations		(21,493,000)	(18,985,505)	(17,008,394)
Parliamentary appropriations		20,150,000	20,420,236	17,967,928
Surplus/(Deficit)		(1,343,000)	1,434,731	959,534
Accumulated surplus, beginning of year		7,983,000	9,016,415	8,056,881
Accumulated surplus, end of year	\$	6,640,000	\$ 10,451,146	\$ 9,016,415

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,	2024 Budget (Note 16)		2024		2023	
Surplus/(Deficit)	\$	(1,343,000)	\$	1,434,731	\$	959,534
Acquisition of tangible capital assets		(1,120,000)		(618,701)		(241,682)
Loss on disposal of tangible capital assets		-		8,357		1,182
Amortization of tangible capital assets		624,000		440,264		495,341
Increase in prepaid expenses		(38,000)		(26,767)		(64,460)
Increase/(Decrease) in net financial assets		(1,877,000)		1,237,884		1,149,915
Net financial assets at beginning of year		5,086,000		6,215,169		5,065,254
Net financial assets at end of year	\$	3,209,000	\$	7,453,053	\$	6,215,169

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,	2024	2023
Operating transactions:		
Surplus	\$ 1,434,731	\$ 959,534
Adjustments for non-cash items:		
Amortization of tangible capital assets	440,264	495,341
Amortization of deferred lease inducement	(81,719)	(81,720)
Loss on disposal of tangible capital assets	8,357	1,182
Changes in:		
Prepaid expenses	(26,767)	(64,460)
Deferred revenue	(238,343)	(1,958,094)
Accounts receivable	(182,666)	(761,356)
Federal government departments and agencies receivable	(1,563,361)	(808,065)
Parliamentary appropriations receivable	1,262,719	1,937,008
Accounts payable and accrued liabilities	935,925	719,201
Deferred contributions	(46,989)	38,760
Cash provided by operating transactions	1,942,151	477,331
Capital transactions:		
Additions of tangible capital assets	(577,073)	(213,410)
Cash applied to capital transactions	(577,073)	(213,410)
Net increase in cash and cash equivalents	1,365,078	263,921
Cash and cash equivalents, beginning of the year	5,386,450	5,122,529
Cash and cash equivalents, end of the year	\$ 6,751,528	\$ 5,386,450

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

Notes to the financial statements

March 31, 2024

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.
- ▶ Accredit 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.

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

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

2. Adoption of new Public Sector Accounting Standard(s)

The Public Sector Accounting Board issued two new accounting standards effective for fiscal years beginning on or after April 1, 2023: Revenue (PS 3400) and Public-Private Partnerships (PS 3160). SCC does not have any Public-Private Partnerships. The updated Revenue Standard provides guidance on how to report revenue based on the presence of performance obligations. SCC undertook an analysis of its various revenue streams and concluded that it is compliant with the new Revenue standard. Adoption was applied prospectively; prior periods were not restated due to the implementation not having a material impact on the financial statements.

3. Significant accounting policies

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

a) Basis of accounting

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

b) Cash and cash equivalents

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

c) Tangible capital assets

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

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

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

d) Prepaid expenses

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

e) Revenue recognition, deferred revenue and deferred contributions

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

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

Innovative services are fees that SCC collects in exchange for providing standards related solutions and expertise to customers. The rights to collect innovative services fees are created via contracts and revenue is recognized as performance obligations and/or milestones are reached.

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 required performance obligation of meeting attendance along with its related expenditures are incurred.

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

f) Deferred lease inducement

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

g) Expenses

Expenses are reported on an accrual basis to ensure that the cost of all goods and services consumed in the year is expensed. Expenses are presented by function on the Statement of Operations. Accreditation services expenses relate to SCC accreditation programs where SCC accredits conformity assessment bodies and standards development organizations, such as testing laboratories and product certification bodies, to internationally recognized standards. Standards solutions and 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, such as the quarterly accrual for Royalties revenue, 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.

4. 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.

5. 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, 2024, SCC's cash and cash equivalents balance of \$6,751,528 consisted of \$6,558,766 term-deposits and \$192,762 of cash (March 31, 2023 was \$5,386,450 and consisted of \$4,000,000 term-deposits and \$1,386,450 of cash). All accounts receivable, accounts payable and accrued liabilities are incurred in the normal course of business. All are generally due within 30 days. The carrying value of each financial instrument approximates its fair value because of the short maturity of the instruments. All financial assets and financial liabilities are measured at cost or amortized cost.

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

Credit risk

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

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

As of 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
2024	\$ 2,686,966	\$ 1,936,400	\$ 343,536	\$ 85,542	\$ 49,739	\$ 271,749
2023	\$ 2,504,300	\$ 1,723,707	\$ 353,688	\$ 14,136	\$ 106,511	\$ 306,258

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
2024	\$ 3,078,646	\$ 2,187,885	\$ 878,319	\$ (6,486)	\$ 18,669	\$ 259
2023	\$ 2,778,004	\$ 2,759,339	\$ 32,552	\$ (4,315)	\$ 60	\$ (9,632)

SCC assesses the requirement for an allowance for bad debts by considering the age of overdue receivables 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, 2024, the allowance for bad debts is estimated at \$9,293 (March 31, 2023 was \$42,706). The following table provides a reconciliation of the allowance for the year.

	March 31, 2024	March 31, 2023
Balance, beginning of year	\$ 42,706	\$ 35,084
Recoveries/(write-offs)	(52,455)	(2,925)
Bad debt allowance expense/(reduction)	19,042	10,547
Balance, end of year	\$ 9,293	\$ 42,706

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.

6. Tangible capital assets

March 31, 2024	Furniture		Equipment		Leasehold improvements		2024 Total
Cost							
Opening balance	\$	742,590	\$	2,699,773	\$	1,189,980	\$ 4,632,343
Additions		–		590,088		28,613	618,701
Disposals		–		(367,283)		–	(367,283)
Closing balance		742,590		2,922,578		1,218,593	4,883,761
Accumulated amortization							
Opening balance		(712,861)		(1,950,197)		(554,022)	(3,217,080)
Amortization		(26,400)		(328,006)		(85,858)	(440,264)
Disposals		–		358,926		–	358,926
Closing balance		(739,261)		(1,919,277)		(639,880)	(3,298,418)
Net book value	\$	3,329	\$	1,003,301	\$	578,713	\$ 1,585,343

The Equipment category includes \$433,211 of assets under development as of March 31, 2024, which were not being amortized at the time.

The additions of tangible capital assets in the Statement of Cash Flow are adjusted for 2023–2024 additions of \$41,628 that will be paid in 2024–2025.

March 31, 2023	Furniture		Equipment		Leasehold improvements		2023 Total
Cost							
Opening balance	\$	738,338	\$	2,683,048	\$	1,161,708	\$ 4,583,094
Additions		4,252		209,158		28,272	241,682
Disposals		–		(192,433)		–	(192,433)
Closing balance		742,590		2,699,773		1,189,980	4,632,343
Accumulated amortization							
Opening balance		(683,952)		(1,756,393)		(472,645)	(2,912,990)
Amortization		(28,909)		(385,055)		(81,377)	(495,341)
Disposals		–		191,251		–	191,251
Closing balance		(712,861)		(1,950,197)		(554,022)	(3,217,080)
Net book value	\$	29,729	\$	749,576	\$	635,958	\$ 1,415,263

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

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

7. Accounts payable and accrued liabilities

	March 31, 2024	March 31, 2023
Vendor payables and accrued liabilities	\$ 2,606,785	\$ 1,597,844
Salaries and benefits payable	1,254,386	1,276,577
Accrued vacation pay	452,147	461,344
	\$ 4,313,318	\$ 3,335,765

8. Deferred contributions

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

	March 31, 2024	March 31, 2023
Balance, beginning of year	\$ 135,608	\$ 96,848
Contributions received (refunded)	52,450	105,576
Contributions credited (recognized)	(99,439)	(66,816)
Net Contributions	(46,989)	38,760
Balance, end of year	\$ 88,619	\$ 135,608

9. Deferred revenue

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

	March 31, 2024	March 31, 2023
Balance, beginning of year	\$ 369,317	\$ 2,327,411
Add: Fees due per agreements	3,697,063	4,138,784
Less: Fees recognized into revenue	(3,935,406)	(6,096,878)
Net fees	(238,343)	(1,958,094)
Balance, end of year	\$ 130,974	\$ 369,317

10. Deferred lease inducement

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

	March 31, 2024	March 31, 2023
Balance, beginning of year	\$ 612,895	\$ 694,615
Add: Inducements received	-	-
Less: Inducements recognized	(81,719)	(81,720)
Net inducements	(81,719)	(81,720)
Balance, end of year	\$ 531,176	\$ 612,895

11. Pension and employee benefits

Pension benefits:

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

SCC's responsibility 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, 2024	March 31, 2023
SCC's contribution	\$2,189,207	\$1,910,937
Employees' contributions	\$1,821,470	\$1,649,625

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

	Calendar year	
	2024	2023
Employees (pre-2013) – Current service:		
On earnings up to yearly maximum pensionable earnings (YMPE)	9.35%	9.35%
On earnings exceeding YMPE: 2024-\$68,500 2023-\$66,600	12.25%	12.37%
Employees (post 2013) – Current service:		
On earnings up to yearly maximum pensionable earnings	7.94%	7.93%
On earnings exceeding YMPE: 2024-\$68,500 2023-\$66,600	11.54%	11.72%
Employer – Expressed as a multiple of employee contributions:		
For pre-2013 employee contributions on current and elective service on single-rate employee contributions	1.02	1.02
For pre-2013 employee elective service on double-rate contributions	.01	.01
For post 2013 employee contributions on current and elective service on single-rate employee contributions	1.00	1.00
For post 2013 employee elective service on double-rate employee contributions	nil	nil
For existing Retirement Compensation Arrangement on earnings that exceed: 2024-\$202,000 2023-\$196,200	4.63	5.29

Employee benefits:

For the year ended March 31, 2024, SCC paid \$1,409,279 for its employees' benefits plan (March 31, 2023, was \$1,376,116).

12. Expenses

	2024 Budget (Note 16)		2024		2023	
Salaries and employee benefits	\$	21,058,000	\$	22,820,280	\$	21,097,002
Professional and special services		12,824,000		7,779,422		5,751,055
Travel		1,001,000		2,139,595		1,237,546
Memberships in international organizations		1,310,000		1,362,713		1,269,962
Office supplies		1,033,000		960,864		971,179
Office accommodation		872,000		789,261		712,721
Amortization of premises and equipment		538,000		440,264		495,341
Conferences & events		143,000		362,919		250,862
Insurance		132,000		122,769		122,107
Hospitality		76,000		102,457		133,708
Offsite storage & other		112,000		94,790		103,628
Telecommunications and postage		160,000		88,730		110,456
Repair & upkeep		82,000		69,329		66,711
Bank charges		63,000		63,460		58,611
Publications and printing		21,000		58,743		70,981
Bad debt expense		11,000		19,042		10,547
Rental of office equipment		21,000		11,028		16,824
Loss on disposal of tangible capital assets		–		8,357		1,182
	\$	39,457,000	\$	37,294,023	\$	32,480,423

13. Contractual rights

SCC has signed contractual agreements with its accreditation services customers. The multi-year accreditation services contracts include an annual fee portion that is payable yearly. As at March 31, 2024 SCC had contractual rights to \$3,746,717 of uncollected annual fees pertaining to fiscal year 2024–2025 (March 31, 2023 was \$3,558,190).

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. Since the revenue from these contracts is based on the volume of sales, the value of the contracts fluctuates, but is expected to approximate \$1.9 million annually, which is SCC's average revenue from these sources over the past three years. As of March 31, 2023, the expectation was \$1.8 million.

There were \$332,828 of related party rights as of March 31, 2024 (March 31, 2023 was \$296,508).

14. 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, 2024

	Office space		Office equipment		Standardization initiatives		Total
2024–2025	\$	464,811	\$	5,392	\$	4,427,679	\$ 4,897,882
2025–2026		491,224		1,704		1,050,301	1,543,229
2026–2027		517,637		–		171,749	689,386
2027–2028		517,637		–		–	517,637
2028–2029		517,637		–		–	517,637
thereafter		776,456		–		–	776,456
	\$	3,285,402	\$	7,096	\$	5,649,729	\$ 8,942,227

Commitments with related parties included in standardization initiatives were \$482,879 as of March 31, 2024 (March 31, 2023, was \$443,590).

15. Related party transactions

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

	2024	2023
Revenues	\$ 6,059,764	\$ 4,378,010
Parliamentary appropriations	20,420,236	17,967,928
Expenses	178,413	78,032
Federal government departments and agencies receivable and parliamentary appropriations receivable	3,078,647	2,778,004
Accounts payable and accrued liabilities	36,132	–

Related party revenues were derived primarily from innovative services and accreditation services fees while expenses were primarily related to telecommunications as well as professional and special services.

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

16. Budget figures

Budget figures have been provided for comparison purposes and have been sourced from SCC's 2023–2024 to 2027–2028 Corporate Plan approved by SCC's Governing Council and Treasury Board.

Standards Council of Canada

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