



Standards Council of Canada
Conseil canadien des normes

SUMMARY OF CORPORATE PLAN

2005-2006 TO 2009-2010

SUMMARY OF OPERATING BUDGET

2005-2006

SUMMARY OF CAPITAL BUDGET

2005-2006

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1. EXECUTIVE SUMMARY

The Standards Council of Canada (SCC) embarked upon a significant planning journey in fiscal years 2003-2004 and 2004-2005 to refocus its strategic directions. As the 2001-2004 Strategic Plan neared completion and the activities outlined in the Canadian Standards Strategy—the National Standards System’s action plan for standardization—were addressed, the SCC needed to develop a new strategic plan for the next 3-5 years.

In the past the SCC had several corporate planning documents including a 3-5 year Strategic Plan, an annual Corporate Plan and the Canadian Standards Strategy (CSS). In FY 2004-2005 the SCC capitalized on the fact that each of these plans was nearing completion at the same time to reduce the number of plans that it maintained by incorporating the strategic plan into the FY 2005-2006 to 2009-2010 Corporate Plan.

SCC also developed the CSS Update at the same time as the Corporate Plan to ensure that they mirrored each other with respect to priorities. The objectives outlined in the CSS Update have also been incorporated into this Corporate Plan for consistency and to ensure that both SCC staff and National Standards System (NSS) stakeholders are focused on the same pursuits.

Staff, management and Council also clarified the SCC’s mission and vision to ensure that planned goals and objectives will support SCC’s efforts to achieve its vision by 2010.

Four strategic areas of priority were identified in the 2005-2006 strategic planning sessions:

1. SCC Branding and Awareness
2. Organizational Sustainability and Effectiveness
3. National Standards System Infrastructure
4. Strategic International and Regional Participation

Underlying themes in each of these areas are the expansion of the NSS to engage new partners, members and supporters within targeted stakeholder groups (e.g. regulators, public policy-makers, industry, etc.) and the important role that staff, partners and NSS stakeholders have in communicating the value of standards to Canadians and in expanding the NSS.

The challenge in the years ahead is to ensure that the same level of awareness and credibility that SCC enjoys internationally is replicated at home. Effective balancing of the many opportunities for standardization involvement within Canada will be fundamental to ensuring success. Heightening awareness of relevant and cost-effective voluntary standards solutions within Canada is a critical component to this success.

The groundwork laid in recent years has helped the SCC to increase awareness of the role that standards and accreditation programs can play in areas such as trade, Smart Regulation, healthcare and water quality to name just a few. The opportunities that now exist for voluntary standards development and conformity assessment in Canada are many, and the SCC, its dedicated and experienced staff and members of the NSS are well-positioned to respond to these possibilities.

2.0 MANDATE, MISSION AND VISION

The Standards Council takes its mandate from the *Standards Council of Canada Act*, its governing legislation:

The Standards Council of Canada is a federal Crown corporation with a mandate to:

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

- a) *promote the participation of Canadians in voluntary standards activities,*
- b) *promote public–private sector cooperation in relation to voluntary standardization in Canada,*
- c) *coordinate and oversee the efforts of the persons and organizations involved in the National Standards System,*
- d) *foster quality, performance and technological innovation in Canadian goods and services through standards-related activities, and*
- e) *develop standards-related strategies and long-term objectives,*

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.

Subsection 4.(1), *Standards Council of Canada Act*, R.S.C. 1970, c. 41 (1st Supp.), amended 1996, c. 24

MISSION:

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

VISION:

Be recognized by Canadians as the primary body responsible for Canada's National Standards System.

3.0 CORPORATE PROFILE

The Standards Council of Canada (SCC) is a federal Crown corporation that oversees Canada's National Standards System.

Standardization is the development and application of standards — publications that establish accepted practices, technical requirements and terminologies for products, services and systems. Standards help to ensure better, safer and more efficient methods and products, and are an essential element of technology, innovation and trade.

The Standards Council carries out a variety of functions intended to ensure the effective and coordinated operation of standardization in Canada. It also represents Canada's interests in standards-related matters in foreign and international forums.

3.1 History

In 1964, the federal government conducted a comprehensive review of standards activity in Canada. The study identified a number of deficiencies in the country's approach to standardization, including coordination and long-term planning, support from industry and government, and Canadian involvement in international standardization. The government responded by establishing the Standards Council of Canada through the *Standards Council of Canada Act*, which received Royal Assent in 1970.

In 1973, the SCC accredited four standards development organizations, three of which remain active participants in the National Standards System. In 1980, the first product certification body was accredited, followed a year later by the first two laboratories. The first three quality management systems registration bodies earned their accreditation in 1993, followed in later years by environmental management systems registration bodies and auditor course providers and certifiers.

The SCC also set to work establishing a higher profile for Canada in international standards organizations such as the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC). By 1972, Canada held a seat on ISO's governing Council, and in 1988, a Canadian was elected ISO President. SCC's information efforts began in 1973, with the publication of its first booklet. SCC started selling standards in 1976, and in 1977, created what is now the Information and Research Services.

An extensive public consultation led to a major revision of the *Standards Council of Canada Act* in 1996. The governing Council was reduced from 57 members to 15. The scope of SCC activities was expanded to address the environment, information technology, natural resources and service sectors. The amendments also authorized the SCC to sign recognition agreements with foreign counterparts and advise the federal government on standards-related aspects of international trade agreements.

The amendments were followed by the development of the Canadian Standards Strategy. Launched in March 2000, the Strategy provides direction and leadership on how to use standardization to advance the social and economic well-being of Canadians. Its recommendations and those resulting from the CSS Update to be launched in early 2005 continue to underpin SCC plans and strategies.

In August 2002, an Order was published in the *Canada Gazette* expanding the list of countries in which the SCC can accredit conformity assessment organizations to include countries that are members of the World Trade Organization.

3.2 Organizational Structure

3.2.1 Governance

The governing Council of the SCC is responsible for the strategic direction of the organization, ensuring the fulfillment of SCC's mandate and providing direction on governance matters. This work includes: accreditation of standards development and conformity assessment organizations, approval of standards submitted as National Standards of Canada (NSCs), adoption of relevant policies to support SCC programs and services, and approval of budgets and audited financial statements. Council also works closely with the organization's Executive Director and management in the development of relevant plans and strategies.

In support of enhanced risk management practices, the SCC has a Quality Management System (QMS) and an established program of annual internal audits to cover all SCC branches. QMS audits are performed annually in all branches of the organization, while internal audits are conducted pursuant to a plan presented by SCC's external auditors. Annual financial audits are performed by the Office of the Auditor General (OAG) of Canada to evaluate SCC's ongoing compliance with the *Financial Administration Act (FAA)*. The SCC is also subject to a Special Examination audit by the OAG every five years. The latest Special Examination was completed in FY 2004-2005 and while there were no deficiencies sited, some recommendations to continue to improve overall operations and strategy were made. SCC will address these as appropriate during the 2005-2006 to 2009-2010 period. International peer evaluations are also conducted. Results of these audits are monitored through the Council's Corporate Governance and Audit Committees.

Council

The organization's governing Council is appointed by the federal government, and reports to Parliament through the Minister of Industry. It consists of up to 15 members: a Chair, a Vice-Chair, one member from the federal government, one member from the Council's Standards Development Organizations Advisory Committee, two members from the Council's Provincial-Territorial Advisory Committee and nine others from the private sector, including non-governmental organizations.

Corporate Governance Committee

The Corporate Governance Committee of Council oversees and improves the functioning of the Council and its advisory committees. Duties and responsibilities include reviewing and approving the responsibilities, objectives and performance of the Executive Director, the responsibilities and objectives of the Chair, monitoring and reviewing conflict of interest guidelines, SCC advisory committee structure and terms of reference. The committee also acts as the Nominating Committee to review and suggest nominations to Council and for the position

of Executive Director. As well, it reviews the performance of Council and committees and the methods by which the Council fulfills its duties and responsibilities. Additionally, members ensure that the organization keeps attuned to emerging governance issues requiring consideration by Council.

Audit Committee

The Audit Committee of Council oversees the financial management of the organization. Duties and responsibilities include reviewing and providing recommendations on the financial component of the Corporate Plan (five-year operational plan) and Annual Report (audited financial statements), annual expenditure and capital budget and the quarterly financial statements.

Members are also responsible for assessing and making recommendations on the effectiveness of internal controls and areas of potential risk or exposure, for reviewing and providing advice to Council on any internal audits or special examinations, and for monitoring any management responses to these plans or reports.

Appointments Committee

The Appointments Committee of Council meets as required to review and recommend nominations for membership to SCC advisory committees, which are active in the area of standards policy (including domestic and international), trade, conformity assessment, and consumers and public interest. Its mandate is to ensure that suitable membership on these committees is maintained, in order to enable committees to operate in an efficient and effective manner. Membership on the Appointments Committee includes a mix of Council members and SCC staff to bring a balance of views and interests on prospective nominees to the table.

3.2.2 Advisory Committees

The Standards Council's advisory committees ensure that Council has access to a wide variety of advice, information and viewpoints.

Two of these committees, the Provincial-Territorial Advisory Committee and the Standards Development Organizations Advisory Committee, were established based on requirements in the *Standards Council of Canada Act*. The rest have been created by Council.

Advisory Committee on Conformity Assessment (ACCA)

ACCA provides guidance and support to the Standards Council's accreditation programs for conformity assessment organizations, and on the use of national, regional and international guides, standards, programs and activities connected with them.

The committee's membership includes representatives of regulatory authorities, the federal government, industry, conformity assessment bodies and the Consumer and Public Interest

Committee. The Canadian advisory committee to CASCO, ISO's committee on conformity assessment, reports to ACCA.

Advisory Committee on Standards (ACS)

ACS looks at issues related to national, regional and international standards development. It encourages broad participation in standards development and the widespread use of the National Standards System. It also oversees the Standards Council's accreditation program for standards development organizations. The committee's membership includes representatives of standards development organizations, regulators, the federal government, industry, the Canadian National Committees on ISO and IEC, and the Consumer and Public Interest Committee.

Advisory Committee on Trade (ACT)

ACT looks at issues related to interprovincial and international trade, including trade agreements such as the North America Free Trade Agreement (NAFTA) and the World Trade Organization (WTO). The committee's membership includes representatives of conformity assessment bodies, the federal government, industry and several other Council advisory committees. The Canadian advisory committee to DEVCO, ISO's committee on developing country matters, reports to ACT.

Canadian National Committee on the International Electrotechnical Commission (CNC/IEC)

CNC/IEC is the member for Canada at IEC and oversees the work of the 113 committees that provide Canadian input to IEC's technical work. The committee is closely aligned with national work through its membership structure. Its members include representatives of industry, standards development organizations, the federal government, electrical safety regulators, the Consumer and Public Interest Committee and the Provincial-Territorial Advisory Committee.

Canadian National Committee of the International Organization for Standardization (CNC/ISO)

CNC/ISO proposes Canadian contributions to ISO's governance committees and oversees the work of some 315 committees that provide Canadian input to ISO's technical work. The committee's membership includes representatives of industry, standards development organizations, the federal government, the Consumer and Public Interest Committee and the Provincial-Territorial Advisory Committee.

Consumer and Public Interest Committee (CPIC)

CPIC looks at consumer and social issues such as health, safety and the environment. The committee's membership includes representatives of consumers, environmental organizations, labour, the academic community, occupational health and safety organizations, standards

development organizations, industry and the federal government. The Canadian advisory committee to COPOLCO, ISO's committee on consumer policy, reports to CPIC.

Provincial-Territorial Advisory Committee (PTAC)

PTAC looks at standardization issues from the perspective of provincial and territorial governments. It promotes cooperation and communications between the provinces, the territories and the Standards Council, and provincial and territorial participation in the National Standards System. The committee's membership consists of a representative of each provincial and territorial government.

Standards Development Organizations Advisory Committee (SDOAC)

SDOAC looks at standardization issues from the perspective of the standards development organizations accredited by the Standards Council. It also promotes cooperation and communications between the Standards Council and the standards development organizations. The committee's membership consists of representatives appointed by each accredited standards development organization.

3.3 Principal Programs, Businesses and Activities

3.3.1 Staff

*Executive Director: **Peter Clark***

The strategies and policies established by Council are implemented by a staff of some 87 people, based in the corporate offices in Ottawa.

Administration Branch

*Treasurer and Director, Administration: **Rick Parsons***

Administration Branch provides financial and administrative management services to the Standards Council. Its functions include treasury, accounting operations, administration, human resources, information systems, travel, standards sales, and translation.

Conformity Assessment Branch

*Director: **Pat Paladino***

Conformity Assessment Branch operates the Standards Council's accreditation programs for conformity assessment bodies, including testing and calibration laboratories, product certification bodies, quality and environmental management systems registration bodies, inspection bodies, auditor course providers and personnel certification bodies.

Corporate Services Branch

Director: Sandra Watson

Corporate Services Branch provides secretariat and governance policy support to Council and its standing committees. It also coordinates the corporate planning and reporting processes, and provides marketing and communications services for the organization.

Intergovernmental Affairs and Trade Branch

Director: Elva Nilsen

Intergovernmental Affairs and Trade Branch conducts standardization research, promotes the use of standards systems by governments and regulators, and coordinates the Standards Council's activities in support of international trade. It consists of a policy unit, an Information and Research Service, an On-site Technical Library and the WTO/NAFTA Enquiry Point Services.

Standards Branch

Director: Michel Bourassa

Standards Branch manages Canada's participation in ISO, IEC and regional standards bodies, and manages the Member Program. It also approves National Standards of Canada, manages the accreditation program for Canadian standards development organizations and administers Canadian participation to the IEC Conformity Assessment Schemes.

3.3.2 Activities

The Standards Council's work falls into three principal areas.

Standards

The Standards Council accredits organizations that develop standards in Canada. Accreditation is the verification that an organization has the competence necessary to carry out a specific function. The Standards Council's accreditation programs are based on internationally recognized guides and standards.

Accredited standards development organizations may submit their standards for approval as National Standards of Canada. This designation indicates that a standard is *the* official Canadian standard on a particular subject. It also shows that the development process met certain specified criteria. National Standards of Canada may be developed in Canada or adopted, with or without changes, from international standards.

Internationally, the Standards Council manages Canada's participation in ISO and IEC, two of the world's most important voluntary standardization bodies, and in regional standards organizations. It also encourages the adoption and application of international standards in Canada.

Conformity Assessment

Conformity assessment is the practice of determining whether a product, service or system meets the requirements of a particular standard. The Standards Council accredits six types of conformity assessment organizations:

- product certification bodies;
- testing and calibration laboratories;
- management systems registration bodies;
- inspection bodies;
- auditor course providers; and
- personnel certification bodies.

The Standards Council is also a member of a number of regional and international organizations that are developing agreements to ensure the international acceptance of conformity assessment results.

Intergovernmental Affairs and Trade

The Standards Council advises federal, provincial and territorial governments, industry organizations and nongovernmental bodies on standards and conformity assessment related aspects of trade and regulatory policy. A major focus is to encourage governments and industries to make greater use of the National Standards System in regulatory activities and trade agreements.

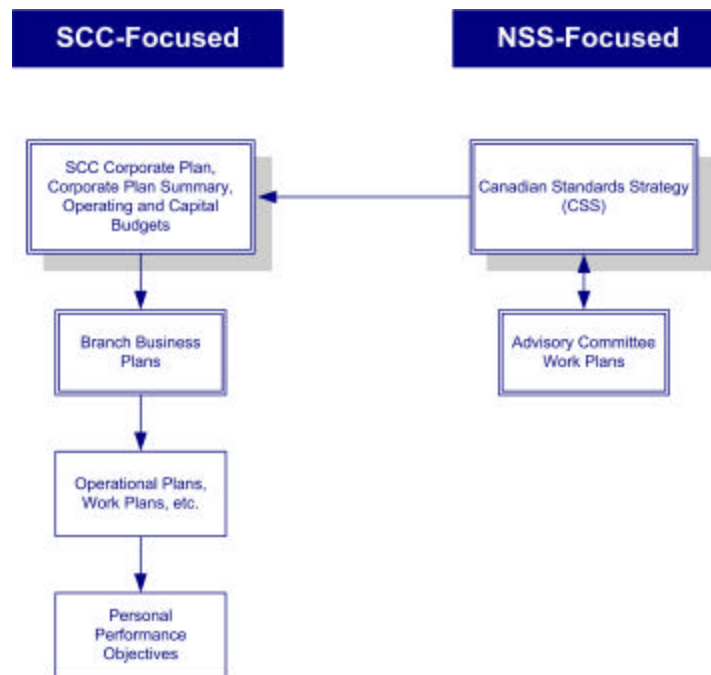
The Standards Council offers Canadians the latest and most comprehensive information on standards, technical regulations and conformity assessment in Canada and around the world through its Web site, Information and Research Service and On-site Technical Library. The Standards Council also serves as Canada's World Trade Organization and North America Free Trade Agreement (WTO/NAFTA) Enquiry Point.

3.4 Official Languages

The Standards Council of Canada is a Crown Corporation and is therefore subject to the *Official Languages Act*. SCC complies with all applicable Official Languages requirements stipulated in the *Official Languages Act*, the related regulations, as well as federal government policies in this regard.

3.5 SCC Planning Documents

In recent years, the SCC has focused on integrating planning processes to reduce duplication of efforts and to streamline reporting. The SCC develops and implements strategic and operational plans for both the SCC (internally-focused documents that outline planned goals, objectives and activities for the SCC's programs and services) and the NSS (the planning documents that focus the work of the many stakeholders and priorities within Canada's National Standards System). The following diagram outlines the relationships between the SCC's planning documents.



4. STRATEGIC ISSUES

4.1 Assessment of Results

The SCC identified three main goals in fiscal year 2004-2005. The SCC's 2004-2005 Annual Report will highlight detailed results for these goals and associated objectives.

Goal # 1

Be more strategic in planning, designing, implementing and evaluating programs and services based on solid research and sustainable development practices.

An important accomplishment in the area of strategic planning in 2004-2005 was the development of the Corporate Plan 2005-2006 to 2009-2010 and the Canadian Standards Strategy (CSS) Update 2005-2008. As part of this undertaking, the SCC decided to reduce the number of plans that it maintains, by making its Corporate Plan the SCC's key 3-5 year strategic

planning document. The CSS Update, the primary strategic planning document for Canada's National Standards System was developed simultaneously to ensure alignment between SCC's internal priorities and those of the National Standards System.

In addition, the SCC continued to develop its Customer Satisfaction Program. In 2004-2005, it surveyed clients of the following services and programs: Web site, Laboratories, Information and Research Service, WTO/NAFTA Enquiry Point, Trade and Policy, Certification Bodies and Management Systems. All areas surveyed, (except Management Systems) experienced a marginal, but not statistically significant decrease (2-4%) in overall satisfaction. For its part, Management Systems experienced an 11% increase in overall customer satisfaction. The SCC continues to integrate its Customer Satisfaction Program with its Quality Management System in the interest of ensuring that results are used to make positive improvements in the delivery of programs and services.

As part of efforts to enhance overall performance, the SCC continued to undergo internal risk management and quality management audits. During 2004-2005, 17 SCC programs or services underwent quality management audits. Overall, results continue to indicate the organization's progression in demonstrating adherence to quality documentation with no major areas of concern being cited. Opportunities have also been identified to strengthen the corporate quality management system as an effective management tool. In addition, internal risk management audits, which are required by the Financial Administration Act (FAA) were conducted in program areas, including Management Information Systems (MIS), Information and Research Service and in Financial and Corporate Planning. Recommendations with respect to program enhancements will be addressed into 2005-2006.

Goal # 2

Continue efforts to strengthen global accreditation networks and promote SCC accreditation to domestic organizations seeking international linkages and reciprocal recognition.

The SCC continued to develop and sign regional and international agreements to ensure that its Conformity Assessment Programs meet internationally recognized requirements and that SCC accreditation is recognized in the global marketplace. In 2004, SCC signed the IAF Mutual Recognition Agreement (MRA) and the PAC Multilateral Arrangement (MLA) for Product Certification Bodies and Environmental Management Systems. It also signed an annex to the existing Memorandum of Understanding (MOU) with the American National Standards Institute (ANSI) to cooperate on product certification. Additionally, SCC underwent audits conducted by the Pacific Accreditation Cooperation (PAC) and the International Accreditation Forum (IAF), resulting in confirmation of SCC's ongoing compliance with international requirements.

SCC continued to strengthen its relationships with members of the international and regional standardization communities in 2004-2005. SCC's leadership within international and regional organizations was demonstrated through SCC staff members' assumption of key strategic positions within these groups, including the Vice-Chair for the IAF, the Vice-Chair of IAAC, the Chair of the PAC Technical Committee and Chair of the IAF Training Sub-Committee. Canada also continued to demonstrate its leadership by effectively advocating Canadian positions on various international standardization issues based on input received from stakeholders.

SCC's efforts in support of developing countries also remained an important focus in 2004-2005. As a result, SCC is pursuing several projects intended to assist with certain developing countries in building their own national standards-related programs and services.

Hosting international meetings was another way that Canada showcased its leadership in global accreditation. In 2004-2005, the SCC successfully hosted international meetings for the Pacific Area Standards Congress (PASC) and the InterAmerican Accreditation Cooperation (IAAC). It also made preparations to host the International Organization for Standardization (ISO) Committee on Consumer Policy (COPOLCO)'s Workshop and plenary in May 2005 and the ISO General Assembly in 2006.

Goal # 3

Continue to build the Canadian profile of the SCC and the NSS, while strengthening the infrastructure of the NSS.

In November 2004, the SCC successfully hosted the 2nd National Standards System (NSS) Conference in Calgary, Alberta. The conference attracted more than 170 attendees from across Canada who are currently engaged in, or interested in becoming involved in, the work of Canada's National Standards System. The program was very successful with an overall attendee satisfaction rating of 4.3 out of 5. The event also included training opportunities for stakeholders and a ceremony to honour the contributions of NSS volunteers.

On the policy front, the SCC focused its efforts on contributing to government initiatives such as the External Advisory Committee on Smart Regulation. The Committee's Final Report to the Government of Canada includes standardization-related information provided by the SCC in its submission. SCC continues its work in support of this initiative and opportunities for increased use of the National Standards System by government. As well, SCC co-hosted an industry workshop with Industry Canada and Natural Resources Canada on standards-related approaches to commercialization/implementation of Hydrogen and Fuel Cells. Standardization opportunities in health care were also identified as a priority and the SCC continues its work to identify opportunities for the National Standards System to support healthcare initiatives.

SCC's newly formed Future Vision Task Force is implementing recommendations from an SCC-commissioned report concerning the need to identify sustainable sources of funding for the NSS. The new Task Force has been developing a business case to demonstrate and better communicate the value of standards to various target audiences, including government regulators and business. The importance of enhanced communications on the benefits of standardization will continue to be the focus of this Task Force's work in the upcoming year.

In support of efforts to enhance the profile of the National Standards System, SCC staff and key stakeholders made presentations to target audiences including provincial and federal government regulators. Efforts directed at communicating the value and benefits of the standards system will continue to be an area of focus throughout 2005-2006.

4.2 Analysis of the External Environment

SCC has focused on specific strategic issues and customer needs in developing its response to the current environment. The following outlines the key issues, challenges and assumptions that will underpin SCC's activities over the 2005-2006 to 2009-2010 planning period and were

identified during the FY 2005-2006 to FY 2009-2010 strategic planning sessions held with staff, management and Council.

Branding – SCC has an impressive reputation internationally and is known for its leadership in standards efforts abroad, however, there is little awareness or understanding of SCC and its responsibilities among Canadians.

Relationship to 2005-2006 Goals & Objectives: Goal(s): 1; Objective(s): 1 A), 1 B), 1 E)

Staffing – The nature of SCC’s business is largely technical and requires specialized staff in technical positions. Attracting and retaining qualified staff is therefore challenging. Staff orientation, ongoing training of staff and succession planning practices are important components in ensuring the continued provision of high quality programs and services.

Relationship to 2005-2006 Goals & Objectives: Goal(s): 2; Objective(s): 2 B)

Globalization - Standardization is becoming more global in scope and is extending its reach in new areas, especially the regulatory and development assistance environment. SCC was instrumental in achieving acceptance of the Global Relevance concept for International Standards at both IEC and ISO, and will continue to promote it. SCC will continue to promote its accreditation as the preferred accreditation service for domestic organizations looking for international linkages and reciprocal recognition of results.

Relationship to 2005-2006 Goals & Objectives: Goal(s): 3 & 4; Objective(s): 3 D), 3 G), 4 A), 4 B), 4 C), 4 D), 4 E), 4 F)

Regionalization - The emergence and growing importance of multiple regional trade groupings such as the European Union (EU), Asia-Pacific Economic Cooperation (APEC) and Free Trade of the Americas Agreement (FTAA) is posing challenges to Canadian stakeholders looking to export products or promote Canadian or international standards solutions. This is demanding increased attention to the priorities and opportunities of participation in the regional standardization activities. The SCC must strategically plan its involvement in regional standardization bodies by evaluating the benefits, drawbacks, risks and costs associated with participation.

Relationship to 2005-2006 Goals & Objectives: Goal(s): 4; Objective(s): 4 B), 4 C), 4 E)

Funding and the Value Proposition – It is an ongoing challenge to sustain Canadian standards development activities, especially those within the jurisdiction of the National Standards System. The SCC’s Task Force on Innovative Funding Solutions (TFUNS) prepared an action plan and the Council has formed a Task Group to implement its recommendations. While TFUNS is an important step, it is equally important that more standards research be done in Canada to develop a value proposition to assist SCC in promoting the economic benefits of standardization.

Relationship to 2005-2006 Goals & Objectives: Goal(s): 1, 2, 3 & 4; Objective(s): 1 D), 2 A), 3 E), 3 G), 4 B)

Smart Regulation - There have been considerable discussions to-date as to the enhanced role that the SCC and the National Standards System could play in efforts to reduce regulatory burden (Smart Regulation). In fact, the External Advisory Committee on Smart Regulation’s recent Report to the Government of Canada recommends the use of national and international standards approaches and confirms their relevance and importance to Smart Regulation.

Relationship to 2005-2006 Goals & Objectives: Goal(s): 3; Objective(s): 3 C), G)

Trade – The SCC continues to develop, sign and maintain agreements with national, regional and international standardization bodies in an effort to facilitate trade and cooperative international relationships. Trade within Canada between provinces and territories can also be facilitated through the SCC's standardization efforts.

Relationship to 2005-2006 Goals & Objectives: Goal(s): 3 & 4; Objective(s): 3 B), 3 F), 3 G), 4 A), 4 B), 4 D), 4 E), 4 F)

Canadian Standards Strategy (CSS) – The CSS has underpinned most SCC efforts over the last four years. The CSS Update will be launched in early 2005. The implementation items in the first CSS were many and added significantly to the workload of SCC staff and consumed a significant portion of SCC's resources. The CSS Update and SCC Corporate Plan 2005-2006 to 2009-2010 have been developed at the same time and are integrated to ensure coordination of objectives (including the CSS objectives). The implementation of the CSS updated will continue to draw on SCC resources in order to ensure its successful implementation.

Relationship to 2005-2006 Goals & Objectives: Goal(s): 1, 2, 3 & 4; Objective(s): 1 E), 1 F), 2 A), 3 C), 3 D), 3 E), 3 F), 3 G), 4 C), 4 D), 4 E), 4 F)

SCC Member Demographics and Training - There is a shortage in the pool of candidates for technical and management/policy level involvement in standards activities. Linkages are being lost as members retire and are not replaced, which is threatening the continued support for NSS. The needs, interests and expectations of younger potential members are not well understood and may be significantly different from those of existing members. To be properly equipped to develop and promote Canadian consensus positions, members who represent the SCC in national and international fora need to receive sufficient orientation and training.

Relationship to 2005-2006 Goals & Objectives: Goal(s): 1 & 3; Objective(s): 1 C), 1 F), 3 B), 3 G)

4.3 Environmental Scan

The following environmental scan outlining corporate strengths, weaknesses, opportunities and threats was developed through strategic planning sessions held with SCC staff, management and Council in FY 2004-2005.

4.3.1 Strengths

- The people and organizations connected to SCC have a wealth of knowledge and expertise
- There is a single unified National Standards System in Canada
- The SCC is well known outside of Canada due to its leadership at ISO, IEC, IAF, ILAC, etc.
- A high level of due process is present in all SCC efforts
- Innovative use of technology is applied to committee work (e.g. SiteScape Forums)
- International leadership in standardization efforts
- As a Crown corporation, the SCC has credibility with other governments and regulators
- Transparent and an open organization, the SCC has good relationships with its clients
- Staff and volunteers are loyal, dedicated and knowledgeable
- The SCC works with and supports developing economies and these efforts are recognized internationally

- Upward momentum for standardization in Canada created by the CSS over the last few years

4.3.2 Weaknesses

- There is a lack of awareness or understanding of the SCC or its role within Canada
- Corporate orientation, mentoring and training opportunities need to be provided to all SCC volunteers and staff
- More business research and tools are needed for proper performance measurement and business decision-making
- Other accreditation bodies and their services are seen as having more value on a global scale to access foreign markets
- Greater awareness of market activities and opportunities is needed
- Enhanced internal communication is needed within the organization
- Greater recognition and support through intergovernmental relationships is required
- A corporate priority-setting mechanism is needed
- A balance of knowledge, technical expertise and new perspectives is needed in staff, volunteers, auditors, etc.
- The number of volunteers has decreased due to changing demographics and there is a shortage of potential replacements
- The SCC is perceived by some as bureaucratic due to its position as a federal government body
- There is a need to secure sustainable funding to support standardization activities in Canada as demands for these activities continue to increase
- Difficulty in balancing national versus international obligations

4.3.3 Opportunities

- Developing intergovernmental relationships at all levels, especially with regulators and the possibility of having them reference standards and conformity assessment in regulations
- Potential development of a program linked to the SCC's quality management system (QMS) to build and maintain the competency of staff, including orientation and communications training for new staff
- There is still a significant portion of the market that is "untapped" for accreditation and information services provided by SCC
- Academics have access to and influence upon young people to interest and engage them in standardization
- Follow the lead of standardization bodies in other countries and separate Conformity Assessment and public good/public policy activities
- Government priorities such as Smart Regulation, trade and healthcare make standards solutions in these areas timely
- Potential sector applications and programs in the areas of healthcare, personnel certification, etc.
- Engage organizations that exist within Canada and are not part of the NSS as potential partners

4.3.4 Threats

- Loss of staff and volunteers results in lost expertise and organizational history and impacts the delivery of programs and services
- Review of Crown corporations and reallocation of funding by the Federal Government may mean reduced capacity for SCC as demands on SCC programs and services continue to increase
- Other governments competing with SCC programs (e.g. Provincial – water quality, soil testing, etc.) due to lack of understanding of the scope of SCC programs
- Difficulty managing client expectations and meeting their needs due to a lack of resources
- Mutual Recognition Arrangements (MRAs) that SCC is party to provide recognition and reduce barriers to trade, but this may cause SCC to lose clients because businesses now need only one accreditation to do business internationally
- The media often portrays standards issues inaccurately and can foster a sense of doubt about the effectiveness of voluntary standards in Canada
- Recognition of Supplier Declaration of Conformity (SDoC) by regulators

5. GOALS, OBJECTIVES AND PERFORMANCE MEASURES

In the past the SCC has had both a Strategic Plan and an annual Corporate Plan. The Strategic Plan covered a three- to five-year period and was the key strategic planning document. The SCC's FY 2005-2006 to 2009-2010 Corporate Plan integrates the key strategic directions that SCC plans to concentrate on for the next three- to five-year period, thereby enabling SCC to reduce the number of planning documents that it maintains and reports against.

The SCC developed its goals and objectives for the FY 2005-2006 to 2009-2010 period through consultative processes involving staff, management and Council. While implementation of these goals and objectives will commence in FY 2005-06, they will be re-evaluated annually during the corporate plan development process to ensure continued relevance.



The Canadian Standards Strategy (CSS) – Canada's national action plan for standardization over the last four years – was also updated in FY 2004-2005. The new objectives developed through consultation with NSS stakeholders in the CSS Update are also incorporated within this Corporate Plan and are identified below as CSS items. Additional measurements for the CSS objectives will be added within the CSS Update document that will be published in early 2005 and these will also be used as the basis for evaluation of these items included in this Corporate Plan.

The four overall goals and corresponding objectives identified in this plan support the fulfillment of SCC's mandate and its potential for unique contributions to public policy objectives. SCC fulfills its public policy role by providing opportunities for Canadian stakeholder involvement in voluntary standards-setting initiatives within Canada and internationally. As per SCC's mandate, these opportunities "...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."

The first goal primarily focuses on SCC branding and awareness. While it is evident that SCC is not a "household name", it is important that Canadians understand that the SCC is Canada's national standardization body and our unique role in the accreditation of standards development organizations, conformity assessment organizations and generally in protecting their health and safety where standards are concerned. What brand awareness SCC does have is due in part to the partners and stakeholders that we work with under the banner of the National Standards System (NSS). By leveraging our current relationships and developing new ones, awareness of standardization and the SCC can be strengthened within Canada.

The second goal deals with organizational sustainability and effectiveness and is a key priority for the SCC, underpinning the potential for success in all areas of SCC's endeavours. Ongoing sustainability, and implementation of related plans and policies is fundamental to the future viability and effectiveness of the voluntary standards system in Canada. Much of the future

success of the NSS hinges upon the identification of stable sources of funding to support activities. SCC's ability to ensure the ongoing availability of qualified and knowledgeable staff and volunteers will also be critical to its continued success.

Goal three centres on the idea of strengthening the national standardization infrastructure. Canada is a leader in standardization regionally and internationally, yet within Canada standards research, partnerships and documented examples of their application are minimal compared to the opportunities that exist for their use. SCC needs to focus its efforts at home to optimize the work that it has done internationally. In particular SCC needs to actively promote to governments and regulators the consideration of standardization approaches when looking at alternatives to traditional regulations.

The fourth and final goal highlights SCC's strategic participation in regional and international standardization bodies. As SCC has become more active in recent years in signing recognition agreements and arrangements with regional and international standardization bodies, a significant amount of SCC's annual resources have been dedicated to ensuring that Canada has a presence and a vote at the international standardization tables. There are so many standardization bodies and fora around the world today that it is becoming challenging to know which are most beneficial to the SCC, its accredited clients and Canadians in general. The SCC needs to evaluate its ongoing participation in these bodies to determine where SCC's resources are best attributed.

All four goals will be measured through the projected results and measurements for FY 2005-2006 that are itemized for each objective. The goals will be satisfied once the supporting objectives are achieved. Each projected result and/or measurement contributes to the implementation of the SCC's four overall corporate goals for FY 2005-2006 to 2009-2010.

5.1 Goals and Objectives

The following are SCC's Corporate Goals and Objectives for FY 2005-2006 to FY 2009-2010. Strategies and actions planned in support of these goals and objectives can be found within each of the SCC's Branch Business Plans for FY 2005-2006. CSS objectives are noted with an asterisk (*).

Goal # 1:					
Develop new and leverage existing relationships and partnerships within the National Standards System (NSS) to raise awareness and promote the value and importance of the development and use of standards and accreditation in Canada.					
Supporting Objectives	Reference in the CSS	Lead Branch(es)	Other Branches Implicated	Expected Results/ Measurement(s)	KPI¹
A) Strengthen the SCC brand within Canada and in doing so, raise awareness of the SCC and standardization in Canada	N.A.	Corporate Services	ALL	Establish a benchmark measure of SCC brand awareness for targeted groups in Canada Review SCC Branding Strategy Implementation of the Annual SCC Marketing and Communications Plan	V
B) Increase public understanding about the role and activities of the SCC	N.A.	Corporate Services	ALL	Achieve SCC Customer Satisfaction targets as measured by SCC Customer Satisfaction Surveys Implementation and delivery of NSS Core Presentation and Speech to targeted groups Implementation of the Annual	V

¹ Denotes whether this is an SCC Key Performance Indicator (KPI)

				SCC Marketing and Communications Plan	
				Progress towards a government policy/directive encouraging the use of standards	
C) Encourage the development and implementation of standardization education and training in Canada, particularly in post-secondary and trade sectors	N.A.	Standards	ALL	Establish a benchmark measure by researching existing education and training in Canada as well as similar initiatives in other countries	
D) Support the collection and dissemination of research on the value and importance of standardization in Canada	N.A.	Intergovernmental Affairs & Trade	Standards	Comparative standards research in similar sized-economies Examine the feasibility of proposal for a Centre for Excellence in Standards Research in Canada	
E) Promote the use of the National Standards System (NSS)*	6.1	ALL	ALL	Implementation of SCC's Task Force on Innovative Funding Solutions (TFUNS) recommendations (now Council's Future Vision Task Force) Pursue opportunities for NSS involvement in health-care initiatives Implementation and delivery of NSS Core Presentation and Speech to targeted groups	
F) Support the further development of the SCC Member Program*	5.1	Standards	Conformity Assessment, Corporate Services	Retention strategy for the SCC Member Program Increased recruitment in the areas of industry, regulators and public policy makers	

Goal # 2:

Improve upon and develop practices and policies for NSS and SCC sustainability and effectiveness.

Supporting Objectives	Reference in the CSS	Lead Branch(es)	Other Branches Implicated	Expected Results/ Measurement(s)	KPI ²
A) Employ innovative and sustainable funding mechanisms to support future activities*	5.2	Finance & Administration, Standards	ALL	Implementation of SCC's Task Force on Innovative Funding Solutions (TFUNS) recommendations (now Council Task Group New Horizons)	
				At year-end, the net financial result will be within 1.5% of budget	V
				Achieve cost-recovery targets set for all conformity assessment programs	V
B) Develop and implement orientation and mentoring practices and enhance professional development opportunities	N.A.	Finance & Administration (Human Resources) Standards (Member Program)	ALL	Orientation and mentoring practices/programs implemented	
				Percentage of budget spent on staff training	V

² Denotes whether this is an SCC Key Performance Indicator (KPI)

<p>C) Monitor the effectiveness and sustainability of SCC's products, programs and services on an ongoing basis</p>	<p>N.A.</p>	<p>Executive</p>	<p>ALL</p>	<p>Implementation of recommendations from annual financial, internal and quality audits</p> <p>SCC Programs' Service Standards</p> <p>Achieve SCC Customer Satisfaction targets as measured by SCC Customer Satisfaction Surveys</p> <p>Adoption and use of QMS business case/proposal</p>	<p>V</p> <p>V</p>
<p>D) Develop a corporate priority-setting mechanism to assist Council, management and staff in determining where to focus SCC's resources and efforts</p>	<p>N.A.</p>	<p>Corporate Services</p>	<p>ALL</p>	<p>Corporate priority-setting document, tool or process developed and implemented</p>	
<p>E) Support and continue to implement effective governance practices</p>	<p>N.A.</p>	<p>Corporate Services</p>	<p>ALL</p>	<p>Governance policies, procedures and reporting in place</p> <p>Council Succession Planning implemented</p> <p>Investigation of and/or use of best practices for governance as determined by the Office of the Auditor General of Canada (OAG), Privy Council Office (PCO) and Treasury Board Secretariat (TBS)</p> <p>Implementation of recommendations from annual financial, internal and quality audits</p>	

				An unqualified audit opinion with no management letter Implementation of Corporate Governance Committee Workplan	V
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Goal # 3:					
Focus efforts and resources on strengthening the national infrastructure for standards development and accreditation in Canada.					
Supporting Objectives	Reference in the CSS	Lead Branch(es)	Other Branches Implicated	Expected Results/ Measurement(s)	KPI³
A) Attract accreditation partners and increase accredited clients to solidify SCC's position as <i>the</i> national accreditation body	N.A.	Conformity Assessment, Standards	ALL	Increase in number of accredited clients and accreditation partners	V
B) Engage new industry stakeholders in the work of the NSS	N.A.	Standards	ALL	Increase in number of active industry stakeholders on standardization committees Turnover of active industry stakeholders on standardization committees	
C) Pursue strategic standardization partnerships, projects and processes that support social policy objectives (including health, safety and the environment)*	4.1	Standards, Intergovernmental Affairs & Trade	ALL	Partnerships/cooperative opportunities with standards development organizations and processes currently "outside" of the NSS Research and recommendations on the development of a national database of health and safety incidents related to products, systems and services	

³ Denotes whether this is an SCC Key Performance Indicator (KPI)

				Research and recommendations on the strategic application of standardization in the Canadian healthcare system	
D) Enhance the strategic coordination and oversight capacities of CNC/ISO and CNC/IEC*	1.1	Standards	Conformity Assessment, Intergovernmental Affairs & Trade	Canadian impact on international standards policy/management and technical decisions at ISO and IEC, as measured by the percentage of Canadian resolutions that are successful	V
				Level of Canadian involvement in international standardization efforts, as measured by the percentage of executive/policy/management groups where Canada participates	V
				Suitability of international standards for Canadian use, as measured by percentage of National Standards of Canada approved as adoptions/adaptations of ISO/IEC standards	V
E) Research and analyze new and ongoing standardization issues*	4.4	Intergovernmental Affairs & Trade	ALL	Policy papers and/or briefings on new and ongoing issues	
F) Support inter-jurisdictional standardization-based cooperation*	4.2	Intergovernmental Affairs & Trade	Standards, Conformity Assessment	Promotion of standardization approaches and/or solutions in areas of common trade-related difficulty among Provinces and Territories (based on Chapter Four of the Agreement on Internal Trade (AIT)) Research identifying sectors from a Provincial and	

				Territorial perspective that could benefit from the use and acceptance of accreditation-based Multi-lateral Arrangements (MLAs)	
G) Engage regulatory and public policy officials regarding the applicability of standardization approaches*	4.3	Intergovernmental Affairs & Trade	ALL	<p>Increase in number of active regulators on standardization policy/management committees</p> <p>Presentation of the NSS Core Presentation and Speech to targeted groups</p> <p>Progress towards a government policy/directive encouraging the use of standards</p> <p>Written material regarding standardization included in an EACSR Implementation Memoranda to Cabinet</p>	V

Goal # 4:					
Maintain Canada's international reputation and effectiveness as a leader in standardization while prioritizing SCC's participation in international and regional standards development and accreditation efforts.					
Supporting Objectives	Reference in the CSS	Lead Branch(es)	Other Branches Implicated	Expected Results/ Measurement(s)	KPI⁴
A) Investigate the possibility of adapting SCC's conformity assessment programs for international markets	N.A.	Conformity Assessment	Intergovernmental Affairs & Trade, Finance & Administration	Research and business cases prepared to support expansion of existing programs into international markets	
B) Evaluate and strategically participate in international and regional standards development and conformity assessment bodies	N.A.	Intergovernmental Affairs & Trade, Standards, Conformity Assessment		<p>Development and application of a measurement tool(s) to assess the impact of existing and/or proposed voluntary accreditation-based arrangements on the Canadian marketplace</p> <p>Level of Canadian participation in the regional technical work as measured by the number of voting documents, and response rate</p> <p>Canadian impact on international standards policy/management and technical decisions at ISO and IEC, as measured by the percentage of Canadian resolutions that are successful</p> <p>Level of Canadian involvement in international standardization efforts, as measured by the</p>	<p>V</p> <p>V</p> <p>V</p>

⁴ Denotes whether this is an SCC Key Performance Indicator (KPI)

				percentage of executive/policy/management groups where Canada participates	V
				Suitability of international standards for Canadian use, as measured by percentage of National Standards of Canada approved as adoptions/ adaptations of ISO/IEC standards	
C) Continue to engage developing countries in international standardization*	3.1	Intergovernmental Affairs & Trade	Standards, Conformity Assessment	SCC-sponsored international participation of developing countries	
D) Continue to strengthen global accreditation networks*	2.1	Conformity Assessment, Intergovernmental Affairs & Trade	Standards	Recommendations on methods and activities that could increase regulatory understanding, acceptance and promotion of multilateral recognition arrangements (MLAs) in Canada Implementation of the Cross Frontier Policy (ILAC and IAF plans for Conformity Assessment Programs) Promote the acceptance of IAAC as a regional body within IAF	
E) Support the reduction of standardization-related trade barriers*	2.2	Intergovernmental Affairs & Trade, Standards	Conformity Assessment	Identification of opportunities for the application of existing standards and conformity assessment measures that could overcome trade related obstacles in Canada's existing network of multi-lateral and bilateral trade agreements	
F) Facilitate consumer input into national, regional and international	1.2	Standards	N.A.	Usage of the Consumer Public Interest Committee (CPIC)	

<p>standardization fora*</p>				<p>Priorities Setting Mechanism by other SCC Advisory Committees to ensure a consistent/strategic approach to dealing with standardization issues</p> <p>Recommendations on alternative methods and approaches to facilitate consumer input</p>	
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5.2 Key Performance Indicators

In preparing the Corporate Plan 2005-2006, the SCC looked at best practices in corporate planning and performance indicators and reviewed the Corporate Plans of other Crown corporations that were recommended by the Office of the Auditor General of Canada. As a result of this review, SCC has adapted the Key Performance Indicators (KPIs) to reflect these best practices, as appropriate for the SCC.

SCC Key Performance Indicators for FY 2005-2006 more clearly indicate the relationship between planned objectives and KPIs (which was suggested by the OAG). SCC will have measurements for all of its corporate objectives, but not all of these will be considered KPIs. This will also make reporting on these indicators in the Annual Report easier in future years. In the interest of improving the consistency of ongoing measurement, the SCC is also providing a greater level of detail for each indicator here than in previous years.

Key Performance Indicator (KPI):	Supports Corporate Objectives:	Benchmark (if applicable):	Target(s):	Data Source(s):
Survey to establish a benchmark of SCC brand awareness for targeted groups in Canada	1 A), 1 B), 1 E)	To be established in 2005-2006 through a first survey	Conduct a survey in 2005-2006 to determine a benchmark and target for future years	Awareness/Understanding Survey of targeted groups in Canada to be conducted by an outside firm to be determined

Achieve SCC Customer Satisfaction targets as measured by SCC Customer Satisfaction Surveys	1 A), 1 B), 2 C)	Established in previous surveys (all are out of 5): PALCAN: 3.76 Web site: 3.31 Member Program: 3.65	PALCAN: 2% increase Web site: 3.31 out of 5 (Maintain or increase) Member Program: 3% increase	Annual Customer Satisfaction Survey Reports by program/client group provided by a consultant
At year-end, the net financial result will be within 1.5% of budget	2 A) and FAA	Based on budget for 2005-2006 to be established in January 2005. FY 2003-2004 actual was 1.33%.	Net financial result will be within 1.5% of budget	SCC's Great Plains Financial Accounting System and Audited Financial Statements
An unqualified audit opinion with no management letter	2 A) and FAA	SCC has had an unqualified audit opinion with no management letter each year for more than a decade	An unqualified audit opinion with no management letter	Office of the Auditor General of Canada – audited Financial Statements for 2005-2006
Achieve cost-recovery targets set for all programs	2 A)	FY 2003-2004 Actual combined cost-recovery for Conformity Assessment Programs: 99.54% FY 2004-2005 Projected combined cost-recovery for Conformity Assessment Programs: 93.67%	Combined cost-recovery target for conformity assessment programs of 99%	Conformity Assessment budget as reported in the SCC's Great Plains Financial Accounting System
Percentage of budget spent on staff training	2 B)	1.8% of Salaries Budget for 2004-2005	1.8% of Salaries Budget	Human Resources Budget as reported in the SCC's Great Plains Financial Reporting System

<p>SCC Programs' Service Standards</p>	<p>2 C)</p>	<p>Information & Research Services (IRS): first response to incoming information enquiries within one business day, and complete all enquiries in three business days</p> <p>Technical Document Centre: acknowledge receipt of all requests for use of intellectual property of ISO and IEC within one business day</p> <p>Administration: responding to all Admin Helpdesk Requests within a 48 hour period</p>	<p>IRS: 97%</p> <p>TDC: 97%</p> <p>Admin.: 99%</p>	<p>IRS: SiteScape Inquiries database</p> <p>TDC:</p> <p>Admin.: Admin Helpdesk Forum on SiteScape</p>
<p>Increase in number of accredited clients and accreditation partners.</p>	<p>3 A)</p>	<p>FY 2003-2004 Actual Client Totals: PALCAN: 397 Product Certification Bodies: 26 Management Systems Registration Bodies: 31 Auditor Course Providers: 1 Personnel Certification Bodies: 2 Inspection Bodies: 0 Standards Development Organizations: 4 Projected FY 2004-2005 Results: PALCAN: 376 Product Certification Bodies: 28 Management Systems Registration Bodies: 32</p>	<p>PALCAN: 380 Product Certification Bodies: 30 Management Systems Registration Bodies: 32 Auditor Course Providers: 1 Personnel Certification Bodies: 4 Inspection Bodies: 8 Standards Development Organizations: 5</p>	<p>Program Databases</p>

		Auditor Course Providers: 1 Personnel Certification Bodies: 2 Inspection Bodies: 5 Standards Development Organizations: 4		
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Canadian participation in technical decisions at ISO and IEC, as measured by the voting response rate of the Canadian Advisory Committees (CAC) and Canadian Sub-Committee (CSC) Chairs	3 D), 4 B)	Calendar Year 2004 Results: Chairs' response increased to 87% from 80% in Calendar Year 2003. Voting record over the period was maintained at 100%	Fiscal Year 2005-2006 Target: ⁵ Chairs' response to be 85%, and voting response to remain at 100%	ISO and IEC Voting Records
Level of Canadian participation in the regional technical work as measured by the number of voting documents, and response rate	4 B)	Calendar Year 2004 Results: Total documents handled was 11 Response rate was 18%	Fiscal Year 2005-2006 Target: ⁵ Total documents handled to remain at 10, and response rate to be 20%	COPANT Voting Records
Level of Canadian participation in international technical work as measured by the number of voting documents.	3 D), 4 B)	Calendar Year 2004 Results: Total documents handled was 3027 - an increase of 407 documents over Calendar Year 2003 (2620 documents total).	Fiscal Year 2005-2006 Target: ⁵ Total documents handled to be 3000 documents	ISO and IEC Voting Records
Suitability of international standards for Canadian use, as measured by percentage of National Standards of Canada approved as adoptions/ adaptations of ISO/IEC standards	3 D), 4 B)	FY 2001-2002 Actual: 85% of 160 FY 2002-2003 Actual: 59% of 222 FY 2003-2004 Actual: 70.0% of 267 Projected FY 2004-2005 Results: 65% of 263	70% of total National Standards of Canada (NSCs)	National Standards of Canada (NSC) Listing

⁵ This indicator was previously tracked by calendar year and will be tracked by fiscal year beginning in FY 2005-2006.

Increase in number of active regulators on standardization policy/management committees	3 G)	Benchmark to be established through the Members Program Customer Satisfaction Survey in FY 2005-2006	Target to be established based on the Members Program Customer Satisfaction Survey results	Annual Customer Satisfaction Survey Reports by program/client group provided by a consultant
Canadian impact on and participation in regional standardization efforts, as measured by the percentage of Canadian resolutions made at the regional level that are successful	4 B)	Benchmark to be established in FY 2005-2006	IAF: 80% PAC: 80% ISO/CASCO: 80% IECEE: 80%	Conformity Assessment bodies' voting records
Level of Canadian involvement in international standardization efforts, as measured by the percentage of executive/policy/management groups where Canada participates	4 B)	There are 10 positions available at ISO and 8 at IEC. In 2004 Canada held 5 positions at ISO and 4 at IEC	SCC became a member of ISO TMB in 2005 and will be a candidate for election to IEC SMB and ISO Council in 2005 50% of positions	Member Program database
Level of Canadian involvement in regional standardization efforts, as measured by the percentage of executive/policy/management groups where Canada participates	4 B)	There are 5 positions available: COPANT COPANT TMC COPANT BoD PASC PASC SC Canada joined COPANT TMC in 2004 bringing participation to 100%	Canada to be elected to COPANT Board of Directors in 2005 80% of positions	Member Program database

This section presents the FY 2005-2006 planning budget, the FY 2005-2006 Capital Budget, the FY 2006-2007 to FY 2009-2010 operational plans and an overview of current financial performance. Resources have been based on the existing objectives of the organization, as outlined in the Corporate Plan.

6.1 Financial Performance: 2003-2004 and 2004-2005

The SCC concluded the most recent fiscal year (FY 2003-2004) with total *Unrestricted Equity* of \$2.35 million. Current assets, at that time, exceeded current liabilities by a ratio of just over 2:1. SCC's capital structure consists solely of furniture, equipment and leasehold improvements. The corporation does not own real property and does not carry debt. Cash balances are held to a minimum, and for the last number of years were equal to approximately one month's operational requirements. The corporation has, over the past decade, operated within 2% - 5% of its budgetary targets. At the end of FY 2001-2002, however, an operating surplus of \$402 thousand funded the acquisition of capital assets, and helped restore the SCC's working capital to a level equivalent to two months operational requirements.

Operating funds are derived from three major sources: *Parliamentary Appropriation, Conformity Assessment Accreditation Fees*, and royalties from *Standards Sales*. Since FY 1989-1990, parliamentary appropriation as a percentage of gross revenues has fallen from 80% to 48% planned for FY 2005-2006, as SCC now delivers many of its programs on a cost recovery basis.

This subsection provides an overview of SCC's actual performance against its plan for the fiscal years ending March 31, 2004 and March 31, 2005, with an explanation of major variances.

Financial Performance 2002-2006					
	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
	\$ Actual	\$ Actual	\$ Actual	\$ Forecast	\$ Plan
Revenue					
CA Accreditation fees	4,025,468	4,540,427	4,762,328	4,948,057	5,862,300
Royalties on Sale of Standards	656,034	717,097	709,504	507,364	512,500
WTO/NAFTA Enquiry Point	299,824	245,838	251,525	257,581	261,000
Net Parliamentary appropriation	6,736,724	6,573,984	7,101,179	7,022,459	7,016,000
Event Sponsorship/Partnership Funding	134,488	423,513	655,179	547,359	556,500
Other	301,976	375,514	366,429	390,418	314,200
	12,154,514	12,876,373	13,846,144	13,673,238	14,522,500
Expenses					
Conformity Assessment	2,833,835	3,311,400	3,401,876	3,647,735	4,285,100
Standards	3,187,459	3,661,278	4,251,742	3,626,408	3,828,700
Intergovernmental Affairs/Trade	759,658	903,215	956,200	1,011,235	1,211,200
Information Services	389,762	436,348	476,346	537,575	472,800
WTO/NAFTA Enquiry Point	299,824	245,838	251,525	257,581	261,000
Management & Administration	4,282,158	4,146,832	4,363,469	4,582,602	4,463,700
	11,752,696	12,704,911	13,701,158	13,663,136	14,522,500
Net Income	401,818	171,462	144,986	10,102	0

6.1.1 Explanation of Variances

FY 2003-2004 Budget vs. FY 2003-2004 Actual

Expenses

Expenses for FY 2003-2004 were \$13.7 million, approximately \$182 thousand under budget. A number of staff vacancies throughout the year resulted in significant underexpenditures in travel. Additionally, meeting costs associated with the hosting of the IEC Annual General Meeting were lower than anticipated. These savings were somewhat offset by increased costs in Professional and Special Services as outside services were used to overcome staff vacancies. Accommodation costs exceeded budget due to the late receipt of tax and operating costs billings from the landlord, related to the previous fiscal year.

Revenues

Total revenues for FY 2003-2004 were \$13.8 million. The area of largest increase was in Conformity Assessment accreditation fees, due to increases in Certification and Management Systems sectoral activities, while PALCAN revenues declined. The ongoing increase in revenue, coupled with shared travel expenses and combined audits resulted in the achievement of almost 96% full cost recovery in the FY 2003-2004. Additionally, sponsorship revenue was recognized to offset IEC AGM hosting costs. Successful fund raising efforts resulted in the receipt of \$56,000 in additional revenue to that budgeted. Finally, royalties from ISO and IEC webstore sales continued to surpass expectations, bringing in \$150,000 in excess of budget. Due to the additional revenue earned in FY 2003-2004, SCC was pleased to take the opportunity to draw down \$483,000 less than the full amount of approved parliamentary appropriation.

Capital Expenditures

An operating surplus funded the acquisition of capital assets not originally budgeted, including new servers, and additional laptop computer upgrades.

	STATEMENT OF OPERATIONS 2003-2004		STATEMENT OF OPERATIONS 2004-2005	
	BUDGET	ACTUALS	BUDGET	FORECAST
EXPENSES				
Personnel	6,279	6,260	6,628	6,565
Communications	171	159	172	186
Travel	1,835	1,365	2,055	1,964
Delegate and Secretariat Assistance	335	345	335	373
Information and Documentation	90	81	87	78
Public Relations	131	81	192	203
Professional and Special Services	1,238	1,512	1,128	1,098
Accommodation	619	717	684	673
Rental of Equipment	65	52	55	61
Printing and Duplication	59	47	74	74
Office Supplies	135	134	162	146
Meetings	153	238	307	346
Hosting of International Meetings	900	847	0	0
Membership Fees	1,135	1,134	1,093	1,107
Translation of National Standards	150	150	150	150
Training and Development	89	70	89	88
Other	185	195	226	238
Depreciation Expense	314	314	282	313
	<u>13,883</u>	<u>13,701</u>	<u>13,718</u>	<u>13,663</u>
REVENUES				
Sales of Standards and Research Service	560	710	512	507
Accreditation Programmes - CA	4,550	4,762	5,046	4,948
Accreditation Programmes - SDO	100	64	90	95
WTO/NAFTA Enquiry Point	252	252	260	258
Web Hosting Revenue	150	141	150	137
Sponsorship Funding	599	655	549	547
Other	80	161	105	159
	<u>6,291</u>	<u>6,745</u>	<u>6,712</u>	<u>6,651</u>
Net Cost of Operations	(7,592)	(6,956)	(7,006)	(7,012)
Net deferred/recognized government funding	88	60	82	98
Parliamentary Appropriation - Industry Canada	<u>7,504</u>	<u>7,041</u>	<u>6,924</u>	<u>6,924</u>
NET SURPLUS	<u>0</u>	<u>145</u>	<u>0</u>	<u>10</u>
Capital Budget	200	227	200	200

Detailed financial statements for FY 2003-2004 and FY 2004-2005 can be found in appendix A

6.1.2 Explanation of Variances
FY 2004-2005 Budget vs. FY 2004-2005 Forecast

Expenses

Expenses are forecast at \$13.66 million, approximately \$54 thousand lower than budget. Vacancies in staff positions have resulted in lower than anticipated personnel costs. There is additional underspending in travel, but otherwise there are no significant variances anticipated between plan and actual.

Revenues

Revenues are forecast at \$13.67 million, and are directly in line with budget other than a very slight shortfall anticipated in Conformity Assessment total revenues.

Capital Expenditures

Capital expenditures are forecast to be on budget.

6.1.3 Performance against Plan - Highlights

Key Financial Highlights For the years ended March 31 (\$ thousands)	2003-2004		2004-2005		2005-2006
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Plan</u>
	Standards Sales Royalties	560	710	510	507
Revenue from Conformity Assessment	4,550	4,762	5,046	4,948	5,862
Conformity Assessment Expenditures	3,439	3,402	3,674	3,648	4,285
Total Operating Expenses	9,610	9,338	9,047	9,081	10,058
Corporate & Administrative Expenses	4,273	4,363	4,671	4,583	4,464
Surplus	-	145	-	10	-
Capital Expenditures	200	227	200	200	200

Resource and Allocation Highlights					
For the years ended March 31					
	2004		2005		2006
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Plan</u>
% revenue from parliamentary appropriation	55%	52%	51%	51%	48%
% cost recovery in Conformity Assessment	90%	96%	93%	92%	99%
Person-Years	89.00	84.00	89.00	90.00	93.00
Corp and Admin costs per PY	74,347	75,774	81,590	80,052	73,175

6.2 Financial Plan 2005-2006

The proposed plan for FY 2005-2006 is balanced, and has revenues and expenditures set at \$14.52 million, an increase of \$0.8 million from the current year's budget. The increase arises primarily from Conformity Assessment as revenues are expected to increase by \$915 thousand as new business lines are fully implemented and gain several new applicants. As well continued growth in all other conformity assessment program areas is anticipated.

The following assumptions have been made in the preparation of the FY 2005-2006 operating plan:

- a) Membership fees to ISO and IEC are paid in Swiss francs. This plan projects an average exchange rate of \$1.05 Canadian, which is in line with the historical trading rate of between \$0.88 and \$1.13, and takes into account the current trend in the money market.
- b) Provision has been made for an average award of 4.5% in the annual performance/at risk pay, as well as a salary band increase of 2.5% to adjust for inflation. SCC also proposes to add 4 new staff positions.
- c) Two additions last fiscal year to the Conformity Assessment business lines, Certification of Inspection Bodies and Personnel Certification Bodies Accreditation, were later in launching than anticipated, and are this year expected to bring in significant revenues, contributing to the \$915 thousand increase in accreditation fees expected in FY 2005-2006. Additionally, an ongoing partnership with the Ontario Ministry of the Environment, while reducing the number of partnership clients, will increase the number of direct clients in the PALCAN division significantly.

BALANCE SHEET
(in thousands of dollars)
2005-2006

ASSETS

Cash and Short-Term Deposits	1,239
Accounts Receivable	
Federal Government Departments & Agencies	1,008
Other	1,329
Prepaid Expenses	910
Fixed Assets (net)	<u>915</u>
TOTAL ASSETS	<u><u>5,401</u></u>

LIABILITIES

Accounts Payable and Accrued Liabilities	501
Customer and Other Deposits	80
Deferred Annual Fees	1,550
Deferred Tenant Allowance	253
Deferred Government Funding	<u>662</u>
	3,046
Unappropriated Equity	<u>2,355</u>
TOTAL LIABILITIES AND EQUITY	<u><u>5,401</u></u>

STATEMENT OF OPERATIONS
(in thousands of dollars)
2005-2006

EXPENSES

Personnel	7,035
Communications	182
Travel	2,150
Delegate and Secretariat Assistance	335
Information and Documentation	81
Public Relations	120
Professional and Special Services	1,545
Accommodation	694
Rental of Equipment	58
Printing	46
Office Supplies	154
Meetings	154
Membership Fees	1,075
Translation of National Standards	150
Training and Development	93
Hosting of International Meetings	140
Other	263
Depreciation Expense	248
	<hr/>
	14,523

REVENUES

Sales of Standards and Information Research Service	513
Accreditation Programmes	5,863
WTO/NAFTA Enquiry Point	261
Event Sponsorship	556
SDO Accreditation	83
Revenue from Web Hosting	153
Other	78
	<hr/>
	7,507
Net Cost of Operations	(7,016)
Parliamentary Appropriation - Industry Canada	6,924
Net deferred/recognized government funding	92
	<hr/>

NET SURPLUS

	<hr/> 0 <hr/>
Capital Budget	200

STATEMENT OF CASH FLOWS
(in thousands of dollars)
2005-2006

Operating Activities

Net income	0
Adjustments for Non-Cash Items:	
Amortization of capital assets	248
Amortization of deferred revenue related to tenant allowance	(26)
Amortization of deferred government funding	<u>(222)</u>
	(0)
Changes in current liabilities and current assets other than cash	<u>(21)</u>
Cash Flows from operating activities	(21)

Investing Activities

Additions to capital assets	(200)
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Financing Activities

Funding for acquisition of assets:	
Parliamentary Appropriation	<u>200</u>
Decrease in cash during year	(21)
Cash at the beginning of the year	<u>1,260</u>
Cash at the end of the year	<u><u>1,239</u></u>

6.2.1 Explanation of Variances

FY 2005-2006 Plan vs. FY 2004-2005 Forecast

Expenses

Expenses for FY 2005-2006 are \$14.52 million, about \$0.86 million higher than is forecast for FY 2004-2005. This rise is largely due to three factors: Increased operating costs related to program growth in Conformity Assessment; expenditures related to three international development assistance projects that the Council is undertaking over the next two years; and costs related to Canada's hosting of the ISO COPOLCO conference in May 2005. These initiatives are driving the two major line item increases, namely Personnel and Professional and Special Services. These increases are offset by reductions in Public Relations and Meetings expenditures as 2004-2005 figures include expenditures related to the NSS Conference which will not be held again until 2006-2007.

Revenues

Conformity Assessment accreditation fees are projected to rise by \$915 thousand as new programs are fully extended to the market and mature programs continue to grow. The other significant item is revenue related to several development assistance projects that the Council is undertaking over the next couple of years. These projects are being funded by CIDA and are as noted above, offset by the related expenditure. These projects are anticipated to have a total value of \$900 thousand over the next two years, divided equally. Sponsorship revenue as a whole though, is offset by the elimination of sponsorship funding received in 2004-2005 to support the hosting of the NSS Conference.

Capital Expenditures

Capital expenditures in FY 2005-2006 will continue to support SCC's technological infrastructure. There are some additions planned to leasehold improvements as carpeting and other fixtures are replaced or refreshed.

STATEMENT OF OPERATIONS

<u>EXPENSES</u>	2005-2006 <u>PLAN</u>	2004-2005 <u>FORECAST</u>
Personnel	7,035	6,565
Communications	182	186
Travel	2,150	1,964
Delegate and Secretariat Assistance	335	373
Information and Documentation	81	78
Public Relations	120	203
Professional and Special Services	1,545	1,098
Accommodation	694	673
Rental of Equipment	58	61
Printing and Duplication	46	74
Office Supplies	154	146
Meetings	154	346
Hosting of International Meetings	140	-
Membership Fees	1,075	1,107
Translation of National Standards	150	150
Training and Development	93	88
Other	263	238
Depreciation Expense	248	313
	<u>14,523</u>	<u>13,663</u>
<u>REVENUES</u>		
Sales of Standards and Information Research Service	513	507
Accreditation Programmes - CA	5,863	4,948
Accreditation Programmes - SDO	83	95
WTO/NAFTA Enquiry Point	261	258
Web Hosting Revenue	153	137
Sponsorship Revenue	556	547
Other	78	159
	<u>7,507</u>	<u>6,651</u>
Net Cost of Operations	(7,016)	(7,012)
Net Deferred/Recognized Appropriation Funding	92	98
Parliamentary Appropriation - Industry	6,924	6,924
NET SURPLUS (DEFICIT)	<u>0</u>	<u>10</u>
Capital Budget	200	200

6.2.2 The 2005-2006 Capital Budget and 2006-2010 Plan

The following are the Capital Budgets provided for each of the years covered by this document.

2003-2004	227,000
2004-2005	200,000
2005-2006	200,000
2006-2007	150,000
2007-2008	150,000
2008-2009	150,000
2009-2010	255,000

VARIANCE ANALYSIS

2003-2004 Actual Expenditures vs. 2003-2004 Capital Budget

\$227,000 vs. \$200,000

An operating surplus provided the opportunity to acquire upgraded computer software and hardware.

2004-2005 Forecast vs. 2004-2005 Capital Budget

\$200,000 vs. \$200,000

No significant variance is anticipated.

2004-2005 Forecast vs. 2005-2006 Capital Budget

\$200,000 vs. \$200,000

The budget represents ongoing technology upgrades, as well as planned additions to leasehold improvements. No change in the amount budgeted.

6.2.3 The Operating Plan 2006-2007 to 2009-2010

SCC plans to host the annual general meeting of the International Standards Organization (ISO) in FY 2006-2007. The anticipated cost of this endeavour is \$600 thousand. This document reflects SCC's plans against current approved reference levels.

The following displays the operating plan based on the FY 2005-2006 planned budget:

BALANCE SHEET

(thousands \$)

	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
ASSETS							
Cash	1,688	1,260	1,239	1,230	1,200	1,321	1,249
Accounts Receivable:							
Federal Departments and agencies	880	1,038	1,008	1,110	1,068	1,005	990
Other	1,161	1,325	1,329	1,219	1,289	1,295	1,300
Prepaid Expenses	926	900	910	1,005	1,025	948	953
Fixed Assets (net)	1,075	963	915	862	845	828	916
TOTAL ASSETS	5,730	5,486	5,401	5,426	5,427	5,397	5,408
LIABILITIES							
Accounts Payable and Accrued Liabilities	722	588	501	589	587	550	462
Contributions Received	83	65	80	65	65	65	65
Deferred Annual Fees	1,505	1,515	1,550	1,555	1,575	1,599	1,610
Deferred Revenue - Tenant Allowance	305	279	253	227	201	175	244
Deferred Government Funding	770	684	662	635	644	653	672
	3,385	3,131	3,046	3,071	3,072	3,042	3,053
Unappropriated Equity	2,345	2,355	2,355	2,355	2,355	2,355	2,355
TOTAL LIABILITIES AND EQUITY	5,730	5,486	5,401	5,426	5,427	5,397	5,408

STATEMENT OF OPERATIONS

<u>EXPENSES</u>	2003-2004 ACTUAL	2004-2005 FORECAST	2005-2006 PLAN	2006-2007 PLAN	2007-2008 PLAN	2008-2009 PLAN	2009-2010 PLAN
Personnel	6,260	6,565	7,035	7,327	7,442	7,806	8,146
Communications	159	186	182	186	183	188	185
Travel	1,365	1,964	2,150	2,280	2,077	2,198	2,252
Delegate and Secretariat Assistance	345	373	335	335	335	335	335
Information and Documentation	81	78	81	79	83	83	83
Public Relations	81	203	120	117	86	182	44
Professional and Special Services	1,512	1,098	1,545	1,562	1,303	1,368	1,399
Accommodation	717	673	694	699	702	705	710
Rental of Equipment	52	61	58	58	59	59	59
Printing	47	74	46	60	46	60	46
Office Supplies	134	146	154	164	158	168	164
Meetings	238	346	154	258	155	259	156
Membership Fees	1,134	1,107	1,075	1,075	1,075	1,075	1,075
Translation of National Standards	150	150	150	150	150	150	150
Staff Training and Development	70	88	93	95	94	97	100
Hosting of International Meetings	847	-	140	600	-	-	-
Other	195	238	263	269	269	268	269
Depreciation Expense	314	313	248	203	167	167	167
	13,701	13,663	14,523	15,517	14,384	15,167	15,340
 <u>REVENUES</u>							
Sales of Standards and Information Research Service	710	507	513	523	553	563	563
CA Accreditation Programmes	4,762	4,948	5,863	5,975	6,115	6,615	7,020
WTO/NAFTA Enquiry Point	252	258	261	261	279	284	290
Event Sponsorship/Partnership Revenue	655	547	556	825	100	363	110
SDO Accreditation	64	95	83	85	90	95	100
Web Hosting Revenue	141	137	153	153	153	153	153
Other	161	159	78	79	78	78	88
	6,745	6,651	7,507	7,901	7,368	8,151	8,324
Net Cost of Operations	(6,956)	(7,012)	(7,016)	(7,616)	(7,016)	(7,016)	(7,016)
Parliamentary Appropriation - Industry	7,041	6,924	6,924	7,524	6,924	6,924	6,924
Net Deferred/Recognized Government Funding	60	98	92	92	92	92	92
NET SURPLUS	145	10	0	0	0	0	0
Capital Budget	227	200	200	150	150	150	255

STATEMENT OF CASH FLOWS

(in thousands of dollars)

	<u>2003-2004</u>	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>
<u>Operating Activities</u>							
Net Income (Loss)	145	10	-	-	-	-	-
Adjustments for Non-Cash Items:							
Amortization of capital assets	314	313	248	203	167	167	167
Amortization of deferred revenue related to tenant allowance	(26)	(26)	(26)	(26)	(26)	(26)	(36)
Amortization of deferred government funding	(288)	(287)	(222)	(177)	(141)	(141)	(131)
	145	10	-	-	-	-	-
Changes in current liabilities and current assets other than cash	270	(438)	(21)	(9)	(30)	(79)	(72)
Cash Flows from operating activities	415	(428)	(21)	(9)	(30)	(79)	(72)
<u>Investing Activities</u>							
Additions to capital assets	(227)	(200)	(200)	(150)	(150)	(150)	(255)
<u>Financing Activities</u>							
Funding for acquisition of assets							
Parliamentary Appropriation	227	200	200	150	150	150	150
Tenant Improvement Allowance	-	-	-	-	-	-	105
Increase (decrease) in cash during year	415	(428)	(21)	(9)	(30)	(79)	(72)
Cash at the beginning of the year	1,273	1,688	1,260	1,239	1,230	1,400	1,321
Cash at the end of the year	1,688	1,260	1,239	1,230	1,200	1,321	1,249