Standards Council of Canada
Conseil canadien des normes

SUMMARY OF CORPORATE PLAN

2006-2007 TO 2010-2011

SUMMARY OF OPERATING BUDGET

2006-2007

SUMMARY OF CAPITAL BUDGET

2006-2007

Canada

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1. EXECUTIVE SUMMARY

The Standards Council of Canada acts as the coordinator of Canada's voluntary National Standards System (NSS). This system is an inclusive network of experts and organizations involved in voluntary standards developments, promotion and implementation in Canada. Canada is a world leader in standards development and conformity assessment.

Using the *Canadian Standards Strategy (CSS) Update 2005-2008* as a blueprint for standardization-related activities in Canada, SCC provides direction and leadership to the NSS on how standardization can best advance the social and economic well-being of Canadians in a global economy. SCC, who develops the CSS, often takes the lead in organizing members of the NSS to implement the strategy's action items and related activities.

Standards and conformity assessment related activities provide benefits to government regulators, consumers and industry. Standards assist in protecting health, safety and the environment. In Canada, standards are intertwined with economic well-being and quality of life. Accreditation by SCC, which programs are based on internationally recognized guides and standards, provides confidence that the organization is competent to carry out specific functions relating to products or services it delivers. Standards also establish efficiency and order in today's marketplace and ensure the competitiveness of Canadian businesses in Canada and abroad. In addition, standards can be less expensive to develop and maintain than multiple overlapping legislation and regulations and therefore, can save taxpayers money.

Evidence of the role SCC plays in standardization can be found everywhere. For example, all bike helmets that young children wear are certified by an SCC-accredited certification body or the automobiles on Canada's roads are ones which have been approved by automobile manufacturers who are registered to ISO 9000 by SCC-accredited management systems registration bodies.

The Standards Council of Canada's (SCC) 2006-07 to 2010-11 Corporate Plan reflects the priorities of staff, management and Council. Through its annual strategic planning sessions, SCC establishes its goals, objectives and implementation plans. This annual review process ensures that SCC's strategic direction is responsive and reflective of the current and anticipated environment within which SCC operates. The feedback extracted during these planning sessions demonstrated that the mission, vision, goals and objectives remain on track and continue to be the right ones identified in last year's Corporate Plan. Only minor adjustments in the wording of objectives have been changed for FY 2006-2007.

The goals and objectives of SCC are closely aligned with those set out in the recently released CSS. As identified in the 2005 planning session, SCC's four primary goals have been retained from SCC's 2005-2006 Corporate Plan. They are as follows:

1. SCC branding and awareness building
2. Organizational sustainability and effectiveness
3. National Standards System infrastructure development
4. Strategic international and regional participation

During FY 2005-2006, SCC outlined its four primary strategic goals. Many corresponding initiatives that were developed in FY 2005-2006 are now ready for implementation. SCC will have measurements for all of its corporate objectives, but not all will be considered Key Performance Indicators (KPIs).

The rationale behind each of these goals is that voluntary standards and conformity assessment practices worldwide are becoming increasingly important, as stakeholders see clear benefits from their use. The voluntary NSS, which has been operating in Canada for many years, is effective, yet still remains relatively unknown. An important part of SCC's forward-looking agenda will be to promote awareness and increased use of this system in Canada. In doing so, SCC will continue to focus on promotion of standardization solutions to target audiences including: consumers, government regulators and industry. The challenge in the years ahead will be to replicate SCC's international credibility and awareness at home.

In implementing the strategies of the CSS and SCC, SCC is keenly aware of the importance of organizational sustainability and effectiveness. SCC's authority in Canada and abroad will be based on SCC's demonstration of continued leadership and excellence in service delivery. At a time when Canadians are increasingly concerned about transparency and accountability in both public and private sector organizations, strong management and effective governance practices are critical to SCC's ongoing effectiveness. This remains an even greater priority in light of recently released federal reports on governance within Crown corporations.

Implementation of SCC's objectives will not be met without its challenges. For example, a key challenge will be to ensure an adequate pool of participants and appropriate levels of funding to sustain the activities of the NSS. In its role as coordinator of the NSS, SCC must continue to promote participation to both public and private sector organizations. Effective "selling" of the benefits of the NSS, along with practical examples of effective use of standardization solutions, will be necessary to succeed in this area.

Maintaining SCC's well-respected leadership within regional and international standardization fora will continue to be a cornerstone of SCC's strategic direction. Activities in this area provide Canada with a unique opportunity to influence evolving standards and conformity assessment policy, to ensure continued international acceptance and facilitate the removal of trade barriers. SCC's participation in mutual recognition and multi-lateral agreements contributes to Canada's ability to effectively compete on the world stage. In its regional and international work, SCC will continue to advocate a single test or certification to enable industry to gain market acceptance worldwide.

Standardization is set to play an important role in supporting key industry and government priorities. As articulated in its vision, SCC's goal is to strengthen recognition by Canadians as well as the international community of SCC as the body responsible for leading Canada's voluntary standards system. To this end, stated public policy priorities in the area of Canadian corporate social responsibility, healthcare, smart regulations, security and emerging markets all provide a unique opportunity for application of standardization-based solutions.

2. 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:

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

VISION:

To be recognized by Canadians and members of the international community as the body responsible for leading Canada's voluntary National Standards System.

3. CORPORATE PROFILE

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

Standards are publications that establish accepted practices, technical requirements and terminologies for products, services and systems. Standardization is the development and application of standards and accreditation. Accreditation is the verification that an organization has the competence necessary to carry out a specific function. Standards and conformity assessment 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, which are 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 standards and conformity assessment. The government responded by establishing the Standards Council of Canada (SCC) through the Standards Council of Canada Act, which received Royal Assent in 1970.

In 1973, the Standards Council accredited four standards development organizations, three of which are still active participants in the NSS. In 1980, the first certification organization 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, auditor certifiers and course providers.

The Standards Council 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. It started selling standards in 1976, and in 1977, created what is now the Information and Research Service.

An extensive public consultation led to a major revision of the Standards Council of Canada Act in 1996. SCC's governing Council was reduced from 57 members to 15. The scope of its activities was expanded to address the environment, information technology, natural resources and service sectors. The amendments also authorized SCC to sign recognition agreements with its 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 (CSS). Launched in March 2000, the Strategy provides direction and leadership on how to use

standards and conformity assessment to advance the social and economic well-being of Canadians. Its recommendations continue to underpin SCC's plans and strategies.

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

An update to the Canadian Standards Strategy was published in February 2005, following extensive consultations with SCC's governing Council, advisory committees, management, staff and various stakeholders throughout the National Standards System.

3.2 Organizational Structure

3.2.1 Governance

Council

The organization's governing Council is appointed by the federal government, and reports to Parliament through the Minister of Industry. The Council 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.

The governing Council of 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.

Council members are actively engaged in their functions as stewards of the corporation and have updated accordingly SCC's strategic directions and those of the NSS. Council has committed itself to hold annual strategic planning sessions, in order to confirm ongoing relevance of strategic directions.

As Council looks forward to the implementation of SCC's updated Corporate Plan, retaining its commitment to governance matters remains a high priority, especially in light of recently released federal reports on performance within Crown corporations. While SCC has been reassured by the Office of the Auditor General that its governance systems and practices are effective, it maintains high expectations for itself in the area of governance practices.

Corporate Governance Committee

The Corporate Governance Committee (CGC) oversees 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 performance of Council and committees, and

reviewing the methods by which the Council fulfills its duties and responsibilities. Members also ensure that the organization stays attuned to emerging governance issues requiring consideration by Council. The Committee consists of five Council members.

Audit Committee

The Audit Committee oversees the financial management of the organization. Duties and responsibilities include: reviewing and providing recommendations on the financial components of the Corporate Plan (5-year operational plan) and Annual Report (audited financial statements), annual expenditure and capital budget and the quarterly financial statements. The Committee is 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.

In keeping with "Treasury Board's Guidelines for Audit Committees in Crown Corporations and Other Public Enterprises" membership on this Committee includes a mix of Council members with significant financial, accounting and business expertise, including two Chartered Accountants.

Appointments Committee

The Appointments Committee of Council meets as required to review and recommend to Council nominations for membership to SCC advisory committees. Its mandate is to ensure that suitable membership on these committees is maintain, 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.

In keeping with Council's succession planning practices ensuring continued availability of competent stakeholder representatives on all SCC advisory committees is a priority. Given the role of SCC advisory committees in providing advice to Council, it is crucial that their recommendations on SCC policies and practices represent a balance of Canadian interest.

3.2.2. Advisory Committees

The Standards Council's advisory committees ensure that Council has access to a wide variety of policy advice, information and viewpoints. In order to ensure that input from advisory committees reflects the diversity of Canadian stakeholders, all advisory committees are required to have a balanced membership matrix that includes representatives from different regions in the country and from varied professional backgrounds.

Two of these committees, the Provincial-Territorial Advisory Committee (PTAC) and the Standards Development Organizations Advisory Committee (SDOAC), are established in the Standards Council of Canada Act. The rest have been created by Council.

Advisory Committee on Conformity Assessment (ACCA)

ACCA provides advice on policy issues, 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, and the Regulatory Sub-Committee report to the ACCA.

Advisory Committee on Standards (ACS)

ACS provides advice on policy issues related to national, regional and international standards development and harmonization. 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 provides policy advice and recommendations regarding 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 develops Canadian policy positions for IEC's governance committees, serves as the Canadian IEC member body and oversees the work of the 136 Canadian committees that provide Canadian input to IEC's technical work. The committee is closely aligned with national activities 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.

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

CNC/ISO advises and makes policy recommendations on ISO's standards development policies. It contributes to ISO's governance committees and also oversees the work of the 358 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 examines consumer and social issues such as health, safety and the environment and develops related policy positions. 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.

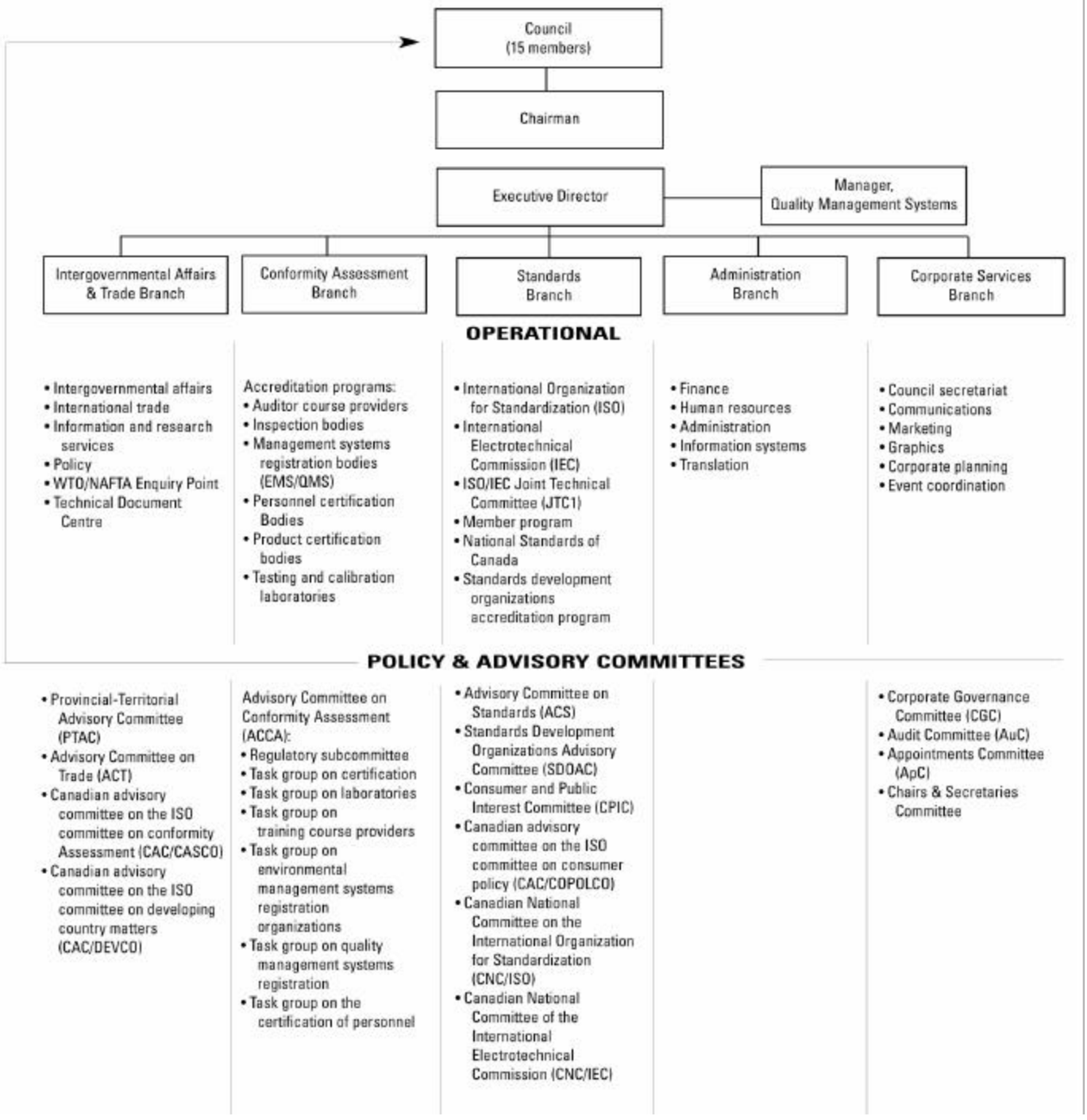
Provincial-Territorial Advisory Committee (PTAC)

PTAC examines standardization issues from the perspective of provincial and territorial governments and makes policy recommendations to Council. 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 examines emerging 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.

Corporate, Council and Committee Structure



3.3 Principal Programs, Businesses and Activities

3.3.1 Staff

Executive Director: ***Peter Clark***

The Executive Director oversees the activities of all SCC branches. This involves leading the development and implementation of SCC's strategic plans including the Canadian Standards Strategy and supporting the development of a world leading reputation for Canada. In addition, the Executive Director is accountable for developing, marketing and directing the programs, plans, policies, strategies and resources of SCC in providing voluntary standardization services. The strategies and policies established by Council are implemented by a staff of some 90 people, based in the corporate offices in Ottawa.

Administration Branch

Treasurer and Director, Administration: ***Rick Parsons***
The 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***
The 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***
The 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***
The Intergovernmental Affairs and Trade Branch conducts standardization research, promotes the use of standardization 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. It also manages Canada's participation in IAF, regional conformity assessment bodies, and related ISO policy groups, ISO/CASCO and ISO/DEVCO.

Standards Branch

Director: ***Michel Bourassa***
The 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 operational 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 and service certification bodies;

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

The Standards Council is also a member of International Accreditation Forum (IAF) and International Laboratory Accreditation Cooperation (ILAC) international organizations that are developing agreements to ensure the international/regional acceptance of conformity assessment results.

Intergovernmental Affairs and Trade

The Standards Council advises federal, provincial and territorial governments, industry organizations and non-governmental 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 requirements stipulated in the *Official Languages Act*, the related regulations, as well as federal government policies in this regard.

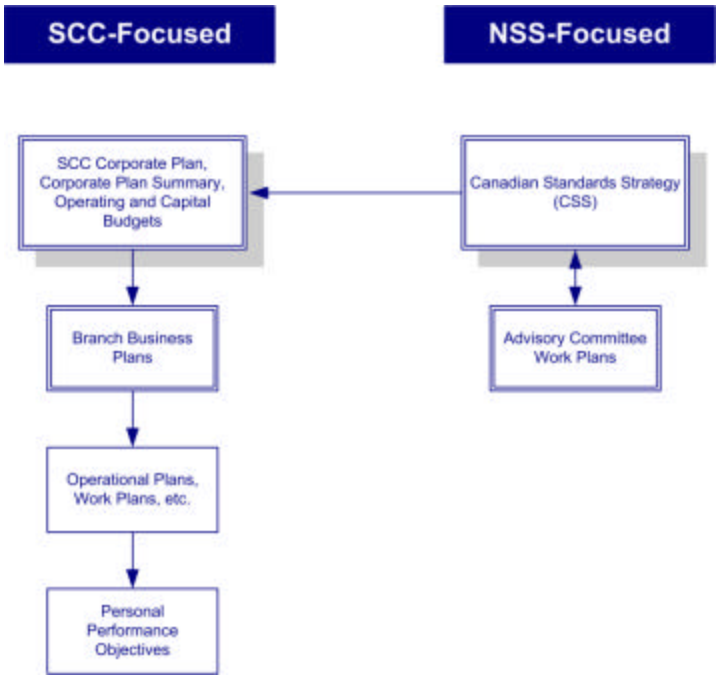
3.5 SCC Planning Documents

The Standards Council streamlines planning practices in order to enhance reporting and prioritize activities in support of the organization's overarching strategic directions.

SCC takes its overall direction and strategic focus from the Standards Council of Canada Act and the Canadian Standards Strategy (CSS). The goals and objectives of CSS are pursued by SCC and individuals and organizations that make up the National Standards System (NSS). SCC takes the lead in organizing members of the NSS to implement the strategy's action items and related activities. Operational details are outlined in SCC's annual Corporate Plan. The CSS and SCC's Corporate Plan documents together provide SCC with a robust set of priorities for future years. Goals and objectives are developed in keeping with the guidelines of being: stakeholder-driven, practical, efficient and relevant.

SCC is responsible for developing and implementing its Corporate Plan. The Corporate Plan outlines SCC's planned goals, objectives and activities for SCC's programs and services. The CSS, on the other hand, serves as the planning document for the many stakeholders that comprise the NSS.

The diagram below illustrates the relationship between SCC's Corporate Plan and the CSS (the plan of the NSS.)



4. STRATEGIC ISSUES

4.1 Analysis of the Environment

The Canadian Standards Strategy (CSS) is the blueprint for standardization activity in Canada. The purpose of the strategy is to provide ongoing direction and leadership on how to use standardization to best advance the social and economic well-being of Canadians. The updated CSS was launched in January, 2005 following consultation with SCC stakeholder groups, and sets priority areas for action.

Fulfillment of CSS goals and objectives will continue to be a key part of SCC staff responsibilities. SCC's Corporate Plan objectives were developed in coordination with CSS goals, and together serve as the foundation for SCC's strategic directions. In section 5.3 of this report several of the objectives of SCC directly coincide with the objectives of the CSS and are duly noted in that section of the Plan.

The summary below outlines the key strategic issues identified during SCC's strategic planning sessions that will influence SCC activities over the 2006-2007 to 2010-2011 planning period. SCC has accounted for these issues in developing its goals and objectives and the activities it intends to carry out over the next fiscal year. At the end of the discussion of each issue, the relationship to SCC's corresponding goals and objectives is referenced with those indicated in the tables in section 5.3 of this Plan.

National Awareness/Branding – SCC, as coordinator of the National Standards System (NSS), faces a challenge in building awareness nationally for its programs and activities. While SCC is well-known and held in high esteem for its work internationally, a much lower level of awareness exists within Canada. SCC must continue to focus on increasing understanding and demonstrating the value of its programs and activities to key stakeholder groups – consumers, government regulators and industry. Significant potential exists for leveraging voluntary standardization in support of current-day public policy priorities. Cost-savings and social benefits can also be attributed to using this well-functioning system. In this environment, promotion to Canadian government regulators, industry and consumers will remain a priority challenge. In all areas of its operation, SCC will continue to focus on enhancing understanding of its role and promoting awareness by those who stand to benefit from using voluntary standardization programs and services.
Relationship to 2006-2007 Goals & Objectives: *Goal(s): 1; Objective(s): 1 A), 1 B), 1 E)*

Funding and the Value Proposition – An ongoing challenge for those involved in voluntary standardization is to effectively "quantify" the benefits resulting from participation in, and use of the applied voluntary standards system. In doing so, participants will be able to demonstrate to their own organizations that increased funding is required to participate in standardization activities both nationally and internationally. Additional resources are increasingly crucial to ensure that past Canadian contributions are not eroded. Development of a uniquely Canadian value proposition identifying the economic benefits of standardization is increasingly important and needed to support SCC's goal of ensuring sustainability of the standards system.

By effectively presenting the case for stakeholder participation, funding levels of standards systems will be more sustainable.
Relationship to 2006-2007 Goals & Objectives: *Goal(s): 1, 2, 3 & 4; Objective(s): 1 D), 2 A), 3 E), 3 G), 4 B)*

Public Policy Objectives – SCC's objectives are aligned with key government priorities including those in the area of health, environment, security, trade, competitiveness and in emerging markets including Brazil, India and China. Opportunities for SCC to support areas identified as public policy priorities raise awareness of the importance of standardization activities. A primary example of how SCC influences public policy is that it continues to advocate the important role SCC and the National Standards System plays in reducing regulatory burden (smart regulation). SCC has also stated the need for inclusion of such a statement in the federal government's revised Directive on Regulating. SCC's persistence in promoting the inclusion of a firm policy statement advising regulators to make use of voluntary consensus-based standards has already yielded some measure of success; however, priority effort and ongoing promotion of the NSS's well-functioning system will remain crucial to ensuring a positive result.
Relationship to 2006-2007 Goals & Objectives: *Goal(s): 3; Objective(s): 3 C), G)*

Business Environment – Fees charged in SCC's accreditation programs are increasingly being challenged for being less competitive, and increased value-added service is being demanded by SCC clients. While there is increasing demand for accreditation services both in traditional and new areas, past assumptions that SCC will be the accreditor of choice may no longer be guaranteed. Competition in some of SCC accreditation services is increasingly a reality and a risk that SCC must proactively address. Given the substantial revenue secured from SCC's conformity assessment activities, SCC needs to keep a close watch on the shifting business environment. To this end, SCC will minimize risks where it can in order to maintain its client and revenue base. SCC also needs to enhance its effectiveness in selling new programs to relevant stakeholder groups.
Relationship to 2006-2007 Goals & Objectives: *Goal(s): 3; Objective(s): 2 A)*

Globalization/Trade - Standardization is becoming increasingly global in scope and is extending its reach in new areas, especially in the regulatory and development assistance environment. SCC will continue to promote itself as the accreditor of choice to domestic organizations looking for international linkages and reciprocal recognition of results. Efforts to secure reciprocal recognition of SCC accreditation, with the ultimate goal of enabling Canadian exporters to use a single test, certification or registration to gain market acceptance anywhere in the world, remains an important objective. 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 Canadian provinces and territories can also be facilitated through SCC's standardization efforts in support of the Agreement on Internal Trade (AIT).
Relationship to 2006-2007 Goals & Objectives: *Goal(s): 3 & 4; Objective(s): 3 B), 3 D), 3 F), 3 G), 4 A), 4 B), 4 C), 4 D), 4 E), 4 F)*

Strategic Participation and Regionalization – SCC's well-respected reputation as a leader within regional and international fora will continue to be a cornerstone to Canada's ability to successfully impact evolving standardization policy globally. Canadian leadership in relevant standardization bodies also provides SCC with a unique opportunity to support approaches that assist developing countries. The growing importance of regional trade groups such as the European Union (EU) and Asia-Pacific Economic Cooperation (APEC) is posing challenges to Canadian stakeholders looking to export products or to promote Canadian or international standards solutions. In order to respond to shifting regional and global trends, SCC's challenge will be to determine whether or not it is involved in the right accreditation-based conformity

assessment arrangements. Therefore, SCC must strategically plan its participation in regional standardization bodies by evaluating the costs and benefits associated with participation.
Relationship to 2006-2007 Goals & Objectives: *Goal(s): 4; Objective(s): 2 B), 2C)*

Governance – SCC's consistent and proactive approach towards governance policies and practices, coupled with audits and customer satisfaction survey results, have assisted in advancing the objectives of the organization. As Council looks forward, maintaining its commitment to governance matters remains a high priority, especially in light of recently released federal reports on performance within Crown corporations. Ongoing integrity and transparency in operations remains a priority.
Relationship to 2006-2007 Goals & Objectives: *Goal(s): 2; Objective(s): 2 E)*

People and Skills – The nature of SCC's business is largely technical and it requires specialized staff. Attracting and retaining qualified staff is a challenging task for these types of knowledge positions. Staff orientation, ongoing training and succession planning practices are increasingly important components in ensuring the continued provision of high quality SCC programs and services. The small staff contingent heightens the challenge for SCC in the area of succession planning. Ongoing implementation of SCC's quality management system remains an integral component to organizational effectiveness and sustainability.

Demographics/Participants – In addition to ensuring the right staff is hired and retained, attracting the right candidates for SCC's Member Program is also essential. The members who volunteer their time and expertise to support committee work are of vital importance to the National Standards System (NSS). Currently, there is a shortage of candidates for technical, management and policy level positions in voluntary standardization fora. Linkages are being lost as members retire and are not replaced, and this could threaten SCC's continued base of support. To be properly equipped to develop and promote Canadian consensus positions, members who represent SCC in national and international fora need to receive sufficient orientation and training. The challenge ahead will be to attract new participants and to properly train and retain those already involved.
Relationship to 2006-2007 Goals & Objectives: *Goal(s): 2; Objective(s): 2 B)*

4.2 Environmental Scan

The following environmental scan outlines corporate strengths, weaknesses, opportunities and threats developed through strategic planning sessions held with SCC staff, management and Council in FY 2005-2006.

4.2.1 Strengths

- The people and organizations connected to SCC have a wealth of knowledge and expertise
- A single unified National Standards System (NSS) exists in Canada with multi-party input
- SCC is well known outside of Canada due to its leadership in international standardization organizations
- 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)
- As a Crown corporation, SCC has credibility with other governments and regulators
- Transparent and an open organization, SCC has good relationships with its clients
- Staff and volunteers are loyal, dedicated and knowledgeable
- SCC works with and supports developing economies and these efforts are recognized internationally
- An upward momentum for standardization in the last few years has been created by the recently released Canada Canadian Standards Strategy Updated 2005-2008 (CSS)

4.2.2 Weaknesses

- A lack of awareness and understanding exists about SCC and its role within Canada
- Target audiences are broad and SCC has limited resources to communicate with these audiences
- Increased business research tools are needed for proper performance measurement and business decision-making
- Enhanced internal communication is needed within the organization
- Greater recognition and support through intergovernmental relationships is required
- Securing sustainable funding is needed to support standardization activities in Canada as demands for these activities continue to increase
- Academics cannot get standards at a reasonable cost to share with and teach students
- Adaptation to international requirements is often perceived by some clients as an additional burden with lack of value-added to their business
- Stakeholders are competitors which sometimes cause difficulty when engaging them in collaborative processes
- Frequency and cost of audits are increasing

4.2.3. 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 SCC's quality management system (QMS) to build and maintain the competency and performance of staff, including orientation and communications training for new staff
- A significant portion of the market is still "untapped" for accreditation and information services provided by SCC

- Academics have an opportunity to engage students in standardization – pursue Canadian Centre for Excellence in Standards Research
- Government priorities such as smart regulation, trade, healthcare, organic agriculture, aging population and emerging markets make standards solutions in these areas timely
- Potential sector applications and programs in the areas of healthcare, personnel certification, etc.
- Engage organizations within Canada that are not currently part of the NSS as potential partners – pursue "value proposition" to assist in engaging these under-represented groups
- Leverage international efforts that seek to quantify the value of participation in the voluntary standards system
- Direct promotional efforts to segmented target audiences to make best use of limited funding for marketing/communications
- Promote the use of the International Accreditation Forum (IAF) mark and the value of IAF recognition
- Standardsstore.ca should provide additional increase in sales of standards and potential opportunities to develop new products for sale
- Corporate orientation, mentoring and training opportunities to provide all SCC volunteers and staff with the technical expertise required

4.2.4 Threats

- Loss of staff and volunteers results in lost expertise and corporate memory which in turn impacts on the delivery of programs and services
- Other governments compete with SCC programs due to lack of understanding of the scope of SCC programs. Examples may include water, soil testing and in the agricultural area.
- Difficulty managing client expectations and meeting their needs due to a lack of resources
- Mutual Recognition Arrangements (MRAs) pursued with a view to reducing trade barriers may have a detrimental impact on some portions of SCC's client base. With these arrangements, there is a requirement for only one accreditation to do business internationally. As a result SCC's client base could be reduced. Further impact assessment of benefits attributable to mutual recognition agreements is suggested.
- The media often portrays standards issues inaccurately which create a sense of doubt about the effectiveness of the voluntary standards in Canada

5. GOALS, OBJECTIVES, PRIORITIES AND ASSESSMENT OF RESULTS

5.1 Introduction

SCC's Corporate Plan summarizes the strategic direction for the next five years. This strategic direction was developed through consultative processes involving staff, management and Council. The feedback extracted during 2005 planning sessions demonstrated that the mission, vision, goals and objectives remain on track and continue to be the right ones. SCC's four strategic goals are noted in the adjacent diagram. Minor adjustments have been made to reflect more specific objectives (Section 5.3) .

SCC will now focus specifically on targeting key stakeholder groups, rather than simply increasing the general public's understanding about the role and activities of SCC (Goal 1, Objective B). In this way, SCC will be more successful in raising its awareness amongst its key target audiences. Secondly, SCC will now adapt conformity assessment programs for only international markets where it deems it to be appropriate (Goal 4, Objective A). And thirdly, instead of engaging any developing country in international standardization, SCC will target specific countries (Goal 4, Objective C). To this end, SCC will ensure that relationships established with these countries are mutually beneficial to SCC and the targeted developing country. Therefore, by sharing the knowledge and technological tools SCC has employed to build its own National Standards System (NSS), its work in these countries will also enhance the quality and significance of its programs and practices at home.

Many of SCC's objectives directly correspond to ones in the recently published *Canadian Standards Strategy Update 2005-2008* and are noted as such in the tables on the following pages. "The purpose of the updated Canadian Standards Strategy is to provide ongoing NSS direction and leadership on how to use standardization to advance the social and economic well-being of Canadians in a global economy"[1]. To this end, in FY 2005-2006, SCC outlined its primary four strategic goals which in part also fulfill the goals and objectives in the CSS. Many initiatives that were developed in FY 2005-2006 are now ready for implementation. SCC will have measurements for all of its corporate objectives, but not all will be considered key performance indicators (KPIs).

Goal #1: SCC branding and awareness building

The first goal primarily deals with leveraging SCC's current relationships and developing new ones to promote awareness of standardization and of SCC within Canada. As part of this initiative, an audit of existing communications and marketing materials and a review of current branding practices will be conducted, and recommendations for improvement will be determined. Research will be conducted on the awareness levels of existing and target sample

[1] *Canadian Standards Strategy Update 2005-2008 p. 3*

stakeholders. While this is a multi-year project, it will result in the delivery of a renewed branding strategy that includes short and long-term tactics for the promotion of SCC.

SCC's Member Program and partnerships are increasingly important. These programs supply SCC with individuals who have the expertise to participate in technical and policy committees. Key to this is a membership retention strategy which recognizes this expertise through its awards program. Establishing relationships with academic institutions to encourage the development and implementation of standardization education and training in Canada will also contribute to achieving this primary goal.

Goal #2: Organizational sustainability and effectiveness

The second goal of this Plan is to improve organizational sustainability and effectiveness. Strategies such as achieving 99 percent of cost-recovery in all conformity assessment programs and being within 1.5 percent of the budgeted net result, underlines SCC's fiscally responsible approach. A key issue to ensuring sustainability of the NSS and SCC is having expertise in the area of standardization. To this end, SCC has committed 1.8 per cent of its salary budget to staff training. By identifying clients' expectations and gaps in services through SCC's customer surveys, SCC can ensure that programs and services maintain their relevancy. SCC will formally address issues raised by its clients in FY 2006-2007.

Goal #3: National Standards System infrastructure development

The third goal for SCC is to focus efforts and resources on strengthening the national infrastructure for standards development and accreditation in Canada. SCC's objectives in this area will be to attract accreditation clients to solidify its position as the national accreditation body. As part of its branding strategy, SCC's goal is to strengthen its position at the national level. In pursuit of this objective, SCC will actively promote the applicability of standardization approaches to public policy officials and other target audiences.

Goal #4: Strategic international and regional participation

A key strength and competitive advantage of SCC is the work it conducts internationally. As its fourth goal, SCC will continue to focus on its international reputation as a leader in standardization. SCC has generated increased activity in securing partnerships and agreements with regional and international standardization bodies. While most of these arrangements are beneficial to SCC's clients, SCC will examine more closely these relationships to make sure that they continue to be cost-effective and provides added value to these clients.

SCC's far reaching involvement in training of people from developing countries creates opportunities that are mutually beneficial. In particular, SCC's work in these countries enhances the quality and significance of SCC programs and practices within Canada. SCC will engage targeted developing countries, such as Costa Rica and emerging markets such as China, Brazil and India, in its continuing effort to participate strategically in international and regional standardization organizations. SCC has been very successful in this area especially through its involvement in International Organization for Standardization's (ISO) Committee on Developing Country Matters (DEVCO), and more recently as a member of the DEVCO's Chairman's Advisory Group.

Progress made in mutually acceptable international standards, certification procedures and accreditation guidelines have served to promote increased, reciprocal market access for Asian and Canadian firms. Through these international initiatives SCC will focus on strengthening global accreditation networks, reducing standardization-related trade barriers and facilitating input into national, regional and international standardization fora.

Conclusion

The diagram at the end of section 5.2 illustrates SCC's direction over this current planning period and clearly indicates how its strategic goals are aligned with its mission and vision and SCC mandate. SCC's goals will be measured by the expected results /measurements of supporting objectives established for FY 2006-2007. Goals and their supporting objectives and expected results/ measurement are indicated in the tables in section 5.3 of this plan. A year-to-date FY 2005-2006 performance assessment is also included. It should be noted that some performance assessment items are repeated, given that some of the expected results are the same for different objectives. SCC's 2005-2006 Annual report will provide the full details of results for FY 2005-2006.

5.2 SCC Priority Areas

In light of SCC's primary goals, the following will be key priority areas for SCC for FY 2006-2007.

National Infrastructure and increased participation in the NSS

SCC has long been recognized internationally as a leader in standardization, however at a national level, awareness of SCC needs to be improved. Strengthening standards development and accreditation activities while maintaining the integrity of SCC programs will create further opportunities to gain recognition at the national level. SCC will pursue partnerships with organizations within Canada that are not currently part of the NSS. By attracting new partners and clients, participation in the NSS will be strengthened and funding levels of standards systems will be more sustainable.

One way SCC continues to advocate the important role the NSS plays in Canada is reducing regulatory burden – smart regulation. SCC is actively working with the Federal government to support the recognition that new approaches towards regulation are required. SCC has also stated the need for inclusion of such a statement in the federal government's revised Directive on Regulating. In FY 2006-2007, SCC will continue to advocate for smart regulation.

Another opportunity in which SCC can influence this key priority area is its involvement in supporting the Government of Canada's Security and Prosperity Partnership (SPP) initiative. SCC has provided standardization input to support the development and implementation of this initiative and more specifically items related to the transportation of dangerous goods and improving metrological cooperation. SCC will continue to provide input to support this very important initiative.

SCC will continue to contribute to domestic and international trade agreements. At the national level, the Agreement on Internal Trade (AIT), which aims to reduce and eliminate internal trade barriers and maintain an open and stable domestic market, is one such domestic agreement with which SCC is actively involved. At an international level, SCC contributes to the

development of both bilateral and multilateral trade agreements. For example, SCC participates in the World Trade Organization (WTO) Committee which oversees the Agreement on Technical Barriers to Trade (TBT). Signatories to the TBT Agreement attempt to ensure that regulations, standards, testing and certification procedures do not create unnecessary obstacles. SCC identifies as relevant, potential sectors in which standardization could be applied to facilitate greater levels of domestic and international trade. Furthermore, by SCC providing greater accessibility to experts and organizations within the NSS, trade related issues may be solved more efficiently and effectively.

Some of SCC accreditation services are facing new competition both domestically and internationally. SCC will continue to monitor the shifting business environment to ensure SCC remains the accreditor of choice in Canada.

Strengthen SCC's position internationally

As an internationally recognized leader in standardization, SCC will continue to strengthen its global networks in standardization and conformity assessment. In doing so, it will retain its recognition internationally and regionally. SCC will also continue to seek Canadian participation and leadership roles in a number of international and regional fora such as: International Organization for Standardization Council and Technical Management Board (ISO/TMB), International Electrotechnical Commission Council Board and Standards Management Board (IEC/SMB), International Accreditation Forum (IAF), Pacific Accreditation Cooperation (PAC), InterAmerican Accreditation Cooperation (IAAC), Asia Pacific Laboratory Accreditation Cooperation (APLAC) and DEVCO Chairman's Group. Additionally, SCC is strongly supporting the Canadian presidential candidate for the IEC for the period. SCC will also continue to work with developing countries by targeting those for which there would be mutual benefit.

SCC Partnerships and raising awareness

In order to achieve greater success in the promotion and use of the National Standards System (NSS), SCC's other key priority area for FY 2006-2007 will be to increase domestic awareness of SCC. SCC will launch a renewed branding strategy that will create greater interest in SCC and heightened awareness of the NSS. Effective communication and marketing tactics will include: presentations, success stories, events, and member program promotion.

Another initiative in support of SCC will be ongoing efforts to quantify the value of standardization. By doing so, SCC will be able to demonstrate the economic benefits of national and international standardization activities, as well as the necessity for increased funding to more effectively participate in standards activities.

In support of this, SCC will also continue to research the feasibility of development educational Centre on Standardization Research.

Organizational Excellence: sustainability and effectiveness

SCC will work to focus efforts and resources on strengthening the sustainability and effectiveness of standards development and accreditation in Canada. A key component of this will be ensuring organizational effectiveness. A number of proactive organizational practices such as mentoring practices for members, continued use and refinement of SCC's quality management system (QMS) and effective governance practices are planned.

Also a key priority for SCC is appropriate funding levels to ensure a well-functioning NSS. SCC will demonstrate the value to organizations involved in voluntary standardization to be gained by increased participation in standards activities both nationally and internationally. Additional resources are increasingly crucial to ensure that past Canadian contributions are not eroded. Therefore, together these endeavours will ensure a more effective and sustainable NSS.

SCC's STRATEGIC DIRECTION - FY 2006-2007 to 2010-2011

MISSION

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

VISION

To be recognized by Canadians and members of the international community as the body responsible for leading Canada's voluntary National Standards System.

MANDATE

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.*

Strategic Goals 2006-2011

- **SCC Branding and Awareness**
- **Organizational Sustainability and Effectiveness**
- **National Standards System Infrastructure**
- **Strategic International and Regional Participation**

5.3 Goals and Objectives

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.

Goal #1: Supporting Objectives	FY 2005-2006 Current Performance Against Expected Results	Expected Results/ Measurement(s) for FY2006-2007	Lead Branch(es)	KPI*
A) Strengthen SCC brand within Canada and in doing so, raise awareness of SCC and standards and conformity assessment in Canada	Brand awareness research is currently underway. This year's phase of the project includes research to examine current awareness levels, review of SCC's current branding practices and recommendations for improvements. The project will result in the delivery of a renewed branding strategy that includes short and long-term tactics for the promotion of SCC The implementation of tactics will span several years The FY 2005-2006 annual SCC Marketing and Communication Plan is being implemented with a focus on strengthening awareness by target audiences (consumers, government regulators and industry) in Canada	Renewed branding strategy that includes short and long-term tactics for the promotion of SCC Benchmark measure of SCC brand awareness for target audiences Implementation of the Annual SCC Marketing and Communications Plan	Corporate Services Other branches implicated: ALL	v

* V denotes whether this is an SCC Key Performance Indicator (KPI)

Goal #1: Supporting Objectives	FY 2005-2006 Current Performance Against Expected Results	Expected Results/ Measurement(s) for FY2006-2007	Lead Branch(es)	KPI*
B) Increase SCC key stakeholders groups' understanding about the role and activities of SCC	SCC's customer satisfaction surveys are conducted on a two-year rotating schedule. Two programs will be surveyed in 2005-06, including: - Member Program 2005-2006 Actual: 7.01 out of 10, 4% decline from 2003 Actual: 7.29 out of 10 - Program for Accreditation of Laboratories (PALCAN) (target - 2% increase)	Achieve SCC Customer Satisfaction targets as measured by SCC Customer Satisfaction Surveys	Corporate Services, Intergovernmental Affairs & Trade Other branches implicated: ALL	v
	The NSS core presentation and speech and benefits of participation (value proposition) material has been finalized, presentations underway, including: - Standardization Across Canada Forums held in five (5) different Provinces or Territories - SCC's World Standards Day/35th Anniversary event - adaptations of speech are being incorporated into speeches delivered by SCC's Executive Director, Chairman and staff	Delivery of Speeches/Presentations (Success Stories/Value Proposition) to target audiences		
	The FY 2005-2006 annual SCC Marketing and Communication Plan is being implemented with a focus on strengthening awareness by target audiences in Canada	Implementation of the Annual SCC Marketing and Communications Plan		

Goal #1: Supporting Objectives	FY 2005-2006 Current Performance Against Expected Results	Expected Results/ Measurement(s) for FY2006-2007	Lead Branch(es)	KPI*
	SCC has contributed to successive drafts of the Government of Canada's Directive on Regulating (GDR) in support of its smart regulation initiative. Next steps include SCC participation in public consultations, and provision of input into third edition of *the Smart Regulation Report on Actions and Plans*	Engage in smart regulation activities specifically advocating the adoption of a Government of Canada policy statement regarding the usage of standards and conformity assessment in federal regulations		
C) Encourage the development and implementation of standardization education and training in Canada, particularly in post-secondary and trade sectors	SCC Council paper, Canadian Centre on Standardization Research, presented to Council in 2005-09-14 detailing research underway SCC policy developed to provide ISO standards to accredited educational institutions	Develop new strategic partnerships by pursuing opportunities with educational institutions and other key industry and government groups	Standards Other branches implicated: ALL	
D) Support the collection and dissemination of research on the value and importance of standardization in Canada	Initial research has begun on a Centre for Excellence in Standardization Research and is being pursued in coordination with objective 1(c)	Research economic and other benefits quantifying the value of participation in Canadian voluntary standardization Research to determine organizations to engage in pursuit of a Centre for Excellence in Standardization Research	Intergovernmental Affairs & Trade Other branches implicated: Standards	

Goal #1: Supporting Objectives	FY 2005-2006 Current Performance Against Expected Results	Expected Results/ Measurement(s) for FY2006-2007	Lead Branch(es)	KPI*
E) Promote the use of the National Standards System (NSS)** ***(**Note reference to objective 6.1 of Canadian Standards Strategy Update 2005-2008)***	The Future Vision Task Group is pursuing recommendations with the objective of promoting the use of the National Standards System (NSS). The benefits of participation (value proposition) material has been finalized, presentations are being delivered, in coordination with objective 1(b). Updates on the work of the Future Vision Task Force being presented to SCC Council at each meeting. Update on status of recommendations to be presented to Council in December, 2005 SCC has signed an agreement to establish a joint program for the accreditation of medical laboratories with the Ontario Medical Association (OMA), Quality Management Program – Lab Services. Memorandum of Understanding signed with the Canadian Council on Health Services Accreditation Ongoing SCC participation in Electronic Health Record Health Infoway standards committees (EHR) CONSENSUS Magazine published 2005-10-14, 2005 “Standards for a Safer World” spotlighted relevant NSS “healthcare” contributions	Implementation of Future Vision Task Force recommendations Business Case seeking additional funding for participation in voluntary standardization and translation of National Standards of Canada (NSCs) to be developed and used to seek additional funds Pursue opportunities for NSS involvement in health-care and other areas	ALL	

Goal #1: Supporting Objectives	FY 2005-2006 Current Performance Against Expected Results	Expected Results/ Measurement(s) for FY2006-2007	Lead Branch(es)	KPI*
	The NSS core presentation and speech and benefits of participation (value proposition) material has been finalized, presentations underway, including: - Standardization Across Canada Forums held in five (5) different Provinces or Territories - SCC's World Standards Day/35th Anniversary event - adaptations of value proposition are being incorporated into speeches delivered by SCC's Executive Director, Chairman and staff. Being pursued in coordination with objective 1(b)	Delivery of Speeches/Presentations (Success Stories/Value Proposition) to target audiences		
F) Support the further development of SCC Member Program** ***(**Note reference to objective 5.1 of Canadian Standards Strategy Update 2005-2008)***	Retention strategy under development Increased recruitment statistics will be available at fiscal year-end	Development of a workplan to address retention, recruitment and training strategy for SCC Member Program Action Plan to address recommendations from SCC's Standards survey (including member program) results Evaluate effectiveness of the cadre of trainers introduced in FY 2005-06 Establish a benchmark for recruiting participants from target audiences Delivery of Member Program Awards	Standards Other branches implicated: Conformity Assessment, Corporate Services	

Goal # 2:

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

Goal 2#: Supporting Objectives	FY 2005-2006 Current Performance Against Expected Results	Expected Results/ Measurement(s) for FY 2006-2007:	Lead Branch(es)	KPI*
A) Employ innovative and sustainable funding mechanisms to support future activities	The Future Vision Task Group is pursuing recommendations with the objective of promoting the use of the National Standards System (NSS). The benefits of participation (value proposition) material has been finalized, presentations are being delivered, in coordination with objective 1(b). Updates on the work of the Future Vision Task Force being presented to SCC Council at each meeting. Update on status of recommendations to be presented to Council in December, 2005	Implementation of Future Vision Task Force recommendations Business Case seeking additional funding for participation in voluntary standardization and translation of National Standards of Canada (NSCs) to be developed and used to seek additional funds for SCC from the Government of Canada	Finance & Administration, Standards, Conformity Assessment Other branches implicated: ALL	
	Achievement of this projected financial result will be available at fiscal year-end	At year-end, the net financial result will be within 1.5% of the budgeted net result		V
	As of 2005-09-30, year-to-date cost-recovery in conformity assessment programs is 97%, slightly lower than target level of 99%. Achievement of projected cost-recovery target will be available at fiscal year-end	Achieve cost-recovery targets set for all conformity assessment programs		V

* V denotes whether this is an SCC Key Performance Indicator (KPI)

Goal 2#: Supporting Objectives	FY 2005-2006 Current Performance Against Expected Results	Expected Results/ Measurement(s) for FY 2006-2007:	Lead Branch(es)	KPI*
B) Develop and implement orientation and mentoring practices and enhance professional development opportunities	An orientation and mentoring practices/program is being implemented As of 2005-09-30, year-to-date salary budget spent on training is 0.78%, lower than target level of 1.8%. The target established for FY 2005-2006 of 1.8% is still anticipated at fiscal year-end	Institutionalize organizational mentoring practices 1.8% of salary budget spent on staff training	Finance & Administration (Human Resources) Standards (Member Program) Other branches implicated: ALL	V
C) Monitor the effectiveness and sustainability of SCC's products, programs and services on an ongoing basis	Recommendations from SCC's Special Examination, annual financial, internal and quality audits are being implemented as part of normal course of business and included in relevant reports to Council, Audit and Corporate Governance Committees, and included in branch business plans, as appropriate. As of 2005-09-30, year-to-date results detailing conformance response times for client requests are as follows: - Information and Research Service: target is 97%, currently: 97% - Technical Documents Centre: target 97%, currently: 94% - Administration: target is 99%, currently 98% Achievement of projected service standards' targets will be available at fiscal year-end	Implementation of recommendations from annual financial, internal and quality audits and results from customer satisfaction surveys Achieve targets for branch service standards. Enhance and promote WTO/NAFTA Enquiry Point services, Information Research Service and Technical Document Centre to ensure continued relevancy to clients	Executive, Corporate Services Other branches implicated: ALL	

Goal 2#: Supporting Objectives	FY 2005-2006 Current Performance Against Expected Results	Expected Results/ Measurement(s) for FY 2006-2007:	Lead Branch(es)	KPI*
	SCC's customer satisfaction surveys are conducted on a two-year rotating schedule. Two programs will be surveyed in 2005-06, including: - Standards Branch (target - 3% increase) - Program for Accreditation of Laboratories (PALCAN) (target - 2% increase) Being pursued in coordination with objective 1(b) Recommendations from SCC's senior management's annual review of the implementation of the Quality Management System (QMS) indicated that business case development is an area for further improvement. As SCC's QMS matures, current quality procedures relevant to this item are being amended and SCC's Quality Manager will be working with branches to ensure its effective use internally	Achieve SCC Customer Satisfaction targets as measured by SCC Customer Satisfaction surveys Use of QMS in business case development to support proposed new areas of work		V
D) Develop a corporate priority-setting mechanism to assist Council, management and staff in determining where to focus SCC's resources and efforts	The corporate-priority setting mechanism will be completed by fiscal year-end FY 2005-06	Implementation of priority-setting mechanism, and incorporation into SCC's quality management system (QMS)	Corporate Services Other branches implicated: ALL	
E) Support and continue to implement effective governance practices	Governance policies are continually being developed and implemented. SCC is responding to Treasury Board's February, 2005 report to Parliament reviewing the governance framework for Canada's Crown corporations	Governance policies, procedures and effective reporting in annual report, corporate plan, parliamentary/government submissions	Corporate Services Other branches implicated: ALL	

Goal 2#: Supporting Objectives	FY 2005-2006 Current Performance Against Expected Results	Expected Results/ Measurement(s) for FY 2006-2007:	Lead Branch(es)	KPI*
	Council succession planning has been completed to the extent possible. The Chairman and Executive Director have been re-appointed for three-year terms. Renewal of terms for several other Council members is in progress	Council Succession Planning implemented		
	Best practices being implemented on an ongoing basis, included in Treasury Board's February, 2005 Report	Proactive incorporation 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) and industry practices, as relevant to Crown Corporations		
	Recommendations from SCC's Special Examination, annual financial, internal and quality audits are being implemented as part of normal course of business and included in relevant reports to Council, Audit and Corporate Governance Committees, and included in branch business plans, as appropriate. Being pursued in coordination with objective 1(b)	Implementation of recommendations from annual financial, internal and quality audits		
	Achievement of this target will be available following conduct of SCC's financial audit at fiscal year-end	An unqualified audit opinion		V
	Corporate Governance workplan is being implemented	Implementation of Corporate Governance Committee workplan		

Goal # 3: **Focus efforts and resources on strengthening the national infrastructure for standards development and accreditation in Canada.**				
Goal 3#: Supporting Objectives	**FY 2005-2006 Current Performance Against Expected Results**	**Expected Results/ Measurement(s) for FY 2006-2007**	**Lead Branch(es)**	**KPI***
A) Attract accreditation partners and increase accredited clients to solidify SCC's position as the national accreditation body	Year-to-date achieved an increase of 4 in the laboratories accreditation program and 2 in the inspection body program. These increases were partly offset by a decrease of 2 in the management systems accreditation program	Increase in number of accredited clients by 37 (all programs and accreditation partners combined)	Conformity Assessment, Standards	V
B) Engage new industry stakeholders in the work of the NSS	Statistics on number of active industry stakeholders will be available at fiscal year-end	Increase in number of active industry stakeholders on standardization committees Delivery of Speeches/Presentations (Success Stories/Value Proposition) to target audiences	Standards Other branches implicated: ALL	
C) Pursue strategic standardization partnerships, projects and processes that support social policy objectives (including health, safety and the environment)** ***(**Note reference to objective 4.1 of Canadian Standards Strategy Update 2005-2008)***	SCC has signed an agreement to establish a joint program for the accreditation of medical laboratories with the Ontario Medical Association, Quality Management Program – Lab Services. Memorandum of Understanding signed with the Canadian Council on Health Services Accreditation (CHSA)	Research and recommendations on the development of a national database of health and safety incidents related to products, systems and services (in progress)	Standards, Intergovernmental Affairs & Trade Other branches implicated: ALL	

* V denotes whether this is an SCC Key Performance Indicator (KPI)

Goal 3#: Supporting Objectives	FY 2005-2006 Current Performance Against Expected Results	Expected Results/ Measurement(s) for FY 2006-2007	Lead Branch(es)	KPI*
	A working group was set up at the Canadian National Committee of the International Electrotechnical Commission (CNC/IEC) to work towards the goal of establishing a national database of incidents/injuries. The Canadian National Committee of the International Electrotechnical Commission (CNC/IEC) initiated several partnerships such as: SmartRisk, Canadian Institute for Health Information (CIHI), and National Public Safety Advisory Committee (NPSAC). This database of incidents/injuries is intended to be the precursor to the development of national safety standards and codes SCC Council paper, *Towards a Wider Application of Voluntary Standardization in Canadian Healthcare - Results of Healthcare Consultant Project,* presented 2005-06-08 detailed research and recommendations in this area. Being pursued in coordination with 1(e) Ongoing SCC participation in Electronic Health Records Health Infoway standards committees. CONSENSUS Magazine published 2005-10-14, 2005 “Standards for a Safer World” spotlighted relevant NSS healthcare contributions	Research and recommendations on the strategic application of standardization in healthcare and security		

Goal 3#: Supporting Objectives	FY 2005-2006 Current Performance Against Expected Results	Expected Results/ Measurement(s) for FY 2006-2007	Lead Branch(es)	KPI*
D) Enhance the strategic coordination and oversight capacities of CNC/ISO and CNC/IEC** ***(**Note reference to objective 1.1 of Canadian Standards Strategy Update 2005-2008)***	The results are represented by key performance indicators, and will be available at fiscal year-end	Canadian impact on international standards policy/management and technical decisions at ISO and IEC Canadian participation in international standards development, policy and management committees Suitability of international standards for Canadian use, as measured by percentage of National Standards of Canada approved as adoptions/ adaptations of ISO/IEC standards	Standards Other branches implicated: ALL	V V V
E) Research and analyze new and ongoing standardization issues** ***(**Note reference to objective 4.4 of Canadian Standards Strategy Update 2005-2008)***	Policy papers presented at successive meetings of Council held in April, June, September and December, 2005 on a wide-variety of issues that are included in the *Canadian Standards Strategy Update 2005-2008* and within SCC's Corporate Plan	Policy papers and/or briefings on new and ongoing issues, including: - Discussion paper containing a list 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 bi-lateral trade agreements - Discussion paper containing a list of best practices that could be applied to improve Canadian trade-related activities - Discussion paper containing a list of recommendations on the development of a "Centre for Excellence in Standardization Research" that would conduct, collect and disseminate research on the value and importance of standardization in Canada	Intergovernmental Affairs & Trade Other branches implicated: ALL	

Goal 3#: Supporting Objectives	FY 2005-2006 Current Performance Against Expected Results	Expected Results/ Measurement(s) for FY 2006-2007	Lead Branch(es)	KPI*
F) Support inter-jurisdictional standardization-based cooperation** ***(**Note reference to objective 4.2 of Canadian Standards Strategy Update 2005-2008)***	Continued identification of opportunities within PTAC and continue participation at NPSAC SCC has held meetings with officials from Industry Canada (IC) to discuss SCC input into the Agreement on Internal Trade (AIT), specifically the activities of the Council of First Ministers. A working group has been set-up to identify potential sectors where standardization could be applied to facilitate greater levels of inter-provincial trade in which SCC will be asked to participate	Identify areas of common trade-related difficulty among Provinces and Territories and promote standardization approaches and/or solutions for these trade impediments (PTAC) Conduct research to identify sectors from a Provincial and Territorial perspective that could benefit from the use and acceptance of accreditation-based MLAs	Intergovernmental Affairs & Trade Other branches implicated: Standards, Conformity Assessment	
G) Engage regulatory and public policy officials regarding the applicability of standardization approaches* ***(**Note reference to objective 4.3 of Canadian Standards Strategy Update 2005-2008)***	Statistics on increase in number of active regulators will be available at fiscal year-end The NSS core presentation and speech and benefits of participation (value proposition) material has been finalized, presentations underway, including: - Standardization Across Canada Forums held in five (5) different Provinces or Territories - SCC's World Standards Day/35th Anniversary event - adaptations of value proposition are being incorporated into speeches delivered by SCC's Executive Director, Chairman and staff. Being pursued in coordination with objective 1(b)	Increase in number of active regulators on standardization committees Delivery of Speeches/Presentations (Success Stories/Value Proposition) to regulators and target audiences	All branches	V

Goal 3#: Supporting Objectives	FY 2005-2006 Current Performance Against Expected Results	Expected Results/ Measurement(s) for FY 2006-2007	Lead Branch(es)	KPI*
	The NSS core presentation with speaking notes has been finalized. This is used as a part of a cross-Canada "roadshow" presentation for each of SCC's target audiences. Being pursued in coordination with objective 1(b) and (e) SCC has contributed to successive drafts of the Government's Directive on Regulating (GDR) in support of its smart regulation initiative. SCC participated in public consultations, and provision of input into third edition of the smart regulation Report on Actions and Plans. Being pursued in coordination with objective 1(b) Final Report of the External Advisory Committee on smart regulation (EACSR) was released September, 2004	Engage in smart regulation activities specifically advocating the adoption of Government of Canada policy statement regarding the usage of standards and conformity assessment procedures in federal regulations		

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.

Goal # 4:Supporting Objectives	FY 2005-2006 Current Performance Against Expected Results	Expected Results/ Measurement(s) for FY 2006-2007	Lead Branch(es)	KPI*
A) Adapt SCC's conformity assessment for international markets where appropriate	Canada's relationships with large rapidly expanding economies such as Brazil, India and China have created several opportunities in standards and conformity assessment	Research and business cases prepared to support expansion of existing programs into international markets in response to stakeholder needs	Conformity Assessment Other branches implicated: Intergovernmental Affairs & Trade,	
B) Evaluate and strategically participate in international and regional standards development and conformity assessment bodies	SCC is maintaining Mutual Recognition signatory status in the International Accreditation Forum (IAF), the Pacific Accreditation Cooperation (PAC), the International Laboratory Accreditation Cooperation (ILAC), the Asia-Pacific Laboratory Accreditation Cooperation (APLAC) and the InterAmerican Accreditation Cooperation (IAAC) SCC signed a Memorandum of Understanding (MoU) with the Standardization Administration of China (SAC), creating opportunities for further collaboration in standardization with Chinese standards colleagues	Development and application of a measurement tool(s) to assess impact of existing and/or proposed voluntary accreditation-based arrangements on the Canadian marketplace	Intergovernmental Affairs & Trade, Standards, Conformity Assessment	V

* V denotes whether this is an SCC Key Performance Indicator (KPI)

Goal # 4:Supporting Objectives	FY 2005-2006 Current Performance Against Expected Results	Expected Results/ Measurement(s) for FY 2006-2007	Lead Branch(es)	KPI*
	The results are represented by key performance indicators, and will be available at fiscal year-end	Percentage of Canadian participation in international standards development, policy and management committees Suitability of international standards for Canadian use, as measured by percentage of National Standards of Canada approved as adoptions/ adaptations of ISO/IEC standards Effective leadership at ISO Council, ISO/TBM, IEC CB, SMB IAF, PAC, IAAC, ILAC, APLAC (as per KPIs), where relevant Support Canadian Candidate for IEC Presidency		V V
C) Continue to engage targeted developing countries in international standardization** ***(**Note reference to objective 3.1 of the Canadian Standards Strategy Update 2005-2008)***	SCC hosted the International Organization for Standardization (ISO) Committee on Consumer Policy (COPOLCO) meeting and secured additional sponsorship to support increased attendance by representatives from developing countries SCC has been contracted by the Canadian International Development Agency (CIDA) to deliver capacity-building projects to Costa Rica, which is currently in-progress SCC signed a hosting agreement with Malaysia's Standards Management Department for the implementation of Export Alert and the Trinidad and Tobago Bureau of Standards.	Measurement tool to assess the effectiveness, impact(s) and outcomes of SCC's standardization-related development assistance activities Explore opportunities and strategies for hosting Export Alert! in targeted developing countries	Intergovernmental Affairs & Trade Other branches implicated: Standards, Conformity Assessment	

Goal # 4:Supporting Objectives	FY 2005-2006 Current Performance Against Expected Results	Expected Results/ Measurement(s) for FY 2006-2007	Lead Branch(es)	KPI*
	SCC will continue to enhance its international development assistance profile and participate in the International Organization for Standardization Committee on Developing Country Matters (ISO/DEVCO) on within DEVCO's Chairman's Advisory Group.	CAC/DEVCO vision statement to guide future standardization-related development assistance activities Enhanced system for data collection and assessment with regard to assessing the suitability of countries and/or regions for standardization-related development assistance from CAC/DEVCO Training in the operation of a WTO Enquiry Point and Standards Information Service provided to targeted developing countries Provide IAF, IAAC & PAC standardization-related training activities		
D) Continue to strengthen global accreditation networks** ***(**Note reference to objective 2.1 of Canadian Standards Strategy Update 2005-2008)***	SCC continues to implement the IAF's cross-frontier policy which was first implemented in May, 2004. Surveys of clients have been conducted to identify by locations those that will require oversight	Hosting of ISO General Assembly in 2006 Rationalization paper to Council that examines and provides recommendations on voluntary accreditation-based arrangements/agreements	Conformity Assessment, Intergovernmental Affairs & Trade, Standards	

Goal # 4:Supporting Objectives	FY 2005-2006 Current Performance Against Expected Results	Expected Results/ Measurement(s) for FY 2006-2007	Lead Branch(es)	KPI*
	SCC signed the multilateral Conformity Assessment Co-operation with U.S. National Accreditation Board (ANAB), Japanese Accreditation Bureau (JAB), Joint Accreditation System of Australia and New Zealand (JAS-ANZ) and Engine Manufacturers Association (EMA) and is currently negotiating several mutual recognition agreements to facilitate the implementation of the cross-frontier policy SCC has taken a leadership role in IAAC and Executive Committee Progress is being monitored InterAmerican Accreditation Cooperation's (IAAC) evaluation for QMS and EMS is currently in progress and is being monitored to ensure that resources are allocated to resolve any non-conformances	Effective leadership within the International Accreditation Forum (IAF) , Pacific Accreditation Cooperation (PAC) arrangements and InterAmerican Accreditation Cooperation (IAAC), Asia Pacific Laboratory Accreditation Cooperation (APLAC), International Laboratory Accreditation Cooperation (ILAC) Develop Canadian positions via the CAC/CASCO and promote Canadian positions at the ISO/CASCO		
E) Support the reduction of standardization-related trade barriers** ***(**Note reference to objective 2.1 of Canadian Standards Strategy Update 2005-2008)***	Preliminary planning and research is now underway via the Advisory Committee on Trade (ACT) in pursuit of this item	SCC and voluntary standardization perspectives included in associated government initiatives (e.g. smart regulation initiatives) SCC and voluntary standardization perspectives included in trade-related activities (e.g. World Trade Organization's Technical Barriers to Trade WTO/TBT, Asia-Pacific Economic Cooperation)	Intergovernmental Affairs & Trade, Standards Other branches implicated: Conformity Assessment	

Goal # 4:Supporting Objectives	FY 2005-2006 Current Performance Against Expected Results	Expected Results/ Measurement(s) for FY 2006-2007	Lead Branch(es)	KPI*
F) Facilitate consumer input into national, regional and international standardization fora **(**Note reference to objective 1.2 of Canadian Standards Strategy Update 2005-2008**	Consumer Public Interest Committee (CPIC) has developed a priority-setting mechanism Preliminary planning and research is now underway to determine the best methods and approaches to facilitate consumer input	Implementation of the Consumer and Public Interest Committee (CPIC) Priorities Setting Mechanism Recommendations on alternative methods and approaches to facilitate consumer input	Standards	

5.4 Key Performance Indicators

In preparing the Corporate Plan FY 2006-2007, SCC looked at best practices in corporate planning and performance indicators used by other organizations. In addition, it also incorporated recent recommendations of SCC audits. As a result of this review, SCC has adapted the following Key Performance Indicators (KPIs) to reflect best practices.

SCC Key Performance Indicators for FY 2006-2007 more clearly indicate the relationship between planned objectives and KPIs. SCC will have measurements for all of its corporate objectives, but not all of these will be considered KPIs.

Key Performance Indicator (KPI):	Supports Corporate Objectives:	Benchmark (if applicable):	Target(s) FY 2006-2007:	Data Source(s):
1. Benchmark measure of SCC brand awareness to target groups	1 A), 1 B), 1 E)	To be established in FY 2006-2007 for targeted audiences	Benchmark and target for future years	Report provided by consultant
2. 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): • Web site: 3.31 • Management Systems: 3.24 • Certification Bodies: 3.85 • Information and Research Service: 3.71 • Enquiry Point: 3.83 • Trade and Policy: 3.78	• Web site: maintain 3.31 or increase • Management Systems: maintain 3.24 or increase • Certification Bodies: maintain 3.85 or increase • Information and Research Service: maintain 3.71 or increase • Enquiry Point: maintain 3.83 or increase • Trade and Policy: maintain 3.78 or increase	Annual Customer Satisfaction Survey Reports by market research firm

Key Performance Indicator (KPI):	Supports Corporate Objectives:	Benchmark (if applicable):	Target(s) FY 2006-2007:	Data Source(s):
3. At year-end, the net financial result will be within 1.5% of the budgeted net result	2 A)	FY 2004-2005 actual was 0.01%. Achievement of FY 2005-06 result will be available at fiscal year-end	Net financial result will be within 1.5% of the budgeted net result	SCC's Microsoft Business Systems Financial Accounting System and Audited Financial Statements
4. An unqualified audit opinion	2 A)	SCC had an unqualified audit opinion each year for more than a decade. In 2004-2005 it received a letter with observations cited. Achievement of FY 2005-06 results will be available at fiscal year-end	An unqualified audit opinion	Office of the Auditor General of Canada – audited Financial Statements for 2006-2007
5. Achieve cost-recovery targets set for all conformity assessment programs	2 A)	FY 2004-2005 cost recovery in conformity assessment programs actual was 94%. As of 2005-09-30, year-to-date cost recovery in conformity assessment programs is 97%, slightly lower than target level of 99%. Achievement of projected cost-recovery target will be available at fiscal year-end	Combined cost-recovery target for conformity assessment programs of 99%	Conformity Assessment Revenue and Expenditure Statements as reported in SCC's *Microsoft Business Systems* Financial Accounting System

Key Performance Indicator (KPI):	Supports Corporate Objectives:	Benchmark (if applicable):	Target(s) FY 2006-2007:	Data Source(s):
6. Percentage of salary budget spent on staff training	2 B)	As of 2005-09-30, year-to-date salary budget spent on training is 0.78%, lower than target level of 1.8%. The target established for FY 2005-2006 of 1.8% is still anticipated at fiscal year-end	1.8% of Salary Budget	SCC Revenue and Expenditure statements as reported in SCC's *Microsoft Business Systems* Financial Accounting System
7. Increase in number of accredited clients and accreditation partners.	3 A)	As of 2005-09-30, year-to-date, actual number of accredited clients: • Laboratory (PALCAN): 343 • Product Certification: 28 • Management Systems: 29 • Auditor Training: 1 Personnel Certifiers: 1 • Inspection Bodies: 8 • Standards Development Organizations: 4	Target is to increase number of accredited clients for the following programs and services: • Laboratory (PALCAN): increase by 25 for a total of 368 • Product Certification: increase by 2 for a total of 30 • Management Systems: maintain 29 • Auditor Training: maintain 1 • Personnel Certification: increase by 2 for a total of 3 • Inspection Bodies: increase by 8 for a total of 16 • Standards Development Organizations: maintain 4	Program Databases

Key Performance Indicator (KPI):	Supports Corporate Objectives:	Benchmark (if applicable):	Target(s) FY 2006-2007:	Data Source(s):
8. Canadian contribution performance record and participation at ISO and IEC	3 D)	FY 2004-2005 actual was 100% (applies to all requests to vote: NWI, CDV or DIS) The target of 100% for FY 2005-2006 is anticipated to be achieved at fiscal year-end FY 2004-2005: Participation in 55.2% (of 895 committees). The target of 55+% for FY 2005-2006 is anticipated to be achieved by year-end.	100% voting performance Target for 2006-2007: 55+%	Members Program database
9. Canadian impact on and participation in regional and international standardization efforts, as measured by the percentage of Canadian resolutions made at the regional level that are successful	4 B)	Benchmark established: 80%	IAF: 80% PAC: 80% ISO/CASCO: 80% IAAC: 80% IECEE: 80% APLAC: 80% ILAC: 80%	Regional standards bodies' voting records
10. Canadian participation in international standards development, policy and management committees	4 B)	In FY 2004-2005 total participation was 4 committees out of a possible 6 committees = 67% participation rate	Maintain Canadian participation rate at 65+%	Members Program database

This section presents the FY 2006-2007 planning budget, the FY 2006-2007 Capital Budget, the FY 2007-2008 to FY 2010-2011 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: 2004-2005 and 2005-2006

The SCC concluded the most recent fiscal year (FY 2004-2005) with total *Unrestricted Equity* of $2.34 million. Current assets, at that time, exceeded current liabilities by a ratio of just over 1.75:1. 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, through the course of the fiscal year 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 0% - 5% of its budgetary targets.

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 51% planned for FY 2006-2007, 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, 2005 and March 31, 2006, with an explanation of major variances.

Financial Performance 2003-2007
(in $'s)

	2002-2003 Actual	2003-2004 Actual	2004-2005 Actual	2005-2006 Forecast	2006-2007 Budget
Revenue					
CA Accreditation fees	4,540,427	4,762,328	5,151,197	5,308,508	5,938,250
Royalties on Sale of Standards	717,097	709,504	537,062	518,791	530,000
WTO/NAFTA Enquiry Point	245,838	251,525	260,782	260,660	261,000
Net Parliamentary appropriation	6,573,984	7,101,179	6,944,447	7,020,700	7,648,800
Event Sponsorship/Partnership Funding	423,513	655,179	338,392	326,473	250,450
Other	375,514	366,429	478,647	444,741	289,800
	12,876,373	**13,846,144**	**13,710,527**	**13,879,873**	**14,918,300**
Expenses					
Conformity Assessment	3,311,400	3,401,876	3,833,047	3,927,761	4,409,100
Standards	3,661,278	4,251,742	3,581,520	3,872,458	4,002,100
Intergovernmental Affairs/Trade	903,215	956,200	870,929	955,452	1,163,000
Information Services	436,348	476,346	538,988	475,412	534,200
WTO/NAFTA Enquiry Point	245,838	251,525	260,782	260,660	261,000
Management & Administration	4,146,832	4,363,469	4,626,544	4,380,303	4,548,900
	12,704,911	**13,701,158**	**13,711,810**	**13,872,046**	**14,918,300**
Net Income	**171,462**	**144,986**	**(1,283)**	**7,827**	**-**

6.1.1 Explanation of Variances
FY 2004-2005 Budget vs. FY 2004-2005 Actual

Expenses

Expenses for FY 2004-2005 were $13.7 million, only $6 thousand under budget. A number of staff vacancies throughout the year, and airfare restructuring combined with an aggressive push to utilize lower fare options resulted in significant underexpenditures in travel. These savings were totally offset by increased costs in Professional and Special Services as outside services were used to overcome staff vacancies. Public Relations costs were under budget as client satisfaction surveying was postponed in order to meet overall budget targets.

Revenues

Total revenues for FY 2004-2005 were $13.7 million, virtually unchanged from the previous year and as a whole right on budget. Conformity Assessment accreditation fees grew by 8%, due largely to a 43% increase in Certification, while PALCAN and Management Systems grew by 2% each. The ongoing increase in revenue, coupled with shared travel expenses and combined audits resulted in the achievement of 94% full cost recovery in FY 2004-2005. Additionally, sponsorship revenue was significantly under target as contributions to support the hosting of the National Standards Systems Conference fell well short of expectations. However, registration fees for the conference, as well as the fulfillment of a couple of unbudgeted partnership projects resulted in surpassing the Other Income revenue budget.

Capital Expenditures

Following an internal audit which identified gaps in SCC's information system infrastructure, additional funds were utilized in upgrading back-up systems and co-locating mirror servers at an outside secured location to provide disaster-recovery redundancy.

($ Thousands)

	STATEMENT OF OPERATIONS 2004-2005		STATEMENT OF OPERATIONS 2005-2006	
EXPENSES	**BUDGET**	**ACTUALS**	**BUDGET**	**FORECAST**
Personnel	6,628	6,618	7,018	6,987
Communications	172	193	201	164
Travel	2,055	1,620	2,151	1,680
Delegate and Secretariat Assistance	335	378	335	352
Information and Documentation	87	79	81	80
Public Relations	192	88	113	88
Professional and Special Services	1,128	1,672	1,496	1,378
Accommodation	684	628	695	675
Rental of Equipment	55	62	58	56
Printing and Duplication	74	54	53	34
Office Supplies	162	174	150	118
Meetings	307	279	173	226
Hosting of International Meetings	0	0	110	143
Membership Fees	1,093	1,113	1,121	1,128
Translation of National Standards	150	150	150	150
Training and Development	89	69	93	76
Other	226	219	223	238
Depreciation Expense	282	316	302	299
	13,718	13,712	14,522	13,872
REVENUES				
Sales of Standards	500	537	500	519
Accreditation Programs - CA	5,046	5,151	5,806	5,308
Accreditation Programs - SDO	90	82	101	80
WTO/NAFTA Enquiry Point	260	261	261	261
Web Hosting Revenue	150	133	163	153
Sponsorship Funding	549	339	532	326
Other	117	264	143	212
	6,712	6,767	7,506	6,859
Net Cost of Operations	(7,006)	(6,945)	(7,016)	(7,013)
Net deferred/recognized government funding	82	15	92	92
Parliamentary Appropriation - Industry Canada	6,924	6,929	6,924	6,929
NET SURPLUS	**0**	**(1)**	**0**	**8**
Capital Budget	200	275	200	200

Detailed financial statements for FY 2004-2005 and FY 2005-2006 can be found in appendix A

6.1.2 Explanation of Variances
FY 2005-2006 Budget vs. FY 2005-2006 Forecast

Expenses

Expenses are forecast at $13.87 million, approximately $650 thousand lower than budget. The two main areas of underexpenditure are in Travel and Professional and Special Services. Both of these shortfalls are related to significantly lower than anticipated activity in Conformity Assessment. Budgets were based on an assumed level of revenue growth, which has not materialized. Consequently, direct expenses of this program are under budget by a similar relative amount. Meetings expense will exceed budget as a number of international technical committee meetings were hosted in Canada.

Revenues

Revenues are forecast at $13.88 million, some $642 thousand under budget. As noted above, Conformity Assessment total revenues will be significantly under budget as program growth has not met expectations. Sponsorship Funding will also fall significantly short of budget as three CIDA-funded projects in Costa Rica have been delayed in getting underway. Other Income will exceed budget as contributions have been received to support the hosting of international technical committee meetings in Canada.

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)**	**2004-2005**		**2005-2006**		**2006-2007**
	Budget	Actual	Budget	Forecast	Budget
Standards Sales Royalties	500	537	500	519	530
Revenue from Conformity Assessment	5,396	5,495	6,130	5,507	6,042
Conformity Assessment Expenditures	3,675	3,784	4,244	3,928	4,409
Total Operating Expenses	9,056	9,085	10,017	9,492	10,369
Corporate & Administrative Expenses	4,662	4,627	4,505	4,380	4,549
Surplus	-	(1)	-	8	-
Capital Expenditures	200	275	200	200	150

Resource and Allocation Highlights For the years ended March 31	2004-2005		2005-2006		2006-2007
	Budget	Actual	Budget	Forecast	Budget
% revenue from parliamentary appropriation	51%	51%	48%	51%	51%
% cost recovery in Conformity Assessment	93%	94%	97%	95%	96%
Person-Years	89.00	90.00	91.50	93.50	92.00
Corp and Admin costs per PY	81,432	79,433	75,395	72,705	76,775

6.2 Financial Plan 2006-2007

The proposed budget for FY 2006-2007 is balanced, and has revenues and expenditures set at $14.9 million, an increase of $0.4 million from the current year's budget. The increase arises from Conformity Assessment as a number of peer evaluations and assessor training activities are scheduled to take place in FY 2006-2007. In addition, SCC will be hosting the 2006 ISO General Assembly in the fall of 2006, entailing an estimated expenditure of $374 thousand.

The following assumptions have been made in the preparation of the FY 2006-2007 operating budget:

a) Membership fees to ISO and IEC are paid in Swiss francs. This plan projects an average exchange rate of $ 0.92 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 an aditional 0.5 FTE.

c) Revenues in both Certification and Management Systems are expected to decline from the previous year's budget, while PALCAN revenues are expected to grow by $275 thousand as scheduled audits and reassessments will increase by 50 visits.

d) SCC will host the 2006 ISO General Assembly at an estimated cost of $374 thousand, offset somewhat by the anticipated receipt of some $50 thousand in sponsorship revenues.

BALANCE SHEET
(in thousands of dollars)
2006-2007

ASSETS	
Cash and Short-Term Deposits	1,252
Accounts Receivable	
Federal Government Departments & Agencies	1,110
Other	1,219
Prepaid Expenses	980
Fixed Assets (net)	814
TOTAL ASSETS	**5,375**
LIABILITIES	
Accounts Payable and Accrued Liabilities	589
Customer and Other Deposits	65
Deferred Annual Accreditation Fees	1,555
Deferred Tenant Allowance	226
Deferred Government Funding	588
	3,023
Unappropriated Equity	**2,352**
TOTAL LIABILITIES AND EQUITY	**5,375**

STATEMENT OF OPERATIONS
(in thousands of dollars)
2006-2007

EXPENSES	
Personnel	7,495
Communications	190
Travel	2,124
Delegate and Secretariat Assistance	335
Information and Documentation	72
Public Relations	101
Professional and Special Services	1,378
Accommodation	698
Rental of Equipment	52
Printing	45
Office Supplies	134
Meetings	173
Membership Fees	967
Translation of National Standards	150
Training and Development	94
Hosting of International Meetings	374
Other	266
Depreciation Expense	270
	14,918
REVENUES	
Sales of Standards	530
Conformity Assessment Accreditation Programs	5,881
WTO/NAFTA Enquiry Point	261
Sponsorship/Partnership	250
Standards Development Organization Accreditation	58
Revenue from Web Hosting	163
Other	126
	7,269
Net Cost of Operations	(7,649)
Parliamentary Appropriation - Industry Canada	7,529
Net deferred/recognized government funding	120
NET SURPLUS	**-**
Capital Budget	150

STATEMENT OF CASH FLOWS
(in thousands of dollars)
2006-2007

Operating Activities	
Net income	-
Adjustments for Non-Cash Items:	
Amortization of capital assets	270
Amortization of deferred revenue related to tenant allowance	(26)
Amortization of deferred government funding	(244)
	-
Changes in current liabilities and current assets other than cash	(246)
Cash Flows from operating activities	(246)
Investing Activities	
Additions to capital assets	(150)
Financing Activities	
Funding for acquisition of assets:	
Parliamentary Appropriation	150
Decrease in cash during year	(246)
Cash at the beginning of the year	1,498
Cash at the end of the year	1,252

6.2.1 Explanation of Variances
FY 2006-2007 Budget vs. FY 2005-2006 Forecast

Expenses

Expenses for FY 2006-2007 are set at $14.9 million, about $1 million higher than is forecast for FY 2005-2006. This rise is due to several factors. Personnel costs increase due to an additional .50 FTE, the expectation that SCC will be fully staffed for the entire year, salary band increases and the payment of at-risk performance pay. Travel costs will increase due to the conduct of two peer assessments and scheduled team leader and assessor training in the PALCAN program. As well, a full staff complement will allow for more planned activities to take place. The other major increase is in Hosting of International Meetings as the 2006 ISO General Assembly will be held in Canada. These increases are offset by reductions in Meetings expense as fewer hosted international technical meetings are anticpated and in International Membership Fees due to the increased strength of the Canadian dollar.

Revenues

Conformity Assessment accreditation fees are projected to rise by $573 thousand over current year forecast as increased activity in PALCAN (50 addtional scheduled audits and reassessments) and new program growth in Certification is offset by an anticipated small decline in Management Systems as clients rationalize their world-wide accreditations. Sponsorhip/Partnership revenue will decline as receipts in support of the ISO General Assembly are expected to be less than that received in 2005-2006 for the hosting of the ISO/COPOLCO meeting. Other Income declines as the hosting of fewer international technical committee meetings is anticipated.

Capital Expenditures

Capital expenditures in FY 2006-2007 will continue to support SCC's technological infrastructure.

STATEMENT OF OPERATIONS

(in thousands of dollars)

	2006-2007 BUDGET	2005-2006 FORECAST
EXPENSES		
Personnel	7,495	6,987
Communications	190	165
Travel	2,124	1,679
Delegate and Secretariat Assistance	335	352
Information and Documentation	72	80
Public Relations	101	84
Professional and Special Services	1,378	1,369
Accommodation	698	675
Rental of Equipment	52	65
Printing and Duplication	45	35
Office Supplies	134	118
Meetings	173	226
Hosting of International Meetings	374	143
Membership Fees	967	1,128
Translation of National Standards	150	150
Training and Development	94	76
Other	266	240
Depreciation Expense	270	300
	14,918	13,872
REVENUES		
Sales of Standards	530	519
Accreditation Programs - Conformity Assessment	5,881	5,308
Accreditation Programs - Standards Development Organizations	58	80
WTO/NAFTA Enquiry Point	261	261
Web Hosting Revenue	163	135
Sponsorship/Partnership Revenue	250	327
Other	126	229
	7,269	6,859
Net Cost of Operations	(7,649)	(7,013)
Net Deferred/Recognized Appropriation Funding	120	92
Parliamentary Appropriation - Industry	7,529	6,929
NET SURPLUS (DEFICIT)	**-**	**8**
Capital Budget	150	200

6.2.2 The 2006-2007 Capital Budget and 2007-2011 Plan

The following are the Capital Budgets provided for each of the years covered by this document.
(in $'s)

2004-2005	275,000
2005-2006	200,000
2006-2007	150,000
2007-2008	150,000
2008-2009	150,000
2009-2010	255,000
2010-2011	150,000

VARIANCE ANALYSIS

2004-2005 Actual Expenditures vs. 2004-2005 Capital Budget

$275,000 vs. $200,000

Following an internal audit which identified gaps in SCC's information system infrastructure, additional funds were utilized in upgrading back-up systems and co-locating mirror servers at an outside secured location to provide disaster-recovery redundancy.

2005-2006 Forecast vs. 2005-2006 Capital Budget

$200,000 vs. $200,000

No significant variance is anticipated.

2005-2006 Forecast vs. 2006-2007 Capital Budget

$200,000 vs. $150,000

The budget represents ongoing technology upgrades, as well as planned minor leasehold improvements.
The budget has been reduced to $150,000 as expenditures related to carpet removal and re-installation are no longer required.

6.2.3 The Operating Plan 2006-2007 to 2010-2011

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 $374 thousand. This document reflects SCC's plans against current approved reference levels.

The following displays the operating plan based on the FY 2006-2007 planned budget:

BALANCE SHEET

(thousands $)

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
ASSETS							
Cash	2,103	1,498	1,252	1,197	1,318	1,246	1,257
Accounts Receivable:							
Federal Departments and agencies	1,124	988	1,110	1,068	1,005	990	1,038
Other	1,298	1,329	1,219	1,289	1,295	1,300	1,325
Prepaid Expenses	960	930	980	1,025	948	953	900
Fixed Assets (net)	1,034	934	814	729	661	704	671
TOTAL ASSETS	**6,519**	**5,679**	**5,375**	**5,308**	**5,227**	**5,193**	**5,191**
LIABILITIES							
Accounts Payable and Accrued Liabilities	1,214	501	589	587	550	462	588
Contributions Received	212	80	65	65	65	65	65
Deferred Annual Fees	1,715	1,812	1,555	1,575	1,599	1,610	1,515
Deferred Revenue - Tenant Allowance	278	252	226	200	174	148	112
Deferred Government Funding	756	682	588	529	487	556	559
	4,175	3,327	3,023	2,956	2,875	2,841	2,839
Unappropriated Equity	2,344	2,352	2,352	2,352	2,352	2,352	2,352
TOTAL LIABILITIES AND EQUITY	**6,519**	**5,679**	**5,375**	**5,308**	**5,227**	**5,193**	**5,191**

STATEMENT OF OPERATIONS

EXPENSES	**2004-2005 ACTUAL**	**2005-2006 FORECAST**	**2006-2007 BUDGET**	**2007-2008 PLAN**	**2008-2009 PLAN**	**2009-2010 PLAN**	**2010-2011 PLAN**
Personnel	6,618	6,987	7,495	7,559	7,828	7,967	8,034
Communications	193	165	190	193	197	196	202
Travel	1,620	1,679	2,124	2,029	2,133	2,198	2,284
Delegate and Secretariat Assistance	378	352	335	335	335	335	335
Information and Documentation	79	80	72	77	77	78	78
Public Relations	132	84	101	54	102	92	54
Professional and Special Services	1,628	1,369	1,378	1,332	1,392	1,484	1,517
Accommodation	628	675	698	700	710	711	719
Rental of Equipment	62	65	52	55	55	55	55
Printing	49	35	45	43	53	43	53
Office Supplies	174	118	134	152	155	159	163
Meetings	279	226	173	173	238	174	241
Membership Fees	1,113	1,128	967	968	968	968	968
Translation of National Standards	150	150	150	150	150	150	150
Staff Training and Development	69	76	94	95	97	98	98
Hosting of International Meetings	0	143	374	-	-	-	-
Other	224	240	266	272	306	291	328
Depreciation Expense	316	300	270	235	218	212	183
	13,712	13,872	14,918	14,422	15,014	15,210	15,462
REVENUES							
Sales of Standards	537	519	530	550	560	560	560
CA Accreditation Programmes	5,151	5,308	5,881	5,958	6,438	6,773	6,885
WTO/NAFTA Enquiry Point	261	261	261	279	284	290	296
Event Sponsorship/Partnership Revenue	338	327	250	70	130	80	140
SDO Accreditation	82	80	58	61	65	67	70
Web Hosting Revenue	133	135	163	163	163	163	163
Other	265	229	126	127	177	128	186
	6,767	6,859	7,269	7,208	7,817	8,061	8,300
Net Cost of Operations	(6,945)	(7,013)	(7,649)	(7,214)	(7,197)	(7,149)	(7,162)
Parliamentary Appropriation - Industry	6,929	6,929	7,529	7,129	7,129	7,129	7,129
Net Deferred/Recognized Government Funding	15	92	120	85	68	20	33
NET SURPLUS	**(1)**	**8**	**-**	**-**	**-**	**-**	**-**
Capital Budget	275	200	150	150	150	255	150

STATEMENT OF CASH FLOWS

(in thousands of dollars)

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Operating Activities							
Net Income (Loss)	(1)	8	-	-	-	-	-
Adjustments for Non-Cash Items:							
Amortization of capital assets	316	300	270	235	218	212	183
Amortization of deferred revenue related to tenant allowance	(26)	(26)	(26)	(26)	(26)	(26)	(36)
Amortization of deferred government funding	(290)	(274)	(244)	(209)	(192)	(186)	(147)
	(1)	8	-	-	-	-	-
Changes in current liabilities and current assets other than cash	417	(613)	(246)	(55)	121	(72)	11
Cash Flows from operating activities	416	(605)	(246)	(55)	121	(72)	11
Investing Activities							
Additions to capital assets	(275)	(200)	(150)	(150)	(150)	(255)	(150)
Financing Activities							
Funding for acquisition of assets							
Parliamentary Appropriation	275	200	150	150	150	150	150
Tenant Improvement Allowance	-	-	-	-	-	105	-
Increase (decrease) in cash during year	416	(605)	(246)	(55)	121	(72)	11
Cash at the beginning of the year	1,687	2,103	1,498	1,252	1,197	1,318	1,246
Cash at the end of the year	**2,103**	**1,498**	**1,252**	**1,197**	**1,318**	**1,246**	**1,257**

APPENDIX A

SIGNIFICANT ACCOUNTING POLICIES

(a) Capital assets

Capital assets are recorded at cost and amortized on a straight-line basis over the estimated useful life of the assets as follows:

Furniture	5 years
Equipment	4 years
Leasehold improvements	term of the lease

(b) Revenues

Revenues from accreditation fees and royalties from sales of standards are recorded on an accrual basis in the year in which they are earned.

Funds received or receivable in respect of the annual portion of accreditation fees are recorded as deferred accreditation fees and are recognized as revenues in the year in which they are earned.

Recoveries of expenses in respect of an agreement for the operation of the World Trade Organization/North American Free Trade Agreement (WTO/NAFTA) Enquiry Point are recognized as revenue at the time the related expenses are incurred.

Contributions received for the hosting of international meetings or conferences are recognized as revenue at the time the related expenses are incurred.

(c) Parliamentary appropriations

The Government of Canada provides funding to the Council. The portion of the parliamentary appropriation used to purchase depreciable capital assets is recorded as deferred government funding and amortized on the same basis and over the same periods as the related capital assets. The portion of the appropriation related to operations is recorded in the statement of operations in the year for which it was approved.

(d) Pension plan

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Council's contributions to the plan reflect the full cost as employer. This amount is currently based on a multiple of the employee's required contributions, and may change over time depending on the experience of the Plan. These contributions represent the total pension obligations of the Council and are charged to operations on a current basis. The Council is not currently required to make contributions with respect to any actuarial deficiencies of the Public Service Pension Plan.