Standards Council of Canada
Conseil canadien des normes

SUMMARY OF CORPORATE PLAN

2004-2005

SUMMARY OF OPERATING BUDGET

2004-2005

SUMMARY OF CAPITAL BUDGET

2004-2005

national standards system

système national de normes

Canada

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1. EXECUTIVE SUMMARY

In fiscal year 2004-2005, the Standards Council of Canada (SCC), its staff, Council and advisory committees will focus on the following strategic directions:

1. Be more strategic in planning, designing, implementing and evaluating programs and services based on solid research and best practices.
2. Continue efforts to strengthen global accreditation networks and promote SCC accreditation to domestic organizations seeking international linkages and reciprocal recognition.
3. Continue to build the Canadian profile of the SCC and the National Standards System (NSS), while strengthening the infrastructure of the NSS.

Fiscal year (FY) 2004-2005 will see SCC focus on planning for the FY 2005-2006 to 2009-2010 period. Both the Canadian Standards Strategy (CSS) and the SCC's Corporate Plan will be reviewed and rejuvenated as SCC focuses on strategic planning.

The CSS launched in March 2000, was the catalyst for the SCC and the National Standards System that it oversees to bring standards development, promotion and implementation issues into focus both in Canada and internationally. Much work has been done through the CSS to bring standardization into the consciousness of consumers, industry, governments and non-governmental organizations.

The CSS implementation proposals are nearing completion and NSS stakeholders have encouraged the Standards Council to turn its attention to updating the Strategy. Stakeholders feel that the CSS has helped them to highlight the benefits of standardization, particularly in areas where there was previously little knowledge or understanding. In many cases regulators are beginning to look to standardization as an important alternative to developing new and costly regulations. The Standards Council and the NSS are well-poised to meet this demand.

Over the next year, the Standards Council will endeavour to renew the CSS by reviewing the existing implementation proposals and developing new objectives to continue the momentum created by the Strategy. Representatives from all stakeholder groups will be involved in the rejuvenation of the CSS and will be invited and encouraged to play an active role in its eventual implementation.

Similarly as the Strategic Plan 2001-2004 nears completion, the SCC will undertake a strategic planning exercise involving staff, management and Council to evolve its annual Corporate Plan into a strategic 3-5 year outlook document. By focusing on its strategic directions through the Corporate Plan and the CSS, the SCC will be poised to achieve its goals and objectives over the next 3-5 years.

2.0 MANDATE

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*

3.0 CORPORATE PROFILE

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

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

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

3.1 History

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

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

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

An extensive public consultation led to a major revision of the *Standards Council of Canada Act* in 1996. The governing Council was reduced from 57 members to 15. The scope of SCC activities was expanded to address the environment, information technology, natural resources and service sectors. The amendments also authorized

the SCC to sign recognition agreements with foreign counterparts and advise the federal government on standards-related aspects of international trade agreements.

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

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

3.2 Organizational Structure

3.2.1 Corporate Governance

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

In support of enhanced risk management practices, the SCC has in the last two years embarked on a program to enhance its existing Quality Management System (QMS) and established a program of annual internal audits to cover all SCC branches. QMS audits are performed annually in all branches of the organization, while internal audits are conducted pursuant to a plan presented by SCC's external auditors. International peer evaluations are also conducted. Results of these audits are monitored through the Council's Corporate Governance and Audit Committees.

Council

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

Corporate Governance Committee

The Corporate Governance Committee of Council oversees and improves the functioning of the Council and its advisory committees. Duties and responsibilities

include reviewing and approving the responsibilities, objectives and performance of the Executive Director, the responsibilities and objectives of the Chair, monitoring and reviewing conflict of interest guidelines, SCC advisory committee structure and terms of reference. The committee also reviews the performance of Council and committees and the methods by which the Council fulfills its duties and responsibilities. Additionally, members ensure that the organization keeps attuned to emerging governance issues requiring consideration by Council.

Audit Committee

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

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

Appointments Committee

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

3.2.2 Advisory Committees

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

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

Advisory Committee on Conformity Assessment (ACCA)

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

The committee's membership includes representatives of regulatory authorities, the federal government, industry, conformity assessment bodies and the Consumer and Public Interest Committee. The Canadian advisory committee to CASCO, ISO's committee on conformity assessment, reports to ACCA.

Advisory Committee on Standards (ACS)

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

Advisory Committee on Trade (ACT)

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

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

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

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

CNC/ISO proposes Canadian contributions to ISO's governance committees and oversees the work some 315 committees that provide Canadian input to ISO's technical work. The committee's membership includes representatives of industry, standards

development organizations, the federal government, the Consumer and Public Interest Committee and the Provincial-Territorial Advisory Committee.

Consumer and Public Interest Committee (CPIC)

CPIC looks at consumer and social issues such as health, safety and the environment. The committee's membership includes representatives of consumers, environmental organizations, labour, the academic community, occupational health and safety organizations, standards development organizations and the federal government. The Canadian advisory committee to COPOLCO, ISO's committee on consumer policy, reports to CPIC.

Provincial-Territorial Advisory Committee (PTAC)

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

Standards Development Organizations Advisory Committee (SDOAC)

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

3.3 Principal Programs, Businesses and Activities

3.3.1 Staff

Executive Director: ***Peter Clark***

The strategies and policies established by Council are implemented by a staff of some 86 people, based in the corporate offices in Ottawa.

Administration Branch

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

Administration Branch provides administrative and management services to the Standards Council. Its functions include finance, administration, human resources, information systems and translation.

Conformity Assessment Branch

Director: ***Pat Paladino***

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

Corporate Services Branch

Director: ***Sandra Watson***

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

Intergovernmental Affairs and Trade Branch

Director: ***Elva Nilsen***

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

Standards Branch

Director: ***Michel Bourassa***

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

3.3.2 Activities

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

Standards

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

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

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

Conformity Assessment

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

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

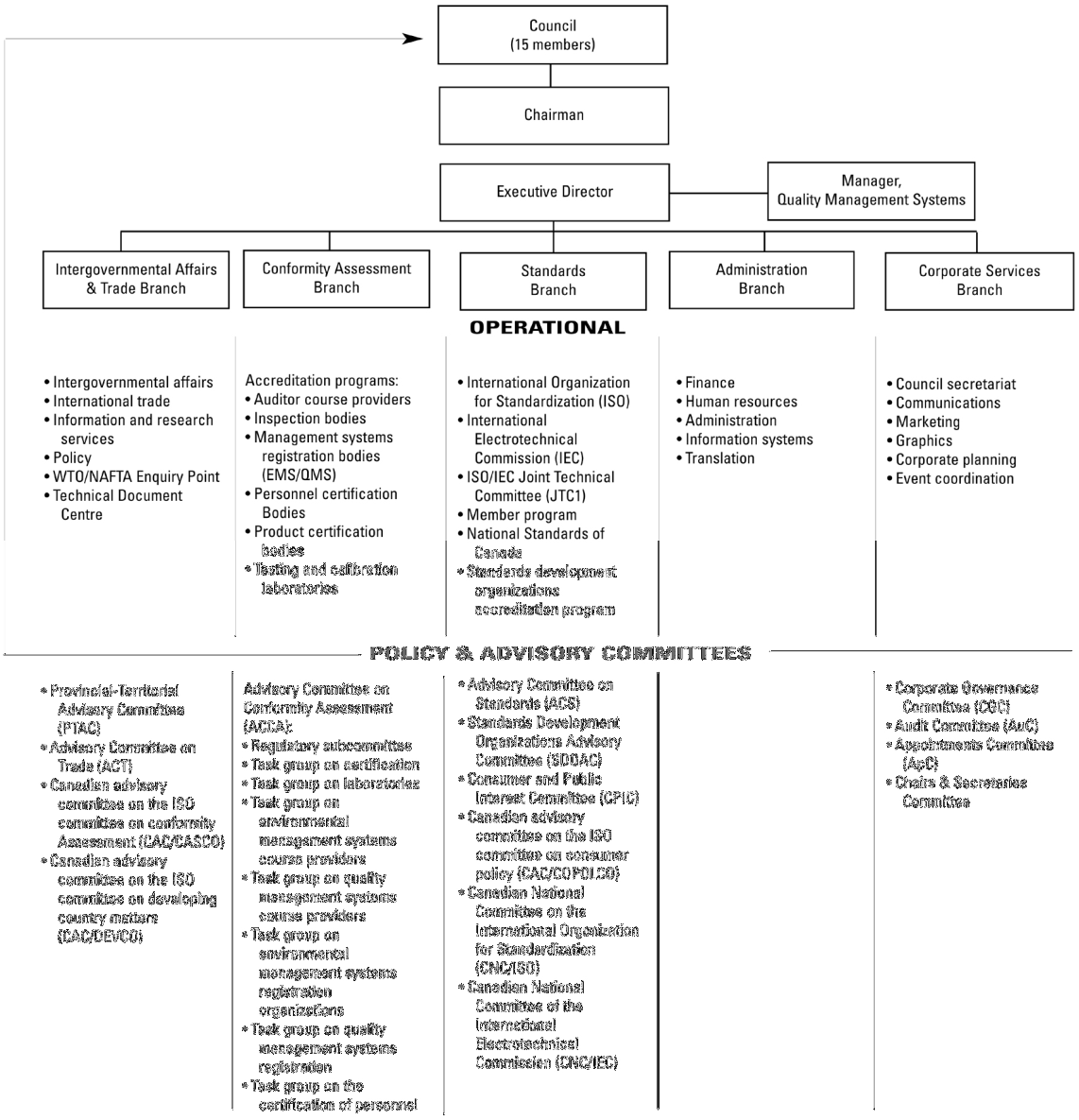
The Standards Council is also a member of a number of regional and international organizations that are developing agreements to ensure the international acceptance of conformity assessment results.

Intergovernmental Affairs and Trade

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

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

Corporate, Council and Committee Structure



3.4 Official Languages

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

4. STRATEGIC ISSUES

4.1 Assessment of Results

The SCC had many successes in FY 2002-2003 and 2003-2004. For more information on the many activities that SCC undertook in these years and the results achieved, please see the SCC Annual Report. The following are key activities which continue to be strategic considerations in FY 2004-2005:

Customer Satisfaction Program – Having completed the second full-round of customer satisfaction surveying at the end of FY 2003-2004, the SCC is starting to see the benefits of regular measurement in this area. In all but one case, customer satisfaction has incrementally increased following each subsequent survey. The one program that did not see an increase experienced a marginal decrease that was not statistically significant. Recommendations arising from the surveys conducted during the FY 2003-2004 reports will be addressed in FY 2004-2005.

For more information on customer satisfaction surveying, targets and actual results please see section *5.3 Key Performance Indicators*.

SCC Quality Management System (QMS) – In the last two years, the SCC has made great strides in documenting its quality processes, which has lead to efficiencies in the delivery of its programs and services and improvements in responsiveness to client needs. In FY 2004-2005, it is anticipated that the QMS' demand on staff time should be somewhat reduced and staff should also experience efficiencies in their day-to-day operations as a result of clearer documentation of processes.

QMS internal audits of all SCC programs and services will continue to take place in FY 2004-2005. Resulting recommendations will be addressed and ongoing support will be provided for continuous improvement and enhanced level of client-orientation.

Hosting Major Conferences – In recent years the SCC has secured funding for, and committed to hosting a series of major national, regional and international events. In FY 2003-2004 the SCC hosted the ISO Networking Conference in Ottawa and the IEC Annual General Meeting in Montreal. In the previous year, the SCC hosted the Pan-American Standards Commission (COPANT)'s Assembly, the Asia-Pacific Laboratory Accreditation Cooperation's annual meeting as well as the inaugural National Standards System (NSS) Conference.

The SCC has also given support to many important meetings and events hosted by other standardization bodies and stakeholders such as the 8th Global Standards Collaboration (GSC-8) meeting. While these events have been successful and helped to raise the profile of the SCC and the NSS both at home and abroad, they require a significant commitment of corporate resources.

In FY 2004-2005, the SCC has committed to hosting the 2nd NSS Conference in Calgary, Alberta and the Pacific Area Standards Congress in Vancouver, British Columbia. It has also begun planning to host the ISO Committee on Consumer Affairs (COPOLCO) in 2005. With the focus on the planning and implementation of these meetings, conferences and events, the SCC must dedicate appropriate resources to fulfill these hosting commitments.

While SCC will continue to host conferences on routine intervals in order to maintain its membership commitments within international and regional organizations, hosting of such meetings is not anticipated to be a key component of SCC's international directions in the upcoming strategic plan.

4.2 Analysis of External Environment

Global Accreditation – In FY 2004-2005, SCC will continue efforts to strengthen global accreditation networks, promote mutual recognition arrangements (MRAs) and reciprocal recognition of results, by maintaining its strong involvement and commitment to the principles established by partners within the International Accreditation Forum (IAF) and the International Laboratory Accreditation Cooperation (ILAC).

As part of this effort, SCC supports the cross-border policies of IAF and ILAC, which encourage bodies seeking accreditation to use the services provided by their own national accreditation body.

SCC will continue to promote its accreditation as the preferred accreditation service for domestic organizations looking for international linkages and reciprocal recognition of results.

ISO 9001:2000 Certificates – In 2000, ISO introduced the new ISO 9000 series of standards for the new millennium. These replace the 1994 series of ISO 9000 standards, making them more adaptable to the many organizations that apply quality management systems, and bringing the quality series of standards back in line with its environmental management sister series of standards, ISO 14000.

The IAF and ISO set a deadline of December 15, 2003 for all companies in the world who are registered to the old ISO 9000 series of standards to transition to the new series. While some companies have been slower than anticipated in making the transition to the new standard, SCC expects over 95 per cent of the clients of its accredited registration bodies to have made the transition by the end of FY 2004-2005.

Since the current fee structure used by the management systems registration bodies is based on the number of certificates issued by each accredited registration body, fewer certificates means a slight reduction of revenue for this program in FY 2004-2005. The loss of revenue from the two to three per cent of certificates that will not be transitioned should be offset by normal growth in the number of organizations seeking registration.

Developing Countries – In recent years the SCC has been increasingly active in the efforts of ISO's Committee on Developing Country Matters (ISO/DEVCO). SCC works in collaboration with major Canadian development assistance and trade organizations such as the Canadian International Development Agency (CIDA) and the Department of Foreign Affairs and International Trade (DFAIT). SCC has also provided training and information sessions to developing countries and sponsored four developing countries to participate in the 2nd ISO Networking Conference and International Classification System Training Workshop which it held in 2003. SCC has also sponsored the participation of two developing countries in the work of ISO and in various technical committee meetings.

As many major international and regional standardization bodies (e.g. ISO, IEC, ILAC, IAF, etc.) increase their efforts to make their organizations and agreements more accessible to developing countries, the SCC must continue to play a leadership role in assisting developing countries, thereby showcasing the National Standards System as a true model for the world.

Partnerships – Partnerships are increasingly used to deliver SCC programs and services or to cross-promote programs and services that are complementary between the SCC and its partners. Certain partnerships are contract-driven and enable SCC to offer programs and services through an outside party, such as the one where IHS Canada is the official sales agent of standards for SCC. Others involve the SCC partnering with government organizations such as Health Canada to provide the Canadian Medical Devices Conformity Assessment System Program

SCC also delivers several of its accreditation programs in partnership with other organizations involved in standardization (e.g. Laboratories Accreditation Program). Conformity Assessment in particular benefits from partnerships in the delivery of accreditation programs and associated increases in demand for accreditation services. Often these increases in demand for SCC accreditation services come from governments and regulators. The SCC will particularly focus on developing a "partnership approach" between accreditation and regulatory bodies in FY2004-2005.

Trade – Trade is a key driver of the Canadian economy. Standards and conformity assessment activities help to reduce technical barriers to trade. In Canada, domestic trade between provinces and territories remains an important component of the economy. This is reflected in the ongoing implementation of the voluntary Agreement on Internal Trade (AIT). Two SCC Advisory Committees, PTAC and ACT, work in conjunction to monitor and discuss standardization issues linked to the AIT. In addition, the results of a recently completed SCC/PTAC strategic issues survey will be shared with the AIT Secretariat in order to highlight provincial/territorial trade-related issues of interest.

Trade is also a key component of SCC's international efforts. Trade- and standardization-related issues related to labelling, traceability, recognition and

acceptance of foreign conformity assessment (accreditation) results persist as new products and services, innovative testing procedures, environmental considerations, regulatory activity and the necessity of addressing the needs of developing countries are discussed by governments and their citizens. The SCC continues to develop, sign and maintain agreements with regional and international standardization bodies in an effort to facilitate trade and cooperative international relationships.

Innovation – The Government of Canada with the provincial/territorial governments, industry, consumer groups and all other stakeholders has developed, and is now implementing a national strategy to promote innovation in business development, research, investment and education for businesses of all sizes and interests. As a federal Crown corporation, the SCC is committed to assisting the Government of Canada in this effort. The development and application of standards in Canada continues to be an innovative process and the SCC will highlight the successes of businesses engaged in the National Standards System and its many efforts.

Smart Regulation – In an environment of rapidly changing markets, products and services, one of the priorities of the current federal government is to look at Canada's current approach to regulation and to note areas for regulatory improvement, cooperation and alternatives. Standards are increasingly being seen by regulators as a simple means to creating new regulations in an economical way while at the same ensuring that public policy objectives are satisfied.

The Government of Canada's External Advisory Committee on Smart Regulation (EACSR) has invited the SCC to contribute to its deliberations and the development of its final report and recommendations. Each of the following six overarching issues being addressed by the committee has standards implications: International Cooperation, Federal-Provincial-Territorial Cooperation, Process Efficiency, Risk Management, Alternate Instruments and Defining the Public Interest.

The SCC will ensure that voluntary standardization is considered in the Smart Regulation initiative and will continue to evaluate how the Government of Canada's action plan in this area will affect SCC's accreditation programs in particular. The National Standards System and Canada's regulatory system are closely related and the SCC will seek to demonstrate the benefits of voluntary standards for both the Government of Canada and Canadians in general

4.3 Assessment of Corporate Resources

Canadian Standards Strategy (CSS) and Strategic Planning – Since the March 2000 launch of the CSS, the SCC has dedicated significant resources and energy to the implementation of the Strategy. The CSS has been the master plan for standardization efforts in Canada and has provided strategic direction to the SCC.

Anticipating that the last implementation proposals of the CSS were nearing completion, the SCC turned its attention to evaluating the successes of and updating the

implementation proposals that support the Strategy. Stakeholders have shown support for the idea of the continuation of the momentum created by the first Strategy and have recommended that it be updated for the next 3 to 5 years. The main focus of SCC in FY 2004-2005 will be strategic planning for the next 3 to 5 year period.

The SCC has traditionally had a 3 to 5 year Strategic Plan that offered direction to the organization and all of its corporate activities. In recent years the burden of reporting actual results on planned activities has grown given the need to report against numerous plans. In light of this, the SCC has decided to streamline its planning documents and processes in FY 2004-2005 to facilitate easier reporting and less confusion with respect to the organization's strategic direction. The FY 2005-2006 Corporate Plan will incorporate the new strategic direction that will come from the updated CSS.

To achieve this, SCC intends to capitalize on the process that will be used to develop the new CSS including the stakeholder and staff consultations that are planned for FY 2004-2005.

For further details on the priorities of the original CSS, please see *Appendix C*.

Funding Challenges – The Task Force on Innovative Funding Solutions for the Development of Standards (TFUNS) was created in 2001 by the SCC's Advisory Committee on Standards (ACS) with a mandate to report on methods to sustain Canadian standards development activities, especially those within the jurisdiction of the National Standards System.

The TFUNS work invokes a simple principle: those who benefit from standards should compensate those who developed the standards. Although the principle is well understood in the standards community, the implications flowing from it are not necessarily as straightforward. The outcomes of this effort are expected to have an important impact on the SCC and the NSS in the future.

The TFUNS Task Force has prepared an action plan to implement its recommendations and will continue to keep SCC's Council updated on its progress. The action plan includes both short-term and long-term initiatives and will be an important priority for SCC in FY 2004-2005.

NSS Conference Hosting – In addition to the international and regional conferences and events that the SCC has hosted in recent years or plans to host in the future, the SCC has also committed to hosting a National Standards System (NSS) Conference every two years. The second NSS will be held during FY 2004-2005 in Calgary, Alberta in November 2004. This is a major undertaking for SCC and affects every Branch, program and service. The SCC will focus on applying the lessons learned in the hosting of the first conference to further build on this success in Calgary. The updating of the CSS will also have an impact on the NSS Conference as it is expected that attendees will be giving feedback on the draft of the updated CSS. Please see *Hosting Major*

Conferences under section *4.1 Assessment of Results* for more information on SCC hostings.

Member Program – The demographics of the SCC's base of committee members reflects the current ageing population in Canada. In recent years, the SCC has developed and implemented a formal program in an effort to recruit, retain and recognize committee members that dedicate significant time to SCC. SCC must continue to support and recruit new members to ensure the continuation of standards development and accreditation processes in Canada.

The latest customer satisfaction survey results showed some interest in member training programs that have been developed to-date, but lack of support for the idea of paying a fee for the training. The program was originally designed with the intent that participants benefiting from their involvement in standardization would pay to learn how to make the most of their participation in the National Standards System.

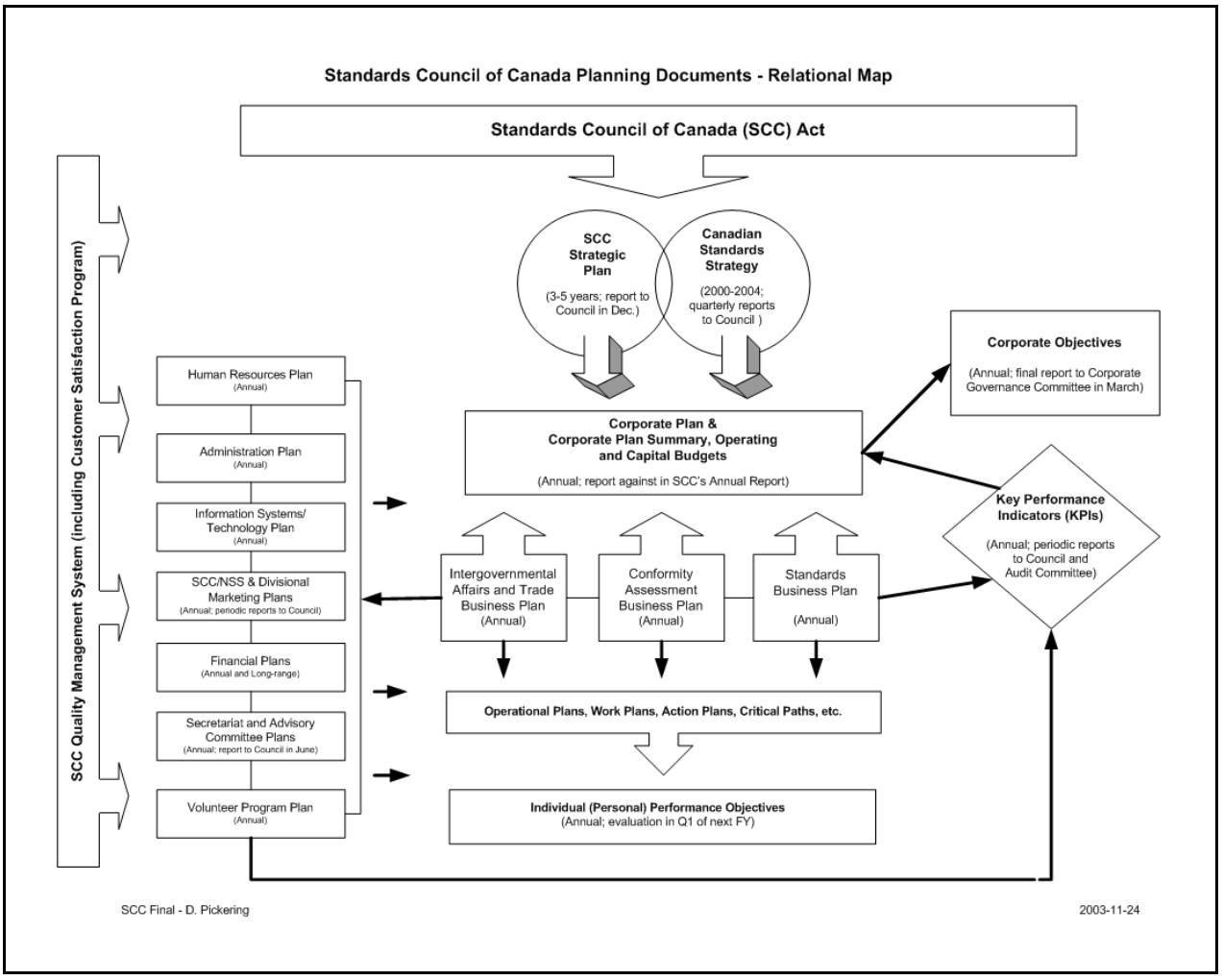
In FY 2004-2005, the SCC will focus on the recruitment of new members, communicating the value of industry participation on standardization committees, and finding innovative and economical ways of delivering training to raise awareness and understanding of the SCC and the NSS.

Personnel – The SCC has a very skilled pool of support and technical staff. While replacing staff members is always a challenge, especially given the small size of the staff contingent, SCC will need to respond to succession planning needs. In addition, SCC must align its level of human resources to match program demands in order to ensure that SCC provides high quality programs and services. As new programs and services are developed, and new priorities determined, it is critical that resources be secured to support these initiatives.

5. GOALS, OBJECTIVES AND PERFORMANCE MEASURES

5.1 Relational Planning Map

In recent years, the SCC has focused on integrating processes to reduce duplication of efforts and to streamline operations. The following diagram outlines the relationships between major organizational initiatives and program areas.



5.2 Goals and Objectives

The SCC endeavours to be more strategic in its ongoing planning activities and to look at all issues from both a program/service perspective and a corporate perspective. In the past goals, objectives and strategies were listed in the Corporate Plan Summary by Branch and the number of objectives listed were more difficult to report against. As a result the following streamlined goals and objectives are not exhaustive, but include the main priorities of the SCC for FY 2004-2005. More detailed lists of objectives and strategies can be found within the individual Branch Business Plans.

Goal/Objective	Reference in the CSS	Lead Branch(es)	Other Branches Implicated
Goal # 1: **Be more strategic in planning, designing, implementing and evaluating programs and services based on solid research and sustainable development practices.**			
1.1 Develop an update to the CSS, involving all NSS stakeholders and SCC staff in the consultation process. Integrate SCC Strategic Plan and the Canadian Standards Strategy Update.	N.A.	Integovernmental Affairs & Trade, Corporate Services	ALL
1.2 Continue to develop the Customer Satisfaction Program, surveying clients on a regular schedule, monitoring changes in satisfaction and making changes to programs based on results.	N.A.	Corporate Services	ALL
1.3 Identify electronic and web-based solutions for communication with stakeholders, new products and services and providing feedback mechanisms to Canadians.	N.A.	Finance & Administration, Corporate Services.	ALL
1.4 Develop business plans/cases and conduct environmental assessments, as appropriate before making major decisions that will have an impact on SCC's resources.	N.A.	ALL	ALL
1.5 Measure relevance and usefulness of SCC products and services.	N.A.	Corporate Services, Intergovernmental Affairs & Trade	ALL
1.6 Continue to conduct, participate in and respond to risk assessment practices including audits and relevant governance practices.	N.A.	Executive	ALL

Goal/Objective	Reference in the CSS	Lead Branch(es)	Other Branches Implicated
Goal # 2: **Continue efforts to strengthen global accreditation networks and promote SCC accreditation to domestic organizations seeking international linkages and reciprocal recognition.**			
2.1 Continue to develop Canadian positions with input from stakeholders to deliver to international fora for consideration and acceptance into international standards, guides and policy documents.	# 1	Conformity Assessment, Standards	Intergovernmental Affairs & Trade
2.2 Continue to develop and sign regional and international agreements to ensure that SCC's Conformity Assessment Programs meet internationally recognized requirements and that SCC accreditations are recognized in the global marketplace.	N.A.	Conformity Assessment	Intergovernmental Affairs & Trade
2.3 Continue to engage developing countries in standardization.	# 4	Intergovernmental Affairs & Trade	
2.4 Host and prepare to host international meetings and conferences to enhance SCC's international profile including: • **PASC – May 2004** • **ISO COPOLCO – May 2005**	N.A.	Corporate Services, Standards	Finance and Administration,
2.5 Continue to take a leadership role and promote Canadian candidates for international/regional governance leadership positions.	N.A.	Standards	Corporate Services

Goal/Objective	Reference in the CSS	Lead Branch(es)	Other Branches Implicated
Goal # 3: Continue to build the Canadian profile of the SCC and the NSS, while strengthening the infrastructure of the NSS.			
3.1 Promote an SCC "partnership approach" between accreditation and regulatory bodies.	N.A.	Conformity Assessment,	Standards, Intergovernmental Affairs & Trade
3.2 Continue to make standardization a full part of the public-policy debate, while promoting public-private sector cooperation in standardization activities.	# 17	Intergovernmental Affairs & Trade	Conformity Assessment, Corporate Services, Standards
3.3 Provide support for Provincial-Territorial cooperation on standardization issues.	# 16	Intergovernmental Affairs & Trade	
3.4 Host the 2nd NSS Conference in Calgary, Alberta in November 2004 to increase awareness of the SCC and the NSS in Canada.	# 12	Corporate Services	ALL
3.5 Implement the process for setting standardization priorities in the areas of health, safety, the environment and other social issues.	# 5	Standards	
3.6 Engage Canadians in the work of the NSS, providing training as appropriate and recognizing their unique contributions to standardization.	# 21	Standards	ALL
3.7 Implement innovative funding mechanisms (TFUNs) to support national standardization efforts.	# 20	Standards	ALL

5.3 Key Performance Indicators

The SCC is committed to continuous improvement and monitors its effectiveness through measures for objectives, as well as through its key performance indicators (KPIs). KPIs support the key objectives noted in section 5.2 above. The SCC also monitors several other indicators, but has included the most meaningful here. As the SCC undertakes a strategic planning exercise in FY 2004-2005 for the planning period of FY 2005-2006 to FY 2009-2010, it will review and evaluate the effectiveness of its current KPIs to ensure that the SCC is using the most meaningful and measurable indicators possible and in keeping with Treasury Board of Canada's guidelines and practices.

The SCC has one overall KPI — level of client satisfaction. Through the SCC's QMS, there is a requirement to collect client feedback on an ongoing basis. One of the formalized ways that this is done is through the collection of customer satisfaction data via surveys conducted on each program or service every two years.

The satisfaction of our customers is measured through surveys conducted on a rotating two-year schedule. Satisfaction is measured on a scale of 0 to 5, with 0 representing "not satisfied" and 5 representing "very satisfied". For FY 2004-2005, the targets for each business unit were set based on the scores achieved in each of the previous rounds of surveying for that unit and based on probability of closing the gap that was left between what has been achieved and the maximum (5/5) that could be achieved for each.

Customer Satisfaction Surveys

Business Unit or Program	First Surveyed	Score /5	Last Surveyed	Score /5	Change in %	Next Survey	Next Target
Information and Research Service clients	September 2000	3.73	September 2002	3.84	+ 3 %	FY 2004–2005	3% over 3.84
Enquiry Point clients	September 2000	3.80	September 2002	3.92	+ 4 %	FY 2004–2005	2% over 3.92
Management Systems Registration Bodies	September 2000	2.97	March 2003	2.90	- 1%	FY 2004-2005	5% over 2.97
Certification Bodies	October 2000	3.72	December 2002	3.95	+ 6 %	FY 2004-2005	3% over 3.95
Web site visitors	December 2000	3.35	March 2004	3.31	0%	FY 2005-2006	Maintain or increase
Laboratories (PALCAN)	July 2001	3.59	March 2004	3.76	+4.5%	FY 2005-2006	TBD
Standards Development members	September 2001	3.50	September 2003	3.65	+ 4 %	FY 2005-2006	TBD

Performance Indicator: Web site

Increase web site effectiveness, as measured by relevant statistics and implementation of key recommendations made in Web site Customer Satisfaction Survey Report 2003.

Performance Indicator: NSS Conference

Successful coordination and roll-out of an effective NSS Conference, as measured by participant feedback.

Performance Indicator: Cost Recovery

Achieve cost recovery targets set for all programs

Performance Indicator: Alert Services

Increase Standards Alert! and RegWatch Alert! customer base by 15% and Export Alert! customer base by 10%.

Performance Indicator: Client Service

Respond to incoming information enquiries within established service standards in 95% of cases.

Performance Indicator: Participation in Conformity Assessment Organizations

Rationalize participation in the number of regional and national conformity assessment groups that SCC supports and participates in.

Performance Indicator: Net Income/Loss Versus Overall Budget

At year-end, the net financial result will be within 1.5% of budget.

Performance Indicator: Canadian Use of International Standards

Suitability of international standards for Canadian use, as measured by percentage of National Standards of Canada (NSCs) approved as adoptions/adaptations of ISO/IEC standards.

Performance Indicator: Canadian Impact on International Standards

Canadian impact on international standards policy/management and technical decisions at ISO and IEC.

Performance Indicator: Canadian Impact on Regional Standards

Canadian impact on and participation in regional standards efforts, as measured by the percentage of Canadian resolutions made at the regional level that are successful.

PART 6: FINANCIAL AND RESOURCE PLANS

This section presents the FY 2004-2005 planning budget, the FY 2004-2005 Capital Budget, the FY 2005-2006 to FY 2008-2009 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: 2002-2003 and 2003-2004

The SCC concluded the most recent fiscal year (FY 2002-2003) with total *Unrestricted Equity* of $2.2 million. Current assets, at that time, exceeded current liabilities by a ratio of just under 2:1. SCC's capital structure consists solely of furniture, equipment and leasehold improvements. The corporation does not own real property and does not carry debt. Cash balances are held to a minimum, and for the last number of years were equal to aproximately one month's operational requirements. The corporation has, over the past decade, operated within 2% - 5% of its budgetary targets. At the end of FY 2001-2002, however, an operating surplus of $402 thousand funded the acquisition of capital assets, and helped restore the SCC's working capital to a level equivalent to two months operational requirements.

Operating funds are derived from three major sources: *Parliamentary Appropriation, Conformity Assessment Accreditation Fees* , and royalties from *Standards Sales* . Since FY 1989-1990, parliamentary appropriation as a percentage of gross revenues has fallen from 80% to 52% planned for FY 2004-2005 , 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, 2003 and March 31, 2004, with an explanation of major variances.

			Financial Performance 2000-2005		
	2000-2001 $ Actual	**2001-2002 $ Actual**	**2002-2003 $ Actual**	**2003-2004 $ Forecast**	**2004-2005 $ Plan**
Revenue					
CA Accreditation fees	3,164,349	4,025,468	4,725,160	4,801,708	5,188,100
Royalties on Sale of Standards	556,012	656,034	717,097	639,105	520,000
WTO/NAFTA Enquiry Point	309,050	299,824	245,838	251,020	255,800
Net Parliamentary appropriation	4,925,095	6,736,724	6,573,984	7,620,538	7,005,900
Event Sponsorship/Partnership Funding	0	134,488	214,220	334,909	272,700
Other	554,590	301,976	400,074	266,910	329,700
	9,509,096	**12,154,514**	**12,876,373**	**13,914,190**	**13,572,200**
Expenses					
Conformity Assessment	2,497,893	2,833,835	3,311,400	3,306,534	3,600,000
Standards	2,481,359	3,187,459	3,661,278	4,334,347	3,444,800
Intergovernmental Affairs/Trade	538,060	759,658	903,215	1,024,742	1,038,900
Information Services	375,411	389,762	436,348	476,950	498,900
WTO/NAFTA Enquiry Point	309,050	299,824	245,838	251,020	255,800
Management & Administration	3,317,982	4,282,158	4,146,832	4,408,222	4,733,800
	9,519,755	**11,752,696**	**12,704,911**	**13,801,815**	**13,572,200**
Net Income(Loss)	**(10,659)**	**401,818**	**171,462**	**112,375**	**0**

6.1.1 Explanation of Variances
FY 2002-2003 Budget vs. FY 2002-2003 Actual

Expenses

Expenses for FY 2002-2003 were $12.7 million, approximately $475 thousand higher than budgeted. Increased prograr activity occurred in all major areas of the organization, most specifically in Conformity Assessment and in the Standards Branch. Increases in sectoral activities in the Management Systems division, as well as a large number of applicants in the PALCAN division resulted in increased professional fees and related revenues. Unbudgeted expenses related to planning the Annual General Meeting of the International Electrotechnical Commission (IEC) which was hosted by SCC in October 2003, were incurred, though an equivalent amount of sponsorship revenue ($153 thousand) was recognized. Payroll expenses exceeded revenues due to the pay-out of retroactive increases and related employer portions of pension funds, as well as a $90 thousand accrual for performance pay.

Revenues

Total revenues for FY 2002-2003 were $12.9 million. The largest area of increase was in Conformity Assessment accreditation fees, due to increases in sectoral activities and an increase in the number of applicants to the programs. This increase in revenue generating activity, coupled with shared travel expenses and combined audits has resulted in the achievement of almost 97% full cost recovery in the FY 2002-2003. Another area of note is Web hosting revenue, which although lower than budget has laid the foundation for future revenues through the establishment of business relationships with several government departments. Shortfalls in anticipated revenues from hosting COPANT were offset by decreases in travel expenses incurred within the Standards branch. Additionally, sponsorship revenue was recognized to offset IEC AGM planning costs incurred during the year. Finally, royalties from ISO and IEC web stores surpassed all expectations, generating almost 25% more revenue than anticipated at the time the budget was prepared. Due to the additional revenue earned in FY 2002-2003, SCC was pleased to take the opportunity to draw down less than the full amount of approved parliamentary appropriation.

Capital Expenditures

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

	STATEMENT OF OPERATIONS 2002-2003		STATEMENT OF OPERATIONS 2003-2004	
EXPENSES	**BUDGET**	**ACTUALS**	**BUDGET**	**FORECAST**
Personnel	5,645	5,855	6,279	6,169
Communications	162	165	171	192
Travel	1,809	1,585	1,835	1,765
Delegate and Secretariat Assistance	335	355	335	343
Information and Documentation	99	45	90	84
Public Relations	174	166	131	148
Professional and Special Services	1,097	1,219	1,238	1,264
Accommodation	593	676	619	679
Rental of Equipment	60	59	65	51
Printing and Duplication	50	42	59	66
Office Supplies	156	238	135	141
Meetings	140	154	153	168
Hosting of International Meetings	180	337	900	831
Membership Fees	1,006	1,050	1,135	1,129
Translation of National Standards	150	150	150	150
Training and Development	88	74	89	86
Other	174	232	185	224
Depreciation Expense	314	303	314	312
	12,232	12,705	13,883	13,802
REVENUES				
Sales of Standards and Research Service	568	719	560	641
Accreditation Programmes - CA	3,892	4,725	4,817	4,772
Accreditation Programmes - SDO	97	91	252	251
WTO/NAFTA Enquiry Point	252	246	80	78
Web Hosting Revenue	150	111	150	91
Sponsorhip Funding	155	214	325	335
Revenue Recognition Special Projects	24	24	0	0
Other	110	172	107	125
	5,248	6,302	6,291	6,293
Net Cost of Operations	(6,984)	(6,403)	(7,592)	(7,509)
Net deferred/recognized government funding	80	(6)	88	117
Parliamentary Appropriation -Industry Canada	6,904	6,580	7,504	7,504
NET SURPLUS (DEFICIT)	**0**	**171**	**0**	**112**
Capital Budget	200	258	200	179

6.1.2 Explanation of Variances
FY 2003-2004 Budget vs. FY 2003-2004 Forecast

Expenses

Expenses are forecast at $13.80 million, approximately $80 thousand lower than budget. Vacancies in staff positions have resulted in lower than anticipated personnel costs. There is additional underspending in travel, as well as savings realized from lower than anticipated meeting costs for the IEC AGM.

Revenues

Revenues are forecast at $13.91 million, and are directly in line with budget.

Capital Expenditures

Capital expenditures are forecast to be slightly under budget, as some items budgeted as capital expenditures will be expensed during the fiscal year due to the declining cost of computers and peripherals.

6.1.3 Performance against Plan - Highlights

Key Financial Highlights **For the years ended March 31** **($ thousands)**	**2003**		**2004**		**2005**
	Budget	Actual	Budget	Forecast	Plan
Standards Sales Royalties	555	719	560	641	523
Revenue from CA Accreditations	3,892	4,725	4,817	4,772	5,189
Operating Expenses	8,183	8,558	9,586	9,394	8,803
Corporate & Administrative Expenses	4,049	4,147	4,297	4,408	4,769
Surplus(deficit)	0	171	0	112	0
SCC Committee Financing	288	260	308	311	264
Expenditures related to Conferences	265	337	900	831	90
Capital Expenditures	200	258	200	179	200

Resource and Allocation Highlights For the years ended March 31	2003		2004		2005
	Budget	Actual	Budget	Forecast	Plan
% revenue from parliamentary appropriation	55%	51%	55%	55%	52%
% cost recovery in Conformity Assessment	90%	97%	93%	94%	94%
Person-Years	86.00	84.00	89.00	86.00	89.00
Corp and Admin costs per PY	$ 74,347	$ 75,774	$ 74,625	$ 74,844	$ 79,882

6.2 Financial Plan 2004-2005

The proposed plan for FY 2004-2005 is balanced, and has revenues and expenditures set at $13.57 million, a decrease of $0.31 million from the current year's budget. The decrease is from several sources: Parliamentary Appropriation is down $600 thousand, as SCC plans to reestablish the $200 thousand per year hold back in support of hosting another major international conference in FY 2006-2007; and Conformity Assessment revenues are expected to increase as two new business lines, the Inspection Bodies and Personnel Certification Bodies accreditation programmes grow past the initial launching stages;

The following assumptions have been made in the preparation of the FY 2004-2005 operating plan:

a) Membership fees to ISO and IEC are paid in Swiss francs. This plan projects an average exchange rate of $1.05 Canadian, which is in line with the historical trading rate of between $0.88 and $1.13, and takes into account the current trend in the money market.

b) Provision has been made for an average award of 4.5% in the annual performance/at risk pay, as well as a salary band increase of 3.0% to adjust for inflation. SCC does not propose to add any new staff positions.

c) Two additions last fiscal year to the Conformity Assessment business lines, Certification of Inspection Bodies and Personnel Certification Bodies Accreditation, were later in launching than anticipated, and are this year expected to bring in positive revenues, contributing to the $380 thousand increase in accreditation fees expected in FY 2004-2005. Additionally, a new partnership with the Ontario Ministry of Agriculture is expected to increase the number of partnership laboratories in the PALCAN division significantly.

d) SCC will host its second National Standards System Conference in Calgary during November 2004. It is anticipated that registration fees and corporate sponsorships of close to $260 thousand will help defray the costs.

e) SCC plans to host the annual Pacific Area Standards Congress (PASC) in May of 2004. An estimated net cost of $75 thousand will be absorbed through operations rather than requesting a drawdown from the appropriation holdback.

BALANCE SHEET
(in thousands of dollars)
2004-2005

ASSETS	
Cash and Short-Term Deposits	1,239
Accounts Receivable	
Federal Government Departments & Agencies	950
Other	1,329
Prepaid Expenses	910
Fixed Assets (net)	897
TOTAL ASSETS	**5,325**
LIABILITIES	
Accounts Payable and Accrued Liabilities	501
Customer and Other Deposits	65
Deferred Annual Fees	1,550
Deferred Tenant Allowance	279
Deferred Government Funding	618
	3,013
Unappropriated Equity	**2,312**
TOTAL LIABILITIES AND EQUITY	**5,325**

STATEMENT OF OPERATIONS
(in thousands of dollars)
2004-2005

EXPENSES	
Personnel	6,616
Communications	176
Travel	2,003
Delegate and Secretariat Assistance	335
Information and Documentation	89
Public Relations	181
Professional and Special Services	1,108
Accommodation	684
Rental of Equipment	54
Printing	48
Office Supplies	151
Meetings	241
Membership Fees	1,074
Translation of National Standards	150
Training and Development	90
Hosting of International Meetings	90
Other	200
Depreciation Expense	282
	13,572
REVENUES	
Sales of Standards and Information Research Service	523
Accreditation Programmes	5,189
WTO/NAFTA Enquiry Point	256
Event Sponsorship	273
SDO Accreditation	80
Revenue from Web Hosting	150
Other	95
	6,566
Net Cost of Operations	(7,006)
Parliamentary Appropriation - Industry Canada	
Net deferred/recognized government funding	6,924
	82
NET SURPLUS (DEFICIT)	**0**
Capital Budget	200

STATEMENT OF CASH FLOWS
(in thousands of dollars)
2004-2005

Operating Activities	
Net income(Loss)	0
Adjustments for Non-Cash Items:	
Amortization of capital assets	282
Amortization of deferred revenue related to tenant allowance	(26)
Amortization of deferred government funding	(256)
	0
Changes in current liabilities and current assets other than cash	(21)
Cash Flows from operating activities	(21)
Investing Activities	
Additions to capital assets	(200)
Financing Activities	
Funding for acquisition of assets:	
Parliamentary Appropriation	200
Increase (decrease) in cash during year	(21)
Cash at the beginning of the year	1,260
Cash at the end of the year	1,239

6.2.1 Explanation of Variances
FY 2004-2005 Plan vs. FY 2003-2004 Forecast

Expenses

Expenses for FY 2004-2005 are $13.57 million, about $0.23 million lower than is forecast for FY 2003-2004. The decrease is largely due to the reduction in funds set aside in FY 2003-2004 for the IEC AGM ($900 thousand), although it is mitigated by the following increases: personnel costs are adjusted upwards due to an annual pay band increase and performance pay awards, as well as filling positions that were left vacant in FY 2003-2004.; funds have been allocated to the NSS Conference ($165 thousand), and to host the annual PASC meeting ($75 thousand); and, travel costs rise as the number of audits and assessments performed in Conformity Assessment rises. Other areas of note are the decrease in Professional Fees, which is due to a reduction in contractor requirements in Conformity Assessment once staffing is back up to approved levels, as well as the fulfillment of the contract to upgrade and update the SCC web site. Additionally, International Membership fees drop as a result of an anticipated trend to more favourable exchange rates against the Canadian dollar.

Revenues

The $600 thousand reduction in Parliamentary Appropriation to be drawn down in FY2004-2005 is offset by the anticipated increase in Conformity Assessment fees. Revenues in Conformity Assessment continue to rise as participation in the programs increases, and new sectors and business lines, such as the Inspection Bodies and Personnel Certification programmes, are introduced. Additionally, almost $260 thousand in registration fees and sponsorships for the NSS conference is anticipated in FY 2004-2005.

Capital Expenditures

Capital expenditures in FY 2004-2005 will continue to support SCC's technological infrastructure. There are some additions planned to leasehold improvements as carpeting and other fixtures are replaced.

STATEMENT OF OPERATIONS

EXPENSES	2004-2005 PLAN	2003-2004 FORECAST
Personnel	6,616	6,169
Communications	176	192
Travel	2,003	1,765
Delegate and Secretariat Assistance	335	343
Information and Documentation	89	84
Public Relations	181	148
Professional and Special Services	1,108	1,264
Accommodation	684	679
Rental of Equipment	54	51
Printing and Duplication	48	66
Office Supplies	151	141
Meetings	241	168
Membership Fees	1,074	1,129
Translation of National Standards	150	150
Hosting of International Meetings	90	831
Training and Development	90	86
Other	200	224
Depreciation Expense	282	312
	13,572	13,802
REVENUES		
Sales of Standards and Information Research Service	523	641
Accreditation Programmes - CA	5,189	4,772
WTO/NAFTA Enquiry Point	256	251
SDO Accreditations	80	78
Sponsorship Revenue	273	335
Web Hosting Revenue	150	91
Other	95	125
	6,566	6,293
Net Cost of Operations	(7,006)	(7,509)
Net Deferred/Recognized Appropriation Funding	82	117
Parliamentary Appropriation - Industry	6,924	7,504
NET SURPLUS (DEFICIT)	**0**	**112**
Capital Budget	200	179

6.2.2 The 2004-2005 Capital Budget and 2005-2009 Plan

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

2002-2003	258,000
2003-2004	179,000
2004-2005	200,000
2005-2006	150,000
2006-2007	150,000
2007-2008	150,000
2008-2009	150,000

VARIANCE ANALYSIS

2002-2003 Actual Expenditures vs. 2002-2003 Capital Budget

$258,000 vs. $200,000

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

2003-2004 Forecast vs. 2003-2004 Capital Budget

$179,900 vs. $200,000

Due to the decreasing cost of computer components, some items budgeted as capital purchases will in fact be expensed in FY 2003-2004.

2003-2004 Forecast vs. 2004-2005 Capital Budget

$179,000 vs. $200,000

The budget represents ongoing technology upgrades, as well as planned additions to leasehold improvements.

6.2.3 The Operating Plan 2005-2006 to 2008-2009

SCC plans to host the annual general meeting of the International Standards Organization (ISO) in FY 2006-2007. The anticipated cost of this endeavour is $600 thousand,. A re-profiling request will be made to draw down the additional $200 thousand needed, rather than hold it back for the following year. This document reflects SCC's plans against current approved reference levels.
The following displays the operating plan based on the FY 2004-2005 planned budget:

BALANCE SHEET
(thousands $)

	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
ASSETS							
Cash	1,273	1,260	1,239	1,230	1,200	1,321	1,249
Accounts Receivable:							
Federal Departments and agencies	1,113	995	950	1,110	950	1,005	990
Other	1,299	1,325	1,329	1,219	1,289	1,295	1,300
Prepaid Expenses	906	900	910	1,005	900	905	910
Fixed Assets (net)	1,162	1,029	897	799	746	729	712
TOTAL ASSETS	5,753	5,509	5,325	5,363	5,085	5,255	5,161
Liabilities							
Accounts Payable and Accrued Liabilities	842	588	501	632	587	550	462
Customer and Other deposits	69	65	65	65	65	65	65
Deferred Annual Fees	1,480	1,515	1,550	1,555	1,575	1,599	1,610
Deferred Revenue - Tenant Allowance	331	305	279	253	227	201	175
Deferred Government Funding	831	724	618	546	519	528	537
	3,553	3,197	3,013	3,051	2,973	2,943	2,849
Unappropriated Equity	2,200	2,312	2,312	2,312	2,112	2,312	2,312
TOTAL LIABILITIES AND EQUITY	5,753	5,509	5,325	5,363	5,085	5,255	5,161

STATEMENT OF OPERATIONS

EXPENSES	**2002-2003 ACTUAL**	**2003-2004 FORECAST**	**2004-2005 PLAN**	**2005-2006 PLAN**	**2006-2007 PLAN**	**2007-2008 PLAN**	**2008-2009 PLAN**
Personnel	5,855	6,169	6,616	6,811	6,976	7,156	7,327
Communications	165	192	176	168	168	168	168
Travel	1,585	1,765	2,003	1,847	1,945	1,932	1,957
Delegate and Secretariat Assistance	355	343	335	335	335	335	335
Information and Documentation	45	84	89	89	89	89	89
Public Relations	166	148	181	116	103	116	104
Professional and Special Services	1,219	1,264	1,108	1,115	1,166	1,184	1,212
Accommodation	676	679	684	712	712	715	715
Rental of Equipment	59	51	54	54	54	54	55
Printing	42	66	48	55	55	55	55
Office Supplies	238	141	151	158	158	158	158
Meetings	154	168	241	116	103	117	104
Membership Fees	1,050	1,129	1,074	1,074	1,074	1,074	1,074
Translation of National Standards	150	150	150	150	150	150	150
Staff Training and Development	74	86	90	88	88	88	88
Hosting of International Meetings	337	831	90	140	600	-	200
Other	232	224	200	203	209	208	208
Depreciation Expense	303	312	282	248	203	167	167
	12,705	13,802	13,572	13,479	14,188	13,766	14,166
REVENUES							
Sales of Standards and Information Research Service	719	641	523	533	583	603	623
CA Accreditation Programmes	4,814	4,772	5,189	5,312	5,433	5,598	5,757
WTO/NAFTA Enquiry Point	246	251	256	256	256	267	267
Event Sponsorship/Partnership Revenue	153	335	273	30	-	-	-
SDO Accreditation	91	78	80	83	85	90	95
Web Hosting Revenue	111	91	150	150	162	174	186
Other	168	125	95	99	98	119	124
	6,302	6,293	6,566	6,463	6,617	6,851	7,052
Net Cost of Operations	(6,403)	(7,509)	(7,006)	(7,016)	(7,571)	(6,915)	(7,114)
Parliamentary Appropriation - Industry	6,580	7,504	6,924	6,924	7,324	7,104	7,104
Net Deferred/Recognized Government Funding	(6)	117	82	92	47	11	10
NET SURPLUS (DEFICIT)	**171**	**112**	**0**	**0**	**(200)**	**200**	**0**
Capital Budget	258	179	200	150	150	150	150

STATEMENT OF CASH FLOWS
(in thousands of dollars)

	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Operating Activities							
Net Income (Loss)	171	112	0	0	(200)	200	0
Adjustments for Non-Cash Items:							
Amortization of capital assets	303	312	282	248	203	167	167
Amortization of deferred revenue related to tenant allowance	(26)	(26)	(26)	(26)	(26)	(26)	(26)
Amortization of deferred government funding	(277)	(286)	(256)	(222)	(177)	(141)	(141)
	171	112	0	0	(200)	200	0
Changes in current liabilities and current assets other than cash	(95)	(125)	(21)	(9)	170	(79)	(72)
Cash Flows from operating activities	76	(13)	(21)	(9)	(30)	121	(72)
Investing Activities							
Additions to capital assets	(258)	(179)	(200)	(150)	(150)	(150)	(150)
Financing Activities							
Funding for acquisition of assets							
Parliamentary Appropriation	258	179	200	150	150	150	150
Tenant Improvement Allowance	0	0	0	0	0	0	0
Increase (decrease) in cash during year	76	(13)	(21)	(9)	(30)	121	(72)
Cash at the beginning of the year	1,197	1,273	1,260	1,239	1,230	1,200	1,321
Cash at the end of the year	**1,273**	**1,260**	**1,239**	**1,230**	**1,200**	**1,321**	**1,249**