The *Global Impact* of
National Efforts
Annual Report 2007-2008

Standards Council of Canada
Conseil canadien des normes

Canada

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 improve Canadians' quality of life through leadership of the National Standards System.

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Year at a Glance

April, 2007
- Standards Council of Canada (SCC)'s Executive Director, Peter Clark, begins a two-year term as president of the Pan American Standards Commission (COPANT).

June, 2007
- The 3rd Canadian Leadership Forum is hosted by SCC in Toronto.

July, 2007
- SCC's Executive Director, Peter Clark, meets with staff from the Ministry of Indian and Northern Affairs, in Ottawa, to discuss clean-water initiatives in support of aboriginal communities.
- A report on the Economic Value of Standardization is published. It quantifies the benefits of standardization to the Canadian economy by drawing linkages to successes in innovation, new product development, and business performance.

August, 2007
- SCC hosts the 12th General Assembly of the InterAmerican Accreditation Cooperation (IAAC) in Ottawa. More than 50 representatives from various accreditation bodies in the Americas attend the General Assembly meetings.

September, 2007
- SCC's Chairman, Hugh Krentz, leads a Canadian delegation at the 30th ISO General Assembly in Geneva, Switzerland. During the assembly, Canada is elected to another three-year term on the ISO Technical Management Board.

October, 2007
- Canada hosts five International Electrotechnical Commission (IEC) member countries from the Americas at a Multi-National meeting in Ottawa.
- SCC publishes Volume 34 of CONSENSUS Magazine, entitled "Contributing to Society."
- Elva Nilsen, SCC's Director of Intergovernmental Affairs and Trade, is re-appointed as Vice-Chair of the International Accreditation Forum (IAF) for a final one-year term.

November, 2007
- SCC hosts a group from Thailand interested in the Canadian approach to codes, standards, and conformance for transportation of natural gas by pipeline and surface transportation.
- SCC hosts a meeting of the National Public Safety Advisory Committee (NPSAC) in Ottawa and facilitates collaboration through a joint meeting of its Provincial Territorial Advisory Committee (PTAC), NPSAC and the National Research Council's Provincial Committee on Codes (PTPACC).

December, 2007
- SCC discontinues its accreditation program for sector qualification of aerospace quality management systems (AS 9000/9001).

January, 2008

- Jacques Régis begins a three-year term as President of the International Electrotechnical Commission (IEC). Régis is IEC's 32nd President and the first Canadian elected to lead the organization.
- SCC announces the recipients of the 2008 SCC Awards, which recognize individual and organizational contributions to voluntary standards, accreditation, and conformity assessment activities. The awards are to be presented at the 2008 NSS Conference in St. John's, Newfoundland & Labrador.

February, 2008

- SCC Director of Conformity Assessment, Pat Paladino, assumes position of Chair of the InterAmerican Accreditation Cooperation (IAAC).

March, 2008

- SCC Executive Director, Peter Clark, addresses the Council for the Harmonization of Electrotechnical Standards of the Nations of the Americas (CANENA) at its general assembly.
- SCC signs a hosting agreement with the Ghana Standards Board for the implementation of *Export Alert!*

Revenue

Accreditation Fees	$5,763,908
Revenue from Standards Sales	$718,315
WTO/NAFTA Enquiry Point	$339,827
Other	$1,085,384
Parliamentary Appropriation	$7,110,108
TOTAL	**$15,017,542**

Expenditures

Conformity Assessment	$4,390,338
Information Services	$471,961
WTO/NAFTA Enquiry Point	$339,827
Intergovernmental Affairs and Trade	$1,088,779
Standards Development	$3,718,082
Management and Administration	$4,544,680
TOTAL	**$14,553,667**
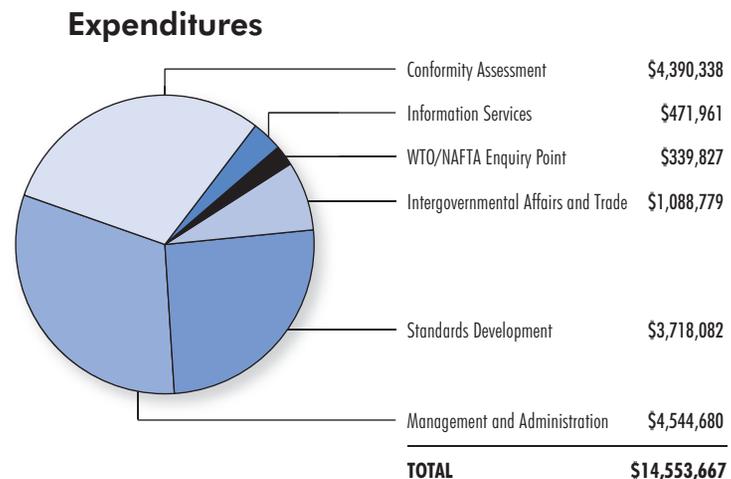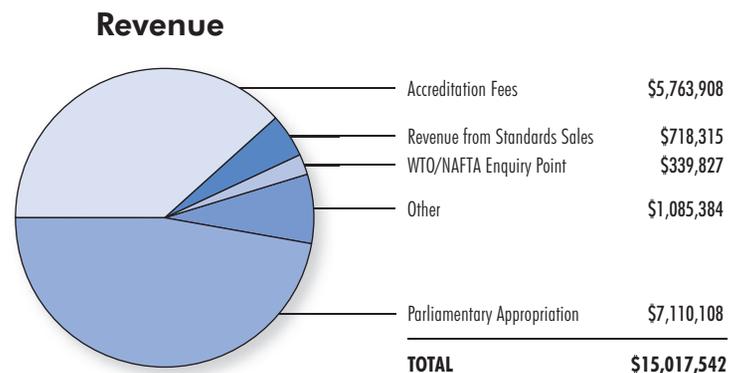
Message from the Chairman, Hugh A. Krentz

As Canada's national accreditation body, the Standards Council of Canada (SCC) has consistently been an active promoter of standards and conformity assessment services—developing efficient and cost-effective standardization solutions to address many of the challenges faced by industry, governments and consumers. Over the three decades that I have been a member of the SCC Governing Council, I have witnessed the growing impact of this work on the rest of the globe, and vice versa.

In 2007-2008, globalization, environmental awareness, and technological proficiency were among the many global factors that affected the organization's work. An unfortunate rise in the number of substandard products and counterfeit items on the market, the looming effects of climate change, and other very real threats to our collective health and safety have led SCC to critically examine its role in both enhancing Canada's competitiveness and protecting the well-being of its citizens within a global context.

Over the past year, Council encouraged SCC to stay attuned to these worldwide influences so as to position itself to adapt and respond to the opportunities they present. SCC staff members have worked diligently to use the corporation's resources effectively in order to best meet stakeholder needs, develop new relationships with potential partners, and to address the changing landscape of factors affecting its business.

Opportunities to help SCC gain national awareness and promote standardization were integrated into Council's annual planning session, as well as discussed as part of our regular meetings throughout the year.

Harmonizing our national standards with those of other nations, so as to facilitate Canada's trade relationships, remained a priority for SCC. The organization also focused on helping less-developed nations build their own standards capacity in order to participate more fully in the global marketplace.

Maintaining its reputation as a valuable contributor to the global dialogue on standardization has been another vital area of focus. On behalf of SCC's staff, my congratulations go out to the thousands of Canadians who contribute their time and expertise by participating in countless regional and international meetings so as to further the Canadian position on many important issues. I applaud our own Executive Director for taking the helm as the elected President of the Pan American Standards Commission (COPANT), and our colleague Jacques Régis for becoming President of the International Electrotechnical Commission (IEC).

SCC's involvement in ongoing discussions on the strategic role for standardization at the national, regional and international levels continues to be an essential component of its corporate strategy, and of its contribution to our national economy.

As it prepares to renew the Canadian Standards Strategy (2009-2012)—a document which provides direction for Canadian standardization including the extent of Canada's involvement on the world stage—the SCC once again turned to its stakeholders in consultation. This consultation was facilitated by distribution of questionnaires that solicit input, and meetings to evaluate that input. With development of this strategic roadmap well underway, stakeholders will have a chance to discuss the strategy in June of 2008, at the upcoming National Standards System Conference, before the strategy's eventual publication in 2009.

In retrospect, 2007-2008 was a year when the demand for standardization activities to provide global solutions became prevalent. SCC continues to focus its efforts on delivering solutions that will benefit Canadians at home and abroad. And, as we forge ahead into 2008-2009, I look forward to seeing what additional impact our ongoing efforts will yield.

Message from the Executive Director, Peter Clark

A pebble, tossed into a pond, makes waves that extend far beyond the tiny spot where it made its initial impact. The Standards Council of Canada (SCC) conducts much of its day-to-day business using a similar "ripple effect" that is felt well outside its immediate circle of activity. While staff members and stakeholders perform most of their work on home soil, their efforts often resonate around the globe.

Increasing our national profile continued to be a priority for SCC in 2007-2008. The organization took part in a number of trade shows, conferences and events in an effort to establish greater name recognition. We also hosted numerous events within the standardization community, and met with government representatives in order to raise awareness of SCC's role within Canada.

SCC also offered its support to Government of Canada initiatives in an effort to promote a better understanding of Canada's National Standards System. The new Cabinet Directive on Streamlining Regulation, which came into effect on April 1, 2007, included several references to the importance of using standardization throughout the regulatory life cycle. This inclusion was the direct result of SCC's participation in the consultation process.

A study completed earlier this year by the Conference Board of Canada on the Economic Value of Standardization provided SCC with measurable proof of how important its work is to Canada's economy. The study shows that standardization activities significantly contribute to Canada's gross domestic product.

SCC's accreditation programs continued to expand to meet growing demand in FY 2007-2008, particularly in the scientific and technological sectors. Accreditation programs for occupational health and safety, food safety, and information security programs were launched, and requests for applications to these new programs have been coming in steadily. The Programme for the Endorsement of Forest Certification Schemes Canada has been transferred to

SCC, and the Forest Product Chain of Custody program is operational. Under the forestry program, one certification body has already been accredited, and another's application is in the review process.

A greenhouse gas verification program is being developed in partnership with Natural Resources Canada. The joint program with the Ontario Medical Association is being expanded to include qualification of laboratories in Québec. Conversely, during this same time, the SCC has made the decision to discontinue its sector–specific qualification of aerospace quality management systems (AS 9000/9001).

The SCC also made strides towards its harmonization goals. Of the 159 National Standards of Canada that were published between April 1, 2007 and March 31, 2008, 105 were adoptions of international standards.

And while much of SCC's work focused externally on the National Standards System and the global standards community at large, the organization also made good progress in streamlining and improving its own operations. Work to reduce staff turnover, and to maintain and update its Quality Management System, helped ensure SCC was working at its most efficient internally so it had more resources to focus on its national activities and initiatives. Also, the SCC continued to refine its Member Program to better assist volunteers who donate their time to represent Canada in standards development.

FY 2007-2008 is my final year as Executive Director. In the nine years I've served in this role, I have seen how work done here in Canada has an impact far beyond our national borders. As SCC continues without me, I know the corporation has the expertise, talent and commitment necessary to continue making waves across the globe.

Corporate Profile

The Standards Council of Canada (SCC) is a federal Crown corporation. Its mandate is set out in its governing legislation, the Standards Council of Canada Act.

Mandate

The mandate of the SCC is to promote efficient and effective voluntary standardization in Canada, where standardization is not expressly provided for by law. In particular, the SCC has a mandate to:
- Promote the participation of Canadians in voluntary standards activities
- Promote public and private sector cooperation in relation to voluntary standardization in Canada
- Coordinate and oversee the efforts of the persons and organizations involved in the National Standards System
- Foster quality, performance and technological innovation in Canadian goods and services through standards-related activities, and
- Develop standards-related strategies and long-term objectives 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.

Structure

Governing Council

The Standards Council of Canada's Governing Council is appointed by the federal government and reports to Parliament through the Minister of Industry. Council is comprised of up to 15 members who are responsible for setting the strategic direction of the organization. Council is also responsible for ensuring the fulfillment of SCC's mandate and providing guidance on governance matters.

Council also works closely with the organization's executive director and management in the development of policy items and relevant strategic plans. SCC's work includes: accreditation of standards development and conformity assessment organizations; approval of standards submitted as National Standards of Canada; adoption of relevant policies to support SCC programs and services; and approval of budgets and audited financial statements.

Committees of Council

The Governing Council's committees include the Audit, Corporate Governance and Appointments Committees, all of which play an important role in supporting governance approaches.

Advisory Committees

A number of Standards Council of Canada (SCC) advisory committees, which report to the Council, ensure that Council members have access to a wide variety of advice, information and viewpoints. In order to ensure input from these committees reflects the diversity of Canadian stakeholders, all advisory committees are required to have a membership that includes representatives from varied professional backgrounds and from different regions of the country.

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 Canadian National Committees of the International Electrotechnical Commission (CNC/IEC) and the International Organization for Standardization (CNC/ISO) were created between those organizations and standards development organizations pre-dating the SCC. The remaining four committees have been created by Council.

Staff and Activities

The strategies and policies established by the Standards Council of Canada (SCC)'s Governing Council are implemented by a staff of approximately 90. The SCC's operational work is organized into five branches:

- Administration—Treasurer and Director, Rick Parsons
- Conformity Assessment—Director, Pat Paladino
- Corporate Services—Director, Sandra Watson

Council
(15 members)

Chairman

Executive Director

Manager,
Quality Management Systems

Intergovernmental Affairs & Trade Branch

Conformity Assessment Branch

Standards Branch

Administration Branch

Corporate Services Branch

OPERATIONAL

- Intergovernmental affairs
- International trade
- Information and research services
- Policy
- WTO/NAFTA Enquiry Point
- Technical Document Centre

Accreditation programs:
- Inspection bodies
- Management systems registration bodies (EMS/QMS)
- Personnel certification bodies
- Product certification bodies
- Testing and calibration laboratories

- International Organization for Standardization (ISO)
- International Electrotechnical Commission (IEC)
- ISO/IEC Joint Technical Committee (JTC1)
- Member program
- National Standards of Canada
- Standards development organizations accreditation program

- Finance
- Human resources
- Administration
- Information systems
- Translation

- Council secretariat
- Communications
- Marketing
- Graphics
- Corporate planning
- Event coordination

POLICY & ADVISORY COMMITTEES

- Provincial-Territorial Advisory Committee (PTAC)
- Advisory Committee on Trade (ACT)
- Canadian advisory committee on the ISO committee on Conformity Assessment (CAC/CASCO)
- Canadian advisory committee on the ISO committee on developing country matters (CAC/DEVCO)

Advisory Committee on Conformity Assessment (ACCA):
- Regulatory subcommittee
- Task group on certification
- Task group on laboratories
- Task group on environmental management systems registration organizations
- Task group on quality management systems registration
- Task group on the certification of personnel

- Advisory Committee on Standards (ACS)
- Standards Development Organizations Advisory Committee (SDOAC)
- Consumer and Public Interest Committee (CPIC)
- Canadian advisory committee on the ISO committee on consumer policy (CAC/COPOLCO)
- Canadian National Committee on the International Organization for Standardization (CNC/ISO)
- Canadian National Committee of the International Electrotechnical Commission (CNC/IEC)

- Corporate Governance Committee (CGC)
- Audit Committee (AuC)
- Appointments Committee (ApC)
- Chairs & Secretaries Committee

• Intergovernmental Affairs and Trade—Director, Elva Nilsen
• Standards—Director, Michel Bourassa

Administration

The Standards Council of Canada (SCC)'s Administration branch provides administration and management services to the corporation. Its functions include human resources, translation services, and technical and information services management. The branch is also responsible for the corporation's financial management.

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 of Canada (SCC) operates five types of accreditation programs:
• product and service certification bodies;
• calibration and testing laboratories;
• management systems certification bodies;
• inspection bodies; and
• personnel certification bodies.

In addition, SCC offers two recognition programs for laboratories:
• The Organization for Economic Co-operation and Development's Good Laboratory Practice program, and the
• Proficiency Testing Providers program.

SCC is also a member of several organizations that are developing agreements to ensure international acceptance of conformity assessment results as part of greater efforts to form a global accreditation system. These organizations include international bodies, such as the International Accreditation Forum and the International Laboratory Accreditation Cooperation, as well as regional bodies, such as the Asia Pacific Laboratory Accreditation Cooperation, the InterAmerican Accreditation Cooperation, and the Pacific Accreditation Cooperation.

Corporate Services

The Corporate Services branch of the Standards Council of Canada (SCC) provides secretariat and governance policy support to SCC's Council and its standing committees. The branch also provides corporate planning and reporting processes, as well as marketing and communications expertise to the organization.

Intergovernmental Affairs and Trade

The Standards Council of Canada (SCC) advises federal, provincial and territorial governments, business organizations and non-governmental bodies on standards- and conformity assessment-related aspects of trade and regulatory policy. SCC encourages the increased use of the National Standards System in regulatory activities and trade agreements.

SCC provides Canadians with access to comprehensive information on standards, technical regulations and conformity assessment through its Technical Document Centre and Information and Resource Centre, which make up Canada's contact point on ISO's information network (ISONET).

The SCC also serves as Canada's World Trade Organization (WTO) and North America Free Trade Agreement (NAFTA) Enquiry Point.

Standards

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

The SCC accredits organizations that develop standards in Canada. Its 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.

Corporate Governance

In 2007-2008, The Standards Council of Canada (SCC)'s Governing Council continued to build on its good governance record. It maintained a strong governance orientation at the Council level in order to set the tone for the organization, and in keeping with the quality management principle of continuous improvement, it added to its robust set of policies and practices. At SCC, governance direction is provided by Council directly and through the advice offered by its three standing committees—the Corporate Governance, Audit, and Appointments committees.

SCC Council members were active as stewards of the corporation. Efforts were focused on setting the strategic direction of the SCC and the National Standards System (NSS), as well as overseeing the implementation of the Canadian Standards Strategy. Members of Council received a report prepared by the Conference Board of Canada examining the economic benefits of standardization in Canada. The outcome of this analysis figures prominently in SCC's efforts to seek additional funding.

Council continued its practice of holding its annual strategic planning session alongside those sessions conducted with staff, as a way to ensure the ongoing relevance of its strategic directions. As part of its FY 2007-2008 to FY 2011-2012 Corporate Plan, Council translated the four strategic priorities identified in its planning sessions into measurable objectives and expected outcomes, using a "balanced scorecard" approach. Council members remained cognizant of the need to demonstrate continued relevance and add value to the programs and services SCC offers while being attuned to emerging public policy priorities and to the needs of Canadian industry.

The Council views effective and transparent communication as a necessary component of good governance and proactively makes information available to the public. Examples include access to travel and hospitality information and other related expenses incurred by its Chairman and Executive Director, which are routinely posted to the SCC website. Council regularly reviews its relationship with the Crown, various government departments, stakeholder groups, and the SCC's advisory committees to ensure appropriate levels of

communication and information dissemination are maintained. Council also ensures that positive and regular contact with senior management is maintained.

SCC Council, through its Corporate Governance committee, carried out its mandate to review and assess the performance of the organization, its advisory committees, the Executive Director, and the Chairman. In 2007-2008, the SCC's governance committee noted the final report on progress in implementing recommendations resulting from the 2004 Special Examination.* The committee also examined the impact on SCC of the new provisions of the *Federal Accountability Act*. Governance committee members discussed various challenges confronting the executive director, and sought strategic solutions regarding retention and staff development, as well as the competitiveness of SCC's conformity assessment programs.

SCC Council membership did not change in 2007-2008. The individuals who serve on Council—on a voluntary basis and without remuneration—continued to demonstrate a high degree of commitment to the work of the SCC. Council members' dedication was reflected in the high rate of attendance and participation at meetings, as well as in their involvement in the work of SCC advisory and other committees. The expertise and direction provided by Governing Council comes from a wide spectrum of industry sectors representing the Canadian public. The intention is to ensure that resulting policies are balanced, in keeping with SCC's mandate of ensuring efficient and effective standardization for Canadians.

As Council looks forward to the implementation of an updated corporate plan, the SCC continues to set high expectations for itself in the area of governance practices.

*available at www.scc.ca

Figure 3: Council Members 2007-2008

Back row, left to right:
Raymond Gagnon
Partner, N.T.R. Management Consulting Group

Hazel Cail
Vice-Chair, Provincial-Territorial Advisory Committee
Manager, Intergovernmental Business and Trade Relations
International Offices & Trade Division International
Intergovernmental and Aboriginal Relations, Alberta

Pierre-Paul Riopel
Vice-president of Manufacturing and Technology
Thomas & Betts Ltd.

Hélène Lefebvre
Engineering Specialist
Petro-Canada

Marian Gaucher
Manager, Standards Division
Canadian General Standards Board

Israel Lyon
Chair, Provincial-Territorial Advisory Committee
Manager, Special Projects
Economic Development Policy Branch
Industry Division
Ontario Ministry of Economic Development and Trade

Front row, left to right:
Hans R. Konow
President and CEO
Canadian Electricity Association

Charles LaFlèche
President and Chief Executive Officer
Momentum Healthware, Inc.

David Fardy
General Manager
Protrans Personnel Services Inc.

Chairman
Hugh A. Krentz
Chairman and CEO
Canadian Steel Construction Council

James G. Frank, PhD
Executive Advisor
JGF Economics Inc.

Norma McCormick
Non-Voting Member
Chair, Consumer and Public Interest Committee
President, Corporate Health Works Inc.

Steven Reynolds
R&D Manager
The Peelle Company Limited

Not present
Suzanne L. Morin
Assistant General Counsel
Regulatory Law and Policy Bell Canada

Operating Environment and Context

Every year, the Standards Council of Canada (SCC) is affected by various environmental factors and conditions, at both the national and international levels.

In 2007-2008 SCC's strategic direction was drawn from a combination of sources: its mandate as a Crown corporation; the national direction outlined in the 2005-2008 Canadian Standards Strategy; its commitments as a member of numerous regional and international forums; and various standardization-related global issues.

As it set out to achieve global results through national efforts, the environment and context in which SCC worked in 2007-2008 was affected by specific internal and external influences.

Internal Conditions

Human resources

Because the Standards Council of Canada (SCC) is a relatively small organization with staff positions that tend to require technical and specialized skills, the cost of hiring new employees is high. This, in combination with an aging workforce, requires SCC to be especially attuned to employee retention. In its 2007-2008 Corporate Plan, SCC set a goal to achieve a turnover rate of less than five per cent (see page 22). To achieve this goal, SCC developed a talent management program focused on career building, and continues to invest significantly in training opportunities for staff.

Technical participation

Canada's ability to influence international standards development hinges on the SCC's ability to sustain effective member participation in the National Standards System. The combination of an aging volunteer pool, limited financial resources, and the trend for large corporations to move technical work outside Canada is putting that influence at risk. To overcome those factors, SCC requires a revised strategy for the retention, recruitment and training of volunteer members.

Conformity assessment

Because of the Standards Council of Canada (SCC)'s increased participation in bilateral and multilateral agreements (MLAs) and mutual recognition agreements (MRAs), conformity assessment bodies require fewer accreditations to gain access to global markets. As a result, the market for conformity assessment services is becoming more consolidated and competitive.

SCC's accreditation programs generate about 40 per cent of the corporation's budget; SCC needs to continue to develop new programs and offer value-added services as part of its programs in order to maintain its position as an accreditor of choice, nationally and internationally.

Financial resources

With new technologies developing rapidly, and the marketplace becoming more global, the Standards Council of Canada (SCC) is being called upon to take on an increased role in national and international standardization activities. However, though the number of roles SCC can fulfill is increasing, the number of financial resources available to the corporation is not.

SCC's financial pressures may limit the ways the corporation responds to other operating influences. For example, with scarce funding, SCC faces difficulties expanding its membership program to attract new volunteers that are able to take part in international standardization.

To address this issue, SCC has developed a business case to demonstrate resource requirements to the federal government. SCC also continues to look for opportunities to expand its conformity assessment programs into emerging sectors and provide value-added components to its existing programs, in order to boost market revenues.

External Conditions

Increased competition

Competition is having an effect on the Standards Council of Canada (SCC)'s revenue base, forcing SCC to revisit the cost and revenue structures of its program offerings, and to look at process efficiencies and staff utilization. While the demand for accreditation programs is increasing, there are also more organizations offering similar programs, often for less money and with more services included.

The fees SCC charges for its accreditation services are increasingly being challenged by clients as being less competitive than those of other organizations. Clients are also demanding enhanced value-added services as part of these programs.

In response to these pressures, SCC is revisiting cost and revenue structures, program offerings, process efficiencies and staff utilization, as well as developing a long-term strategy for its conformity assessment services.

Increasing diversity and demands of stakeholders

Governments and industry representatives in Canada are turning to the Standards Council of Canada (SCC) for standardization solutions more than ever before.

SCC has been asked to play a role in such initiatives as streamlining regulations, the Agreement on Internal Trade, negotiating bilateral trade agreements with other nations, promoting standardization in healthcare, and harmonizing standards including with such emerging markets as China, India and Brazil. The SCC's expertise is needed to participate in facilitating internal trade and furthering national initiatives.

Demands of the marketplace have also created the need for new SCC accreditation services, such as a greenhouse gas verification program, food safety, information security, and several others.

Rapid technological change

In an economic environment shaped by increasing globalization, shorter lifecycles, and emerging economies entering the marketplace, Canada's standardization system will need to adapt to changing conditions. High pressure exists to develop new leading-edge products and services to meet evolving market opportunities. The convergence of new and existing technologies on the global stage requires the Standards Council of Canada and its partners to recognize the 'need for speed' in shaping standards development policy.

As a result of these many rapidly shifting factors, maintaining Canada's place within regional and international standardization forums will become even more critical to the Canadian economy. To secure Canada's position as a leading industrialized nation, the needs of all Canadian stakeholders—but more specifically, those of business and industries involved and affected by emerging technologies—must continue to be considered and included by standardization bodies.

Performance against Objectives

Strategic Priority 1—**Increase National Awareness**

*Increase awareness amongst key national stakeholders—industry, government and consumer organizations—
in order to better engage new stakeholders, retain existing ones, and reach out to Canadian organizations
and individuals who might benefit from, or contribute to, the National Standards System (NSS).*

Gaining national familiarity

In 2007-2008, the Standards Council of Canada (SCC) increased its efforts to inform Canadians about itself and its role. Building on the findings from a senior-level interview project that was conducted in 2006, the organization engaged in many outreach and marketing activities (see Figure 4), and met with senior officials in numerous government departments to discuss possible collaborations on standardization-related initiatives. It exhibited in numerous trade shows across the country, more specifically within sectors where it hopes to develop a larger presence, such as the forestry, education, and international trade sectors.

SCC continued to revise its corporate marketing and communications materials as it completed the implementation of its brand renewal project. Among the tactics identified as part of the branding renewal is the adoption of a new SCC tagline: *Standards experts. Accreditation solutions.* The tagline, which is being added as each item is updated or created, encapsulates the SCC's unique service offering.

SCC successfully hosted the 3rd Canadian Leadership Forum for those Canadians holding leadership roles in international standards development. Plans for the hosting of the 2008 National Standards System (NSS) Conference in St. John's, Newfoundland & Labrador are also well underway.

Offering national value

Another key initiative that contributed to the goal of increasing national awareness is the completion of the Economic Value of Standardization study and the resulting report by the Conference Board of Canada*. The study reveals that standardization has a significant positive impact on Canada's economy, boosting labour productivity and gross domestic product. It shows that from 1981 to 2004, standardization accounted for 17 per cent of the growth rate in Canadian labour productivity, and nine per cent real GDP growth. The study cites competition and innovation as being key drivers of productivity growth, and indicates that Canada's GDP would have been lower by $62 billion (5.5 per cent) in 2004 were it not for the impact of standardization on the economy over the preceding years.

The Standards Council of Canada (SCC) disseminated information on the social and economic benefits of standardization in speeches; at trade shows and conferences; through information exchange with key government and industry representatives, and the international community.

Development work on a product recall database was adjusted to reflect feedback from the SCC's advisory committees. The online tool will provide users with the ability to search for advisories, warnings and/or recalls related to products certified by SCC-accredited certification bodies. Beginning later in 2008, the SCC will require certification bodies to forward any information on safety-related product incidents, or recalls involving products that are certified for the Canadian marketplace, in particularly where there is a significant risk to public health and safety.

Strengthening national partnerships

The adoption of a more formal approach to outreach enabled the Standards Council of Canada (SCC) to identify several new potential partnerships in government and industry, and to reinforce existing ones.

*available at www.scc.ca

Efforts to engage Canadian universities and colleges continued through SCC's Standards in Education program, which now offers free access to international standards as part of 67 different courses (see Figure 6).

SCC's Member Program continued to reach out to Canadians through calls for membership and various other marketing initiatives. In response to concerns initially raised as part of the 2004 Special Examination, a Member Program strategy was established to attract and retain more volunteers to take part in standards-development work.

The SCC agreed to provide support for the Secretariat for the National Public Safety Advisory Committee in the enhancement of a national approach to a standards- and conformance-based regulatory system.

Figure 4: 2007-2008 Summary of Outreach and Marketing Highlights

April 22–28, 2007	Speeches and presentations delivered by the SCC Executive Director to groups in Colombia including at the Annual Meeting of the Pacific Area Standards Congress (PASC) and the PanAmerican Standards Commission (COPANT)	Sept. 17, 2007	SCC exhibits and presents at the 2007 Canadian Mineral Analyst conference.
May 10, 2007	Meeting between SCC Executive Director and Assembly of First Nations	Sept. 26-28, 2007	SCC participates in the Terra Incognita International Privacy Commissioners Conference in Montreal.
May 22, 2007	SCC Executive Director meets with the vice-president of the Canadian Council of Chief Executives in Ottawa	Oct. 17-19, 2007	Presentation delivered by SCC Council Member Charles LaFleche at 5th international conference on Standardization and Innovation in Information Technology (SIIT) in Calgary.
June 4–8, 2007	Outreach to Canadian committee Chairs and Secretaries at the third Canadian Leadership Forum in Toronto	Oct. 22-23, 2007	SCC exhibits at the Canadian Association of Importers and Exporters (IE Canada) annual conference in Toronto. SCC Executive Director also delivers presentation on product certification to IE Canada.
June 7, 2007	SCC sponsors and participates in International Trade Day, organized by the Canadian Chamber of Commerce in Ottawa	Nov. 7, 2007	Dialogue on "standards strategies" as part of presentation to the Canadian Electricity Association's Standards Management Committee in Toronto.
June 12, 2007	SCC exhibits at the Canada-Ontario Export Forum	Jan. 10, 2008	Training session on Canadian regulatory and conformity assessment systems delivered by SCC, provincial regulators and a certification body to the staff of the Department of Foreign Affairs and International Trade.
June 28, 2007	Speeches and presentations delivered by Executive Director in Fredericton, NB, at the meeting of the Privacy Commissioners of Canada	Feb. 18-22, 2008	SCC sponsors and participates in the International Consumer Product Health and Safety Organization (ICPHSO) Annual Meeting and Training Workshops in Washington, DC.
July 29 to Aug. 2, 2007	SCC staff participate in the National Conference of Standards Laboratories International (NCSLI) Annual Workshop & Symposium in St. Paul, Minnesota	Feb. 21-22, 2008	Presentation delivered by SCC at the International Cooperation for Education About Standardization workshop in Gaithersburg, Maryland.
Aug. 20-21, 2007	SCC sponsors the Standards Engineering Society (SES)/International Federation of Standards Users (IFAN) conference in San Francisco.	March 19, 2008	SCC sponsors a workshop on national injury and incident data coordination for the electrical sector.
		Looking Ahead	2008 National Standards System (NSS) Conference, June 2 to 4, 2008 in St. John's, NL.

Figure 5: World Standards Day 2007

On October 15, 2007 SCC brought together stakeholders to take part in World Standards Day celebrations at its Ottawa headquarters. In keeping with the 2007 theme, *Standards and the Citizen: Contributing to Society,* guests were invited to prepare care packages for charitable organizations in the local community. In total, staff and stakeholders assembled 12 packages that were distributed to the following organizations:

- Big Brothers/Big Sisters of Ottawa
- Boys and Girls Club of Ottawa
- Harmony House
- Child and Youth Friendly Ottawa
- Children's Aid Society
- Christie Lake Kids
- Cumberland Community Resource Centre (CRC)
- Kiwanis Club of Ottawa
- Ottawa-Vanier Lion's Club
- Shepherds of Good Hope
- Overbrook—Forbes Community Resource Centre
- YMCA/YWCA

Figure 6: Standards in Education Program

As part of its new education program, in 2007-2008, SCC signed 25 agreements with universities and colleges across Canada. These agreements provide 362 ISO standards, free of charge, for use in 67 courses. Included among the institutions taking advantage of this program are:

• University of British Columbia	• University of Manitoba
• British Columbia Institute of Technology	• Concordia University
• Université du Québec à Chicoutimi	• University of Alberta
• Université du Québec à Montréal	• University of Waterloo
• York University	• CEGEP Saint-Laurent
• Université Laval	• CEGEP Saint-Jean-sur-Richelieu
• La Cité Collégiale	• École Polytechnique
• University of Guelph	• Saskatchewan Institute of Applied Science and Technology
• University of Toronto	

Performance against Objectives

Strategic Priority 2—**Sustain Strategic International and Regional Leadership Positions and Relationships**

"Ensure that Canadian interests are considered in the development of international voluntary standards and conformity assessment practices."

Impact and involvement

Shaping international and regional standardization policies and practices remained a priority for the Standards Council of Canada (SCC) in 2007-2008.

With increased harmonization—approximately 70% of the National Standards of Canada (NSCs) published in 2007-2008 were adopted from international standards—SCC continued to focus on ensuring representation and participation by Canadians, regionally and internationally, in order to protect its national interests (see Figure 7).

In this vein, SCC held one of 18 elected seats on the International Organization for Standardization (ISO) Council until Dec. 31, 2007, and continues to hold one of 12 elected seats on the Technical Management Board. Canada also holds leadership roles in ISO's policy committees for conformity assessment (CASCO), consumer and public interest (COLPOCO), and developing countries (DEVCO).

At the International Electrotechnical Commission (IEC), a Canadian became president in 2008; his term runs until 2010. Canada is also one of 15 members elected to the IEC's senior governing body, the Council Board (CB); and one of 15 elected members to the IEC Standardization Management Board (SMB). On the conformity assessment side, Canada is one of 12 members elected to the Conformity Assessment Board (CAB), and holds leadership positions with IEC's conformity assessment schemes (see Figure 8).

Figure 7: Maintaining Global Partnerships

The Standards Council of Canada (SCC) works with a number of standardization-related organizations around the globe. These are just some of the organizations in which SCC is a member or partner.

Standards Development	Conformity Assessment
• International Organization for Standardization (ISO) • International Electrotechnical Commission (IEC) • Tri-National IEC • Multi-National IEC • Pacific Area Standards Congress (PASC) • Pan-American Standards Commission (COPANT) • Council for Harmonization of Electrotechnical Standards of the Nations of the Americas (CANENA) • Réseau Normalisation et Francophonie (RNF)	• International Laboratory Accreditation Cooperation (ILAC) • International Accreditation Forum (IAF) • Worldwide System for Conformity Testing and Certification of Electrotechnical Equipment and Components (IECEE) • International Electrotechnical Commission Scheme for Certification to Standards Relating to Equipment for use in Explosive Atmospheres (IECEx Scheme) • Asia Pacific Laboratory Accreditation Cooperation (APLAC) • InterAmerican Accreditation Cooperation (IAAC) • North American Calibration Committee (NACC) • Pacific Accreditation Cooperation (PAC)

Canada also maintains a strong presence at many regional standardization bodies, such as the Pan-American Standards Commission (COPANT), and the Pacific Accreditation Cooperation (PAC) (see Figures 7 & 8).

SCC achieved its goal of increasing its membership on important ISO/IEC working groups in FY 2007-2008. As of end of fiscal, 159 Canadians were managing IEC/ISO/JTC Committees (see Figure 9), 65 Canadians were elected or appointed to IEC/ISO policy and management committees, and eight Canadians were leading IEC/ISO policy/management committees.

Agreements and strategies

The Standards Council of Canada (SCC) worked with standardization bodies in the United States and Mexico to develop a tri-national strategy on how to approach the International Electrotechnical Commission (IEC). Champions in each of the three national bodies have been identified. SCC also hosted the IEC multinational group of the Americas in October 2007, a meeting which contributed to efforts to formalize an IEC regional group for the Americas. Both initiatives are geared towards improving trade with South American economies.

Figure 8: Canadian Influence at International and Regional Bodies

International Organization for Standardization (ISO)	• Member on Council Board • Member on ISO Technical Management Board (TMB)
International Electrotechnical Commission (IEC)	• President • Member on Council Board (CB) • Member of Conformity Assessment Board (CAB) • Member on Standardization Management Board (SMB)
International Accreditation Forum (IAF)	• Vice-Chair • Vice-Chair of Technical Committee
InterAmerican Accreditation Cooperation (IAAC)	• Chair • Vice-Chair (until February 2008)
Pacific Accreditation Cooperation (PAC)	• Chair • Chair of the Technical Committee
Pacific Area Standards Congress (PASC)	• Member • Member of Standing Committee
Pan-American Standards Commission (COPANT)	• President • Member of Board of Directors and Technical Management Commission
International Laboratory Accreditation Cooperation (ILAC)	• Member of Executive Committee • Member of Accreditation Requirement Committee
Asia Pacific Laboratory Accreditation Cooperation (APLAC)	• Member of Board of Management • Member of Technical Committee • Member of Proficiency Testing Committee

Figure 9: Canadian Involvement in International Technical Work
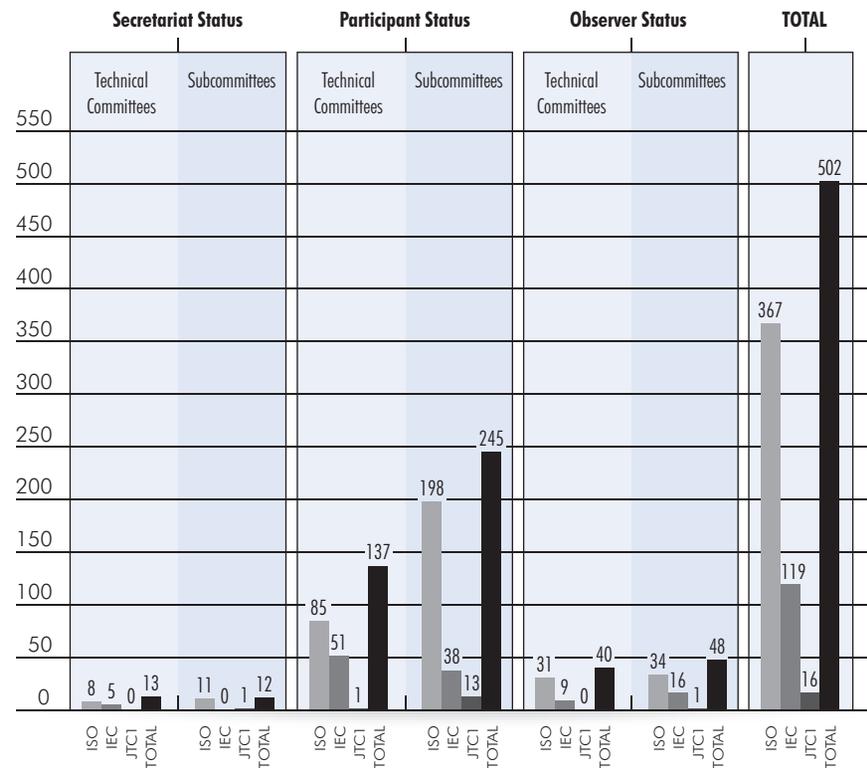
Source: ISO and IEC web sites

SCC's laboratory accreditation program was reevaluated by the Asia Pacific Laboratory Accreditation Cooperation (APLAC), the InterAmerican Accreditation Cooperation (IAAC) and the International Laboratory Accreditation Cooperation (ILAC). The reevaluation was successful, and SCC maintained its signatory status in the mutual recognition arrangements (MRAs) of these organizations. The certification bodies were reevaluated last year by IAAC, the Pacific Accreditation Cooperation (PAC) and the International Accreditation Forum (IAF); SCC's signatory status in those MRAs was reaffirmed. To date, the results of more than 400 SCC-accredited organizations are recognized by MRA signatories around the world.

Training/Development Opportunities

The Standards Council of Canada (SCC) has continued to work with developing countries around the globe on international standardization activities. It completed projects under the Canadian International Development Agency (CIDA)'s Canada-Costa Rica Competitiveness Development Fund (see Figure 11), aimed at helping Costa Rica develop a more efficient standards and regulatory system,. The project is intended to assist small and medium-sized business throughout Costa Rica to export their

Figure 11: SCC's Costa Rica Project

In 2004, the Canadian International Development Agency (CIDA) received a request from the Technical Regulations Unit of Costa Rica for technical assistance to improve its regulatory review system. CIDA asked the Standards Council of Canada (SCC) to facilitate the transfer of expertise to Costa Rica's Technical Regulations Unit under the Canada Costa Rica Competitiveness Development Fund (CDF). Work on this initiative began in 2005.

In March 2008, SCC completed three development assistance projects in Costa Rica. These projects aimed to build institutional capacity and improve efficiency and effectiveness in the national quality system, with the goal of enhancing competiveness.

As part of its work on the projects, SCC coordinated 16 training visits to Costa Rica and five to Canada. The work involved 18 Canadian experts and supported Canada's bilateral negotiations on free trade in the Americas. SCC has helped build Canada's profile as a leader and expert in the area of good regulatory practice, sound standards development policy, accreditation programs, and standards information services.

products and services. SCC is now developing new projects to provide technical assistance to Guyana, Peru and Colombia.

SCC offered training to Tunisian delegates on the operation of Canada's Enquiry Point and Information Service, as part of the World Bank project to strengthen Tunisia's TBT Enquiry Point.

Emerging Markets

In FY 2007-2008, the Standards Council of Canada (SCC) worked to identify standardization opportunities in emerging markets around the globe.

The organization continued to work with China under SCC's Agreement on Cooperation with the Standardization Administration of China (SAC). It delivered a presentation on Canada's Enquiry Point, Information service and Technical Document Centre to senior-level Chinese officials, as further to the Canada-China WTO Capacity Building Project.

Figure 10: Canada's Voting Performance on International Committees for FY 2007-2008

	Votes	Abstentions	Staff Abstentions
ISO	1442	227	81
IEC	320	27	17
JTC1	411	45	6
Source: SCC voting records			

Performance against Objectives

Accreditation Programs

In 2007-2008, the Standards Council of Canada (SCC) kept an eye on developments within the standardization community and looked for areas that could lead to opportunities to expand its services and widen its client base.

It has conducted initial discussions with two organizations that are considering accreditation by SCC as potential standards developers. Under its certification bodies accreditation program, SCC strengthened its position technically by successfully recruiting experts in 10 fields.

SCC also continued to support initiatives by the Government of Canada, such as the Security and Prosperity Partnership (SPP), specifically as it relates to the development of a trilateral regulatory cooperation framework for Mexico, Canada and the U.S. The corporation provided standardization input to the Agreement on Internal Trade as needed, and it signed Memorandum of Understanding (MoU) with various government departments including Transport Canada, Natural Resources Canada (NRCAN), and Environment Canada. These agreements could lead to the expansion of various accreditation programs.

SCC continued to promote standardization in the area of healthcare. It participated on the Steering Committee of Infoway, a Canadian organization devoted to the development of a Canadian Electronic Health Record System; and in partnership with Health Canada and other interested stakeholders, the SCC is working on a national injury prevention strategy. SCC also extended its capacity to accredit medical laboratories through an agreement with the Bureau de normalisation du Québec.

Since April 1, 2007, SCC supported the four Canadian accredited standards development organizations in publishing 159 National Standards of Canada, 105 of which were adoptions of international standards. It is also working on a new procedural document (CAN-P) specific to harmonization. This new procedural document supports the harmonization of international technical committee work with that of the standards development organizations' national committees.

Figure 12: 2008 SCC Awards

In January 2008, the Standards Council of Canada (SCC) announced the recipients of the 2008 SCC Awards. These awards recognize individual and organizational contributions to voluntary standardization, accreditation and conformity assessment. They are presented every two years at a special recognition ceremony held in conjunction with the National Standards System (NSS) Conference. The 2008 recipients will be honoured during the evening of June 3, 2008 at the Fairmont Newfoundland, in St. John's, Newfoundland and Labrador.

Award	Recipient
Jean P. Carrière Award	Pat Keindel
Roy. A. Phillips Award	Jocelyn Pedder
Corporate Commitment Award	Leber/Rubes Inc.
SCC Leadership Award	T. Duncan Ellison
SCC Distinguished Service Award	David Weatherill
SCC Award of Excellence	Philippe Fontaine
SCC Special Achievement Award	CAC/ISO/TC224
McMahon Dedicated Service Award	Claude Potvin

## *National Standards System and Canadian Standards Strategy*

Building on the successes of its previous two national conferences, the Standards Council of Canada (SCC) will host the next National Standards System (NSS) Conference from June 2 to 4, 2008, in St. John's, Newfoundland & Labrador. Over the course of a three-day program, delegates of the 2008 NSS Conference will have the opportunity to explore the impact on their business of various emerging global dynamics, and to examine and discuss various standardization-related topics. The conference will include a ceremony in tribute to those who have been selected as the 2008 SCC Award recipients (see Figure 12).

One of the key responsibilities of the SCC is to coordinate the renewal of the Canadian Standards Strategy (CSS) through a meaningful consultation process with stakeholders and appropriate partners. In 2007-2008, SCC initiated this process by sending out a questionnaire and asking for input. Interested parties will have further opportunities to comment at a facilitated session during the June 2008 NSS Conference, and also through the SCC's website. The input from the June sessions will be incorporated into the version that will be submitted to the SCC's council for final approval, and eventually published early in 2009.

Figure 13: Online Survey of SCC Web Site

Of the 336 respondents who completed the online satisfaction survey, 79% indicated some degree of satisfaction with the site (combined totals of completely, somewhat and moderately).

Satisfaction
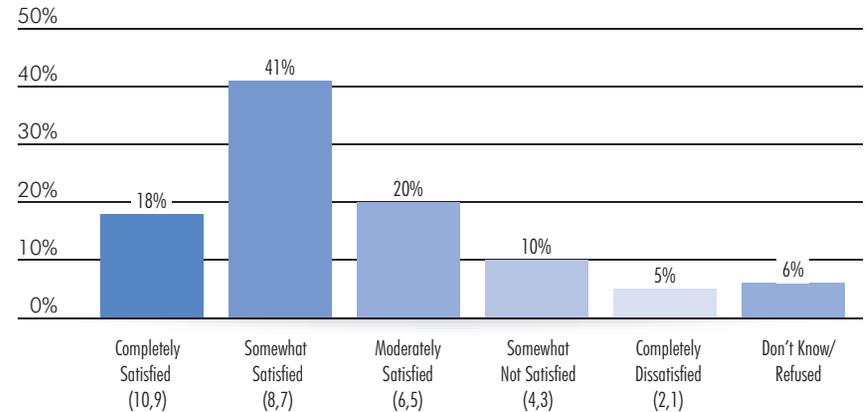
Frequency of Visits
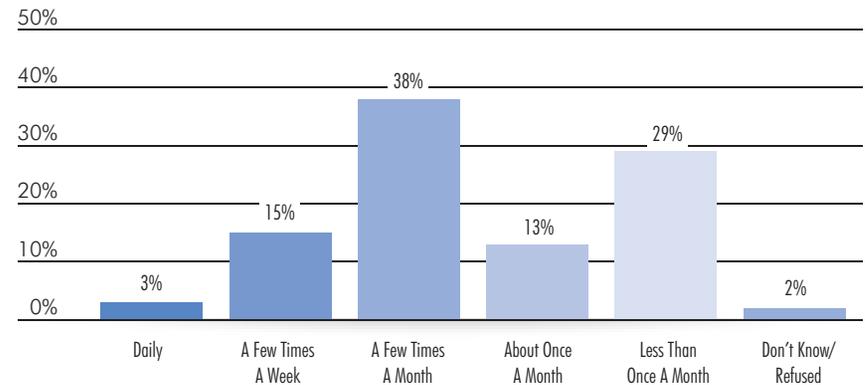
– 56% visit at least a few times a month
– 83 % of frequent visitors are currently on a standards development committee

Return Visit and Recommendation
– 79% expect to visit again in next 6 months
– 60% are likely to recommend the site to a colleague or associate

Source : Survey Findings Final Report – POLLARA

Client Satisfaction

Like many organizations, the Standards Council of Canada (SCC) uses customer satisfaction surveys to gauge its success in appropriately addressing user and client needs. The data from these surveys, which are conducted by an external market research firm, is used to determine required improvements to programs and services.

In 2007-2008, the SCC conducted an online survey of its corporate web site. Results revealed a positive satisfaction rating from 72% of respondents and similarly positive scores on the site's performance (see Figure 13).

While in previous years individual surveys of SCC programs were conducted on a rotating basis, beginning in 2008-2009, the SCC will adopt a single survey of all its customers.

Figure 14: Accreditation under SCC's Conformity Assessment Programs

SCC's offers accreditation solutions and conformity assessment service in a number of areas, including:

	Number of Clients		
	2006-2007 Actual	2007-2008 Target	2007-2008 Actual
• Laboratories	347	381	346
• Quality management systems (including a sector program for telecommunications) / Environmental management systems (including sector programs for forestry and hog farming)	29	29	15
• Management systems for manufacturers of medical devices (CMDCAS-recognized)	21	23	14
• Inspection Bodies	7	12	12
• Personnel Certification	3	6	3
• Product and service certification bodies	29	32	31

Accreditation services withdrawn:

• Sector qualification under the aerospace quality management systems program (AS 9000/9001)

Source: Conformity Assessment branch tracking reports

Performance against Objectives

Strategic Priority 4—**Enhance Organizational Effectiveness**

*"Enhance overall delivery of programs and services
and ensure high levels of customer satisfaction."*

As part of its efforts to enhance organizational effectiveness, the Standards Council of Canada (SCC) developed an enterprise risk management assessment through the consolidation of several documents and through a workshop on risk management.

SCC also continued to build on its performance management framework to align its strategic priorities more closely to its mandate. A corporate priority-setting mechanism was developed to assist managers and directors with business planning. This mechanism will be incorporated into SCC's quality management system in FY 2008-2009.

All SCC branches made efforts to streamline processes and improve services, including the SCC's Member Program. SCC reviewed its member registration process and updated a number of its forms, such as those for delegate accreditation and travel, and for the involvement of new members.

In order to address the need for increased resources in the area of succession planning for SCC's volunteer base, SCC began work on a proposal that should yield substantial increases in travel assistance for members. This assistance could remove a major barrier to member participation.

In 2007-2008, the SCC also began providing copies of standards to mirror committees (see Figure 15) to use for reference when evaluating drafts of related standards.

In addition to SCC's internal quality system audits of its branches (12 of which were completed in FY 2007-2008), the program for the approval of National Standards of Canada was audited and shown to be well-managed.

SCC is currently working on areas in which the *Federal Accountability Act*—including the *Public Servants Disclosure Protection Act*—will have an impact on the SCC.

In an effort to refine how human resources data is stored, retrieved and managed, the SCC launched an online tool for Human Resource documents in January 2008. The organization also took the management of its purchase requisitions online later in 2008.

In FY 2007-2008, SCC established a benchmark for employee satisfaction through a survey of its employees. The survey, which was completed in March 2007, showed an overall 82% satisfaction rate with the organization. The staff turnover rate for 2007-2008 was about 8%.

Figure 15: Regional Mirror Discussion Groups established in 2007-2008

The following regional discussion groups were created at the Réseau Normalisation et Francophonie (RNF) and the Pacific Area Standards Congress (PASC) to mirror the work of specific international standards development committees at the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC). The purpose is threefold: • To create allies and develop mutually supportable positions • To increase the stock of French versions of international standards • To engage experts from developing countries in the technical development work	
RNF	- ISO/TC 34 (Food Products) - ISO/TC 37 (Terminology and Other Languages and Content Resources) - ISO/TC 122 (Packaging) - ISO/TC 176 (Quality Management) (SCC Lead) - ISO/TC 207 (Environmental Management) (SCC Lead) - ISO/TC 224 (Service Activities Relating to Drinking Water Supply Systems and Wastewater Systems - Quality Criteria of the Service and Performance Indicators) - ISO/TC 228 (Tourism and Related Services) - ISO/TC 229 (Nanotechnologies) - JTC1/SC 36 (Information Technology for Learning, Education and Training) - ISO TMB WG SR (Social Responsibility)
PASC	- ISO TC34 Food Products (SCC lead) - ISO TC89 Wood Based Panels - IEC TC61 Safety of Household Appliances
Source: SCC Meeting Reports	

Figure 16: Staff Training

	Amount	% of Salary Budget
Total Training Budget	$97,300	1.7%
Total Training Expenses	$85,117	1.5%
% of Training Budget Used	87%	
Average Spending Per Employee	$981	

Management Discussion and Analysis

As part of the Standards Council of Canada (SCC)'s efforts to assess operations and improve effectiveness on a corporate-wide level, in FY 2007-2008, the organization regularly undertook to identify and monitor potential risks.

The SCC's enterprise risk management assessment (ERMA) was an essential component of its annual strategic planning sessions with both Council members and staff. ERMA also includes SCC's annual financial audit, a Special Examination, its quality management system (QMS) and corresponding internal audits.

In FY 2007-2008, human resources, corporate reputation, financial resources, maintaining adequate international technical participation, and addressing an increasingly competitive environment for conformity assessment were identified as key risk areas for the organization.

Human Resources

An aging population, combined with SCC's need for highly technical expertise, has been an ongoing challenge to the organization's ability to address its staffing requirements. This is combined with the inherent difficulties of defining a succession plan for such a small, specialized organization. To mitigate the risks associated with its human resource challenges, SCC continued to invest in its people through professional development training opportunities, and through the use of quality documentation that describes the work processes of key staff positions. Having established a benchmark in FY 2006-2007 (82%), SCC continued to monitor employee job satisfaction, and using its "talent management program," focused on retention and career building strategies.

Corporate Reputation

Alongside efforts undertaken in 2007-2008 to strengthen national awareness of SCC and of its value proposition, the organization maintained a watchful eye on the impact of its affiliations and partnerships to its corporate reputation. As a result of its limited resources, marketing and outreach efforts were conducted in a collaborative fashion alongside its partners within the National Standards System. Recognizing that all external communications or

dealings with stakeholders contain some degree of risk, SCC was practical in its expectations as it endeavoured to maintain a positive corporate identity. To mitigate risk, the organization monitored controversial issues (e.g. public health and safety) and prepared messaging as appropriate to address matters as they arose.

Financial Resources

SCC continued to be challenged to balance the delivery of its mandate with requests for new standards and accreditation services. To ensure that Canadian contributions to international standardization are not eroded, and that emerging opportunities can be leveraged, the organization was mindful

Figure 17: Net Income/Loss as a Percentage of Budget
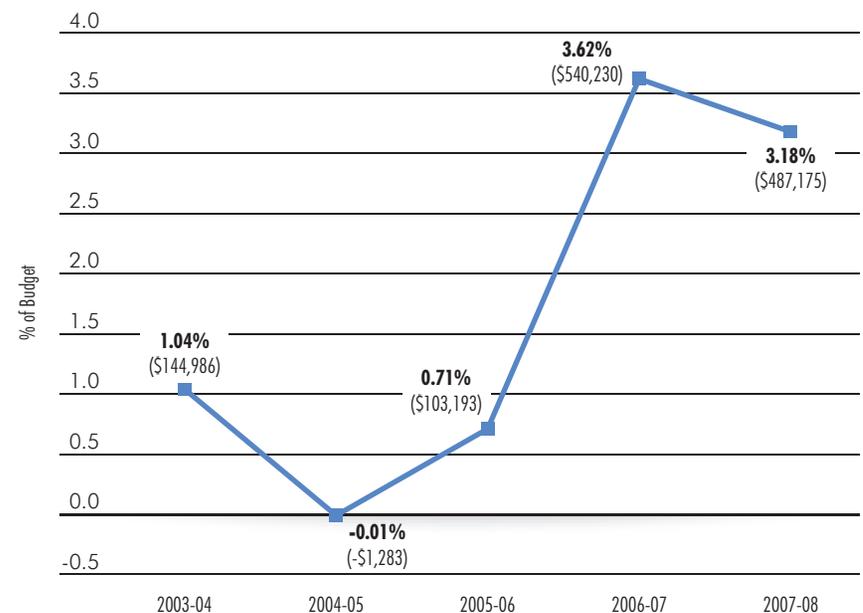
of its ability to deliver within existing constraints. To mitigate the risks in this area, SCC prioritized prospects, using business case assessments and other business tools. Programs and services were likewise regularly assessed to ensure that maximum value was being provided and in cases where the return was deemed to be low, were adjusted or discontinued. SCC continued to explore alternative sources of funding, and to gather research that provides evidence of the value of standardization to the Canadian economy.

International Technical Participation

As part of its oversight of Canada's National Standards System, effectively sustaining the base of volunteers that participate in national and international standardization work was another familiar challenge to SCC and its mandate. Because of the voluntary and very technical nature of committee work, it can be difficult to secure the involvement of capable individuals. Contributing factors include an aging and limited volunteer base, scarce industry funding for participation, and lack of awareness and knowledge of the importance of the System. If participation by Canadians in standardization activities were to dwindle significantly it could compromise Canada's ability to influence international standards. The risk to be mitigated is a situation where Canada would have to comply with international standards that are developed without consideration or representation of Canadian interests. The SCC continued to mitigate these risks through its retention, recruitment, recognition and training strategies, as well as through proper management of its Member program.

Conformity Assessment

In recent years, the SCC's conformity assessment programs and services have encountered an increasingly competitive business environment. Among the key drivers of this shift is globalization, whereby conformity assessment bodies require fewer accreditations to gain access to global markets. While a consolidation of requirements has a positive impact for Canada, SCC's cost-recovery programs face a potential competitive disadvantage. Another factor affecting this area of SCC's work is a shrinking market and less demand for these services. In addition to a rise in the number of consolidations (mergers and acquisitions) of conformity assessment bodies, many organizations have undergone a process of rationalizing and reducing their accreditations. To cope with the effects and mitigate the risks of these factors, the SCC continued to build on the value-added dimensions of its existing accreditation programs; it increased efforts to raise awareness of its offerings in new sectors, and to examine its overall approach to the delivery of its accreditation programs and services.

Figure 18: Overall Cost Recovery Conformity Branch
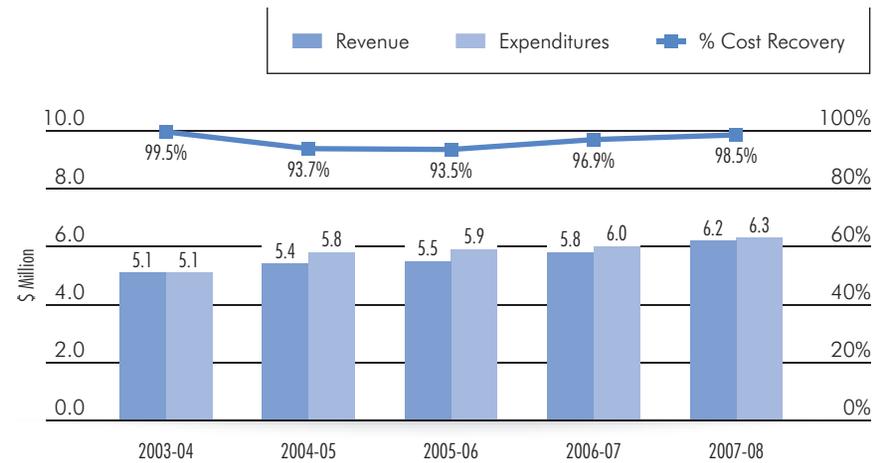
Finance

The Standards Council of Canada (SCC)'s total revenue (other than parliamentary appropriation) for 2007-2008 was $7.9 million—5% higher than the $7.5 million recorded in FY 2006-2007. This was due to increases in all revenue categories throughout the year.

Revenue from conformity assessment accreditation fees increased by 2% from 2006-2007, rising from $5.7 million to $5.8 million. However, this increase only equals the rate of inflation and continues the trend seen over the past several years of single-digit increases. The limited increase is due to maturing accreditation programs, growing competition with other accreditors, and a trend that sees several multinational clients rationalizing and limiting the number of accreditations that they hold.

On a program basis, revenues for certification and management systems programs rose marginally (3% and 6% respectively) while PALCAN program revenues declined by 2%. Increases can be attributed to a growing client base as well as increased levels of activity within the existing client base. Overall cost recovery for the conformity assessment family of programs rose to 98%—the budgeted target—and increased from the previous year's level of 97%. Improved cost recovery levels are attributed to a combination of cost containment as administrative and management overheads only increased by 1% while revenues from partnership consulting services grew to $475,000, up from the 2007 amount of $126,000. Individually, cost recovery percentages were 90% for certification, 111% for management systems, and 95% for PALCAN.

Royalties from sales of standards, at $718,000, are up from the previous year's level of $698,000. Revenue in 2006-2007 included a one-time GST recovery of $68,000; discounting that amount from revenues results in a 14% increase in year-to-year comparisons. The increase appears to parallel global growth for most sellers of standards, and can also be attributed to a concerted effort by standards sellers to combat copyright abuse through education and the use of digital-rights management. Gross sales from SCC's own web store (www.standardsstore.ca) rose marginally from $112,000 to $117,000, and royalties from IHS Canada, ISO and IEC also increased.

Revenues from sponsorship/partnership funding also increased significantly to $679,000 from the 2006-2007 level of $504,000. This increase relates to the conclusion of the work SCC undertook on three CIDA-funded developing-country projects for Costa Rica, along with projects undertaken by the Conformity Assessment group on behalf of Natural Resources Canada and Transport Canada.

Other income includes web hosting of outside clients for SiteScape and *Export-Alert!* services, sponsorship of the 2007 Inter American Accreditation Cooperation (IAAC) General Assembly, PALCAN program partnerships, and interest income, all of which were largely on, or slightly above, budget.

Government funding of $7.1 million is down from the previous year's $7.6 million as additional appropriation received in the previous year for the hosting of 2006 ISO General Assembly was removed. On a cash basis, SCC used its entire voted appropriation of $7,129,000 (in 2006-2007, this amount was $7,529,000). Parliamentary appropriation supported 48% of SCC's operating and capital expenditures, compared to 52% for FY 2006-2007.

Total expenses for FY 2007-2008 were $14.6 million, virtually unchanged from the previous year. Operating costs increased in the Conformity Assessment branch, due to higher staff travel costs as staff conducted more audits; professional fees related to partnership contracts; and the costs of hosting the IAAC General Assembly. These increases were more than recaptured in increased revenues.

A significant increase was also recorded for WTO/NAFTA Enquiry Point operations, as a revised contract with the Department of Foreign Affairs resulted in additional funding.

A decrease in standards development expenditures resulted from the removal of costs related to hosting the ISO General Assembly in 2006. Information Services expenditures also declined as salary and benefit costs were reduced due to staff vacancies for portions of the year.

On a functional basis, expenditures for salaries and employee benefits increased due to an economic pay increase, higher average staff levels, and the use of contract staff to fill extended leave vacancies.

Meeting costs declined due to removal of costs for the hosting of the ISO General Assembly in 2006. Office accommodation costs increased slightly, returning to normal levels as municipal tax rebates for both 2005 and 2006 were recorded in the previous fiscal year.

Total operational revenues and funding—including parliamentary appropriation—exceed expenditures by $464,000, down from the previous year's surplus of $540,000.

Figure 19: Financial Overview 2004-2009

	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008 (Budget)	2007-2008 (Actual)	2008-2009 (Budget)
REVENUE							
Accreditation fees	$ 4,762,328	$ 5,151,197	$ 5,438,548	$ 5,663,079	$ 6,099,500	$ 5,763,908	$ 5,935,000
Revenue from standards sales	709,504	537,062	561,764	698,056	560,000	718,315	660,000
WTO/NAFTA Enquiry Point	251,525	260,782	260,798	260,945	340,000	339,827	361,000
Parliamentary appropriation	7,101,179	6,944,447	7,084,089	7,614,779	7,188,000	7,110,108	7,159,000
Other	1,021,608	817,039	793,592	866,086	1,121,500	1,085,384	723,000
TOTAL	**$ 13,846,144**	**$ 13,710,527**	**$ 14,138,791**	**$ 15,102,945**	**$ 15,309,000**	**$ 15,017,542**	**$ 14,838,000**
EXPENSES							
Conformity Assessment	3,401,876	3,833,047	4,064,677	4,144,329	4,791,000	4,390,338	4,576,000
Information Services	476,346	538,988	455,855	526,513	490,000	471,961	526,500
WTO/NAFTA Enquiry Point	251,525	260,782	260,798	260,945	340,000	339,827	361,000
Standards Development	4,251,742	3,581,520	3,857,269	4,093,266	3,859,000	3,718,082	3,869,500
Intergovern-mental Affairs and Trade	956,200	870,929	913,540	1,038,507	1,149,000	1,088,779	1,196,500
Management and Administration	4,363,469	4,626,544	4,483,459	4,499,155	4,680,000	4,544,680	4,895,500
TOTAL	**$ 13,701,158**	**$ 13,711,810**	**$ 14,035,598**	**$ 14,562,715**	**$ 15,309,000**	**$ 14,553,667**	**$ 15,425,000**
Net income (loss)	**$ 144,986**	**($ 1,283)**	**$ 103,193**	**$ 540,230**	**$ 0**	**$ 463,875**	**($ 587,000)**

Management Responsibility for Financial Statements

The accompanying financial statements and all information in the Annual Report are the responsibility of the Standards Council of Canada. The financial statements were prepared by management in conformity with Canadian generally accepted accounting principles appropriate to the Council's operations. Financial information presented throughout the Annual Report is consistent with the financial statements. The non-financial information provided in the Annual Report has been selected on the basis of its relevance to Council's objectives.

Council maintains a system of financial and management controls and procedures designed to provide reasonable assurance that the transactions undertaken by the Council are appropriately authorized, that assets are safeguarded and that financial records are properly maintained to provide reliable financial statements. These controls and procedures are also designed to provide reasonable assurance that transactions are in accordance with the Council's objectives and within its mandate as stated in the *Standards Council of Canada Act.*

The Auditor General annually provides an independent, objective review of the financial records to determine if the financial statements present fairly the operating results and financial position of the Council in accordance with Canadian generally accepted accounting principles.

The Board, through its Audit Committee, is responsible for reviewing management's financial and reporting practices in order to satisfy itself that these responsibilities are properly discharged by management. The Audit Committee, comprised solely of Board members, meets with management and the Auditor General representatives to review the annual financial statements and reports on them to the Board.

Rick Parsons
Treasurer and Director of Administration

Ottawa, Canada
June 5, 2008

Auditor's Report

To the Minister of Industry

I have audited the statement of financial position of the Standards Council of Canada (the "Council") as at March 31, 2008, and the statements of operations and comprehensive income, changes in shareholder's equity and cash flows for the year then ended. These financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Council as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Financial Administration Act*, I report that, in my opinion, these principles have been applied, except for the change in the method of accounting for financial instruments as explained in Note 2(a) to the financial statements, on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Council that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part X of the *Financial Administration Act* and regulations, the *Standards Council of Canada Act* and the by-laws of the Council.

Nancy Y. Cheng, FCA
Assistant Auditor General
for the Auditor General of Canada

Ottawa, Canada
June 5, 2008

Statement of Financial Position

As at March 31		2008		2007
ASSETS				
Current				
Cash	$	3,397,176	$	2,323,686
Accounts receivable:				
Federal government departments and agencies		472,266		266,929
Other		1,239,411		1,691,683
Parliamentary appropriation receivable		1,045,000		1,134,000
Prepaid expenses		1,009,855		824,265
		7,163,708		6,240,563
Property, plant, and equipment (Note 3)		733,076		740,467
	$	7,896,784	$	6,981,030
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	1,600,502	$	1,202,839
Deferred accreditation fees		1,965,496		1,988,503
Deferred revenue		35,750		—
		3,601,748		3,191,342
Long term				
Deferred government funding (Note 4)		533,506		514,614
Deferred revenue - Tenant improvement allowance (Note 5)		199,570		225,853
		733,076		740,467
		4,334,824		3,931,809
SHAREHOLDER'S EQUITY				
Retained earnings		3,451,245		2,987,370
Accumulated other comprehensive income (Note 6)		110,715		61,851
Equity		3,561,960		3,049,221
	$	7,896,784	$	6,981,030

Commitments (Note 10)

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

Approved by the Council: Chair   Treasurer

Statement of Operations and Comprehensive Income

For the year ended March 31		2008		2007
Revenue				
Conformity Assessment accreditation fees	$	5,763,908	$	5,663,079
Royalties from sales of standards (Note 8)		718,315		698,056
Sponsorship/Partnership Funding		678,799		503,945
WTO/NAFTA Enquiry Point		339,827		260,945
Other		406,585		362,141
		7,907,434		7,488,166
Expenses (Note 9)				
Conformity Assessment		4,390,338		4,144,329
Information Services		471,961		526,513
Standards Development		3,718,082		4,093,266
WTO/NAFTA Enquiry Point		339,827		260,945
Intergovernmental Affairs and Trade		1,088,779		1,038,507
Management and Administrative Services		4,544,680		4,499,155
		14,553,667		14,562,715
Net loss before government funding		(6,646,233)		(7,074,549)
Government funding				
Parliamentary appropriation for operating expenses		6,924,598		7,386,827
Amortization of deferred government funding (Note 4)		185,510		227,952
		7,110,108		7,614,779
Net Income		463,875		540,230
Other comprehensive Income				
Contributions received (used) (Note 6)		48,864		(7,512)
Comprehensive income	$	512,739	$	532,718

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

Statement of Changes in Shareholder's Equity

For the year ended March 31	2008	2007
Retained Earnings		
Balance at the beginning of the year	$ 2,987,370	$ 2,447,140
Net income	463,875	540,230
Balance at the end of the year	3,451,245	2,987,370
Accumulated Other Comprehensive Income		
Balance at the beginning of the year	61,851	69,363
Other comprehensive income	48,864	(7,512)
Balance at the end of the year	110,715	61,851
Total Shareholder's Equity at the End of the Year	$ 3,561,960	$ 3,049,221

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

Statement of Cash Flows

For the year ended March 31	2008	2007
Operating activities		
Net Income	$ 463,875	$ 540,230
Adjustments for non-cash items		
Amortization of property, plant, and equipment	211,793	254,235
Amortization of deferred government funding	(185,510)	(227,952)
Amortization of tenant improvement allowance	(26,283)	(26,283)
	463,875	540,230
Restricted contributions from non-owners received (used)	48,864	(7,512)
Changes in current liabilities and current assets other than cash	560,751	(178,061)
Cash flows provided by operating activities	1,073,490	354,657
Investing activities		
Additions to property, plant, and equipment	(204,402)	(142,173)
Financing activities		
Funding for acquisition of property, plant, and equipment		
Parliamentary appropriation	204,402	142,173
Increase in cash during the year	1,073,490	354,657
Cash at the beginning of the year	2,323,686	1,969,029
Cash at the end of the year	$ 3,397,176	$ 2,323,686

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

Notes to Financial Statements, March 31, 2008

1. AUTHORITY, OBJECTS, AND PROGRAMS

The Standards Council of Canada was created by Parliament as a corporation under *the Standards Council of Canada Act* in 1970 (revised, 2006) to be the national coordinating body for voluntary standardization. The Council is a Crown corporation named in Part I of Schedule III to the *Financial Administration Act* and, for the purposes of the *Income Tax Act*, is deemed to be a registered charity.

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

In carrying out its mandate, the SCC performs the following activities:

– accrediting organizations engaged in standards development and conformity assessment;
– representing Canada's interests internationally and regionally through membership in the International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC), and in other regional standards organizations;
– overseeing and coordinating Canada's participation in international standardization work;
– approving National Standards of Canada;
– providing advice and assistance to the Government of Canada in the negotiation of standardization-related aspects of international trade and mutual recognition agreements;
– working with international and foreign standards bodies to develop standardization agreements that facilitate trade;
– fostering and promoting an understanding of the benefits and usage of standards and conformity assessment;
– collecting and distributing information on standards activities; and
– operating Canada's North American Free Trade Agreement and World Trade Organization Enquiry Points on behalf of the federal government.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies are:

(a) Change in accounting policies

The Canadian Institute of Chartered Accountants (CICA) issued the following new accounting standards, which were effective with the beginning of the current year for the Council. Comprehensive Income ("Section 1530"); Financial Instruments - Recognition and Measurement ("Section 3855"); Equity ("Section 3251") and Financial Instruments - Disclosure and Presentation ("Section 3861"). Prior year comparatives have not been restated.

Section 1530 introduces comprehensive income, which consists of net income and other comprehensive income ("OCI"), and represents changes in Shareholder's Equity during a period arising from transactions from non-owners' sources. Revenue recognition of these contributions has not changed as a result of the adoption of this section. As a result of the implementation of this section, the Financial Statements include a Statement of Operations and Comprehensive Income. In addition, the changes in the Accumulated Other Comprehensive Income ("AOCI") are presented as a new category in the Statement of Changes in Shareholder's Equity and in the Shareholder's Equity section of the Statement of Financial Position.

As required in the transitional provisions of the Section, OCI includes changes in contributions from non-owners and the prior period comparative figures have been reclassified.

As required by Section 3855, the Council has classified cash as a financial asset held for trading and is measured at fair value. Accounts receivable are classified as loans and receivables. Accounts payable and accrued liabilities are classified as other financial liabilities. Financial assets classified as loans and receivables and financial liabilities other than those held for trading are measured at amortized cost.

Section 3855 also requires the Council to identify embedded derivatives that require separation from the host contract and measure those embedded derivatives at fair value. Subsequent changes in fair value of embedded derivatives requiring separation are recognized in earnings in the period the change occurs. The Council has not identified any embedded derivatives that are required to be separated from the host contract. It has considered all significant contracts entered into since April 1, 2003 and that are still in effect in making this determination.

Section 3251 establishes standards for the presentation of equity and changes in equity during the reporting period. As a result of the implementation of this section, the Council has presented AOCI as a separate component of Shareholder's Equity and a sub-total of retained earnings and AOCI on the face of the Statement of Financial Position. The change in equity resulting from OCI is reflected in the Statement of Changes in Shareholder's Equity.

Section 3861 establishes standards for presentation of financial instruments and identifies the information that should be disclosed about them. This section deals with disclosure of information about the nature and extent of an entity's use of financial instruments, the business purpose they serve, the risks associated with them and management's policies for controlling those risks. This information has been included as appropriate.

(b) Property, plant, and equipment

Property, plant, and equipment 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

(c) Revenues

Funds received or receivable in respect of conformity assessment application fees and 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. Application fees are recognized as revenue upon completion of the assessment process and granting of accreditation. Annual fees are amortized to revenue on a straight line basis over the period to which the fee applies. Funds received or receivable in respect of conformity assessment audit and assessment fees are recognized as revenue at the time the related services are provided.

Royalties from sales of standards are recognized as revenue for the period in which the related sale occurred.

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.

Restricted contributions from non-owners received for the hosting of international meetings or conferences are included as part of Other Comprehensive Income until such time that it is appropriate to recognize the amounts in income. Contributions received for the hosting of international meetings or conferences are recognized as revenue at the time the related expenses are incurred. The Council also administers a fund on behalf of an unrelated entity which is included as a current liability. Contributions received for this fund and its related expenditures are recorded directly to the liability.

(d) Expenses
Expenses are recognized when goods and services are received.

(e) Parliamentary appropriations
The Government of Canada provides funding to the Council. The portion of the parliamentary appropriation used to purchase depreciable property, plant, and equipment is recorded as deferred government funding and amortized on the same basis and over the same periods as the related property, plant, and equipment. The portion of the appropriation related to operations is recorded in the Statement of Comprehensive Income in the year for which it is approved.

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

(g) Employee benefit plan
The Council sponsors an employee benefit plan through a third party provider (health, dental, life and long-term disability insurance). The Council's contributions to the plan are recorded at cost and charged to personnel expenses in the year incurred. They represent the Council's total obligation to the plan. The plan does not require the Council to make contributions for any future unfunded liabilities of the plan.

(h) Employee future benefits
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.

(i) Management estimates
The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. The useful life expectancy predictions for property, plant, and equipment and certain employee-related liabilities are the most significant items where estimates are used. Actual results could differ from management's best estimates as additional information becomes available in the future.

(j) Future accounting changes
On December 1, 2006, the CICA issued three new accounting standards: Handbook Section 1535, *Capital Disclosures*, Handbook Section 3862, *Financial Instruments – Disclosures* and Handbook Section 3863, *Financial Instruments – Presentation*. These standards apply to fiscal years beginning on or after October 1, 2007 and accordingly will be effective for the Council on April 1, 2008.

Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

Section 3862 and 3863 replace Handbook Section 3861, *Financial Instruments – Disclosure and Presentation*, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

The Council is currently evaluating the impact of these new recommendations for fiscal year 2008-2009.

3. PROPERTY, PLANT, AND EQUIPMENT

		2008		2007
	Cost	Accumulated amortization	Net book value	Net book value
Furniture	$ 277,434	$ 264,319	$ 13,115	$ 15,664
Equipment	1,609,593	1,350,009	259,584	314,727
Leasehold improvements	776,569	316,192	460,377	410,076
	$ 2,663,596	$ 1,930,520	$ 733,076	$ 740,467

4. DEFERRED GOVERNMENT FUNDING
Deferred government funding represents the unamortized portion of parliamentary appropriation used to purchase depreciable property, plant, and equipment.

Changes in the deferred government funding balance are as follows:

	2008	2007
Balance at beginning of year	$ 514,614	$ 600,393
Add appropriation used to acquire depreciable property, plant, and equipment	204,402	142,173
Less amortization	185,510	227,952
Balance at end of year	$ 533,506	$ 514,614

5. DEFERRED REVENUE – TENANT IMPROVEMENT ALLOWANCE
The Council has received funds from the landlord to pay the cost of tenant improvements made to the office space it leases. These funds have been recorded as deferred revenue and are being amortized to income over the duration of the lease.

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

	2008	2007
Balance at beginning of year	$ 225,853	$ 252,136
Less amortization	26,283	26,283
Balance at end of year	$ 199,570	$ 225,853

6. CONTRIBUTIONS RECEIVED

The Council has received funds from unrelated parties on a voluntary basis, which are restricted to the hosting of international technical committee meetings and conferences held in Canada. Under the new accounting standards, these funds from non-owners have been recorded in other comprehensive income as contributions received and are recognized as revenue at the time the related expenses are incurred. Contributions received in 2007 have been reclassified accordingly.

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

	2008	2007
Balance at beginning of year	$ 61,851	$ 69,363
Add contributions received	99,253	15,050
Less contributions expended	50,389	22,562
	48,864	(7,512)
Balance at end of year	$ 110,715	$ 61,851

7. FINANCIAL INSTRUMENTS

Accounts receivable and accounts payable are incurred in the normal course of business. All are due on demand and are non-interest bearing. The carrying amounts of each approximate fair values because of their short maturity. There are no concentrations of accounts receivable with any one customer and, accordingly, no significant credit risk exists.

8. ROYALTIES FROM SALES OF STANDARDS

As of April 1, 1998 the Council has outsourced the operation of the Standards Sales Service to an independent agent. The agreement requires the payment of royalties to the Council based on a revenue sharing of net sales.

9. EXPENSES

	2008	2007
Salaries and employee benefits	$ 7,765,989	$ 7,484,677
Travel	1,956,175	2,016,754
Professional and special services	1,666,815	1,581,677
Memberships in international organizations	1,017,827	982,914
Office accommodation	631,193	611,237
Meetings	403,044	651,054
Publications and printing	234,749	248,134
Amortization of property, plant, and equipment	211,793	254,235
Office supplies	143,526	168,069
Telecommunications and postage	126,773	138,995
Public relations	61,944	72,509
Rental of office equipment	53,869	64,925
Other	279,970	287,535
	$ 14,553,667	$ 14,562,715

The Council and all eligible employees contribute to the Public Service Pension Plan. Pension benefits accrue up to a maximum period of 35 years at a rate of two percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are fully indexed to the increase in the Consumer Price Index. The Council's and employees' contributions to the Public Service Pension Plan for the year were as follows:

	2008	2007
Council's contributions	$ 706,030	$ 765,500
Employees' contributions	$ 332,847	$ 322,994

The Council's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada.

10. COMMITMENTS

The Council has entered into an agreement to lease office space for a fifteen-year term which commenced in July 2000. The future minimum annual rental payments under this agreement, exclusive of operating expense and property tax, are as follows:

2008-2009	$ 331,294
2009-2010	$ 331,799
2010-2011	$ 345,290
2011-2012	$ 350,845
2012-2013	$ 350,845
Balance	$ 804,021

11. RELATED PARTY TRANSACTIONS

The Council is related in terms of common ownership to all Government of Canada departments, agencies and Crown corporations. The Council enters into transactions, which are measured at the exchange amount, with these entities in the normal course of business. During the year, the Council incurred expenses totaling $183,829 (2007 - $104,455) and recorded revenues of $1,569,302 (2007 - $1,357,844) with related parties. As at March 31, 2008, the Council recorded accounts receivable with related parties of $472,266 (2007 - $266,929) and accounts payable of $15,928 (2007 - $0).

12. COMPARATIVE FIGURES

Certain of the 2007 comparative figures have been reclassified to conform to the current year's presentation.