

G03 – CALA Policy Governance Manual
Revision 6.4 – April 27, 2015



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PREFACE

CALA is a not-for-profit association that instills public confidence in laboratory test results by providing internationally recognized accreditation, proficiency testing and training.

CALA was established in 1989 to help Canadian analytical laboratories conform to internationally accepted standards of competence and proficiency. It did this by developing an accreditation program based on assessment of a laboratory's quality management system, coupled with evaluation of analytical capability determined through proficiency testing (PT).

Between 1994 and 2004, CALA operated in a partnership with the Standards Council of Canada (SCC), in which CALA undertook all site assessments and evaluation of competency, conducted the PT program, and recommended to the SCC whether or not a laboratory should be accredited.

At the CALA Annual General Meeting in 2004, the members elected to not continue the partnership with the SCC after December 2004, and to become an accreditation body in its own right, with full international recognition.

One result of this decision, due to the major change that resulted to CALA's organization and operations, was to revitalize the way the Board functioned and to refine the interaction between the Board and the CALA staff. At its meeting in November 2005, after a workshop that explained how the new process would look and function, the Board voted unanimously to adopt the concept of Policy Governance as its form of management.

In October 2010, the Board reviewed the performance of the governance model over the past five years and unanimously agreed to amend the model to better serve the operating environment and size of the organization.

This document will continue to evolve over time. In the hierarchy of Board documents, it is the third most important after the Letters Patent and the By-Laws.

EXECUTIVE EXPECTATIONS POLICIES

EE-1 Global Executive Expectations
The President & CEO (hereinafter referred to in this document as the CEO), shall always follow commonly accepted, not-for-profit business, and professional ethics and lawful practices, within all organizational activities, decisions and circumstances.
EE-2a Treatment of Members/Customers
For interactions with CALA members/customers, or prospective members/customers, the CEO shall manage staff, conditions, procedures, decisions, and facilities so that they: <ol style="list-style-type: none"> 1. are safe, dignified, nonintrusive, and which provide appropriate confidentiality and privacy; 2. only collect or elicit necessary information that is relevant to: ISO/IEC 17025 and similar accreditations; proficiency testing and training; 3. use information processing methods (collection, transmission, storage), that protect against improper access to the material collected; 4. review technology on a regular basis and provide to the membership the best and most financially viable technology to service the needs of the membership in submitting and accessing data and information; 5. provide services that are member/customer-centered; 6. provide opportunities for, and advise members/customers of the appeal policies/process; and provide a response to concerns/questions and complaints given to the CEO, management and staff in a timely manner.
EE-2b Laboratory Accreditation Program
The CEO shall: <ol style="list-style-type: none"> 1. provide a laboratory accreditation program that conforms, at a minimum, to the latest version of ISO/IEC 17011; 2. ensure fees are competitive within the marketplace for similar programs; 3. pursue alternative programs outside of ISO/IEC 17025, and obtain approval of the Board of Directors prior to implementation.
EE-2c Proficiency Testing Program
The CEO shall: <ol style="list-style-type: none"> 1. provide a Proficiency Testing (PT) program that is accredited to the latest version of ISO/IEC 17043; 2. ensure fees are competitive within the marketplace for similar programs.
EE-2d Training Program
The CEO shall: <ol style="list-style-type: none"> 1. provide a Training program that is specifically designed to support the preparation of laboratories for accreditation to the latest version of ISO/IEC 17025 and continuously enhances laboratory quality management and technical skills. 2. ensure training fees are competitive within the marketplace for similar programs.

EE-2e Treatment of Employees / Volunteers

With respect to the treatment of Employees/volunteers the CEO shall:

1. ensure that conditions that are fair, dignified, safe, clear, and that employees are well acquainted with their rights under this policy;
2. operate with written rules/policies that clarify expectations, working conditions, and provide for effective handling of grievances;
3. respect any employees/volunteers non-disruptive, respectful expression of dissent;
4. facilitate employees/volunteers who wish to grieve directly to the Board when internal grievance procedures have been exhausted and the employee/volunteer alleges either that Board policy has been violated to his/her detriment, and/or that Board policy does not adequately protect his/her human rights;
5. provide reasonable opportunities for growth and advancement and to promote an environment that values the contribution of employees and maintains a positive morale.

EE-2f Financial Planning and Budgeting

Financial planning for any fiscal year, or part thereof, shall follow materially from the Board's Ends priorities, preserve financial integrity, and be derived from a multi-year plan.

The CEO shall:

1. operate within a board approved budget, detailed enough to enable credible projection of revenues and expenses, separation of capital and operational items, cash flow and disclosure of planning assumptions and the setting of fees;
2. plan for expenditures to be within projected revenues in any two-year cycle, unless so directed by the Board;
3. maintain the current assets at all times within amounts established by the Board and maintain cash within the safety reserve level specified by the Board;
4. develop for Board review and approval at the fourth quarter board meeting a rolling five-year strategic plan, which shall take into account changes in CALA's business environment, and shall be adjusted accordingly on an annual basis;
5. obtain annual Board approval of the association's long-term financial plan;
6. maintain a diverse source of income streams.

EE-2g Financial Condition and Activities

With respect to the present and future financial condition of the organization, the CEO shall manage fiscal expenditures within the approved plan, which is based on Board priorities established in Ends policies and the Corporate Strategic Plan.

The CEO in conjunction with the CFO, shall:

1. prepare financial statements quarterly;
2. maintain expenditures within an amount that can be repaid by certain, otherwise unencumbered revenues within sixty days;
3. only make budgeted use of long-term reserves, use restricted funds for Board designated purposes, and safeguard unused restricted funding;
4. make timely and accurate tax payments and other government ordered payments and filings; settle payroll and debts in a timely manner and aggressively pursue receivables after a reasonable grace

<p>period;</p> <p>5. acquire real property for the organization only after obtaining Board approval.</p>
<p>EE-2h Spokesperson</p>
<p>The CEO, as chief spokesperson for the organization, shall only make public statements that are consistent with the members' interests and the approved Strategic Plan and the Ends of the organization.</p>
<p>EE-2i Emergency CEO Succession</p>
<p>To protect the Board from sudden loss of CEO services, the CEO shall:</p> <ol style="list-style-type: none"> 1. have at least one other management-level employee familiar with day-to-day office processes, Association Ends, and the activities intended to achieve these. This employee should be in a position to assume the CEO's duties in the case of an emergency; 2. have a CEO's replacement dossier in place to give the Board in the case of a planned departure.
<p>EE-2j Asset Protection</p>
<p>The CEO shall:</p> <ol style="list-style-type: none"> 1. protect and maintain, the Association's assets from unnecessary risks; 2. insure the Association against theft, fire and casualty losses to at least 80 percent of replacement value and against liability losses to the organization and its Board members, employees and volunteers when they are acting on behalf of the organization; 3. make only purchases or investments with any association funds that are in full compliance with the purchasing/investment guidelines established and maintained by the Finance Committee and the CFO of the organization.
<p>EE-2k Business Continuity</p>
<p>The CEO shall operate with an approved and costed business continuity plan that is reviewed and updated annually.</p>
<p>EE-2l Compensation and Benefits</p>
<p>Compensation reviews for all executive and non-executive staff are to be performed as deemed necessary by the Board, based on the employment and business environment. Within this framework.</p> <p>The CEO shall:</p> <ol style="list-style-type: none"> 1. manage and protect the fiscal integrity and public image of the organization with respect to employment and compensation/benefits to employees, consultants, contract workers and volunteers acting on behalf of CALA; 2. provide for Board approval of compensation/benefits strategies for all employees, including CFO and CEO, that are consistent with the geographic and professional market for the skills employed within the not-for profit sector.
<p>EE-2m Communication and Support to the Board</p>
<p>The CEO shall inform the Board as a whole of any changes that could negatively impact the ends policies, relevant trends, and material external or internal organizational changes and support a fully informed Board by:</p> <ol style="list-style-type: none"> 1. submitting required monitoring reports and consent agenda items in a clear, concise, timely, and accurate fashion; 2. advising the Board if, in the CEO's opinion, the Board is not in

- compliance with its own policies;
3. providing a mechanism for official Board, officer and committee communications.

GOVERNANCE PROCESS FOR THE BOARD

GP-1 Global Governance Commitment

The Board of Directors, on behalf of the owners of CALA, will ensure that the association achieves value-added results at a competitive cost, while maintaining professional conduct in compliance with the Association's Code of Ethics and best business practices.

GP-2a Governing Style

The Board will:

1. govern the association by emphasizing:
 - a. outward vision;
 - b. diversity in viewpoints;
 - c. strategic /risk-based leadership;
 - d. clear distinction of Board and CEO roles;
 - e. collective decision-making;
 - f. the future;
 - g. pro-activity.
2. take full responsibility for enforcing excellence in governing by:
 - a. protecting and maintaining the integrity of the organization and its programs;
 - b. being a policy initiator versus reacting to employee initiatives;
 - c. using individual Board member expertise and continual Board development to enhance the Board's collective ability;
 - d. addressing instances of non-fulfillment of Board commitments;
 - e. self-monitoring its own processes and performance at each meeting.
3. direct, control, and advise the organization through:
 - a. establishment of written policies reflecting values/perspectives about Ends and Outcomes to be achieved in the approved Strategic Plan;
 - b. policies focused on long-term external effects.

GP-2b Board Composition

As specified in the Association's By-laws, the Board of Directors will consist of between five and ten elected directors and a maximum of five additional directors appointed by the elected directors, provided that appointments fill no more than one third of the board.

1. Elected directors must be resident in each of the association's geographic regions as follows: one member from Pacific/Yukon (BC & Yukon); one member from Prairie/Northern (Alberta, Saskatchewan, Manitoba, NWT & Nunavut); two members from Ontario/Quebec; and one member from Atlantic Canada (Nfld. & Labrador, NS, NB & PEI).
2. In addition to geographic representation every attempt will be made to maintain a 50/50 split between not-for-profit and for-profit Directors where possible.
3. Up to five (5) additional directors may be appointed by the Board and appointed directors are not required to be members of the corporation prior to their appointment.
4. As per the Non For Profit Act, there shall be no more than one third of the Board seats occupied by appointed directors.

Refer to the By-Laws for additional information.

GP-2c Board Job Description

The Board of Directors represents the owners (members) of CALA in determining and demanding appropriate organizational performance and this responsibility cannot be delegated.

A Job Description is provided to each Board Member. To summarize, the Board will:

1. foster and grow the association's linkages with its owners through active recruitment, retention and feedback activities by Board Members;
2. produce written governing policies and advise the CEO of any assumptions made that, at the broadest levels, describe:
 - a. Organizational Ends (what good for whom, at what cost);
 - b. A governance process (how to design, implement and monitor its tasks);
 - c. Executive Expectations that establish goals for executive decisions and activities;
 - d. The Board/ CEO Linkage to describe delegation of powers, monitoring performance, roles, authorities and accountabilities.
3. make operational decisions related but not limited to:
 - a. fees;
 - b. appeals;
 - c. compliance with ISO/IEC 17011;
 - d. CEO compensation;
 - e. approval of long-term financial and Strategic Plans.
4. review/revise the strategic plan submitted annually by the CEO and adjust budget and planning accordingly.

For further detail related to the job description and the measurement/evaluation of specific duties performed by Directors, please see G18 - Directors' Responsibilities and Duties

GP-2d Agenda Planning

To accomplish its role with a governance style consistent with Board policies, the Board will follow an agenda that annually examines Ends policies and that continually improves Board performance through Board education and enriched input and deliberation.

GP-2e Chair of the Board's Role

The Chair's role is to:

1. ensure the integrity of the Board process and that the Board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization;
2. ensure that Board meeting discussion is limited only to issues that, according to Board policy, clearly belong to the Board to decide;
3. represent the Board, as expected (e.g. at the AGM), to outside interests using any reasonable interpretation of Board policies;
4. assist in the development of the Vice-Chair and keep the Vice-Chair informed of key activities;
5. appoint from the Board, an interim President & CEO if the Past Chair is unavailable, outside of short term emergencies (EE-2H).

The Chair of the Board leads the Board who collectively guides the CEO, and makes revisions to policies created by the Board within Ends and Executive Expectations policy areas.

For further detail related to the job description and the measurement/evaluation of specific duties performed by the Chair, please see G20 - Job Description: Board Chair

GP-2f Vice-Chair's Role

The Vice-Chair of the Board shall be vested with all the powers and shall perform all the duties of the Chair in the absence of the Chair.
The Vice-Chair generally fills the Nominating Committee Chair role, although another member of the Committee can fill this role as agreed to by the Committee members.

GP-2g Past-Chair's Role

The Past-Chair generally fills an advisory role on the Board and may sit on Committees in that capacity.

GP-2h The Secretary's Role

Overall Responsibility: Officer of the Corporation is responsible for the integrity of the Board's documents including:

1. ensuring the integrity, accuracy and maintenance of the Board's documents and records through direct oversight, including but not limited to documents of incorporation, by-law, Board minutes, attendance records, post office and email addresses for all Board members;
2. recording or causing to be recorded votes and minutes of all Board Meetings;
3. reviewing and approving draft Minutes of meetings prior to release to Directors;
4. giving or causing to be given all notices required under CALA's By-Laws such as electronic meetings, electronic votes, etc.;
6. maintaining a complete record of all Board proceedings and decisions;
7. distributing, collecting and counting ballots for board member

elections;

8. performing other duties assigned by the Board of Directors.

Note: The Board secretary has the on-going support of the CALA Executive Assistant to prepare, update and maintain Board related documentation. For complete detail of the Secretary's role including term of office, please refer to G19 - Job Description: Board Secretary.

GP-2i Treasurer's Role

The role of the Treasurer is to facilitate Board assurance of organizational performance against Board-specified Executive Expectations (financial) policies, and in so doing, shall present a long-term financial plan and audited financial statements to the members of the Association at the Annual General Meeting.

GP-2j Provision of Advice to the CEO

The CEO shall expect a timely response from the Officers (Chair, Vice-Chair, Treasurer, Secretary, and Past-Chair) for advice on the interpretation of these policies, or any matter where the CEO is unclear as to the meaning, intent, or application of a policy. The CEO fully appreciates that the Officers are not empowered to change a policy and that only the Board can change a policy.

The CEO is not restricted to only soliciting advice from the Officers in this regard and may request advice from all Board Members or any other source in carrying out the duties of the CEO. This action will not relieve the CEO from the accountability for decisions and adhering to any reasonable interpretation of the policies.

GP-2k Board Committee Structure

The Board may create and charge committees where it deems them to be required, regardless of whether Board Members actually sit on them.

Unless otherwise stated, a committee ceases to exist as soon as its task is completed. Timely reporting to the Board shall only be by written submissions circulated in advance of each Board Meeting with appropriate verbal comment by the committee chair if necessary.

Committees reinforce the work of the Board and never interfere with delegations from Board to the CEO, or speak or act for the Board, except where specifically authorized to do so. These committees assist the Board to do its job by preparing future policy alternatives and implications for subsequent Board deliberations. They are not to help, advise or exercise any authority over the employees, or the CEO.

This does not however apply to standing committees formed under the authority of the CEO.

The Standing Board Committees are:

1. Finance and Audit Committee;
2. Compensation Committee;
3. Nominating Committee;
4. Strategy and Risk Committee.

Terms of Reference further define the work of each Standing Board Committee.

GP-2l Board Members' Code of Conduct

The Board commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

Board Members must exhibit loyalty to the interests of the membership. This accountability supersedes a conflicting loyalty to advocacy or interest groups, and membership on other Boards or staffs or other loyalty. It also supersedes the personal interests of any Board member acting as a beneficiary of the organization's services.

Board members must ensure that they adhere and respect to their fiduciary responsibilities, the Code of Ethics and the By-laws of the association, especially in avoiding and conflicts of interest.

GP-2m Cost of Governance

The Board will invest in its governance capacity. Accordingly, the Board will invest in and be accountable for an annual budget that shall include costs for:

1. the development of skills, methods, and supports sufficient to assure governing with excellence;
2. training and retraining to orient new Board members or candidates for Board membership, as well as to maintain and increase existing Board member skills and understanding;
3. outside monitoring assistance as needed to ensure the Board's ability to listen to member/owner viewpoints and values;
4. travel and related expenses.

BOARD-STAFF RELATIONSHIP

BSR-1 Global Board-Staff Relationship
The Board's sole official connection to the operational organization will be through the CEO. The CALA executive assistant can be called upon to supply common documents and updates for Board materials. The CEO must notify the Board of his/her replacement should he/she be unavailable.
BSR-2a Unity of Control
The CEO is only bound to act on officially passed motions of the Board and through written policies that prescribe the organizational Ends to be achieved (what results, for what recipients and at what cost), and describe organizational situations and actions to be taken (Executive Expectations).
BSR-2b Accountability of the CEO
All authority and accountability for staff, is considered the authority and accountability of the CEO. Accordingly: <ol style="list-style-type: none"> 1. the Board will never give instructions to or evaluate either formally or informally persons who report directly or indirectly to the CEO; 2. the Board will view CEO performance as identical to organizational performance, so that organizational accomplishment of Board stated Ends and Executive Expectations (and other specific goals) will be viewed as successful CEO performance as per BSR-2d.
BSR-2c Monitoring CEO Performance
Systematic and rigorous monitoring of the CEO's performance will be undertaken solely against the organizational Ends and within the organizational operation boundaries (Executive Expectations), both of which are established in Board policies. Accordingly: <ol style="list-style-type: none"> 1. annual objectives specific to Ends policies may be established by the Board. These objectives may be tied to specific projects within the Ends and will be allocated percentages depending on the intensity, complexity and importance of the objective; 2. monitoring is to be as automatic as possible and is used to determine the degree to which Board policies are being met, using a minimum of Board time; 3. all policies that instruct the CEO will be monitored by one of four (4) methods chosen by the Board and can be monitored by any method at any time. The minimum frequency is described below.

Policy		Frequency (Times per year)	Method (See below)
EE 1:	Global Executive Expectation	as per EL-1/EL-2	BDI
EE 2a:	Treatment of Members/Customers	KPI 3 X	CEO-R/ BDI
EE 2b:	Laboratory Accreditation Program	KPI 3 X	CEO-R
EE 2c:	Proficiency Testing Program	KPI 3 X	CEO-R
EE 2d:	Treatment of Employees/Volunteers	1X	IR/BDI
EE 2e:	Financial planning and budgeting	4th Q BM and as needed	IR
EE 2f:	Financial conditions and activities	3X	IR
EE 2g:	Spokesperson	as per EL-2g/EL-2i	BDI
EE 2h:	Emergency CEO Succession	1X (or as needed)	IR
EE 2i:	Asset protection	as per EL-2i/EL-2j	IR
EE 2j:	Business Continuity	as per EL-2j/EL-2k	IR
EE 2k:	Compensation & Benefits	1X-3rd Q	IR
EE 2l:	Communication and support to Board	KPI 3 X	CEO-R
ENDS	All levels	1X	IR
Methods:			
	KPI	= Key Performance Indicators	
	CEO-R	= CEO Report	
	IR	= Internal CEO report	
	ER	= External report	
	BDI	= Board direct inspection	