

Annual Report

2020

Trust,
measured
accurately



CALA



**CALA believes that
good data is at the heart
of every good decision.**



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Joint Letter from the CEO & the Chair



Andrew M. Adams
President & CEO



Shane Harnish
*Chair, CALA Board
of Directors*

THE YEAR 2020 HAS BEEN UNIQUE. A global pandemic caused businesses and individuals to stop in their tracks. And for a moment, it seemed the world paused. Then phrases like 'pivoting out' and the 'new 'normal' started to pepper our language. CALA began to adjust like everyone else.

However, the need for accreditation to ensure laboratories delivered reliable data did not stop. Creative solutions were essential to ensure laboratory assessments were carried out to the ISO/IEC 17025 standard with the same level of rigour and integrity. CALA began to trial remote assessments with the cooperation of our customers and volunteer assessors. At the same time, CALA started to deliver all of its laboratory training online.

CALA adapted quickly and efficiently. Although it will not replace the value inherent in on-site assessments and training, it did demonstrate the resilience of our community.

The lessons learned informed the development of our 2021 – 2026 Strategic Plan. We'll achieve its ambitious growth objectives by raising our profile in priority industries such as cannabis, where accreditation is not yet a regulatory requirement and by supporting our customers with new services and creating a high-quality CALA experience.

As much as we look forward to the day we can once again work with laboratories in a safe, face-to-face environment, we now recognize the opportunity that remote assessments and training presented. We are still discovering our 'new normal', so work will continue as we determine the role remote assessments will play in our business model in the future.

In January 2020, CALA divested proficiency testing services to conform to the ISO/IEC 17011:2017 standard (Requirements for

CALA has learned a great deal over the last year and will move forward enhanced by the experience. The future looks bright.

Impartiality of Accreditation Bodies). Proficiency Testing Canada (PTC) became an independent organization with its own management team and board of directors. The transition was smooth for PTC and CALA, and CALA members continue to enjoy a discount on proficiency testing services.

We remain committed to engaging our many stakeholders and enhancing their experience with CALA. Our volunteer assessors, upon whom we rely for their expertise, will remain an integral part of CALA's business model. We are committed to training the laboratory community to develop their laboratory and leadership skills.

CALA's Association Management System (CAMS), is in the final testing stages and will be coming online in 2021. With the launch of CAMS, we will bring many benefits to our members, including more streamlined communications and services.

In closing, we must take the opportunity to thank the CALA staff and many volunteers who overcame the obstacles this year presented to continue the vital work of accreditation. We must also thank our customers who supported us as we adjusted to working remotely. Adversity is the mother of invention. CALA has learned a great deal over the last year and will move forward enhanced by the experience. The future looks bright.

We wish you all well in 2021.

Sincerely,

Andrew M. Adams
President & CEO

Shane Harnish
Chair, CALA Board of Directors

CALA Board of Directors

We gratefully acknowledge the leadership, commitment and support of our Board of Directors.

Chair

Mr. R. Shane Harnish

At Large, For-Profit

Vice-Chair

Dr. Joyce Austin

Pacific & Yukon, Not-For-Profit

Treasurer

Mr. Dalibor Ambrus

At-Large, Not-For-Profit

Secretary

Ms. Pam Reyno

At Large, For-Profit

Director

Mr. Houssain El Aribi

Pacific & Yukon, Not-For-Profit

Director

Mr. Boniface Koudjonou

Ontario/Quebec, Not-For-Profit

Director

Mr. Barry Loescher

At Large, For-Profit

Director

Klas Ohman

At Large, For-Profit

Invited

Andrew Adams

Chief Executive Officer

Invited

Stephen Williamson

Chief Financial Officer

About

CALA is one of 102 worldwide accreditation bodies that is signatory to the International Laboratory Accreditation Cooperation (ILAC) Mutual Recognition Arrangement (MRA). CALA became signatory to ILAC on November 17, 2005. This arrangement provides stakeholders with assurance that the CALA Accreditation Program meets requirements of the international standard ISO/IEC 17011 - *Conformity Assessment – General Requirements for Accreditation Bodies Accrediting Conformity Assessment Bodies*.

To support our laboratories technical and leadership skills, the CALA Training Program delivers top-quality training in both English and French. CALA drew on over 8 years of experience delivering virtual training when the COVID-19 pandemic hit and responded by deploying all training in a virtual format. To address the increased activity in the cannabis sector, CALA Training has launched a new course, Understanding ISO/IEC 17025 for the Cannabis Laboratory. Training has also enhanced its Premium Webinar Subscription service with the addition of a webinar catalog enabling an easy search for topics of interest, reading course descriptions and immediately accessing course recordings.

CALA Inc. is an internationally recognized leader in providing the highest-quality accreditation services to testing laboratories. We combine rigour, deep expertise and exceptional customer service in both our accreditation and training services.

Highlights of 2020

CALA-Accredited Laboratories in 2020

CALA is pleased to recognize the following laboratories that were accredited by CALA in 2020 to the ISO/IEC 17025 standard:

- Lambton Scientific, Technical Chemical Services, Inc.
- Perdue Central Analytical Facility, Laurentian University
- TrichAnalytics, Inc.



Accreditation Program

THERE ARE 204 CALA-ACCREDITED LABORATORIES in the government and private sectors (see Figure 1).

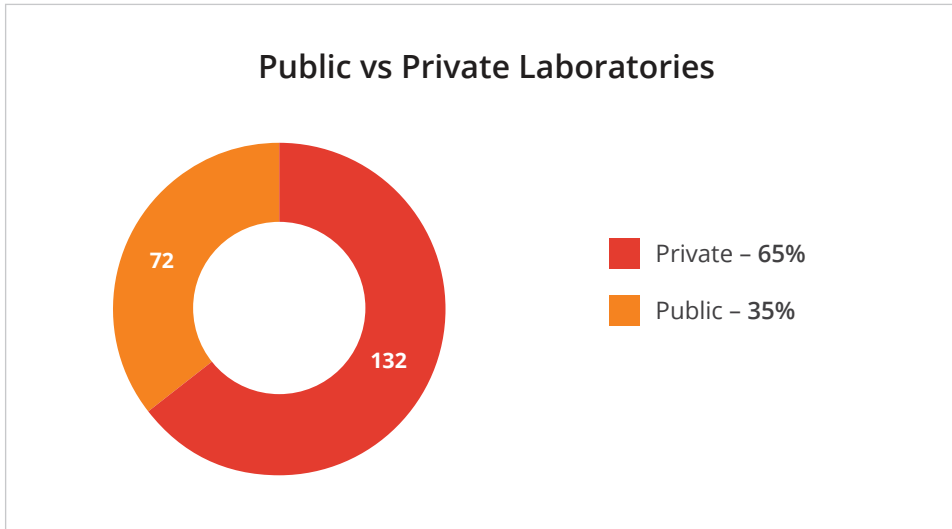


FIGURE 1: Private versus public sector CALA-accredited laboratories.

Accreditation Turn-Around Time

CALA prides itself on its turnaround time for the accreditation process. On average, the amount of time from the date of the site visit to the date of final approval was 96 days. A slight increase of 2.5% in turn-around time from 2019 can largely be attributed to the COVID-19 pandemic.

Update on CALA-Accredited Laboratories Assessed to the Revised ISO/IEC 17025:2017 Standard

On November 29, 2017, the newly revised version of the ISO/IEC 17025 standard was published, giving laboratories 3 years from date of publication to be reassessed to the revised standard. This required significant effort on behalf of CALA and our assessors to re-assess laboratories to the updated standard in a timely manner.

CALA made significant strides in ensuring that laboratories conformed to the new version of the standard. On January 1st, 2020, 63% of CALA-accredited laboratories were accredited to ISO/IEC 17025:2017. By December 31, 2020 90% of CALA-accredited laboratories were accredited to the ISO/IEC 17025:2017 standard (see Figure 2). As of the publishing of this report, all CALA-accredited laboratories have been transitioned to the updated standard.

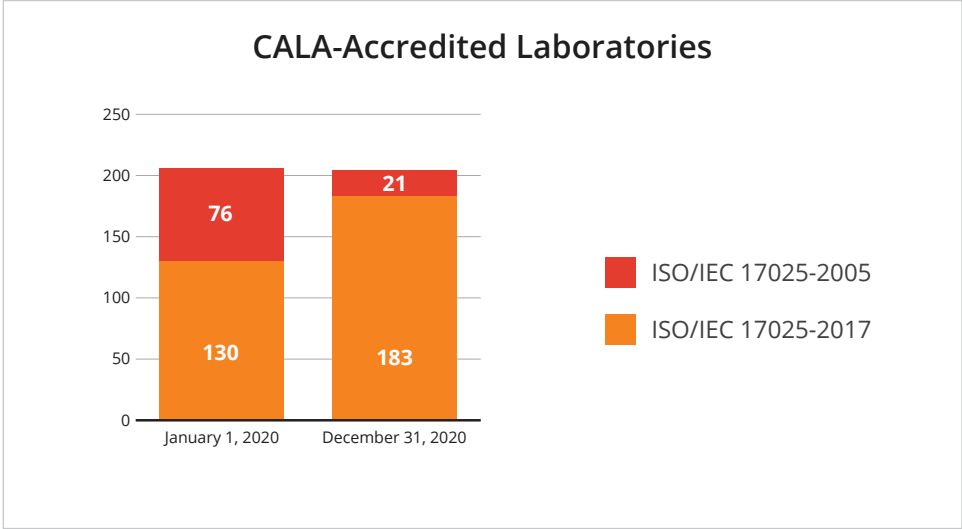


FIGURE 2: CALA-accredited laboratories ISO/IEC 17025:2017 vs. ISO/IEC 17025:2005 standard.

Laboratory Assessments

In 2020, CALA conducted a total of 135 assessment. Of these, 122 were conducted remotely. These ranged from initial assessment, reassessment (conducted every two years), through to verification to confirm implementation of corrective actions. A new category of site assessments this year was one where CALA remotely assessed management system requirements separate from the technical laboratory test methods. This was started with the anticipation that a site visit could be conducted later with health and safety protocols (see Figure 3).

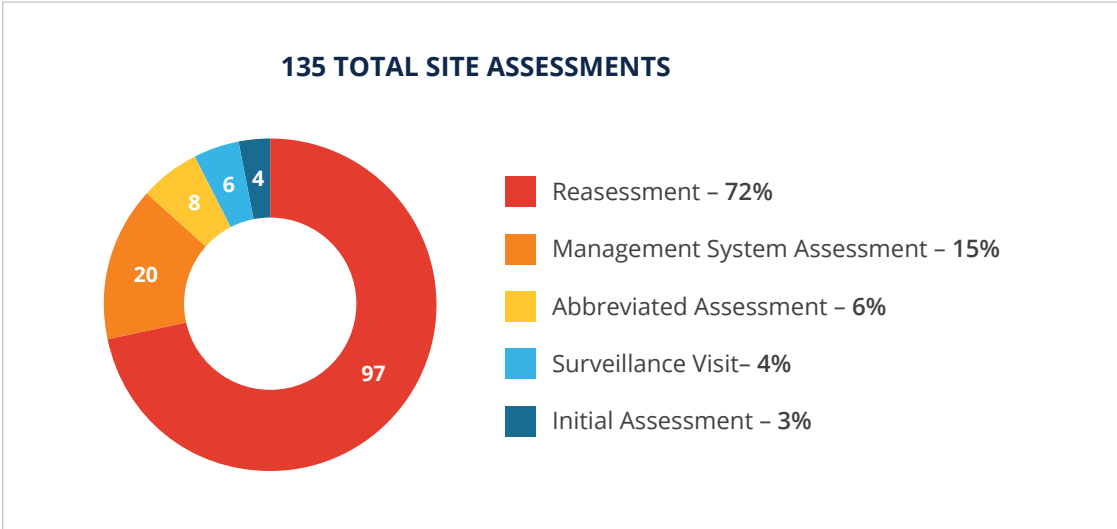


FIGURE 3: Type of assessments conducted in 2020.

CALA Assessors

CALA's dedicated group of volunteer assessors are at the heart of our organization. Experts in their field, they are called upon to assess laboratories throughout the year against the requirements of the ISO/IEC 17025 standard. This year marked a departure from routine as assessors took on the challenge of remotely assessing laboratories. By all acclaims this was a success. Minor technical setbacks were quickly overcome and both assessors and customers were happy with the outcome.

In 2020, CALA had 119 assessors made up of private and public sector employees or those who are independent of any organization (see Figure 4).

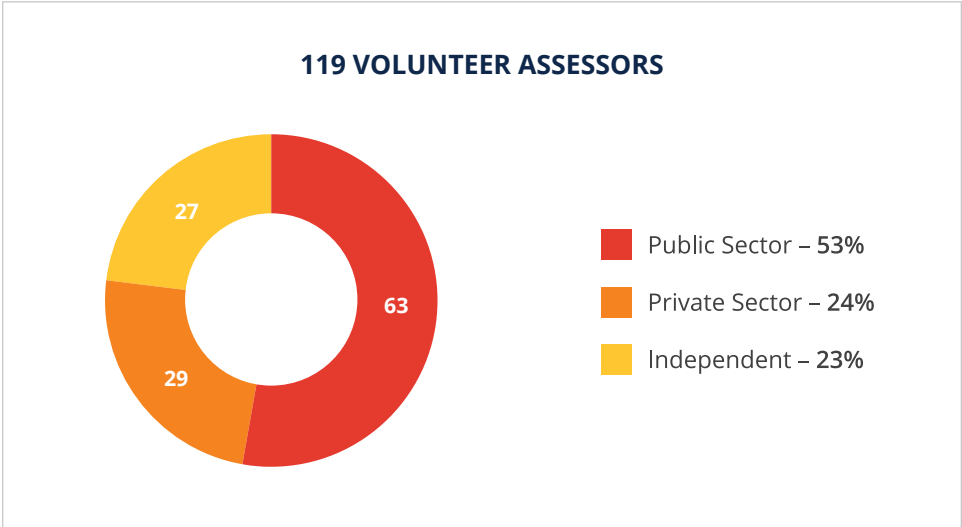


FIGURE 4: CALA Volunteer Assessors

CALA Members

CALA MEMBERS represent a diverse group of companies from both private and public sectors. In 2020, CALA had 473 members, comprising both institutional and individual memberships. Members have voting rights at annual and special member meetings that can affect CALA programs. Members who desire to participate in the governance of CALA also have the opportunity to either nominate or be nominated for a position on CALA's Board of Directors and provide a voice for the members of CALA (see Figure 5 and 6).

Additional benefits of institutional membership with CALA include discounts on CALA Training and on proficiency testing through Proficiency Testing Canada Inc. Members also have access to discounts on laboratory insurance, travel and car rental.

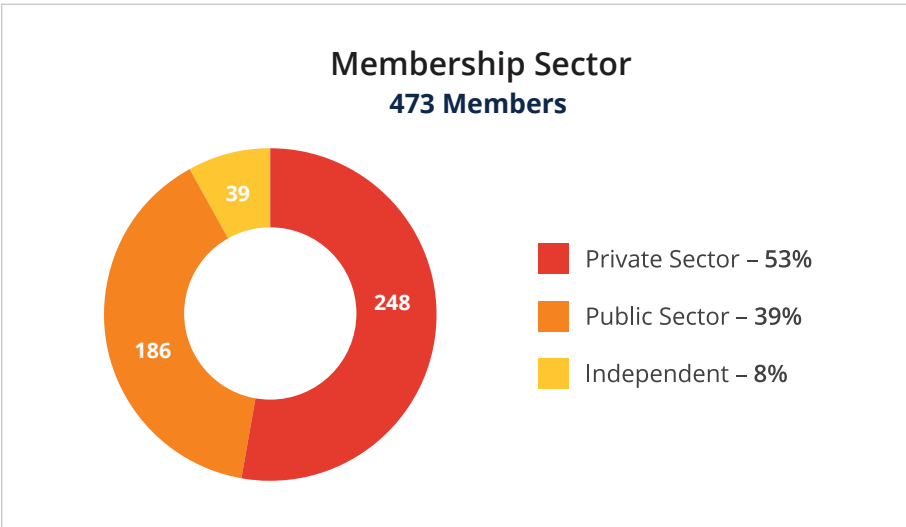


FIGURE 5: Membership by sector.

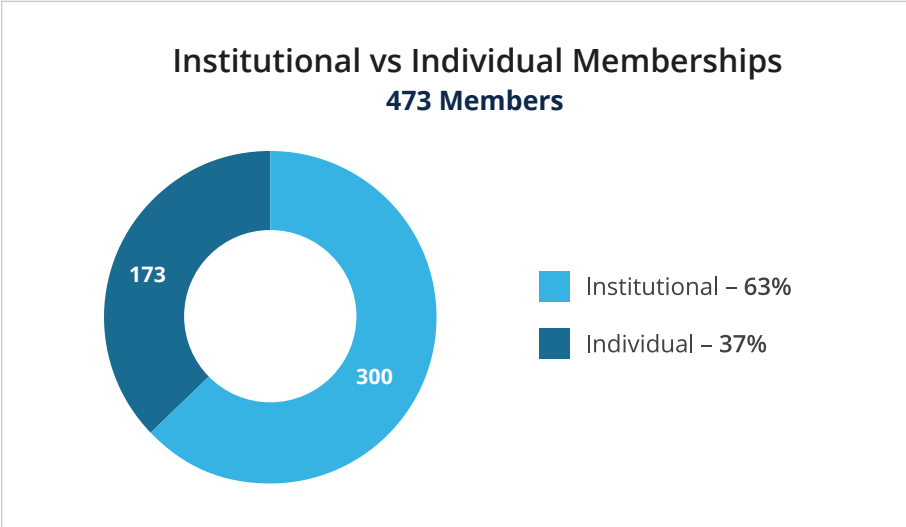


FIGURE 6: Institutional versus Individual memberships.

CALA Training

Overview

CALA offers training on a variety of laboratory and leadership skills. In addition to a catalog of courses our Training Program can work with individual laboratories to identify, then develop or acquire, and deliver facilitated training unique to their needs in a manner that supports the integrity and credibility of the ISO/IEC 17025 standard and CALA. As a result of 2020's global pandemic, CALA Training took advantage of over 8 years of experience in virtual training to offer all courses in a virtual format. In more normal situations, clients have a choice in the variety of delivery formats (see Figure 7). To support the increased activity in the cannabis sector, CALA launched Understanding ISO/IEC 17025 for Cannabis Laboratories, in 2020.

CALA Training Choice of Delivery Format

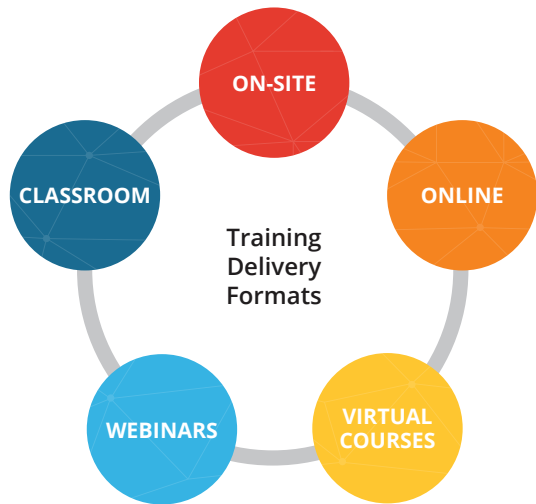


FIGURE 7: Training delivery formats.

Courses Offered in 2020

- Understanding ISO/IEC 17025:2017
- Understanding ISO/IEC 17025:2017 for Cannabis Laboratories
- Overview of ISO/IEC 17025:2017
- Cause Analysis
- Risk-based Thinking in ISO/IEC 17025:2017
- Internal Auditor Course for ISO/IEC 17025
- CALA Lead Auditor for ISO/IEC 17025:2017
- Laboratory Train the Trainer
- Measurement Uncertainty (Chemistry)
- Measurement Uncertainty (Microbiology)
- Method Validation
- Internal Calibration for Laboratories
- Introduction to Control Charts
- Use and Management of Control Charts
- Getting Things Done (CALA members only)

International Activity

Services Provided Internationally

In 2020, CALA delivered Accreditation services to 9 laboratories located in 8 countries. CALA Training also delivered services globally to participants in the United States, Trinidad and Tobago, Philippines and the United Kingdom to name a few.

Mutual Recognition Arrangements

CALA is signatory to two (2) international Mutual Recognition Arrangements (MRAs). The Asia Pacific Accreditation Cooperation (APAC; formerly the Asia Pacific Laboratory Accreditation Cooperation or APLAC), and the International Laboratory Accreditation Cooperation (ILAC). As a signatory to these arrangements, the acceptance of Canadian laboratory test results nationally and around the world is promoted.

Increasingly both regulations and customers require accreditation by an accreditation body that is signatory to ILAC. Therefore maintaining CALA's signatory status is critical for CALA customers. There are requirements and expectations that CALA will contribute to the operation of both APAC and ILAC. These requirements include active involvement in international meetings, sitting on committees, reviewing documents, and voting on ballots. In 2020, CALA staff participated in the following meetings:

- APAC General Assembly – Virtual Attendance
- ILAC Accreditation Issues Committee – Virtual Attendance
- ILAC General Assembly - Virtual Attendance

A key activity that is critical to the MRA process is the evaluation of accreditation bodies to ISO/IEC 17011 – Conformity Assessment – *General requirements for accreditation bodies accrediting conformity assessment bodies*. At the end of 2020, CALA had one (1) evaluator on staff.

Auditors' Report

Report of the Independent Auditor on the Summary Financial Statements

To the Members of

THE CANADIAN ASSOCIATION
FOR LABORATORY ACCREDITATION INC.

Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2020, and the summary statements of operations and of cash flows for the year then ended, and related notes, are derived from the audited financial statements of Canadian Association for Laboratory Accreditation Inc. (the Entity) for the year ended December 31, 2020.

In our opinion, the accompanying summary financial statements are a fair summary of the financial statements, in accordance with the criteria disclosed in Note 1 to the summary financial statements.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the Entity's audited financial statements and the auditor's report thereon.

The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with the criteria disclosed in Note 1 to the summary financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, Engagements to Report on Summary Financial Statements.

Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Ontario
April 6, 2021

Summarized Statement of Financial Position

December 31, 2020

	2020	2019
ASSETS		
Current Assets	\$ 1,359,959	\$ 1,471,187
Long-Term Investments	917,785	869,318
Tangible Capital and Intangible Assets	654,908	1,841,048
	\$ 2,932,622	\$ 4,181,553
LIABILITIES AND NET ASSETS		
Current Liabilities	\$ 529,574	\$ 828,200
Unrestricted Net Assets	2,403,048	3,353,353
	\$ 2,932,622	\$ 4,181,553

AUDITORS' REPORT (cont'd)

Summarized Statement of Operations and Change In Net Assets

Year ended December 31, 2020

	2020	2019
Revenues		
Evaluations	\$ 1,425,597	\$ 3,366,538
Memberships	183,150	160,165
Miscellaneous	67,542	6,169
Training	363,910	490,833
Other revenue	54,657	106,434
	2,094,856	4,130,159
Expenditures		
Evaluations	58,576	1,181,256
Operational	1,573,974	2,161,148
Training	108,773	175,004
	1,741,323	3,517,408
Excess of revenue over expenses before impairment loss on intangible asset	353,533	612,751
Impairment loss on intangible asset	1,303,838	
Excess of revenue over expenses	(950,305)	
Net assets, beginning of year	3,353,353	2,740,602
Net assets, end of year	\$ 2,403,048	\$ 3,353,353

Summarized Statement of Cash Flows

Year ended December 31, 2020

	2020	2019
CASH FLOWS PROVIDED BY (USED IN)		
Operating activities	\$ (426,137)	\$ 481,786
Investing activities	(149,999)	(430,898)
NET INCREASE (DECREASE) IN CASH	(576,136)	50,888
CASH, BEGINNING OF YEAR	814,356	763,468
CASH, END OF YEAR	\$ 238,220	\$ 814,356

Note to Summarized Financial Statements

Year ended December 31, 2020

Note 1

The information selected by management for presentation in the Summarized Annual Financial Statements has been identified as being the most pertinent and useful financial data for inclusion in the CALA annual report. The summarized financial statements do not reflect the substantial value of services contributed by volunteers



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