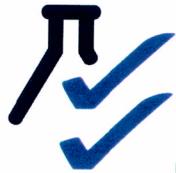




Ministry of Industry, Trade & Labor



ISRAC
Israel Laboratory Accreditation Authority



Annual Report

Year
2014



Annual Report 2014

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From the Chairman of ISRAC

The year of 2014 included the renewal of the international recognition new accreditation areas, improving infrastructure, keeping well our relationship with all our customers despite changes in the economy and the markets in Israel and abroad to improve further our services, strengthening collaboration with regulators with which we work and more.

ISRAC was established about 18 years ago as a highly important national facility. There are hundreds of laboratories dispersed throughout the country, providing analytical services in medical, engineering, chemical, structural, and agricultural areas. Israel's health, security and economic strength depend on the reliability of these analytical services. In addition, the available analytical services are important both for Israeli society to have confidence in the quality of products that we produce here, and for our export products to be well accepted overseas. In our country, ISRAC is the only formal national tool available for maintaining the high standards of all the analytical laboratories, standards that are adopted by the most advanced countries throughout the world.

In brief, the achievements of ISRAC for 2014 and its status at the beginning of 2015 can be summarized as follows:

The Authority provides current accreditation to 179 laboratories in different testing areas including 15 test facilities working according to the OECD-GLP Principles. During 2014, 10 new organizations were added to the list while for 3 other laboratories accreditation had to be cancelled.

The authority is active internationally in all the working committees of ILAC and EA plus an active involvement in the important working committee of GLP-OECD.

The representation and status of ISRAC in all of these international forums is very high and appreciable. ISRAC develops new important accreditation activities related to of gemological laboratories, testing water and sewage pipes and more professional committees were elaborated for the following important goals:

1. Development of protocols for examining piping and infra-structure for water and drainage.
2. At the request of Supervisor regulator diamonds and gemstones determining gemological laboratories testing specifications a new computerized management program for ISRAC was put in work during 2014.

The authority provide tutorials in examination and inspection processes and standards for many customers: laboratories and manpower (e.g. inspectors and examiners who serve ISRAC). ISRAC operates more than 100 outside examiners

that help the organization on a daily matter with the current accreditation activities with all the labs and organization under the umbrella of ISRAC.

2014 can be considered as a very successful and prolific year for ISRAC.

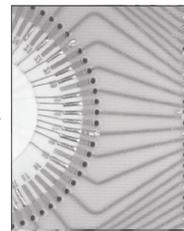
The authority is now very well connected to the most important accreditation organizations throughout the world. It can be said that the continuous activity of employees of ISRAC in the framework of the international organizations, constitutes an important process of building confidence in the work of laboratories in Israel and recognition of their results in the member countries of these organizations. ISRAC conforms to both the standards of ISO/IEC 17011 and the standards of OECD, according to the principles of OCED-GLP. The relationship of ISRAC and ILAC were remarkably strengthened during 2014. I express my highest appreciation to these efforts of the staff of ISRAC to put Israel on the international map of high accreditation standards. I should also acknowledge with great satisfaction the excellent relationship that ISRAC has with all the formal Israeli governmental bodies with whom it works, including the Ministries of Finance, Agriculture, Industry and Commerce, Environment and Law.

Over the years ISRAC has demonstrated a very balanced and responsible operation from the financial point of view. The annual reports always reflected a balanced and reasonable budget. Consequently, we benefit from the cooperation and full confidence of all the governmental bodies with whom we work.

This letter is written after we celebrated 67 years of independence for the state of Israel. The parameters that ensure our independence include hard work at high standards of reliability and honesty. ISRAC can definitely be considered as a body that works very hard to keep standards of laboratories in the state of Israel at the highest level of reliability and professional output. I look forward to ISRAC's continuing excellent and prolific contribution to our society.

In conclusion, I want to thank my colleagues at ISRAC for their dedication and devotion towards maintaining a high standard of work, and I wish you all everything of the best, good health, and happiness.

Sincerely yours,
Prof. Doron Aurbach



From the General Manager

2014 has been a diverse year- efficiency performance processes, international recognition renewal and developing new accreditation fields.

On our new inspection method, a re-accreditation every two years, on which our board has agreed on 2011 we added a new efficiency process in the name of two years certificate in effort to have our internal processes more efficient and to improve our correspondence with accredit organizations which need certificates for the duration of the whole accredit period. Our change allows these organization to apply for tenders and engage with international cliental with more freedom due fulfilling their obligations to accredit demands from them.

ISRAC has 179 accredit/recognized organizations including 15 organizations in process towards receiving accreditation. During the year accredit organizations expanded their accreditation scope with a dozen new technologies. New accreditation areas were added as a result of our active effort with regulators and stakeholders.

As mentioned above, ISRAC's staff has extended its collaboration with various regulators. This collaboration provides regulators with a tool to monitor developments in their fields without being a burden upon their ongoing activities, their annual budget and especially to those regulators using accreditation services as part of recognition requirements. New areas of accreditation in 2014: piping, water and drainage's infrastructure and in testing gemological laboratories.

On October 2014, ILAC General Assembly has once again approved by all organizations' members from 86 countries, ISRAC's General Manager Nomination as a chairwoman of Arrangement Management Committee. This committee has an imperative role in organization's recognition screening of signed organizations on mutual recognized agreements.

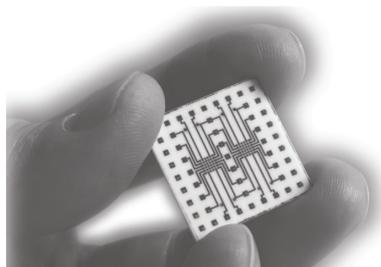
Israel Laboratory Accreditation Authority is appointed by the State of Israel, as a monitoring unite according to OECD-GLP principles. Since 2004, ISRAC is a full member of the OECD-GLP working group.

ISARC Law's update is still in an ongoing process and we hope that this coming year will bring "news". An updated Law plays a significant role in widening ISRAC's activities to fields which up until now, ISRAC has precluded from engaging in. On one hand, regulators seek to accredit areas of inspection and to certify management systems, and on the other hand, those involved in the work - the assessors and the inspectors needed for this accreditation are required to receive it from foreign and expensive districts.

During the year, ISRAC's employees devoted their efforts to building a diverse training program for employees of accredited bodies and assessors. This program has been very successful. High degree compliance was registered showing a great interest in our professional training issues.

I wish to thank all ISRAC's employees for their effort and willingness to work tirelessly towards fulfilling our mission of "...promoting quality and professional competence of calibration / testing bodies working in harmony with the world for the state of Israel and its citizens". To the regulators whom use accreditation as a part of their trusted implementation processes, to the stakeholders and to our public clients who have their trust in ISRAC's performance and activities

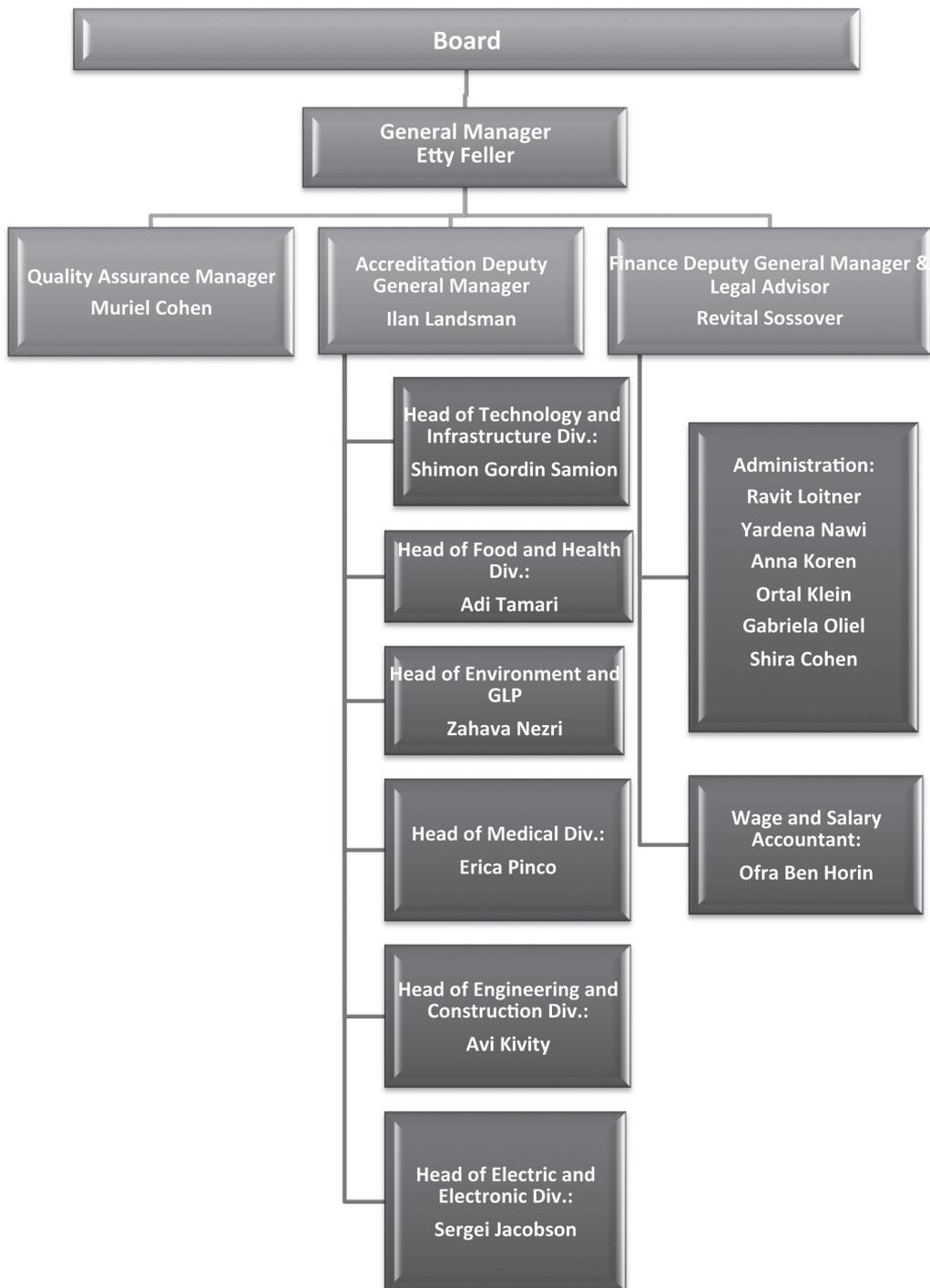
Etty Feller
General Manager





Organization chart

Prof. Doron Aurbach- Chairman
Mr. Grisha Deitch – Commissioner of Standardization
Mrs. Amira Gal – Representative of Accredited Laboratories
Ms. Baruch Guttman – Representative of the Federation of Engineers
Mrs. Yael Frisch – Representative of the Ministry of Finance
Mr. Yossi Kalifa – Representative of the Ministry of Science,
Technology and Space





About ISRAC and ways of establishing contractual relations

The early 1990s was characterized by increasing awareness in Israel and around the world of the importance of ensuring product quality and compliance with national or international standards. These standards are intended mainly to ensure that products bearing standard emblems are of adequate quality, and that their use would not pose risks to health, safety or the environment. In the international trading system, products are required to meet standards or client's requirements. In order for the results of tests performed at laboratories in one country to be recognized in other countries, an international accreditation system is required, accrediting laboratories according to their capacity to perform tests at the required level. Such recognition may be extremely helpful in promoting export, particularly by helping exporters overcome non-tariff barriers in the target countries resulting from limited standardization. The accreditation bodies in the industrialized nations have formed a number of blocks. The most important of which are EA - European Union countries, and APLAC - the Asian and Pacific countries. Each block sets the accreditation policy for the affiliated accrediting bodies, and ensures their compliance with international standards and other requirements as determined. These organizations are part of ILAC (International Laboratory Accreditation Cooperation), whose function is to coordinate global accreditation policy and promote harmonization between the blocks. Israel has a mutual agreement with EA and is a full member of ILAC.

A number of laws and regulations in Israel empower the authorities and Government Ministries to grant legal force to the tests performed at laboratories that have received their recognition. For example, the Standards Law, (1953) empowers the official of the Ministry of Industry and Trade responsible for standardization to approve a laboratory as an "approved laboratory". The significance of the approval is that a test certificate provided by such a laboratory constitutes evidence of the compliance of a product with the Israeli standard. The approval of a laboratory's status requires that the tests be performed according to clear, uniform and internationally accepted rules.

In 1992, in preparation for the establishment of an accreditation system in Israel, meeting international standards and gaining international recognition, the Minister of Industry and Trade appointed a committee to examine the issue of the accreditation of laboratories.

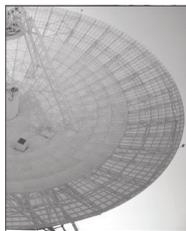
In August of the same year, the committee presented its recommendations, stating that there was an urgent need to establish a national system for the accreditation of laboratories. Following this, the Minister decided in 1993 to establish the Israel Laboratory Accreditation Authority (ISRAC); an advisory committee was established and charged with developing the necessary infrastructure for ISRAC's activities and with initiating the process of accrediting laboratories. In 1995 the committee began to accredit laboratories. The committee's work led, in April 1997, to legislate the Israel Laboratory Accreditation Authority Law, 1997 (hereinafter "the Law").

Among other aspects, the Law defines the following functions and authorities for ISRAC:

- To determine, with the Minister's authorization, the areas of accreditation in which it is active.
- To define requirements for the accreditation of measurement, calibration and test laboratories.
- To ensure that laboratories meet the requirements for accreditation and, accordingly, to continue or withdraw the accreditation of laboratories.
- To serve as the exclusive representative of the state in all matters relating to mutual recognition of the accreditation systems of other countries or of international organizations.
- To initiate supplementary activities to the accreditation of laboratories, such as training, publicity and information.

What is the Accreditation of a Laboratory?

The accreditation of a laboratory implies official recognition of said laboratory's professional capabilities and competence to perform specific type's calibrations, measurement, sampling and tests. Accreditation is available for all types of activities in any organization, whether part of a factory, or belonging to the public or private sector. Accreditation enables consumers wishing to test or calibrate a product, substance or instrument to find a reliable service for testing or calibration that meets their needs. It also enables the organization to evaluate whether it is performing its work properly and in accordance with international standards.



Important! Accreditation of an organization provides formal recognition of its professional capability, thus constituting a means for enabling clients and major consumers in the economy, such as the enforcement authorities to assure that they receive a reliable and qualitative service for tests, measurements and calibrations.

ISRAC's International Activities: Outline and Ramifications

Accreditation

ISRAC is a member of ILAC (International Laboratory Accreditation Cooperation). As such it is committed, like all other members, to act in accordance with the international standard for laboratory accreditation bodies: ISO/IEC 17011 - Conformity assessment - General requirements for accreditation bodies accrediting conformity assessment bodies.

During the year 2001, ISRAC was recognized by ILAC and by the EA (European regional organization). ISRAC has signed the ILAC mutual recognition arrangement (MRA).

The MRA provides recognition by the accreditation bodies of 86 countries that have already signed MRAs for any test or calibration performed by a laboratory accredited by ISRAC. ISRAC is now a full member of the European organization - EA - European Accreditation. The scope of recognition of ISRAC in both organizations includes accreditation for calibration, inspection and testing, including medical laboratories. ISRAC's employees play an active role in both ILAC and the EA's professional committees. This action exposes Israel and the infrastructure of its laboratories to all the international economic organizations and facilitates the industry to gain confidence in the analysis results that its products undergo.

GLP

ISRAC is the official representative of the State of Israel for recognition of research facilities for Good Laboratory Practice (GLP). The State of Israel has signed an MRA with the European Union and a Memorandum of Understanding (MoU) with the EPA in America. In 2004, an assessment was conducted by a team from the OECD. In light of the success of the assessments, Israel was accepted, in 2004, as a full member in the GLP committee of the OECD.

Israeli research facilities conducting preclinical experiments in the fields of pharmaceuticals, cosmetics, pesticides, food additives and environmental toxicity are required to receive recognition that they operate in accordance with the GLP principles.

ISRAC conducts assessments under the directives of the OECD, EPA and FDA.

In 2014 - 15 pre-clinical research facilities are recognized. The facilities are recognized by all the countries of the OECD and can conduct research for companies in Israel and throughout the world that will constitute an acceptable basis for registering medications, toxins, pesticides, food additives and cosmetics in the European market and the OECD.

ISRAC's Commitments

The entire staff of ISRAC, including its managers, assessors and consultants, sign a confidentiality agreement to protect the confidentiality of information belonging to ISRAC clients. In addition, ISRAC employees are committed to a code of conduct - objectivity, transparency and avoiding conflict of interests.

ISRAC's Fields of Activities

Accreditation is available for every type of sampling, testing, measuring or calibrating which is recorded appropriately. At present, ISRAC gives accreditation in the fields specified below. They include:

Construction – Chemical, Mechanical, Physical and Engineering Testing

- Concrete
- Concrete products
- Cement
- Materials and construction products
- Steel reinforced concrete
- Building systems (including sprinklers and smoke detectors for fire extinguishers)



- Building casing
- Building carpentry

Soil and Paving – Chemical, Mechanical and Physical Testing

- Base
- Asphalts and bentonite

Food, Water and Beverages – Biological, Chemical and Physical Testing

- Unprocessed and processed food, food additives and supplements, including herbs, spices and carriers
- Pesticide residues
- Pollutant residues
- Work surface and storage containers testing
- Drinking water testing
- Recreational water testing
- Waste and effluent water testing, including pollution caused by waste water

Cosmetics – Biological, Chemical and Physical Testing

- Chemical testing

Fuels, Oils and Bitumens

- Biological, chemical, physical and engineering testing
- Testing leaks from pipes and mobile, motorised or stationary containers.

Calibration

- Chemical, mechanical, physical and electrical quantities
- Legal metrology for mechanical quantities, physical quantities, chemical quantities, electrical quantities, flow rate meters, liquid meters and scales

Engineering Items and Non Destructive Testing (NDT)

- Radiography
- Ultrasonic
- Magnetic particles
- Penetrating colours
- Turbulence Flow
- Visibility
- Leak detection

Metallic and Nonmetallic Materials

- Chemical, physical and engineering testing

Environment – Biological, Chemical, Physical and Engineering Testing

- Various types of water
- Waste, effluent, surface water, sea and beach water
- Sludge land, solid waste and flood waters
- Air including ambient air, stationary sources and work environment

- Asphalts and petroleum products

Electricity – Electrical, Physical and Engineering Testing

- Electromagnetic Compatibility (EMC)
- Telephony
- Product safety

Alcoholic Beverages

- According to alcoholic beverage instructions

Health - Biological, Chemical and Physical Testing

- Medicine
- Legal medicine
- Medical research
- Air including ambient air, stationary sources and work environment
- Noise
- Agricultural products

Lifting Devices

Gas Cylinders

Computerized information

Animal Food - Biological, Chemical and Physical Testing

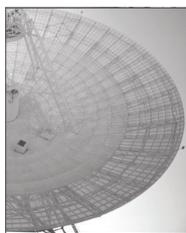
Agriculture – Diagnosis of Plant Pests, Biological, Chemical and Physical Testing

Animal Body Fluids and Tissues - Biological, Chemical and Physical Testing

Medical Products and Medical Devices

- Biological, Chemical and Physical and Engineering Testing

Inter-Laboratory Proficiency Testing (PT)



How to contact Israc

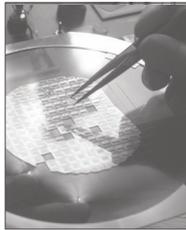
Address for letters: Kineret St. Airport City, P.O. Box 89 Lod Airport 7015002

Phone: 03-9702727, Fax: 03-9702413, Email: israc@israc.gov.il, Website: www.israc.gov.il

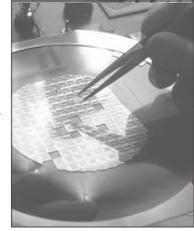
Job Description	Name	Title	Phone number	E-mail
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* Details above are relevant for the year 2014 alone. For updated information please log to: www.israc.gov.il.





Governmental office	Laboratory services	Requires accreditation	Ministerial laboratories are accredited
Health	Water and food Clinical labs	✓ -	✓ ✓ (partial)
Agriculture	Pesticides, Remnants of pesticides (required for export) Plant diseases	- ✓ ✓	✓ ✓ ✓ (partial)
Defense	All fields	✓	No labs
Trade, Labour & Industry	Commissioner of standards (official standards) Radiation Industrial hygiene Noise	✓ - ✓ ✓	No labs No labs ✓ ✓
Environmental Protection	Radiation Soil, wastewater, fuels Air Quality Pesticides	In process Partial ✓ In process	No labs No labs No labs No labs
Internal Affairs	Population of buildings (form 4) Construction	✓ (Except SII) ✓ (Except SII)	No labs No labs
Infrastructure	Fuel Water meters Water Quality	✓ ✓ -	No labs No labs ✓
Transportation	Vehicles Traffic control devices	- -	No labs No labs
Housing and Construction	Construction	✓ (Except SII)	No labs
Homeland Security	Forensic Science Traffic Police	-	✓
	Traffic Police	In process	No labs



The main activities planned for the year 2015

- Approval of the ISRAC law.
- Increasing the number of accredited organizations and increasing the scope of accreditation of the existing accredited organizations.
- Organizing professional training improve quality and professionalism in accredited organizations
- Developing new areas of accreditation.
- Broadening the cooperation between ISRAC and regulators in all Government Ministries, Manufacturers Association, Consumer Organizations, the Israel Export Institute, the Standards Institution of Israel and the Chambers of Commerce.
- Cooperation with international accreditation and standardization organizations.



Budget for 2014 and 2015

Budget for 2014 and 2015

	2014 Budget	2015 Budget	Nominal change
	NIS 000's	NIS 000's	%
Expenditure			
Regular Operations	6,904.8	7,251.2	5.0%
Development	3,201.6	3,282.1	2.5%
Total Expenditure	10,106.4	10,533.3	4.2%
Income from Operations			
Accreditation and surveillance	5,200.2	5,825.8	12.0%
Training and GLP Inspection	96.0	72.0	-25.0%
Total Income from Operations	5,296.2	5,897.8	11.4%
Income from Funding			
Funding of Development - State Budget	3,000.0	3,000.0	2.5%
Regular Funding- State Budget	0	0	0
Peceding Year's Surplus	1,660.2	1,485.5	-10.5%
Income from Interest	150.0	150.0	0.0%
Total Income from Funding	4,810.2	4,635.5	-3.6%
Total Income	10,106.4	10,533.3	4.2%

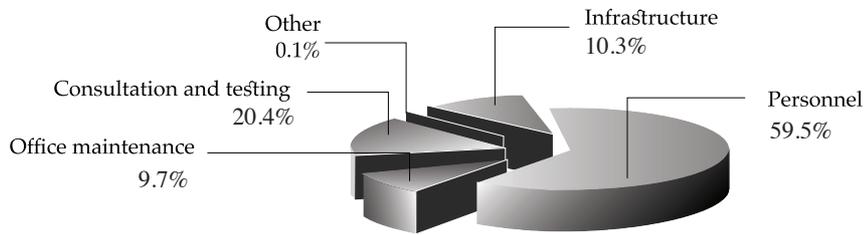
Remark: Development percentage is updated (relevant to previous years) according to the Economy office's instructions.

Expenditure

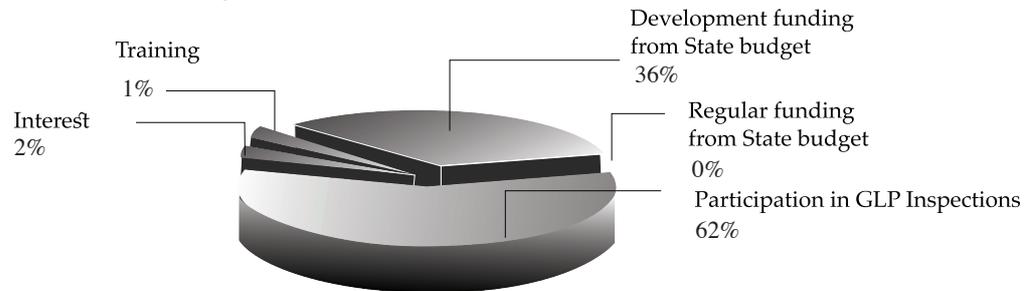
		2014 Budget	2015 Budget	Nominal change
		NIS 000's	NIS 000's	%
Expenditure				
1.0	Personnel	6,017.0	6,099.7	1.4%
2.0	Consultation and Testing	2,054.0	2,292.7	11.6%
3.0	Office Maintenance	981.6	982.1	0.0%
4.0	Other	10.0	7.0	-30.0%
	Total Operating Expenditure	9,062.5	9,381.5	3.5%
	Development Element	-2,606.5	-2,618.9	0.5%
	Total Regular Operations	6,456.0	6,762.6	4.7%
5.0	Infrastructure	1,043.9	1,151.8	10.3%
	Development Components	2,606.5	2,618.9	0.5%
	Total Development	3,650.3	3,770.7	3.3%
Total		10,106.4	10,533.3	4.2%



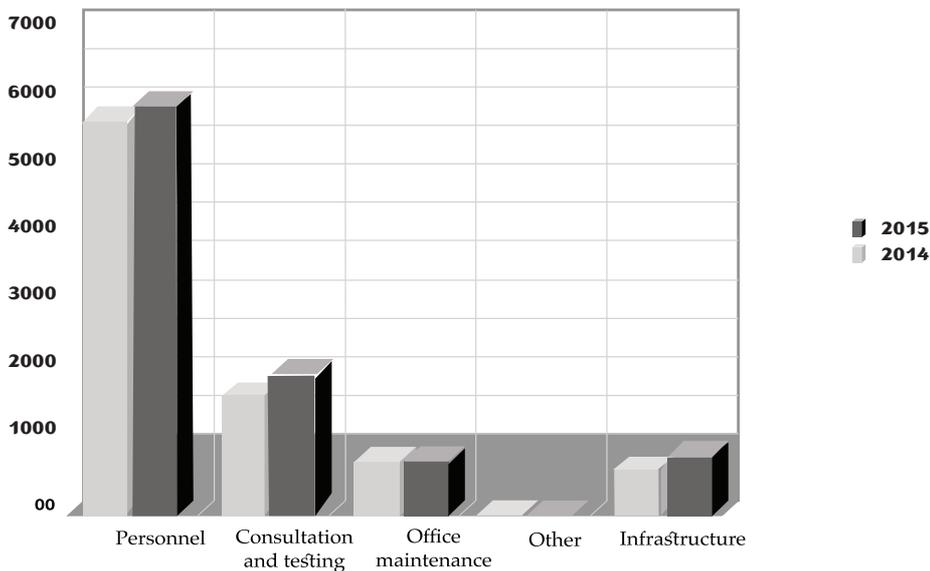
Breakdown of Expenditure in 2014



Breakdown of income in 2014



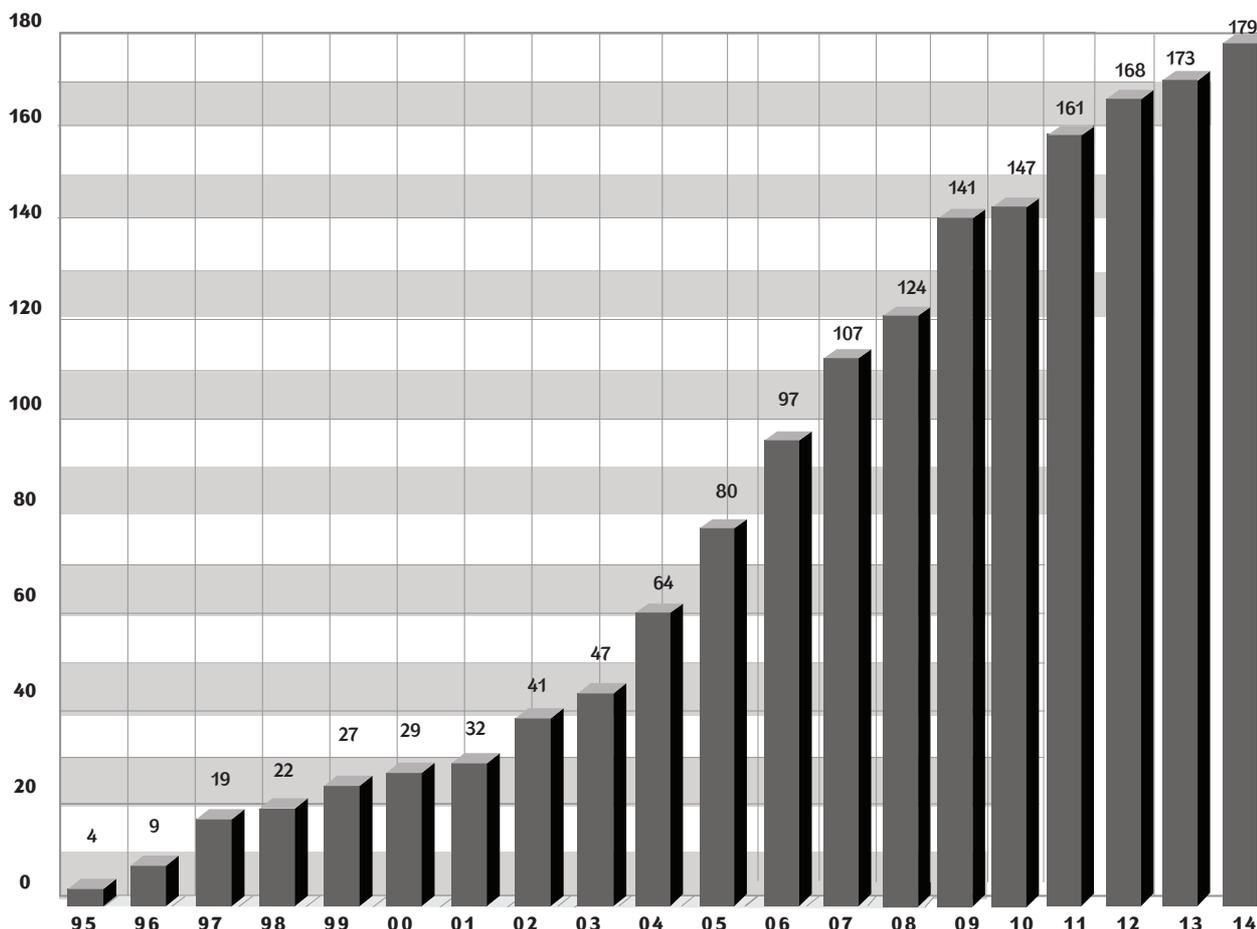
Forecast of Expenditure in the 2015 Budget in Comparison with the 2014 Budget:





The growth in the number of accredited laboratories

According to ISRAC's years of operation (including the preceding advisory committee)



Freedom of information and transparency in ISRAC

ISRAC is a national public organization established by law. As such, ISRAC operates in accordance with Israel's Freedom of Information Law. ISRAC makes every effort to publicize and open its activities for the public, including clients, regulators, interested bodies and others. In accordance with the law, ISRAC publishes its activities through its annual report. ISRAC's quality manual (for accreditation and GLP) and some of its policies are available on ISRAC's website - www.israc.gov.il. This site also provides the list of laboratories accredited by ISRAC, including their scope of accreditation, as well as ISRAC guidelines and extensive additional information. ISRAC's website is bilingual (Hebrew & English). Every four months, ISRAC publishes a newsletter, "Reshuton", providing news about ISRAC and accreditation, abstracts of some of the procedures, obligatory requirements, professional articles, information about training and seminars, updated lists of accredited laboratories and their scope of accreditation, etc. The "Reshuton" is distributed to about 2,500 readers, parties. The "Reshuton" is also published on the web site. ISRAC maintains ongoing dialogue with its clients through meetings, courses and feedback questionnaires. ISRAC publishes information about itself and the accreditation process, which is available free of charge and on demand. This booklet provides general explanations about ISRAC's work and operations and details on the accreditation process.

In addition to the above, the administrative guidelines binding ISRAC, as well as other information (subject to ISRAC's confidentiality restrictions), may be read by any citizen at the ISRAC offices daily between 8:30 AM - 5 PM, by prior arrangement.