

**Digital Identity**  
LABORATORY

# Annual Report

2021



2022



# Letter from Chair of the Board & General Manager

Dear Friends of the Laboratory,

March 31, 2022, marks the end of the second year of operation of the Digital Identity Laboratory of Canada (“IDLab”). In the past decade, governments and private industry throughout the world have increasingly realized just how much digital identity is a key cornerstone of cyber security, and the pandemic accelerated this collective realization.

The IDLab is all about advancing digital trust by breaking down barriers to digital ID adoption. It aims to provide a marketplace with advisory, assessment and experimentation services promoting the adoption, conformity and interoperability of user-centric digital identity solutions. While this mission has not changed, IDLab has augmented its offering in the fall of 2021 to include advisory services.

In the fiscal period 2021–22, the IDLab continued to lay the foundation to execute on its vision. The IDLab completed its round of initial financing in grants and contributions by signing a \$3M grant from the Quebec government it needed to secure the needed additional two year launch ramp. We are grateful to the Quebec government and all other grant making organizations (public and private sectors) for supporting IDLab's vision and mission, particularly to Desjardins with contributions totalling \$845K. A special mention is also warranted to Economic Development Canada - Quebec Region - for their demonstrated flexibility in the application of the grant program, allowing an acceleration of the disbursement to financially bridge the IDLab toward the successful execution of the agreement with the Quebec government.

Looking forward, IDLab Management remains more than ever focussed on furthering its long-term financial sustainability. Doing so will require two distinct sets of activities. First, IDLab Management team must continue to refine its service offering that will ensure financial viability beyond the grant period. Second, IDLab looks forward to working with all governments in Canada to advance the adoption of digital ID solutions, and to act as a catalyst in the Canadian digital ID ecosystem.

Yours truly,

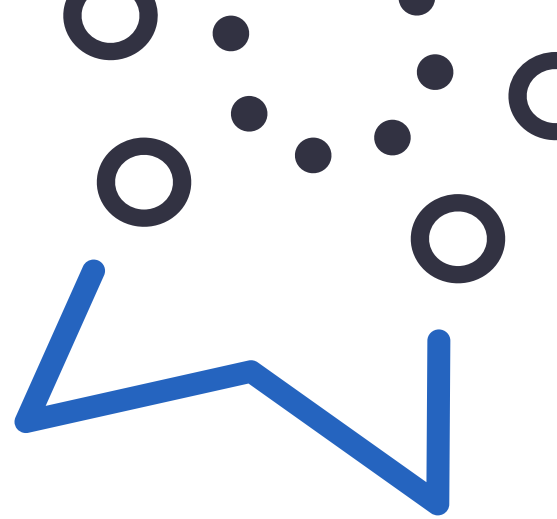


**Antoine Normand**  
Chair of the Board



**Pierre Roberge**  
President & CEO

# Corporate Profile

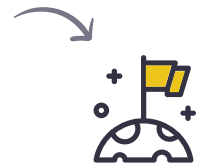


## Vision

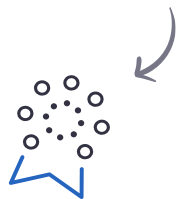
Advancing digital trust by breaking down barriers to digital ID adoption.

## Mission

Accelerate the adoption, development and knowledge of compliant and interoperable digital ID solutions.



## About



The IDLab is an independent non-profit entity dedicated to advancing digital trust by breaking down barriers to digital ID adoption. The IDLab promotes conformity and interoperability of user-centric digital identity solutions. The IDLab is not an incubator and does not develop or sell digital identity solutions.

## Values

### We are honest & open.

We communicate genuinely and openly our opinions while also being open and actively listening to the opinions of others

### We are team players.

We proactively engage internally with each other in resolving problems and addressing opportunities

### We are innovative.

We are on the lookout to solve problems and seize opportunities in new and better ways

### We take ownership.

We convey to each other that we are responsible for the achievement of our goals including addressing unforeseen circumstances

### We do the right thing.

When faced with an easy thing to do or decide, and another that is not, and the latter is right; we choose the latter

### We are self-starters.

We are internally motivated, and have the desire to continuously learn, the ability to set goals and undertake the work without being prompted to do so

## Official Name

Digital Identity Laboratory of Canada  
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## Incorporation

[Canadian federal nonprofit organization](#)  
(February 24, 2020)  
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## Official Address

283 Blvd Alexandre-Taché  
Suite LB A-1360  
Gatineau QC J9A 1L8  
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## Directors

[Antoine Normand](#)  
*Chair of the Board*

[Joanne Duklas](#)  
*Vice-Chair*

[Joni Brennan](#)  
*Treasurer*

[Pierre Roberge](#)  
*Executive Director*

[Catherine Desgagnés-Belzile](#)  
*Director (private sector)*

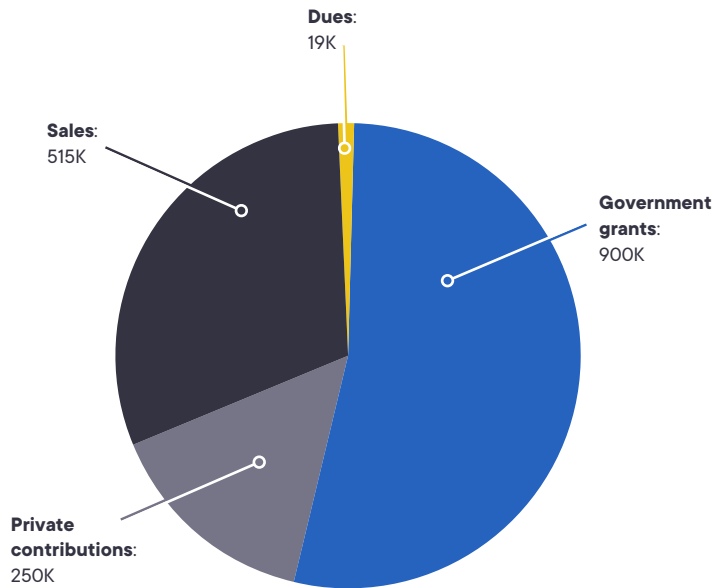
[Gassim Bangoura](#)  
*Independent Director*

[Suzan Denoncourt](#)  
*Independent Director*  
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## Corporate Secretary

[Patrick Cormier](#)  
*Chief Operating, Financial & Legal Officer*  
[patrick.cormier@idlab.org](mailto:patrick.cormier@idlab.org)

## Main Revenue Sources



## Principal Risks

- Sales model not proven
- Recruitment & retention of highly skilled & specialized resources
- Delays in market availability of governmental digital ID solutions



idlab.org

# Management Discussion & Analysis

## Context

Our ten-year vision is to become a globally recognized leader advancing digital trust on all continents.

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## IDLab is unique with this winning combination:

### 1. **Neutral, trusted & nonprofit:**

IDLab is perceived to not be beholden to any particular digital ID solution, framework or standard and to have a commitment to remain so independent. This neutrality promotes trust in the Lab.

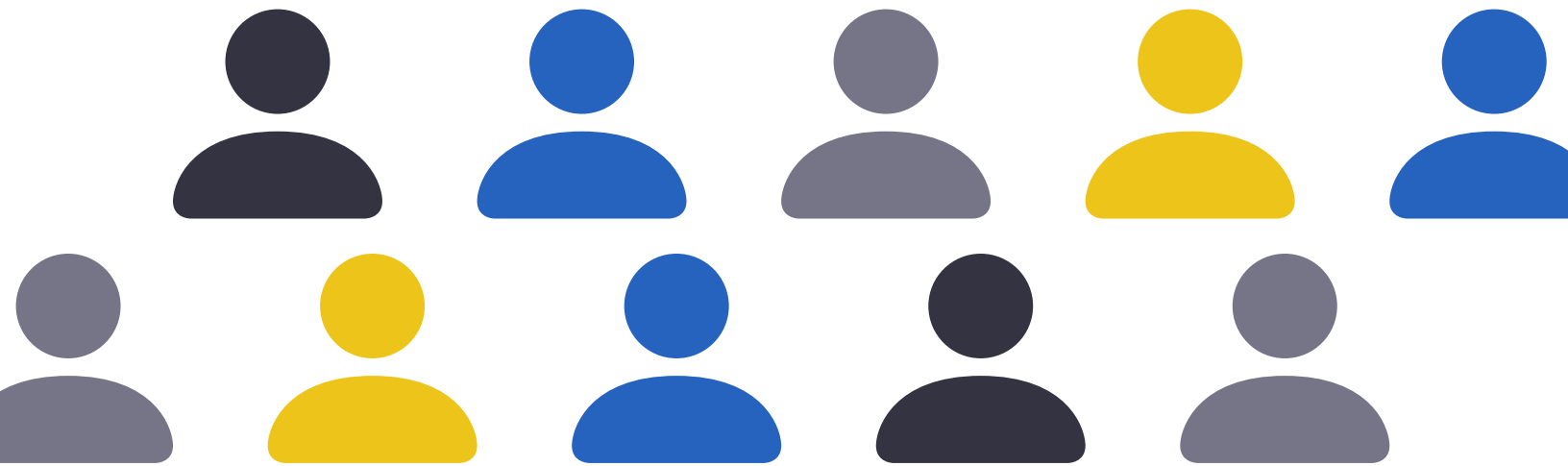
### 2. **Legitimacy through engagements:**

IDLab derives strong legitimacy by virtue of its contribution and participation to several high impact engagements.

### 3. **Digital ID Solutions & Expertise:**

Broad range of available and varied digital ID solutions that can be quickly deployed in sandbox environments for discoverability, development, integration, tests, quality assurance, conformance and interoperability evaluations / testing / certifications.

As we conclude our second full year of operation, the financial backers and members of the **IDLab can count on the passion and dedication of 10 employees**, heading into this third year with a deep belief that the IDLab will truly make a positive difference in fostering a safe and privacy-enhancing digital world.



## The Year 2021–22

### Significant achievement this year included:

**Funding:** \$1.5M was recognized in grant revenue and another \$3M was secured for the next two years from the Quebec government. This funding allows IDLab, as a non profit organization, to benefit from an additional two years period to achieve financial sustainability and independence from grants.

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**Governance:** Building on the internal governance structure already in place, the Board of Directors started to activate its annual cycle of strategic and operational oversight and its Human Resources & Governance committee was stood up under the leadership of its Committee Chair and Board member Suzan Denoncourt. A new financial platform was adopted to cater to the growing needs of IDLab, including separation of roles and responsibilities and providing direct access to the treasurer and auditor.

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**Operations:** IDLab has now completed a full year cycle with the Entrepreneurial Operating System (“EOS”). This allows for the rigorous and disciplined management of all six operational facets of the IDLab Vision, People, Data, Issues, Process and Traction. Same has also been rolled out at the Departmental level. Each quarter, the team sets its quarterly objectives based on IDLab one year goals.

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**Information Technology:** The use of technology continues to be the centrepiece of IDLab’s operations in the pursuit of improving efficiency and as an enabler to service delivery by our lines of business. The introduction of an online collaborative whiteboard platform enhanced the way our distributed team shares ideas and solves problems cross-functionally while elevating employee experience. Our clients also received an upgrade in user experience through the launch of the Client Portal.

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**Notable Project Delivery:** The inception of Advisory Services presented IDLab with several interesting and meaningful engagements with clients across the public and private sector, spanning cyber-security, financial services and critical public infrastructure. Several technology solution providers relied on IDLab’s Assessment Services to conduct privacy impact assessments and technical conformity testing.

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## **A Critical Period: Our First Three Years (2020–2024)**

To maximise long-term financial stability, the IDLab is run and operated like a technology business. This reduces the long-term dependency on volatile grant programs, forces services delivery excellence, conveys perennity to customers, and facilitates hiring top talents.

Although the IDLab is run like a business, we cannot raise capital by selling equity and don't qualify for the majority of funding programs created to support for-profit organisations. While our long-term financial model is geared toward a "pay for service" model, the IDLab assumes willingness by the private and public sectors to fund a portion of the IDLab operations, with grants & contributions, during its initial 3–4 years of operations. After this initial period, the IDLab expects to be financially independent as its sales would cover operational, capital and expansion expenses.

For this reason, our first 3–4 years represent a critical period. The IDLab must obtain sufficient grants & contributions during this period to cover its costs, failing which the continued existence of the IDLab is at risk. Given the long-lasting, recurring year to year economic benefits the IDLab would generate, it makes sense for governments to step in and support the mission of the IDLab. On that basis, the government of Quebec did accept to provide initial funding of \$3.5M with a request that the IDLab demonstrates support from the private sector and that it meets a number of other objectives. All such objectives set by the government of Quebec have been met. The IDLab has also received a \$1.5M multi-year contribution from Economic Development Canada (EDC) - Quebec Region.

Being homed in Quebec and aiming to offer pan-canadian coverage, ensuring and helping the federal and provincial governments deliver on their digital ID agenda has been identified as a key factor to the IDLab success.

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## **Financial Analysis & Commentary**

Based on the fiscal year 2021–22 audited financial statements, the IDLab had, as of March 31, 2022, over \$2.1M in combined cash reserves, accounts receivables and prepaid expenses. Accounts payable and accrued liabilities stood at approx \$250K. This position meant the IDLab had about twelve months of operational cash flow set aside when it began fiscal year 2022–23. The deferred revenues consist mainly of the portion of grants & contributions to be used to offset future equipment amortization expenses as well as non-refundable founding sponsor credits. The latter credits lapse after two years of their issuance. New in FY2022–23, we will also offer service credits to IDLab members that will lapse after the membership year for which the credit was obtained.

In terms of operational expenses, payroll expenses represent about 86% of all expenses before amortization and our next most significant category of expenses is professional & contract services representing 7% of all expenses. We expect during the next year a lesser amount of professional & contract services as we have completed the conversion of several consultants into IDLab employees.

## Lab Infrastructure & Commentary

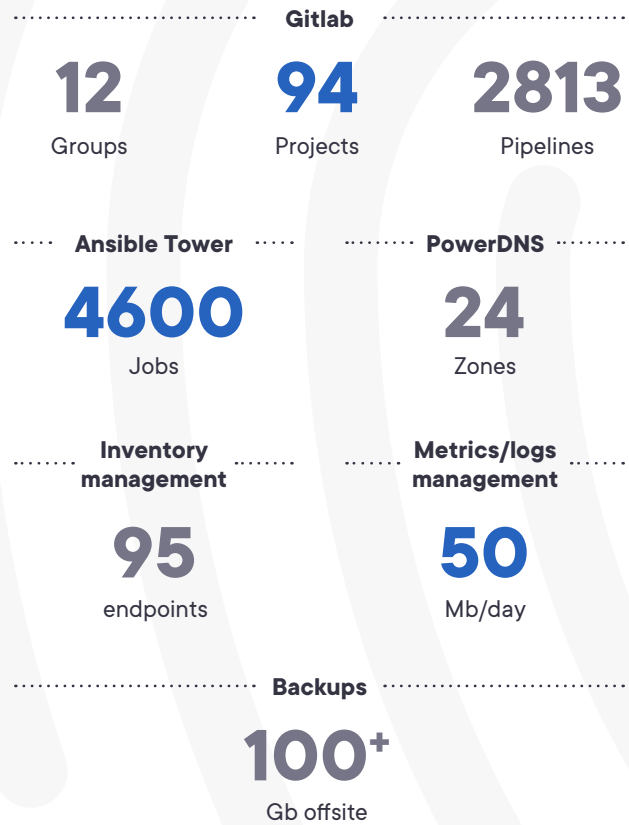
Following the achievements from Year 1 in graduating from the original “Bootstrap Lab” to today’s IDLab owned and operated private cloud infrastructure at CILEX in Gatineau, Year 2 was filled with learning opportunities and continuous improvement. Recognizing that modern day technology operations is a constant work in progress, the Service Enablement team took advantage of every client engagement to fine-tune and automate our processes to increase operational efficiency and to enhance client experience.

In addition to supporting Experimentation Services (formerly known as Sandbox Services), the scope of IDLab’s infrastructure assets was expanded to also support Advisory Services and Assessment Services. In parallel, the members of the Service Enablement team also expanded their mandate by applying their expertise against client engagements across all lines of business.

The operational experience we gained this year has been invaluable. In the spirit of continuous improvement, the team designed a redundant architecture for our edge device and put it into action. This ensures that the network communication in and out of our infrastructure is managed in the most optimal manner. The first round of major component updates were completed across our infrastructure, supported by a new test cluster in compliance with our software development lifecycle. Last but not least, we also implemented security scanning across our virtual environments and networks.

## Lab Infra by the Number

- 6** hypervisor servers with 240 cores, 4.6TB of RAM, and 144TB of disk
- 25** Gb/s redundancy-enabled networking
- 3** Kubernetes clusters with 18 worker virtual machines
- 10** public-facing applications
- 13+** internal applications
- 18** Internal DevOps Virtual Machines



## Service Offering Analysis & Commentary

During the last fiscal year, IDLab has refined, in response to the market demand, its service offering that can now be broken down into three main categories: **Advisory Services**, **Assessment Services** and **Experimentation Services**:

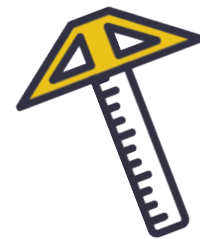
1.



**Advisory Services:** IDLab augmented the services it brought to market during the fall of 2021 by standing up **advisory services** as a new line of business. The addition was rooted in the repeated demands made to IDLab to offer such services - many clients from the public and private sectors were keenly interested in obtaining guidance from IDLab. Rest assured that as the IDLab stood up the service, management carefully took into account to maintain the neutral and independent nature of IDLab<sup>1</sup>.

2.

**Assessment Services:** We continue to build our **assessment services** offering with a broader range of privacy assessments related to digital ID solutions - companies and governments increasingly need arms length examinations of how well personal information is protected in digital ID solutions. IDLab is uniquely well positioned to conduct these evaluations. We have also been active in a number of digital ID communities in which standards are emerging with a view to offer both readiness and certification services against those standards.



1. Please see to that effect IDLab's Policy on the Limitations of Commercial Activities, available at <https://www.idlab.org/en/policy>.

3.



**Experimentation services:** Finally, we also now offer **experimentation services**, an umbrella term for a creative range of service offerings allowing public and private sector to make use of IDLab infrastructure and expertise for the purposes of discovery, experimentation, development, quality assurance as well as conformity and interoperability testing in environments that can be open to the public, restricted to a few parties or entirely private at the choice of our client.

Worthy of note for this year, IDLab has completed a major client engagement with **Innovation, Science & Economic Development Canada** (“ISED”) by delivering and managing a digital ID and verifiable credentials portal. About 200 learners from across Canada spanning the public and private sectors and selected by ISED went through this portal. In the coming year, we are looking to offer Canadian companies 1.5 hr and 25 hr client engagements, paid by the National Research Council (NRC) Industrial Research Assistance Program (IRAP), in order to help them develop more robust posture and solutions in terms of the protection of privacy.

# Governance & Operational Structure

Aiming to be Canada’s laboratory for digital Identity, having high dependencies on important public funding in the initial years, combined with the goal of seeking ISO 17065 certification makes the case for strong commitments to modern and sound governance & operational structure. Fostering sound governance implies a well-balanced range of internal controls, some of them needing to be approved by the members of IDLab, some by the Board of Directors, some left to the discretion of the General Manager and department leads. In recognition of the above, the IDLab has implemented the following internal controls:

Controlled By	Title
<b>Members</b>	<a href="#">Laboratory Consolidated Bylaws</a> (public)
<b>Board of Directors</b>	Delegation of Financial& Contractual Authority <a href="#">Policy - Limitations of Commercial Activities</a> (public) Policy - Membership Fees Policy - Human Capital Policy - Anti-Harassment Policy - Protection of Privacy Policy - Founding Sponsor Campaign Policy - Reimbursement of Expenses
<b>President &amp; CEO</b>	Directive - Performance Management Directive - Overtime & On-Call Time Directive - Employee Training Directive - Access Control List Directive - Reimbursement of Home Office Expenses Directive - Updating LinkedIn Profile
<b>Departmental Leads</b>	Procedure - Biweekly Payroll Procedure - Submitting an Expense Claim Procedure - Client Contract & Invoicing Procedure - Accounts Payable Procedure - Client Intake, Contracts & Invoicing Procedure - Time Reporting Procedure - Contractor Practices Procedure - Assessment Services Reports

Modern governance of nonprofit organizations also implies effective and democratic member representation on the Board of Directors. With the goal of establishing itself as a trusted and neutral party in the Canadian digital ecosystem, the IDLab is mindful of having a governance structure that would prevent a particular category of member from “controlling” the IDLab. For those two reasons, the composition of the Board of Directors has been codified in the Laboratory Consolidated By-laws ([Bylaw 3.7](#)). As a way to provide some level of protection for the early age of the IDLab, special provisions applicable to the first three years of the IDLab were introduced, reserving two seats for founding members [DIACC](#) and [In-Sec-M](#) ([Bylaw 3.6](#)). This composition prevents any class of members from wielding a majority of votes on the Board of Directors.

# The Team

As of March 2022, the following individuals made up the team of the IDLab<sup>2</sup>:



**Bruce Daly** ●  
VP Education & Assessment Services



**Bruno Hivert** ●  
DevOps Specialist



**Chelsea Finnemore** ●  
Executive Advisor for  
Human Resources



**Hadrien Seymour-Provencher** ●  
Digital Identity Advisor



**Marie-Pier Perreault** ●  
Legal Counsel & Translator



**Maude Poulin** ●  
Graphics & Web Designer



**Michelle Chibba** ●  
Privacy Practice Lead



**Patrick Cormier** ●  
Chief Operating Officer



**Patrick St-Louis** ●  
Junior DevOps

2. Colors indicate status at the IDLab as of March 31, 2022: **full time**, **part time**, **consultant**



**Pierre Roberge** ●  
President & CEO



**Régis Eloi** ●  
Customer Service Director



**Simon Jodoin** ●  
Executive Advisor for Finances



**Virginie Samson** ●  
Office Manager



**Bonnie Yau** ●  
VP Service & Technology

2. Colors indicate status at the IDLab as of March 31, 2022: **full time**, **part time**, **consultant**

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## The Board of Directors

As of March 2022, the following individuals made up the Board of Directors of the IDLab:



**Antoine Normand**  
Chair of the Board  
[In-Sec-M](#)



**Joanne Duklas**  
Vice-Chair  
[ARUCC](#)



**Joni Brennan**  
Treasurer  
[DIACC](#)



**Pierre Roberge**  
Executive Director  
[Digital Identity Laboratory of Canada](#)



**Catherine Desgagnés-Belzil**  
Director (Private Sector)  
[Beneva](#)



**Suzan Denoncourt**  
Independent Director



**Gassim Bangoura**  
Independent Director  
[Birks Canada](#)



# Audited Financial Statements

