### **2020 ANNUAL REPORT**



COLLEGE OF PHYSICIANS & SURGEONS
NEWFOUNDLAND AND LABRADOR
SPRING 2021









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### A MESSAGE FROM THE COLLEGE

The College's resilience, as an organization and as individuals, was supremely tested in 2020. We are pleased to say we adapted to new challenges and worked through a busy time with, and because of, the support of Council and each other.

The College of Physicians and Surgeons of Newfoundland and Labrador strives diligently to fulfill its legislated mandate—as defined by the *Medical Act, 2011* and *Medical Regulations,* 2015—and we keep public protection foremost in all our efforts. The College continuously reassesses through annual strategic planning the work that is expected of us, how we organize and deliver this work, and how best to assure Newfoundlanders and Labradorians that, in all our actions, we integrate our College values of fairness, quality of service, social responsibility, communication, transparency, innovation, and inclusivity and diversity.

In 2020, the College continued its efforts to be more consultative, open and approachable, as well as more accountable, transparent, and communicative about our activities. College Council was continuously apprised of work completed, work ongoing, and new work identified. Risk identification and mitigation plans were constant work items.

In 2020, the College reflected more deeply on the importance of and implications for inclusivity and diversity in all our activities. Where is there systemic or episodic discrimination in College work and actions? What are our implicit and inherent discriminatory biases in role, gender, religion, race, sexual orientation, and our daily activities? After much talk and debate, we believe we are more aware of the roles we collectively and individually play in all our relationships, both professional and personal. That said, we recognize that understanding the impact these principles have on us—and on all with and for whom we work, serve, and interact—must be an ongoing priority.

This province's College is small by Canadian standards. Lacking the economies of scale that larger Colleges can benefit from—and without a large member base from which fees are collected—we nevertheless work to meet national standards and program ideals. Solid financial stewardship in all College programs and work is also key. Following our annual review, once again we did not increase annual renewal fees.

Licensing physicians remains a major College activity. In 2020, we focused on improving the licensing experience for our physicians and further aligning our processes with other Canadian Colleges of Physicians and Surgeons.

Programs developed and implemented to keep the province's physicians working safely, ethically, and in good health are undertaken under our "quality assurance" mandate. How to ensure physician competency over

Ms. Gail Hamilton
CPSNL COUNCIL CHAIR



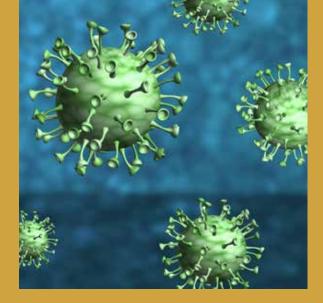
Dr. Linda Inkpen CPSNL REGISTRAR



time is a hot topic at provincial, national, and international levels. In 2020, we completed the Physician Peer Review (PPR-NL) pilot program, which was designed to help our physicians identify, maintain, and improve their professional competencies through feedback and self-reflection. PPR-NL is similar to programs in other provinces.

Regulators worldwide are more and more focused on the experience of patient/public complainants and physicians. Robust yet comparable processes for both complainants and respondent physicians—which are also fair, impartial, and practical—must be in place. In 2020, we sharpened our efforts to maintain College principles in all complaints activities: fairness, transparency, frequent and timely communication, empathetic and non-discriminatory contact. We recognize the need to find the delicate balance between safeguarding community trust and engagement, and respecting the potential adverse health impacts, largely stress-related, that being subject to a College complaint can have on a physician.

Finally, we thank College members and the public for your support, and encourage your comments and advice. Among the many things we learned in 2020, the acts of listening, reflection, and brave innovation yielded the most productivity. Regulators, particularly, must respectfully listen and understand both patients and physicians as we perform our work. To listen is to learn.



### 2020: COVID-19 ARRIVES

On March 17, 2020, the College of Physicians and Surgeons of NL closed its office doors and pivoted into remote work. As conditions evolved, staff gradually returned to College offices on a rotating basis. Despite all related challenges, College work continued through 2020 with minimal abatement. We developed and implemented effective remote work arrangements fairly rapidly. We completed the 2020 work plan successfully while managing new and often compressed timelines. Communication with Council, staff, the public, physicians, and many stakeholders became a priority, especially as we worked out the logistics and implications of working remotely.

There is broad understanding that remote work is stressful for all workers at least some of the time. Yet throughout 2020—and as this report is being written—College staff increased their efforts so that work appeared to continue seamlessly in the eyes of the public, patients, and physicians.

The College extends sincere gratitude to the Council Chair and members, to staff, and to colleagues for their patience, understanding, and productivity demonstrated in 2020, and for their able handling of the new issues that arose, which none of us anticipated when the year opened.

# GUIDING COLLEGE WORK

### THE CPSNL COUNCIL

The College of Physicians and Surgeons of NL is governed by a 15-person Council whose members are either elected physicians or appointments made by the Minister of Health to represent the public, the Newfoundland and Labrador Medical Association, and the MUN Board of Regents. The College's Registrar and Deputy Registrar are licensed medical practitioners and ex-officio Council members.

#### QAC - QUALITY ASSURANCE COMMITTEE

Oscar Howell (Chair, non-voting) Elizabeth Bannister\* Allan Bradley Dave Dove Susan MacDonald † Carl Sparrow Tracey Wentzell

#### LICENSING COMMITTEE

Elizabeth Bannister\* (CHAIR) **Dave Dove** Gail Hamilton Kevin Hogan Susan MacDonald † Carl Sparrow

### **ELECTED COUNCIL MEMBERS**



1 / St. J/Mount Pearl\*

2 / Rest of NL

Рното UNAVAILABLE



3 / St. J/Mount Pearl

4 / St. J/Mount Pearl



6 / Rest of NL 5 / St. J/Mount Pearl



1. Dr. Elizabeth Bannister \* (COUNCIL VICE-CHAIR)



2. Dr. Robert Forsey

3. Dr. Amir Gammal

4. Dr. Kevin Hogan

5. Dr. Rebecca Rudofsky

6. Dr. Carl Sparrow

7. Dr. Tracey Wentzell

<sup>\*</sup> To November 27, 2020

<sup>†</sup> To September 11, 2020

<sup>\*</sup> To Novembger 27, 2020

### **APPOINTED MEMBERS**



1 / Public
Representative



2 / PUBLIC
REPRESENTATIVE



3 / Public



4/NLMA



5 / NLMA †

PHOTO UNAVAILABLE

6/MUN

- 1. Ms. Gail Hamilton (Council Chair)
- 2. Mr. Allan Bradley
- 3. Mr. Dave Dove
- 4. Dr. Tony Gabriel
- 5. Dr. Susan MacDonald †
- 6. VACANT

† To September 11, 2020

### **NON-VOTING MEMBERS**



Dr. Linda Inkpen (CPSNL REGISTRAR)



Dr. Oscar Howell (CPSNL Deputy Registrar)

### GOVERNANCE COMMITTEE

Gail Hamilton (CHAIR) Allan Bradley Robert Forsey Kevin Hogan

#### **CAC - COMPLAINTS AUTHORIZATION COMMITTEE**

Oscar Howell (Chair, Non-voting)
Allan Bradley
Robert Forsey
Tony Gabriel
Amir Gammal
Gail Hamilton
Kevin Hogan
Rebecca Rudofsky

#### **FINANCE & COMPENSATION COMMITTEE**

Gail Hamilton (CHAIR) Allan Bradley Kevin Hogan Susan MacDonald † Tracey Wentzell

#### **PUBLIC ENGAGEMENT COMMITTEE**

Allan Bradley (CHAIR) Dave Dove Gail Hamilton Rebecca Rudofsky Tracey Wentzell

† To September 11, 2020

### **MANAGEMENT TEAM**



Linda Inkpen (Registrar)



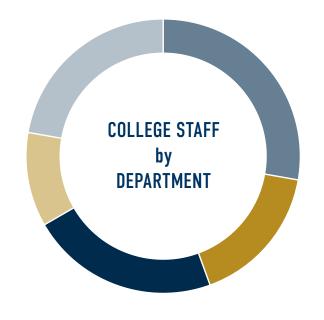
Jamie Osmond (Associate Registrar, Operations Director)



Oscar Howell (Deputy Registrar)



Elyse Bruce (Corporate Counsel, Complaints Director)



- 5 LICENSING
- 3 FINANCE
- 4 COMPLAINTS
- 2 QUALITY ASSURANCE
- 4 ADMINISTRATION

**AUDITORS** Noseworthy Chapman

ADMINISTRATIVE ASSISTANT TO COUNCIL Lorraine Phillips

<sup>\*</sup> Some staff members are assigned to more than one department



# A FEW WORDS ABOUT GOVERNANCE

The College of Physicians and Surgeons of NL has devoted much energy over the last six years to developing and implementing appropriate governance models for both the College and its Council. The effectiveness of these models is linked to how we organize ourselves. It is vital that our work processes ensure that the College's value principles—fairness, quality of service, social responsibility, communication, transparency, innovation, and inclusivity and diversity—are consistently incorporated into all aspects of our work. When they are, a major purpose of our governance models is realized.

Establishing and maintaining good governance is not a sprint; it is a marathon. The College Council must—and does—review our approach to governance every year.

In 2020, in addition to this regular governance review, Council increased its efforts to more fully and specifically embrace the values of diversity and inclusivity. This focus should bear more fruit in 2021, when we will begin delivering to physicians a new program: "Providing Culturally Safe Health Care to Indigenous Patients in Newfoundland and Labrador." Our sincere thanks to the many Indigenous people of NL who advised us during this program's development, and to our collaborators at the Office of Professional and Educational Development, Faculty of Medicine, Memorial University.

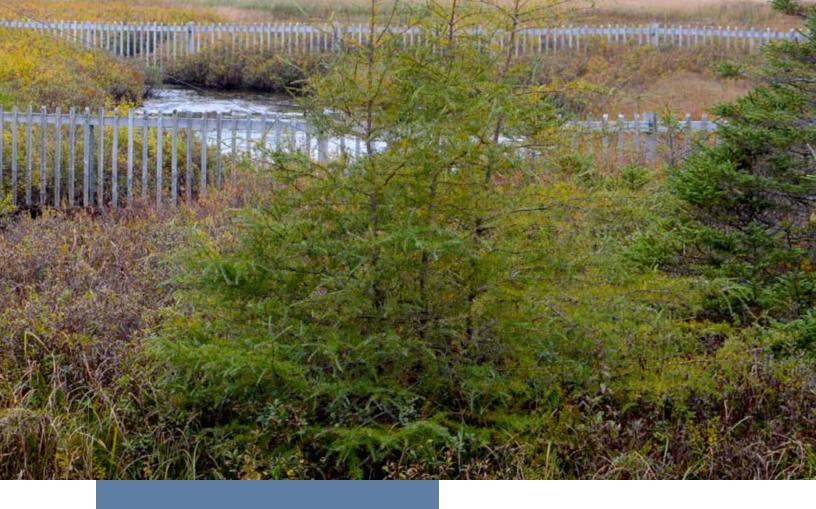


Licensing is the major regulatory task that the College performs to support the delivery of trusted medical care in this province.

The task of licensing physicians to practise in Newfoundland and Labrador has many comprehensive components.

The documentation and verification steps, for example, involve reviewing physicians' credentials and experience, assessing their applications for compliance with provincial and national standards and guidelines, verifying the references provided, and performing criminal record and vulnerable sector checks.

The College must perform these and other significant activities to fulfill our duty to responsibly regulate who practises medicine in this province, and to assure the public that the medical care our physicians deliver can be trusted to meet professional and regulatory expectations.



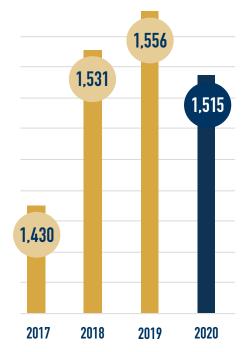


Jamie Osmond (Associate Registrar)



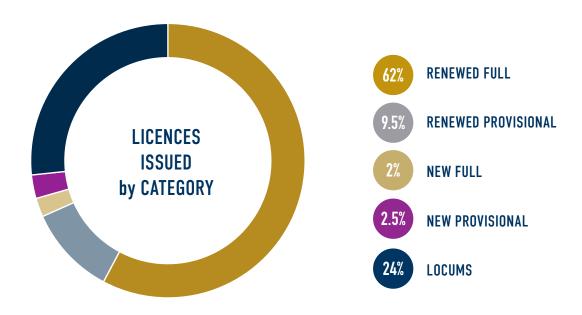
Tanya Drover (Licensing Officer)

### LICENCES ISSUED: 4-YEAR TREND\*



\*New and renewed full and provisional licences, excluding licences for locums

### 2020 LICENCES: OVERVIEW



### CHANGES TO OUR LICENSING PROCESS DURING THE COVID-19 PANDEMIC

The arrival of COVID-19 in 2020 had two major effects on the College's usual process of licensing physicians in this province—in addition to the adjustments caused by working remotely.

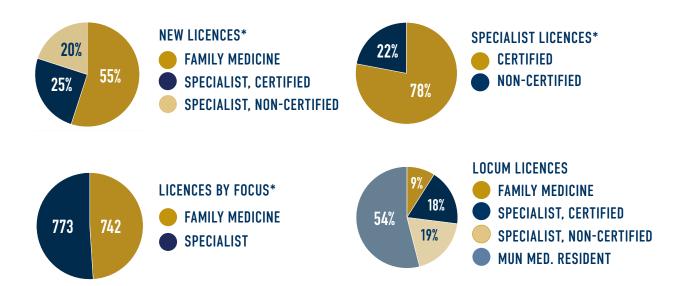
First, the Canadian medical regulatory authorities agreed during the winter of 2020 that provisional licences with minimal supervision would be issued to Canadian medical graduates who were affected by the Medical Council of Canada (MCC) exam delay. These provisional licences would be effective until the graduates successfully completed the MCCQE2 examination—which they were to do at the first available opportunity.

Second, because the MCC exam was postponed, Section 7 of the *Medical Regulations* was amended to extend a related

licensing requirement: that physicians with Provisional Family Medicine Licences needed to successfully complete the requirements for obtaining a Licentiate of the Medical Council of Canada (LMCC) within three years of first becoming licensed with our College. The Regulation amendment required the affected physicians to successfully complete the MCCQE2 examination as soon as it was made available.

Regulatory authorities are conducting ongoing discussions about how to assess physician competency throughout physicians' professional careers. These discussions include the entry to medical practice examinations. It is expected this work will be completed within the next year or so.

### 2020 LICENCES: A FEW DETAILS



<sup>\*</sup>These breakdowns exclude locums

### EMERGENCY LICENSING FOR PANDEMIC RESPONSE

The demands of the pandemic also caused the College to review our process for granting Emergency Licences.

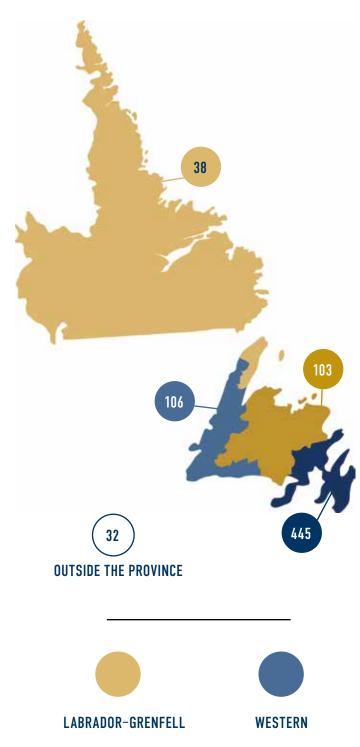
Our goal was to amend the process by removing all unnecessary delays in granting

these licences when circumstances demanded such action. By the end of December 2020, the College had issued Emergency Licences to three physicians.





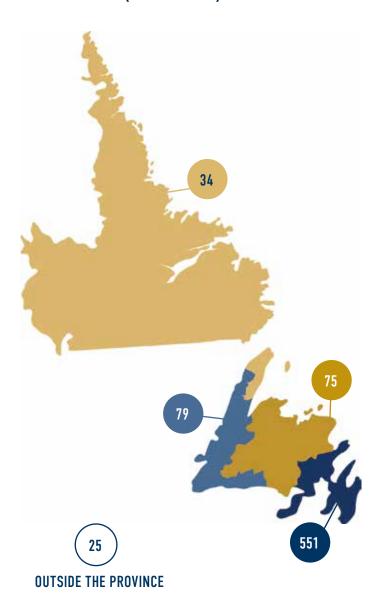
### 2020 FAMILY PHYSICIAN LICENCES by PRACTICE ADDRESS (total: 724\*)



<sup>\*</sup> Calculated by calendar year, not renewal year

# 2020 SPECIALIST LICENCES by PRACTICE ADDRESS

(total: 764\*)









The College promotes high standards of practice and the continuous improvement of the quality of care physicians provide. The College's Quality division helps to maintain high standards of practice through programs aimed at quality improvement, quality assurance, and physician health monitoring. In 2020, the division made significant strides towards being more approachable, collaborative, consistent, and transparent in its approach to supporting quality in the practice of medicine.



Brian Bennett (Director of Quality)

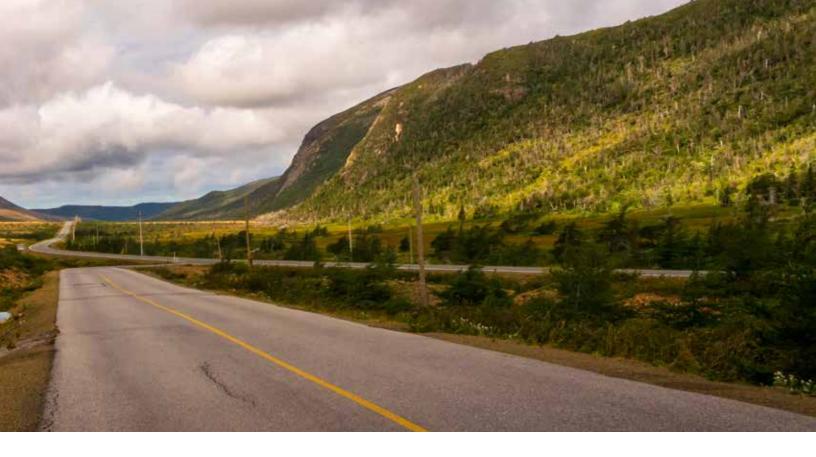
### PRACTICE IMPROVEMENT . . .

In 2020, the College piloted a new quality improvement program—"Physician Peer Review NL" (PPR-NL)—which will launch for Family Physicians in 2021. Through it, the College can proactively engage with physicians to support their own continuous efforts to improve the quality of their practices.

A collaborative program, PPR-NL is intended to catalyze physicians' learning and optimize their practice-enhancement



THE PHYSICIAN CONTINUOUS QUALITY-IMPROVEMENT CYCLE



efforts. It will provide them with the relevant data, feedback, and tools to do this work. In addition, PPR-NL will allow the College to focus on the physicians who are most in need of supports, and customize the assistance we offer. Typically, participating physicians find that peer review offers opportunities for self-reflection and provides a way to both structure goals and develop simple, concrete strategies for improving their practices.

### . . . AND PHYSICIAN HEALTH

Like all of us, physicians can develop personal health issues that can affect both their work and the care they provide to patients. The College's physician health monitoring efforts are designed to put in place supports and protections so that physicians can manage their own health safely and effectively. Our ultimate priority is to ensure that if physicians are affected by a health issue, there is no risk to patients.

Where possible, the College works with physicians' own health care providers,

as well as with the Newfoundland and Labrador Medical Association's Physician Care Network. This collaborative approach gives physicians access to a continuum of integrated resources as they need them.

### **QUALITY ASSURANCE REVIEWS**

In certain circumstances—for example, when concerns are raised regarding physician competency or wellness—the Quality division can initiate a Quality Assurance Review. The goal is to ensure that a physician is practising safely, competently, and in good health.

71
QUALITY
ASSURANCE
CASE
MANAGEMENT
FILES

QUALITY
ASSURANCE
CASE
REVIEWS



The College takes its responsibility to receive, assess, and address complaints about physician behaviour very seriously. Full details about the processes—from how to file an allegation to the College's steps in addressing them—are available on cpsnl.ca.

At the College, this work is overseen by a committee of Council—the Complaints Authorization Committee (CAC). In 2020, the CAC held nine meetings. As a result of the COVID-19 pandemic, seven of these meetings were held virtually. The sole Tribunal Hearing held in 2020 occurred during COVID Alert Level 2, with all precautions taken.

Fewer allegations were received in 2020 than during 2019. The CAC believes this reflects the "COVID effect," particularly because when public health restrictions became lighter in the final quarter of the year, the number of allegations received returned to expected levels.



- 15 COMPETENCE
- 46 PROFESSIONALISM
- 2 BOUNDARY VIOLATION



63
ALLEGATIONS
RECEIVED

DECREASE OF 14 OVER 2019



Elyse Bruce (Corporate Counsel)

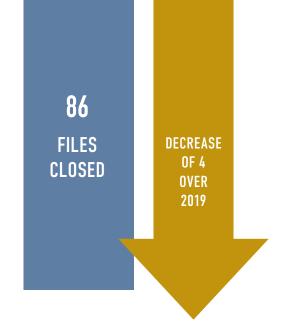


Rebecca Lethbridge (Investigator / Paralegal)



Darlene Manning (Complaints Coordinator)





There were two notable trends in the allegations received in 2020. The number of alleged professionalism issues continued to increase (as in previous years). In addition, the College received several allegations that involved the care of multiple patients.

### **CAN WE DO BETTER?**

We are pleased to report that the median time between receipt of a new allegation and the date its file was closed decreased to 13 months in 2020.

While the CAC and the College are pleased with the improvements in speed, effectiveness, and communications that supported this increased efficiency, we realize there is room to do better. With this in mind, the CAC devoted serious attention to further opportunities for improvements in the Complaints process at its annual administrative meeting in December 2020.

With an eye to the special demands that come with investigating Complaints allegations, staff received additional training in 2020. It specifically focussed on developing appropriate investigation and communication strategies in complaints involving traumatizing circumstances.



- 19 RESOLVED AT INITIAL STAGE
- 47 DISMISSED
- 7 DISMISSED WITH DIRECTION
- 9 CAUTION OR COUNSEL
- 2 REFERRED TO TRIBUNAL
- 1 REFERRED TO ALTERNATIVE
  DISPUTE RESOLUTION



# SETTING STANDARDS AND GUIDELINES

One of the important ways that the College promotes high standards of medical practice is by creating and maintaining Standards of Practice that licensed physicians *must* follow, as well as Practice Guidelines recommending practices they *should* adopt. Both Standards and Guidelines can be accessed any time on cpsnl.ca.

The College reviewes its Standards and Guidelines on five-year cycles. When needed, they are updated and/or renewed after review.

In 2020, no new or revised Standards or Guidelines were presented to Council for approval. However, public and member consultation took place on revisions to two Standards of Practice: Boundary Violations and Closing or Leaving a Medical Practice. In addition, one new Standard of Practice—which addressed Continuity of Care—was drafted and public/member review requested.

REVISED
STANDARDS
OF PRACTICE
SENT FOR
REVIEW

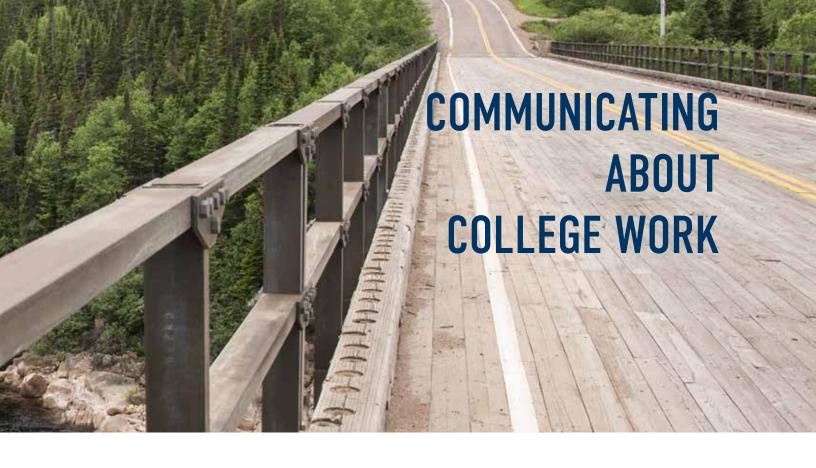
NEW
STANDARD
OF PRACTICE
SENT FOR
REVIEW



The College exists to protect the public interest and patient safety while being fair to the physicians we are mandated to regulate. Attempting to be collaborative, transparent, *and* as inclusive as possible with all the healthcare stakeholders involved in our work is a delicate and challenging balancing act.

We share considerable information on our website, cpsnl.ca. The College updates the Newfoundland and Labrador Centre for Health Information (NLCHI) Provider Registry every day. That is, we daily report which of this province's physicians are licensed to practise medicine. It is important that this information can be easily accessed through our website—we regard cpsnl.ca as our trusted face to the world.

In 2020, we provided College Council and staff with indepth and powerful education sessions on the importance of honouring the principles of inclusivity, diversity, and equity in College work, as well as in our communities, province, and country. An important related effort is providing culturally safe healthcare to the province's Indigenous patients. The College's new online continuing professional development program—"Providing Culturally Safe Health Care for Indigenous Patients"—developed in 2020 in cooperation with Memorial University's Faculty of Medicine, reflects and acknowledges the importance of this work.



The College recognizes that the public views cpsnl.ca—our website—as a source of trusted information, as do physicians and many other health care partners. In 2019, we began work on a complete redesign of cpsnl.ca, as well as a review of its content. This work continued, somewhat delayed by pandemic restrictions, through 2020. The cpsnl.ca renewal plans aim to make the site more user-friendly and ensure that information is always current and accurate. We intend to invite all site users to send feedback on the site's new form and content, and its ease of use.

In addition to the website, the College uses other tools to communicate with its registrants. Information critical to the delivery of quality medical care is emailed to physicians as *Notices to College Members*. Registrants are

kept apprised of College activities in quarterly *Update* circulars and regular *Complaints & Discipline Updates*.

We always emphasize that physicians have a professional obligation to read all information the College sends. We call registrants' attention to this critical information through direct communication and, of course, we also make it available on cpsnl.ca.

4 REGISTRAR UPDATES 15
NOTICES TO
COLLEGE
MEMBERS

COMPLAINTS & DISCIPLINE UPDATE



# MANAGING COLLEGE RESOURCES

### **FINANCE**

The College remained in a stable financial position in 2020.

The Finance and Audit Committee met five times throughout the year, continuing its work on both oversight of broad operational items as well as the fiscal management of the College.

The financial information presented on the following pages is in summary form. Full audited statements will be available on request following their presentation at the College's Annual General Meeting, which is scheduled to take place on June 19, 2021.

### **OPERATIONS**

The College completed its office renovations in 2020. Designed to maximize space efficiencies and provide greater work flexibility, the renovations yielded five extra offices, as well as meeting rooms and conference facilities, three storage spaces, and a vastly improved staff working environment. The work positioned the College's offices for the next eight to ten years.

The College commenced implementation of a major Enterprise Content Management (ECM) technology solution in 2020.



Additional efforts to improve operational capacity and efficiency during the year included contracts with external professional consultants in the areas of Communications, Human Resources, Information Technology, and Project Management. Work also proceeded on the College's new website review and design. The new cpsnl.ca site is planned to be operational in 2021.

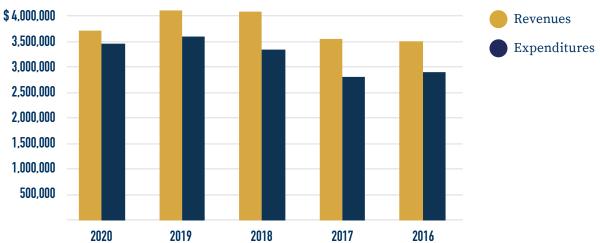
### SAFEGUARDING PRIVACY: NEW STEPS IN 2020

The College has a responsibility to take all reasonable measures to safeguard the confidential information it keeps and controls—information about our registrants and sensitive matters. And because Information Management (IM) is not a static field, we must be prepared to adapt to the changes that regularly occur in technical environments and IM best practices.

Consequently, in 2020 the College formalized the role and responsibilities of its new Privacy Officer. Work began that will enhance the College's privacy framework and help us:

- Fulfill our privacy compliance obligations
- Make ethical decisions when designing the services we deliver
- Communicate about the College's privacy practices with physicians, members of the public, partners, and other stakeholders





### SUMMARIZED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2020

	2020	2019
ASSETS Cash and cash equivalents Accounts receivable Equipment and leasehold improvements Investments	\$ 5,029,428 111,376 1,575,495 1,199,106 <b>\$ 7,915,405</b>	\$ 5,099,409 82,952 1,395,105 1,109,645 <b>\$ 7,687,111</b>
LIABILITIES Accounts payable Deferred income Deferred lease inducements	\$ 324,447 2,636,364 48,117 <b>\$ 3,008,928</b>	\$ 235,641 2,726,164 56,135 <b>\$ 3,017,940</b>
NET ASSETS Invested in capital assets Unrestricted and internally restricted	\$ 1,539,729 3,366,748 <b>\$ 4,906,477</b>	\$ 1,353,379 3,315,792 <b>\$ 4,669,171</b>
	\$ 7,915,405	\$ 7,687,111

### SUMMARIZED STATEMENT OF REVENUE & EXPENDITURES AS OF DECEMBER 31, 2020

		2020	2019	
REVENUES	Annual fees Professional corporation fees Registration and licensing fees Investment income Miscellaneous Joint Funded Projects Rental income	\$ 2,989,280 175,100 304,675 44,849 184,413 - - \$ 3,698,317	\$ 3,081,820 184,550 392,200 102,801 240,067 9,475 102,375 \$ 4,113,288	
EXPENDITURES	Salaries and employee benefits Complaints and discipline Council and committees Occupancy Office and operational Joint Funded Projects Amortization	\$ 1,902,387 154,627 168,781 242,915 723,702 - 268,599 \$ 3,461,011	\$ 1,920,548 166,428 171,766 256,775 890,851 9,475 186,710 \$ 3,602,553	
	EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS	\$ 237,306	\$ 510,735	
USE OF EXCESS REVENUE OVER EXPENDITURES FROM OPERATIONS	Operational Contingency Adjudication Tribunal Hearings College Infrastructure QA/QI Development	\$ 100,000 - - -	\$ 100,000 100,000 100,000 100,000	
	EXCESS OF REVENUES	\$ 137,306	\$ 110,735	

**NOTE:** The excess of revenue over expenditures (2020) will assist the College in providing resources for the future for the Operational Contingency Fund.

### LOOKING AHEAD TO 2021 **QUALITY MEDICAL CARE WORKING RESPONSIBLY** The new "Physician Peer Review" **CPSNL's Information Management** (PPR-NL) program is launched System is completely integrated Physician case files continue to be Incorporation of the principles of reviewed for consistency of process equity and cultural safety in College and disposition and Council work increases Partnership continues with the NLMA's The work plan for the Compliance "Physician Care Network" program

REGULATION

continues

- Creation of two new licence types— Associate Physician and Clinical Assistant—is in active discussion\*
- CPSNL becomes a signatory to FMRAC's Fast-Track Licensure Agreement

FMRAC work on Physician Competency

Assessment—from practice entry

through entire professional life—

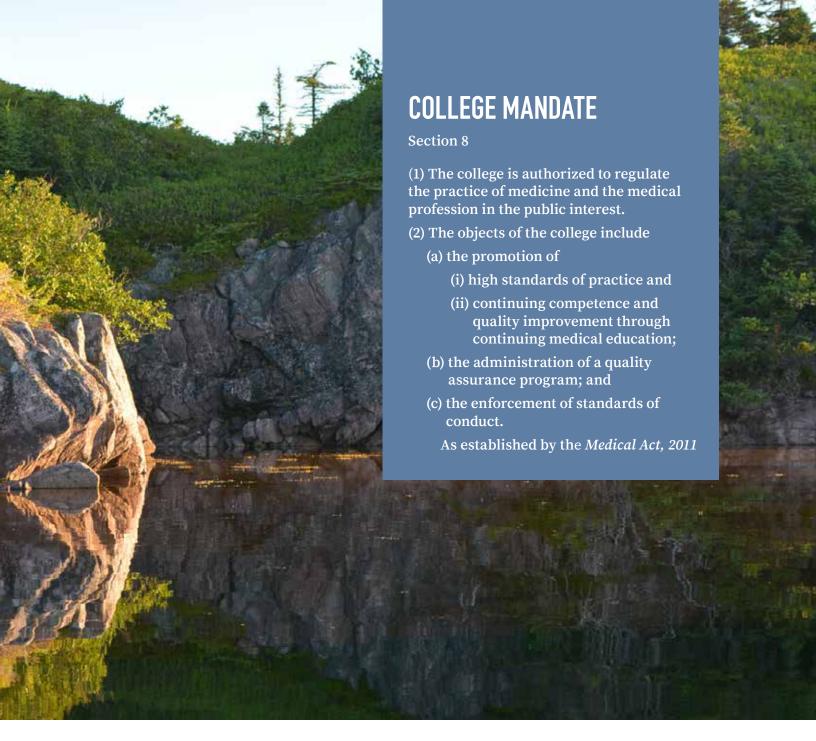
- We continue to review and define licensing requirements

- Officer is complete and underway
- College policies related to remote work are refined

### IN THE PUBLIC INTEREST

- The program "Providing Culturally Safe Health Care to Indigenous Patients in Newfoundland and Labrador" is introduced
- Work to enhance cpsnl.ca—the College's website—is completed
- The College furthers its action planning on Diversity, Inclusivity, and Equity

<sup>\*</sup> This also involves amendments to the *Medical* Act, 2011 and Medical Regulations



REPORT EDITING, DESIGN & LAYOUT: Sandy Newton

#### LANDSCAPE IMAGES:

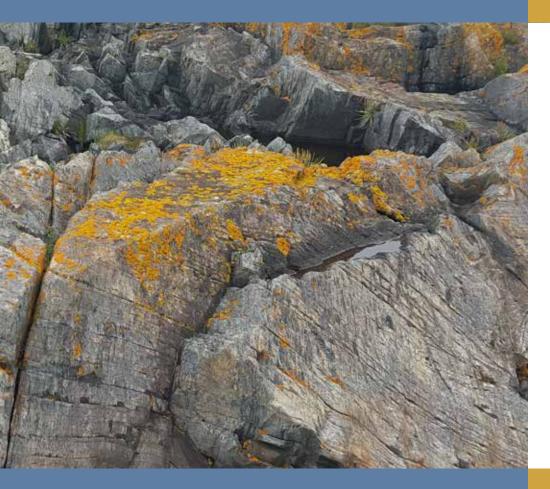
Sandy Newton: Cover and pp. 1, 9, 10, 11, 21, 24, 28 Pixabay.com: p. 3, gloverbh222; p. 5, Thiago Lazarino; p. 15, Pexels; pp. 16, 18 Felix Dilly (C1ri) iStock: p. 14 Paul Patton Dreamstime: p. 22 Sara Fraser

#### PORTRAIT PHOTOGRAPHS:

Submitted by CPSNL Council or staff, with the exception of: Susan MacDonald by Richard Blenkinsopp

### HOW CAN WE IMPROVE OUR 2021 ANNUAL REPORT?

Please email feedback and suggestions about the College's annual report to cpsnl@cpsnl.ca.





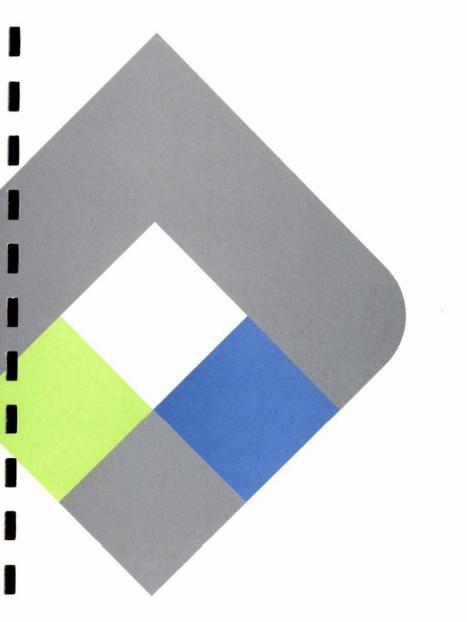
120 TORBAY ROAD, SUITE W100 St. John's, NL A1A 2G8 CANADA

P: (709) 726-8546 F: (709) 726-4725 E: CPSNL@CPSNL.CA

CPSNL.CA

### NOSEWORTHY CHAPMAN

chartered professional accountants



An independent member of

THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR

**Financial Statements** 

Year Ended December 31, 2020

# THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR Index to Financial Statements Year Ended December 31, 2020

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#### NOSEWORTHY CHAPMAN

chartered professional accountants



#### INDEPENDENT AUDITOR'S REPORT

To the Members of The College of Physicians and Surgeons of Newfoundland and Labrador

#### Opinion

We have audited the financial statements of The College of Physicians and Surgeons of Newfoundland and Labrador (the College), which comprise the statement of financial position as at December 31, 2020, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at December 31, 2020, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

#### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the College in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or

In preparing the financial statements, management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the College's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(continues)

Independent Auditor's Report to the Members of The College of Physicians and Surgeons of Newfoundland and Labrador *(continued)* 



- Identify and assess the risks of material misstatement of the financial statements, whether due to
  fraud or error, design and perform audit procedures responsive to those risks, and obtain audit
  evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting
  a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may
  involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal
  control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures
  that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the
  effectiveness of the College's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the College to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the
  disclosures, and whether the financial statements represent the underlying transactions and events in
  a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Chartered Professional Accountants** 

St. John's, NL April 30, 2021

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### THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR Statement of Financial Position

December 31, 2020

		2020		2019
ASSETS				
CURRENT Cash	\$	346,998	\$	187,866
Term deposits	•	4,626,288	Ψ	4,878,554
Accounts receivable		111,376		82,952
Prepaid expenses		56,142		32,989
		5,140,804		5,182,361
CAPITAL ASSETS (Note 4)		1,575,495		1,395,105
LONG TERM INVESTMENTS (Note 5)		1,199,106		1,109,645
	\$	7,915,405	\$	7,687,111
LIABILITIES				
CURRENT				
Accounts payable	\$	294,179	\$	206,103
Government remittances payable Deferred income		30,268 2,636,364		29,538 2,726,164
Deletted income		2,030,304		2,720,104
		2,960,811		2,961,805
DEFERRED LEASE INCENTIVES (Note 6)		48,117		56,135
		3,008,928		3,017,940
LEASE COMMITMENTS (Note 11)				
NET ASSETS				
Unrestricted		1,616,747		1,665,792
Invested in Capital Assets		1,539,730		1,353,379
Operational Contingency Fund (Note 7)		600,000		500,000
Adjudication Tribunal Hearing Fund (Note 7) College Infrastructure Fund (Note 7)		500,000 350,000		500,000 350,000
Quality Assurance and Quality Improvement Fund (Note 7)		300,000		300,000
		4,906,477		4,669,171
	_		_	
	\$	7,915,405	\$	7,687,111

ON BEHALF OF THE BOARD

Soutm Hamy Director
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# THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR Statement of Revenues and Expenditures Year Ended December 31, 2020

		2020		2019
REVENUES				
License fees				
Full licensure	\$	2,315,380	\$	2,356,780
Provisional licensure	•	536,660	Ψ.	529,050
Professional medical corporation fees		175,100		184,550
Locum fees		137,240		195,990
Specialist		30,600		48,600
Assessment fees		139,150		163,150
Educational and student registration fees		68,025		81,850
Registration and listing fees		66,900		98,600
Interest - operating		64,566		89,879
Certificates of good standing		58,600		79,225
Physicians prescribing skills course (Note 8)		33,075		38,220
Other revenue		988		2,743
Disciplinary cost recoveries				30,000
Foreign recognition qualification (Note 8)		-		9,475
Credit card charges		(85,825)		(99,606)
3		1//		, , , , , , , ,
		3,540,459		3,808,506
EXPENDITURES (Schedule 1)		3,375,186		3,502,947
EXCESS OF REVENUES OVER EXPENDITURES FROM				
OPERATIONS		165,273		305,559
OTHER REVENUES (EXPENDITURES)				
OTHER REVENUES (EXPENDITURES)		53,959		109,091
Investment income (Note 9) Canada Emergency Wage Subsidy (Note 10)		20,895		109,091
Canada Emergency Wage Subsidy (Note 10)  Canada Emergency Rent Subsidy (Note 10)		5,149		-
		1,140		-
Gain on disposal of capital assets Rental revenue		1,140		102,375
Administration fee - investments		(9,110)		(6,290)
Administration ree - investments		(3,110)		(0,230)
		72,033		205,176
EXCESS OF REVENUES OVER EXPENDITURES	\$	237,306	\$	510,735

## THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR Statement of Changes in Net Assets Year Ended December 31, 2020

8	ı	Unrestricted	Invested in apital Assets	perational ontingency Fund	djudication Tribunal saring Fund	In	College frastructure Fund	Ass	Quality surance and Quality sprovement Fund		2020		2019
NET ASSETS - BEGINNING OF YEAR	\$	1,665,792	\$ 1,353,379	\$ 500,000	\$ 500,000	\$	350,000	\$	300,000	\$	4,669,171	\$	4,158,436
Excess of revenues over expenditures		507,963	(270,657)	-	-		•		•	100	237,306	57.	510,735
Purchase of capital assets		(457,008)	457,008	-			-		-				-
Interfund transfers (Note 7)		(100,000)		100,000	-		-		-				
NET ASSETS - END OF YEAR	\$	1,616,747	\$ 1,539,730	\$ 600,000	\$ 500,000	\$	350,000	\$	300,000	\$	4,906,477	\$	4,669,171

### THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR Statement of Cash Flows

Year Ended December 31, 2020

		2020		2019
OPERATING ACTIVITIES				
Cash receipts from physicians and others	\$	3,369,864	\$	3,977,382
Cash paid to suppliers and employees		(3,042,022)		(3,398,197)
Investment income received		100,793		124,716
Cash flow from operating activities		428,635		703,901
INVESTING ACTIVITIES				
Purchase of capital assets		(457,008)		(669,560)
Proceeds on disposal of capital assets		1,140		-
Proceeds from sale of investments		127,828		313,057
Acquisition of investments		(193,729)		(315,859)
Cash flow used by investing activities		(521,769)		(672,362)
INCREASE (DECREASE) IN CASH		(93,134)		31,539
Cash - beginning of year		5,066,420		5,034,881
CASH - END OF YEAR	\$	4,973,286	\$	5,066,420
CACH CONCIDE OF				
CASH CONSISTS OF:	\$	246 000	\$	107.000
Cash Torm denosits	Þ	346,998 4,626,288	Ф	187,866 4,878,554
Term deposits		4,020,200		4,070,004
	\$	4,973,286	\$	5,066,420

### THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR Notes to Financial Statements

Year Ended December 31, 2020

#### 1. PURPOSE OF THE COLLEGE and COVID-19

The College of Physicians and Surgeons of Newfoundland and Labrador (the "College") is a not-for-profit organization continued under the Medical Act (2011). The College is a licensing and regulatory body for the medical profession in the Province of Newfoundland and Labrador. As a not-for-profit organization, the College is exempt from income tax.

The outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the College any or its members, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time. While it is not possible at this time to estimate the impact that COVID-19 could have on the College's business, the continued spread of COVID-19 and the measures taken by the federal, provincial and municipal governments to contain its impact could adversely impact the College's business, financial condition or results of operations. The extent to which the COVID-19 outbreak impacts the College's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the spread of the virus and government actions.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

#### Cash

Cash includes cash on hand and balances with financial institutions, net of overdrafts.

#### Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Computer equipment Computer software Membership database Furniture and equipment Leasehold improvements

4 years straight-line method
4 years straight-line method
10 years straight-line method
20% declining balance method
straight-line method over

remaining term of the lease

#### Deferred income

Deferred income represents licensing fees billed in the current year pertaining to the following year.

#### Deferred lease incentives

Lease incentives include reduced rent benefits and tenant inducements received as a contribution to leasehold improvements. Lease incentives are amortized on a straight-line basis over the term of the lease.

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## THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR Notes to Financial Statements Year Ended December 31, 2020

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Net assets invested in capital assets

Net assets invested in capital assets comprises the net book value of capital assets less long-term debt related to the capital assets less the unamortized balance of deferred tenant inducements received as a contribution to leasehold improvements.

#### Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

#### Revenue recognition

The College recognizes license and registration fees and fees for other services when they are earned, specifically when the amounts are fixed or can be determined and the ability to collect is reasonably assured.

Recovery of costs for disciplinary activities is recorded when a decision is rendered by the adjudication tribunal.

Investment income is recognized on the accrual basis as earned.

Rental revenue is recognized on the accrual basis in accordance with the terms of the corresponding lease agreement.

#### Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

#### Government assistance

Government assistance for current expenditures is recognized and presented as other income in the financial statements.

#### Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

## THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR Notes to Financial Statements Year Ended December 31, 2020

#### FINANCIAL INSTRUMENTS

The College is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the College's risk exposure and concentration as of December 31, 2020.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The College is exposed to currency rate risk, interest rate risk and other price risk.

#### Currency risk

Currency risk is the risk to the College's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The College is exposed to foreign currency exchange risk on cash and investments held in U.S. dollars. The College does not use derivative instruments to reduce its exposure to foreign currency risk.

#### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the College manages exposure through its normal operating and financing activities. The College is exposed to interest rate risk primarily through its fixed income securities.

#### Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The College is exposed to other price risk through its investment in quoted shares.

#### 4. CAPITAL ASSETS

	Accumulated Net b		2020 Net book value	2019 Net book value		
Computer equipment	\$ 335,705	\$	277,476	\$	58,229	\$ 66,831
Computer software	188,530		155,007		33,523	29,704
Membership database	652,356		198,894		453,462	454,601
Furniture and equipment	592,377		385,376		207,001	149,465
Leasehold improvements	1,327,672		504,392		823,280	 694,504
	\$ 3,096,640	\$	1,521,145	\$	1,575,495	\$ 1,395,105

## THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR Notes to Financial Statements Year Ended December 31, 2020

#### LONG TERM INVESTMENTS

	2020				20	019	
		Fair value		Cost	Fair value		Cost
Fixed income, at annual rates from 1.9% to 3.27% (2019 - 1.9% to 3.7%)	\$	623,982	\$	593,312	\$ 521,106	\$	521,986
Equities - shares in publicly traded companies		575,124		478,840	588,539		489,723
	\$	1,199,106	\$	1,072,152	\$ 1,109,645	\$	1,011,709

#### DEFERRED LEASE INCENTIVES

	Tenant ucements	Red	duced Rent	2020	2019
Balance, beginning of the year Less: Amortization	\$ 41,726 (5,960)	\$	14,409 (2,058)	\$ 56,135 (8,018)	\$ 64,153 (8,018)
Balance, end of year	\$ 35,766	\$	12,351	\$ 48,117	\$ 56,135

#### 7. INTERNALLY RESTRICTED NET ASSETS

The internally restricted funds of the College consist of the Adjudication Tribunal Hearings Fund, established to address unforeseen increases in disciplinary hearings and associated costs; the Operational Contingency Fund, established for unforeseen business continuity as well as efforts stemming from the strategic planning process; the College Infrastructure Fund, established to address any unforeseen costs at the current location and for planning of any future expansion; and the Quality Assurance and Quality Improvement Fund, established to develop programs for quality assurance and quality improvement initiatives. During 2020, the College transferred funds from Unrestricted Net Assets to each of the funds as follows: the Adjudication Tribunal Hearings Fund - \$Nil (2019 - \$100,000); the Operational Contingency Fund - \$100,000 (2019 - \$100,000); the College Infrastructure Fund - \$Nil (2019 - \$100,000). Additions to these funds are determined annually by Council and are dependent on the activity of the College at that time.

### THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements Year Ended December 31, 2020

#### 8. JOINTLY FUNDED PROJECTS

During 2020, the College participated in two jointly funded projects as follows:

#### Physicians Prescribing Skills Course

A jointly funded project between Government of Newfoundland and Labrador (Department of Health and Community Services) and Memorial University of Newfoundland and Labrador (Office of Professional Development – Faculty of Medicine) and the College. The objective of all parties was to develop and maintain an on-line Safe Prescribing Course for physicians and other health professionals who have the authority to prescribe controlled drugs and substances and who have applied or are licensed to practice in Newfoundland and Labrador. Course fees from registrants received during the year amounted to \$33,075.

#### Foreign Recognition Qualification

During the year, the College recognized revenues of \$Nil (2019 - \$9,475) related to jointly funded projects with the Department of Advanced Education, Skills and Labour. The funds were not used in 2020 towards costs of a conference due to COVID-19 restrictions, and are included in deferred revenue to be used in a future year. This was agreed upon with the Department of Advanced Education, Skills and Labour.

#### 9. INVESTMENT INCOME (LOSS)

	2020	2019
Interest from fixed income securities	\$ 12,981	\$ 15,029
Dividends and other distributions	23,246	19,807
Realized loss on disposal of investments	(10,094)	(7,314)
Foreign exchange loss	(1,193)	(846)
Unrealized appreciation in fair value of investments	 29,019	82,415
*	\$ 53,959	\$ 109,091

#### 10. GOVERNMENT ASSISTANCE

During the year, the company claimed \$20,895 as part of the Canada Emergency Wage Subsidy (CEWS) program and \$5,149 as part of the Canada Emergency Rent Program (CERS). These amounts have been recognized as other income in the financial statements.

#### 11. LEASE COMMITMENTS

The College has a long term lease with respect to its premises which expires December 31, 2026. Future minimum lease payments, including an estimate of the proportionate share of property taxes for each of the next five years, are as follows:

2021	\$ 242,214
2022	256,877
2023	256,877
2024	266,652
2025	266,652
2026	276,427

## THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR Expenditures (Schedule 1)

Year Ended December 31, 2020

		2020		2019
Salaries and employee benefits	\$	1,902,387	\$	1,920,548
Amortization	*	268,599	•	186,710
Consultant fees		248,726		115,870
Rent		242,915		256,775
Complaints and discipline		154,627		166,428
Computer maintenance		151,456		196,805
Office		136,619		151,189
Council meetings		82,920		113,447
Quality assurance		57,549		108,173
Insurance		42,959		42,284
Registrar search		29,150		-
Professional fees		27,936		24,091
Federation assessment		23,890		23,422
Travel		3,614		83,252
Training		1,839		17,890
Peer assessment		•		86,350
Foreign recognition qualification (Note 8)		×		9,475
Lecture sponsorship		-		238
	\$	3,375,186	\$	3,502,947