

ANNUAL REPORT



CORE VALUES DEFINED

Accountability

Integrity

Respect

Collaboration

Transparency



2019

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MESSAGE FROM THE CHAIR AND REGISTRAR

This past year has been one of transition for the Newfoundland and Labrador Pharmacy Board (NLPB). We have been busy building a strategic plan for the future—specifically during 2020-2022—one that strengthens the regulator’s vision, position, and values, and prepares as well as adapts NLPB for present time.

NLPB has been the pharmacy practice regulator in our province for over 100 years. During which time practice has continued to evolve and advance in terms of patient safety and quality care.

In 2019, we decided to define our core values so that the public and our registrants can gain more insight into what we are trying to achieve and how we go about doing so. These five values—**accountability, collaboration, integrity, respect and transparency**—are now clearly defined and all of our activities and decisions are based on them. These values are fully integrated into everything that we do. See page 5 to see our core values defined.

The importance of a healthcare regulator has never been clearer than under the current COVID-19 pandemic. As a healthcare regulatory body, we ensure the public receives the safe and quality pharmacy care they are entitled to. We have done this over the years through strategic activities in our four main portfolios, professional practice, quality assurance, complaints and discipline and registration and licensing.

All of our actions are carefully made in accordance with our mandate to protect the public interest within Newfoundland and Labrador (NL).

It is with pleasure that we present the 2019 Annual Report for NLPB. We had an eventful year that was different from others given our office relocation from Apothecary Hall to 145 Kelsey Drive in St. John’s, NL. The office relocation came after many years of growing as an organization within Apothecary Hall. It finally came time that we outgrew the space on Water Street and it was with mixed emotions that we relocated to a different office space.

That being said, 145 Kelsey Drive has allowed our team the room and proper resources to achieve an even higher level of productivity.

As mentioned above, 2019 was a year of transition. Our Board welcomed two new members—Jennifer Godsell and Jason Ryan, a new Board Chair who is a government appointed public representative, and it was decided that our executive team members will serve two consecutive terms instead of one going forward.

A large part of our year was focused on an in-depth analysis of the Henry Cayton report (released in April 2019); the report was on the operation of the College of Dental Surgeons of British Columbia (CDSBC) titled “An inquiry into the performance of the CDSBC and the Health Professions Act.”

NLPB saw the report as an opportunity for self-evaluation and reflection as a professional regulatory body in Canada and began executing an internal quality assurance self-assessment as a healthcare regulator. Considering the recommendations in the report and having assessed NLPB against the established standards of good regulation, NLPB fared well and has a solid foundation of regulatory operation. However, there is always room for improvement! A working list of action items was drafted to assist NLPB with implementing and maintaining some of the key learnings.

One of the items that was implemented in 2019 was new by-law additions that affect nomination procedures for Board elections—making them more fair—and new data collection requirements regarding pharmacy owners within NL.

Last year, we also concluded our strategic plan for 2017-2019. Throughout the three years we achieved numerous milestones such as solidifying a communications portfolio within NLPB. A communications plan was developed and implemented and will now continue to be integrated into all the organizations work.

In our quality assurance (QA) portfolio, additional support for the QA program was explored and (continued on page 4)

MESSAGE FROM THE CHAIR AND REGISTRAR

ultimately hired to help expand and evolve both the community and hospital pharmacy assessment programs. We are happy to report that our hospital pharmacy assessment program was implemented and is well on its way in terms of development. Part of implementation involved meeting with all Regional Health Authorities executive teams to present the plan of what assessments will look like. The presentations were engaging and positive experiences that provided valuable feedback and fostered relationships with our hospital registrants.

Professional practice saw some growth in terms of supporting integration of pharmacy technicians into practice and providing a clear breakdown of the activities our newest registrants can utilize in the pharmacy in order to most efficiently assist their team. This is an area that will continue to see development in the coming years.

As for our registration and licensing and complaints and discipline portfolios, we saw a busy year as usual and you will see further in our report the most up to date statistics for each.

In 2019, we made great strides in transforming NLPB to be better able to support the growing pharmacy practice within the province. We are looking forward to our future strategic plans and are confident that our organization is on the right path for success thanks to the collective efforts of our hardworking staff and board members.

Sincerely,



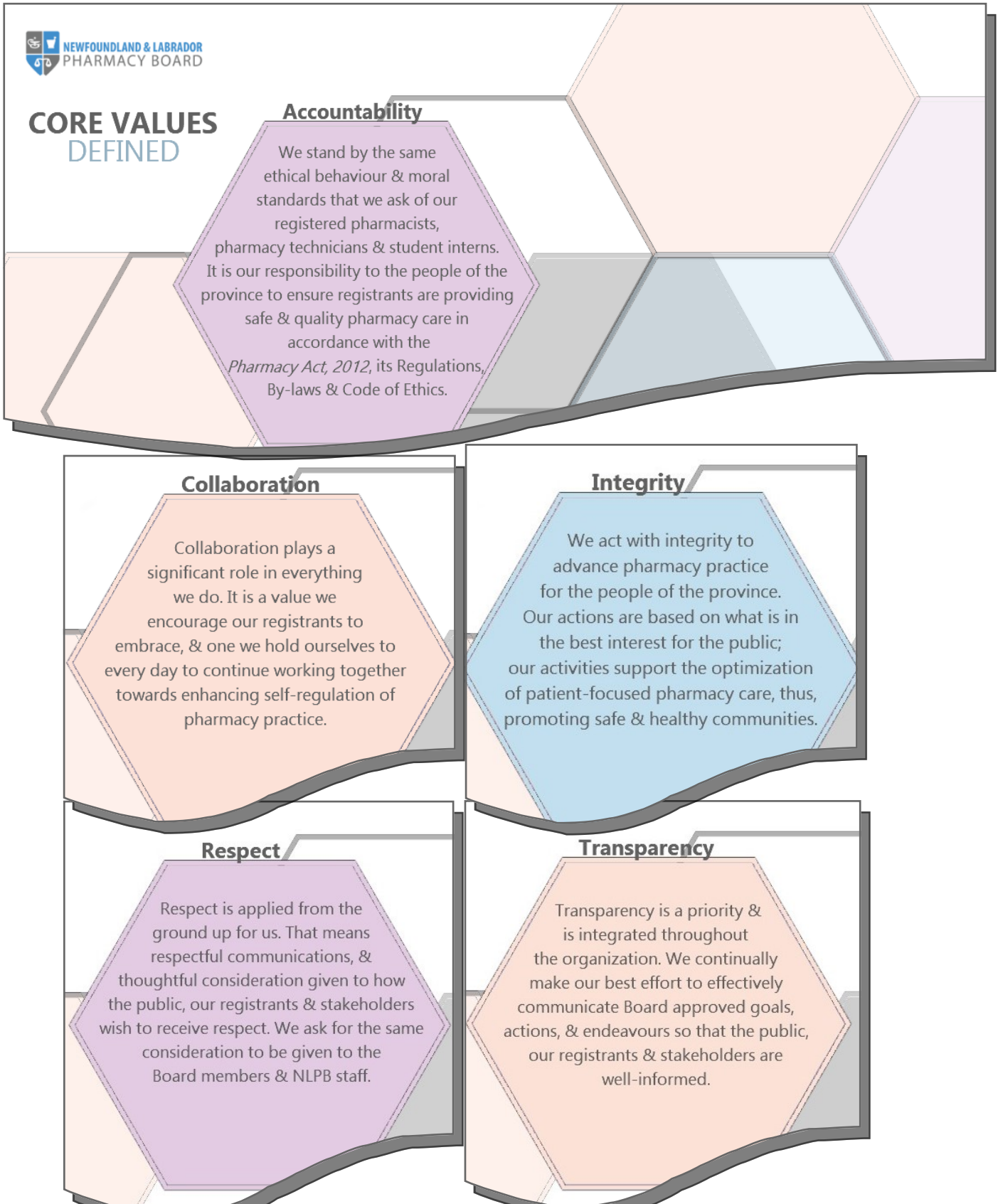
Gerri Thompson, Chair



Margot Priddle, Registrar

OUR CORE VALUES—DEFINED

All of NLPB's activities & decisions are based on the five core values of:
accountability, collaboration, integrity, respect & transparency.



VISION STATEMENT

Advancing pharmacy care for a safe and healthy community

MISSION STATEMENT

The Newfoundland and Labrador Pharmacy Board (NLPB) protects the people of the province by governing the profession of pharmacy to ensure quality and ethical care.

BUSINESS PORTFOLIOS

REGISTRATION AND LICENSING

- *Registers pharmacists, pharmacy technicians, students and interns, and licenses pharmacies*

QUALITY ASSURANCE

- *Establishes and maintains a quality assurance program to promote high standards for the practice of pharmacy*

PROFESSIONAL PRACTICE

- *Develops standards, guidelines and policies for the practice of pharmacy*

COMPLAINTS AND DISCIPLINE

- *Responds to and manages complaints and discipline relating to the practice of pharmacy*

NLPB BOARD MEMBERS



ELECTED MEMBERS	Zone 1	Keith Bailey, Shopper's Drug Mart, CBS
	Zone 2	Jason Ryan, Bonavista Pharmacy, Bonavista
	Zone 3	Jennifer Godsell, Kittiwake Pharmachoice, Brookfield
	Zone 4	Henry White, Walmart Pharmacy, Stephenville
	Zone 5 (Hospital)	Brittany Churchill, Waterford Hospital, St. John's
	Zone 6 (Technician)	Colleen Squires, Shopper's Drug Mart, Gander
	Zone 7 (at large)	Chad Parsons, Shoppers Drug Mart, Goulds Taggart Norris, Lawtons Drugs, Paradise
PUBLIC REPRESENTATIVES	Board-Appointed	Mark Sheppard Shirlene Murphy
	Government-Appointed	Ruby Chaytor Gerri Thompson
DEAN, MEMORIAL UNIVERSITY, SCHOOL OF PHARMACY		Shawn Bugden

MEET OUR NEWEST BOARD MEMBERS



Jason Ryan

Jason Ryan graduated from Memorial University School of Pharmacy in 1998 and began working at Bonavista PharmaChoice where he is still practicing today.

Jason serves on the NLPB Professional Development Audit Committee, and he has worked on a task force for the development of NLPB Standards for Provision of Pharmacy Services to Personal Care Homes. With extensive experience in Long Term Care pharmacy services, Jason has most recently helped with the development of Standards for Provision of Pharmacy Services to Long Term Care Facilities.

Over the past 21 years, Jason has seen many changes in the profession of pharmacy. Being a pharmacist in a rural setting with frequent physician turnover, Jason can attest to the importance of a pharmacist being a “constant” within the community, always dependable and easily accessible. He has embraced the pharmacist’s expanded scope of practice, providing injections, prescribing for minor ailments, performing medication reviews, and now deprescribing.

Jason hopes his new role as Board member will allow him to further help shape the developing role of the pharmacist in Newfoundland and Labrador.



Jennifer Godsell

Jennifer (Jenni) Godsell is a community pharmacist living in central NL, with her husband, Michael, and 15-month old son, William. She graduated from Memorial University School of Pharmacy in 2011, receiving the Dean’s Award of Academic Excellence, being named to the Dean’s list each year of the program.

After graduation, Jenni returned to New Brunswick, where she had previously completed a degree in Biology at Mount Allison University, to work at an independent pharmacy. She moved back to Newfoundland and Labrador in 2015, taking a position at Loblaws Pharmacy in Grand Falls-Windsor and, subsequently, this year opening a pharmacy in New-Wes-Valley with her husband, who is also a pharmacist.

In addition to being an active and engaged prescriber, injector and past preceptor, Jenni is both a Certified Diabetes Educator and Certified Geriatric Pharmacist. She is also completing her PharmD through the University of Colorado and is involved in the development of the diabetes module for the new MUN PharmD program.

NLPB COMMITTEES

COMPLAINTS AUTHORIZATION COMMITTEE

Responsible for considering allegations regarding professional practice referred to it by the Registrar.

Current Board Members

DISCIPLINARY PANEL

Responsible for considering complaints referred to it by the Complaints Authorization Committee.

Sheldon Baines	Heather Seeley
Mike Batt	Ron Sheppard (Public)
Barry Downey	Debi Snow
Walter Fleming	Wanda Spurrell
Jeff Fost	Deep Upadhyay
Kristina Myers	Sarah Way
Denise O'Brien	Robert Williams (Public)
Sandi Osmond	Yvonne Young (Public)

EXECUTIVE COMMITTEE

Considers and takes action on all matters delegated to it by the Board and all matters requiring attention between Board meetings.

Gerri Thompson (Chair)
Taggart Norris (Vice-Chair)
Brittany Churchill (Executive Member)
Colleen Squires (Past Chair)

EXPANDED PRACTICE ADVISORY COMMITTEE

Develops, reviews, and recommends standards for expanding pharmacy practice. This committee helps the Board meet its goal of protecting the public, and assists in optimizing the use of pharmacy professionals skills.

Sheldon Baines
Ricard Coombs
Debbie Kelly
Pamela King-Jesso (ARNNL)
H. Russell Lake (CPSNL)
Greg Batt
Chad Parsons
Heather Ryan
Gerri Thompson

FINANCE & AUDIT COMMITTEE

Responsible to advise the Board on all matters pertaining to finances.

Shirlene Murphy
Taggart Norris
Chad Parsons
Colleen Squires
Gerri Thompson

JOINT COMMITTEE ON STRUCTURED PRACTICE EXPERIENCE

Makes recommendations to the NLPB and the Council of the School of Pharmacy on all matters pertaining to the structured practice experience program.

Pamela Carter
Ray Gulliver
Evelena Verge

PROFESSIONAL DEVELOPMENT REVIEW COMMITTEE

Responsible for developing, reviewing and making recommendations regarding the current continuing education and professional development program for pharmacists and pharmacy technicians

Lois Battcock	Derek Long
Shawn Bugden	Jody Pomeroy
Amy Clarke	Stefan Rideout
Scott Dawe	Jason Ryan
Renee Harris	Colleen Squires
John Hawboldt	Jillian Thorne
Debbie Kelly	Deep Upadhyay

QUALITY ASSURANCE COMMITTEE

Investigates concerns related to quality assurance issues in pharmacy practice that have been referred by the Registrar, the Complaints Authorization Committee, or one that the committee itself has recognized.

Susan Gladney-Martin
Helen McNally
Karen Mercer
Kelda Newport
Linda Power
Andrew Sweetapple

REGISTRATION AND LICENSING

	2018	2019
Community Pharmacists	566	573
Hospital Pharmacists	127	122
Administration Pharmacists	33	39
Total Practicing Pharmacists	726	734
Total Pharmacy Technicians	174	198
Community Pharmacies:	196	201
Hospital Pharmacies:	17	17
Total Licensed Pharmacies	213	218

NEW PHARMACY OPENINGS

Kenmount Pharmacy, St. John's
 Kitiwake Pharmacy, Badger's Quay
 Shea's Pharmacy, Stephenville Crossing
 Shoppers Drug Mart, Paradise

PHARMACY CLOSURES

There were no pharmacy closures in 2019

REGISTRANTS, OR FORMER REGISTRANTS, DECEASED

James (Jim) Aylward, Reg # 54-106, March 30, 2019
 Madonna (Rose) Yetman, Reg # 77-355, July 5, 2019
 Vicki Parsons, Reg #04-997, November 17, 2019

QUALITY ASSURANCE PROGRAM—OVERVIEW

Our **Quality Assurance (QA) framework** guides the program’s development and ongoing activities. The program is multi-dimensional and supports registrants in meeting the standards for safe and quality pharmacy practice.

Quality Assurance Continuum



Registrant-based QA activities

- Oversight of professional development requirements for pharmacists and pharmacy technicians (including the annual professional development audit)
- Audits of self-declarations that are required for registration renewal, based on legislation and applicable standards of practice

Practice-site Based QA Activities

- Community pharmacy assessments
- Hospital pharmacy assessments

Support Tools

- Self-assessments
- Documentation templates
- Orientation programs

Legislative/Regulatory Support

- Legislation, standards, and guidelines that support safe and quality pharmacy practice

QUALITY ASSURANCE PROGRAM

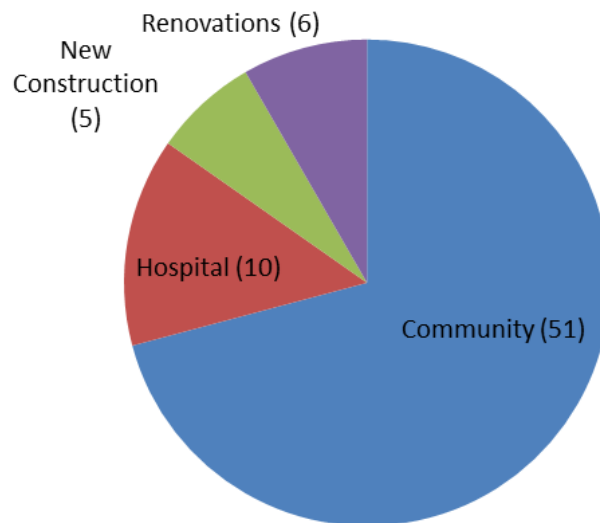
NLPB conducts various types of practice site assessments to support registrants in meeting operational and practice standards- including pre-opening assessments for newly constructed pharmacies, renovation assessments, and routine practice site assessments.

The practice site assessment process involves direct communication with a pharmacist-in-charge (PIC) regarding the regulatory standards applicable to their site. The PIC first completes a self-assessment and then NLPB site assessors complete an onsite assessment.

During routine practice site assessments, assessors also review documentation processes for dispensing medication and providing patient care. The goal of these assessments is to help the PIC identify standards that are not being met and to share information about best practices to promote quality improvement.

In 2019, we conducted **a total of 72 assessments**

Practice Site Assessments



COMMUNITY PHARMACY PRACTICE SITE ASSESSMENT PROGRAM

Approximately 90% of community pharmacy practice sites have been assessed under the new practice site assessment program.

Key areas of focus for community pharmacy assessments:

- Assisting pharmacists-in-charge with their understanding of regulatory duties
- Safety and security of the pharmacy- including measures to protect medications, personal health information, and pharmacy personnel
- Documentation processes for dispensing activities, clinical services, and patient counselling
- Implementation of non-sterile compounding standards
- Accessibility of opioid agonist maintenance treatment

QUALITY ASSURANCE PROGRAM

HOSPITAL PHARMACY PRACTICE SITE ASSESSMENT PROGRAM

The first phase our hospital pharmacy practice site assessment program involves a baseline assessment of each hospital pharmacy in the province. We had three main key goals for the baseline assessments:

- For pharmacy professionals practicing in hospital to gain an understanding of the QA program
- To build relationships with hospital pharmacy personnel and management
- To develop an overall understanding of the current hospital pharmacy practice environment

NLPB initially launched a pilot of the hospital pharmacy practice site assessment program in fall 2017. In last year's annual report, we reported that we were working on improvements to the hospital practice site assessment process based on evaluation and feedback from those involved in the initial pilot assessments and other key stakeholders. In summer 2019, we welcomed a practice site assessor with extensive hospital pharmacy experience to our QA team. We are happy to report that in fall 2019, we re-launched the hospital practice site assessment program to complete the remaining baseline assessments of hospital pharmacies. By the end of the year, almost all hospital pharmacies (15/16) had participated in a baseline practice site assessment.

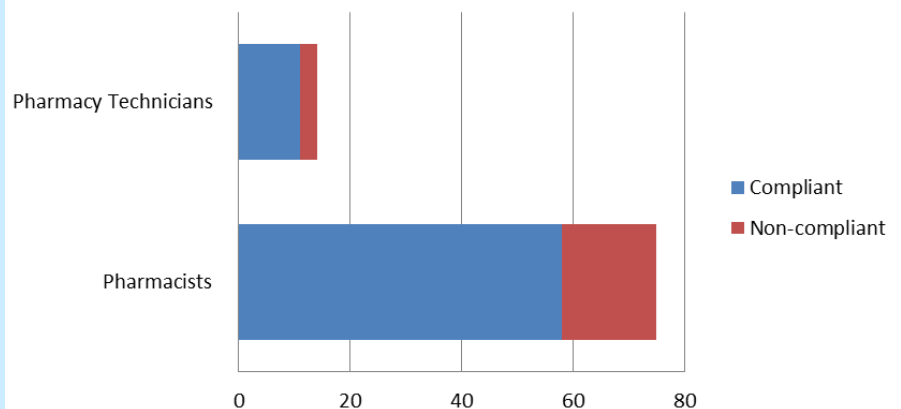
PROFESSIONAL DEVELOPMENT AUDITS

We are accountable to the people of the province to ensure our registrants are meeting all requirements outlined in the *Pharmacy Act, 2012*. In accordance with Section 52 of the Act, we are responsible for ensuring pharmacists and pharmacy technicians:

- Complete a minimum of 15 continuing education units per calendar year of which at least half shall be from accredited programs;
- Submit a professional development log containing information required by the board; and
- Maintain a learning portfolio that contains the information required by the board.

Each year, 10% of registrants are randomly selected to have their previous year's learning portfolios audited by the Professional Development (PD) Review Committee. Registrants may also be re-audited based on results from the previous year, or be identified for audit through other QA processes.

2019 PD Audit Results



Reasons for non-compliance:

- *Incorrect credit assignment for non-accredited learning activities*
- *Missing supporting documentation*
- *Incomplete documentation in the learning portfolio (learning objectives, take-home messages and relevance to practice)*

All registrants who are deemed to be non-compliant with professional development requirements are required to correct deficiencies.

QUALITY ASSURANCE PROGRAM

SELF-DECLARATION AUDITS

Each year during registration renewal, registrants are asked to respond to a number of self-declared statements to affirm their compliance with registration requirements. In accordance with NLPB's mandate to provide assurance to public that pharmacy practitioners are upholding their ethical and legal obligations for registration, NLPB began auditing self-declarations in 2015. Self-declaration audits may include: liability insurance audit, practice hours audit, and First Aid/CPR audit.

NLPB conducts professional liability insurance audits yearly due to the public risk that exists if registrants are practicing without the required insurance.

2019 PROFESSIONAL LIABILITY INSURANCE AUDIT

- **158** registrants (10%) were audited for liability insurance coverage (including students, interns, pharmacists, and pharmacy technicians).
- **72** registrants were deemed non-compliant with NLPB's professional liability insurance requirements:
 - * **55** registrants did not have proper documentation on file, but had the required insurance coverage.
 - * **5** registrants had gaps in coverage due to failure to renew or employment changes.
 - * **12** registrants did not meet the specifications of NLPB's policy for minimum coverage.
- **16** registrants were referred for disciplinary action.

Practice Hours and First Aid/CPR audits are conducted on a rotating basis and were not conducted in 2019.

QUALITY ASSURANCE COMMITTEE

The Quality Assurance Committee was not called upon to assess individual pharmacist or pharmacy technician practice in 2019. Therefore, NLPB has nothing to report under Section 9(2) of the *Pharmacy Act, 2012*, which requires reporting the frequency and circumstances of access to patient records without patient consent under Section 54 of the Act.

COMPLAINTS AND DISCIPLINE

NLPB's complaints and discipline portfolio is where we address circumstances in which it is alleged that a registrant has engaged in conduct deserving of sanction. Conduct deserving of sanction may occur when a registrant violates any legislation, bylaws, standards, or ethical provisions that they are required to comply with.

An allegation that a registrant has engaged in conduct deserving of sanction can come from a member of the public, another registrant or healthcare professional, or from the Registrar. Registrants have a duty to report knowledge they have concerning potential conduct deserving of sanction on the part of another registrant.

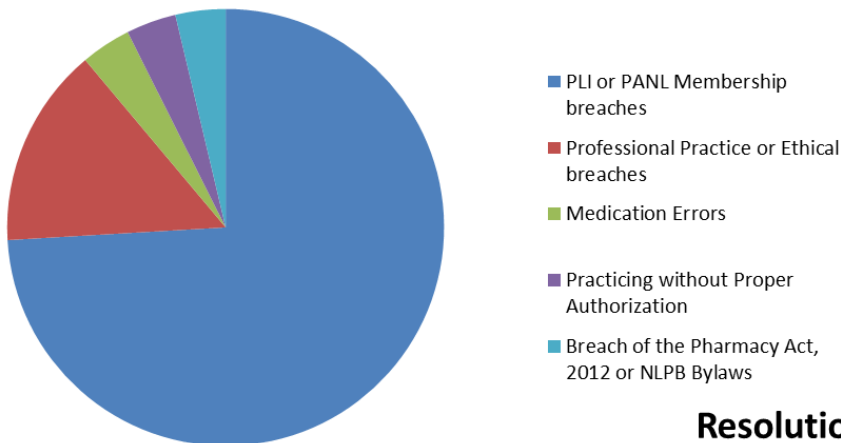
Once an allegation against a registrant is received, NLPB reviews the matter and begins working through the complaints and discipline process. An allegation may be resolved by the Registrar through alternative dispute resolution (ADR) or may be

referred to the Complaints Authorization Committee (CAC) for review. If the CAC does not resolve the matter, it is referred to an Adjudication Tribunal for a hearing.

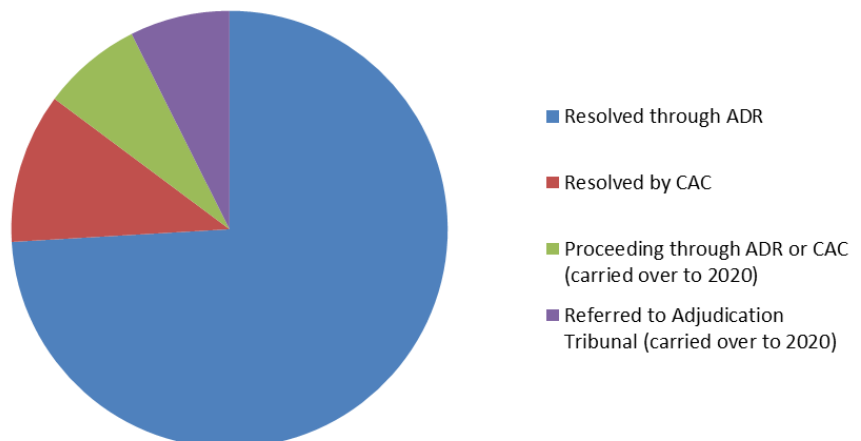
There were **43** calls received by NLPB pertaining to potential allegations in 2019. In addition, **27** allegations were filed and processed. **20** of these allegations were filed by the Registrar after the annual professional liability insurance (PLI) audit and in relation to lapses in membership with the Pharmacists' Association of NL (PANL). Of the remaining **7** allegations, **2** were filed by the Registrar, **3** were filed by other registrants or health care professionals, and **2** were filed by members of the public.

Of the **27** allegations processed in 2019, **20** were resolved by the Registrar through ADR processes. **3** were resolved by the CAC, and **4** were still outstanding at the close of the year.

Issues Raised in 2019 Allegations



Resolution of 2019 Allegations



MINUTES OF 2019 ANNUAL GENERAL MEETING

1.0 Call to Order and Adoption of Agenda

The 109th Annual General Meeting (AGM) was called to order at 2:00 p.m. on May 3, 2019 Vice Chair, Gerri Thompson, asked all registrants present to sign the attendance sheet. Since this meeting is open to the public, non-registrants in attendance were asked to stand and identify themselves. There were no non-registrants in attendance.

NLPB Registrants in attendance:

Keith Bailey	Jennifer Godsell	Margot Priddle
Shawn Bugden	Ray Gulliver	Jason Ryan
Brittany Churchill	Melanie Healey	Heather Seeley
Stephen Coombs	Taggart Norris	Shawn Vallis
Rick Elliott	Chad Parsons	Henry White
Stephen Gillingham	Noelle Patten	Andrea Woodland

MOVED by Ray Gulliver, seconded by Shawn Vallis to adopt the agenda as presented. **CARRIED**

2.0 Introduction of Board Members

Gerri Thompson introduced the Board Members and staff present.

Board Members:

Keith Bailey, Zone 1
Shawn Bugden, Dean, MUN School of Pharmacy
Ruby Chaytor, Public Representative
Brittany Churchill, Zone 5
Ray Gulliver, Zone 2
Shirlene Murphy, Public Representative
Taggart Norris, Zone 7
Chad Parsons, Zone 7
Gerri Thompson, Public Representative
Shawn Vallis, Zone 3
Henry White, Zone 4

Staff Members:

Meghan Handrigan, Office Administrator
Melanie Healey, Associate Registrar, Professional Practice
Gayle Johnson, Complaints & Quality Assurance Coordinator
Amanda Martin, Communications Specialist
Aileen O'Keefe, Registration & Licensing Administrator
Noelle Patten, Associate Registrar, Quality Assurance
Natalie Payne, Legal Counsel
Margot Priddle, Registrar

Regrets:

Mark Sheppard, Public Representative
Colleen Squires, Zone 6

3.0 Minute of Silence in Memoriam

A minute of silence was observed in memory of Board registrants (past and present) who have passed away since the last AGM. In particular:

James (Jim) Aylward (54-106), March 30, 2019.

4.0 Highlights of 2018 Annual Report

Ms. Thompson asked Registrar Margot Priddle to present the 2018 Annual Report.

The Annual Report for 2018 was approved by the Board at the May 3, 2019 meeting. Copies of the Board's Annual Report for 2018 were provided in the symposium package and are available on the NLPB website.

The report presents information to reflect the Board's fiscal year of January 1 to December 31.

Ms. Priddle took a few moments to highlight particular areas of the report related to Registration and Licencing, Quality Assurance and Complaints and Discipline.

5.0 Questions on Annual Report

Rick Elliott (76-314) addressed the Board saying that the response he received regarding the raise in annual fees was not transparent. He pointed out there was a large surplus obtained by the Board from 2017 to 2018 and feels the large fee increase is not justified.

6.0 Announcement of Results of Election of Board Members

Ms. Priddle, as returning officer, announced the results of the 2018 election. They are as follows:

Results Zone 2:

Jason Ryan Elected by acclamation

Results Zone 3:

Jennifer Godsell Elected

The registrar congratulated Jason and Jennifer who were in attendance and welcomed them to the Board.

7.0 New Business

There was no new business at this time.

8.0 Appointment of Auditor

The *Pharmacy Act, 2012* requires that an auditor be appointed at the Annual Meeting each year to audit the accounts of the Board.

MOVED by Ray Gulliver, seconded by Taggart Norris that Harris Ryan Accountants be appointed as Board auditors for the year ending December 31, 2019. **CARRIED**

9.0 Inauguration of 2019-21 Board Chair

As the current Chair, Colleen Squires was not present, Past Chair, Taggart Norris delivered the inauguration of in-coming Chair, Gerri Thompson.

10.0 Adjournment

The meeting was adjourned at 2:40 pm by Ray Gulliver.

**AUDITED FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2019**



INDEPENDENT AUDITOR'S REPORT

To the Directors of Newfoundland and Labrador Pharmacy Board

Opinion

We have audited the financial statements of Newfoundland and Labrador Pharmacy Board (the Board), which comprise the statement of financial position as at December 31, 2019, and the statements of changes in net assets, revenues and expenditures 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 Board as at December 31, 2019, 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 Board 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 error.

In preparing the financial statements, management is responsible for assessing the Board'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 Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board'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.

(continues)

Harris Ryan Professional Corporation
Suite 202 120 Stavanger Drive, St. John's, NL Canada A1A 5E8
Phone: (709) 726-8324 Fax: (709) 726-4525

Independent Auditor's Report to the Directors of Newfoundland and Labrador Pharmacy Board
(continued)

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:

- 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 Board'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 Board'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 Board 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.



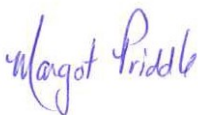
St. John's, Newfoundland and Labrador
May 27, 2020

CHARTERED PROFESSIONAL ACCOUNTANTS

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD
Statement of Financial Position
December 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 1,920,619	\$ 1,786,872
Guaranteed investment certificates	361,367	253,437
Accounts receivable	28,375	14,555
Prepaid expenses	10,549	7,411
Due from Apothecary Hall Trust (Note 8)	-	7,667
	2,320,910	2,069,942
CAPITAL ASSETS (Note 3)	267,989	204,849
GUARANTEED INVESTMENT CERTIFICATES	154,337	258,712
	\$ 2,743,236	\$ 2,533,503
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable (Note 4)	\$ 62,691	\$ 69,196
Harmonized sales tax payable	163,280	168,685
Employee deductions payable	14,906	10,897
Fees and licenses collected in advance (Note 5)	1,165,048	1,161,999
Vacation payable	26,137	(103)
Severance pay liability	36,615	31,578
	1,468,677	1,442,252
NET ASSETS		
Invested in capital assets	267,988	204,849
Internally restricted discipline legal (Note 7)	353,436	253,436
Unrestricted	653,135	632,967
	1,274,559	1,091,252
	\$ 2,743,236	\$ 2,533,504

ON BEHALF OF THE BOARD





NEWFOUNDLAND AND LABRADOR PHARMACY BOARD

Statement of Changes in Net Assets

Year Ended December 31, 2019

	Invested in Capital Assets	Internally restricted Discipline legal	Unrestricted	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 204,849	\$ 253,436	\$ 632,967	\$ 1,091,252	\$ 1,008,939
EXCESS OF REVENUES OVER EXPENSES	(22,327)	-	205,634	183,307	82,313
CAPITAL ASSETS PURCHASED	85,466	-	(85,466)	-	-
TRANSFER TO DISCIPLINE LEGAL	-	100,000	(100,000)	-	-
NET ASSETS - END OF YEAR	\$ 267,988	\$ 353,436	\$ 653,135	\$ 1,274,559	\$ 1,091,252

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD
Statement of Revenues and Expenditures
Year Ended December 31, 2019

	2019	2018
REVENUES		
Pharmacist licenses	\$ 714,072	\$ 577,369
Business licenses	393,378	275,283
Pharmacy technicians licenses	131,808	82,698
Other	49,428	47,553
Student registration	21,352	23,498
Discipline recoveries	16,531	5,000
Prescribing for minor ailments	6,747	5,075
Grant revenue	5,930	4,031
Administering injections	4,049	4,263
	1,343,295	1,024,770
OTHER REVENUES		
Interest	24,231	17,928
EXPENSES		
Schedule of expenditures (<i>Schedule 1</i>)	372,653	273,460
Schedule of building expenditures (<i>Schedule 2</i>)	56,326	55,562
	428,979	329,022
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	938,547	713,676
ADMINISTRATIVE EXPENSES		
Salary replacement costs	4,585	2,398
Salaries and benefits	671,797	574,077
Travel expenses	63,810	42,278
Board honorarium	2,000	1,500
Miscellaneous	13,048	11,110
	755,240	631,363
EXCESS OF REVENUES OVER EXPENSES	\$ 183,307	\$ 82,313

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD

Statement of Cash Flows

Year Ended December 31, 2019

	2019	2018
OPERATING ACTIVITIES		
excess of revenues over expenses	\$ 183,307	\$ 82,313
Item not affecting cash:		
Amortization of capital assets	22,328	15,739
	205,635	98,052
Changes in non-cash working capital:		
Accounts receivable	(13,820)	(7,331)
Accounts payable	(6,505)	(23,400)
Fees and licenses collected in advance	3,049	288,269
Prepaid expenses	(3,138)	(673)
Harmonized sales tax payable	(5,405)	40,032
Employee deductions payable	4,009	(92)
Vacation payable	26,240	103
Severance pay liability	5,037	31,578
	9,467	328,486
Cash flow from operating activities	215,102	426,538
INVESTING ACTIVITIES		
Purchase of capital assets	(85,467)	(2,000)
Purchase of short term investments	(3,555)	(56,389)
Cash flow used by investing activities	(89,022)	(58,389)
FINANCING ACTIVITY		
Advances from (to) related parties	7,667	(7,667)
INCREASE IN CASH FLOW	133,747	360,482
Cash - beginning of year	1,786,872	1,426,390
CASH - END OF YEAR	\$ 1,920,619	\$ 1,786,872
CASH CONSISTS OF:		
Petty Cash	\$ 100	\$ 100
Royal Bank of Canada - operating	57,084	32,102
Royal Bank of Canada - Savings	1,863,435	1,754,670
	\$ 1,920,619	\$ 1,786,872

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD

Notes to Financial Statements

Year Ended December 31, 2019

1. PURPOSE OF THE BOARD

The Newfoundland and Labrador Pharmacy Board (the "board") is the statutory governing and self-regulatory body for the pharmacy profession in Newfoundland and Labrador. It supports and protects the health and well-being of the public and promotes excellence in the practice of pharmacy by setting and enforcing high standards of practice, competency and ethical conduct. The board is a not-for-profit organization and as such, is not subject to either federal or provincial income taxes.

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 (ASNFPO).

Capital assets

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

Land	non-depreciable
Buildings	4% declining balance method
Telephone equipment	20% declining balance method
Computer equipment	30% declining balance method
Furniture and fixtures	20% declining balance method

The board regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Long term investments

Long term investments consist of non-redeemable guaranteed investment certificates which are recorded at their fair value.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at amortized cost, and tested for impairment at each reporting date.

Financial assets measured at amortized cost include cash, guaranteed investment certificates and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

(continues)

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD

Notes to Financial Statements

Year Ended December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Fees and licenses are due in advance at November 30th of each year for the following calendar year. Fees and licenses are recognized as revenue in the year to which they apply. Student and intern registration fees as well as revenue associated with initial registration, examinations, administering injections, prescribing for minor ailments, late fees, letters of good standing and accreditation fees are recognized when received. Interest revenue is recognized as earned. Cost recoveries resulting from Discipline Committee orders are recognized only when there is an established payment agreement in place with the member and the agreement terms are current, or if, in the opinion of the Board, there is a high probability that the cost will be recovered.

Contributed services

The board and its members benefit from contributed services in the form of volunteer time for various committees. Due to the difficulty in determining their fair value, contributed services are not recognized 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.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Land	\$ 26,000	\$ -	\$ 26,000	\$ 26,000
Buildings	484,937	342,144	142,793	148,742
Telephone equipment	8,141	6,605	1,536	1,920
Computer equipment	113,641	96,545	17,096	13,664
Furniture and fixtures	158,782	78,218	80,564	14,523
	\$ 791,501	\$ 523,512	\$ 267,989	\$ 204,849

4. ACCOUNTS PAYABLE

	2019	2018
Trade payables and accrued liabilities	\$ 56,898	\$ 56,265
Salaries, pension and severance	5,793	12,930
	\$ 62,691	\$ 69,195

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD

Notes to Financial Statements

Year Ended December 31, 2019

5. FEES AND LICENSES COLLECTED IN ADVANCE

	2019	2018
Pharmacist	\$ 675,232	\$ 678,040
Business	370,250	374,400
Pharmacy Technicians	119,566	109,558
	\$ 1,165,048	\$ 1,161,998

6. COMMITMENTS

The board has entered into an agreement for the rental of office premises which includes base rent and operating costs for a 10 year period which commenced during 2019. As well, the board has commitments under a software management fee related to its In1Touch registration software, and to Xerox in relation to the photocopier under operating lease

Contractual obligation repayment schedule:

2020	\$ 164,670
2021	171,997
2022	163,506
2023	163,506
2024	163,506
Thereafter	842,948
	<u>\$ 1,670,133</u>

7. INTERNALLY RESTRICTED FUNDS

The board had previously internally restricted net assets for the Discipline Legal Fund to be used as a contingency against any exceptional litigation fees resulting from disciplinary actions. During the year further funds were transferred to the cashable GIC's being held as internally restricted for Discipline Legal. The remaining balance of \$353,436 in this fund will be reviewed annually and maintained at a level determined by the board.

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD

Notes to Financial Statements

Year Ended December 31, 2019

8. APOTHECARY HALL TRUST

Apothecary Hall Trust is a charitable organization controlled by the Newfoundland and Labrador Pharmacy Board. Apothecary Hall Trust was created to ensure the preservation of the profession of pharmacy in the Province of Newfoundland and Labrador through the maintenance of a Heritage Drugstore located at 488 Water Street, St. John's, Newfoundland and Labrador. The trust has a collection of antiquities and museum artifacts. The trust does not account for the collection in its records. Apothecary Hall Trust held the following assets and liabilities and generated the following revenue and expenditures:

	2019	2018
Assets	\$ 11,436	\$ 10,525
Liabilities and Net Assets	11,436	10,525
Revenues	3,668	7,560
Expenses	12,308	9,729

9. FINANCIAL INSTRUMENTS

The board 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 board's risk exposure and concentration as of December 31, 2019.

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The board is exposed to this risk mainly in respect of its receipt of funds from its members and accounts payable. The board monitors its cash balances and cash flow from operations to meet its requirements.

(b) 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 board is mainly exposed to interest rate risk.

(c) 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. The board has short term investments in Guaranteed investment certificates and has no long term debt. The interest bearing investments have limited exposure to interest rate risk due to the fixed rates on these investments.

Unless otherwise noted, it is management's opinion that the board is not exposed to significant other price risks arising from these financial instruments.

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD

Schedule of expenditures

(Schedule 1)

Year Ended December 31, 2019

	2019	2018
Consulting fees	\$ 63,483	\$ 48,727
Rent and freehold expenses	40,787	-
Legal, other than discipline	33,250	28,270
Bank charges and fees	32,574	31,091
Per capita assessments	28,636	28,636
Relocation expenses	26,912	-
Audit and accounting	24,036	25,368
Office supplies	21,525	22,916
Computer programming	17,188	14,769
Museum expenses	17,217	(566)
Amortization, other	16,378	9,539
Insurance	16,258	14,714
Legal, discipline	14,379	29,346
Telephone	11,202	9,083
Dues, fees, and memberships	4,609	5,508
Postage and courier	2,186	2,703
Professional development	1,861	650
Conference	172	113
Awards	-	460
Interest and penalties	-	1,333
Complaints - Investigations	-	800
	\$ 372,653	\$ 273,460

NEWFOUNDLAND AND LABRADOR PHARMACY BOARD

Schedule of building expenditures

(Schedule 2)

Year Ended December 31, 2019

	2019	2018
Amortization	\$ 5,950	\$ 6,198
Municipal taxes	10,667	9,634
Operating expenses	39,709	39,730
	\$ 56,326	\$ 55,562



NEWFOUNDLAND & LABRADOR PHARMACY BOARD

Suite 201
145 Kelsey Drive
St. John's, NL
A1B 0L2

Phone: 709.753.5877
Toll Free: 877.453.5877
Fax: 709.753.8615
Email: inforx@nlpb.ca

NLPB.CA



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