



# ANNUAL REPORT 2018

COLLEGE OF  
PHYSICIANS & SURGEONS  
OF NEWFOUNDLAND AND LABRADOR

SPRING 2019



# MANDATE OF THE COLLEGE OF PHYSICIANS & SURGEONS OF NEWFOUNDLAND & LABRADOR

“8. (1) The college is authorized to regulate the practice of medicine and the medical profession in the public interest.

(2) The objects of the college include

(a) the promotion of

(i) high standards of practice, and

(ii) continuing competence and quality improvement through continuing medical education;

(b) the administration of a quality assurance program; and

(c) the enforcement of standards of conduct.”

As established by the *Medical Act, 2011*



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The College of Physicians and Surgeons of Newfoundland and Labrador (CPSNL)

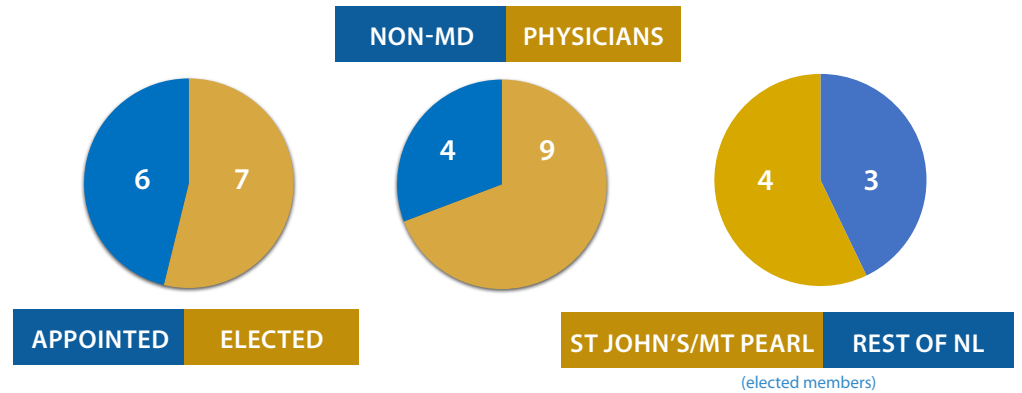
Editing, production: Sandy Newton

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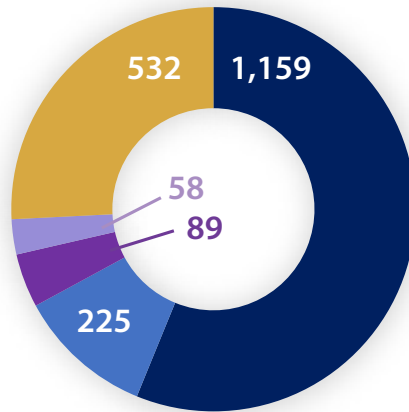
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# STANDARDS • QUALITY • PROTECTION

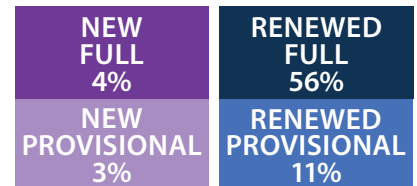
## OUR COUNCIL



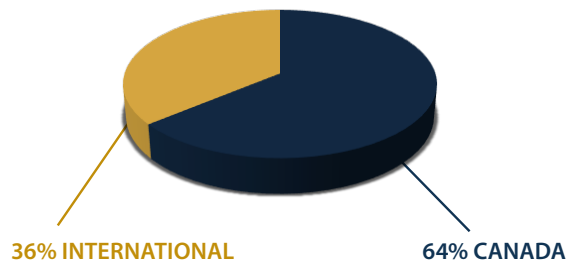
## OUR MEMBERS



LICENCES ISSUED IN 2018  
1,531 NEW & RENEWED



LOCUMS  
(26%)



LICENCES ISSUED IN 2018  
BY LOCATION OF  
MEDICAL DEGREE

\* Totals do not include licences for locums

*FOUR NEW  
STANDARDS OF PRACTICE  
AND PRACTICE GUIDELINES*

1. *Conflict of Interest*
2. *Physician Use of Social Media*
3. *Medical/ Surgical Procedures in Non-Hospital Facilities*
4. *Duty to Report a Colleague*

**62**

*MEDICAL  
PEER REVIEW  
ASSESSMENTS  
IN 2018*

**94**

*COMPLAINTS  
RECEIVED*

**18**

*RESOLVED BY  
REGISTRAR*

**12**

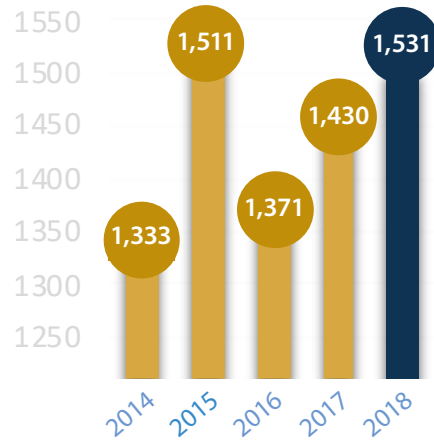
*CAC  
MEETINGS*

CAC is the Complaints Authorization Committee, a committee of the CPSNL Council

**68**

*CAC  
DECISIONS*

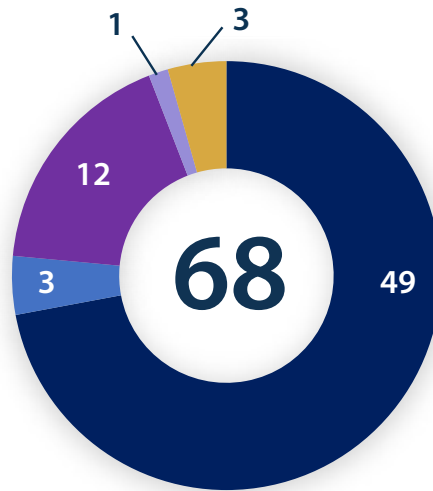
*LICENCES: 5-YEAR TREND\**



\* Totals do not include licences for locums

**OUR  
WORK**

*COMPLAINTS RESOLVED  
IN 2018 BY OUTCOME*



**12**

*Median # of months  
from complaint received  
to final decision*

## A MESSAGE FROM THE COUNCIL CHAIR



The College of Physicians and Surgeons of Newfoundland and Labrador was ambitious in the breadth of its endeavours in 2018. Through the regulation of the province's physicians, it accomplished much in its work to protect the public. I wish to recognize and thank the focussed, dedicated efforts of the

College staff and management teams and acknowledge with deep thanks the hard work of my College Council colleagues.

The College continues to devote considerable resources to determining how best to fulfill its mandate; we work to assure Newfoundlanders and Labradorians that we approach our task with our eyes set squarely on College values: fairness, quality of service, social responsibility, transparency, innovation, inclusivity, and diversity. This report outlines the details of work undertaken and accomplished in 2018. I encourage you to read it, reflect on the issues and responsibilities we face, consider our evolving regulatory challenges, and provide your own insights to us. We welcome your input.

In 2018, the Council was sorry to accept the resignation of Dr. Mohamed Ravalia, who was appointed in 2017. He resigned in the Fall in order to take up the duties of Canadian Senator. Our congratulatory best wishes and thanks are extended to Dr. Ravalia. We also offer congratulations to College Registrar Dr. Linda Inkpen, who was appointed as Chair of the Board of the Federation of Medical Regulatory Authorities of Canada (FMRAC). FMRAC is the national body to which all Colleges of Physicians and Surgeons in Canada belong. Its mission is "to advance medical regulation on behalf of the public through collaboration, common standards and best practices." Dr. Inkpen's role on its board both acknowledges the high standards being set in our own College's work, and allows us excellent insights into issues and best practices occurring nationally and internationally.

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*Ms. Gail Hamilton, a chartered professional accountant, sits on the board of directors for several public, private, and not-for-profit organizations. She was appointed to College Council in 2012 and is a former partner with KPMG.*

# **A MESSAGE FROM THE COLLEGE REGISTRAR**

Self-regulation is a privilege and honour and the College of Physicians and Surgeons of Newfoundland and Labrador values it highly. Through regularly scheduled activities, including annual reviews of our strategic plan and reviewing guiding principles/values, operations planning and budget preparation, the College works to identify the work we must do, the work we want to do—and any and all developing issues that will influence new work we must take on.

## **OUR CORE WORK**

Newfoundland and Labrador's College is small, even by Canadian standards. We cannot benefit from economies of scale that larger Colleges take advantage of. We strive to meet national standards and programs, but our work is supported by fees collected from a relatively small member base. So what we have, we must manage well, and with solid financial stewardship. College fees are reviewed annually and compared with other Canadian medical regulatory colleges. In 2018, for the first time in four years, annual renewal fees for member licences increased (by \$100).

Licensing and registering physicians consume about a third of College time. College Quality programs and our Policy division develop and implement programs to support physicians working safely, competently, and in good health. Currently, here and across the country, questions about how to assess and address continuing physician competency are of hot interest.

In 2018, 94 complaints were received by the College. Thanks to efforts to improve our complaints processing, the College can now respond faster and more efficiently, as the Complaints section in this report outlines. In 2018, the College also laid solid foundations for new programs that will allow us to assure the public that physicians are continuing to practise safely and ethically. The goal is to develop and adopt a more preventative system of regulation: identifying competency and adverse behaviour issues—and correcting them—before disciplinary action is required.





*The regulatory environment in which the College operates continues to change—and it is asking us to be more and more transparent.*

## *2018 HIGHLIGHTS*

You'll find more information about all College core activities and special projects undertaken in 2018 in the following pages. I'd like to particularly point out these 2018 highlights:

- We welcomed our first Director of Quality, Brian Bennett.
- We refined a new Physician Assessment Training and Oversight program (PATO), to be operated through Memorial's Faculty of Medicine beginning in the fall of 2019 (see page 16).
- We developed a new approach to sponsorship and oversight of physicians with provisional licences, in collaboration with the province's regional health authorities (see page 13).
- We supported Memorial University in the development of a new, multi-source feedback pilot program that physicians can use to improve their professionalism, communications, and collaborative skills (see page 17).
- We continued to implement and refine the College's database system (iMIS), allowing us to leverage even further data management.
- We began work on a new, online Indigenous cultural awareness program for our physicians; it should be ready for physician access in 2019.
- We continued to identify interventions we can make to address the problems that prescription-drug abuse are causing. One essential tool in this effort is now operational: a real-time prescription drug monitoring program, which the College strongly supports and welcomes.

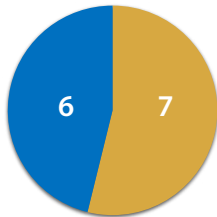
I would like to sincerely thank my colleagues in the College office for their enthusiasm, creativity, and plain old hard work. I extend much gratitude to College Council members for their support, wise counsel, and feedback. I am grateful for members of the public who engaged us throughout 2018, engendering constructive debate about College work. And I thank College members, whose insightful comments are greatly valued in all College work.

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*Dr. Linda Inkpen has been the Registrar of the College since September 2014. In 2018, she began a two-year term as the president of the Federation of Medical Regulatory Authorities of Canada (FMRAC).*

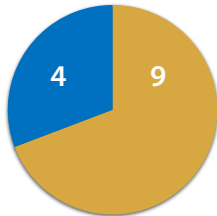


# COUNCIL & STAFF 2018



APPOINTED

ELECTED



NON-MD

PHYSICIANS

## COLLEGE COUNCIL 2018

### SEATED (L to R):

Council Vice-Chair, Dr. Peter Seviour  
Council Chair, Ms. Gail Hamilton

### STANDING (L to R):

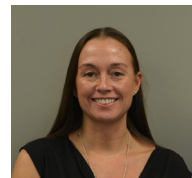
Mr. Allan Bradley  
Dr. Linda Inkpen\*  
Dr. Elizabeth Bannister  
Dr. Rebecca Rudofsky  
Dr. Susan MacDonald  
Mr. David Dove  
Dr. Mohamed Ravalia  
Mr. Morgan Cooper  
Dr. Kevin Hogan  
Dr. Robert Forsey  
Dr. Oscar Howell\*

\* Non-voting members

### ABSENT:



Dr. Carl Sparrow



Dr. Tracey Wentzell

# OUR COUNCIL

## APPOINTED MEMBERS

- Mr. Allan Bradley (Health and Community Services, HCS) PUBLIC
- Mr. David Dove (HCS) PUBLIC
- Ms. Gail Hamilton (HCS) PUBLIC
- Mr. Morgan Cooper (HCS / MUN)
- Dr. Susan MacDonald (HCS / NLMA)
- Dr. Mohamed Ravalía\* (HCS / NLMA)

\* Dr. Ravalía stepped down from Council and Committees upon his appointment to the Canadian Senate, September 2018.

## ELECTED MEMBERS — ST. JOHN'S / MOUNT PEARL

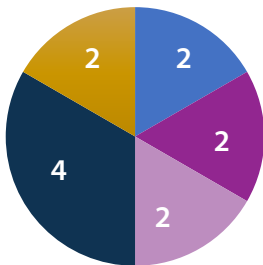
- Dr. Elizabeth Bannister
- Dr. Kevin Hogan
- Dr. Rebecca Rudofsky
- Dr. Peter Seviour

## ELECTED MEMBERS — REMAINDER OF NL

- Dr. Robert Forsey
- Dr. Carl Sparrow
- Dr. Tracey Wentzell

## NON-VOTING MEMBERS

- Dr. Linda Inkpen (CPSNL Registrar)
- Dr. Oscar Howell (CPSNL Deputy Registrar)



## COLLEGE STAFF BY DEPARTMENT

- Finance
- Complaints
- Quality Assurance
- Administration
- Licensing

## AUDITORS

Noseworthy Chapman

## ADMINISTRATIVE ASSISTANT TO COUNCIL

Ms. Lorraine Phillips

## COUNCIL COMMITTEES

### COMPLAINTS AUTHORIZATION (CAC)

Chair / Dr. Oscar Howell

Vice-Chair / Dr. Peter Seviour

Mr. Allan Bradley PUBLIC

Mr. Morgan Cooper

Ms. Gail Hamilton PUBLIC

Dr. Kevin Hogan

Dr. Rebecca Rudofsky

Dr. Carl Sparrow

### FINANCE & COMPENSATION

Chair / Ms. Gail Hamilton PUBLIC

Mr. Morgan Cooper

Dr. Kevin Hogan

Dr. Susan MacDonald

Dr. Peter Seviour

Dr. Tracey Wentzell

### GOVERNANCE

Chair / Ms. Gail Hamilton PUBLIC

Mr. Allan Bradley PUBLIC

Dr. Kevin Hogan

Dr. Mohamed Ravalia\*

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### COLLEGE MANAGEMENT TEAM

L to R:

Dr. Oscar Howell (Deputy Registrar)

Dr. Linda Inkpen (Registrar)

Ms. Elyse Bruce (Corporate Counsel;  
Director of Complaints)

Mr. Jamie Osmond (Associate Registrar;  
Director of Operations)

### LICENSING

Chair / Ms. Gail Hamilton PUBLIC

Dr. Elizabeth Bannister

Dr. Robert Forsey

Dr. Susan MacDonald

Dr. Carl Sparrow

Dr. Mohamed Ravalia\*

### QUALITY ASSURANCE (QAC)

Chair / Dr. Elizabeth Bannister

Mr. David Dove PUBLIC

Dr. Robert Forsey

Dr. Susan MacDonald

Dr. Tracey Wentzell

Dr. Mohamed Ravalia\*



# COMMUNICATIONS & TRANSPARENCY

The College of Physicians and Surgeons **regulates the practice of medicine in the public interest**. To fulfill our mandate, it is critical that we develop—and continue to improve—not only what we do and how we do it, but how we communicate about our work. Internally, in all areas of endeavour, the College continues to ask: “How are we communicating this activity?”

## COMMUNICATIONS CHECKUP

As the summary at right reflects, the College sent members various communications in 2018. Although we know that rates of “opening” are on par with elsewhere in the country, we need to be confident that all members are seeing, reading, and acting upon all that we must communicate. To assess our methods and determine areas for action or improvement, the College **commissioned an independent review of our methods of communication** with members in the fall of 2018. The project comprised both a comparative jurisdictional review and a survey of members. We look forward to implementing recommendations from the resulting report in 2019.

## IMPROVING CPSNL.CA

In addition, much work was done in 2018 to improve the functionality of the College’s website—[cpsnl.ca](http://cpsnl.ca)—for members of the public and for physicians. Details about specific improvements are noted throughout this report.

Communication works best when it goes both ways—we are all better communicators if we hone our listening skills. The College seeks member input specifically when developing or revising certain standards of practice and practice guidelines. But we encourage members of the public and physicians to be in touch about any College activity. Your input can help us do our work better.

It is a professional obligation for College members to read all College communications.

**DECEMBER 2018 UPDATE**

**Highlights: 2018 Q4 Council Meeting**

The College's fourth-quarter Council meeting was held on December 8 at the office of the Chartered Professional Accountants NL, in St. John's. Highlights of the meeting included:

- Welcome and congratulations to newly identified/declared members of Council, who will begin serving their terms on December 10 (see next page for details).
- Approval of the College's budget (\$3.75 million) for 2019.
- Review of reports on two new joint projects the College is undertaking (details below).
- Discussion of a new guideline for sponsoring provisionally licensed physicians developed in consultation with the Regional Health Authorities (see next page).
- Approval of a new Standard of Practice: "Dispensing of Medications by Physicians."
- Choosing the leadership of the 2019 College Council—Ms. Gail Hamilton as Chair and Dr. Elizabeth Bannister as Vice Chair—and committee members and chairs for the coming year. Committee details will be posted on caption.

The Council was also updated on work the College does to ensure that physicians in the province practice competently and safely throughout their medical careers. This endeavor and focus remains work priorities for the College.

**LOOKING AHEAD: PHYSICIAN PERFORMANCE**

**PILOT PROJECT NL360+**

CPSNL has given MUN's Faculty of Medicine (Office of Professional Development) an educational grant to pilot "NL360+." This is a structured, in-depth, multi-source feedback process through which physicians gain insights into their performance as communicators, collaborators, and professionals—three key CanMEDs Principles. NL360+ will involve participants completing MCC (Medical Council of Canada) 360. It will also provide them with valuable peer-coaching to support the implementation of a personalized learning plan.

**PROJECT PATO**

At the same time, the College is participating—with MUN, NLMA, Regional Health Authorities, and the Department of Health & Community Services—in the introduction of a new program for physician assessment, training, and oversight (PATO) in the province, following the recommendations of the 2018 Task Force report. Leadership for the project has been appointed and physician intake is expected to begin in 2019.

**FROM OUR OFFICE TO YOURS**

Sincere best wishes to CPSNL members and their families for a safe and happy New Year.

The CPSNL office will be closed from December 25 to January 1, inclusive.

**PLUS A FRIENDLY AND TIMELY REMINDER...**

For the holiday season and year-round, it is recommended that practice medicine while impaired, no matter the source.

**2019 JANUARY 15**  
Two major renewal deadlines: medical licenses & professional medical corporation licenses

**FEBRUARY 15**  
Renewal deadline NLMA membership

Missing either the Jan. 15 or Feb. 15 deadline results in administrative fines and license action

**MARCH 9**  
College Council meeting in St. John's at The Gathering Place

www.cpsnl.ca

4 College Updates

**Standard of Practice: Dispensing of Medications by Physicians**

A standard is the minimum standard of professional behaviour and ethical conduct on a specific issue expected by the College.

**Dispensing of Medications by Physicians**

**Preamble**

Dispensing of medications is an important component of medical care delivery which is typically performed by pharmacists. The Medical Act, 2011 contemplates limited circumstances in which a physician can dispense medications. This Standard of Practice sets out the College's expectations for physicians who dispense medications.

**Standard of Practice**

This standard of practice is applicable to physicians who dispense medication consistent with Section 78(3) of the Medical Act, 2011 (the "Medical Act").

**Approval of the College**

Physicians who propose to dispense medications as part of their practices must first obtain the approval of the College. To be approved, a physician must establish that the "services of a pharmacist are not readily available" to the satisfaction of the College.

Physicians can dispense medications in emergency situations without prior approval from the College. Physicians who dispense medications under such circumstances must report to the College as soon as practicable on the circumstances surrounding the dispensing of medication without prior approval.

**Dispensing Standards**

Physicians who dispense medications must employ dispensing standards of practice equal to those required of pharmacists. Applicable standards of practice are available from the Newfoundland and Labrador Pharmacy Board. These standards include, but are not limited to:

1. methods of procurement;
2. labeling of medication;
3. dispensing of medication;

25 Notices to Members

**COMPLAINTS & DISCIPLINE UPDATE**

The Medical Act, 2011, requires the College of Physicians & Surgeons of Newfoundland and Labrador (CPSNL) to accept and process all written complaints against physicians.

This UPDATE reports on the College's complaints and discipline activities for the first quarter of 2018. It provides summaries of cases in which a caution / counsel was issued by the Complaints Authorization Committee (CAC), a publicized settlement was reached through the Alternative Dispute Resolution process, or a finding was made by the Adjudication Tribunal.

**JANUARY-MARCH 2018**

**CAC DECISIONS BY OUTCOME JAN.-MARCH 2018**

**WHAT ARE 'CAUTIONS' / 'COUNSELS'?**

The Complaints Authorization Committee issues a caution or a counsel when it finds reasonable grounds to believe a physician engaged in "conduct deserving of sanction" (as defined in the Medical Act) but it has determined that a referral to a hearing was not warranted. Most cautions/counsels are issued for one of these reasons:

- Failing to maintain the expected standard of practice "such as to indicate gross negligence or reckless disregard for the health and well-being of the patient" (as per the CPSNL Code of Ethics)
- A breach of the CMA Code of Ethics, often in respect to communication
- Persistent or egregious conduct toward colleagues

**Many complaints can be avoided through improved communication between physician and patient.**

**SUMMARY OF RECENT COMPLAINTS ACTIVITY**

	Jan.-March 2018	Year to Date
Complaints received	28	23
CAC meetings	4	4
CAC decisions	20	20

January-March 2018 1/3

4 Complaints & Discipline Updates

**COMPLAINT FORM**

If you have concerns about an interaction with a doctor, please consider contacting him or her to discuss them.

If that approach does not help or fit the situation, you can:

1. Contact the College's Complaints Coordinator to discuss your next steps OR
2. Use this form to make a formal complaint.

The College reviews all complaints about doctors who practise medicine in Newfoundland and Labrador.

**OUR COMPLAINTS PROCESS**

1. We send the doctor a copy of your complaint form, and ask for a response.
2. We send you a copy of the doctor's response.
3. In some circumstances—and with your consent—the College Registrar tries to resolve the complaint.
4. If the Registrar does not resolve the complaint, it goes to the College's Complaints Authorization Committee. Committee members include both doctors and members of the public.
5. The Committee may appoint an investigator to contact people and institutions who have information about your complaint. This may include obtaining copies of personal health records.
6. The Committee reviews all relevant information and meets to discuss and act on your complaint. It makes you of its decision in writing.

The Committee has four choices of action:

- Dismiss the complaint, sometimes with direction to the doctor
- Caution or counsel the doctor about improvements needed
- Send the complaint to Alternative Dispute Resolution
- Instruct the College Registrar to refer the complaint to a hearing.

**TO MAKE A COMPLAINT**

1. Complete this form in full. (A separate form is available for making a complaint on behalf of another person)
2. Mail or deliver the completed form to the College at the address below.

**Questions about the complaints process?**

Contact the College's Complaints Coordinator: (709) 726-8546 complaints@cpsnl.ca

College of Physicians & Surgeons of Newfoundland and Labrador  
120 Torbay Road, Suite W100 • St. John's, NL • A1B 2G8 • cpsnl.ca

New Complaints form developed

2018 COLLEGE COMMUNICATIONS



# LICENSING

269

POSTGRAD  
RESIDENTS  
REGISTERED

504

CERTIFICATES OF  
PROFESSIONAL  
CONDUCT ISSUED

Licensing physicians to practise in this province is not simply a matter of collecting data and fees. It involves the serious tasks of reviewing physician credentials and experience, assessing them for compliance with provincial standards and national standards and guidelines, verifying references, and performing criminal record and vulnerable sector checks. The pie chart on the facing page indicates the breakdown of the 1,531 full and provisional licences issued by the College in 2018. In addition, locum licences were issued and medical students, postgraduate students and Professional Medical Corporations were registered.

## ABOVE AND BEYOND

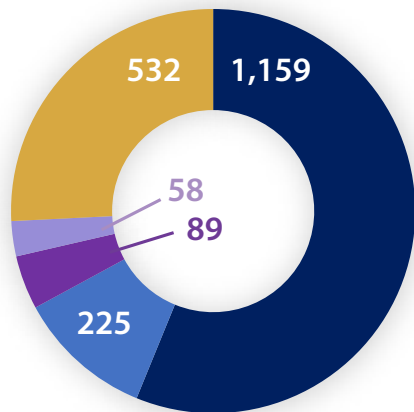
In addition to this ongoing regular work, the College took on **several large projects** in 2018. Two of these projects responded to government requests for proposals and were undertaken in partnership with other organizations.

First, using a LEAN methodology, the College led an assessment of current processes and guidelines for recruiting and licensing international medical graduates to practise medicine with one of the province's four regional health authorities. The work identified opportunities that may improve communication and timelines.

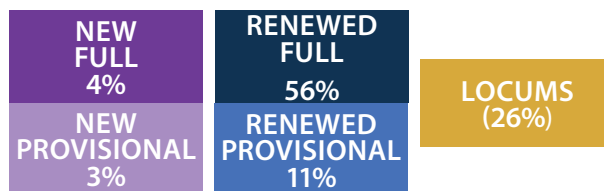
Second, funding was sought and granted to update the licensing application function on the College's website ([cpsnl.ca](http://cpsnl.ca)), plus the addition of a new section specifically for international applicants. The goal was to add clarity and increase efficiency—for physicians and for College staff. As a result, physicians can now log in to their **secure individual portal** and determine where their application is in the licensing process.



*L to R: Associate Registrar Jamie Osmond and Licensing Officer Tanya Drover*



## LICENCES ISSUED IN 2018: 1,531 NEW & RENEWED



## LEFT HAND, RIGHT HAND

Another major operational project was launched in 2018, on which work continues. It involves an upgrade to the membership management database (iMIS) to allow the inclusion of physicians' **Canadian Medical Identification Number (MINC)** in their database records. When work is completed (and where appropriate permissions are in place), the College's system will be able to interface with the Medical Council of Canada's system, allowing the College to both input and retrieve MINC information. Moreover, the College will be able to issue MINC numbers when licensing physicians from outside the country.

## WORKING FASTER, WORKING BETTER

Other efforts to improve efficiency in 2018 included increasing licensing staff from three to four (to decrease administrative processing time) and reviewing and refining the locum licensing process.

An unusually high amount of extra work was undertaken in 2018, which has resulted in efficiencies and streamlining in several aspects of the College's licensing work. This occurred partly because of one-time funding and partnering opportunities. By undertaking these projects, the College has improved its ability to efficiently handle its licensing responsibilities.

## PROVISIONAL LICENCES EXAMINED

Working with the province's regional health authorities (RHAs), the College undertook a revision of the guidelines and business practices guiding the granting of provisional licences (and oversight of physicians practising with these licences).

We examined practices used elsewhere in the world. Proposed new guidelines were drafted, reviewed, revised—many times. The resulting new guidelines came into force in January 2019.

Through this work, sponsorship requirements have become more prescriptive and tightly linked to the RHAs. All physicians who do not qualify for a full licence require a sponsor, and that sponsor is responsible for physician orientation—which now takes place in the area in which the physician will practise.



# STANDARDS OF PRACTICE & PRACTICE GUIDELINES

NEW	UPDATED
-----	---------

3

3

STANDARDS  
OF PRACTICE

1

1

PRACTICE GUIDELINES

## NEW STANDARDS OF PRACTICE AND PRACTICE GUIDELINES 2018

- *Conflict of Interest (March)*
- *Physician Use of Social Media (March)*
- *Medical/ Surgical Procedures in Non-Hospital Facilities (June)*
- *Duty to Report a Colleague (September)*

An important way that the College **promotes high standards of medical practice in this province**—as our mandate dictates—is by creating and updating Practice Guidelines and must-follow Standards of Practice.

How do we determine what needs to be done? First, both the standards and the guidelines are on a five-year cycle of examination and (if needed) renewal. Only five remain to be examined since this process of regular review and renewal first began.

Areas requiring new standards and guidelines are determined by gap analysis and through jurisdictional review—what new standards and guidelines are other Canadian Colleges finding necessary? In addition, members may suggest areas for work, or needs become clear through the College’s complaints work.

## MOVING WITH THE TIMES

In particular, two 2018 developments responded to the ways in which **our world is changing**. One is the new Standard of Practice concerning medical/surgical procedures in non-hospital facilities, the other is the new Practice Guideline on physician use of social media.

In addition to the new standards and guidelines noted above and at left, in 2018 the College also updated one Practice Guideline (methadone maintenance treatment) and three Standards of Practice (dispensing medication, prescribing, and withdrawing physician services during a job action).

Member input was (and will continue to be) sought on specific issues and topics when new and updated standards and guidelines are written and reviewed. In addition, the internal process of reviewing and revising Standards of Practice and Practice Guidelines was streamlined during 2018.

All standards and guidelines can—and should—be viewed on the College’s website.

# QUALITY ASSURANCE

Most of the programs and initiatives the College undertakes to ensure that physicians in this province practise competently, safely, and in good health fall under the responsibility of its five-member Quality Assurance Committee (QAC) and related College staff. In 2018, quality assurance/quality improvement (QA/QI) work included continued and intensive review of existing programming and exploration of new opportunities to ensure that the College is fulfilling this responsibility effectively.



## ASSESSING AND ADDRESSING RISK FACTORS

Several factors may influence a physician's practice. Generally, they are physician-related (number of years in practice, for example) or practice-related (patient volume). Studies show some factors can increase risks to quality practice and others are supportive of practice quality over time.

Since 2015, several Canadian medical regulatory authorities have been working together to compile evidence about the predictive reliability of practice risk and support factors as tools for use in supporting quality practice. A synthesis of research conducted to date was produced by the group in mid-2018. The goals of the work were to identify factors that would enable medical regulators to better focus their QA/QI efforts, and to create an environment in which physicians could more meaningfully engage in lifelong learning and maintenance of competence.

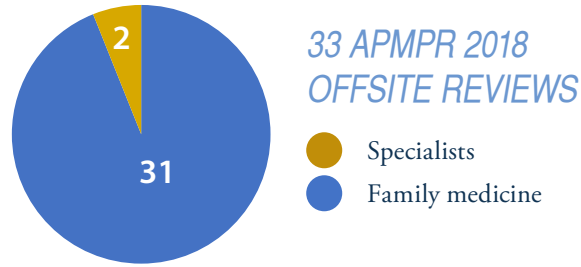
The College is currently evaluating options related to integrating factor-based concepts into its QA/QI programming. Our goal is to use an evidence-based and risk-informed approach to continuous practice improvement. This will enable us to direct physicians towards QA/QI interactions tailored to individual needs, assess physicians' practices at optimal intervals, and make QA/QI engagements more beneficial.

### RISK FACTORS

*Attributes that increase the risk of unacceptable practice*

### SUPPORT FACTORS

*Attributes that are protective of quality practice*



62  
APMPR  
ASSESSMENTS  
IN 2018

## IMPLICATIONS FOR APMPR

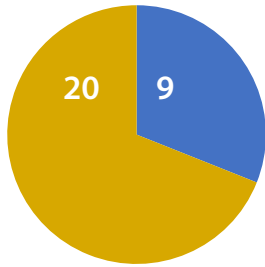
For many years, the College has executed some of its responsibility for quality assurance through the Atlantic Provinces Medical Peer Review (APMPR) program. In the spring of 2018, the provincial partners in this program undertook an **external review of how its peer-assessment reviews are conducted**, with a view to modernizing and improving the program. It is likely that integrating risk and support factors into this program will be a useful step in developing post-review responses specific to individual physicians’ identified needs, and better support physicians over time.

## OVERSIGHT & TRAINING: FINDING THE BEST FIT

PATO  
Physician  
Assessment  
Training  
and  
Oversight

In 2018, the College also participated extensively in the development of a **new program to be offered through Memorial University’s Office of Professional and Educational Development** in the Faculty of Medicine. As its name makes clear, the program—Physician Assessment, Training, and Oversight, or “PATO”—is designed to enhance physician assessment, training, and oversight. In addition, the program increases provincial capacity to conduct practice-ready assessments of international medical graduates entering practice in Newfoundland and Labrador—providing a way to transition from the current Clinical Skills Assessment and Training (CSAT) program. PATO currently has both a medical director and a manager; it should be fully operational in 2020.

The College’s goals for the PATO program included expanding which provisionally licensed physicians require oversight (to include specialists) and ensuring that its assessment and training components would be delivered by trained evaluators and instructors, such as the professionals in a medical school setting. In addition, the College wanted to be able to identify, for physicians returning to practice after an absence, specifically where their required retraining could be obtained to satisfy licensing requirements.



29 APMPR 2018  
ONSITE REVIEWS

- Specialists
- Family medicine

22

PASS

7

REASSESS

In 2018, a task force of representatives from the College, the regional health authorities, the Department of Health and Community Services, the NLMA, and MUN’s Faculty of Medicine produced a report on key issues relevant to operating the PATO program. The College continues to actively support the program team and sits on the committee overseeing its ongoing development. The CSAT program enrolled another cohort early in 2019, continuing in its current form until PATO is operational.

6

QAC MEETINGS  
IN 2018

## INTRODUCING NL360+

In 2018, the College also collaborated with MUN’s Office of Professional and Educational Development (School of Medicine) to develop another new assessment tool: the **NL360+ multi-source feedback program**. The program comprises a set of questionnaires to be sent to physicians’ medical colleagues, non-physician co-workers, and patients; it reflects current team-based approaches to care.

The focus of the questionnaires is physicians’ non-clinical competencies, such as those in the CanMEDS Competency Framework. These necessary skills include communication, collaboration, and professionalism. The objective of the multi-source approach is to gather perspectives on physicians’ competencies in these important areas and feed back the findings to physicians.

Work on the development, piloting, and evaluation of the NL360+ program began in October 2018 and will continue to August 2020.



*Director of Quality Brian Bennett  
joined College staff in  
September 2018.*

# COMPLAINTS & DISCIPLINE

One of the College’s key responsibilities is to respond to, investigate (when needed), and resolve all complaints brought to our attention—and do it fairly, professionally, and efficiently. The College received 94 complaints about physicians in 2018, which continues the slight upward trend of previous years.

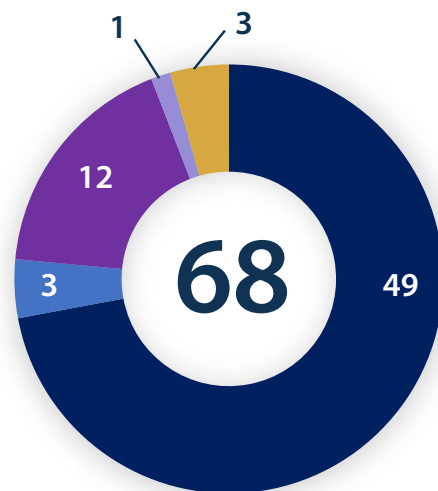
## IMPROVING EFFICIENCY AND COMMUNICATION

12

*Median # of months from complaint received to final decision*

Several steps were taken in 2018 to improve how the College makes available information about the complaints and discipline process. The College website was updated to reflect the information in the print brochure prepared for the public in 2017. The form that complainants complete to initiate a complaint was updated. The goal was to make it simpler and clearer for the public to use, and to more effectively collect the information that both the physician named and the College need to understand the nature of the complaint. We also increased how often we communicate to those involved in a particular complaint where their complaint is in process. In addition, the College also developed a survey in 2018, which is now given to all who have been involved in the complaints process through to resolution. We’ll use the input collected to continue to refine and improve the process.

COMPLAINTS RESOLVED IN 2018  
BY OUTCOME





Information about the steps in the College's complaints process are at [cpsnl.ca](http://cpsnl.ca).

## TAKING IT PUBLIC . . .

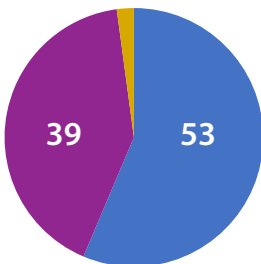
The College developed a new bylaw in 2018—“**Publication of Adjudication Tribunal Findings and Proceedings**”—to clarify what may and should be disclosed about complaints that are referred to its formal Tribunal process. The goal of the change is to both increase transparency about the complaints process and to guide those involved in making decisions about communications. Like all College bylaws, it can be viewed at [cpsnl.ca](http://cpsnl.ca).



L to R: Darlene Manning (Complaints Coordinator), Ella Reardon (Clinical Investigator) and Elyse Bruce (Director of Complaints)

## . . . AND FOR HOW LONG?

Amendments to Bylaw 4, “**Medical Registers**” (which were approved in March, implemented in June 2018) also outlined that any counsels/cautions given as a result of complaints investigations will appear on a physician’s public record for a period of three years, going forward. Implementation involved adding the category “regulatory actions” to member profiles on the College’s database.



2018 COMPLAINTS RECEIVED BY TYPE

- Competence
- Professionalism
- Boundary violations - 2

94

COMPLAINTS RECEIVED

18

RESOLVED BY REGISTRAR

12

CAC MEETINGS

68

CAC DECISIONS

CAC is the Complaints Authorization Committee, a committee of the CPSNL Council

# FINANCE & OPERATIONS

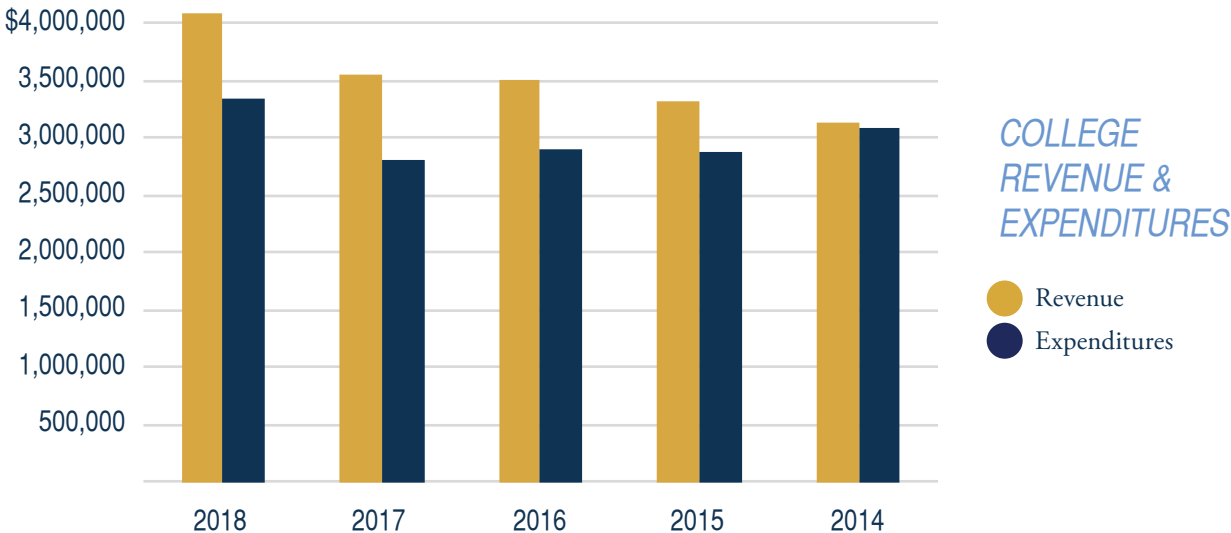
## FINANCE

The College was fiscally prudent in 2018 and is in a stable financial position. The Finance and Compensation Committee met eight times during the year, continuing its work on both oversight of broad operational items as well as fiscal management. Three public and/or appointed members and three physician members of Council sat on the committee.

The financial information presented on pages 22 and 23 are in summary form. Full audited statements will be available upon request following their presentation at the Annual General Meeting on June 15, 2019.

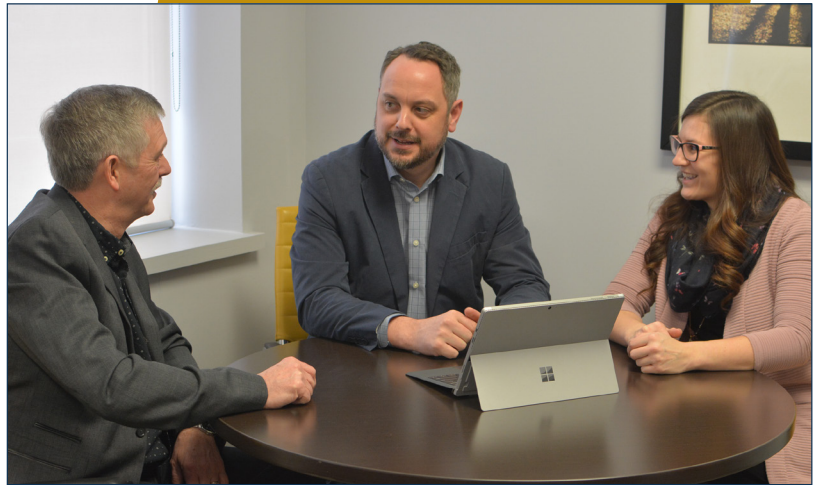
## OPERATIONS

Generally speaking, programs and services are planned yearly as part of the College's strategic and operational planning process each September. In 2018, the projected plan was adapted to accommodate one-time funding





*L to R:  
Clinton Lee  
(Director of Finance)  
Jamie Osmond  
(Director of Operations)  
Natasha Denty  
(Accounting and  
Operations Coordinator)*



opportunities that arose during the year. Some of these projects have been outlined in this report (see the Licensing section, for example). In addition, the College undertook several operations projects:

- **Information Security Threat and Risk Assessment:** The College initiated a security assessment audit to determine if its internal use of technology and software was adequately secure. The audit focused on risk assessment for external threats and network vulnerability. The resulting report provided several suggestions and determined that generally the College was compliant with current security best practices and has processes in place to continue our focus on data protection.
- **Compliance with security standards for payment cards:** Because the College receives payments by credit card, we must ensure we are payment card industry (PCI) compliant. Throughout 2018, the College implemented additional security measures to ensure the safety of member information. The College continues to monitor and review the Payment Card Industry Data Security Standards (PCI DSS).
- **Going paperless, part two:** Further to efforts to use electronic communication rather than paper, in 2018 the College initiated a pilot project in its Licensing Division to move toward electronic documentation of applications and documents. This involved implementing new information management processes for scanning and retention/destruction of paper documents. The work and implementation will continue into 2019.
- **Tidying our own house:** Internal operational processes and practices received two additional boosts in 2018. College policies, procedures, and orientation practices for new staff were refined and consolidated into a single manual. In addition, a consultant reviewed the College's approach to compensation and benefits. The resulting report was presented in 2018; the College was found to be following best practices and compensation generally aligned with industry standards.

*SUMMARIZED STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2018*

		<i>2018</i>	<i>2017</i>
<b>ASSETS</b>	Cash and cash equivalents	<b>\$ 5,036,947</b>	\$ 4,052,300
	Accounts receivable	<b>120,547</b>	107,485
	Equipment and leasehold improvements	<b>920,272</b>	936,828
	Investments	<b>1,031,963</b>	1,085,300
		<b>\$ 7,109,729</b>	<b>\$ 6,181,913</b>
<b>LIABILITIES</b>	Accounts payable	<b>\$ 288,405</b>	\$ 83,513
	Deferred income	<b>2,598,735</b>	2,506,825
	Long-term debt	–	100,087
	Deferred lease inducements	<b>64,153</b>	72,171
	<b>\$ 2,951,293</b>	<b>\$ 2,762,596</b>	
<b>NET ASSETS</b>	Invested in capital assets	<b>\$ 872,587</b>	\$ 783,095
	Unrestricted and internally restricted	<b>3,285,849</b>	2,636,222
		<b>\$ 4,158,436</b>	<b>\$ 3,419,317</b>
	<b>\$ 7,109,729</b>	<b>\$ 6,181,913</b>	

**SUMMARIZED STATEMENT OF REVENUE & EXPENDITURES**  
**AS OF DECEMBER 31, 2018**

		<i>2018</i>	<i>2017</i>
<b>REVENUE</b>	Annual fees	<b>\$ 3,043,805</b>	\$ 2,664,779
	Professional corporation fees	<b>173,150</b>	138,025
	Registration and licensing fees	<b>355,525</b>	349,425
	Investment income	<b>(40,692)</b>	17,591
	Miscellaneous	<b>230,519</b>	277,600
	Joint Funded Projects	<b>215,718</b>	-
	Rental income	<b>94,500</b>	94,500
		<b><i>\$ 4,072,525</i></b>	<b><i>\$ 3,541,920</i></b>
<b>EXPENDITURES</b>	Salaries and employee benefits	<b>\$ 1,601,373</b>	\$ 1,576,801
	Complaints and discipline	<b>130,641</b>	133,342
	Council and committees	<b>132,771</b>	129,819
	Occupancy	<b>223,882</b>	208,847
	Office and operational	<b>897,061</b>	626,584
	Joint Funded Projects	<b>215,718</b>	-
	Amortization	<b>131,960</b>	117,826
		<b><i>\$ 3,333,406</i></b>	<b><i>\$ 2,793,219</i></b>
<b>Excess of Revenues over Expenditures from Operations</b>		<b><i>\$ 739,119</i></b>	<b><i>\$748,701</i></b>
Use of excess revenue over expenditures from operations			
<b>FUNDS TRANSFERRED TO INTERNALLY RESTRICTED FUNDS</b>	Operational Contingency	<b>\$ 100,000</b>	\$ 150,000
	Adjudication Tribunal Hearings	-	200,000
	College Infrastructure	<b>300,000</b>	150,000
	QA/QI Development	<b>200,000</b>	-
	Loan Retirement	-	95,710
<b>Excess of revenues</b>		<b><i>\$ 139,119</i></b>	<b><i>\$ 152,991</i></b>

**NOTE:** The excess of revenue over expenditures (2018) will assist the College in providing resources for the future for the Operational Contingency Fund, the College Infrastructure Fund, and a new QA/QI Development Fund.

## LOOKING AHEAD

*What's on the College's radar for 2019? Here are a few of the things we are working on:*



- *Implementing the recommendations of the special report on communication with members*
- *Introducing our program for Indigenous cultural awareness*
- *Improving communications to complainants and physicians, based on input from surveys*
- *Furthering the development of PATO*
- *Assessing information provided by NL 360+ testing*
- *Incorporating physician risk and support factors into College quality assurance and improvement programs*
- *Upgrading our iMIS database*
- *Undertaking leasehold improvements to reconfigure College workspaces to improve efficiencies*
- *Deepening our analysis of complaints case management to better assess larger forces affecting physician behaviour and to improve internal effectiveness and efficiencies*



## **ABOUT THE COLLEGE**

Established by law in 1893 as the Newfoundland Medical Board, the College of Physicians and Surgeons of Newfoundland and Labrador regulates the practice of medicine in the public interest. It gained its current name with the passing of *The Medical Act, 2005*.

The College grants licences to practise medicine in Newfoundland and Labrador. In 2018, it licensed approximately 2,000 full-time and locum physicians. Through licensing and registration of physicians, as well as its additional core activities—complaints investigation and the provision of Quality Assurance programs—the College works to provide Newfoundlanders and Labradorians with quality and safe medical care.

The College is governed by a 15-person Council, whose members include elected and appointed physicians and representatives of the public. The College’s Registrar and Deputy Registrar, who are both licensed medical practitioners, are also Council members.

## **ORIGINAL POWERS OF THE NEWFOUNDLAND MEDICAL BOARD**

*As established by the Newfoundland Medical Act, 1893*

“The making and enforcing of measures necessary for the regulation and practice of medicine and the protection and preservation of life and health . . . so that those seeking medical care may have every confidence . . . in the care they receive.”

**STANDARDS • QUALITY • PROTECTION**



The College of Physicians and Surgeons  
of Newfoundland and Labrador  
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W: [cpsnl.ca](http://cpsnl.ca)

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

**Financial Statements**

**Year Ended December 31, 2018**



THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR

Index to Financial Statements

Year Ended December 31, 2018

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## INDEPENDENT AUDITOR'S REPORT

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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, 2018, 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, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### 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 the 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 those 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 Canadian accounting standards for not-for-profit organizations, 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 College's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

(continues)



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

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:

- 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.

*Nosworthy Chapman*

Chartered Professional Accountants  
St. John's, NL  
April 29, 2019



THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR

Statement of Financial Position

December 31, 2018

	2018	2017
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 270,106	\$ 63,386
Term deposits	4,764,775	3,929,899
Accounts receivable	120,547	107,485
Prepaid expenses	2,066	59,015
	<b>5,157,494</b>	<b>4,159,785</b>
CAPITAL ASSETS (Note 4)	<b>920,272</b>	936,828
LONG TERM INVESTMENTS (Note 5)	<b>1,031,963</b>	1,085,300
	<b>\$ 7,109,729</b>	<b>\$ 6,181,913</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 245,548	\$ 66,423
Government remittances payable	42,857	17,090
Current portion of long term debt (Note 6)	-	100,087
Deferred income	2,598,735	2,506,825
	<b>2,887,140</b>	<b>2,690,425</b>
DEFERRED LEASE INCENTIVES (Note 7)	<b>64,153</b>	72,171
	<b>2,951,293</b>	<b>2,762,596</b>
LEASE COMMITMENTS (Note 11)		
<b>NET ASSETS</b>		
Unrestricted	1,835,849	1,786,222
Invested in Capital Assets	872,587	783,095
Operational Contingency Fund (Note 8)	400,000	300,000
Adjudication Tribunal Hearing Fund (Note 8)	400,000	400,000
College Infrastructure Fund (Note 8)	450,000	150,000
Quality Assurance and Quality Improvement Fund (Note 8)	200,000	-
	<b>4,158,436</b>	<b>3,419,317</b>
	<b>\$ 7,109,729</b>	<b>\$ 6,181,913</b>

ON BEHALF OF THE BOARD

Barbara Hammit Director  
Andrea Linker Director

THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR

Statement of Revenues and Expenditures

Year Ended December 31, 2018

	2018	2017
<b>REVENUES</b>		
License fees		
Full licensure	\$ 2,331,215	\$ 1,996,899
Provisional licensure	511,010	470,300
Locum fees	201,580	197,580
Professional medical corporation fees	173,150	138,025
Specialist	42,600	46,800
Foreign recognition qualification (Note 9)	215,718	47,976
Assessment fees	130,000	118,650
Registration and listing fees	99,600	104,650
Educational and student registration fees	83,325	79,325
Certificates of good standing	78,600	70,475
Interest - operating	65,072	32,056
Physicians prescribing skills course (Note 9)	42,843	43,740
Disciplinary cost recoveries	40,002	82,525
Other revenue	4,002	828
Credit card charges	(94,463)	(95,351)
	3,924,254	3,334,478
<b>EXPENDITURES (Schedule 1)</b>	<b>3,238,943</b>	<b>2,697,868</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS</b>	<b>685,311</b>	<b>636,610</b>
<b>OTHER INCOME (EXPENDITURES)</b>		
Rental revenue	94,500	94,500
Administration fee - investments	(17,498)	(15,501)
Investment income (loss) (Note 10)	(23,194)	33,092
	53,808	112,091
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ 739,119</b>	<b>\$ 748,701</b>

THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR

Statement of Changes in Net Assets

Year Ended December 31, 2018

	Unrestricted	Invested in Capital Assets	Operational Contingency Fund	Adjudication Tribunal Hearing Fund	College Infrastructure Fund	Quality Assurance and Quality Improvement Fund	2018	2017
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 1,786,222	\$ 783,095	\$ 300,000	\$ 400,000	\$ 150,000	\$ -	\$ 3,419,317	\$ 2,670,616
Excess of revenues over expenditures	873,137	(134,018)	-	-	-	-	739,119	748,701
Purchase of capital assets	(123,423)	123,423	-	-	-	-	-	-
Repayment of long term debt	(100,087)	100,087	-	-	-	-	-	-
Interfund transfers (Note 8)	(600,000)	-	100,000	-	300,000	200,000	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 1,835,849	\$ 872,587	\$ 400,000	\$ 400,000	\$ 450,000	\$ 200,000	\$ 4,158,436	\$ 3,419,317

See notes to financial statements

THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR

Statement of Cash Flows

Year Ended December 31, 2018

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Cash receipts from physicians and others	\$ 4,082,030	\$ 3,741,059
Cash paid to suppliers and employees	(2,853,328)	(2,650,368)
Investment income received	41,879	64,356
Interest paid	(1,240)	(8,213)
Cash flow from operating activities	1,269,341	1,146,834
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(123,423)	(63,293)
Proceeds from sale of investments	383,508	598,449
Acquisition of investments	(387,743)	(610,265)
Cash flow used by investing activities	(127,658)	(75,109)
<b>FINANCING ACTIVITY</b>		
Repayment of long term debt	(100,087)	(138,624)
<b>INCREASE IN CASH</b>	<b>1,041,596</b>	<b>933,101</b>
Cash - beginning of year	3,993,285	3,060,184
<b>CASH - END OF YEAR</b>	<b>5,034,881</b>	<b>3,993,285</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 270,106	\$ 63,386
Term deposits	4,764,775	3,929,899
	<b>\$ 5,034,881</b>	<b>\$ 3,993,285</b>



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

**Notes to Financial Statements**

**Year Ended December 31, 2018**

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1. PURPOSE OF THE COLLEGE

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.

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).

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	4 years	straight-line method
Computer software	4 years	straight-line method
Membership database	10 years	straight-line method
Furniture and equipment	20%	declining balance method
Leasehold improvements		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.

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.

*(continues)*

THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR  
Notes to Financial Statements  
Year Ended December 31, 2018

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

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.

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. 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, 2018.

**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.

(*continues*)



THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements

Year Ended December 31, 2018

3. FINANCIAL INSTRUMENTS *(continued)*

**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

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Computer equipment	\$ 282,512	\$ 206,928	\$ 75,584	\$ 67,631
Computer software	157,108	126,994	30,114	21,446
Membership database	452,761	91,633	361,128	360,921
Furniture and equipment	405,029	322,033	82,996	76,572
Leasehold improvements	674,756	304,306	370,450	410,258
	\$ 1,972,166	\$ 1,051,894	\$ 920,272	\$ 936,828

5. LONG TERM INVESTMENTS

	2018		2017	
	Fair value	Cost	Fair value	Cost
Fixed income, at annual rates from 1.9% to 3.7% (2017 - 1.5% to 4.7%)	\$ 587,883	\$ 600,022	\$ 594,717	\$ 606,113
Equities - shares in publicly traded companies	444,080	416,420	490,583	406,689
	\$ 1,031,963	\$ 1,016,442	\$ 1,085,300	\$ 1,012,802

THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements

Year Ended December 31, 2018

6. LONG TERM DEBT

	2018	2017
Toronto Dominion Bank loan, repaid during the year.	\$ -	\$ 100,087
Amounts payable within one year	-	(100,087)
	<b>\$ -</b>	<b>\$ -</b>

7. DEFERRED LEASE INCENTIVES

	Tenant Inducements		Reduced Rent		2018	2017
Balance, beginning of the year	\$ 53,646	\$ 18,525	\$ 72,171	\$ 80,189		
Less: Amortization	(5,960)	(2,058)	<b>(8,018)</b>	(8,018)		
Balance, end of year	\$ 47,686	\$ 16,467	<b>\$ 64,153</b>	\$ 72,171		

8. 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 2018, the College transferred funds from Unrestricted Net Assets to each of the funds as follows: the Adjudication Tribunal Hearings Fund - \$NIL (2017 - \$200,000); the Operational Contingency Fund - \$100,000 (2017 - \$150,000); the College Infrastructure Fund - \$300,000 (2017 - \$150,000); the Quality Assurance and Quality Improvement Fund - \$200,000 (2017 - \$Nil). 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, 2018

9. JOINT FUNDED PROJECTS

During 2018, the College participated in four 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. Funds received during the year amounted to \$42,843, with related costs of \$20,772.

Foreign Recognition Qualification

During the year, the College recognized revenues of \$215,718 related to jointly funded projects with the Department of Advanced Education, Skills and Labour as follows:

A jointly funded project between Government of Newfoundland and Labrador (Department of Advanced Education, Skills and Labour) and the College. The objective for both parties was to assess, plan, and redevelop its website to clearly identify and communicate pathways to licensure. Funds received during the year amounted to \$98,404, with related costs of \$81,365 and deferred revenues of \$17,039.

A jointly funded project between Government of Newfoundland and Labrador (Department of Advanced Education, Skills and Labour) and the College. The objective for both parties was to conduct a process analysis lean assessment of current processes and guidelines on both the service delivery and recruitment role of the regional health authorities, and the licensing assessment and provision roles of the College. Funds received during the year amounted to \$134,123, with related costs of \$134,123.

A jointly funded project between Government of Newfoundland and Labrador (Department of Advanced Education, Skills and Labour) and the College. The objective for both parties was to develop a fair, transparent, consistent and timely foreign credential assessment and recognition capacity in the College's licensing process. Funds received during the year amounted to \$230, with related costs of \$230.

10. INVESTMENT INCOME (LOSS)

	2018	2017
Interest from fixed income securities	\$ 14,829	\$ 17,663
Dividends and other distributions	19,548	14,637
Realized (loss) gain on disposal of investments	(596)	11,512
Foreign exchange loss	-	(387)
Unrealized depreciation in fair value of investments	(56,975)	(10,333)
	<b>\$ (23,194)</b>	<b>\$ 33,092</b>



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

**Notes to Financial Statements**

**Year Ended December 31, 2018**

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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:

2019	\$	233,633
2020		243,408
2021		243,408
2022		258,071
2023		258,071

12. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

THE COLLEGE OF PHYSICIANS AND SURGEONS OF NEWFOUNDLAND AND LABRADOR

Expenditures

(Schedule 1)

Year Ended December 31, 2018

	2018	2017
Salaries and employee benefits	\$ 1,601,373	\$ 1,576,801
Consultant fees	223,914	40,728
Rent	223,882	208,847
Foreign recognition qualification (Note 9)	215,718	47,976
Quality assurance	209,324	23,242
Amortization	131,960	117,826
Complaints and discipline	130,641	133,342
Council meetings	92,167	84,963
Peer assessment	86,350	86,350
Computer maintenance	85,215	137,216
Office	60,614	77,690
Travel	50,614	41,811
Insurance	40,631	36,791
Federation assessment	22,806	19,920
Physicians prescribing skills course (Note 9)	20,772	20,772
Training	20,082	12,485
Professional fees	19,453	21,614
Lecture sponsorship	2,134	1,281
Interest on long term debt	1,240	8,213
Bad debt	53	-
	<b>\$ 3,238,943</b>	<b>\$ 2,697,868</b>

See notes to financial statements