

PUBLIC HEALTH LABORATORY
Public Health, Wellness
and
Children and Youth Services Branch
Department of Health and Community Services

ANNUAL PERFORMANCE REPORT
2007-2008

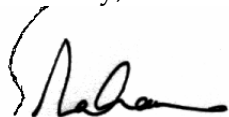


MESSAGE FROM THE DIRECTOR

On behalf of the Public Health Laboratory (PHL), Public Health, Wellness and Children and Youth Services Branch, I am pleased to submit the 2007-2008 Annual Report to the Minister of the Department of Health and Community Services (DHCS). In keeping with the *Transparency and Accountability Act*, the PHL has been assigned a Category 2 status and is expected to develop business plans and reports. This report focuses on the progress made on the key issues identified in the 2007-2008 Transition Business Plan as part of our commitment to ensure best practices and the highest level of integrity of our services. The strategic directions of the Department have been considered in the development of this plan (See Appendix A)

As Director, I acknowledge that on behalf of the PHL and the Department, I am accountable for the preparation of this report and the achievement of specific goals and the actual results reported in this document.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sam Ratnam', written in a cursive style.

Sam Ratnam, Ph. D., MPH, FCCM
Director

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1.0 INTRODUCTION

This document has been prepared under government's accountability measures as defined in *The Transparency and Accountability Act* (the *Act*) and is based on the 2007-2008 Business Plan. The 2007-2008 Annual Report demonstrates the commitment of the Public Health Laboratory (PHL) to ensure the effective management of its mandate and that all associated efforts reflect the values and principles of this legislation while also pursuing standards of excellence for all of its operations. This report is also focused on ensuring that the PHL's allocation of resources is consistent with government's broader mandate for the efficient use of public resources.

2.0 THE PUBLIC HEALTH LABORATORY OVERVIEW

2.1: Core Services

The PHL operates under the authority of the Department of Health and Community Services (DHCS) with the Director of the PHL reporting to the Chief Medical Officer of the DHCS. Thus, PHL is not a legislated entity. The PHL existed under the DHCS historically.

The core mandate for the PHL is focused on the screening, detection, prevention, protection, surveillance and assessment of infectious diseases throughout the province of Newfoundland and Labrador. Thus, the PHL is an essential and integral part of the provincial public health system infrastructure and our services are a vital component in safeguarding provincial public health. There are no facilities in the province that duplicate the roles and responsibilities of the PHL and therein no redundancy in PHL operations.

Annual Statistics: 2004-2005 to 2007-2008

| Section | Tests Performed | | | |
|---|-----------------|---------|---------|---------|
| | 2004-05 | 2005-06 | 2006-07 | 2007-08 |
| SEROLOGY | 73,794 | 79,666 | 81,671 | 90,041 |
| VIROLOGY | 7,069 | 8,257 | 12,969 | 13,504 |
| BACTERIOLOGY MYCOLOGY PARASITOLOGY | 19,352 | 23,879 | 18,711 | 19,796 |
| MYCOBACTERIOLOGY | 1,873 | 2,073 | 2,140 | 1,921 |
| SANITARY | 16,002 | 16,094 | 15,217 | 14,141 |

The main laboratory is located on 100 Forest Road in St. John's with external water testing service sites in all health regions of the province. These sites operate under the direction of the PHL.

Contact Information: Newfoundland Public Health Laboratory
 Dr. Leonard A. Miller Centre, Suite 1
 100 Forest Road, St. John's, NL A1A 3Z9
 Telephone # 709-777-6583, Fax # 709-777-6362

2.2 *Staff and Budget*

The PHL has a staff complement of 24 employees, 16 females and 8 males.

5 Management (DHCS)

5 Hospital Support (NAPE HS)

14 Laboratory and X-Ray (NAPE LX)

The 2007-08 budget allocation from the Government of Newfoundland and Labrador was approximately \$3.7 million. A copy of the audited financial statement can be found in Appendix C. The PHL does not charge for any of its services and therein generates no revenues from its clients.

3.0 **MANDATE**

The PHL is not a legislated entity. It operates under the authority of the Department of Health and Community Services (DHCS) with the Director of the PHL reporting to the Chief Medical Officer of the DHCS.

- Act as the provincial laboratory center for infectious disease detection, surveillance, prevention, control and epidemiology.
- Provide a comprehensive range of specialized and reference laboratory services in clinical and public health microbiology and infectious disease epidemiology to the all provincial health authorities and related stakeholder groups.
- Pursue research and development activities in support of its others responsibilities for securing optimum public health.

4.0 LINES OF BUSINESS

Public Health Laboratory is not a legislated entity. It operates under the Department of Health and Community Services (DHCS) with the Director reporting to the Chief Medical Officer of the DHCS. PHL supports the Department's mandate to strengthen the public health capacity and has several lines of business including:

- Laboratory, consultative, educational and training services in the detection, prevention, surveillance and control of infectious diseases;
- Provision of routine and specialized laboratory diagnostic and screening services in public and clinical health microbiology to all hospitals, clinics and other health related agencies across the province;
- Laboratory and consultative services in outbreak investigation and control;
- Laboratory based surveillance of communicable disease incidence and prevalence;
- Research and development activities in the areas of infectious disease epidemiology, immunization, community health, clinical and public health microbiology;
- Municipal Water Supply Safety;
- Pandemic influenza, Bioterrorism and emergency response preparedness;
- Lab supply center ; and
- Guidance in the development of related policy.

These lines of business are entirely consistent with the PHL's mandate and sufficiently comprehensive. There are no facilities in the province that duplicate the roles and responsibilities of the PHL and therein no redundancy in PHL operations.

One of the focus areas in the DHCS's strategic directions is the "Surveillance of Communicable Disease" which provides the primary strategic direction for PHL's lines of business. The core function of the PHL is to safeguard public health throughout the province through the surveillance, detection, prevention and control of infectious diseases. In this capacity, PHL works closely with hospitals, medical clinics, health care agencies and health care professionals throughout the province, as well as public officials within DHCS, the provincial health regions and other public health authorities to provide routine and specialized diagnostic and screening services in clinical and public health microbiology.

The PHL test services cover the following seven clinical and public health service areas:

- Serology
- Virology
- Bacteriology
- Parasitology
- Mycology
- Mycobacteriology
- Sanitary/Environmental Microbiology

The PHL also provides bacteriological water quality testing service for protection of public health to government departments, private individuals, communities, municipalities, private and other public agencies etc, throughout the province. Partners in external water testing services include 6 hospital laboratories across the province. A full listing of all patient and public health-related diagnostic and screening services provided by the PHL is provided in Appendix B.

5.0 VISION

The vision of PHL builds on the vision of the DHCS that “individuals, families and communities will have achieved optimal health and well being”.

The 2007-2008 Business Plan vision of the PHL is:

To support enhancement of public health and early detection through the provision of comprehensive range of laboratory services to facilitate the diagnosis, screening, surveillance, prevention and control of infectious diseases and use of best practices and minimum standards for public health safety and protection.

This vision reflects the core mandate of the PHL as well as desired outcomes. It also provides the basis for the organization’s core identity, roles and responsibilities. As the science respecting infectious diseases advances, so too should the capabilities and quality of services provided by the PHL. This vision is fundamental to the well-being and health of the provincial population.

Note: For an updated version of the Public Health Laboratory’s vision, please refer to their 2008-2011 Plan, which is available by contacting the Department of Health and Community Services Tel: 709-729-4984 or email: healthinfo@gov.nl.ca or visit <http://www.health.gov.nl.ca/health/>

6.0 VALUES

The PHL has adopted its own set of core values to guide its work of the PHL and the manner in which it pursues its mandate. PHL has also adopted and modified the broader values established by the DHCS. Both sets of values are provided below:

Collaboration Ensure that the PHL works with other stakeholders in fulfilling its overall mandate for the protection of public health.

Fairness Ensure that each person uses a balance of evidence for equity in decision making.

Privacy Ensure confidentiality and protection of information related to any persons, families, organizations, communities.

- Respect* Enable each person the opportunity to express their opinions in an open and safe environment
- Transparency* Ensure all persons are forthcoming with information related to decision making except where prohibited by legislation.

Public Health Laboratory Values:

The following reflects the core values that guide the work of the PHL and the manner in which the mandate is pursued:

- Integrity* Ensure that the PHL is consistent in securing the absolute accuracy and reliability of its services, procedures, test results and policy advice.
- Timeliness* Ensure all clients have access to information and test results on a consistent basis and with the fastest turn-around time possible.
- Reliability* Ensure all its clients can count on the PHL for addressing their laboratory and information requirements so as to enable them to fulfill their mandates with accuracy and confidence.
- Excellence* Ensure state-of-the-art technology and expertise in the delivery of all of its services consistent with best practices and standards established in the industry.

7.0 PRIMARY CLIENTS

As the mandated provincial laboratory responsible for providing all routine and specialized reference diagnostic and specialized services in clinical and public health microbiology in the province, the PHL has many clients. These include:

- All provincial hospitals
- Health officials of DHCS
- All community health clinics
- All medical clinics/offices
- Doctors and their patients
- Nursing homes and stations
- Public Health Inspectors
- Department of Municipal Affairs
- Municipalities

- Department of Environment and Conservation
- Department of Government Services
- National and international networks, expert working groups, advisory committees etc involved with clinical and public health microbiology and epidemiology.

Many of these clients are entirely dependent on the services provided by the PHL and, without these services, would be severely compromised in fulfilling their mandates for preserving public health and addressing the health related needs of their clients. Based on current quality and communication protocols, PHL is successfully addressing client needs.

8.0 SHARED COMMITMENTS / PARTNERSHIPS

As part of its mandate the PHL functions closely and in partnership with all microbiology laboratories in the province as well as many health related agencies provincially and nationally. The following items illustrate the shared commitments of the PHL in dealing with various areas identified in its goals, role and functions and the contributions of each towards identified strategic directions.

- **Provincial Electronic Data Transfer Initiative:** Over the past several years, PHL has been working in close collaboration with the Information Technology Department of the Eastern Health towards establishing complete electronic data transfer of laboratory information to microbiology laboratories of major hospitals in the province. This was initially implemented in 2003 with hospitals in Eastern Health Region and subsequently expanded to Central and Western Health Regions in partnership with concerned microbiology laboratories. Northern Health Region remains to be linked pending integration of existing electronic databases in 3 sites within the region. This project has greatly improved the timely transfer of, and access to health data across the province. This system is designed to enhance the ability of the provincial infectious disease surveillance system to monitor overall public health in a timely manner and to respond quickly to critical and urgent health issues.

National Partnerships: The PHL participates in several national and international networks, expert working groups and advisory committees that are involved with clinical and public health microbiology, and prevention, control and surveillance of infectious diseases. In this capacity, the PHL is a partner in public health at the national level and represents the province in facilitating the two-way transfer of

information vital to monitoring and securing the public health of the country. The following highlights PHL's existing partnerships at the national level.

- ***Canadian Public Health Laboratory Network (CPHLN)***, whose main focus is providing a forum for exchange of information and identification and establishment of common goals and priorities at inter-provincial and national levels. CPHLN is one of 6 Expert Groups of the recently established Pan Canadian Public Health Network, with a major role respecting national public health. Membership includes all PHL Directors across the country.

There are also several committees and working groups under the CPHLN umbrella and the PHL is an active member of the following groups.

- *Canadian Tuberculosis Laboratories Technical Network (CTLTN)* whose mission is to promote excellence, standardization and quality assurance in mycobacteriology services.
 - *National Enteric Surveillance Program*, a federal-provincial network of laboratories that tracks the prevalence and incidence of microorganisms causing enteric illnesses.
 - *National Water and Food Safety Subcommittee* whose prime objective is to ensure best practices in microbiology testing of drinking water for public health purposes.
 - *Bio-terrorism Subcommittee*, whose main objective is preparedness and technical expertise and training for potential events of terrorism involving microorganisms,
 - *Laboratory Standardization Subcommittee*, whose main objective is to review, update and standardize laboratory testing parameters for nationally notifiable diseases and address related quality control and quality assurance issues?
- ***Canada Health Infoway - Pan-Canadian Lab Standards Group*** - This national group was formed to contribute to, review and validate laboratory information standards to support the interoperable pan-Canadian electronic health record (EMR) as defined by Infoway and as part of the Laboratory Program.
 - ***Canadian Association of HIV Clinical Laboratory Specialists*** - This national network is dedicated to the advancement of excellence in HIV laboratory practices and services.

In addition to laboratory testing, the PHL is active in research and special projects in microbiology and infectious disease epidemiology as part of its broader mandate to protect public health. These projects are undertaken through close partnership with many hospitals and agencies both within the province and nationally involving numerous health care professionals. The following outlines recent and significant projects:

- ***HPV Triage in Cervical Cancer Screening*** - Backed by several years of its own research and development activity with many partners, the PHL introduced HPV testing service in 1998 on a limited basis to all gynaecologists in the province as an adjunct test to Pap screening. This was followed by an HPV triage trial in 2005, which facilitated the province-wide introduction of liquid-based cytology (LBC) in early 2007. The introduction of LBC has allowed the incorporation of reflex HPV testing in triage of women having borderline Pap abnormality. The PHL now plays an important role in the provincial cervical cancer screening program by providing HPV triage service. There is considerable savings in health care costs with this approach which also ensures proper resource utilization and elimination of unnecessary anxiety and follow up visits for the majority of women who are not at risk.

- ***Research on HPV and Cervical Cancer*** - Following the completion of a major randomized clinical trial on the application of HPV DNA testing in primary cervical screening for detection of cervical disease involving over 10,000 women in St. John's and McGill university, a new multicentre Canadian study has been recently started. This involves participation of major health care institutions in 6 provinces. This study will further assess the relative merits of testing for certain molecular markers for more accurate and specific identification of the small fraction of women truly at risk for cervical cancer among those having abnormal Pap test. This study will enrol and follow about 2,000 women in 6 sites across the country for about 3-5 years to determine the predictive value of the new tests under study.

| |
|---|
| This multi centre HPV molecular marker study is the only study of its kind in the country, which will contribute to cervical cancer screening strategy. |
|---|

9.0 HIGHLIGHTS AND ACCOMPLISHMENTS

Emergency Response: The PHL has an important role to ensure the province can respond effectively to potential bioterrorism threats. The laboratory's level III facility and technical expertise are integral parts of our rapid response system to bioterrorism threats. PHL employees, as well as Environmental Health Officers across the province, have been trained to handle suspicious packages and deal with biohazard events. The PHL also ensures that it maintains adequate and satisfactory response capacity to biohazard/bioterrorist threat through annual re-certification of the response team members.

The PHL has taken the initiative to train microbiology laboratory technologists in the province in the handling of clinical specimens and agents associated with bioterrorism.

Accreditation: The PHL has always been vigilant in following recommended laboratory procedures and practices. It has traditionally ensured strict quality control protocols and practices and routinely participated in various proficiency testing programs to monitor performance level, accuracy and competency. It has also made every effort to provide a safe working environment for its employees. In 2007-2008, PHL has initiated efforts and made considerable progress towards obtaining International Standard Accreditation with ISO 15189, a newly developed accreditation standard.

10.0 MISSION *

The 2007-08 Transition Plan identified the following mission for the Public Health Laboratory:

The efficient and accurate processing, detection and surveillance of disease includes human resources and expertise. Hence, PHL has established that its primary mission for the 2007-2011 planning period will focus on:

Ensuring that the province continues to advance and secure its technical, professional and human resource capabilities for the timely detection, surveillance, prevention and control of and protection from infectious diseases in the province.

*The Public Health Laboratory's mission has been updated and the current version can be found in the 2008-11 Business Plan, which is available by contacting the Department of Health and Community Services Tel: 709-729-4984 or email: healthinfo@gov.nl.ca or visit <http://www.health.gov.nl.ca/health/> .

As the 2008 year represents the end of the initial component of the 2011 planning cycle, progress made in achieving the mission is identified below:

Goal: In 2007-08 the PHL focused on securing and improving the PHL capacity to respond to any and all threats to the provincial public health and respecting the delivery of its services.

| | |
|--|---|
| Measure 1 | Comprehensive succession/ transition HR plan developed |
| Indicator | Progress in 2007-08 |
| Completed environmental scan | An environmental scan was completed and a succession plan developed. The Assistant Director position was classified and a potential candidate pool was identified |
| Measure 2 | Introduce new testing procedures for influenza diagnosis |
| Indicator | Progress in 2007-08 |
| Increased performance in Quality Control | The existing Quality Control Program increased the frequency of auditing/ monitoring activity from monthly to weekly. Additional external controls also |

| | |
|--|---|
| | lead to improved performance. |
| Reduce reporting times on key tests | PCR-based real time tests with a faster turnaround time were introduced |
| Develop logistics and reagent and other supply plan for pandemic flu | Contract with a vendor was signed to ensure reagents and supplies in reserve to meet increased demand for testing |

The 2007-08 progress will strengthen PHL’s technical, professional and human resource capability to respond to threats to public health and the delivery of services within the province and contribute to the strategic direction of government to strengthen public health capacity.

11.0 GOALS AND OBJECTIVES

Strategic Issues

The Department of Health and Community Services has set four strategic directions for the period of 2008-2011. The PHL’s Business Plan focuses on the strategic direction of strengthening public health capacity. The core functions of the public health system include population health assessment, health surveillance, prevention, health promotion and health protection.

The ability of the providers to fulfill public health functions is dependent on the strength and capacity of the supporting infrastructure. This requires sufficient, competent and appropriately distributed workforce, adequate resources, organizational capacity, and an ability to manage information upon which decision making is dependant. Health and community system responsiveness to public health issues and broad planning for disaster and emergencies need to be strengthened. This requires a strategic focus to collectively address:

- Organization of the provincial public health structure
- Fiscal and human resources for public health
- Surveillance for communicable disease control
- All hazards emergency preparedness in the health and community services system
- Immunization management including vaccine inventory control and immunization

The following priority issues have proven to be significant challenges for PHL:

1. Human Resources
2. Emergency response
3. Accreditation

Issue 1: Human Resources

This is consistent with Government's goal to strengthen human resource capacity in the public health sector and in the province. Securing qualified human resources so that operations of the PHL can continue with current operations consistent with established protocols and quality control measures was an essential focus in 2007-2008. As the two most senior staff approached retirement, there were no internal or local candidates in a position to assume senior management positions. A transition/succession plan was required for the organization and recruitment from outside the Province was anticipated.

Goal: By March 31, 2008, the PHL will have commenced development of a comprehensive succession/transition HR plan.

| MEASURE | PROGRESS IN 2007-08 |
|---|---|
| The environmental scan is completed | The environmental scan was completed in the fall of 2007. |
| INDICATORS | |
| Completed inventory of the senior positions and required qualifications | As a result of this review, the position of Assistant Director was classified in the fall of 2007 |
| Completed environmental scan to identify hard to fill positions | As part of PHL transition/succession plan, the position of Assistant Director was identified as the hard to fill position. |
| Identified potential candidate pool | A provincial and national candidate pool was identified for the Assistant Director position and recruitment was held in early 2008. Recruitment efforts are continuing. |

This concerns PHL's transition and succession plan as it related to senior management staff and ensuring continuity and stability within the laboratory and in services. In fall 2007, PHL started and completed development of a comprehensive succession and transition plan for PHL senior management staff. Discussions are on-going to ensure we remain nationally competitive.

Issue 2: Emergency Response

The threats of a public health emergency triggered by events like a flu pandemic, food or water borne outbreaks, emergence of exotic diseases or terrorist attack are within the realm of possibility in North America. With Newfoundland's proximity in travel routes and as a point of entry from European countries, the threat of an exotic disease or a virulent pathogen being imported into the province is real. Such an event will have a significant impact on national and interprovincial public health security. As part of its continued improvement initiative, the PHL maintained efforts to review and update all its services and capabilities with focus on improved access to testing and turnaround time. Work continued in assessing the province's capabilities to respond to emergencies, in particular to the impending pandemic flu and outbreak management.

Goal: By March 31, 2008, the PHL will have enhanced the province's ability to respond to a Pandemic or other severe risks to public health.

| MEASURE | PROGRESS IN 2007-08 |
|---|--|
| Introduce new testing procedures for influenza diagnosis | Molecular based diagnostic and screening tests were introduced to ensure rapid turnaround time and throughput to meet the increased demand during a pandemic |
| INDICATORS | |
| Increased performance in Quality Control program | Quality control and quality assurance programs were enhanced by protocols to ensure reliability of testing services for influenza. |
| Reduce reporting times on key tests | The introduction of new technologies has reduced test turnaround time. |
| Develop logistics and reagent and other supply plan for pandemic flu. | The purchase of new equipment for the molecular platform ensured high throughput. A contract was signed with a vendor to ensure adequate supply of reagents for influenza testing during the pandemic. |

PHL is an important and integral part of the provincial and national public health system infrastructure, and must maintain adequate range of testing services and have response capacity and expertise to respond to public health emergencies. In keeping with Government's objective to protect the health of people in the province, measures were taken to enhance the province's ability to respond to public health emergencies involving infectious agents, especially pandemic influenza.

Issue 3: Accreditation

Accreditation of laboratories across Canada is a requisite that ensures all the laboratory services meet the highest standards, quality and reliability. A relatively new International Standard (ISO 15189) has been developed specially to address requirements for accreditation of medical laboratories. It takes into account special constraints imposed by the medical environment and the essential contribution of the medical laboratory service to patient care. Accreditation of PHL laboratory services was considered a priority to ensure and meet the highest standards, quality and reliability. This was consistent with Government's goal to protect the health of people in the province.

Goal: By March 31, 2008, the PHL will have initiated efforts towards commencement of the accreditation process.

| MEASURE | PROGRESS IN 2007-08 |
|--|---|
| Completed environmental scan | The necessary environmental scan was completed in the fall of 2007. |
| INDICATORS | |
| Identification of required documentation | Required documentation has been identified for ISO 15189 certification. |
| Review of laboratory policies and procedures | Specific areas of testing services were chosen for initial certification, including water testing, HIV, hepatitis B and C and HPV. Policies and procedures concerning these testing services were reviewed and Standard Operating Procedures (SOPs) were developed. |

The PHL has initiated efforts towards accreditation, which represent a significant undertaking. Additional rigor in documenting established procedures and processes is still required before proceeding further. Future steps include site inspection and

preliminary document review. This initiative will lead to ISO certification and ensure that formal, national recognition exists for the quality management and services offered by the PHL.

12. OPPORTUNITIES AND CHALLENGES

➤ Electronic Data Transfer/Networking

The long term goal of electronically linking the PHL database with databases of microbiology laboratories of major hospital in the province has to a great extent been realized. Electronic data transfer/networking allows for direct exchange of data from one laboratory information system to another and has eliminated duplication and considerable paper work with a real-time exchange of laboratory data with high efficiency. There are further opportunities to maximize this system by bringing on board the northern health region. This however requires integration of the existing databases in three sites within the region and necessary logistical support and resources at the concerned sites.

In November 2007, a privacy breach occurred at PHL involving the accidental internet disclosure of patient information by a Consultant working for the PHL. As a result, improvement opportunities were identified. Additional security measures were implemented. Follow up action included future consultant contracts that contain specific privacy clauses, a governance and policy and practice review with Eastern Health , DHCS and PHL, and completion of a Privacy Impact Assessment and ATIPP training.

➤ Emergency Response/Bioterrorism

The PHL is constantly vigilant in its efforts to respond to potential bioterrorism threats to the public. The laboratory's Level III facility and technical expertise are integral parts of the PHL's rapid response system. In 2007-2008, refresher training was offered to the select group of Environmental Health Officers across the province who were previously trained in handling suspicious packages and dealing with biohazard/bioterrorism threats. The PHL also provided training to laboratory technologists across the province in the handling of clinical specimens associated with such threats. However, it is important to periodically review the level of

competency and offer refresher courses. This is an ongoing initiative that requires co-ordination, continued trainee commitment and interest, and funding.

➤ **Retention and Recruitment**

Several senior laboratory and management employees of the PHL with over 35 years of service will be retiring within the next few years and replacing them pose a major challenge. Pending retirement of personnel at senior executive level is of considerable concern. The PHL has developed a succession management plan. Advance planning will be required to implement the plan to ensure stability and continuity of high quality services and expertise.

➤ **Accreditation**

In addition to daily work, accreditation is a major undertaking, a slow and highly demanding task. This requires dedicated personnel and considerable knowledge and tenacity to meet or exceed the requirements of ISO 15189. While the goal is to obtain accreditation by 2011, considerable work needs to be done in the interim. When accreditation is achieved, the PHL will have a formal certification ensuring quality management and services of the PHL at the national level.

APPENDIX A: STRATEGIC DIRECTIONS

Department of Health and Community Services Strategic Directions

The directions related to the Department of Health and Community Services are provided below. Each strategic direction is comprised of a number of components, or focus areas. These focus areas will be addressed through the various planning processes of the Department. As indicated in the table below, some have been addressed in departmental planning processes or that of other entities.

PHL is an entity reporting to the Department. The 2007-2008 Public Health Laboratory Business Plan, addresses the strategic direction of strengthen public health capacity, in particular the focus areas of surveillance for communicable disease.

| Strategic Direction | Focus Areas of the Strategic Direction | This Direction is: | | | |
|--|---|---|--|--|---|
| | | Addressed by entities reporting to the department | Addressed in the department's strategic plan | Addressed in the department's operational plan | Addressed in the work plan of a branch/division within the department |
| Improved population health | Obesity | * | | | |
| | Smoking rates and protection from environmental smoke | * | | | |
| | Dental health of children | | | | * |
| | Uptake of cervical screening | | | | * |
| | Uptake of flu vaccine of seniors and health care providers | * | | | |
| | Support for healthy aging | * | | | |
| | Injury prevention | * | | | |
| | Aboriginal health needs | | | | * |
| Strengthened public health capacity | Reorganize the provincial public health structure | * | | | |
| | Resources for public health including fiscal and human resources | * | | | |
| | Surveillance for communicable disease | * | | | |
| | Immunization management including vaccine inventory control and immunization registry | | * | | |

| Strategic Direction | Focus Areas of the Strategic Direction | This Direction is | | | |
|--|--|---|--|--|---|
| | | Addressed by entities reporting to the department | Addressed in the department's strategic plan | Addressed in the department's operational plan | Addressed in the work plan of a branch/division within the department |
| | Health emergency plan for the HCS system | * | | | |
| | Environmental health policy | | * | | |
| Improved accessibility to priority services | Access to community based mental health and addictions services | | | | * |
| | Access to appropriate primary health services | | | * | |
| | Home care and support services in the areas of end of life care, acute short term community mental health case management, short term post discharge IV medications and wound management | | | | * |
| | Options to support choices on individuals in need of long term and community supports | | * | | |
| | Access to quality early learning and child care | | * | | |
| | Access to selected acute services | | * | | |
| | Access to appropriate medications | | | | * |
| Improved accountability and stability in the delivery of health and community services within available resources | Identify and monitor outcomes for selected programs | | | * | |
| | Alignment of regional services | | * | | |
| | Achievement of balanced budgets | | | | * |
| | Stabilize human resources | | | | * |
| | Identification and utilization of information for evidence based planning in service delivery. | | | * | |

APPENDIX B: LISTING OF ALL PATIENT AND PUBLIC HEALTH-RELATED DIAGNOSTIC AND SCREENING SERVICES CURRENTLY PROVIDED BY NL PUBLIC HEALTH LABORATORY

- Adenovirus -antigen detection Anthrax –microscopy, culture, PCR
- Arbovirus –referred
- Astrovirus – EIA
- Botulism –referred
- Brucella –culture, serology
- Bartonella –referred
- Chl. Psittaci –referred
- Chl. Trachomatis –PCR, culture
- C.difficile – EIA
- CMV –PCR, culture
- Coxiella –referred
- CJK –referred
- C.diphtheria –culture, serology (referred out)
- E.coli 0157- culture, toxin
- EBV – serology, PCR
- Enterovirus –culture
- Farmer’s lung –referred
- Food borne bacterial disease –culture various agents
- Francisella –culture
- Gonorrhoea –PCR, culture confirmation
- Hantavirus- referred
- H.pylori –serology
- Hepatitis A-serology
- Hepatitis B-serology
- Hepatitis C –serology, PCR
- Hepatitis D-referred
- Hepatitis E-referred
- Herpes simplex virus – microscopy, culture, serology, PCR
- HIV –serology, PCR
- HTLV I/II – serology
- HHV-6, HHV-7, HHV-8, -referred
- HPV – hybrid capture
- Influenza – DFA, culture, PCR
- Legionella –antigen detection
- Lyme Disease –referred
- Measles –serology

Continued Listing of All Patient and Public Health-Related Diagnostic and Screening Services Currently Provided By NL Public Health Laboratory

- Meningococcus – typing, susceptibility
- MRSA –ID, susceptibility
- Mumps – serology, culture, PCR(referred)
- Mycobacteria –microscopy, culture, susceptibility, PCR
- Mycology(Fungus) – microscopy, culture
- Mycoplasma –serology, culture
- Norovirus – EIA
- Parainfluenza – DFA, culture
- Parasitology –microscopy, EIA, serology
- Parvovirus – serology
- Pertussis –culture
- Poliomyelitis- referred
- Rabies –referred
- Rickettsia – referred
- Rotavirus – antigen detection
- RSV – DFA, culture
- Rubella –serology
- Salmonella –typing
- Shigella –typing
- Syphilis – serology
- Tetanus- referred
- Toxoplasma –serology, PCR(referred)
- VZV – serology, culture
- West Nile V – serology, PCR(referred)
- Reference service for culture identification-various bacteria and fungi
- Water testing service for municipal, provincial and private agencies/individuals
- Dairy products- bacterial quality testing
- Bacterial culture media preparation for several laboratories.

Appendix C: Audited Financial Statement 2007-2008



Financial Statements

Public Health Laboratory

March 31, 2008

Grant Thornton
Chartered Accountants
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Auditors' report

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To the Board of Trustees of
Eastern Regional Health Authority

We have audited the statement of financial position of the Public Health Laboratory as at March 31, 2008 and the statements of operations, changes in net deficiency, and cash flows for the year then ended. These financial statements are the responsibility of the Laboratory's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Laboratory as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures for the year ended March 31, 2007 were audited by another firm of chartered accountants.

Grant Thornton LLP

St. John's, Newfoundland and Labrador

May 23, 2008

Chartered Accountants

**Public Health Laboratory
Statements of Operations and
Changes in Net Deficiency**

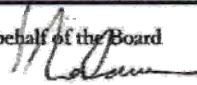
| Year Ended March 31 | 2008 | 2007 |
|---|---------------------|-----------------------|
| Revenue | | |
| Government of Newfoundland and Labrador | <u>\$ 3,740,027</u> | <u>\$ 3,526,754</u> |
| Expenditure | | |
| Wages and benefits | 1,564,167 | 1,584,016 |
| Laboratory supplies | 1,464,384 | 1,487,376 |
| Professional fees | 199,586 | 204,793 |
| Operating supplies | 193,384 | 131,879 |
| Printing, stationery and office | 52,460 | 58,583 |
| Minor equipment | 40,853 | 10,828 |
| Repairs and maintenance | 31,713 | 73,735 |
| Travel | 19,155 | 34,376 |
| Telephone | <u>13,630</u> | <u>11,767</u> |
| | <u>3,579,332</u> | <u>3,597,353</u> |
| Excess of revenue over expenditure (expenditure over revenue) before undemoted items | <u>160,695</u> | <u>(70,599)</u> |
| Depreciation | (41,390) | (130,744) |
| Amortization of deferred capital contributions | 28,525 | 47,208 |
| Decrease (increase) in severance pay accrual | <u>2,786</u> | <u>(1,031)</u> |
| | <u>(10,079)</u> | <u>(84,567)</u> |
| Excess of revenue over expenditure (expenditure over revenue) | <u>\$ 150,616</u> | <u>\$ (155,166)</u> |
| Net deficiency, beginning of year | \$ (1,024,439) | \$ (869,273) |
| Excess of revenue over expenditure (expenditure over revenue) | <u>150,616</u> | <u>(155,166)</u> |
| Net deficiency, end of year | <u>\$ (873,823)</u> | <u>\$ (1,024,439)</u> |

See accompanying notes to the financial statements.


Public Health Laboratory
Statement of Financial Position

| March 31 | 2008 | 2007 |
|---|-------------------|--------------------|
| Assets | | |
| Current | | |
| Cash and cash equivalents | \$ 500 | \$ 500 |
| Receivables | 38,278 | 43,689 |
| Receivable from Eastern Regional Health Authority | <u>108,199</u> | <u>-</u> |
| | 146,977 | 44,189 |
| Capital assets (Note 3) | <u>99,736</u> | <u>89,378</u> |
| | <u>\$ 246,713</u> | <u>\$ 133,567</u> |
| Liabilities | | |
| Current | | |
| Payables and accruals | \$ 86,562 | \$ 47,637 |
| Payable to Eastern Regional Health Authority | - | 211,255 |
| Accrued vacation pay | 241,614 | 251,287 |
| Current portion of accrued severance pay | 65,520 | - |
| Deferred revenue | <u>242,770</u> | <u>118,673</u> |
| | 636,466 | 628,852 |
| Accrued severance pay | 376,319 | 444,625 |
| Deferred capital contributions | <u>107,751</u> | <u>84,529</u> |
| | 1,120,536 | 1,158,006 |
| Net deficiency | | |
| Deficit | <u>(873,823)</u> | <u>(1,024,439)</u> |
| | <u>\$ 246,713</u> | <u>\$ 133,567</u> |

On behalf of the Board



Trustee



Trustee

See accompanying notes to the financial statements.

Public Health Laboratory
Statement of Cash Flows

| Year Ended March 31 | 2008 | 2007 |
|--|------------------|-----------------|
| Increase (decrease) in cash and cash equivalents | | |
| Operating | | |
| Excess of revenue over expenditure (expenditure over revenue) | \$ 150,616 | \$ (155,166) |
| Depreciation | 41,390 | 130,744 |
| Amortization of deferred capital contributions | (28,525) | (47,208) |
| (Decrease) increase in severance pay accrual | (2,786) | 1,031 |
| | <u>160,695</u> | <u>(70,599)</u> |
| Change in non-cash operating working capital (Note 4) | <u>(160,695)</u> | <u>76,377</u> |
| | <u>-</u> | <u>5,778</u> |
| Financing | | |
| Capital asset contributions | <u>51,748</u> | <u>-</u> |
| Investing | | |
| Purchase of capital assets | <u>(51,748)</u> | <u>(5,778)</u> |
| Net increase in cash and cash equivalents | - | - |
| Cash and cash equivalents | | |
| Beginning of year | <u>500</u> | <u>500</u> |
| End of year | <u>\$ 500</u> | <u>\$ 500</u> |

See accompanying notes to the financial statements.

Public Health Laboratory

Notes to the Financial Statements

March 31, 2008

1. Nature of operations

The purpose of the Public Health Laboratory (the "Laboratory") is to act as the provincial reference laboratory centre for clinical and public health microbiology and infectious disease surveillance and control. The Laboratory offers specialized and reference laboratory services to all physicians, hospitals, clinics and health related agencies in the Province.

2. Summary of significant accounting policies

Basis of accounting

These financial statements include only the assets, liabilities, revenue and expenditures relating to the operations carried on under the name of the Public Health Laboratory.

Use of estimates

In preparing the Foundation's financial statements in conformity with Canadian generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenditures during the year. Actual results could differ from these estimates.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand.

Capital assets

Capital assets are recorded at cost. Rates and bases of depreciation applied to write off the cost of capital assets over their estimated lives are as follows:

| | |
|--------------------|--------------------|
| Equipment | 15%, straight line |
| Computer equipment | 20%, straight line |

Impairment of long-lived assets

Long-lived assets are reviewed for impairment upon the occurrence of events or changes in circumstances indicating that the value of the assets may not be recoverable, as measured by comparing their net book value to the estimated undiscounted cash flows generated by their use. Impaired assets are recorded at fair value, determined principally using discounted future cash flows expected from their use and eventual disposition.

Capital contributions

Capital contributions are recorded as deferred contributions and amortized to income on a straight-line basis using the same rates as depreciation expense related to the capital assets purchased. Capital contributions for non-depreciable capital assets are recorded as direct increases in net assets.

Public Health Laboratory
Notes to the Financial Statements
March 31, 2008

2. Summary of significant accounting policies (cont'd.)

Accrued severance pay

Severance pay is accounted for on an accrual basis and is calculated based upon years of service and current salary levels. Severance pay is only recorded in the accounts for employees who have a vested right to receive such a payment. No provision for severance pay is recorded in the accounts for any employee who has less than nine years of service. Severance is payable when the employee ceases employment with the Laboratory.

Revenue recognition

Revenue from the Government of Newfoundland and Labrador (the "Government") consists of provincial plan revenue and is recognized in the period in which entitlement arises. Revenue received for a future period is deferred until that future period and is reflected as deferred revenue.

Pension costs

Employees of the Laboratory are included in the Public Service Pension Plan and the Government Money Purchase Plan administered by the Government. Contributions to the plans are required from both the employees and the Laboratory. The annual contributions for pensions are recognized as an expenditure in the accounts on a current basis.

Accounting standards and policies adopted during the year

(i) Accounting changes

In July 2006, the Canadian Institute of Chartered Accountants ("CICA") issued section 1506 of the CICA Handbook, "Accounting Changes", which describes the criteria for changing accounting policies, along with the accounting and disclosure for changes in accounting policies, changes in accounting estimates and correction of errors. These changes came into effect as of January 1, 2007 and are applicable for the Laboratory's year ended March 31, 2008.

(ii) Financial instruments

On April 1, 2007, the Laboratory implemented the CICA Handbook Sections 3855, "Financial Instruments - Recognition and Measurement", and 3861, "Financial Instruments - Disclosure and Presentation".

This new standard, Section 3855, "Financial Instruments - Recognition and Measurement", requires the Laboratory to revalue all of its financial assets and liabilities, including any derivatives and embedded derivatives in certain contracts, at fair value on the initial date of implementation and at each subsequent financial reporting date.

Public Health Laboratory Notes to the Financial Statements

March 31, 2008

2. Summary of significant accounting policies (cont'd.)

This standard also requires the Laboratory to classify financial assets and liabilities according to their characteristics and management's choices and intentions related thereto for the purposes of ongoing measurements. Classification choices for financial assets include: a) held for trading - measured at fair value with changes in fair value recorded in net earnings; b) held to maturity - recorded at amortized cost with gains and losses recognized in net earnings in the year that the asset is no longer recognized or impaired; c) available for sale - measured at fair value with changes in fair value recognized in net assets for the current year until realized through disposal or impairment; and d) loans and receivables - recorded at amortized cost with gains and losses recognized in net earnings in the year that the asset is no longer recognized or impaired.

Classification choices for financial liabilities include: a) held for trading - measured at fair value with changes in fair value recorded in net earnings and b) other - measured at amortized cost with gains and losses recognized in net earnings in the year that the liability is no longer recognized.

Subsequent measurement for these assets and liabilities are based on either fair value or amortized cost using the effective interest method, depending upon their classification. Any financial asset or liability can be classified as held for trading as long as its fair value is reliably determinable.

In accordance with the new standard, the Laboratory's financial assets and liabilities are generally classified and measured as follows:

| <u>Asset/Liability</u> | <u>Classification</u> | <u>Measurement</u> |
|---------------------------|-----------------------|--------------------|
| Cash and cash equivalents | Held for trading | Fair value |
| Receivables | Loans and receivables | Amortized cost |
| Payables and accruals | Other liabilities | Amortized cost |

Other balance sheet accounts, such as capital assets, deferred revenue, and deferred capital contributions are not within the scope of the new accounting standards as they are not financial instruments.

The fair value of a financial instrument is the estimated amount that the Laboratory would receive or pay to terminate the instrument agreement at the reporting date. To estimate the fair value of each type of financial instrument, various market value data and other valuation techniques were used as appropriate. The fair values of cash approximated its carrying value.

Public Health Laboratory Notes to the Financial Statements

March 31, 2008

2. Summary of significant accounting policies (cont'd)

Financial instruments - disclosure and presentation

Section 3861, "Financial Instruments – Disclosure and Presentation" which replaces 3860, of the same title, establishes standards for the presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them.

Based on managerial review and valuation of the Laboratory's financial instruments, no significant differences between carrying value and fair value were identified. Therefore, no transitional adjustments were required.

Future changes in accounting policies

(i) Financial instruments – disclosure and financial instruments – presentation

Section 3862, "Financial Instruments – Disclosure" and Section 3863, "Financial Instruments – Presentation" replaces Section 3861, "Financial Instruments – Disclosure and Presentation". Section 3862 requires increased disclosures regarding the risks associated with financial instruments such as credit risk, liquidity risk and market risks and the techniques used to identify, monitor and manage these risks. Section 3863 carries forward standards for presentation of financial instruments and non-financial derivatives and provides additional guidance for the classification of financial instruments, from the perspective of the issuer, between liabilities and equity. These standards are effective for financial statements relating to fiscal years beginning on or after October 1, 2007.

The Laboratory does not expect the adoption of these standards to have a significant impact on its financial disclosure and results of operations.

| 3. Capital assets | 2008 | | 2007 | |
|--------------------|---------------------|--------------------------|------------------|------------------|
| | Cost | Accumulated Depreciation | Net Book Value | Net Book Value |
| Equipment | \$ 1,590,617 | \$ 1,490,881 | \$ 99,736 | \$ 89,378 |
| Computer equipment | 602,290 | 602,290 | - | - |
| | <u>\$ 2,192,907</u> | <u>\$ 2,093,171</u> | <u>\$ 99,736</u> | <u>\$ 89,378</u> |

During the current year the Laboratory had capital purchases totaling \$51,748.

Public Health Laboratory
Notes to the Financial Statements

March 31, 2008

| 4. Supplemental cash flow information | <u>2008</u> | <u>2007</u> |
|---|---------------------|------------------|
| Change in non-cash operating working capital | | |
| Receivables | \$ 5,411 | \$ (3,689) |
| Receivable from Eastern Regional Health Authority | (319,455) | (11,892) |
| Payables and accruals | 38,925 | (43,963) |
| Accrued vacation pay | (9,673) | 17,248 |
| Deferred revenue | <u>124,097</u> | <u>118,673</u> |
| | <u>\$ (160,695)</u> | <u>\$ 76,377</u> |

5. Related party transactions

The Laboratory coordinates with the Eastern Regional Health Authority to provide a reference laboratory centre. Transactions between these related parties are measured at their exchange value.