



Northwest Territories Health and
Social Services Authority

Administration des services de santé
et des services sociaux des Territoires
du Nord-Ouest

ANNUAL REPORT
RAPPORT ANNUEL
2017-2018



Mot en français du Président et de la directrice générale

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MESSAGE FROM THE CHAIRPERSON

With the Northwest Territories Health and Social Services Authority completing its second year of operations we have had the opportunity to realize some of the anticipated efficiencies that are occurring from the transformation of the health and social services system in the NWT from eight authorities as governing bodies, to a more effective and responsive patient and client centered system.

The staff at the NTHSSA have displayed incredible dedication, compassion and commitment as we move forward as a system and I would like to commend them for the service they are providing to the residents of the NWT. My fellow Leadership Council board members and the Regional Wellness Council members have been working closely with the executives of the NTHSSA and they should also be commended for their efforts.

I look forward to the future as we will be working very closely with the Authority and stakeholders as we continue to make improvements leading to a culturally safe and relationship based model of care.

This report includes the 2017-2018 Audited Financial Statements that have been reviewed and audited by the Auditor General of Canada. Including the statements with the description of the operations of the Authority fulfills my responsibility and commitment to public accountability

for the financial and operational performance of the Northwest Territories Health and Social Services Authority.

I continue to be honored to serve as the Chairperson of the NWT HSS Leadership Council. I have now seen the establishment and the growth of the NTHSSA and look forward to the years to come as we continue to provide quality care to the residents of the Northwest Territories.



Máhsı

Jim Antoine

Chair,

Northwest Territories Health and Social Services Leadership Council

MOT DU PRÉSIDENT

Au terme de la deuxième année d'exploitation de l'Administration des services de santé et des services sociaux des Territoires du Nord-Ouest (ASTNO), nous constatons la concrétisation de certains des bénéfices attendus de la refonte du système des services de santé et des services sociaux aux TNO, où nous sommes passés de huit organes de gestion à un système davantage axé sur le patient et plus réactif.

Le personnel de l'ASTNO a fait preuve d'un dévouement, d'une sollicitude et d'une détermination exceptionnels dans l'adoption de cette nouvelle structure, et je souhaite le féliciter pour les services qu'il offre aux Ténos. Je tiens également à saluer les efforts de mes collègues du Conseil de leadership des services de santé et des services sociaux et des conseils régionaux du mieux-être des Territoires du Nord-Ouest, qui travaillent en étroite collaboration avec la direction de l'ASTNO.

J'envisage l'avenir avec optimisme, tandis que nous poursuivons notre collaboration très étroite avec l'ASTNO et les diverses parties prenantes afin de constamment améliorer le système et ainsi d'offrir un modèle de soins ancré dans le respect de la culture et le rapport de confiance.

Le présent rapport comprend les états financiers 2017-2018 dûment vérifiés par le vérificateur général du Canada. Par la soumission de ces états financiers conjointement à la description des activités de l'ASTNO, je m'acquiesce de mes responsabilités et réaffirme mon engagement mon

engagement à répondre publiquement du rendement financier et opérationnel de l'ASTNO.

C'est toujours un honneur de présider le Conseil de leadership des services de santé et des services sociaux des Territoires du Nord-Ouest. J'ai été témoin de la création et de l'évolution de l'ASTNO, et je suis persuadé que nous continuerons à offrir des soins de qualité aux Ténos au cours des années à venir.



Máhsi

Jim Antoine

Président

Conseil de leadership des services de santé et des services sociaux des Territoires du Nord-Ouest

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Since being established on August 1st, 2016, the NTHSSA's first year of operations focused on building the organizational and operational structure while continuing to provide quality care and services in a time of transition. Now through year two, we have continued to establish ourselves and have been transitioning as we have been transforming.

We have now been able to realize some organizational stability and have continued to identify, monitor and improve the effectiveness and consistency of health and social services across the NWT. As you will see in this annual report we have been able to work closely with Accreditation Canada to focus our efforts on priority areas for improvement and have realized several successes to date.

The future outlook of the NTHSSA is very exciting as we work towards the opening of the new Stanton Territorial Hospital which will be a milestone not only for the NTHSSA, but the GNWT.

The NTHSSA workforce has been a pivotal reason we have seen such significant improvements to date and I would like to recognize all the hard work of all the NTHSSA employees. We will continue to support and develop our existing workforce as we improve the patient/client experience.

It will continue to be an exciting time for the NWT health and social services system over the next several years as the system builds towards a culturally safe and relationship based care that is supported by an engaged workforce. We look forward to working with our partners and communities to ensure the system is meeting the unique needs of the north.



A stylized, handwritten signature in black ink, consisting of several fluid, overlapping loops and lines.

Sincerely

Sue Cullen

*Chief Executive Officer,
Northwest Territories Health and Social Services Authority.*

MOT DE LA DIRECTRICE GÉNÉRALE

Dans l'année qui a suivi sa création le 1er août 2016, l'ASTNO a mis l'accent sur l'établissement de sa structure organisationnelle et opérationnelle tout en assurant la prestation de soins et de services de qualité malgré la transition. Maintenant, la deuxième année est derrière nous, et nous poursuivons notre transformation tout en consolidant nos acquis.

Nous pouvons désormais profiter d'une certaine stabilité tout en continuant à cerner les possibilités d'amélioration de l'efficacité et de l'uniformité au sein du système des soins de santé et des services sociaux des TNO, à les mettre en œuvre et à en assurer le suivi. Comme vous le constaterez dans le présent rapport annuel, nous travaillons en étroite collaboration avec Agrément Canada afin d'axer nos efforts sur les secteurs qui doivent être améliorés en priorité, et comptons déjà plusieurs réussites à ce jour.

L'avenir de l'ASTNO s'annonce très prometteur : l'ouverture du nouvel Hôpital territorial Stanton approche à grands pas, ce qui marquera une étape charnière tant pour l'ASTNO que le GTNO.

Des améliorations aussi importantes n'auraient pas été possibles sans le rôle primordial joué par les employés de l'ASTNO, et je tiens à souligner le travail acharné de chacun d'entre eux. Nous continuons d'appuyer nos employés et de soutenir leur perfectionnement afin de constamment améliorer l'expérience des patients.

Les prochaines années s'annoncent tout aussi effervescentes pour le système des soins de santé et des services sociaux des TNO qui tendra vers un modèle de soins ancré dans le respect de la culture et le rapport de confiance, modèle qui repose sur la pleine participation de nos employés. Nous avons hâte de collaborer avec nos partenaires et les collectivités pour veiller à ce que le système réponde aux besoins uniques du Nord.



Veillez agréer mes salutations les meilleures.

Sue Cullen

Directrice générale,

Administration des services de santé et des services sociaux des Territoires du Nord-Ouest

NWT HEALTH AND SOCIAL SERVICES LEADERSHIP COUNCIL

The Northwest Territories Health and Social Services Authority (NTHSSA) is governed by a board of management, the NWT Health and Social Services Leadership Council. The Leadership Council works on behalf of NWT residents to provide overall leadership to the NTHSSA and helps facilitate the NTHSSA's legislated mandate to:

- deliver health services, social services, and health and wellness promotional activities within the NWT;
- manage, control and operate each health and social service facility for which the NTHSSA is responsible; and
- manage the financial, human and other resources necessary to perform the NTHSSA's duties.

The Leadership Council is accountable to the Minister of Health and Social Services and provides advice to the Minister on strategic direction for particular health and social services and programs related to those services.

The Leadership Council is made up of nine (9) members; a Chairperson as appointed by the Minister, the Chairperson of each Regional Wellness Council (6), the Chairperson of the Tłı̄cho Community Services Agency; and the Deputy Minister of the Department of Health and Social Services (ex-officio and non-voting).

Northwest Territories Health and Social Services Leadership Council

Chairperson, Mr. James Antoine

Vice-Chairperson and Chair Beaufort-Delta RWC, Ms. Ethel-Jean Gruben

Chair Tłı̄cho Community Services Agency (TSCA), Mr. Ted Blondin

Chair Sahtu RWC, Ms. Gina Dolphus

Chair Fort Smith RWC, Ms. Patricia Schaefer

Chair Dehcho RWC, Ms. Ruby Simba

Chair Hay River RWC, Mr. Michael Maher

Chair Yellowknife RWC, Ms. Elizabeth Biscaye

Deputy Minister, Health and Social Services, Ms. Debbie DeLancey/Mr. Bruce Cooper

Leadership Council and Staff

Left to right: BACK: Gina Dolphus, James Antoine, Elizabeth Biscaye, Ruby Simba, Patricia Schaefer, Georgina Veldhorst, Fraser Lennie, FRONT: Ted Blondin, Sue Cullen, Sarah Cook, Jessica Simpson



NTHSSA Leadership Team

Chief Executive Officer, Ms. Sue Cullen
 Executive Director, Clinical Integration, Ms. Kimberly Riles
 Executive Director, Corporate and Support Services, Mr. Timothy VanOverliw
 Territorial Medical Director, Dr. Sarah Cook
 Chief Operating Officer (Beaufort Delta Region), Ms. Arlene Jorgensen
 Chief Operating Officer (Sahtu Region), Ms. Mireille Hamlyn
 Associate Chief Operating Officer (Sahtu Region) Mr. Fraser Lennie
 Chief Operating Officer (Dehcho Region), Mr. Wilson Dimsdale
 Chief Operating Officer (Yellowknife Region), Ms. Liliana Canadic
 Chief Operating Officer (Fort Smith Region), Ms. Phyllis Mawdsley
 Chief Operating Officer (Stanton Territorial Hospital), Mr. Les Harrison
 Senior Advisor to the Chief Executive Officer, Ms. Gillian Moir
 Senior Administrative Assistant, Ms. Tiffany Digness/Ms. Rachel Abel

Regional Wellness Councils

In 2017-2018 Regional Wellness Councils continued to learn and develop in their roles within the structure of the Northwest Territories Health and Social Services system. This included the core work of coordinating meetings within their respective communities and bringing forward patient, client, and family concerns through their Chairperson to the Leadership Council.

As advisory bodies, the Councils continue to develop a valuable role in the health and social services system that ensures patient, client and community perspectives guide work that will directly impact and improve care and services. These regional voices are critical to developing a system that best serves all NWT residents.

NTHSSA OVERVIEW

The Northwest Territories Health and Social Services Authority (NTHSSA), established on August 1, 2016, is an agency of the Government of the Northwest Territories (GNWT) and responsible for the operation and delivery of health and social services in the Northwest Territories.

Working collaboratively with the Hay River Health and Social Services Authority, the Tłı̄chq̄ Community Services Agency, and the GNWT’s Department of Health and Social Services, the NTHSSA is part of an integrated NWT health and social services system working towards a one-system approach to provide quality care to NWT residents.

The NTHSSA is responsible for the delivery of care and services in accordance with the territorial plan set out by the Minister of Health and Social Services, specifically the NTHSSA is responsible to:

- plan, develop and deliver programs and services;
- ensure operational policies, guidelines and standards

of care within the context of legislation, regulation and broad Department of Health and Social Services policies;

- provide budget development, funding allocation, monitoring and financial reporting;
- provide quality and risk management;
- ensure recruitment, supervision and retention of professional staff;
- ensure staff training and professional development; and
- report and be accountable in accordance with legislation, regulations and agreements.

The NTHSSA is structured under five executive branches:



Office of the Chief Executive Officer: corporate leadership, practitioner leadership, corporate workforce planning, system collaboration, governance support and leadership.

Clinical Integration: child, family and community wellness, quality, safety and client experience, territorial health services.

Corporate and Support Services: informatics and health technology, finance, medical travel, project

management, communications.

Regional Operations: Diagnostic and curative services, protection services, continuing care services, mental health and addictions services, rehabilitation services.

Stanton Territorial Hospital: acute inpatient and ambulatory care, emergency, surgical, hospitalist, obstetrical, anesthesia and mental health services in partnership with regional operations.

STRATEGIC DIRECTION

Building on the newly established (August 2016) governance and leadership structures of the NTHSSA, 2017-18 marked the first full year of operation for the authority with a focus on setting the foundation for the transformation of operations and the delivery of services across the NWT.

The NTHSSA identified two areas of direction for 2017-18; Core Stability and Organizational Architecture, and Aligning under a One-System Approach to Care.

Core Stability and Organizational Architecture

During 2017-18 NTHSSA territorial and regional teams have continued to advance the development of the organizational structure, systems, resources, processes & accountabilities. This work is being undertaken in order to strengthen the stability of the organization to ensure continuity of patient-client centered, and culturally safe program and service delivery.

Aligning under a One-System Approach to Care

The strategic alignment of the NTHSSA's purpose with *Caring for Our People*, the NWT Health and Social Services System Strategic Plan (System Strategic Plan), Framework and Priorities was essential to allow the NTHSSA to continue work in partnership with the Department of Health and Social Services and the Hay River Health and Social Services Authority and the Tłjcho Community Services Agency.

NTHSSA PURPOSE

With a focus on aligning and contributing to the System Strategic Plan Vision and Goals, the NTHSSA operated under the following Purpose during 2017-2018

VISION:

Best Health – Support the health and wellness of the population

Best Care – Care and services responsive to children, individuals, families, and communities

Better Future – Build a sustainable health and social services system

MISSION:

To provide equitable access to quality care and services and encourage our people to make healthy choices to keep individuals, families and communities healthy and strong.

VALUES:

Caring - We treat everyone with compassion, respect, fairness and dignity and we value diversity

Accountable - We strive for outcomes that are measured, assessed and reported on

Relationships - We work in collaboration with all of our stakeholders, partners, and staff

Excellence - We pursue continuous quality improvement through innovation, integration, and evidence based practice

Staff Providing Care Across the NWT

1,286

Employees. Approximately 25% of the GNWT workforce.

Providing Care and Services in 27 of 33 NWT communities



85.7%

Of NTHSSA employees are female.

23.7%

Of our workforce are indigenous Aboriginal.

Our Territorial Hospital is Busy

18,508

ER Visits

20,858

Acute Care Admisson and
Emergency Observation
Bed Days

588

Babies Born

553

Employees at Stanton

Moving People for Care, by Air

15,579

Medical Travel Movements

1,131

Medevac Cases



OUR YEAR IN REVIEW

Caring – We treat everyone with compassion, respect, fairness and dignity, and we value diversity.



Building a culturally respectful system workshop in Dettah, NT.

Working Towards Culturally Respectful Care and Services

Building a culturally respectful health and social services system is a priority for the NWT Health and Social Services Authority. Throughout the past year there have been numerous activities that have helped advance this goal including:

The continued delivery of an Elder in Residence program at Stanton Territorial Hospital which allows patients to access support from an Elder working in the facility to provide cultural and spiritual guidance. This individual works closely with the Aboriginal Wellness Program at the hospital which also provides a number of services including tea & bannock, traditional games, crafts & sewing, spiritual ceremonies, and traditional foods. This program also provides medical interpretation services in 7 of the official indigenous languages of the NWT.

In the Inuvik Region a pilot project for Active Offer service in Inuinnaqtun in the community of Uluhaktok was implemented. This project aims to understand the challenges and benefits of delivering a similar service to the GNWT's French Active Offer program in Indigenous languages. The project included community consultation, updates to signage and materials at the health centre and the hiring of a full-time interpreter/translator to provide on-site language services.

These are just a few of the examples of work being done to advance culturally respectful care and services in our system. NTHSSA staff have also participated in the ongoing work being undertaken by the Department of Health and Social Services to support a culturally respectful system.

Mental Health and Addictions Supports and Response

Suicide, mental health, and addictions are areas the NTHSSA is continually working to enhance support and outcomes. Two examples from 2017-18 exemplify the commitment to providing support in these areas: Increased Mental Health Support in the Dehcho Region and the Community Response to Homelessness and Addictions Issues in Yellowknife.

The Dehcho Region of the Northwest Territories experienced a number of incidents of suicide and attempted suicide in 2017. Working with our partners, the NTHSSA contributed to a broad community response that included:

- Establishment of an after-hours drop in centre for grief supports following incidents in the community.
- A switch to flexible clinician scheduling to allow for immediate same-day response to those needing support. These supports were broadly offered and integrated through health centres, RCMP, Schools and community agencies. Response time targets are 90 minutes in crisis situations.
- Communities in the region outside Fort Simpson were supported with enhanced telemedicine services so that these supports are available throughout the

CARING SPOTLIGHTS

- Established Territorial Clinical Informatics Lead, to provide leadership and collaboration to advance digital care solutions.
- Won the 2017 MORE-OB National Safety Award at Stanton Territorial Hospital For Innovations in Obstetrical Emergency Management.
- Formalized Clinical Oversight for Med-Response.
- Increased Telehealth access within primary and acute care services.
- Secured funding from Canadian Partners Against Cancer to develop a culturally appropriate Palliative Care Program.

region. Counsellors are also rotated into communities on a regular schedule or when increased support is needed. Requirements for support are determined by consulting community leadership.

- Clinical staff worked with school support staff to open the high-school on weekends to offer grief counselling. This continued as a partnership with schools to provide support and intervention services at the location of need as opposed to an “in-office” model.
- Staff from other regions of the NTHSSA were brought in to increase capacity when required. These resources would not have been as easily deployed before the NTHSSA existed.
- Additional staff were added to support these ongoing enhancements.

Community Response to Homelessness and Addictions Issues in Yellowknife

Homelessness and addictions are known issues in Yellowknife, dominating public discourse for several years. In 2016 NWT News outlets reported shelters turning individuals away due to lack of space. People were sleeping outside because of a lack of safe options. Non-Government organizations worked hard to help those in need but a wider community solution was needed to ensure partnerships and resources were used in the best way possible to ensure appropriate supports were in place to best help those in need.

As part of a community response to these issues the NTHSSA has worked to develop partnerships to address issues associated with homelessness and addictions. This included engagement and partnership in program delivery with the City of Yellowknife, the Department of Health and Social Services, RCMP, the NWT Disability Council and the Salvation Army to provide services related to day shelter programming and a Sobering Center in downtown Yellowknife.

In July of 2017 the sobering centre program was opened in the Yellowknife Arena, this was a temporary location until more permanent space could be found. In

October of 2017 the sobering centre program moved to space leased from partners at the Salvation Army. This service has been regularly accessed with a high client demand and evidence from Ambulance, RCMP, and Stanton Emergency room show that inappropriate use of services and resources has been reduced.

Self Referral for Rehabilitation Services at Stanton Territorial Hospital

In an effort to provide choices and make rehab services easier to access, Stanton Territorial Hospital introduced a self-referral option for people who want to access Occupational Therapy and Physiotherapy programs.

Before this option was introduced individuals who wanted to access these services required a referral from their physician or a nurse practitioner. This required additional time, on average 2 weeks, to book an appointment to receive a referral. The change to self-referral for physiotherapy and occupational therapy made the additional appointment unnecessary in many cases. This change was advanced to allow for more efficient access to services and to reduce appointments in primary care clinics.

Self-referral is representative of the small changes the NTHSSA continues to make that contribute to better care and services. As these changes are introduced their impact will be measured and the lessons will be shared, so similar improvements can be made throughout our system.

Accountable - We strive for outcomes that are measured, assessed and reported on.



Travelling to Deline for Leadership Council meetings.

Policy Development

Organization wide improvements continue to be identified to ensure the NTHSSA delivers quality programs and services that are accessible across all regions. The NTHSSA has been developing and improving policies and procedures that set the framework for the delivery of care and services across NTHSSA regions. The NTHSSA has initiated a system wide policy review which has resulted in the ability to streamline and ensure consistency in the care and services delivered across the NWT. Several system wide policies have been developed or updated over the past year:

Medication Reconciliation in Community Health Centers - Ambulatory care patients are at risk when their care is highly dependent on medication management or the medications typically used are known to be associated with adverse drug events. Medication reconciliation is conducted in partnership with chronic disease patients and their families at ambulatory care visits. The medication reconciliation process involves the generation of a comprehensive list of the current medications a patient is taking; The Best Possible Medication History (BPMH). This

list is generated in consultation with the pharmacists, the patient, and the family.

Community Based Suicide Risk Assessment - It may be possible to prevent deaths by early recognition of the signs of suicidal thinking and offering appropriate intervention. To provide early intervention by recognizing the support and management required to help keep our clients safe from self-harm. A standardized assessment tool shall be utilized by the Northwest Territories Health and Social Service Authority (NTHSSA) staff when conducting suicide risk assessments.

Patient Information Transfer - Effective communication is the accurate and timely exchange of information that minimizes misunderstanding. Effective communication reduces the need for patients and families to repeat information. Patients and families need information to prepare for and improve care transitions. We have established formal communication channels including granting access to Alberta based providers in the circle of care for cancer patients to access NWT digital health records. This work is further supported with written information or instructions, action plans, goals, signs or symptoms of declining health status, and contact information for the team.

Disclosure of Adverse Events - There is a documented and coordinated approach to disclosing patient safety incidents to clients and families, which promotes communication and a supportive response.

Two Patient Identifiers - Using person-specific identifiers to confirm that patients receive the service or procedure intended for them can avoid harmful incidents such as privacy breaches, allergic reactions, medication errors, and wrong-person procedures. Working in partnership with patients and families, at least two person-specific identifiers are used to confirm that patients receive the service or procedure intended for them.

Walk in Triage - Clients presenting to Community Health Centres for walk-in care are triaged in a timely manner by a licensed practitioner. Set criteria are used to categorize walk-in clinic clients/patients according to need, and gives priority to clients/patients with immediate or urgent needs.

Wound care - An inter-professional and collaborative approach is used to assess clients who need skin and wound care and provide evidence-informed care that promotes healing and reduces morbidity and mortality.

Bylaws

Governance supports including the NWT HSS Leadership Council Corporate Bylaws and Medical and Professional Staff Bylaws have been a focus for the NTHSSA since its establishment in August 1, 2016.

Leadership Council Corporate Bylaws

The Corporate Bylaws ensure that direction and decisions made by the Leadership Council align the Northwest Territories Health and Social Services Authority under the mandate of the *Hospital Insurance and Health and Social Services Administration Act*.

The Corporate Bylaws establish the organization and management of the NWT HSS Leadership Council which provides oversight and direction to the NTHSSA. The Bylaws were developed in collaboration with the Leadership Council members and the Department of Health and Social Services ensuring alignment with the *Hospital Insurance and Health and Social Services Administration Act*. Following a motion to approve the Bylaws by the Leadership Council, they were approved by the Minister in June 2017.

Medical and Professional Staff Bylaws

Medical and Professional Staff Bylaws support governance at an operational level. Using previous bylaws as a foundation, the NTHSSA created a comprehensive set of Medical and Professional staff bylaws applicable across the NWT.

Now implemented, the Medical and Professional Staff Bylaws provide governance to practitioners promoting the delivery of quality and person-family centered care, providing an administrative structure under which physicians and other health care practitioners operate and a means with which practitioners provide input into policy and planning decisions within the NTHSSA. The process to draft and finalize the Bylaws has included collaborative

work with legal counsel, engagement and revision from both internal and external stakeholders including NTHSSA medical and professional staff and organizations such as the NWT Medical Association, Registered Nurses Association of the NWT/NU, Midwives Association of the NWT and the NWT/NU Dental Association. Physician employment is governed by the Standard Physician Contract; however, the bylaws give the benefit of outlining transparent processes for Appointment, Periodic Review, and Triggered Assessment that are not addressed elsewhere, while also ensuring the existence of a clinical governance model to facilitate practitioner staff input into NTHSSA policy and planning decisions. Leadership Council approval of the Medical and Professional Staff Bylaws allowed for them to become effective on March 15th, 2018.

ACCOUNTABILITY SPOTLIGHTS

- Enhanced Territorial Oversight for Mental Health and Addictions.
- Enhanced partnerships with the Departments of Health and Social Services and Finance to improve NWT health and social services system financial sustainability.
- Initiated internal compliance audits on key standards in Child and Family Services, Conducting monthly quality reviews on key standards in Child and Family services for all regions and the Tjicho Community Services Agency and Hay River Health and Social Services Authority.

Relationships - We work in collaboration with all of our stakeholders, partners and staff.



Public launch of Choosing Wisely NWT.

Training and Development

The NTHSSA's continued focus on its structure and people will support an organization that operates with a person and family centered care approach that guides program and service delivery.

Improving quality within the system is a responsibility held by all NTHSSA staff. Supporting and strengthening the NTHSSA staff will enhance the patient/client experience and culminate in improved wellness and a better future for all NWT residents.

The NTHSSA has committed to a strong sustainable workforce, through workforce development initiatives. Several NTHSSA staff participated in the 2017-18 GNWT Leadership Development Program which allowed staff to develop leadership skills and abilities. The development of future leadership was further supported through the Executive Leadership Development Program by hiring an Associate Chief Operating Officer in the Fort

Smith and Sahtu Regions and by establishing a coaching and mentorship approach to support the success of these Associate Chief Operating Officers. The NTHSSA committed to the development of the future workforce of the NWT by supporting the summer student program (62 hired summer students) and the graduate internship program (5 hired interns).

Choosing Wisely Northwest Territories

Choosing Wisely is a national initiative that aims to facilitate conversations between patients and healthcare providers about inappropriate or unnecessary tests and treatments. This campaign is about enhancing patient client relationships to ensure patients have a say and stake in their care and that the best possible care and services are available to everyone who accesses our system. This campaign was implemented across the NTHSSA to help improve care and services by working to ensure treatments and tests are: supported by evidence, not duplicative of other tests or procedures already received, free from harm, and truly necessary. In the NWT the NTHSSA led a territorial wide implementation of the Choosing Wisely campaign that focused on three key areas: lower back pain imaging, antibiotic prescriptions, and lab testing.

The campaign included significant efforts to educate healthcare providers about the reasons why we want to reduce unnecessary tests and treatments, public awareness activities, and the development and adoption of tools and resources to support the implementation of Choosing Wisely for healthcare providers.

The NTHSSA undertook the launch of the Choosing Wisely campaign with partners from Choosing Wisely Canada. The Northwest Territories is the first territory to join many provincial partners in working to reduce unnecessary tests and treatments through the Choosing Wisely initiative.

RELATIONSHIP SPOTLIGHTS

- Led the planning and implementation of 5 Leadership Council meetings during fiscal year.
- Established weekly executive strategic and operations teleconferences and quarterly NTHSSA face-to-face planning meetings, with aim to establish an integrated, territory wide, collaborative approach to, and compliance with, common standards of care and optimization of resources.
- Provided orientation for the Information and Privacy Commissioner related to NTHSSA organizational design as it specifically related to Privacy.
- Provided orientation for the Registered Nurse Association (RNANT/NU) regarding NTHSSA and issues related to registered nurses.
- Continuing collaboration with the Government of Nunavut related to the provision of practitioner services and travel clinics for the people of the Kitikmeot Region.



98.4%
OF NWT
RESIDENTS
COVERED
BY AN
ELECTRONIC
MEDICAL
RECORD

Excellence - We pursue continuous quality improvement through innovation, integration, and evidence based practice.



Regional wellness council gathering in Yellowknife, NT.

Accreditation

Accreditation Canada surveys health and social services organizations across Canada to support the delivery of safe and high quality services. Participating in the Accreditation Canada process will ensure the NTHSSA develops a health and social services delivery system of the highest quality that is accountable to the residents of the NWT.

From September 17-23, 2017, the NTHSSA completed a week-long on-site survey with Accreditation Canada. This was a milestone event towards system-wide accreditation for all NTHSSA regions and facilities.

Before the existence of the NTHSSA, health and social services authorities across the NWT pursued accreditation separately and on different schedules. With one authority now responsible for 5 regions across the NWT and Stanton

Territorial Hospital, we are well positioned to work towards system-wide accreditation in 2019. This process will help ensure consistency in the care and services we deliver and bring an industry standard assurance of quality to all services delivered by the NTHSSA.

Accreditation is an ongoing process of assessing health and social services organizations against standards of excellence to identify what is being done well and what needs to be improved. Accreditation is important because it promotes better health care and social services.

Stanton Chemotherapy Services Improvements

In November 2017, at the request of the NTHSSA, CancerControl Alberta was engaged to review cancer care and chemotherapy services at Stanton Territorial Hospital. Through this review, recommendations for improvements to the chemotherapy program were raised. These improvements would help Stanton Territorial Hospital align with best practices.

As a result of the review, Stanton Territorial Hospital now has a chemotherapy program that is in-line with best practices of our partners at CancerControl Alberta. Specifically the following program improvements were made:

- Clinical staff completed training with CancerControl Alberta. This training included 2 online modules, a two-week on-site training course in Alberta and a site visit where representatives from CancerControl Alberta visited Stanton Territorial Hospital to verify training in the clinical setting where care will be delivered.
- Three nurses completed updated national-level training in the delivery of cancer care.
- Four doctors completed the physician training.
- Process mapping and referral pathways were reviewed and revised.
- A site safety audit was completed in accordance with Accreditation Canada's standards of excellence in cancer care.

- Internal policies and procedures were updated to align with best-practice.
- The chemotherapy suite at Stanton underwent physical layout changes to help ensure a better experience for patients.
- Updated patient information on treatment and drugs were acquired through CancerControl Alberta.
- Information pathways for patient data were reviewed and revised to ensure accurate and timely transfer of patient information.

Chemotherapy services were suspended on December 12, 2017, with basic chemotherapy services reinstated on April 16, 2018. Chemotherapy services were provided to all patients through medical travel to southern facilities during the suspension of services.

EXCELLENCE SPOTLIGHTS

- Reduced ultrasound backlog at Inuvik, Hay River, and Fort Smith to a patient wait time of less than 1 month.
- Conducted the first Med-Response Client Satisfaction Survey, fostering quality improvements.
- Completed a series of development workshops with leadership called Quality as the Business Strategy aimed at building an organizational culture of quality and improvement.

STANTON RENEWAL



Residents of the Northwest Territories will soon benefit from a new, state-of-the-art Stanton Territorial Hospital that will provide patient-centered care and services using practice-supporting equipment. The new facility is essential to meet the changing healthcare needs and the projected population growth of the territory through to the year 2050. Construction of the hospital is the largest infrastructure project to date for the Government of the Northwest Territories.

A public-private partnership (P3) was selected to design, build, finance and to maintain the facility for the next 30 years. Blasting began on-site in November 2015, with the project expected to be substantially complete by November 30, 2018. First Patient Day is scheduled for June 2019.

The new hospital is double the square footage of the current facility, increasing the number of in-patient rooms from 67 to 100. In addition, all in-patient rooms in the new hospital will be single rooms. Other improvements include a larger, better-equipped emergency department and added space for psychiatry and ambulatory care services, including specialist clinics, medical day care, and dialysis. Enhanced medical technology will be installed throughout the hospital to support quality care and clinical efficiency.

Healthcare services also require operational supports like housekeeping, waste management, and food and laundry services which will be provided by one of the P3 partners, Dexterra. The new hospital will incorporate sustainable

engineering practices to operate in an efficient and environmentally-friendly way.

The NTHSSA, the Department of Health and Social Services, the Department of Finance and the Department of Infrastructure jointly oversee the new hospital build with an entire team dedicated to the Stanton Renewal Project. The external progress of the new facility is visible on Yellowknife's skyline, while significant internal work is being done to ensure operational policies, equipment, and technology are in place for First Patient Day.

In addition to constructing a new hospital, the Project Agreement (PA) also involves the redevelopment and repurposing of the existing building, now referred to as Legacy Stanton. Renovations are expected to begin in summer 2019, after the move to the new hospital. Legacy Stanton will be re-purposed to house:



Level One: Outpatient Rehabilitation Services, Primary Care Clinic (currently located in the Frame Lake Clinic);

Levels Two and Three: Extended Care Unit (18 beds), Long Term Care (72 beds).

Throughout the design of both the new and existing facilities, the GNWT has consulted with numerous stakeholders. These consultation results have been incorporated into the design and layout to reflect the diverse peoples, animals and landscapes of the NWT. Each

floor in the new Stanton Hospital will incorporate patient navigation elements that represent a distinct northern landscape with a corresponding animal.

Level 0: Barrenlands and the Caribou

Level 1: Aurora Borealis and the Polar Bear

Level 2: Rivers/Forest and the Moose

Level 3: Lakes and the Arctic Char

Level 4: Mountains and the Mountain Goat

Level 5: Arctic and the Seal

Additionally, the Stanton Renewal team has and will continue to host a number of forums for staff to provide feedback on design elements. For example, “mock-up rooms” have been set up for staff to simulate a hands-on experience where they can provide feedback to the Stanton Renewal team. Bi-weekly staff tours have been running since March 2018 in order to orient staff to their new space and facilitate operational planning.



As the Stanton Renewal Project continues, the NTHSSA and DHSS are committed to ensuring that the new facility enhances the health and social services system to support Northerners’ best health, best care for a better future.

PERFORMANCE MEASURES & REPORTING

The NTHSSA collaborates with the Department of Health and Social Services to provide performance monitoring of the NWT health and social services system. In 2017-18, the NTHSSA shared data with the Department of Health and Social Services that supported the measurement of several indicators informed by the NWT Health and Social Services Performance Measurement Framework¹.

NTHSSA program units, facilities and regions conduct performance measurement for their own day-to-day

management of the services they provide to ensure they are meeting program goals and objectives.

Public reporting on the performance of the NTHSSA is a key part of fulfilling the NTHSSA’s mandate and accountability requirements. As such, the NTHSSA will build upon the work done in 2017-18 to focus on the continued development of organizational performance measurement monitoring and reporting to guide its operational planning.

¹NWT Department of Health and Social Services, *NWT Health and Social Services Performance Measurement Framework, May 2015*
<http://www.hss.gov.nt.ca/sites/www.hss.gov.nt.ca/files/performance-measurement-framework.pdf>

FINANCE HIGHLIGHTS

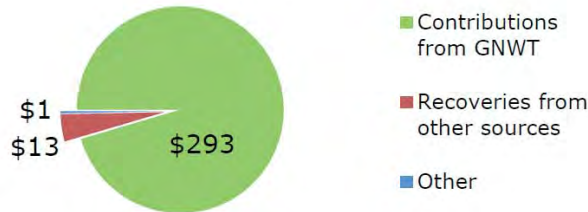
The preparation and presentation of the 2017-18 NTHSSA Financial Statements aims to promote transparency and accountability of the Northwest Territories Health and Social Services Authority (NTHSSA). This section of the Annual Report highlights the organization’s financial operations for the fiscal year ending March 31, 2018. This financial section should be read in conjunction with NTHSSA’s Audited Financial Statements (Appendix A).

Financial Overview

NTHSSA’s overall revenue and expenses are summarized in the following 2018 charts:

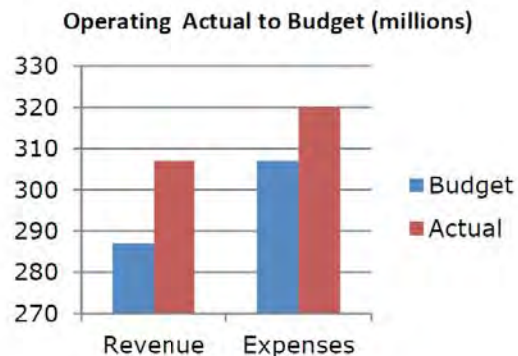
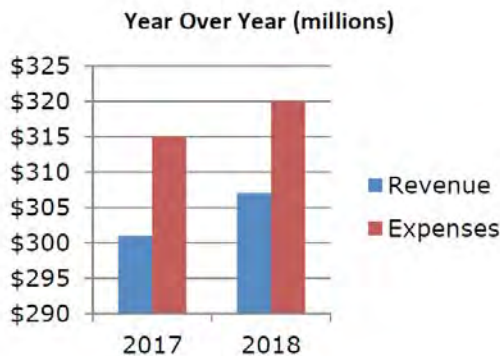
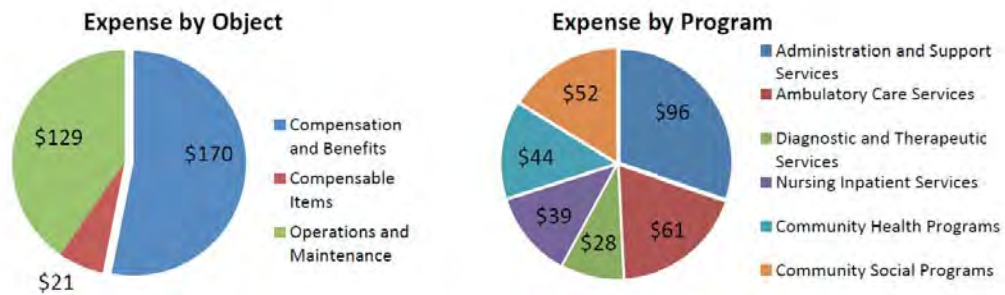
Revenue (millions)

Total revenue = \$307 Million



Expenses (millions)

Total expenses = \$320 Million



Actual revenue was approximately \$20 million higher than budgeted due predominately to higher than anticipated contributions from the GNWT, including grant-in-kind. Actual expenses were approximately \$13 million higher than budgeted, stemming largely from an increase in demand for nursing inpatient services. NTHSSA remains committed to meeting their operational mandate and expected service levels; notwithstanding, significant pressure on fiscal resources that exist within the NTHSSA has resulted in a deficit of \$12.7 million for 2017-2018.

Please refer to the management discussion and analysis in the Audited Financial Statements in Appendix A for further details

FUTURE OUTLOOK

During its first full year of operation, the NTHSSA looked inward to ensure its core stability and organizational architecture had a foundation to continue the transformation of operations and the delivery of services across the NWT.

As the NTHSSA plans ahead, priority will be to look outward to ensure residents across the NWT receive quality care that is as close to home as appropriate. Working towards improved care models that are relationship and team based and leverage technology will ensure the NTHSSA is contributing to the Best Health, Best Care and Better future for residents of the NWT.

With a focus on quality and improvement, the NTHSSA will continue to build relationships with stakeholders across the NWT health and social services system and continue to invest in its people while ensuring the sustainability of the organization.

APPENDIX A
AUDITED FINANCIAL
STATEMENTS

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Financial Statements

March 31, 2018

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY**Index**

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Management Discussion and Analysis

Introduction

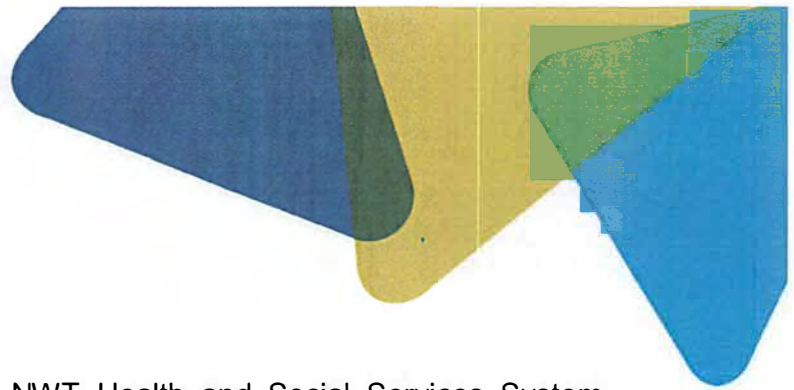
In preparation for the 2017-2018 year-end financial statement, the Management Discussion and Analysis was prepared as part of the process to demonstrate the core value of transparency and accountability of both the Northwest Territories Health and Social Services Authority (NTHSSA) management and the Northwest Territories Leadership Council (Leadership Council).

As an agency of the Government of the Northwest Territories (GNWT), the NTHSSA is established under the *Hospital Insurance and Health and Social Services Administration Act*. The NTHSSA is responsible to the Minister of Health and Social Services for governing, managing and providing health and social services in accordance with the territorial plan set out by the Minister; specifically with a role to:

- plan, develop and deliver programs and services;
- ensure operational policies, guidelines and standards of care are within the context of legislation, regulation and Department of Health and Social Services policies;
- provide budget development, funding allocation, monitoring and financial reporting;
- provide quality and risk management;
- ensure recruitment, supervision and retention of professional staff;
- ensure staff training and professional development; and
- report and be accountable in accordance with legislation, regulations and agreements.

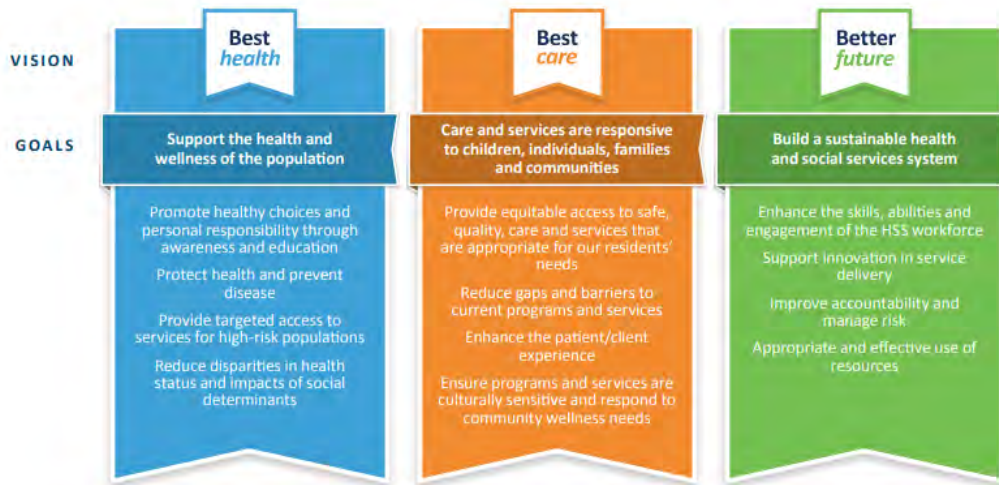
The staff, management, leadership and operations of the former Health and Social Services Authorities were combined on August 1, 2016, with the purpose to improve the efficiency, effectiveness and consistency of health and social care program and service delivery to the residents of the NWT. The newly created NTHSSA has the responsibility for delivering health and social services in the Beaufort Delta, Dehcho, Fort Smith, Sahtu and Yellowknife regions of the NWT while also being responsible for the operation of the Stanton Territorial Hospital.

2017-18 marked the first full year of operations within the newly established NTHSSA. As such, the Authority continues to identify, monitor and improve its operations with a



focus on aligning and contributing to the NWT Health and Social Services System Strategic Plan (System Strategic Plan) vision and goals.

The NTHSSA operates under the vision statement and goals of the System Strategic Plan which has steered the direction of the NTHSSA over the past fiscal year:



The Leadership Council is the board of management for the NTHSSA. The Leadership Council develops a clear direction for the NTHSSA, ensures the NTHSSA is accountable and positioned to achieve sustained results and supports the NTHSSA to achieve its legislative mandate to:

- deliver health services, social services, and health and wellness promotional activities within the NWT;
- manage, control and operate each health and social services facility for which the NTHSSA is responsible; and
- manage the financial, human and other resources necessary to perform the NTHSSA's duties.

The Leadership Council is accountable to the Minister of Health and Social Services and provides advice to the Minister on strategic directions for particular health and social services and programs related to those services.

The Leadership Council is made up of nine (9) members; a Chairperson as appointed by the Minister, the chairperson of each Regional Wellness Council (6); the chairperson of the Tłı̄chq̄ Community Services Agency; and the Deputy Minister of the Department



of Health and Social Services (ex-officio and non-voting).

Each of the regions comprising the NTHSSA has a Regional Wellness Council (RWC) that act as advisory bodies to gather information from communities and residents, provide feedback to the NWT Health and Social Services System and promote activities that support service delivery for the health and well-being of patients, clients, and families.

The 2017-18 Leadership Council included:

- Chairperson: Mr. James Antoine
- Vice-Chairperson: Ms. Ethel-Jean Gruben (Chair, Beaufort-Delta RWC)
- Member: Ms. Patricia Schaefer (Chair, Fort Smith RWC)
- Member: Mr. Michael Maher (Chair, Hay River RWC)
- Member: Ms. Gina Dolphus (Chair, Sahtu RWC)
- Member: Mr. Ted Blondin (Chair, TCSA)
- Member: Ms. Ruby Simba (Chair, Dehcho RWC)
- Member: Ms. Elizabeth Biscaye (Chair, Yellowknife RWC)
- Ex-officio and non-voting Member: Ms. Debbie DeLancey/Mr. Bruce Cooper (Deputy Minister, DHSS)

Through the NTHSSA's CEO, operational and financial reporting is provided to the Leadership Council at regularly scheduled Leadership Council meetings.

The NTHSSA is organized under five executive branches:



The Office of the CEO includes the Office of the Territorial Medical Director, Office of the Chief Financial Officer, and the Talent and Organizational Development Office. The



Corporate and Support Services branch includes patient movement, communications and informatics and health technology functions. The Clinical Integration branch provides territorial oversight and support for quality, safety and client experience, health services and child, family and community wellness. Regional Operational Branches (Beaufort Delta, Sahtu, Dehcho, Fort Smith, Yellowknife) and Stanton Territorial Hospital provide front line program and service delivery.

Financial Overview

NTHSSA's overall revenue and expenses are summarized in the following 2018 charts:

Revenue (millions)

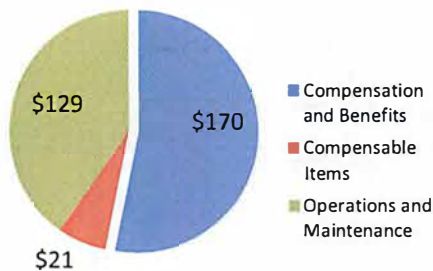
Total revenue = \$307 Million



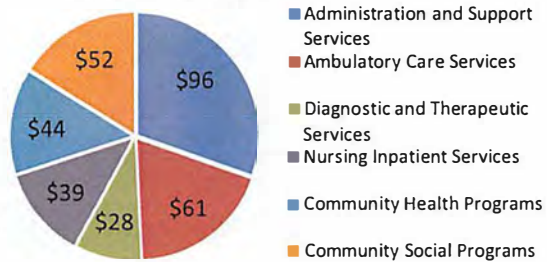
Expenses (millions)

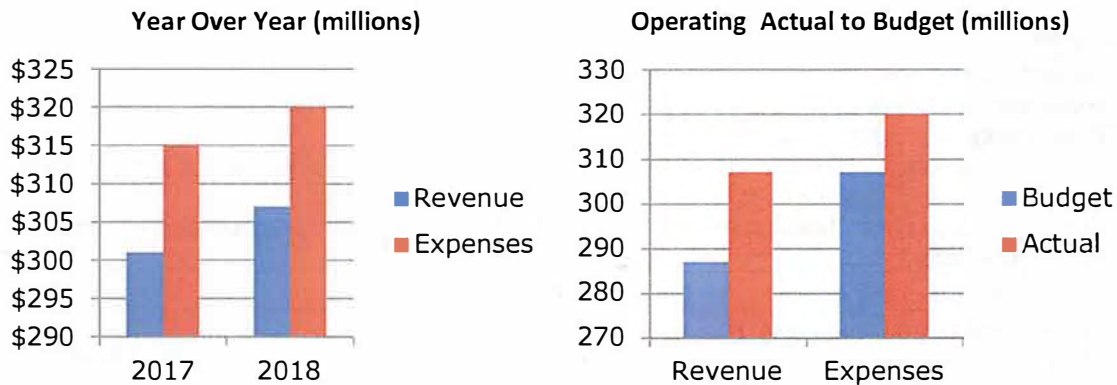
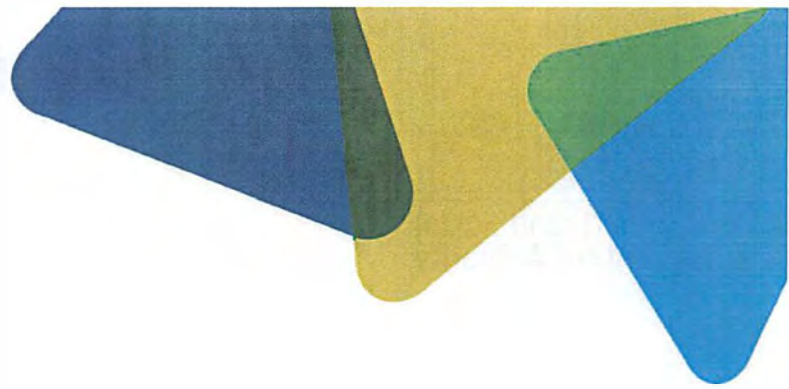
Total expenses = \$320 Million

Expense by Object



Expense by Program





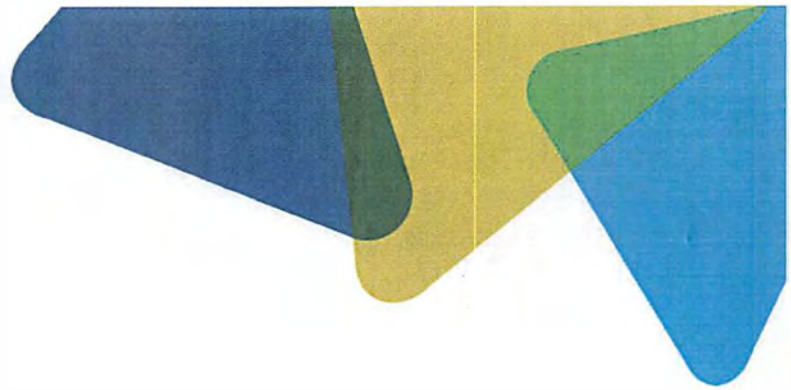
Actual revenue was approximately \$20 million higher than budgeted due predominately to higher than anticipated contributions from the GNWT, including grant-in-kind. Actual expenses were approximately \$13 million higher than budgeted, stemming largely from an increase in demand for nursing inpatient services and administration and support services.

NTHSSA remains committed to meeting their operational mandate and expected service levels; notwithstanding, significant pressure on fiscal resources that exist within the NTHSSA has resulted in a deficit of \$12.7 million for 2017-2018.

Operating Environment

The NTHSSA provides health and social services across a vast geographical area of the NWT; from the remote high Arctic communities of Paulatuk, Ulukhaktok and Sachs Harbour to the southern NWT/Alberta border community of Fort Smith. Delivering the NTHSSA mandate to such a large geographic area requires well-defined systems, a robust logistical support network, as well as a team of committed staff who are dedicated to ensuring quality health and social services are provided to all NWT residents. The newly established NTHSSA continues to provide an opportunity to refine and improve patient and client care by ensuring equitable access to care and services across all NTHSSA regions and ensuring regions and communities have a voice at the territorial level.

In the review of the operating landscape for the NTHSSA, a few strengths, weaknesses, opportunities and threats have been identified in the table below:



Strengths	Weaknesses
<ul style="list-style-type: none"> • Capacity to standardize systems and processes with a territorial focus • Pooled access to professional staff and knowledge across six NTHSSA regions • New Facilities such as renewal of Stanton Territorial Hospital and Norman Wells Long-Term Care 	<ul style="list-style-type: none"> • Sustainable Human Resources • Communications • Extensive use of overtime and locums to meet service requirements • Lack of single financial accounting system
Opportunities	Threats/Risks
<ul style="list-style-type: none"> • Professional accreditation of NTHSSA regions • Scaling quality improvement initiatives across NWT regional operations • Pool resources to expand purchasing power 	<ul style="list-style-type: none"> • Funding deficit • Aging population requiring increased level of care/service • Competitive job market for health care professionals • Vast geographical area of the NWT

Building on Strengths

Organization wide improvements continue to be identified and pursued to ensure the NTHSSA delivers quality programs and services that are consistent and accessible across all regions. The continued development of NTHSSA leadership, management and quality improvement structures will assist the ability of the of the NTHSSA to identify areas of focus and mobilize towards quality improvement initiatives.

The NTHSSA continues to develop and improve protocols and capacity that facilitate employees' ability to provide services across NTHSSA regions when necessary or to back-fill short term vacancies, enhancing the quality of care and services delivered. Trained and knowledgeable staff are willing to share information and work in locations where temporary short-term assistance is required.

The redevelopment of the Stanton Territorial Hospital, set to open in May 2019, will better position the NTHSSA to attract and develop organizational talent improving the Authority's ability to support and sustain quality care.

Addressing Weaknesses

The NTHSSA will leverage the GNWT programs that support the NTHSSA's commitment to improving the ability to recruit, retain and develop a local workforce across the NWT.



NTHSSA leadership is acutely aware of the continuing need to nurture and cultivate open and effective communication practices across the organization and to the public at large. In this regard, NTHSSA leadership is focused on the continuing enhancement of both internal and external communication protocols which include the development of the internal staff NTHSSA website that enables direct communications to all staff, across all facilities and regions.

NTHSSA leadership remains cognizant of the staffing levels that are currently required to meet service level demands and the resultant fiscal pressures. NTHSSA leadership is reviewing core service requirements, current position allocations and quality improvements with the goal of implementing changes that would maintain or improve the level of care and service delivery while effectively managing and minimizing additional overtime and travel requirements.

Capturing Opportunities

In 2017, the NTHSSA went through a preliminary accreditation process with Accreditation Canada, including regions not previously accredited. This process has provided the NTHSSA with the foundation to work through the full Accreditation Canada survey which will occur in 2019. The accreditation process will underpin improved quality and safety of programs and services.

The NTHSSA has identified many areas where pooled resources can increase our capacity to deliver effective services. Pooled resources in the financial areas are currently being explored to provide the NTHSSA with additional vendors and improved pricing.

Mitigating Risks

The NTHSSA recognizes that providing culturally appropriate care is necessary to improve better health outcomes. The NTHSSA is currently exploring options to address and improve primary care across the NWT that can become more culturally safe and will decrease the demand on the existing system. The NTHSSA is collaborating with HSS system partners and stakeholders to guide this work.

NTHSSA is committed to delivering the operational mandate in a manner respectful of the fiscal environment of the GNWT. The newly established NTHSSA continues to



provide opportunities to realign services and care across the five regions and the Territorial Hospital that will improve health outcomes for patients, clients and families; improve patient and client experience and improve organizational performance by reducing overall costs.

The NTHSSA also recognizes that the health and social care professionals are in high demand across Canada and will continue to work with both internal and external resources to expand health and human resource plans to improve efforts to attract and retain qualified employees.

Financial Condition

As at March 31, 2018 NTHSSA incurred an operating deficit of \$12.7 million, which was \$6.3 million less than the budgeted operating deficit of \$19 million. This increased NTHSSA's accumulated deficit to \$88.8 million. For a detailed review of NTHSSA's financial condition, refer to the Statement of Financial Position and Statement of Operations and Accumulated Deficit.

	2018 Actual	2017 Actual
Accumulated (deficit) closing	(88,791,000)	(76,123,000)
Accumulated (deficit) opening	(76,123,000)	(61,947,000)
Annual (deficit)	(12,668,000)	(14,176,000)
Prior year funding received	1,619,000	127,000
Recovery of prior year expenses -	-	1,603,000
Employee future benefits reserve	131,000	131,000
Unfunded items - Employee future benefit liability	11,525,000	13,369,000
Change in Employee future benefit	(1,844,000)	(376,000)

Compensation and benefits represent 60% of NTHSSA's overall expenses and is a contributing factor to NTHSSA accumulated deficit. Some of the key factors in this area relates to staffing models, overtime, sick time and unfunded items within the Collective Agreement between the Union of Northern Workers and the GNWT.

Summary and Outlook

The 2017-2018 fiscal year represented the first full year of operations for the NTHSSA. The focus continues to be on developing the organizational architectural and ensuring



core service stabilization while aligning with the HSS System's strategic plan, and the continued provision of quality care and services. 2017-18 identified areas where efficiencies could be established and the organization has now turned to the implementation and sustainability of these identified areas which can lead to improving care and service delivery.

NTHSSA's future focus will be on building an organization that encourages team and relationship based care that is centered around an engaged workforce. Improving quality within the system is a responsibility held by all NTHSSA staff and is supported by the feedback and direction from listening to our patient/clients and communities. Investment in the enablers for improvement in internal processes and client experience will lead to better health and a better future for all NWT residents.



CEO

August 28, 2018

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Management's Responsibility for Financial Reporting

The accompanying financial statements were prepared by management in accordance with Canadian public sector accounting standards (PSAS). Where PSAS permits alternative accounting methods, management has chosen those it deems most appropriate in the circumstances. A summary of significant accounting policies are described in Note 3 to the financial statements. Financial statements include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects. Management has prepared financial information presented elsewhere in the annual report and has ensured that it is consistent with that in the financial statements.

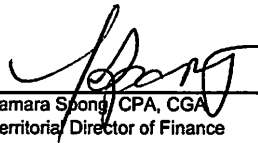
The Northwest Territories Health and Social Services Authority (the Authority) maintains financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis, that assets are acquired economically, are used to further the Authority's objectives, are protected from loss or unauthorized use and that the Authority complies with applicable legislation. Management recognizes its responsibility for conducting the Authority's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to an agent of the Territorial Government. An internal auditor reviews the operation of financial and management systems to promote compliance and to identify changing requirements or needed improvements.

The Auditor General of Canada provides an independent, objective audit for the purpose of expressing his opinion on the financial statements. He also considers whether the transactions that come to his notice in the course of the audit are, in all significant respects, in accordance with the specified legislation.

The financial statements have been approved by the Northwest Territories Health and Social Services Leadership Council (Leadership Council).



Sue Cullen
Chief Executive Officer



Tamara Spang, CPA, CGA
Territorial Director of Finance

28 August 2018



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Northwest Territories Health and Social Services Authority

Report on the Financial Statements

I have audited the accompanying financial statements of the Northwest Territories Health and Social Services Authority, which comprise the statement of financial position as at 31 March 2018, and the statement of operations and accumulated deficit, statement of changes in net debt and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Northwest Territories Health and Social Services Authority as at 31 March 2018, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Emphasis of Matter

Without qualifying my opinion, I draw attention to Note 1 in the financial statements which indicates that the Authority incurred an annual deficit of \$12.7 million during the year ended 31 March 2018 and, as of that date, the Authority's liabilities exceeded its total assets by \$88.8 million. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Authority's ability to continue as a going concern.



David Irving, CPA, CA
Principal
for the Auditor General of Canada

28 August 2018
Edmonton, Canada

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Statement of Financial Position

As at March 31.	thousands of dollars	
	2018	2017
Financial Assets		
Cash	\$ 9,248	\$ 4,539
Accounts receivable (note 6)	10,422	7,791
Due from Government of the North west Territories (note 7)	13,297	8,889
Due from Government of Canada	424	302
	33,391	21,521
Liabilities		
Accounts payable and accrued liabilities (note 8)	17,649	16,666
Due to Government of the Northwest Territories (note 7)	96,877	71,635
Due to Government of Canada	16	1
Other employee future benefits and compensated absences (note 10)	11,525	13,369
	126,067	101,671
Net Debt	(92,676)	(80,150)
Non-Financial Assets		
Inventories held for use	2,735	2,840
Prepaid expenses	1,150	1,187
	3,885	4,027
Accumulated Deficit	\$ (88,791)	\$ (76,123)

Contractual Obligations and Contingencies (notes 13 and 14)

Approved on behalf of the Authority


 Jim Antoine
 Leadership Council
 Board Chairperson


 Michael Maher
 Leadership Council
 Board Member

The accompanying notes are an integral part of these financial statements.

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Statement of Operations and Accumulated Deficit

For the year ended March 31,	thousands of dollars		
	2018	2017	2017
	Budget	Actual	Actual
Revenue			
Recoveries from other sources	\$ 9,526	\$ 10,622	\$ 8,477
Recoveries from Nunavut	2,485	2,288	2,764
Contributions from other sources	808	926	899
Interest income	167	215	138
Other income	102	122	888
Recoveries of prior years' expenses	-	-	1,603
Total Revenue	13,088	14,173	14,769
Expenses (note 18)			
Administration and support services	91,637	96,581	94,007
Ambulatory care services	62,628	61,497	60,438
Community social programs	51,896	51,717	53,272
Community health programs	41,642	43,806	41,732
Nursing inpatient services	32,874	38,733	37,730
Diagnostic and therapeutic services	25,849	27,825	27,695
Total Expenses	306,526	320,159	314,874
Deficit for the year before Government contributions	(293,438)	(305,986)	(300,105)
Government contributions			
Contributions from Government of the Northwest Territories	244,773	250,186	244,402
Recoveries from Government of the Northwest Territories	18,741	20,674	20,861
Recoveries - non insured health services	10,885	12,705	12,935
Recoveries of prior years' expenses	-	1,619	127
Grant-in-kind - Government assets and services provided at no charge (note 12)	-	8,134	7,604
Total Government contributions	274,399	293,318	285,929
Annual deficit	(19,039)	(12,668)	(14,176)
Accumulated deficit, beginning of year	(76,123)	(76,123)	(61,947)
Accumulated deficit, end of year	\$ (95,162)	\$ (88,791)	\$ (76,123)

The accompanying notes are an integral part of these financial statements.

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Statement of Changes in Net Debt

For the year ended March 31,	thousands of dollars		
	2018	2017	
	Budget	Actual	Actual
Annual deficit for the year	\$ (19,039)	\$ (12,668)	\$ (14,176)
Adjustments			
Acquisition of inventories held for use	-	(5,959)	(6,578)
Consumption of inventories held for use	-	6,064	6,565
Acquisition of prepaid expenses	-	(1,379)	(1,388)
Use of prepaid expenses	-	1,416	1,363
Change in net debt for the year	(19,039)	(12,526)	(14,214)
Net debt, beginning of year	(80,150)	(80,150)	(65,936)
Net debt, end of year	\$ (99,189)	\$ (92,676)	\$ (80,150)

The accompanying notes are an integral part of these financial statements.

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY**Statement of Cash Flow**

For the year ended March 31,	thousands of dollars	
	2018	2017
Cash provided by (used in)		
Operating transactions		
Operating deficit	\$ (12,668)	\$ (14,176)
Changes in non-cash assets and liabilities:		
Change in accounts receivable	(2,631)	(745)
Change in accounts payable and accrued liabilities	983	187
Net change in due to/(from) Government of Northwest Territories	20,834	9,655
Change in other employee future benefits and compensated absences	(1,844)	(376)
Net change in due to/(from) Government of Canada	(107)	20
Change in inventories held for use	105	(13)
Change in prepaid expenses	37	(26)
Cash provided by (used for) operating transactions	4,709	(5,474)
Increase / (decrease) in cash	4,709	(5,474)
Cash, beginning of year	4,539	10,013
Cash, end of year	\$ 9,248	\$ 4,539

There were no financing, investing or capital transactions during the year.

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY**Notes to Financial Statements**

(All figures in thousands of dollars)

March 31, 2018

1. Going concern

These financial statements have been prepared on the going concern basis in accordance with Canadian public sector accounting standards. The going concern basis of presentation assumes that Northwest Territories Health and Social Services Authority (the Authority) will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Authority, established on August 1, 2016 amalgamates six former health boards (Note 2), which had significant annual and accumulated deficits in prior years as their funding has historically been insufficient for their level of expenditures. The Authority is primarily financed through appropriations from the Department of Health and Social Services (DHSS) as described in Note 2, Economic dependence. For the year ended March 31, 2018, the Authority had an annual deficit of \$12,668, accumulated deficit of \$88,791, liabilities of \$126,067 (including \$96,877 liability to the Government of the Northwest Territories (the "Government"), which is due upon demand) and total financial assets of only \$33,391. The Government administers payroll for the Authority, and invoices the Authority for payment. The Authority has deferred repaying the Government so that operations can continue.

The above factors cause material uncertainty that may cast significant doubt about the Authority's ability to continue as a going concern. The Authority is currently in discussions with the Government to develop a plan to eliminate its annual deficits and repay its liability to the Government.

These financial statements do not include any adjustments to the carrying value of the assets and liabilities, the reported revenues and expenses that might be necessary if the Government does not increase its' appropriations so that revenues are sufficient to meet expenditure requirements.

2. Authority and operations

The Authority operates pursuant to the Hospital Insurance and Health and Social Services Administration Act (the Act) of the Northwest Territories and is an agency under Schedule A of the Financial Administration Act (FAA) of the Northwest Territories. Accordingly, the Authority operates in accordance with its Act and regulations, and any directives issued to it by the Minister responsible for the Authority.

The Authority was established on August 1, 2016 to manage, control, and operate the public health facilities and services assigned to it by the Government. When the Authority was created, six of the eight Health and Social Services Authorities (HSSAs) were amalgamated under the Authority, and are no longer separate legal authorities. The reporting entity comprises the newly created Authority and the operations from six former HSSAs including Beaufort-Delta, Dehcho, Fort Smith, Sahtu, Yellowknife and Stanton Territorial Hospital.

Hay River Health and Social Services Authority (HRHSSA) and Tlcho Community Services Agency (TCSA) remain outside the Authority; however, the legislation does include provisions to bring the HRHSSA into the Authority at a later date. The Authority serves as a single integrated delivery system for Northwest Territories health and social service programs while recognizing that the TCSA retains a unique role through the provisions of the Tlcho Agreement. Through the Chief Executive Officer, the Authority reports to and takes direction from the Chair of Northwest Territories Health and Social Services Leadership Council (Leadership Council) that is comprised of eight persons appointed in accordance with the Act.

Taxes

The Authority is exempt from taxation pursuant to Paragraph 149 of the federal *Income Tax Act*.

Budget

The budgeted figures represent the Authority's original fiscal plan for the year approved by the Leadership Council and the Government. To be consistent with the format of the financial statements, presentation changes have been applied as disclosed in note 17.

March 31, 2018

2. Authority and operations (continued)

Economic dependence

The Authority is economically dependent upon the contributions received from the Government and for the Government's payments on behalf of the Authority for the Authority's salaries for its ongoing operations. If the funding arrangement were to change, management is of the opinion that the Authority's operations would be significantly affected.

3. Basis of presentation and significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian public sector accounting standards as issued by the Canadian Public Sector Accounting Board. Significant aspects of the accounting policies adopted by the Authority are as follows:

(a) Measurement uncertainty

The preparation of these financial statements in accordance with Canadian public sector accounting standards, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements and accompanying notes. By their nature, these estimates are subject to measurement uncertainty. Actual results could differ significantly from these estimates.

The more significant estimate relates to contingencies.

(b) Cash

Cash is comprised of bank account balances, net of outstanding cheques.

(c) Tangible capital assets

The Government retains ownership of all tangible capital assets (TCA) used by the Authority. The Government's financial statements include these TCAs and as such the Authority has no TCAs recognized in its financial statements.

The Authority has recognized grant-in-kind revenue for the use of these TCAs provided free of charge by the Government. In addition, the Authority has recognized a corresponding rent expense for these TCAs based on the Government's amortization which is the Government's cost. This rent expense has been allocated to the Authority's programs in the statement of operations and accumulated deficit.

(d) Inventories held for use

Inventories consist of pharmaceuticals and general inventories such as parts for various equipment, medical surgical supplies, other medical supplies and office supplies. Inventories held for use are valued at the lower of cost and replacement value.

(e) Other employee future benefits and compensated absences

Under the terms and conditions of employment, employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. Eligibility is based on a variety of factors including place of hire, date employment commenced, and reason for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for lay-off. Compensated absences include sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides service, whereas parental and maternity leave are event driven and are recognized when the leave commences. An actuarial valuation of the cost of these benefits has been prepared using data provided by management and assumptions based on management's best estimates.

March 31, 2018

3. Basis of presentation and significant Accounting policies (continued)

(f) Pensions

The Authority and its eligible employees make contributions to the Public Service Superannuation Plan administered by the Government of Canada. These contributions represent the total liability of the Authority and are recognized in the accounts on a current basis. The Authority is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Pension Plan.

The Authority and its contracted physicians make contributions to a physician directed investment fund administered by the Canadian Medical Association. These contributions represent the total pension liability of the Authority and are recognized in the accounts on a current basis.

(g) Revenue recognition

Government transfers

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria and stipulations have been met, except for the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Operating transfers are recognized as revenue in the period in which the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be determined.

Recoveries

Government recoveries include amounts recovered from the Government for expenses paid by the Authority primarily relating to non-resident hospital services and non-insured health benefits. Government recoveries are recognized as revenue when the amount is known. Other recoveries are recognized when the amount is known and includes reimbursements from Workers' Safety and Compensation Commission and their equivalent entities throughout Canada, and recovery of medical fees for items such as client medical travel costs.

Other revenue

Other revenue is recognized when the service is performed or the goods are provided. The Authority may provide uninsured medical services for which revenue is recognized and food sales as a by-product of hospital cafeterias.

(h) Due from (to) Government of Canada

Due from the Government of Canada relates to receivables for projects on behalf of or services provided to the Government of Canada. Similarly, the Due to the Government of Canada relates to advances for projects provided on behalf of or services to the Government of Canada.

(i) Financial Instruments

The Authority classifies its financial instruments at cost or amortized cost. The Authority's accounting policy for this financial instrument category is as follows:

This category includes cash, accounts receivable, due (to) from Government of the Northwest Territories, due (to) from Government of Canada and accounts payable and accrued liabilities. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. Transactions costs related to financial instruments in the amortized cost category are added to the carrying value of the instruments. Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write down being recognized in the statement of operations.

(j) Non-financial assets

Non-financial assets are accounted for as assets by the Authority because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Authority unless they are sold.

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Notes to Financial Statements

(All figures in thousands of dollars)

March 31, 2018

3. Basis of presentation and significant Accounting policies (continued)

(k) Contractual obligations and contingencies

The nature of the Authority's activities requires entry into operational contracts that can be significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual obligations are commitments for operating, commercial and residential leases. Contractual obligations are obligations of the Authority to others that will become liabilities in the future when the terms of those contracts or agreements are met.

The contingencies of the Authority are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is considered likely to occur and is quantifiable, an estimated liability is accrued. If the occurrence of the confirming future event is likely but the amount cannot be reasonably estimated, the contingency is disclosed. If the occurrence of the confirming event is not determinable, the contingency is disclosed.

(l) Expenses

Expenses are reported on an accrual basis. The cost of all goods and services received during the year are expensed, except for certain services provided without charge which are described in Note 12.

(m) Related parties

Related party transactions are in the normal course of operations. The Authority is related in terms of common ownership to all Government created departments, public agencies, and key management personnel and close family members. Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Authority.

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions, other than restructuring transactions, are recorded on a gross basis and are measured at the carrying amount, except for services provided by the Government without charge. Services provided without charge include rent, building utilities, repairs and maintenance, medical travel, contracted services, legal, human resources and other services. These services are provided by the Government's central agency and with the exception of rent described in Note 3 (c) these services cannot be reasonably estimated. The Authority does not recognize any amounts for these services in the financial statements.

(n) Recoveries of prior years' expenses

Recoveries of prior years' expenses and reversal of prior years' expense accruals in excess of actual expenditures are reported separately from other revenues on the statement of operations and accumulated surplus. Pursuant to the FAA, these recoveries cannot be used to increase the amount appropriated for current year expenses.

(o) Adoption of new accounting standards

The Authority adopted the following handbook sections which became effective for entities with year-ends starting on or after April 1, 2017, Assets (PS 3210); Contingent assets (PS 3320); and Contractual rights (PS 3380). The adoption of these standards did not have a material impact on the financial statements of the Authority.

4. Future accounting changes

PSAB issued new standards on Res

tructuring Transactions (PS 3430) and Asset Retirement Obligations (PS 3280). These new standards have an effective date of April 1, 2018, and April 1, 2021 respectively.

The Authority does not expect these standards to have a significant impact on its financial statements.

5. Designated assets

The Authority records financial information in individual funds that are internally segregated for the purpose of carrying on specific activities or attaining certain objectives. These funds are included in cash on the Statement of Financial Position totaling \$413 (2017 - \$444). Funds established by the Authority include a special project reserve \$265 (2017 - \$273) which are donations made to the Authority under non-contractual conditions; a funded employee future benefits reserve \$131 (2017 - 131) for funds received for the severance liability of employees who were transferred to the Authority from the Government; and an internally restricted fund \$17, (2017 - 40) for monies transferred to the Authority when the Beaufort Delta Hospital Foundation became inactive.

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Notes to Financial Statements

(All figures in thousands of dollars)

March 31, 2018

6. Accounts receivable

The Authority administers the Government's Medical travel program for residents of the Northwest Territories and non-residents of the Northwest Territories accessing the medical travel program are invoiced accordingly. These invoices are included in receivables at March 31. Interest is not charged on outstanding amounts receivable. All other payments from account receivable customers of the Authority are expected at N/30.

	Accounts Receivable	Allow. For Doubtful Accounts	Net 2018	Net 2017
Receivables	\$ 9,510	\$ (3,633)	\$ 5,877	\$ 5,095
Government of Nunavut	3,782	(149)	3,633	2,085
Due from WSCC	846	(146)	700	348
Due from related parties (note 15)	244	(32)	212	263
Total accounts receivable	\$ 14,382	\$ (3,960)	\$ 10,422	\$ 7,791

7. Due from (to) the Government of the Northwest Territories

The Authority receives payment from the Government based on 30 days from the receipt of the invoice or monthly based on transfer payments of contribution agreements.

Due from the Government of Northwest Territories	Accounts Receivable	Allow. For Doubtful Accounts	Net 2018	Net 2017
Health and Social Services	\$ 12,210	\$ (1,062)	\$ 11,148	\$ 8,869
Finance	2,169	(67)	2,102	11
Justice	31	(10)	21	-
Municipal and Community Affairs	14	-	14	-
Education, Culture and Employment	24	(14)	10	1
Infrastructure	2	-	2	8
Total due from Government of Northwest Territories	\$ 14,450	\$ (1,153)	\$ 13,297	\$ 8,889

Due to the Government of Northwest Territories

Liability for payroll services provided by the Government	\$ 93,425	\$ 67,889
Health and Social Services	2,466	3,508
Finance	505	197
Infrastructure	481	28
Justice	-	7
Municipal and Community Affairs	-	6
Total due to Government of Northwest Territories	\$ 96,877	\$ 71,635

The Due to the Government of Northwest Territories is unsecured, without interest and due on demand.

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY**Notes to Financial Statements**

(All figures in thousands of dollars)

March 31, 2018

8. Accounts payable and accrued liabilities

The Authority follows the Government for payment practices of accounts payable invoices and pays northern vendors with terms N/20 and all other vendors at N/30. The Authority administers the Government's Medical travel program for residents of the Northwest Territories and reimbursement of medical related travel expenses are paid to residents accessing the program accordingly. These payables are included in the trade payable.

	2018		2017
Trade payable	\$ 10,938	\$	10,244
Annual leave and lieu time	6,634		6,397
Due to related parties (note 15)	58		25
Due to WSCC	19		-
Total accounts payable and accrued liabilities	\$ 17,649	\$	16,666

9. Pensions

All eligible employees participate in Canada's Public Service Pension Plan (PSPP). The PSPP provides benefits based on the number of years of pensionable service to a maximum of 35 years. Benefits are determined by a formula set out in the legislation; they are not based on the financial status of the pension plan. The basic benefit formula is two percent per year of pensionable service multiplied by the average of the best five consecutive years of earnings.

The public service pension plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the plan on or after January 1, 2013. For members with start dates before January 1, 2013, the normal retirement age remains age 60. The employer contribution rate effective at the end of the year is 1.01 times (2017 – 1.1) the employees' contributions for employees who started prior to January 2013 and 1.0 times (2017 – 1.0) the employees' contributions for all other employees.

The Authority and the contracted physician's contribute to the Physician Retirement Income Benefit (PRIB). The Physician's contribution rate is 7.5 percent of the Physician's base salary, minus the Physician's contribution to the Canada Pension Plan. The Authority contribution rate is 15 percent of the Physician's base salary, minus the Employer's contribution to the Canada Pension Plan on behalf on the Physician. The Authority contributed \$9,980 (2017 – \$9,710) to PSPP and \$2,102 (2017 – \$2,125) to the Physician's fund. The employee's contributions were \$9,920 (2017 – \$8,552) and \$966 (2017 – \$1,062) respectively.

The Authority contributes for all eligible employees to the Public Service Health Care Plan and the Public Service Dental Care Plan which are sponsored by the Government of Canada. The Authority's responsibility with regard to these plans is limited to it's contributions. Contributions during the year totaled \$4,084 (2017 - \$3,575).

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Notes to Financial Statements

(All figures in thousands of dollars)

March 31, 2018

10. Other employee future benefits and compensated absences

In addition to pension benefits, the Authority provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity and parental leave) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation. Severance benefits are paid to Authority employees based on the type of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee was hired, the rate of pay, the number of years of continuous employment and age and the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being location of hire, employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

Compensated absence benefits generally accrue as employees render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to employee or dependent illness, or death of an immediate family member. Non-accruing benefits include maternity and parental leave. Benefits that accrue under compensated absence benefits were actuarially valued using the expected utilization methodology.

Valuation results

The actuarial valuation was completed as at February 17, 2017. The effective date of the next actuarial valuation is March 31, 2019. The liabilities were actuarially determined and the results were extrapolated to March 31, 2018.

These liabilities are expensed in the year they become due.

	Severance and Removal	Compensated absences	2018	2017
Changes in obligation				
Accrued benefit obligations, beginning of year	\$ 8,923	\$ 1,854	\$ 10,777	10,229
Current period benefit cost	483	153	636	661
Past service cost	-	-	-	291
Transfer of employees to NTHSSA (net)	-	-	-	(121)
Interest accrued	270	59	329	307
Benefits payments	(1,379)	(972)	(2,351)	(1,246)
Actuarial (gains)/losses	(1,268)	464	(804)	656
Accrued benefit obligations, end of year	7,029	1,558	8,587	10,777
Unamortized net actuarial gain/(loss)	2,875	(314)	2,561	2,029
Net future obligation	\$ 9,904	\$ 1,244	\$ 11,148	\$ 12,806
Other compensated absences	-	377	377	563
Total employee future benefits and compensated absences	\$ 9,904	\$ 1,621	\$ 11,525	\$ 13,369
Benefits expense				
Current period benefit cost	483	153	636	661
Past service cost	-	-	-	291
Transfer of employees to NTHSSA (net)	-	-	-	(121)
Interest accrued	270	59	329	307
Amortization of actuarial gains	(247)	(25)	(272)	(353)
	\$ 506	\$ 187	\$ 693	\$ 785

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Notes to Financial Statements

(All figures in thousands of dollars)

March 31, 2018

10. Other employee future benefits and compensated absences (continued)

The discount rate used to determine the accrued benefit obligation is an average of 3.8% (2017 - 3.3%). No inflation rate was applied. The expected payments during the next five fiscal years are:

		Severance and Removal	Compensated Absences	2018 Total
2019	Year 1	\$ 1,539	\$ 296	\$ 1,835
2020	Year 2	1,206	231	1,437
2021	Year 3	1,015	196	1,211
2022	Year 4	822	160	982
2023	Year 5	738	149	887
	Thereafter	4,584	589	5,173
		\$ 9,904	\$ 1,621	\$ 11,525

11. Trust assets under administration

The authority administers trust assets, consisting of cash held on behalf of patients, which are not included in the reported Authority's assets and liabilities, totaling \$159 (2017 - \$141).

12. Government assets and services provided at no charge

During the year, the Authority received without charge from the Government services including utilities, repairs and maintenance, payroll processing, medical travel costs, insurance and risk management, legal counsel, construction management, records storage, computer operations, asset disposal, project management, and translation services. The services are part of the central agency role of the Government and no estimate can be reasonably determined.

The Government provides without charge the use of buildings, equipment, leasehold improvements, mainframe and software systems, medical equipment and vehicles for use in program and service delivery. These would have cost the Authority an estimated \$8,134 (2017 - \$7,604) based on the calculated depreciation expense by the Government and have been recognized as rent expense with a corresponding grant-in-kind in the financial statements. The Government is currently constructing a new Territorial Hospital for the Authority to use once it is completed.

13. Contractual obligations

The Authority has entered into agreements for equipment, operations and services (Government medical travel program) or is contractually committed to, the following expenses payable subsequent to March 31, 2018:

	Expires in Fiscal Year	2019	2020	2021	2022	2023 and Thereafter	Total
Equipment leases	2026	\$ 577.00	\$ 233	\$ 193	\$ 190	\$ 705	\$ 1,898
Operational leases	2021	5,176	1,481	761	-	-	7,418
Service contracts	2026	35,160	21,571	17,133	16,874	18,711	109,449
		\$ 40,913	\$ 23,285	\$ 18,087	\$ 17,064	\$ 19,416	\$ 118,765

14. Contingencies

In the normal course of operations, the Authority is subject to claims and pending and threatened litigation against the Authority and its staff. At year end, the Authority estimated the total claimed amount for which the outcome is not determinable at \$50 (2017 - \$0). No provision for such claims has been made in these financial statements as it is not determinable that any future event will confirm that a liability has been incurred as at March 31.

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Notes to Financial Statements

(All figures in thousands of dollars)

March 31, 2018

15. Related Parties

Related party transactions not disclosed elsewhere are as follows:

Due from related parties	Accounts Receivable	Allow. For Doubtful Accounts	Net 2018	Net 2017
Ticho Community Services Agency	\$ 150	\$ (6)	\$ 144	\$ 104
Hay River Health and Social Services Authority	48	(2)	46	155
NWT Housing Corporation	40	(24)	16	4
Beaufort-Delta District Education Council	3	-	3	-
Fort Good Hope Housing Authority	3	-	3	-
	\$ 244	\$ (32)	\$ 212	\$ 263
Due to related parties:				
			2018	2017
Ticho Community Services Agency			\$ 20	\$ 2
Hay River Health and Social Services Authority			14	15
NWT Housing Corporation			10	-
BDIC			8	-
NWT Power Corporation			3	5
Beaufort-Delta District Education Council			2	-
Aurora College			1	-
Yellowknife Catholic School Board			-	2
South Slave Divisional Education Council			-	1
			\$ 58	\$ 25
Revenues from related parties:				
			2018	2017
Ticho Community Services Agency			\$ 914	\$ 842.00
Hay River Health and Social Services Authority			205	263
Beaufort-Delta Education Council			4	-
GNWT - MACA			1	-
NWT Housing Corporation			-	7
			\$ 1,124	\$ 1,112
Expenses paid to related parties:				
			2018	2017
Government of the Northwest Territories			\$ 978	\$ 1,357
Ticho Community Services Agency			376	2
NWT Housing Corporation & local housing authorities			144	173
Hay River Health and Social Services Authority			52	17
NWT Power Corporation			45	35
Yellowknife Catholic School Board			10	20
Aurora College			7	69
Yellowknife Education District #1			7	-
Beaufort-Delta Education Council			5	-
BDIC			4	-
South Slave Divisional Education Council			-	1
			\$ 1,628	\$ 1,674

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Notes to Financial Statements

March 31, 2018

(All figures in thousands of dollars)

16. Financial Instruments

The Authority is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risk from the Authority's financial instruments by type of risk is provided below:

(a) Credit risk

Credit risk is the risk of financial loss of the Authority if a debtor fails to make payments of interest and principal when due. The Authority is exposed to this risk relating to its cash, special purpose funds, trust assets, and accounts receivable.

The Authority holds its cash, special purpose funds, and trust assets deposits in trust accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Authority's cash and special purpose funds deposits in trust accounts are insured up to \$100.

Accounts receivable are due from various governments, government agencies, corporations and individuals. Credit risk related to accounts receivable is mitigated by internal controls as well as policies and oversight over arrears for ultimate collection. Management has determined that a portion of accounts receivable are impaired based on specific identification as well as age of receivables. These amounts are as disclosed in Note 6.

The Authority's maximum exposure to credit risk is represented by the financial assets for a total of \$33,391 (2017 - \$21,521).

Concentration of credit risk

Concentration of credit risk is the risk that customer(s) has a significant portion (more than ten percent) of the total accounts receivable balance and thus there is a higher risk to the Authority in the event of a default. The Authority does have concentration of credit risk. At March 31, 2018, receivables from the Government comprised 55% of the total outstanding accounts receivables (2017 - 52%). The Authority reduces this risk by monitoring overdue balances.

(b) Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet all cash outflow obligations as they come due. The Authority mitigates this risk by monitoring cash activities and expected outflows through budgeting, deferring repayment to the Government (Note 1 and Note 2) and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise. All of the Authority's financial assets and financial liabilities as at March 31, 2018 mature within the next six months.

Total financial assets are \$33,391 (2017 - \$21,521) and financial liabilities are \$126,067 (2017 - \$101,671). The Authority has disclosed future financial liabilities and contractual obligations in Note 13.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures, and methods used to measure the risk.

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Notes to Financial Statements

(All figures in thousands of dollars)

March 31, 2018

17. Budget

The approved budget have been reclassified where applicable to conform to the presentation used in financial statements as follows:

	Budget per Statement of Operations and Accumulated Deficit	Government Approved Budget	Difference
Revenue			
Recoveries from other sources	\$ 9,526	\$ -	\$ 9,526
Recoveries from Nunavut	2,485	-	2,485
Contributions from other sources	808	-	808
Interest income	167	-	167
Other income	102	\$ 48,142	(48,040)
Total Revenue	13,088	48,142	(35,054)
Expenses			
Administration and support services	91,637	47,527	44,110
Supplementary health programs	-	43,355	(43,355)
Ambulatory care services	62,628	33,422	29,206
Community health programs	41,642	99,624	(57,982)
Community social programs	51,896	22,781	29,115
Nursing inpatient services	32,874	32,874	-
Diagnostic and therapeutic services	25,849	26,006	(157)
Undistributed	-	645	(645)
Total Expenses	306,526	306,234	292
Government contributions			
Contributions from Government of the Northwest Territories	244,773	239,053	5,720
Recoveries from Government of the Northwest Territories	18,741	-	18,741
Recoveries - non insured health services	10,885	-	10,885
Total Government contributions	274,399	239,053	35,346
Annual deficit	(19,039)	(19,039)	-

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY**Notes to Financial Statements**

(All figures in thousands of dollars)

March 31, 2018

18. Expenses by object

	2018	2017
	Actual	Actual
Compensation and benefits		
Salaries and wages	\$ 158,011	\$ 158,620
Superannuation	11,208	11,595
Post employment benefit	693	784
Honorariums	165	198
	170,077	171,197
Compensable items		
Locums	15,978	15,442
Other compensable items	5,244	5,079
	21,222	20,521
Operations and maintenance		
Contracted and general services	47,599	45,642
Medical travel and other travel	26,246	25,298
Contributions	19,012	18,444
Medical and surgical supplies	11,461	10,729
Rent expense (Note 12)	8,134	7,604
General supplies	4,164	3,938
Program expenses	3,606	3,704
Administrative expenses	3,086	2,880
Medical and program equipment	2,377	1,747
Professional development and training	1,743	1,556
Communications	1,416	1,528
Valuation allowances	16	85
	128,860	123,155
Total expenses	\$ 320,159	\$ 314,873

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY**Notes to Financial Statements**

(All figures in thousands of dollars)

March 31, 2018

19. Comparative figures

The financial statements have been reclassified where applicable to conform to the presentation used in the current year. The compensation and benefits categories were reclassified to provide increased transparency on the amount and type of transactions in each category. Locums and Contracted and general services were reclassified to better align the types of transactions in each category. The changes relate to the expenses by object note (note 18) as follows:

	Expenses By Object As Originally Stated	Expenses By Object As Reclassified	Difference
Salaries and wages	\$ 156,613	\$ 158,620	\$ 2,007
Severance/ superannuation	14,087		(14,087)
Superannuation		11,595	11,595
Other compensation and benefits paid	414		(414)
Honorariums		198	198
Post employment benefit	84	784	700
Locums	20,391	15,442	(4,949)
Contracted and general services	\$ 40,693	\$ 45,642	\$ 4,949

APPENDIX B
SCHEDULE OF WRITE-OFFS
& FORGIVENESS

Forgiveness

NAME	AMOUNT
Able, Tina	\$25.00
Abu Sheikha, Mohamad	\$13.18
Aglukkaq, Monica	\$12.00
Aklah, Georgina	\$20.08
Allen, Charles	\$297.86
Ancheril, Cnythia	\$19.55
Arsenault, Rodney	\$250.00
Asselin, Christel	\$250.00
Attallah, Eyad	\$84.60
Avaligak, Millie	\$23.75
Ayah, Joseph	\$19.52
Bautista, Maribel	\$260.00
Beebek, Walter	\$500.00
Bertrand, Mary Ann	\$15.91
Bezaire, Richard	\$247.00
Bezha, Tahti	\$25.00
Bjornson, Bruce	\$250.00
Blackette, Tara	\$260.00
Bourque, Albert	\$128.39
Bradbury, Dean	\$250.00
Brochu, Martin	\$15.26
Browning, Melanie	\$147.86
Bruggeeman, David	\$11.27
Brydon, David	\$23.01
Buckley, Bert	\$250.00
Cardinal, Margaret	\$135.00
Cardinal, Roslyn	\$13.00

NAME	AMOUNT
Caron, Julien	\$174.52
Carter, Jolin	\$16.71
Cavanagh, Sean	\$104.20
Charlie, William	\$35.00
Charlo, Bernadette	\$10.00
Charlo, Mary	\$25.00
Christante, Lance	\$16.07
Chwyl, Allan	\$401.40
Clark, Misty	\$35.00
Collins, Justin	\$223.64
Comeau Bari	\$10.00
Cormier, Brandon	\$257.01
Croft, Sheri	\$250.00
Curtis, Kenneth	\$247.00
Cziglan, Christine	\$135.00
Dagg, Richard	\$475.00
Dale, Samamtha	\$9.70
Davis, Michael	\$25.00
Davis, Roman	\$13.79
Decaire, Jeffery	\$250.00
Deleeuw, Richard	\$125.00
Desjarlais, Joseph	\$494.00
Dick, Floyd	\$271.14
Dives, Chris	\$250.00
Dixon, Vincent	\$547.00
Dominaux, Joshua	\$151.07
Drybones, Maureen	\$62.50
Drygeese-Yelle, Zhalaani	\$38.00
Dryneck, Daphnie	\$38.00
Dunlop, Kimberly	\$264.00

NAME	AMOUNT
Durocher, Earl	\$273.79
Dwyer, William	\$10.00
Elanik, Janessa	\$67.27
Ermacora, Nicola	\$370.50
Evaglok, Mona	\$247.00
Evaloakjuk, Casandra	\$13.00
Eyegetok, Tysean	\$148.93
Farah, Jama Ali	\$132.12
Fell, Arnold	\$238.00
Flanagan, Daniel	\$260.00
Follett, Rodney	\$238.00
Ford, Jasmine	\$250.00
Fordy, Ramona	\$13.00
Fox, Larry	\$390.00
Francois, Noel	\$303.79
Fukuda, Shigeko	\$370.50
Fukuhata, Saori	\$386.45
Fukushima, Yayoi	\$202.50
Gagnon, Mario	\$16.07
Gatehouse, Deneen	\$78.36
Gibeault, Treeva	\$160.00
Gill, Mohinder	\$24.70
Gladish, Robert	\$247.00
Godin, Vincent	\$360.00
Gon, Grant	\$135.00
Goodwin, John	\$16.07
Gouinlock, Jean	\$348.00
Gould, Amanda	\$473.83
Greiner, John	\$250.00
Griffiths, Jay	\$25.00

NAME	AMOUNT
Grime, Timothy	\$135.00
Guardado, Jose	\$35.00
Haley, Matthew	\$70.00
Hamilton, Monica	\$247.00
Hansen, Sascha	\$405.00
Hasgawa, Kazuto	\$24.10
Hasgawa, Tetsuo	\$368.91
Hawkins, Colleen	\$186.00
Hawkins, Roy	\$135.00
Haynes, William	\$260.00
Herbert, Daniel	\$247.00
Hernback, Devon	\$270.00
Horassi, Leonard	\$145.72
Hoyle, Dean	\$35.00
Hunter, Julia	\$13.00
Hussien, Omar	\$135.00
Ikwube, Pricilla	\$179.74
Inukisluq, Peter	\$13.00
Iqilliq, Betty	\$13.00
Israel, Keitumetse	\$385.52
Jacobs, Hardy	\$135.00
Jacobson, Petter	\$469.29
Jerome, Jeremy	\$10.00
Johnson, Seth	\$16.47
Mato, Britta	\$494.00
Michel, Norton	\$135.00
Mickle, Crystal	\$25.00
Miller, Richard	\$5.00
Minault, Clifton	\$426.50
Minoza, Mary	\$135.00

NAME	AMOUNT
Mongeon, Michel	\$250.00
Montgomery, Natasha	\$10.00
Moore, Rory	\$271.14
Mueller, Allen	\$143.00
Mujetenga, Gift	\$11.32
Murota, Ryo	\$247.00
Murphy, Andrew	\$24.15
Mutenge, Moses	\$100.00
Nadeau, Rock	\$135.36
Nakashima, Chiaki	\$214.50
Navarro-Goangea, Dilan	\$11.91
Neyelle, Israel	\$145.72
Ng, Gregory	\$147.86
Nitsiza, Laura	\$70.00
Novoligak, Connor	\$10.99
Nyamazana, Josephine	\$140.72
Nyantah Njoya, Veronique	\$305.40
O'Connor, Michelle	\$500.00
Omilgoituk, Robert	\$145.72
Ongahak, Rihanna	\$287.58
Parker, Denise	\$34.00
Pea'a, Benjamin	\$25.00
Pellissey, Marie	\$160.00
Penk, Marco	\$390.00
Norris, William	\$36.43
Picard, James	\$247.00
Pierrot, Donald	\$142.73
Pond, Derry	\$250.00
Rasmussen, Blake	\$250.00

NAME	AMOUNT
Raindeer, Wayne	\$275.57
Ricard, Yvon	\$16.47
Ricketts, Cassandra	\$18.68
Roberts, Luke	\$187.49
Roberts, Tiffinnea	\$250.00
Robertson, Honeylet	\$260.00
Robitalle, Stephanie	\$14.82
Ruman, Daniel	\$250.00
Sanchez Castillo, Gregorio	\$392.96
Sanderson, Justin	\$260.00
Saunders, Penny	\$385.24
Savard, Mathieu	\$272.69
Schneider, Tyrone	\$12.86
Seaton, David	\$70.00
Sellers, Sheldon	\$247.00
Shae, Janine	\$25.00
Smith Barry	\$247.00
Snowshoe, Effie	\$38.00
Souami, Mohamed	\$12.69
Striped Wolf, Louis	\$70.00
Sunlife Assurance Company of Canada	\$100.00
Szerling, Pawel	\$16.98
Taureau, Anna	\$30.00
Thrasher, Kurtis	\$247.00
Totalik, Amber	\$135.00
Tourneur, Pascal	\$24.11
Trudel, Yannick	\$11.32
Tseleie, Lorinda	\$25.00
Tsetta, Peter	\$170.00

NAME	AMOUNT
Tutt, Brandon	\$250.00
Ugyuk, Jessie	\$257.00
Vallee, Gaetan	\$17.47
Van Loon, John	\$475.00
Villeneuve, Eric	\$247.00
Vikquin, Walter	\$202.50
Watson, Pamela	\$25.00
Webber, Eugene	\$16.07
Whane, Elizabeth	\$340.20
Whitford, Alexandra	\$267.53
Williams, Oliver	\$145.72
Wilshire, Christopher	\$10.01
Winter, Denise	\$15.00
Wiseman, Alexa	\$80.00
Yallee, David	\$13.00
Yellowknee, Darren	\$257.63
Zabala, Melchor	\$183.87
Zoe, Charles	\$10.60
Winsor, Verona	\$125.00
TOTAL	\$31,417.13

Write - Offs

NAME	AMOUNT
Andrew, Rebecca	\$61.53
Aoki, Yoshie	\$644.43
Atsuko, Ando	\$37.13
Barney, William	\$42.44
Beaulieu, Julie	\$15.91
Beaver, James	\$188.20
Betseamlak, Luel Abraha	\$182.48
Bouchard, Fabiola	\$127.31
Braithwaite, Miki	\$654.61
Browder, Camille	\$155.00
Buckley, Jack	\$159.98
Cardinal, Cheryl	\$68.96
Charney, Sheldon	\$45.62
Charney, Sheldon	\$47.74
Cook, Cruz	\$252.08
Curtis, Kenneth	\$127.31
Daigneault, Emilien	\$97.65
Day, Joey	\$106.09
Delorme, Louise	\$27,523.19
Den Os, Shandy	\$66.41
Dick, Floyd	\$37.13
Doig, Daniel	\$91.24
Ekhiohina-Ogina, Kean	\$47.74
Fahmy, Rahmat	\$310.57
Fieber, Caylee	\$200.00
Fox, Larry	\$37.13
Gentles, Leisha	\$126.51
Gladish, Robert	\$63.29

NAME	AMOUNT
Gresl, Lyndsay	\$100.00
Guy, Richard	\$90.18
Hiroko, Miyauchi	\$1,127.97
Hulik, Cheryl	\$127.31
Hussien, Omar M	\$63.29
Jacobs, Anna	\$63.29
Jeremick'ca, Elvis	\$47.74
Johnson, Caroline	\$45.62
King, Katrina	\$45.62
Konkin, William	\$68.96
Lawrence Daniels, Linda F	\$155.00
Lebreux, Ross	\$899.35
Leggo, Shane	\$63.29
Lewis, Julie	\$2,936.47
Mackay, Donald	\$245.77
McCray, Isaac	\$180.36
Mckee, Cameron	\$68.96
Mckenzie, Sarah	\$27.46
Mcleod, Lyndon	\$95.48
Menacho, Darryl	\$91.24
Michaud, Jack	\$136.58
Miller, Robert	\$417.36
Mohamed, Seham	\$136.86
Montalbetti, Donald	\$155.00
Mudgil, Pankaj	\$47.74
Mulakkampilly, Jose	\$91.24
Pasquayak, Stephanie	\$50.00
Perdrieux, Francois	\$45.62
Potiron, Tiphaine	\$71.61
Pottinger, Norman Nathan	\$137.92

NAME	AMOUNT
Ranseth, John	\$43.84
Rasmussen, Blake	\$45.62
Richardson, Luzviminda	\$4,650.00
Rizvi, Syed	\$90.90
Robertson, Honeylet	\$90.18
Rousseau, Monique	\$45.62
Russell, Matthew	\$91.24
Ruttle, Rylan	\$45.62
Sajous-Colas, Alexandra	\$30.15
Savard, Mathieu	\$37.13
Schwindt, Todd	\$42.44
Sia, Richard	\$68.96
Smith, Heather	\$74.26
Takizawa, Yoshimi	\$148.28
Thomas, Bruce	\$63.29
Tracz, Boyan	\$90.18
Ushida, Eriko	\$136.86
Vallieres, Kevin	\$23.34
Walker, Benjamin	\$37.13
You, Joseph	\$220.01
Zieba, Michelle	\$91.24
Zoe, Ryan	\$90.18
International SOS	\$940.76
RCMP Health Services	\$49.73
Regie de l'Assurance Maladie	\$167.22
Services Aux Accidentes	\$50.50
Alberta Blue Cross - DND	\$286.88

NAME	AMOUNT
Citizenship & Immigration	\$72.94
WSCC	\$745.44
TOTAL	\$47,920.91



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