

Northwest Territories Health and Social Services Authority

TABLED DOCUMENT 123-18(3) TABLED ON MARCH 8, 2018

2016-2017

Annual Report



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English

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French

Kĩspin ki nitawihitĩn ē nĩhĩyawihiƙ ōma ācimōwin, tipwāsĩnān.

Cree

Tłjçᖅ yatı k’ëë. Dı wegodı newᖅ dè, gots’o gonede.

Tłjçᖅ

ʔerihł’ıs Dēne Sųłĩné yatı t’a huts’elkēr xa beyáyatı theʔə ʔat’e, nuwe ts’ēn yóftı.

Chipewyan

Edı gondı dehǵáh got’je zhatié k’ëë edat’éh enahddhę nıde naxets’ë edahfı.

South Slavey

K’áhshó got’jne xǵđǵ k’é hederı ʔedjhtl’é yerınwę níde dúle.

North Slavey

Jii gwandak izhii ginjik vat’atr’ijǵhç’uu zhit yinothn jı’, diits’āt ginohkhiı.

Gwich’in

Uvanittuaq ilitchurisukupku Inuvialuktun, ququagluta.

Inuvialuktun

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Inuktitut

Hapkoa titiqqat pijumagupkit Inuinnaqtun, uvaptinnut hivajarlutit.

Inuinnaqtun

Aboriginal Languages Secretariat: 867-767-9346 ext. 71037

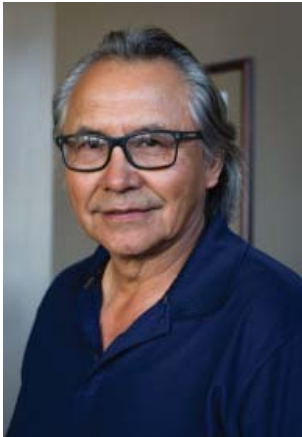
Francophone Affairs Secretariat: 867-767-9343

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Northwest Territories / Territoires du Nord-Ouest

1-855-846-9601

Message from the Chairperson



It is my pleasure to provide the first annual report of the NTHSSA. This report provides information on 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. It describes the NTHSSA's operations since its inception, while providing insight on its future direction.

This report includes the 2016-2017 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 to the Auditor General of Canada and my commitment to public accountability for the financial and operational performance of the Northwest Territories Health and Social Services Authority.

I want to take this opportunity to thank my fellow Leadership

Council board members, the administrators, executives, practitioners and front line staff across the NWT HSS System, under whose guidance the NTHSSA was created. The dedication and commitment of individuals across the system was key to ensuring that the change in governance reflects the needs and interests of our residents while building an appropriate structure to support change in our health and social services system.

This is an exciting time in the Northwest Territories and it is my honour to serve as the Chairperson of the NWT HSS Leadership Council. I am encouraged by the steps taken in the first eight months of operation of the NTHSSA and look forward to the growth of the Authority in the coming years while continuing to strengthen the health and social services system with input from the residents of the Northwest Territories.

A handwritten signature in black ink, which appears to read "Jim Antoine". The signature is fluid and cursive, with a long horizontal stroke at the end.

Sincerely

Jim Antoine

Chair,

Northwest Territories Health and Social Services Authority

Message from the CEO



Improving the health and wellness of those served by our organization is a fundamental aim of the Northwest Territories Health and Social Services Authority (NTHSSA). Since being established on August 1st, 2016 and throughout the first eight months of operation, the focus of the NTHSSA has been to build the organizational and operational structure while continuing to provide quality care and services in a time of transition.

Our goal is to develop a seamless system by stabilizing our organization in which the client/patient is the focal point. Organizational stabilization has included establishing the leadership team of the NTHSSA and beginning the process of determining the highest priority areas for change and improvement. We have made significant changes in how our organization is structured at the leadership level and with these changes now mostly complete our focus will be to continue to support staff as we enhance the quality of our care and delivery of services, while increasing efficiency and improve accountability for the performance of the system.

A core focus of our work is building an organization that operates under a client/patient and family centered care model

that underpins service delivery. For staff this is already a reality in how they approach their work; however developing an organization that supports this practice while ensuring consistency and quality of care and services requires a shift in thinking.

NTHSSA employees from across the NWT are a cornerstone of our system, and ensuring they are a part of the change and improvement processes is a priority. Towards that end, the NTHSSA has worked diligently with each region to develop territorial and regional organizational structures to ensure the system reflects the needs of clients, patients, families and their work.

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

I am pleased to be part of such a significant change in the NWT. It's an exciting time for the NWT health and social services system, a motivating time for staff to be part of such an historic transition and an opportunity for the residents of the NWT to be part of supporting a system that serves their needs first.

A handwritten signature in black ink, appearing to read "Sue Cullen". The signature is fluid and cursive, with a large initial "S" and "C".

Sincerely

Sue Cullen

Chief Executive Officer,

Northwest Territories Health and Social Services Authority.

Executive Summary

The Northwest Territories Health and Social Services Authority's (NTHSSA) 2016-17 Annual Report captures the operations of the NTHSSA. The NTHSSA was established on August 1, 2016.

The transformation of six of the eight legacy Health and Social Services Authorities into the NTHSSA has been many years in development. The process included a number of discussions and consultations with residents and stakeholders to inform the transition and change.

There are many steps required to establish a fully integrated Territorial Authority that delivers health and social services to the majority of the residents in the NWT. In June 2016, the Minister appointed community members to form the first NWT Health and Social Services Leadership Council, the board of management for the NTHSSA. This was a key step in providing governance for the operation of the NTHSSA.

During its inaugural year the NTHSSA has taken on a number of tasks to build a strong foundation for continued improvement in the delivery of health and social services and programs. These activities include:

- Building relationships with NWT HSS System partners and stakeholders.
- Focusing on the design and construction of new Health and Social Services facilities; specifically, the renewal of the NWT Territorial Hospital, Stanton.

- Continuing the implementation of the Electronic Medical Health Records (EMR).
- Launching the NTHSSA Visual Identity Program to support a cohesive look and feel for the organization.
- Refocusing the practitioner leadership model that includes the establishment of Territorial Clinical Leads and Area Medical Directors who are supported through a Territorial Medical Director.
- Adding information to the Medical Travel Guide to improve access to information and support.
- Continuing the development of the NTHSSA organizational structure that supports quality care and services across the NWT.

As the NTHSSA continues to evolve, the Authority will develop a strategic direction that aligns with the vision and direction set out in the NWT HSS System Strategic Plan. The future outlook of the NTHSSA includes activities and initiatives that continue to improve the quality care and services for residents of the NWT with a focus on sustainability and cultural safety.



Résumé

Le rapport annuel de 2016-2017 de l'Administration des services de santé et des services sociaux des Territoires du Nord-Ouest (ASTNO) fait état des activités de l'administration. L'ASTNO a été constituée le 1er août 2016.

La transformation de six des huit anciennes administrations des services de santé et des services sociaux pour former l'ASTNO se préparait déjà depuis plusieurs années. Ce processus a comporté de nombreuses discussions et consultations avec les résidents et les intervenants afin d'orienter la transition et le changement.

Il faut franchir de nombreuses étapes pour mettre sur pied une administration territoriale entièrement intégrée et capable d'offrir des services de santé et des services sociaux à la majorité des résidents des Territoires du Nord-Ouest (TNO). En juin 2016, le ministre a désigné des membres de la communauté pour former le premier Conseil de leadership des services de santé et des services sociaux des TNO, le conseil d'administration de l'ASTNO. Il s'agissait d'une étape importante pour instaurer une gouvernance des activités de l'administration.

Au cours de sa première année d'existence, l'ASTNO a pris certaines mesures afin de jeter des bases solides pour continuer d'améliorer la prestation de services et de programmes sociaux et de santé, à savoir :

- Établir des relations avec les partenaires et les intervenants du système des services de santé et des services sociaux des TNO.
- Mettre l'accent sur la conception et la

construction de nouvelles installations de services de santé et de services sociaux, plus particulièrement la modernisation de l'Hôpital territorial Stanton.

- Poursuivre la mise en œuvre des dossiers médicaux électroniques (DME).
- Lancer le programme d'identité visuelle de l'ASTNO afin de donner un aspect uniforme à l'organisation.
- Réorienter le modèle de leadership des praticiens pour inclure la création de responsables territoriaux des soins cliniques et de directeurs médicaux régionaux appuyés par un directeur médical territorial.
- Ajouter du contenu au Guide de déplacement pour raisons médicales afin d'améliorer l'accès à l'information et le soutien.
- Poursuivre l'élaboration d'une structure organisationnelle de l'ASTNO qui soutiendra la prestation de soins et de services de qualité dans l'ensemble des TNO.

À mesure que l'ASTNO continuera d'évoluer, elle préparera des directives stratégiques harmonisées à la vision et à l'orientation établies dans le Plan stratégique pour le système des services de santé et des services sociaux des Territoires du Nord-Ouest. Les perspectives d'avenir pour l'ASTNO comprennent des activités et des initiatives qui aideront à améliorer la qualité des soins et des services offerts aux Tenois en mettant l'accent sur la durabilité et la sécurité culturelle.



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1.0 | NWT Health and Social Services System Transformation

Since early 2012, the Minister of Health and Social Services has worked collaboratively with leadership of the NWT Health and Social Services System to determine how to improve patient and client care, increase efficiency and sustainability, and improve accountability for the performance of the system.

In order to ensure the transformation to a new governance and service delivery model would be reflective of the needs in the NWT, the Minister guided collaboration between many different stakeholders, including the Chairs and Public Administrators of the Health and Social Services' Authorities, Aboriginal and community governments and health and social services staff from across the system. Town hall forums, conducted in many communities across

the NWT, provided opportunities for the public to share their vision. Based on what was heard from the people, and guided by experts in the Health and Social Services System, everyone wanted the best care for themselves and their loved ones while ensuring the system can be sustainable to provide excellent care in the future.

With this direction, on August 1, 2016, under amendments to the *Hospital Insurance and Health and Social Services Administration Act* (HIHSSA), six regional Health and Social Services Authorities across the NWT were amalgamated into the Northwest Territories Health and Social Services Authority (NTHSSA).

NWT HSS System Transformation Milestones

November 22nd, 2013: The Former Joint Leadership Council issued a vision statement, guiding the way for change.

August 19th, 2014: Release of *Caring for our People: Improving the NWT Health and Social Services System*: Public discussion paper.

June 4th, 2015: Bill 44: An Act to Amend the *Hospital Insurance and Health and Social Services Administration Act* received assent in the Legislative Assembly.

October 2nd, 2015: Mr. Jim Antoine was named as the Chairperson of the NWT HSS Leadership Council (NTHSSA board of management).

February 9th, 2016: Ms. Sue Cullen, Chief Executive Officer of the NTHSSA was announced.

June 24th, 2016: Leadership Council and Regional Wellness Council member appointments announced.

August 1st, 2016: NTHSSA began operations.

September 13th, 2016: First Meeting of the NWT HSS Leadership Council.

1.1 | Structure Changes

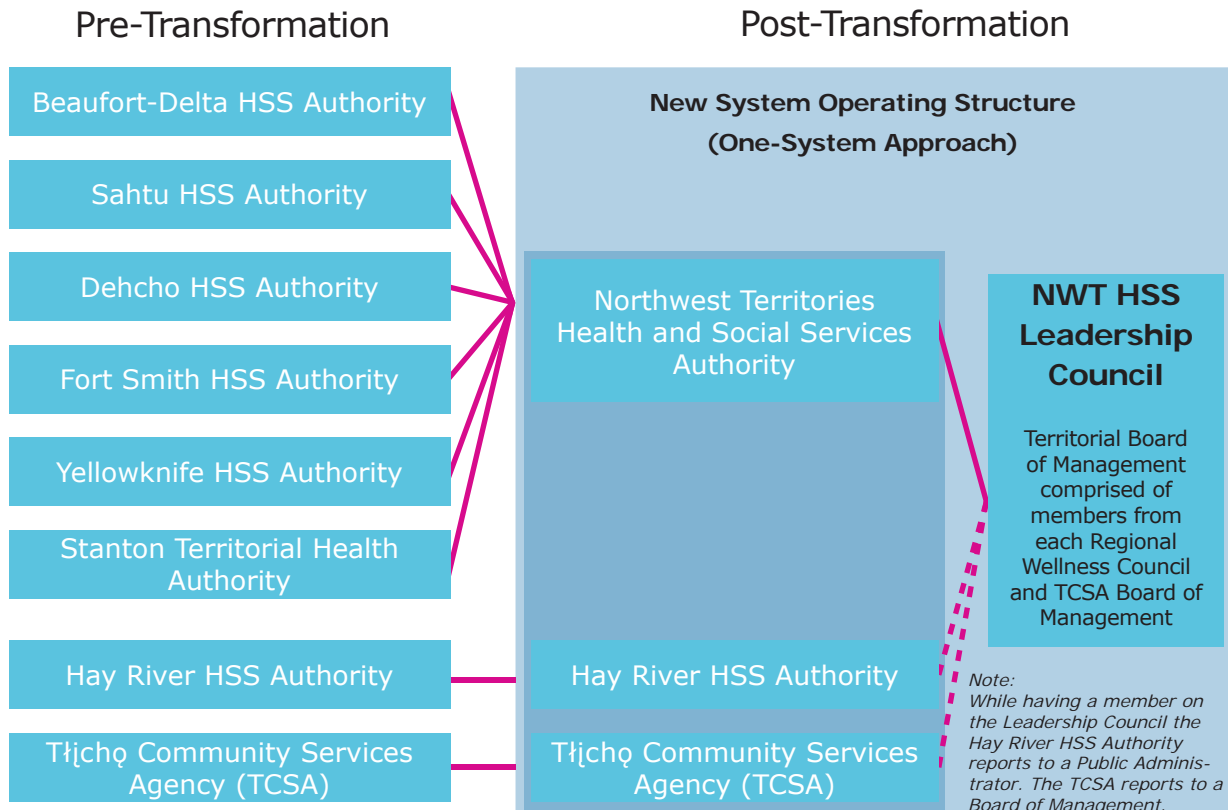
The governance structure for the NWT HSS System which previously included seven Health and Social Services Authorities, and one regional community services agency (responsible for health, social services and education programs) changed to support a more integrated system. The previous authorities and community services agency which operated as corporate structures, governed by separate boards of management whose members were appointed by the Minister of Health and Social Services, and managed by Chief Executive Officers transitioned into:

- One territorial governance board, to be known as the Northwest Territories Health and Social Services Leadership Council (Leadership Council), with members including the Chairs of regional health and social services advisory bodies, and one Chairperson appointed by the Minister HSS; and
- A series of regional advisory health and social services bodies, to be known

as Regional Wellness Councils, with members appointed by the Minister of HSS.

- The Tłı̨ch̨o Community Services Agency will continue to be a Board of Management under the *Hospital Insurance and Health and Social Services Administration Act*, respecting the Tı̨cho Self Government Agreement.
- The Hay River Health and Social Services Authority employees will remain in their organization until negotiations can be completed at a future point that will allow for them to be brought into the public service.

Working collaboratively with the Hay River Health and Social Services Authority and the Tłı̨ch̨o Community Services Agency, the NTHSSA is part of an integrated NWT health and social services system working under a one-system approach that is more connected to share expertise and resources and improve the overall efficiency of the NWT HSS system





2.0 | Who We Are

(Front row L to R) Ms. Gina Dolphus, Chair Sahtu RWC; Mr. James Antoine, Chairperson NTHSSA; Mr. Ted Blondin, Chair TCSA

(Back row L to R) Ms. Sue Cullen, CEO NTHSSA; Ms. Patricia Schaefer, Chair Fort Smith RWC; Ms. Ethel-Jean Gruben, Vice-Chairperson and Chair Beaufort-Delta RWC; Ms. Ruby Simba, Chair Dehcho RWC, Mr. Michael Maher, Chair Hay River RWC, Ms. Elizabeth Biscaye, Chair Yellowknife RWC; Ms. Debbie DeLancey Deputy Minister, DHSS.

The transformation of the NWT HSS System and the creation of the Northwest Territories Health and Social Services Authority is a process not an event. The new governance and administrative structures are foundational building blocks to improving patient and client care. The NTHSSA has adopted a steady approach to its design and transformation, taking time to get it right.

In fiscal year 2016-17, the design of the NTHSSA focused on the establishment and development of the governance and leadership structures of the NTHSSA.

“Change will not happen overnight. The new governance and administrative structures are foundational building blocks to improving our system”

*- Minister Abernethy
March 2nd, 2017 Legislative Assembly
Statement*

- 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 directions for particular health and social services and programs

related to those services.

2.1 | NWT Health and Social Services Leadership Council

The NWT HSS Leadership Council (Leadership Council) is the board of management for the NTHSSA. The Leadership Council provides overall leadership to the NTHSSA and helps facilitate the NTHSSA’s legislated mandate to:

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).

NWT HSS Leadership Council Meeting Activity

August 10-11, 2016: Leadership Council and Regional Wellness Council Orientation

September 12, 2016: Regular meeting

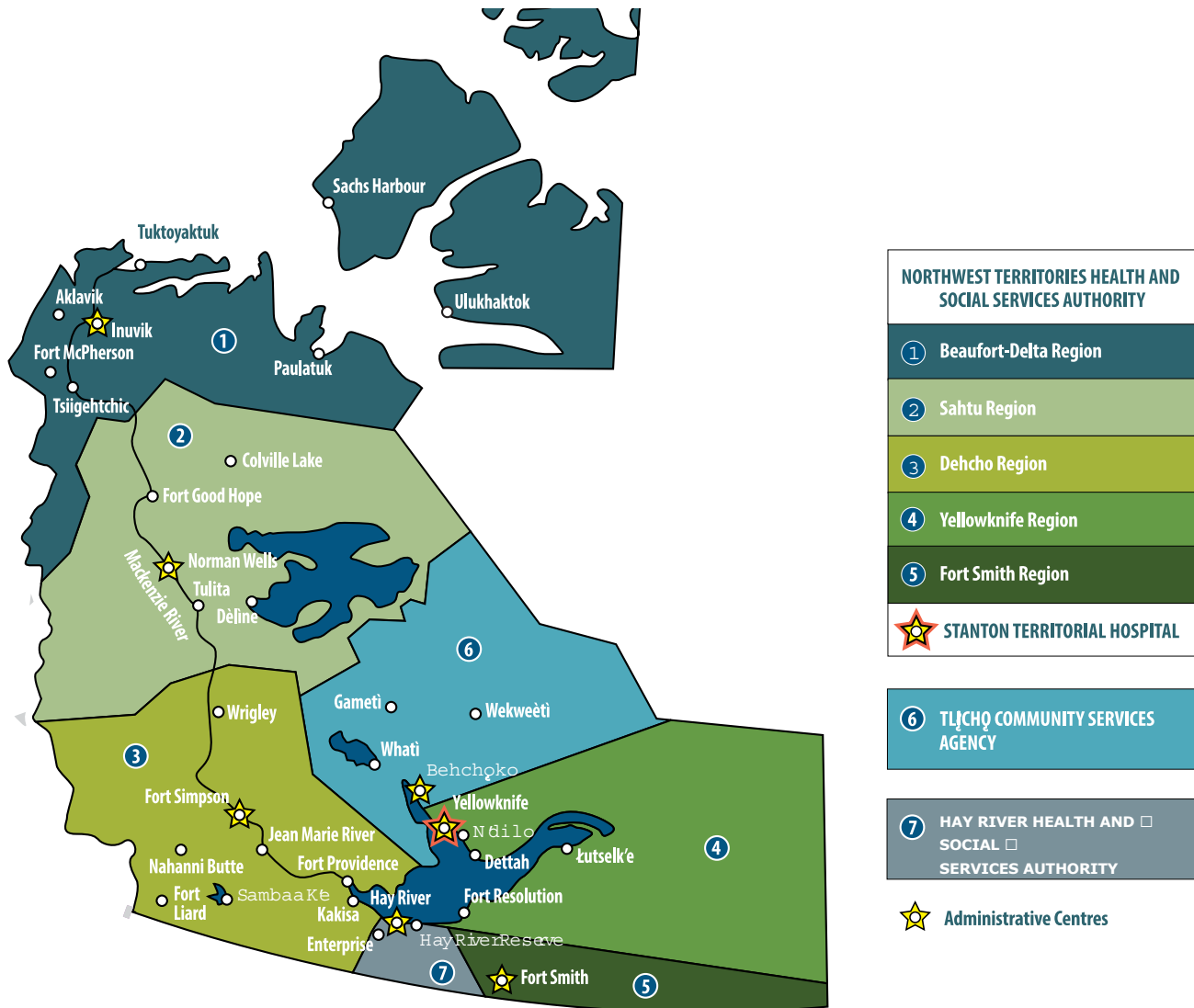
December 6th, 2016: Regular Meeting

February 13th, 2017: NTHSSA Budget Review Meeting

March 7th, 2017: Regular Meeting

2.2 | NTHSSA Overview

The NTHSSA is responsible for delivering health and social services in the Beaufort Delta, Dehcho, Sahtu, Fort Smith and Yellowknife regions of the NWT. It is also responsible for the operation of the Stanton Territorial Hospital.



As an agency of the GNWT, the NTHSSA is responsible to the Minister of Health and Social Services through the Leadership Council 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 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 functional 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, mental health, and anesthesia services in partnership with regional operations.

2.3 | NTHSSA Leadership

The transformation throughout fiscal year 2016-17 resulted in an extensive shift in the executive leadership that guides the management of health and social services across the NWT.

The consolidation of the executive leadership of six regional Health and Social Services Authorities into the NTHSSA provided an opportunity to clarify roles and responsibilities with respect to the various functional structures in the NTHSSA while supporting regional participation in decision-making at the Territorial level.

Northwest Territories Health and Social Services Leadership Council

Chairperson, Mr. James Antoine

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

Chair TCSA, 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

NTHSSA Leadership Team

Chief Executive Officer, Ms. Sue Cullen

Executive Director, Clinical Integration, Mr. Les Harrison

Executive Director, Corporate and Support Services, Mr. Kevin Taylor

Territorial Medical Director, Dr. Sarah Cook

Chief Medical Information Officer, Dr. Ewan Affleck

Chief Operating Officer (Beaufort Delta Region), Ms. Arlene Jorgensen

Chief Operating Officer (Sahtu Region), Ms. Mireille Hamlyn

Chief Operating Officer (Dehcho Region), Ms. Georgina Veldhorst

Chief Operating Officer (Yellowknife Region), Ms. Georgina Veldhorst

Chief Operating Officer (Fort Smith Region), Ms. Phyllis Mawdsley

Chief Operating Officer (Stanton Territorial Hospital), Mr. Colin Goodfellow

Senior Advisor to the Chief Executive Officer, Ms. Gillian Moir

Senior Administrative Assistant, Ms. Tiffany Digness

2.4 | NTHSSA Staff

In amalgamating the legacy authorities into the NTHSSA, a focus of the restructuring was to minimize changes to regional and community human resources footprints. As the NTHSSA governance and organizational structure developed throughout the past several months, in order to support a client/patient and family centered system, expressions of interest for opportunities across the NTHSSA were prioritized for current NWT HSS System staff.

FAST FACTS

- Average age of NTHSSA employee is 44.3 years
- Average length of service for NTHSSA employee 8.2 years

As of March 31, 2017 the NTHSSA had a workforce of 1,283 employees composed of 23% Indigenous Aboriginal, and 7% Indigenous Non-Aboriginal.

Given the large geographical service area that the NTHSSA covers, the NTHSSA employs staff located in small isolated communities and regional centres. Regardless of the location of services, NTHSSA employees are connected across the organization through five regional operating centers (Yellowknife, Fort Smith, Dehcho, Sahtu, and Beaufort-Delta) and a territorial hospital (Stanton).

The NTHSSA is committed to developing an organization where service providers have relationships with the communities, clients and patients they serve, strengthening continuity of care for all who access the system.

NTHSSA Employee Facts*

Employee Demographics		
Age range	#	% of Employees
18-29	131	10%
30-39	372	29%
40-49	319	25%
50-59	315	25%
60	146	11%

Regional Employee Stats		
	#	% of Employees
NTHSSA-Executive	14	1%
Beaufort Delta	234	18%
Dehcho	92	7%
Fort Smith	126	10%
Sahtu	72	6%
Yellowknife	186	14%
Stanton	559	44%

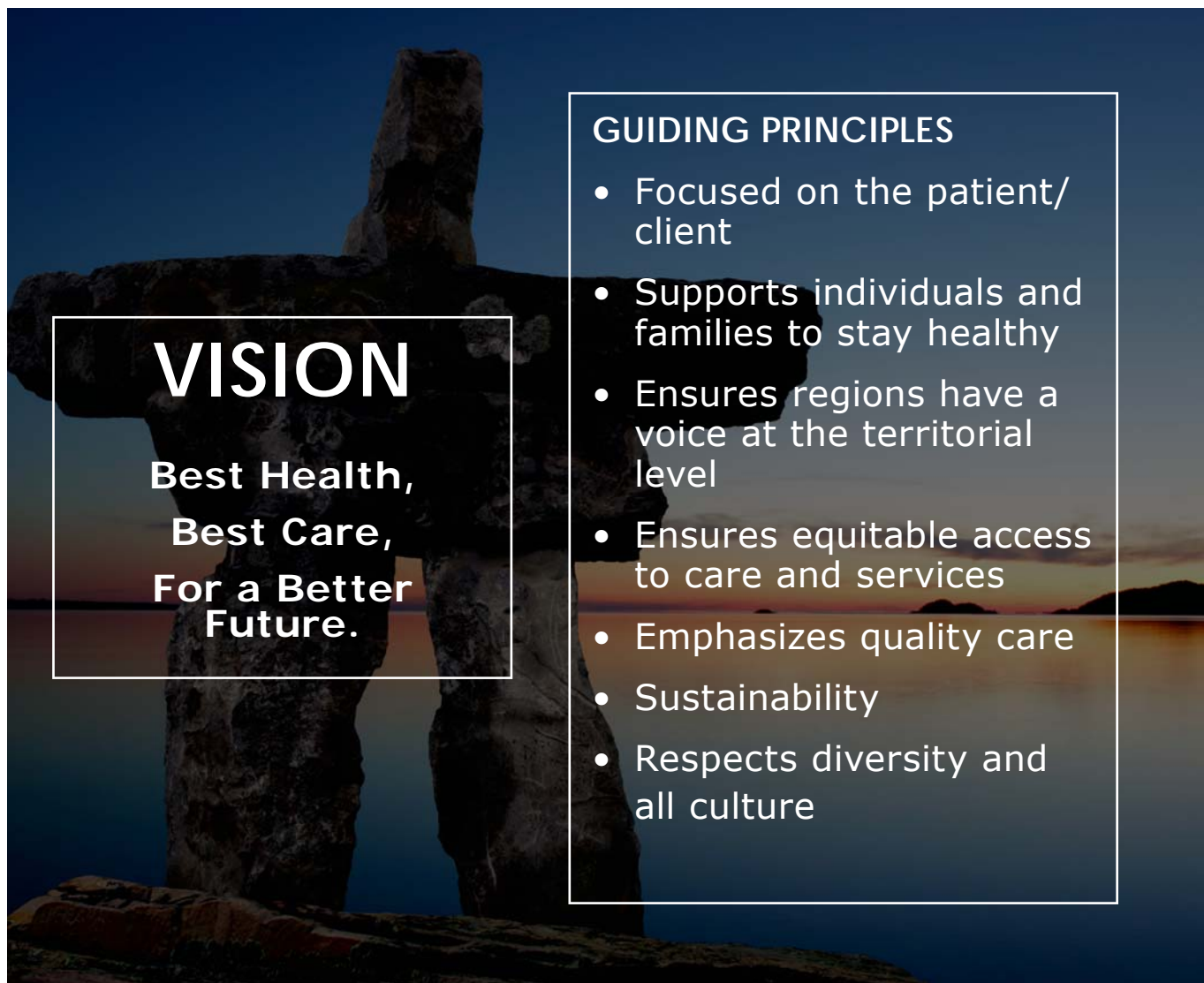
*Source: as at March 31, 2017, PeopleSoft, Department of Finance, (HR).

3.0 | Operating while transforming

A Year in Review

The changes to the NWT HSS system mid-way through fiscal year 2016-17 required the NTHSSA to operate under the vision statement and guiding principles that steered the transformation of the NWT HSS System.

The guiding principles and vision set the foundation for the NTHSSA to provide healthcare and social services while governance and administrative changes continued to occur throughout fiscal year 2016-17.



Underlying the many highlights and accomplishments that occurred throughout fiscal year 2016-17, the NTHSSA engaged in the following key initiatives that supported the changes occurring in the NWT HSS System while beginning its operations.

3.1 | NWT HSS System Strategic Plan

Caring for Our People, the Strategic Plan for the NWT HSS System establishes strategic direction for transforming the health and social services system by realizing the efficiencies made possible by the move to a one-system-approach for the management and delivery of programs and services.

Through the NWT HSS System Strategic Plan, with collaboration of the NWT HSS Leadership Council and NTHSSA, the Minister identified six strategic priority areas.

- Early Childhood Development
- Child and Family Services
- Mental Health and Addictions
- Chronic Disease
- Seniors and Elders
- Effective and Efficient System

The priorities are guided by the vision set out under the HSS System Strategic Plan

which is Best Health, Best Care for a Better Future.

With the NWT HSS system aligned around accountability, vision, goals and priorities, the NTHSSA has the guidance to focus its strategic and operational planning towards the delivery of health and social services that supports the residents of the NWT.

Building a Culturally Respectful Health and Social Services System

The establishment of the NTHSSA provides an opportune time to align with the Minister of Health and Social Services' commitment to building a culturally respectful health and social services system. Through collaboration with all system partners and the people of the Northwest Territories the NTHSSA will work to make sure that all aspects of care and services delivered are culturally respectful and safe for everyone. This work will be a foundational piece for our system and benefit all residents.



3.2 | A Leadership Framework for Change

Transformation from six independent operations to a single system approach is a significant change for both the users and those working in the HSS system. To ensure that people across the system are aligned and working together towards a shared vision the NTHSSA and the Department of Health and Social Services engaged in a joint leadership learning framework titled Quality as the Business Strategy (QBS). QBS includes a set of activities to guide system leadership to effectively participate in system transformation and continuous quality improvement. Actions stemming from Quality as the Business Strategy will:

- provide methods to reach the goals of the NWT HSS System;
- ensure change can be sustained over the long term;
- work through change processes that balance the internal (staff) and external (patient/client) focus;
- ensure change is compatible over different business processes within the organization; and
- ensure change remains useful.

In preparation for Quality as the Business Strategy the executive management team of the NTHSSA completed a number of facility visits, holding face-to-face conversations

with employees from across the NTHSSA. Feedback during the information sessions was generally positive but emphasized the need for timely communication to staff around any proposed changes.

3.3 | Governance and Operational Development

The NWT HSS Leadership Council and the Regional Wellness Councils met in August 2016 for an inaugural orientation and development session.

NTHSSA Executive Management Information Sessions

- 23 sessions
- Visited 7 communities
- Spoke directly with over 240 NTHSSA management and staff

The two-day event provided an opportunity for Regional Wellness Council members from across the NWT to share their priorities and vision for the NTHSSA's delivery of health and social care in their respective communities. The sessions concluded with a sharing of tools, resources and ideas to support Regional Wellness Councils to fulfill their mandate.

Subsequently, the NTHSSA management team met in December 2016 to plan for the ongoing organizational structure changes of the NTHSSA and establish the interim strategic direction to guide day-to-day activities.

The one-day planning meeting concluded with the direction for future planning and design of the NTHSSA to be guided by a focus on quality.

4.0 | Highlights and Accomplishments

4.1 | STANTON RENEWAL

As part of Best Health, Best Care, for a Better Future, residents of the Northwest Territories (NWT) will soon see a new Stanton Territorial Hospital that will feature a state of the art facility and provide patient-centric operations and practice-supporting equipment

Construction of the new Stanton Territorial Hospital is the largest infrastructure project to date for the Government of the Northwest Territories (GNWT). The new facility is essential to meet the changing healthcare needs and projected population growth in the NWT.

The Stanton Renewal Project involves the construction of a new hospital, as well as the redevelopment and re-purposing of the existing building. The new facility will provide state-of-the-art healthcare and diagnostic services to residents of the NWT and surrounding regions, and is expected to meet population growth through to the year 2045.

A contractor was selected to design, build, finance, operate and maintain the facility for the next 30 years using a partnership

agreement. Blasting began on-site in November of 2015, and the project is expected to be substantially complete by December 2018. First patient day will take place in 2019.

The new hospital is double the square footage of the current facility, increasing the number of inpatient beds in single patient rooms from 80 to 100. 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 through the Public Private Partnership (P3). The new hospital will incorporate sustainable engineering practices to operate in an efficient and environmentally-friendly way.

The Northwest Territories Health and Social Services Authority, the Department of Health and Social Services and GNWT



Infrastructure department 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.

The current hospital building will be redeveloped into a "campus of care": a facility that will provide programs and services that fall under the health and social services system. Urgent or acute medical care needs will be filled by the new hospital. Home-like spaces will be designed for extended care services while consideration is being given to what other services to house in the building. The opportunity for redevelopment allows the space to be designed appropriately for the service delivery.

Throughout the design of both the new and existing facilities, the GNWT has consulted with numerous stakeholders. These consultation results are incorporated into the design and layout to reflect the diverse peoples and cultures of the NWT and the land on which the new hospital is being built.

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.

As the Stanton Renewal Project continues, the NTHSSA and the DHSS are committed to ensuring that the new facility enhances the health and social services system and supports the Best Health, Best Care, Better Future for the residents of the NWT.



4.2 | BETTER FUTURE

Providing the residents of the NWT with the care and services that will support improved health and wellness outcomes requires a focus on innovation in service delivery and strengthening operational systems that increase positive patient and client experiences. The NTHSSA will monitor and evaluate the effective use of resources in order to be accountable and to adjust care and services, constantly improving the system to enhance the patient or client's experience.

The NTHSSA has embarked on initiatives during its first year of operations to strengthen existing systems in a number of foundational service areas. In doing so, the NTHSSA has used evidence based research to develop territorial systems to strengthen delivery that places the patient or client at the centre of the service.

Child and Family Services

The NTHSSA collaborated with the Department of Health and Social Services, the Tłı̄chǫ Community Services Agency and the Hay River Health and Social Services Authority to develop and implement decision making assessment tools.

The introduction of decision making assessment tools and territorial wide implementation enable a standardized approach to child protection practices. Residents are able to receive the same services consistently regardless of their location.

These tools ensure that those who are assessed to be most at risk are prioritized to receive child protection services. This change in process ensures those receiving child protection services are at the center of the decisions with supports provided based on the specific needs of the client.

The implementation of the new process supports a better future for those families who receive services from Child and Family Services through the use of enhanced screening processes and assessment tools that enable clients to receive voluntary services without necessitating involvement in an investigation process prior to being able to receive support services.

Electronic Medical Records (EMR)

An Electronic Medical Record is a digital medical record. The NWT's EMR is patient-centered allowing physician's to enter medical information that can be reviewed by each medical practitioner who provides services to an individual. Patients are not required to continuously repeat their health experiences and needs each time they access medical services. Being electronic the record can be accessed where and when needed.

At the end of the 2016-17 fiscal year, EMR was in place for approximately 85% of all patients in the Territory and used by a broad scope of users. The NTHSSA expects that the EMR will be deployed to all communities and in use in virtually all primary health care

and specialty health care services in the Northwest Territories by March 2018. With the development of the EMR program in the NWT, the Territory is recognized as a leader in electronic record systems in Canada, with no other Canadian jurisdiction able to boast a wholly integrated patient-centered solution. The Territorial EMR program is featured in promotional videos as the best practice in health informatics in Canada.

"The EMR allows me to have an easy and controlled conversation with the cancer patients."

- Cancer Care Coordinator, Stanton Territorial Hospital, NTHSSA

The implementation of the Territorial Electronic Medical Record program has had a significant impact on the continuity of medical care. Ensuring patient's privacy is protected in the EMR is imperative. The NTHSSA has created processes to protect patient privacy while allowing medical staff to access information needed to provide quality care. Regular monitoring and reviews of EMR access ensures every patient's information remains secure and private.

The Territorial EMR promotes streamlined care and services for patients by allowing staff to access information needed to provide quality care to the population of the NWT.

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 that the NTHSSA develops a health and social services delivery system of the highest quality that is accountable to the residents of the NWT.

The NTHSSA has embarked on a process for accreditation to meet quality assurance standards. Prior to August 1, 2016, several NWT Health and Social Services Authorities participated in the accreditation process, however with the establishment of the NTHSSA, the single system allows staff to work together towards accreditation across the regions rather than as isolated locations.

The NTHSSA will be surveyed beginning in 2017 based on Accreditation Canada Standards. This year the NTHSSA has been working across the regions to ensure Territorial wide policies are reflective of the Standards. Staff has been working with 26 Community Health Centers to review existing policies and collaborate on creating a single policy under which all staff will operate.

"Moving from six independent authorities to a single authority enables us to work together to share knowledge, information and develop Territorial wide policies. Territorial policies mean patients can expect the same high quality care whenever they access the NWT health system. Through the use of Telehealth, The single authority has enabled me to work with staff across the system to collectively develop policies in line with Accreditation Canada standards."

- Director, Health Services, NTHSSA

Visual Identity Program

The Visual Identity Program includes the development of the NTHSSA's website (www.nthssa.ca) and a suite of tools to support staff to create documents and materials that have a cohesive look and feel under the NTHSSA brand.

In order for residents to recognize the care and services provided by the NTHSSA, the Authority undertook the development of a Visual Identity Program (VIP). The look and feel signals to residents that the materials they are reading, information they are receiving or the care or service they are accessing are associated with the Northwest Territories Health and Social Services Authority and represents the single approach to service delivery.

Residents associate the VIP with expectations of safety and quality services provided by the NTHSSA. Internally, the Visual Identity Program supports NTHSSA employees to see themselves as part of a cohesive health and social services system providing high quality care to individuals on a daily basis.

4.3 | BEST CARE

Best care is about ensuring care and services are responsive to the needs of children, individuals, families and communities. NWT residents require reasonable access to quality care and services that are appropriate for their needs. The NTHSSA is committed to reducing gaps and barriers within the system while aligning with the Minister's Commitment to Action to build a culturally respectful health and social services system.

Clinical Leadership Model

Providing the best care involves focusing not only on quality services but paying attention to patient experience. The NTHSSA has refocused its practitioner leadership model to include Territorial Clinical Leads and Area Medical Directors that get guidance and leadership from the Territorial Medical Director.

"A single clinical governance model has given us the ability to respond rapidly to emerging issues like the fentanyl crisis. Within days after a rash of overdoses in Yellowknife we had a well-coordinated communication strategy, clinical response plan as well as the outline of a territorial narkan strategy in place."

- Dr. Dave Pontin, Territorial Clinical Lead, NTHSSA

Practitioner leadership and engagement are essential elements of high-performing health and social services systems. Since being established, the NTHSSA has refocused its practitioner leadership model based on the guiding principle of balancing geographic representation. To find this balance, Area Medical Directors address unique local health needs while delivering care aligned with territorial standards and priorities. Clinical domain representation, through Territorial Clinical Leads, supports the standardizing of high quality care within a clinical domain across the NWT. Working together under the leadership of the Territorial Medical Director, the Area Medical

Directors and Territorial Clinical Leads are able to use a single system approach to improve services and the quality of care.

Critical to the success of this model is recognizing the need for effective and integrated leadership between practitioners and administration in the NTHSSA. The NTHSSA is working towards establishing relationships between the Territorial Clinical Leads and NTHSSA administrative leaders that builds shared goals and accountability to support continuous improvement.

Sharing Resources

Reducing gaps in services has also been assisted by the single authority approach enabling the sharing of staff across regions. Staff being able to work in other regions reduces gaps and barriers to continuous quality service delivery.

Sharing resources across regions ensures a consistent high quality service to residents across the North, but also has enriched the learning of staff as they provide services in another region of the NWT. As the NTHSSA develops processes that use standardized practices across the NWT, employees are able to move between regions and continue to provide services in the same way ensuring the patients and clients can expect the same quality of service.

Teamwork across regions was seen a number of times in the past year. Staff are able to step in when there are staff vacancies due to holidays or position vacancies increasing collaboration within the Authority and limiting the impact to patients and clients. As an example, for four months a program supervisor from one region provided support to another while they were in the hiring process to fill the region's supervisor position. This ensured continuous services, reduced risk to clients and allowed a current employee to experience another region within the NTHSSA. It was also a training opportunity for the new employee as they were supported by the acting supervisor as they began their new role.



Medical Travel Information Guide

The Medical Travel Guide is a step by step tool to show how to access medical travel support and to clarify some of the most frequently asked questions.

Providing the best care requires information to be communicated on a regular basis and in a way that is accessible and usable by clients and patients. All medical travel originates from decisions made by a healthcare provider based on the needs of the individual. The guide outlines eligibility, how to get help and what to do to be prepared before leaving on medical travel and returning home. It provides suggestions on what to pack and what to think about when returning home to be sure the individual has both the personal and medical supports to recover well.

All individuals have the right to information that will enhance their experience with the health and social services system. The guide is available in French and English within

all service locations including all health centers, primary care facilities and hospitals. If patients require services in other languages, staff will contact the languages services program within the region and make arrangements. The guide is also available on line at the NTHSSA's website: www.nthssa.ca.

4.4 | BEST HEALTH

When a reference is made to best health across the NWT health and social services system, the NTHSSA understands governance and organizational structures are foundational to achieving this goal. Given this, the NTHSSA has undertaken initiatives in the first few months of existence to establish governance systems and leadership structures to support changes occurring from amalgamating six authorities into one; ultimately providing a strong health and social services system for the residents of the NWT.

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 August 1st, 2016.

Leadership Council Corporate Bylaws

The Corporate Bylaws establish the organization and management of the NWT HSS Leadership Council which provides oversight and direction to the NTHSSA. The Bylaws are being created 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*.

Medical and Professional Staff Bylaws

Medical and Professional Staff Bylaws support governance at an operational level. Using previous bylaws as a foundation the NTHSSA has begun to draft one comprehensive set of Medical and Professional staff bylaws applicable across the NWT.

Once implemented, the Medical and Professional Staff Bylaws will provide governance to practitioners promoting the delivery of quality and patient/client 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.

Organizational Structure Development

The changes to the structure of the HSS System require a shift in the design of the NTHSSA organizational structure that is reflective of the regional and territorial requirements of the NTHSSA.

The design and development of operational organizational structures within the NTHSSA has been the culmination of several years of discussion and collaboration across the HSS System.

Consideration has been given to the structures that previously existed and the need to streamline operations under one health and social services authority, creating efficiencies within the system while retaining a similar regional staffing complement prior to transitioning to the NTHSSA.

A focus of the NTHSSA organizational development has been to ensure there is a community voice at the executive level of the organization, provide clarity of roles and responsibilities across the system and to have a territorial approach to planning, quality, and program and service delivery design.

With this emphasis, the NTHSSA has a cross-section of regional and territorial focused positions that provide current NTHSSA staff long-term career growth. Retention of long term experienced staff supports a sustainable health and social services system and ensures a skilled workforce is maintained.

During the year a number of job postings provided staff an opportunity to move upward on their career path without having to relocate from their home community. This is promising to retain long term professionals in the system. Removing duplication in the system by establishing management positions with a territorial mandate supports the priority to standardized policies and practices while supporting regions to meet patient client and community needs at the local level.

As part of the transformation of the HSS system, the DHSS and NTHSSA have been working together to clarify functions across program areas, recognizing that such a change requires ongoing collaboration and planning. This work takes time and commitment to ensure a smooth transition of the work, for the staff and clients involved.

The area of information health technology services was the first to take the step of transitioning several functions from the Department to the NTHSSA. Delicately managing such a significant change for staff is imperative to a successful transition. Employees of the two organizations are strategically and methodically developing operational processes for transformation, including activities and timelines for success.

"The Informatics and Health Technology team is engaged and supportive of the transition process. Having all informatics support functions in the NTHSSA will enable us to collectively transform our services and share our talented staff across all regions to better support the delivery of health and social services to our residents.

- Director, Informatics and Health Technology, NTHSSA

5.0 | Finance Highlights

The preparation and presentation of the 2016-17 NTHSSA Financial Statements aims to promote transparency and accountability of the newly formed 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, 2017. This financial section should be read in conjunction with NTHSSA’s Audited Financial Statements (Appendix A).

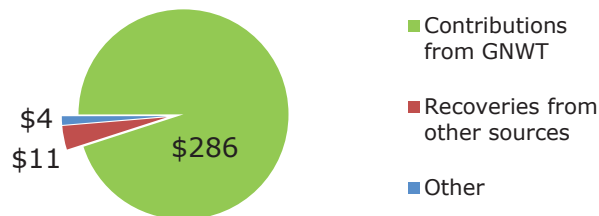
5.1 | Financial Overview

As at March 31, 2017 the NTHSSA incurred an operating deficit of \$14.2 million, which was \$3.4 million more than the budgeted operating deficit of \$10.8 million. This increased NTHSSA’s accumulated deficit to \$76.1 million.

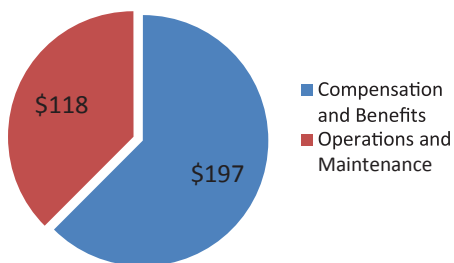
NTHSSA’s overall revenue and expenses are summarized in the following 2017 charts:

Revenue (millions)

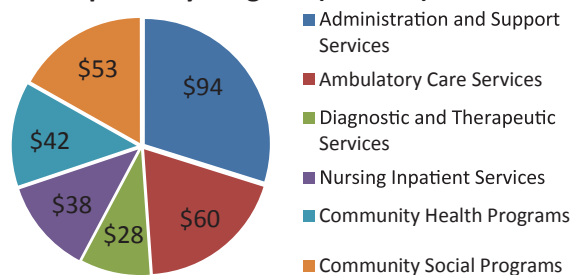
Total revenue = \$301 Million



Expense by Object (millions)



Expense by Program (millions)



6.0 | Moving Forward Together

In 2017-2018, the Northwest Territories Health and Social Services Authority moves into its first full year of operation and will continue to build on the established governance and leadership structures and focus on the transformation of operations and the delivery of services across the NWT.

Caring for Our People, the NWT HSS System Strategic Plan describes a system that is sensitive to all it serves and accountable to clients, patients and the public. Additionally, the vision for the HSS a system is grounded in the need to work in collaboration with residents and other stakeholders in order to continually improve quality through innovation, integration and evidence based practice. While the NTHSSA has undertaken a number of activities this past year in line with these values, this is only the beginning, there is more work to be done.

As the NTHSSA looks ahead, priority will be to work with stakeholders, including the Department of Health and Social Services, to ensure the delivery of services is aligned to the vision and direction set out in the NWT HSS System Strategic plan.

Through all the change over the last year and building from the organizational structures that have been established, the NTHSSA will focus its efforts to develop and improve the quality of care and services for residents of the NWT by ensuring there is stability amongst its core operations.

NTHSSA's continued focus on its structure and people will support an organization that operates with a client/patient, 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.

APPENDIX A: Audited Financial Statements

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Financial Statements

March 31, 2017

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

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March 31, 2017

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Management Discussion and Analysis

Introduction

In preparation of the 2016-2017 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 NTHSSA management and the Northwest Territories Leadership Council (Leadership Council).

On August 1, 2016, under amendments to the *Hospital Insurance and Health and Social Services Administration Act*, the Government of the Northwest Territories (GNWT) established the NTHSSA by amalgamating six former independent Health and Social Services Authorities (HSSAs) in the Northwest Territories (NWT). The six authorities were:

- Beaufort Delta Health and Social Services Authority
- Dehcho Health and Social Services Authority
- Fort Smith Health and Social Services Authority
- Sahtu Health and Social Services Authority
- Yellowknife Health and Social Services Authority
- Stanton Territorial Health Authority

The staff, management, leadership and operations of the former HSSAs were combined on August 1, 2016, with a goal to promote efficient, effective and consistent healthcare and social services delivery to the people 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. The NTHSSA is also responsible for the operation of the Stanton Territorial Hospital.

As an agency of the GNWT, 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 NTHSSA operates under the vision statement and guiding principles that steered the transformation of the NWT Health and Social Service System:

VISION

Best Health, Best Care, for a Better Future.

GUIDING PRINCIPLES

- ***A focus on the patient/client,***
- ***Safe quality care,***
- ***Supporting individuals and families to stay healthy,***
- ***Building a sustainable system,***
- ***Ensuring regions have a voice at the territorial level,***
- ***Ensuring equitable access to care and services,***
- ***Respects diversity and all cultures.***

The NWT HSS Leadership Council (Leadership Council) is the board of management for the NTHSSA. The Leadership Council provides 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 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.

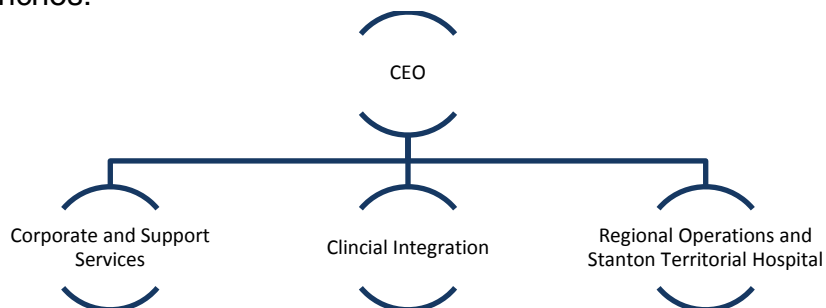
The Leadership Council is made up of nine (9) members; a Chairperson as appointed by the Minister, the chairperson of each Regional Wellness Council (6); the chairperson of the Tłı̄ch̄ Community Services Agency; and the Deputy Minister of the Department of Health and Social Services (ex-officio and non-voting).

Each of the regions comprising the NTHSSA has a Regional Wellness Council that acts in an advisory capacity, promoting activities that support service delivery for the health and well-being of patients, clients, and families.

The 2016-17 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 (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's organizational structure includes the CEO's office (Chief Medical Information Officer, Strategic Human Resources Planning and Physician Services) and three operational branches:

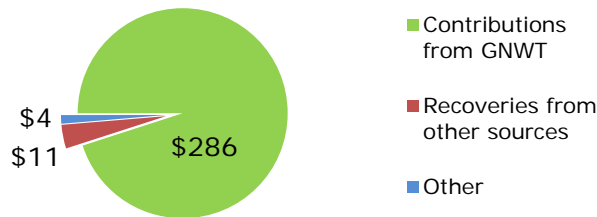


Financial Overview

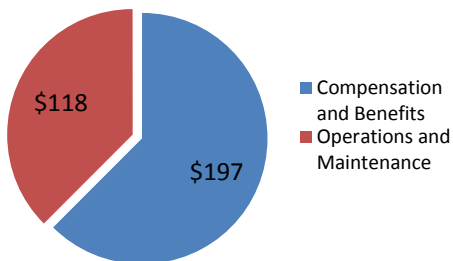
NTHSSA's overall revenue and expenses are summarized in the following 2017 charts:

Revenue (millions)

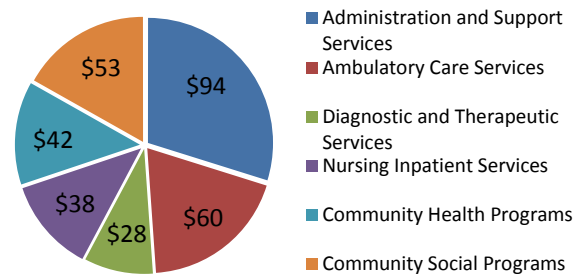
Total revenue = \$301 Million



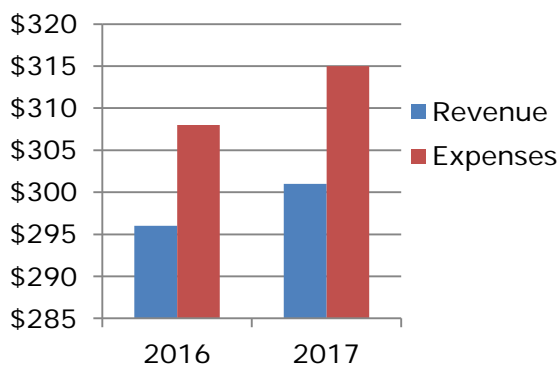
Expense by Object (millions)



Expense by Program (millions)



Year over Year (millions)



Operating Actual to Budget (millions)



Actual revenue was approximately \$17 million higher than budgeted due predominately to higher than anticipated recoveries from the GNWT and Nunavut. Actual expenses were approximately \$20 million higher than budgeted, stemming largely from an increase in demand for ambulatory care 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 \$14.2 million for 2016-2017.

Operating Environment

The NTHSSA provides health and social services in the 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 NWT Health and Social Services System Transformation initiative 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"> • Ability 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 • Sharing 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

Robust, well-documented systems and processes continue to be formulated and updated to ensure NTHSSA delivers services of consistent quality across all regions. Regions also continue to develop protocols 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 knowledge and work in locations where temporary short-term assistance is required.

Addressing Weaknesses

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.

NTHSSA leadership remains cognizant of the level of overtime required to meet service level demands and the resultant fiscal pressures. NTHSSA leadership is reviewing overtime across all regions with the goal of determining causes and implementing changes that would maintain the level of care and service delivery while effectively managing and minimizing the overtime risk.

Capturing Opportunities

Quality improvement processes have been adopted by the NTHSSA, including the leadership framework for change: 'Quality as a Business Strategy', to guide leadership and senior managers in effectively participating in HSS system transformation and continuous quality improvement activities. Coupled with this, the NTHSSA is pursuing a vision of 'best care', aimed to ensure that care and services are responsive to the needs of children, individuals, families and communities. Providing best care involves focusing not only on quality services, but learning from patient experience.

The NTHSSA is currently working through the accreditation process with Accreditation Canada, including regions not previously accredited. This process will help improve quality, safety and efficiency of programs and services.

Mitigating Risks

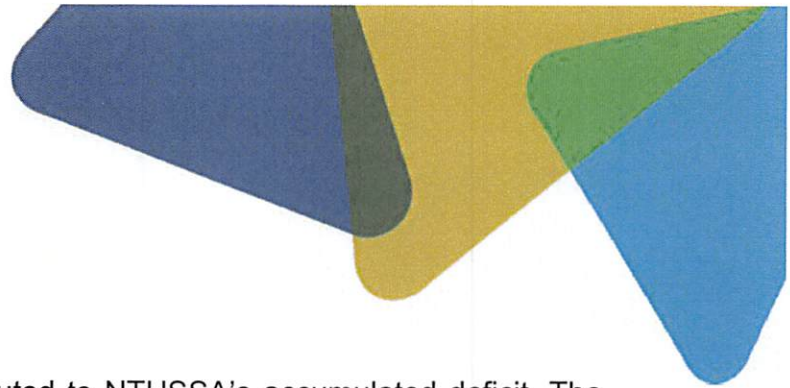
NTHSSA is committed to delivering the operational mandate in a manner respectful of the fiscal environment of the GNWT. The recent amalgamation of NWT HSSAs and establishment of the NTHSSA continues to provide opportunities to realign services and care across the six regions that will improve health outcomes for patients, clients and families, improve patient and client experience and improve organizational performance by reducing overall costs.

NTHSSA continues to be a workplace of choice for health care and social services professionals, and pursues the NTHSSA Human Resources Strategic Plan in their effort to attract and retain qualified employees.

Financial Condition

As at March 31, 2017 NTHSSA incurred an operating deficit of \$14.2 million, which was \$3.4 million more than the budgeted operating deficit of \$10.8 million. This increased NTHSSA's accumulated deficit to \$76.1 million. For a detailed review of NTHSSA's financial condition, refer to the Statement of Financial Position and Statement of Operations and Accumulated Deficit.

	2017 Actual	2016 Actual
Accumulated (deficit) closing	(76,122,929)	(61,946,910)
Accumulated (deficit) opening	61,946,910	50,824,348
Annual (deficit)	(14,176,019)	(11,122,562)
Prior year funding received	127,487	757,986
Recovery of prior year expenses	1,603,046	-
Employee future benefits reserve	131,218	131,218
Unfunded items - Employee future benefit liability	13,368,822	13,744,729
Change in Employee future benefit	(375,907)	2,167,511



There are a number of factors that contributed to NTHSSA's accumulated deficit. The most significant being the unfunded increases to provisions within the 2012-2016 Collective Agreement between the Union of Northern Workers (UNW) and the GNWT. These unfunded increases include relocation, ultimate removal, responsibility pay, rest periods, maternity/paternity leave benefits, severance and the buyback of pensionable service. There also remains an increasing requirement to incur overtime in order to adequately provide the requisite health care and social services expected by NWT residents. For 2016-2017, overtime and call-back costs totaled \$1.1 million, an increase of 5% from 2015-2016.

Summary and Outlook

The 2016-2017 fiscal year saw the successful establishment of the NTHSSA, transitioning from six HSSA authorities into one territorial health and social services authority. During the first seven months of operations the focus was on organizational, architectural and core service stabilization; alignment with the Department's strategic plan, and the continued provision of quality care and services. Significant changes were made in how the organization was structured at the leadership level, and attention has now turned to supporting staff through changes that will be made to improve care and service delivery.

NTHSSA's continued focus will be on building an organization that operates using a true client/patient, family and community centered care model that underpins service delivery. Much of the work to support this change is being completed through the implementation of 'Quality as a Business Strategy' which provides a set of activities to guide NTHSSA leadership to effectively participate in ongoing system transformation and continuous improvement activities.

Improving quality within the system is a responsibility held by all NTHSSA staff. Supporting and strengthening the team will enhance the patient/client experience and lead to better health and a better future for all NWT residents.



CEO

10 October 2017

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

Kevin Taylor
Executive Director, Corporate and Support Services

10 October 2017



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 2017, 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 2017, 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 a net loss of \$14.2 million during the year ended 31 March 2017 and, as of that date, the Authority's liabilities exceeded its total assets by \$76.1 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.

Other Matter

Comparative information presented in these financial statements for the year ended 31 March 2016 is unaudited.



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

10 October 2017
Edmonton, Canada

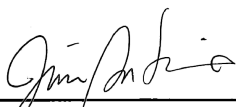
NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Statement of Financial Position


As at March 31,	2017	Unaudited 2016
Financial Assets		
Cash	\$ 4,539,292	\$ 10,012,645
Accounts receivable (note 6)	7,791,480	7,046,484
Due from Government of the Northwest Territories (note 7)	8,888,965	10,507,554
Due from Government of Canada	302,115	335,279
	21,521,852	27,901,962
Liabilities		
Accounts payable and accrued liabilities (note 9)	16,667,253	16,480,089
Due to Government of the Northwest Territories (note 7)	71,635,344	63,598,586
Due to Government of Canada	820	14,277
Other employee future benefits and compensated absences (note 11)	13,368,822	13,744,729
	101,672,239	93,837,681
Net Debt	(80,150,387)	(65,935,719)
Non-Financial Assets		
Inventories held for use (note 8)	2,840,179	2,827,278
Prepaid expenses	1,187,279	1,161,531
	4,027,458	3,988,809
Accumulated Deficit	\$ (76,122,929)	\$ (61,946,910)

Contractual Obligations and Contingencies (note 14 and 15)

Approved on behalf of the Authority



 Jim Antoine
 Leadership Council
 Board Chairperson



 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,	2017		2016
	Budget	Actual	Unaudited Actual
Revenue			
Recoveries from other sources	\$ 7,502,173	\$ 8,477,068	\$ 8,003,613
Recoveries from Nunavut	3,036,900	2,763,536	2,832,371
Recoveries of prior years' expenses	-	1,603,046	-
Contributions from other sources	845,141	899,451	869,541
Other income	815,000	887,683	256,587
Interest income	167,996	138,612	172,015
Total Revenue	12,367,210	14,769,396	12,134,127
Expenses (note 18)			
Administration and support services	86,843,814	94,006,966	88,387,515
Ambulatory care services	60,113,841	60,437,950	58,965,847
Community social programs	52,081,046	53,272,110	52,081,750
Community health programs	37,912,718	41,732,111	41,008,699
Nursing inpatient services	32,966,498	37,729,781	40,063,158
Diagnostic and therapeutic services	24,975,276	27,695,188	27,051,970
Total Expenses	294,893,193	314,874,106	307,558,939
Deficit for the year before Government contributions	(282,525,983)	(300,104,710)	(295,424,812)
Government contributions			
Contributions from Government of the Northwest Territories	\$ 244,959,882	\$ 244,401,527	\$ 244,565,673
Recoveries from Government of the Northwest Territories	17,087,492	20,861,542	20,343,764
Recoveries - non insured health services	9,671,640	12,934,553	11,301,310
Recoveries of prior years' expenses	-	127,487	757,986
Grant-in-kind - Government assets and services provided at no charge (note 13)	-	7,603,582	7,333,517
Total Government contributions	271,719,014	285,928,691	284,302,250
Annual Deficit	(10,806,969)	(14,176,019)	(11,122,562)
Accumulated Deficit, beginning of year	(61,946,910)	(61,946,910)	(50,824,348)
Accumulated Deficit, end of year	\$ (72,753,879)	\$ (76,122,929)	\$ (61,946,910)

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,	2017		Unaudited 2016
	Budget	Actual	Actual
Annual Deficit for the year	\$ (10,806,969)	\$ (14,176,019)	\$ (11,122,562)
Adjustments			
Acquisition of inventories held for use	-	(6,577,536)	(6,395,463)
Consumption of inventories held for use	-	6,564,635	6,151,909
Acquisition of prepaid expenses	-	(1,388,120)	(1,616,922)
Use of prepaid expenses	-	1,362,372	2,066,435
Increase in Net Debt for the year	(10,806,969)	(14,214,668)	(10,916,603)
Net Debt, beginning of year	(65,935,719)	(65,935,719)	(55,019,116)
Net Debt, end of year	\$ (76,742,688)	\$ (80,150,387)	\$ (65,935,719)

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

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

	2017	Unaudited 2016
For the year ended March 31,		
Cash provided by (used in)		
Operating transactions		
Operating deficit	\$ (14,176,019)	\$ (11,122,562)
Changes in non-cash assets and liabilities:		
(Increase) decrease in accounts receivable	(744,996)	890,685
Increase in accounts payable and accrued liabilities	187,164	(309,500)
Net increase in due to/(from) Government of Northwest Territories	9,655,347	11,481,799
Decrease in other employee future benefits and compensated absences	(375,907)	2,167,511
Net increase in due to/(from) Government of Canada	19,707	50,428
Increase in inventories held for use	(12,901)	(244,554)
Increase (decrease) in prepaid expenses	(25,748)	449,512
Cash provided by (used for) operating transactions	(5,473,353)	3,363,319
Increase / (decrease) in cash	(5,473,353)	3,363,319
Cash, beginning of year	10,012,645	6,649,326
Cash, end of year	\$ 4,539,292	\$ 10,012,645

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

* Total interest paid during the year \$62,020 (2016 - \$84,354).

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

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Notes to Financial Statements

March 31, 2017

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 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 to the Department of Health and Social Services (DHSS) as described in Note 2, Economic dependence. For the year ended March 31, 2017, the Authority had an annual deficit of \$14.2 million, accumulated deficit of \$76.1 million, liabilities of \$101.7 million (including \$71.6 million liability to the Government of the Northwest Territories (the "Government"), which is due upon demand) and total financial assets of only \$21.5 million. The Government administers payroll for the Authority, and invoices the Authority for payment. The Authority has deferred repaying the Government so that its' other vendors can be paid.

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 Northwest Territories Health and Social Services Authority (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. All assets, rights, titles, interests, agreements, obligations, liabilities and programs were transferred to the Authority. Because the Authority and the former HSSAs are controlled by the Government, continuity of interest accounting has been applied as the Authority is continuing the work of the former HSSAs. The comparative figures represent the combined financial position and statement of operations of the former HSSAs. The former HSSAs have been recorded at their carrying amounts as reported on each HSSAs own financial statements and the results from transactions between the former HSSAs have been eliminated and all accounting policies have been conformed to those of the Authority. There was also an adjustment made on amalgamation to record the additional payroll costs from the actuarial valuation that the Government of Northwest Territories recorded during its consolidation of these entities in the prior years (\$1.6 million in 2016 and \$3.7 million to opening surplus). The results from April 1 – July 31, 2016 represents the operations of the HSSAs, and are combined with the results from August 1, 2016 to March 31, 2017 representing the operations of the Authority for the year ending March 31, 2017.

Hay River Health and Social Services Authority (HRHSSA) and Tlicho Community Services Agency (TCSA) will 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 Tlicho 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 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 Authorities original fiscal plan for the year approved by the former Authorities board of directors or Public Administrator and the Government and do not reflect any subsequent adjustments made during the course of the year.

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

March 31, 2017

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 estimates relate to the other employee future benefits and compensated absences, contingencies, and allowances for doubtful accounts receivable.

(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 Government is currently constructing a new Territorial Hospital for the Authority to use once it is completed.

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.

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

March 31, 2017

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 from Government of Canada, accounts payable and accrued liabilities, payroll liabilities, contributions repayable, and due to Government of Canada. 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**

March 31, 2017

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 13.

(m) Services provided without charge

The authority receives services provided by the Government without charge which include rent, building utilities, repairs and maintenance, medical travel, contracted services, legal, human resources and other services. With the exception of rent described in Note 3 (c) the remainder of these services cannot be reasonably estimated and the Authority does not recognize any amounts for these other services in the financial statements.

The Authority is electing to early adopt Inter-entity transactions (PS 3420) and recognize the services using the Government's estimate for rent as revenue and expense. All other services provided do not have a reasonable estimate and are part of the Government's central agency supporting the activities of the Authority and other Government departments. The early adoption of PS 3420 had no significant impact on the financial statements as the Authority previously recognized rent expense and grant-in-kind provided by the Government.

(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) Related party

The Authority is electing to early adopt Related party disclosures (PS 2200) in conjunction with Inter-entity transactions (PS 3420) referenced in Note 3 (m). The early adoption of PS 2200 also had no significant impact on the financial statements of the Authority.

4. Future Accounting Changes

PSAB issued new standards in June 2015 on Assets (PS 3210), Contingent Assets (PS 3320), Contractual Rights (PS 3380) and Restructuring Transactions (PS 3430). All these new standards have an effective date of April 1, 2017, except for PS 3430 that has an effective date of April 1, 2018.

The Authority does not expect these new 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 \$444,196 (2016 - \$468,460). Funds established by the Authority include a special project reserve \$272,706 (2016 - \$273,889) which are donations made to the Authority under non-contractual conditions; a funded employee future benefits reserve \$131,218 (2016 - 131,218) for funds received for the severance liability of employees who were transferred to the Authority from the Government; and an internally restricted fund \$40,272 (2016 - 40,272) 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

March 31, 2017

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 2017	Net 2016
Receivables	\$ 8,631,486	\$ 3,535,730	\$ 5,095,756	\$ 4,410,761
Government of Nunavut	2,233,681	148,978	2,084,703	1,828,601
Due from WSCC	494,582	146,731	347,851	363,920
Due from Related Parties (note 16)	300,805	37,635	263,170	443,202
Total accounts receivable	\$ 11,660,554	\$ 3,869,074	\$ 7,791,480	\$ 7,046,484

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 2017	Net 2016
Health and Social services	\$ 10,069,699	\$ 1,200,015	\$ 8,869,684	\$ 10,110,460
Finance	10,922	75	10,847	386,947
Infrastructure	7,649	-	7,649	-
Education, Culture and Employment	4,794	4,009	785	10,147
Total due from Government of Northwest Territories	\$ 10,093,064	\$ 1,204,099	\$ 8,888,965	\$ 10,507,554

Due to the Government of Northwest Territories

Liability for payroll services provided by the Government	\$ 67,888,358	\$ 59,549,908
Department of Health and Social services	3,508,053	3,833,022
Education, Culture and Employment	-	3,000
Finance	197,267	122,346
Infrastructure	28,060	90,310
Justice	7,420	-
Municipal and Community Affairs	6,186	-
Total due to Government of Northwest Territories	\$ 71,635,344	\$ 63,598,586

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

8. Inventories held for use

	2017	2016
General	\$ 1,980,659	\$ 1,825,091
Pharmacy	859,520	1,002,187
Total inventories held for use	\$ 2,840,179	\$ 2,827,278

\$39,313 of inventory was written off in 2017 (2016 - \$37,896).

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

March 31, 2017

9. 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.

	2017	2016
Trade payable	\$ 10,245,700	\$ 10,116,289
Annual leave and lieu time	6,397,409	6,029,266
Due to related parties (note 16)	24,144	309,914
Due to WSCC	-	24,620
Total accounts payable and accrued liabilities	\$ 16,667,253	\$ 16,480,089

10. 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 2 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. Furthermore, contribution rates for current service for all members of the public service will increase gradually to an employer: employee cost sharing ratio of 50:50 by 2017. The employer contribution rate effective at the end of the year is 1.01 times (2016 – 1.15) the employees' contributions for employees who started prior to January 2013 and 1.0 times (2016 – 1.1) 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 \$9,709,719 (2016 – \$9,981,952) to PSPP and \$2,124,952 (2016 – \$2,135,817) to the Physician's fund. The employee's contributions were \$8,551,840 (2016 – \$7,770,151) and \$1,062,476 (2016 – \$1,067,908) respectively.

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Notes to Financial Statements

March 31, 2017

11. 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.

These liabilities are expensed in the year they become due.

	Severance and Removal	Compensated absences	2017	2016
Changes in Obligation				
Accrued benefit obligations, beginning of year	\$ 8,460,289	\$ 1,769,163	\$ 10,229,452	\$ 12,710,870
Current period benefit cost	512,617	148,733	661,350	2,224,926
Past Service Cost	243,394	47,379	290,773	-
Transfer of employees to NTHSSA (net)	(107,042)	(14,321)	(121,363)	-
Interest accrued	251,825	54,749	306,574	318,795
Benefits payments	(832,132)	(413,984)	(1,246,116)	(1,986,698)
Actuarial (gains)/losses	393,615	262,408	656,023	(3,038,438)
Accrued benefit obligations, end of year	8,922,566	1,854,127	10,776,693	10,229,455
Unamortized net actuarial gain	(1,853,740)	(175,369)	(2,029,109)	(3,038,438)
Net future obligation	\$ (10,776,306)	\$ (2,029,496)	\$ (12,805,802)	\$ (13,267,893)
Other compensated absences	-	(563,020)	(563,020)	(476,836)
Total employee future benefits and compensated absences	\$ (10,776,306)	\$ (2,592,516)	\$ (13,368,822)	\$ (13,744,729)
Benefits Expense				
Current period benefit cost	512,617	148,733	661,350	2,224,926
Past Service Cost	243,394	47,379	290,773	-
Transfer of employees to NTHSSA (net)	(107,042)	(14,321)	(121,363)	-
Interest accrued	251,825	54,749	306,574	318,795
Amortization of actuarial gains	(295,705)	(57,602)	(353,307)	-
	\$ 605,089	\$ 178,938	\$ 784,027	\$ 2,543,721

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Notes to Financial Statements

March 31, 2017

11. Other Employee Future Benefits and compensated absences (continued)

The discount rate used to determine the accrued benefit obligation is an average of 3.2%. The expected payments during the next five fiscal years are:

		Severance and Removal	Compensated absences	2017 Total	2016 Total
2018	Year 1	\$ 2,471,057	\$ 454,859	\$ 2,925,916	\$ 2,620,681
2019	Year 2	1,539,127	296,102	1,835,229	1,793,394
2020	Year 3	1,206,255	231,386	1,437,641	1,343,623
2021	Year 4	1,014,970	196,016	1,210,986	1,193,227
2022	Year 5	821,756	160,288	982,044	1,067,687
	Next 5 years	3,010,080	685,975	3,696,055	3,779,981

12. Trust assets under administration

The authority administers trust assets, consisting of cash on behalf of patients, which are not included in the reported Authority's assets and liabilities, totaling \$140,590 (2016 - \$152,802).

13. 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 \$7,603,582 (2016 - \$7,333,517) 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 statement.

14. 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, 2017:

	Expires in Fiscal Year	2018	2019	2020	2021 and Thereafter	Total
Equipment leases	2027	\$ 570,804	\$ 317,864	\$ 180,528	\$ 936,968	\$ 2,006,164
Operational leases	2020	8,004,330	904,478	58,877	36,462	9,004,147
Service contracts	2026	27,118,843	26,404,285	19,873,430	52,836,798	126,233,356
		\$ 35,693,977	\$ 27,626,627	\$ 20,112,835	\$ 53,810,228	\$ 137,243,667

15. Contingencies

In the normal course of operations, the Authority is subject to claims and pending and threatened litigation against the Authority and its staff. The Authority has recorded a provision for any claim or litigation where it is likely that there will be a future payment and a reasonable estimate of the loss can be made. The provision is based upon estimates determined by the Authority's legal experts experience or case law in similar circumstances. At year-end, the Authority estimated the total claimed amount for which the outcome is not determinable at \$800,000 (2016 - \$0).

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Notes to Financial Statements

March 31, 2017

16. Related Parties

The Authority is related in terms of common ownership to all Government created departments and public agencies. The Authority enters into transactions with these entities in the normal course of business. Related Party Transactions not disclosed elsewhere are as follows:

Due from related parties	Accounts Receivable	Allow. For Doubtful Accounts	Net 2017	Net 2016
Hay River Health and Social Services Authority	\$ 156,274	\$ 1,028	\$ 155,246	\$ 72,301
Tlicho Community Services Agency	116,517	12,997	103,520	150,598
NWT Housing Corporation	4,404		4,404	2,339
NWT Power Corporation	23,610	23,610		
Stanton Territorial Hospital Foundation	-	-	-	216,411
District Education Authority - Tuktoyaktuk	-	-	-	1,553
	\$ 300,805	\$ 37,635	\$ 263,170	\$ 443,202

Due to related parties:	2017	2016
Hay River Health and Social Services Authority	\$ 15,490	\$ 552
NWT Power Corporation	4,734	2,582
Yellowknife Catholic School Board	1,854	-
Tlicho Community Services Agency	1,566	-
South Slave Divisional Education Council	500	-
Aurora College	-	306,780
	\$ 24,144	\$ 309,914

Revenues from related parties:	2017	2016
Tlicho Community Services Agency	842,455	1,011,047
Hay River Health and Social Services Authority	262,816	273,127
Stanton Foundation	124,890	324,486
NWT Housing Corporation	7,257	3,502
Aurora College	-	230
	\$ 1,237,418	\$ 1,612,392

Expenses paid to related parties:	2017	2016
Government of the Northwest Territories	\$ 1,357,346	\$ 1,103,686
NWT Housing Corporation & LHA(s)	172,554	144,792
Aurora College	69,241	316,972
NWT Power Corporation	34,506	29,170
Yellowknife Catholic School Board	20,341	41,784
Hay River Health and Social Services Authority	16,559	14,701
Tlicho Community Services Agency	1,566	18,028
South Slave Divisional Education Council	500	5,187
Ft MacPherson Tent and Canvas	380	-
Ecole Sir John Franklin High School	240	100
Dehcho Division Education Council	100	300
	\$ 1,673,333	\$ 1,674,720

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Notes to Financial Statements

March 31, 2017

16. Related Parties (continued)

Related party transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

The Authority has a relation with the Stanton Territorial Hospital Foundation ("Foundation") which is a registered charity whose mission is to support and assist the Stanton Territorial Hospital in achieving its goals and objectives with particular emphasis on providing funds for capital equipment and/or specific training needs related to the same. The Foundation is incorporated under the *Societies Act* of the Northwest Territories, and is not under the control of the Authority.

17. 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 \$100,000.

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 \$16,982,560 (2016 - \$17,889,317).

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, 2017, receivables from the Government comprised 52% of the total outstanding accounts receivables (2016 - 59%). The Authority reduces this risk by monitoring overdue balances.

The Authority also has concentration risk of credit risk as deposits are held in three Canadian chartered banks.

(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, 2017 mature within the next six months.

Total financial assets are \$21,521,852 (2016 - \$27,901,962) and financial liabilities are \$101,672,239 (2016 - \$93,837,681). The Authority has disclosed future financial liabilities and contractual obligations in Note 14.

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**

March 31, 2017

18. Expenses by Object

	2017	2016
Compensation and benefits		
Salaries and wages	\$ 156,613,405	\$ 156,533,430
Severance / superannuation	14,086,696	11,599,823
Other compensation and benefits paid	413,511	378,392
Post employment benefit	83,795	414,941
	<hr/> 171,197,407	<hr/> 168,926,586
Compensable items		
Locums	20,391,459	19,363,855
Other compensable items	5,078,553	5,814,373
	<hr/> 25,470,012	<hr/> 25,178,228
Operations and maintenance		
Contracted and general services	40,692,468	37,480,813
Medical travel and other travel	25,298,035	25,251,550
Contributions	18,443,658	17,180,899
Medical and surgical supplies	10,728,563	11,349,137
Rent expense (Note 13)	7,603,582	7,333,517
Program expenses	3,704,448	3,755,918
General supplies	3,938,367	3,955,588
Administrative expenses	2,881,418	1,899,242
Medical and program equipment	1,747,070	1,576,046
Professional development and training	1,555,675	1,413,724
Communications	1,528,314	1,393,800
Valuation allowances	85,089	863,891
	<hr/> 118,206,687	<hr/> 113,454,125
Total Expenses	<hr/> \$ 314,874,106	<hr/> \$ 307,558,939

If you would like this information in another official language, call us.

English

Si vous voulez ces informations en français, contactez-nous.

French

Kīspin ki nitawihitīn ē nīhīyawihk ōma ācimōwin, tipwāsinān.

Cree

Tłjchq yatı k'èè. Dı wegodi newq dè, gots'ō gonede.

Tłjchq

ʔerihł'ís Dēne Sų́íné yatı t'a huts'elkēr xa beyáyatı theʔą ʔat'e, nuwe ts'ēn yółtı.

Chipewyan

Edı gondı dehǵáh got'je zhatıé k'èè edat'éh enahddhę nıde naxets'ę edahlı.

South Slavey

K'áhshó got'jne xədə k'é hederı ʔedjht'é yerıniwę nıde dúle.

North Slavey

Jii gwandak izhii ginjik vat'atr'ijǵhch'uu zhit yinothtan jı', diits'at ginohkhii.

Gwich'in

Uvanittuaq ilitchurisukupku Inuvialuktun, ququagluta.

Inuvialuktun

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Inuktitut

Hapkua titiqqat pijumagupkit Inuinnaqtun, uvaptinnut hivajarlutit.

Inuinnaqtun

1-855-846-9601

2016 - 2017 Annual Report



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