



NTHSSA • ASTNO

Northwest Territories Health and Social Services Authority Administration des services de santé et des services sociaux des Territoires du Nord-Ouest

ANNUAL REPORT RAPPORT ANNUEL

2018-2019



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MESSAGE FROM THE CHAIRPERSON

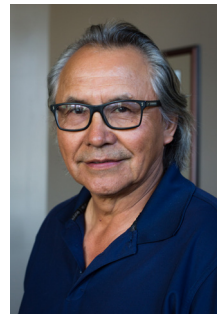
On behalf of the Northwest Territories Health and Social Services Leadership Council, I am pleased to present to the people of the Northwest Territories, and to the Minister of Health and Social Services, the 2018-2019 Annual Report for the Northwest Territories Health and Social Services Authority.

This past year has been marked with great progress on many fronts as we work together to provide care to NWT residents with a focus on cultural safety and quality. The establishment of the NTHSSA has challenged us to be more integrated and consistent in the care we provide. With the feedback from our Regional Wellness Councils and the people across the NWT we continue to listen to their experiences and build supports to learn from the people who receive care and services.

I want to thank all the employees, volunteers, partners and key stakeholders, who continually provide compassionate care and services and are integral in the provision of day-to-day operations; our successes are built around our people.

This report includes the 2018-19 audited financial statements that have been audited by the Auditor General of Canada and fulfills our responsibility and commitment to public accountability.

The Northwest Territories Health and Social Services Leadership Council will continue to provide direction to the Authority to ensure care and services are responsive to patient, client and community needs, there is equitable access quality care, and that the system continuously enhances experience.



Máhsı

Jim Antoine

Chair,

Northwest Territories Health and Social Services Leadership Council

MOT DU PRÉSIDENT

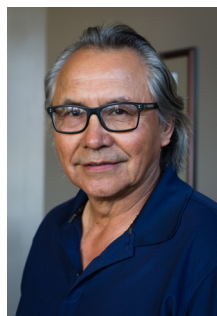
Au nom du Conseil de leadership des services de santé et des services sociaux des Territoires du Nord-Ouest, j'ai le plaisir de présenter à la population ténosé et au ministre de la Santé et des Services sociaux le rapport annuel 2018-2019 de l'Autorité de la santé et des services sociaux des Territoires du Nord-Ouest.

Nous travaillons tous ensemble pour offrir des soins aux Ténosés, en mettant l'accent sur la qualité et sur le respect des valeurs culturelles, et l'année qui vient de s'écouler a été marquée par de grands progrès sur plusieurs fronts. La création de l'ASTNO nous a incités à proposer des soins plus intégrés et plus cohérents. En plus de recueillir les commentaires formulés par nos Conseils régionaux du mieux-être et les résidents des TNO, nous continuons d'écouter les gens qui reçoivent les soins et les services afin de nous enrichir de leurs expériences et d'établir des structures de soutien adéquates.

Je tiens à remercier tous les employés, les bénévoles, les partenaires et les intervenants clés qui fournissent continuellement des soins et des services empreints de compassion et qui font partie intégrante des activités quotidiennes. Nous devons notre réussite à l'excellence de nos gens.

Le présent rapport comprend les états financiers audités de 2018-2019, audités par la vérificatrice générale du Canada; nous honorons ainsi notre responsabilité envers le public et notre engagement à lui rendre des comptes.

Le Conseil de leadership des services de santé et des services sociaux des Territoires du Nord-Ouest continuera de fournir une orientation à l'Administration pour que les soins et les services répondent aux besoins des patients, des clients et de la collectivité, pour assurer un accès équitable à des soins de qualité et pour améliorer continuellement l'expérience offerte par le système.



Máhsi

Jim Antoine

Président

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

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

The fiscal year 2018-19 marks another year of growth for the Northwest Territories Health and Social Services Authority. One that continued the NTHSSA's efforts towards building a foundation for realizing improved care and services.

Aligning with the NWT health and social services system partners, the NTHSSA has collaborated around advancements in building culturally safe and efficient care and services through enhanced training, improvements to processes and streamlined decision making and reporting.

Over 2018-19 the NTHSSA worked under the following operational aims building towards its strategic direction of preparing operations to realize improved quality:

- Sustainability: operational, financial and governance
- Quality: accreditation and quality improvements
- Infrastructure: building for the future
- People: recruiting, retaining, training and communicating

The annual report provides several examples and highlights of successes and challenges throughout 2018-19 under each of the operational aims. I am proud of the many individuals and teams across the NTHSSA who have contributed over the past year to ensure we continue to

build on our successes and address challenges in our organization.

As we move forward, I am excited for the opportunities to find ways to be more culturally safe and efficient in managing and delivering care while focusing on providing NWT residents with an excellent experience.



Sincerely

Sue Cullen

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

MOT DE LA DIRECTRICE GÉNÉRALE

L'exercice 2018-2019 marque une autre année de croissance pour les administrations des services de santé et des services sociaux des Territoires du Nord-Ouest, qui ont poursuivi les efforts d'amélioration des soins et services de l'ASTNO.

En collaboration avec les partenaires du système de santé et de services sociaux des TNO, l'ASTNO a permis la prestation de soins et de services efficaces et respectueux de la culture par une formation accrue, des processus améliorés et la rationalisation du processus décisionnel et des rapports.

Au cours de l'exercice 2018-2019, et afin d'établir son orientation stratégique, l'ASTNO a visé les objectifs opérationnels suivants pour améliorer la qualité des soins et des services dans le cadre de ses opérations :

- Durabilité : sur le plan des opérations, des finances et de la gestion
- Qualité : accréditation et amélioration de la qualité
- Infrastructures : construire pour l'avenir
- Personnes : recrutement, rétention, formation et communication

Le rapport annuel présente plusieurs exemples et faits saillants des progrès accomplis et des défis relevés tout au long de 2018-2019 pour chacun des objectifs opérationnels. Je suis fier des nombreuses personnes et équipes de l'ASTNO qui, cette année, ont contribué à notre réussite et ont aidé à

surmonter les difficultés qui ont pu se présenter dans notre organisation.

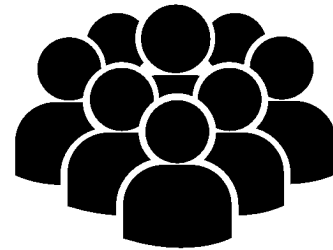
J'ai hâte qu'on trouve tous ensemble des façons créatives de gérer et de fournir des soins de façon plus efficace et plus respectueuse des valeurs culturelles des patients, tout en garantissant aux Tinois une excellente expérience du système de santé.



Veillez agréer mes salutations les meilleures.

Sue Cullen

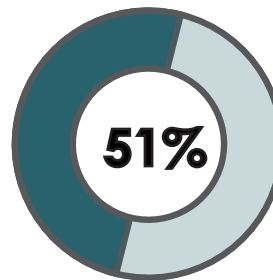
*Directrice générale,
Administration des services de santé et des services sociaux des
Territoires du Nord-Ouest*



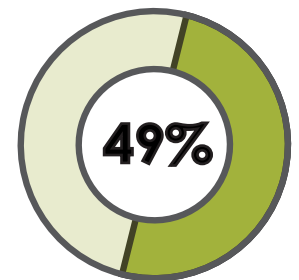
1,286
Employees, serving

44,420
residents of the NWT

RESIDENTS ARE:



INDIGENOUS



NON-INDIGENOUS

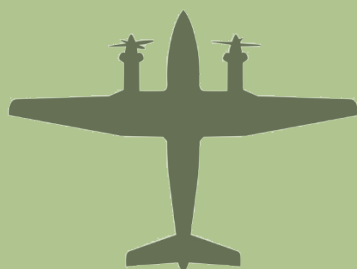


NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY	
1	Beaufort-Delta Region
2	Sahtu Region
3	Dehcho Region
4	Yellowknife Region
5	Fort Smith Region
	STANTON TERRITORIAL HOSPITAL

- 6 Tłı̨chǫ Community Services Agency
- 7 Hay River Health and Social Services Authority
-  Administrative Centres



Operating **38 facilities** in
24 of 33 NWT Communities



16,046
Medical travel movements

ALIGNING WITH NWT HSS SYSTEM ACTIONS

In 2018-19 the NTHSSA continued work to align with the NWT Health and Social Services system goals as set out in the GNWT's "Caring for Our People: Strategic Plan for the NWT Health and Social Services System, 2017-2020". The work included validating our organizational purpose, which is comprised of our organizational mission, vision, values, and guiding principles.

CULTURAL SAFETY ACTION PLAN

The "Caring for Our People: Cultural Safety Action Plan 2018-2020," shares a vision for the Northwest Territories where Indigenous peoples, their families and communities enjoy physical, mental, emotional and spiritual health and wellness. Over the next two years, the Department of Health and Social Services in collaboration with the NTHSSA will work to implement the objectives and actions

to embed cultural safety throughout the entire health and social services system. This contributes to the larger effort of the "Caring for Our People: Strategic Plan for the NWT Health and Social Services System, 2017-2020" vision for Best Health, Best Care, for a Better Future.

In February 2019, the Minister of Health and Social Services, the Chair of the Northwest Territories Health and Social Services Leadership Council, and leaders from across the system signed a declaration to show their commitment to embedding cultural safety and relationship-based care throughout the Northwest Territories Health and Social Services system.

CULTURAL SAFETY SPOTLIGHT



Leadership from across the NWT Health and Social Services System signed a declaration of commitment to cultural safety in February of 2019.

FINANCIAL SUSTAINABILITY

During 2018-19 the NWT Health and Social Services system collaborated to focus efforts to ensure the sustainability of the NWT health and social services system. Building upon the discussions which took place during the January 2018 workshop and the subsequent analysis performed by the working group that operated throughout 2018, the NTHSSA participated with HSS system partners to initiate the following activities:

Improve Financial Management and Accountability:

- Alignment of the Chart of Accounts for all regions and branches of the NTHSSA.
- Clearer oversight over resource planning including people, assets, and capital.
- Align financial policies, controls and training across the organization.

Service Delivery Models Review and Improvement:

Review of staffing models and position management to improve patient experience and efficient use of resources, focusing on physician specialist services and primary care.

Billing Related Initiatives:

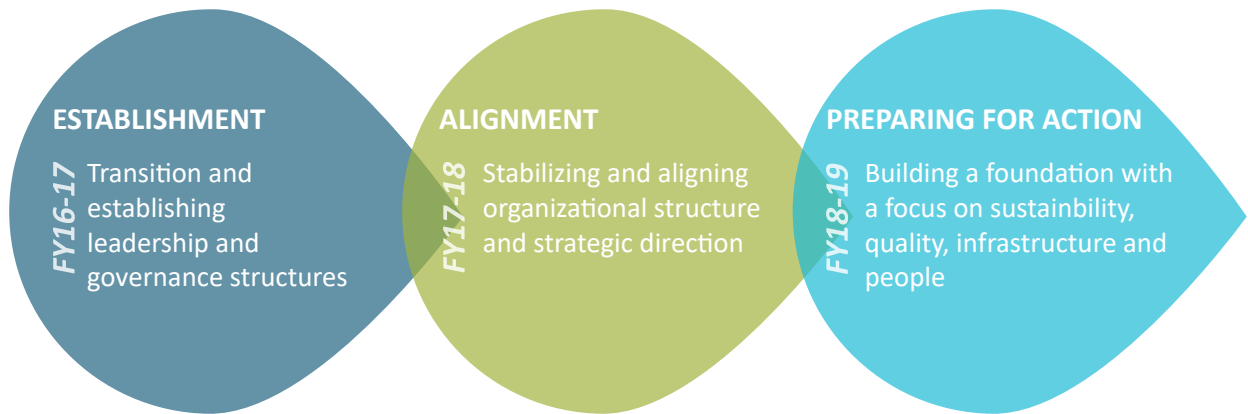
Review and assessment of billing processes and practices that will lead to increased revenue, with a focus on medical travel 3rd party billing.

Unrealized Transformation Efficiencies:

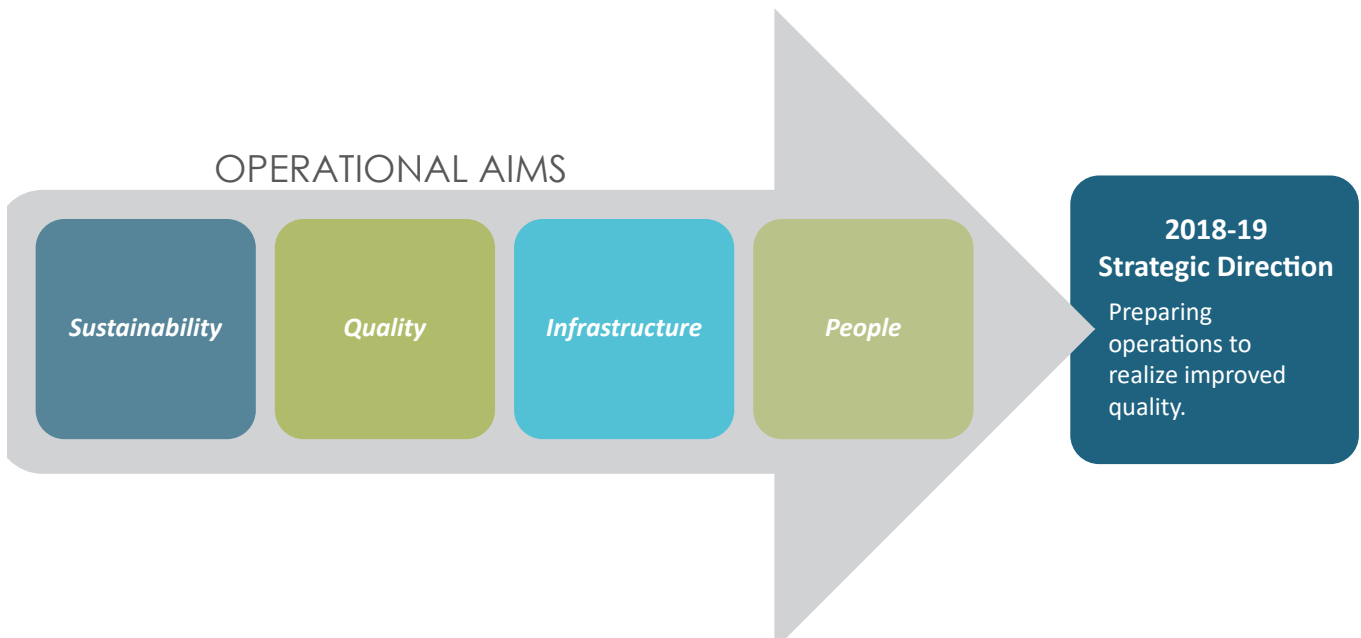
Improved collaboration and integration of programs and services with system partners that will lead to efficiencies, focusing on partnerships with the Government of Nunavut and Alberta Health Services.

2018-2019 STRATEGIC DIRECTION

Since amalgamation, the progression of the NTHSSA over the last three years has seen the organization further develop and improve upon delivery of health and social services across the Northwest Territories. The following chart provides a synopsis of the operational focus of the NTHSSA during the first three years of operations.



In 2018-2019 the NTHSSA worked under the following strategic direction.



MISSION

The provision of quality health and social services across the NWT that are culturally safe, collaborative and centered around continuous improvement.

SYSTEM VISION

Better Future:

Build a sustainable health and social services system.

Best Care:

Care and services are responsive to children, individuals, families and communities.

Best Health:

Support the health and wellness of the population.

GUIDING PRINCIPLES

Safe: Aligning cultural safety and staff safety with avoiding harm to patients/clients through the care that is intended to help them.

Connected: Providing care that is built on partnerships and is responsive and reflective of the individual and community needs.

Effective: Providing programs and services based on feedback and knowledge to all who could benefit and refraining from providing services to those not likely to benefit (avoiding underuse and misuse, respectively).

Equitable: Providing care that does not vary in quality because of personal characteristics such as gender, ethnicity, geographic location, and socio-economic status.

Efficient: Avoiding waste of resources (equipment, supplies, ideas, energy, time, and people).

Client Centred: Providing care that is respectful of and responsive to individual's preferences, needs, and values and ensuring that those values guide all care decisions.

VALUES

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

Accountable: We report publically on organization and system measures and assesses outcomes.

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

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

VALUES for the NTHSSA define accepted and encouraged behaviours for staff, partners and stakeholders.

GUIDING PRINCIPLES define how the NTHSSA strives to make decisions. The actions stemming from its decisions should align with its values.

Our guiding principles are built on a foundation for quality, with a focus on quality.

The following section highlights successes and challenges in line with themes from the NTHSSA's 2018-19 Operational Aims.

SUSTAINABILITY: OPERATIONAL, FINANCIAL, AND GOVERNANCE

Setting the foundation for a sustainable NWT Health and Social Services Authority was a key focus in 2018-2019. This included focusing on governance, people and financial resources and systems to ensure the NTHSSA is best positioned to continue the path of system transformation and improving quality of care and services in the years to come.

Governance

In 2018-19 the Northwest Territories Health and Social Services Leadership Council met five times. At these meetings the Leadership Council continued its work of bringing forward local concerns to understand the needs of NWT residents and understand where the NWT Health and Social Services system can make collective improvements to better serve the needs of residents.

Leadership Council members continued their governance development by participating in training and development events that helped members develop skills and understanding about the roles of a well-functioning governance system. Leadership Council members continued to advocate for the development of a culturally safe and accountable health and social services system and identified priorities such as cultural awareness, traditional healing, and improvements to medical travel processes as areas of focus for improvement.

Financial System Amalgamation and Preparing for SAM

Within the NTHSSA there are 6 decentralized financial systems. This is not an ideal situation and limits the Authority's ability to obtain timely, accurate and reliable financial information from which to make strategic business decisions. Each year, NTHSSA finance staff work diligently to ensure support for the comprehensive financial audit conducted by the Office of the Auditor General of Canada. In creating the NTHSSA, one of the primary goals was to move towards one financial system aimed at streamlining financial processes and reporting, and ensuring ease in accessing financial information from which informed financial decisions could be made.

SUSTAINABILITY SPOTLIGHT

CARE

▲ for our people ▲ for each other ▲ for our future ▲

*A discussion of the
Purpose and Direction
of the Northwest
Territories Health
and Social Services
Authority.*

In 2018-2019 the NTHSSA engaged staff across the authority in "CARE Talks", which provided tools and resources for leaders to engage staff on our organizational purpose. This process helped to validate this important work to ensure we were prepared to take action based on these foundational organizational building blocks.

In September 2018, the NTHSSA hired a Chief Financial Officer to lead work on financial sustainability and systems improvement within the Authority. Throughout the 2018-19 fiscal year, finance staff across the Authority worked collaboratively to prepare for the implementation of a single financial system with the goal of moving on to SAM, the same financial system used throughout the GNWT

Planning for Action

This fiscal year the NTHSSA continued to work towards aligning with "Caring for Our People" the NWT health and social services system strategic plan, including the development of an organizational operational plan, that would allow staff across the system to better understand our organizational mission, vision, values, guiding principles and aims looking toward 2019-2020.

QUALITY: ACCREDITATION AND QUALITY IMPROVEMENT

A continued focus for the NTHSSA is quality assurance and quality improvement across all areas of operations. This work permeates throughout the organization and is a constant focus for staff and leadership alike.

Preparing for Accreditation

A good accreditation program fosters respectful, compassionate, culturally appropriate, and competent care that is responsive to the needs, values, beliefs, and preferences of clients and their family members.

In 2019 the NTHSSA, along with partners at the Tłı̄ch̄o Community Services Agency and the Hay River Health and Social Services Authority, will undergo a system-wide accreditation process that will validate the quality of care and services delivered to NWT residents. This process is unique in the area of health system accreditation and has required much preparation by staff across all three health and social services authorities.

Within the NTHSSA the preparation work has included development and often the amalgamation of system wide policies and procedures. This includes careful examination

of workflows and care pathways across the system to ensure that the way we deliver care and services aligns with best practices, as well as broad and intensive quality improvement activities across all areas of operations.

NTHSSA Ethics Framework

In 2018-19 the NTHSSA worked to develop an Authority-wide ethics framework that defines the processes by which ethical challenges or questions could be addressed. The NTHSSA Ethics Working Group was established with the purpose of reviewing ethical issues, dilemmas, and identified concerns relating to health and social services matters, and to provide guidance and recommendations. The committee will provide support to the development, revision and implementation of procedures and processes that impact ethical issues in client, patient, family, and community care.

QUALITY IMPROVEMENT REGIONAL SPOTLIGHTS

Our organizational focus on quality is highlighted below in just a few of the many stories from across the NTHSSA exemplifying behaviours, actions, and initiatives that demonstrate our commitment to delivering quality care and services, and shows our focus on enhancing the programs that residents depend on.

Inuvik Receives BFI Designation

On December 6th, 2018 the Inuvik Regional Hospital celebrated receiving their Baby-Friendly Initiative (BFI) Designation, making them the first facility in the three Territories to achieve this designation. A celebration was held at the hospital, featuring speeches from Arlene Jorgensen – Chief Operation Officer NTHSSA Beaufort-Delta Region, Dr. Kami Kandola – Chief Public Health Officer, Meghan Scott – Baby Friendly Initiative Lead and Nutritionist, and Catarina Owen – Mother and Program Participant.

The BFI designation is a worldwide initiative established by the World Health Organization that supports family-centred maternity and newborn care practices, and promotes breastfeeding. Inuvik Regional Hospital and

their BFI committee have been actively working to improve maternal and newborn care for many years. To receive the baby-friendly designation, the hospital went through a comprehensive external assessment of maternity care practices that included an audit, interviews with clinical and non-clinical staff, interviews with mothers who had recently given birth in the facility, and a review of policies and procedures.

As a result of Inuvik's significant efforts, infants and their families are receiving the highest quality of care and support. During the assessment of the program, mothers interviewed were very pleased with the care they received, stating they received consistent infant feeding education and support, regardless of if they chose to breast or bottle feed.

Fort Smith Community Youth Mental Health Engagement

In Fort Smith the mental health team strengthened relationships with the elementary school and adapted services offered to best meet student needs. In 2018-19, for the first time, 3 one-hour time blocks were offered to each class by a counselor who is a Registered Drama Therapist. Through the use of play, voice and movement, the elementary students explored themes such as emotion identification, self-regulation, bullying and coping skills. The intention was for students to find ways to work together to solve problems, support one another and learn new skills to manage their emotions for success in the classroom. This allowed for support of multiple students at once thereby reaching more youth and better using one-to-one clinical hours. Feedback received from one teacher included: "I wish we could have Mallory more frequently in the classroom! Our students need trained, professional emotional support and she is amazing!"

QUALITY SPOTLIGHT



A number of new mothers and staff from the Inuvik Regional Hospital (IRH) came out to celebrate the hospital's receipt of the Baby Friendly Initiative designation in December 2019. This internationally recognized designation confirms IRH is providing care to new mothers in line with best practices.

Sahtu Family Violence Improvements through Collaboration

In 2018-19 the Sahtu Region led work to collaboratively update the Family Violence Protocol. In the winter of 2018, a two-day family violence workshop was held with about 30 participants across the Sahtu, including community members, community organizations/leadership, staff, other GNWT departments and a facilitator. The protocol was updated utilizing the feedback from this workshop.

A collaborative approach was required as no single agency has the mandate or the resources to meet all the needs of victims of family violence. As a result of this protocol update, agencies and support groups will be more aware of the services for families experiencing family violence that are available in their community. The protocol addresses different streams of services: medical care, shelter, safety planning, emotional support, charges and criminal proceedings and emergency protection orders.

Partnering to Provide Enhanced Care Options and Access in the Dehcho

In Fort Liard and Nahanni Butte, many residents have traveled to Fort Nelson in Northern British Columbia for care and services that are not available in their home communities. This was a practice of convenience and it provided a proof of concept that residents would prefer to access care closer to home rather than traveling to one of the larger communities in the NWT that had the capacity to provide the care and services they needed.

After meeting with residents and leadership in these communities, the NTHSSA worked to establish formalized service agreements, protocols and improve communication about the pathway to services. While receiving services in Fort Nelson was not a new process, by ensuring the appropriate agreements and processes were in place it has made this pathway to care and services more streamlined and now residents have an official route to access the care and services provided by BC's Northern Health Authority. This represents community collaboration to find solutions to deliver care closer to home, better serving residents and contributing to the best health possible in these communities.

Yellowknife Builds Foundation for Harm Reduction Approach for Mental Health and Addictions

The new combined day centre and sobering centre was opened in October 2018 and now provides a venue for wrap-around services, delivered by the NTHSSA and partners, for individuals facing addiction and homelessness issues. It helps provide better care for persons with addictions through clinical assessment and intervention to improve health outcomes. The new centre has more staff and more services that allow clients to connect with other health and social services programs, allowing clients and providers to collaboratively take the next step in improving client health, wellness and outcomes.

In its first year of operation, the Sobering Centre provided 7,000 intakes. This represents 7,000 times a person in our community had a safe place to sleep off the effects of intoxication where in the past they may have slept on the street. It also represents 7,000 potential inappropriate accesses to other services such as ambulance rides, emergency room visits or RCMP call outs. Our partners at the RCMP and the City of Yellowknife as well as the Stanton Emergency Room all report less inappropriate use of their services after the opening of the combined centre.

Improving Chemotherapy Services Based on Best Practice at Stanton Territorial Hospital.

After a December 2017 review of the chemotherapy program at Stanton Territorial Hospital by CancerControl Alberta, the NTHSSA made the difficult decision to suspend chemotherapy services at Stanton. During the suspension, NTHSSA senior managers and program leaders worked closely with and requested support and advice from CancerControl Alberta staff to rebuild the program.

Work was undertaken to ensure nursing staff had the latest skills and certifications to provide confidence that Stanton's chemotherapy services were in line with current best practices. This included nurses and physicians completing coursework and undertaking hands-on training at sites operated by Alberta Health Services. A review of the program also led to the NTHSSA adopting Alberta Health Services and CancerControl Alberta policies, standard operating procedures and patient education materials. This partnership approach will help ensure consistency of

care for patients as they move through our complex cancer care system that often includes integration with programs and services in Alberta.

In April, 2018, a phased repatriation of patients to Stanton began and continued quality improvement efforts will ensure chemotherapy services are in-line with best practices now and into the future.

INFRASTRUCTURE: BUILDING FOR THE FUTURE

Across the NTHSSA there were significant developments in infrastructure projects that provide the space to deliver improved care and services across the Territory.

Long-Term Care facility in Norman Wells

On August 27th, 2018, Norman Wells and neighboring communities came together to celebrate the grand opening of the Sahtú Got'iné Regional Health and Social Services Centre and Sahtú Dene Nechá Kó Long-Term Care Facility.

The new facility replaces the town's 40-year-old health center, and measures 43,000 square feet, over 9 times larger than the previous centre. The long-term care facility has 18 beds that are divided into two houses, and is the first long-term care facility in the Sahtu Region which will allow elderly residents to receive the care they need closer to their home communities. Key services to be provided by the new Sahtú Got'iné Regional Health and Social Services Centre and Sahtú Dene Nechá Kó Long-Term Care Facility include:

- community health nursing programs such as prenatal health, child health, adult health, health promotion, chronic care and treatment services;
- community counselling, social services such as child protection, family violence, guardianship, adoption, fostering, and homeless programs;
- transitional care;
- long-term care; and
- the adult day program.

Opening of the new Fort Resolution Health Centre

On Monday June 11th, 2018, residents of Fort Resolution celebrated the official opening of the Deninu K'ue Health and Social Services Centre. The new health centre replaces the previous 44-year-old health centre, and is a state-of-the-art facility that for the first time brings together health services, social service and home care under one roof. The centre includes modern accessibility design features, includes clinic rooms that meet the latest infection control standards, and has a family visiting room, emergency treatment and dental rooms, and three apartments to accommodate visiting staff.

Sambaa K'e Health Cabin

Sambaa K'e Health Cabin: construction continued in 2018-2019 and the Health Cabin was commissioned on June 10, 2019. The Sambaa K'e Health Cabin is a new building that represents an improved health facility design that will meet the needs of clients and staff.

Stanton Territorial Hospital

Throughout 2018-2019 the NTHSSA continued to focus on the path to a successful first patient day at the new Stanton Territorial Hospital. In this fiscal year activities that contributed to the project included ongoing validation of the facility design as construction progressed, staff training and operational readiness, development of policies and procedures that would outline a new way to work in the new facility, and many other activities that were required to ensure a successful transition to the new facility in 2019.

INFRASTRUCTURE SPOTLIGHT

Top 3 Images: Norman Wells combined health and social services centre and long term care facility, which combines administration, the health centre, and a new long term care facility for ease and efficiency of access.

Below: Attendees celebrate the grand opening of the Deninu K'ue Health and Social Services Centre in Fort Resolution. This centre also brought services together into one building for the first time in the community.



PEOPLE: RECRUITING, RETAINING, TRAINING AND COMMUNICATING

At the NTHSSA our business is serving people who need the care and services we offer, and this would not be possible without our staff, who enable the delivery of these services. In 2018-2019 the Authority undertook a number of initiatives that focus on supporting our people.

Modernizing Recruitment through PracticeNWT and Social Media Engagement

The PracticeNWT.ca website was launched in February 2019 to re-brand the previous PracticeNorth.ca website for better recognition to a national audience and also to address technical issues limiting improvements to the original website. The PracticeNWT Facebook page launched at the same time, providing the NTHSSA with a global advertising reach through social media, which has allowed the system to communicate and actively promote health and social services job opportunities, directly related benefits, and the Northwest Territories lifestyle.

Enhancing Capacity Through an Updated Professional Development Initiative Program

The Professional Development Initiative program provides support to NWT Health and Social Services system staff to enhance their skills and abilities through attending courses and training opportunities. A review of the Professional Development Initiative Program (PDI) was undertaken during the 2018-2019 year to better streamline the program while offering more effective services. Past practices and the evolution of the program from 2002 to present were examined. The new program provides clearer, simpler guidelines and criteria focused on retention and investment of training dollars for employees seeking to enhance their health and social service skills in the workplace. The program now has two intake

deadlines annually, to help ensure that funds are available for training throughout the fiscal year. The program has also shifted from a first-come, first-serve model to an evaluation of applications that better supports employees seeking professional development opportunities that align with their position and the needs of the health and social services system.

OurNTHSSA: Awareness and Collaboration in a Distributed Organization

In June 2018, the NTHSSA launched an online internal hub for staff information, tools, and resources that provides NTHSSA staff a single point of access for all of the latest information they need to better understand what is happening across the organization. This tool was launched to provide a one-stop-shop for staff to get the latest information as well as have a place to provide feedback, including an anonymous feedback tool. Content includes program updates, news about social activities or achievements of staff, and shared resources and libraries for policies, clinical resources, and other documents and tools our staff require to do their jobs. In 2018-2019 there were over 201 stories or updates published to the internal website, with over 2,000 unique users accessing the site for information and resources

PEOPLE SPOTLIGHT



(left to right): Freda Kelly, Sonia Manuel (Community Health Representative; Fort Good Hope, Sahtu Region) and Karen Tingmiak.

Across the NTHSSA there are people doing great work to advance actions that align with our goal of system wide cultural safety, this is work that has been identified as a priority by the NWT Health and Social Services Leadership Council. One of our challenges is to find ways to share these examples across the authority, this image and the story below are examples of the type of content we are now sharing through the OurNTHSSA platform.

"NTHSSA-Sahtu Region staff, working in partnership with the Recreation Department and Community Wellness, collected bark for starting wood stove fires during the winter months and also collected spruce gum for traditional medicine making on September 20th, 2018.

The spruce gum will be made into juice and salve. Spruce gum is used to soothe irritated skin and helps to heal cuts and mouth sores. The bark will be packaged and distributed to elders and those who may need additional assistance within the community."

The NTHSSA continues to develop its operations around the ability to gather and utilize data for improved monitoring and reporting of performance.

Throughout 2018-19 the NTHSSA collaborated with HSS system partners to build a balanced scorecard to begin reporting in 2019-20. The design of the NTHSSA balanced scorecard is based on the following considerations:

- Ensure the Leadership Council and NTHSSA leadership have relevant indicators to guide organizational direction and decision making.
- Address performance against the NWT Health and Social Services System Strategic plan.
- Align with public reporting available across health and social services systems.

The NTHSSA supports the direction of the NWT health and social services system around public reporting and has continued its collaboration and submission of NWT health and social services data to the Canadian Institute for Health Information (CIHI). Relevant indicators for access, quality of care, spending, health promotion, disease prevention and health outcomes are available publicly through CIHI.

The last few years have seen the NTHSSA stabilize and align under the transformed NWT health and social services system. Building upon the foundation for improvement in 2018-19, the NTHSSA will sustain their focus on continuous improvement and client-centred care through the engagement of patients, clients and families, enabling NWT residents to be active partners in the health and social care they receive.

Looking forward towards 2019-20, the NTHSSA will continue to see systemic changes across the delivery of our health and social services system. Focus for the next fiscal year will include:

- Realizing the first patient day of the new Stanton Territorial Hospital;
- Building towards primary healthcare reform;
- Expanding the organizational culture of quality assurance and improvement; and,
- Aligning our digital care approach.

NTHSSA LEADERSHIP & GOVERNANCE STRUCTURE



LEADERSHIP COUNCIL:

- Chairperson: Mr. James Antoine
- Vice-Chairperson: Ms. Ethel-Jean Gruben (Chair, Beaufort-Delta RWC)
- Members:
 - Ms. Patricia Schaefer (Chair, Fort Smith RWC)
 - Mr. Brian Willows (Chair, Hay River RWC)
 - Ms. Gina Dolphus (Chair, Sahtu RWC)
 - Mr. Ted Blondin (Chair, TCSA)
 - Ms. Ruby Simba (Chair, Dehcho RWC)
 - Ms. Nancy Trotter (Chair, Yellowknife RWC)
- Ex-officio and non-voting Members:
 - Mr. Bruce Cooper (Deputy Minister, DHSS)

NTHSSA LEADERSHIP TEAM

- Chief Executive Officer, Ms. Sue Cullen
- Chief Financial Officer, Ms. Sheila Silva
- Executive Director, Clinical Integration, Ms. Georgina Veldhorst
- Executive Director, Corporate and Support Services, Mr. Timothy VanOverliw
- Territorial Medical Director, Dr. Sarah Cook | Dr. Andre Corriveau
- Chief Operating Officer (Beaufort Delta Region), Ms. Arlene Jorgensen
- Chief Operating Officer (Sahtu Region), Ms. Mireille Hamlyn
- Chief Operating Officer (Dehcho Region), Mr. Wilson Dimsdale
- Chief Operating Officer (Yellowknife Region), Ms. Liliana Canadic
- Chief Operating Officer (Fort Smith Region), Ms. Phyllis Mawdsley | Brenda Gauthier
- Chief Operating Officer (Stanton Territorial Hospital), Ms. Kimberly Riles
- Senior Advisor to the Chief Executive Officer, Mr. Kevin Whitehead
- Senior Advisor, Governance, Ms. Melanie Murphy

APPENDIX A
AUDITED
FINANCIAL
STATEMENTS,
MANAGEMENT
DISCUSSION &
ANALYSIS

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Financial Statements

March 31, 2019

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

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Management Discussion and Analysis

Introduction

The Northwest Territories Health and Social Services Authority's (NTHSSA) has prepared this Management Discussion and Analysis to provide an overview of the operating activities and enhance the overall financial disclosure; and to provide the context to the financial information contained in the Authority's 2018-2019 Audited Financial Statements. These activities demonstrate the commitment of the NTHSSA management and the Northwest Territories Leadership Council (Leadership Council) in assuming accountability for the delivery of Health and Social Services programs and services in a responsible and transparent manner.

The NTHSSA, established on August 1, 2016, is an agency of the Government of the Northwest Territories (GNWT) and responsible for the operation and delivery of health and social services in the Northwest Territories in the Beaufort Delta, Dehcho, Fort Smith, Sahtu, and Yellowknife regions of the NWT while also being responsible for the operation of the Stanton Territorial Hospital.

2018-2019 marks the second full year of operations of NTHSSA. The Authority continues to identify, monitor and improve its operations with a focus on aligning and contributing to the NWT Health and Social Services System Strategic Plan (System Strategic Plan) vision and goals.

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

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

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

Structure of the NTHSSA

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

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

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

The Leadership Council is made up of nine (9) members; a Chairperson as appointed by the Minister, the chairperson of each Regional Wellness Council (5); the chairperson of the Tłı̄ch̄ Community Services Agency; the chairperson of the Hay River Health and Social Services Authority and the Deputy Minister of the Department of Health and Social Services (ex-officio and non-voting).

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



The 2018-2019 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. Brian Willows (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. Nancy Trotter (Chair, Yellowknife RWC)

Ex-officio and non-voting Member: Mr. Bruce Cooper (Deputy Minister, DHSS)

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

The NTHSSA is structured with six executive branches that are responsible for delivering health and social services across the NWT. Regional operational branches in the Beaufort Delta, Dehcho, Sahtu, Fort Smith and Yellowknife regions of the NWT are supported by Territorial operational branches guided by the CEO's office.

The six executive branches include:

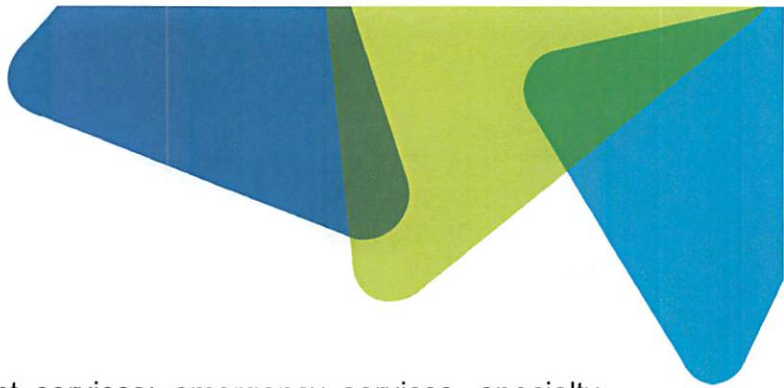
Office of the Chief Executive Officer: Corporate leadership; practitioner leadership; corporate workforce planning; system collaboration; governance support.

Finance: Financial leadership; budgeting; financial reporting; financial operations.

Clinical Integration: Quality improvement and support for child, family and community wellness; territorial quality, safety and client experience leadership; quality improvement and support for health services.

Corporate and Support Services: Informatics and health technology support and leadership; strategy and planning leadership; patient movement operations; communications support.

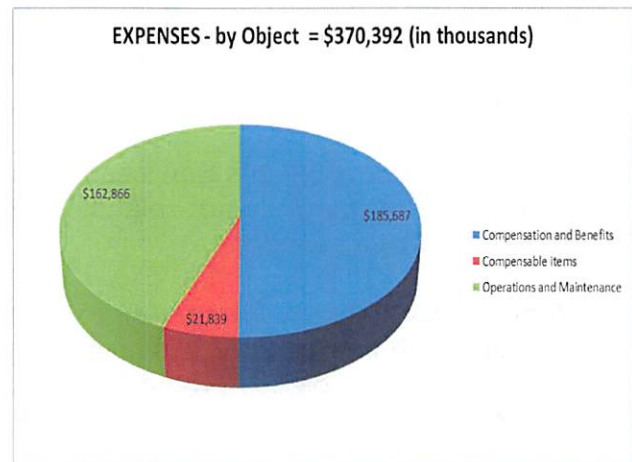
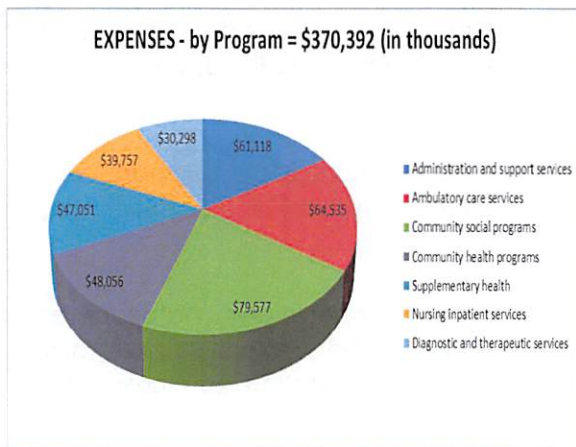
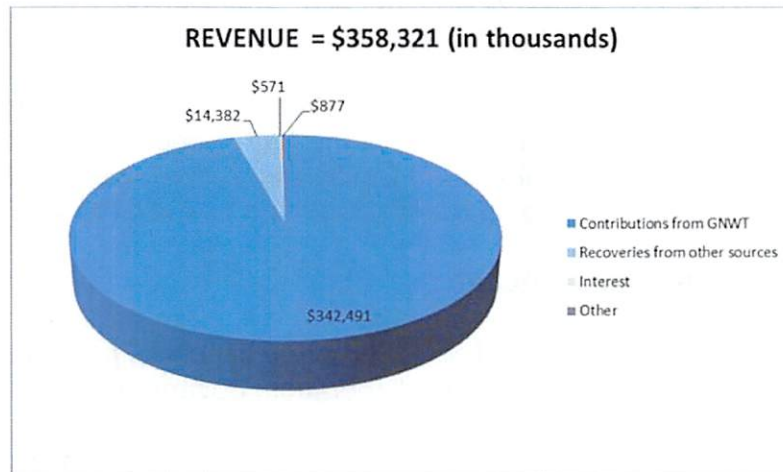
Regional Operations: Primary care; community health clinics operations; home care; mental health and addictions services; health promotion; public health; child and family services; family violence programs; adult support services; rehabilitation services; long term care; facility operations.

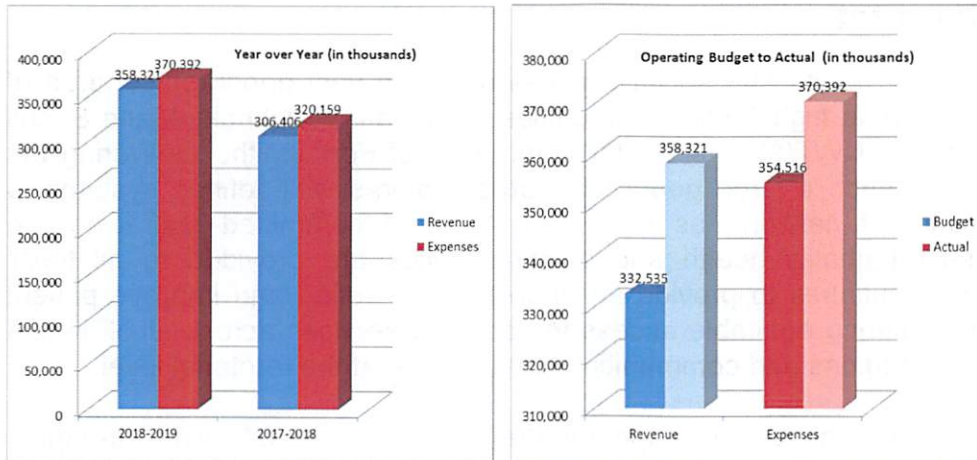


Stanton Territorial Hospital: Acute inpatient services; emergency services, specialty clinics, diagnostic and therapeutic services; rehabilitation services in partnership with regional operations.

Financial Overview

NTHSSA's overall 2018-2019 actual revenue and expenses are summarized in the following charts:



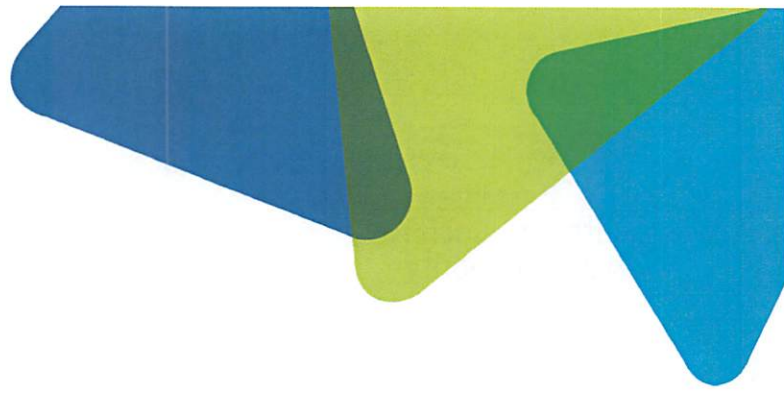


Consistent with the results of the 2018-2019 fiscal year, the actual annual revenue was approximately \$26 million higher than the initial budget. The initial Authority budget is approved in the last quarter of the previous fiscal year. Throughout the fiscal year, as program changes, new initiatives and projects are identified; corresponding adjustments are made to the initial fiscal year's budget. Actual expenses were approximately \$16 million higher than budgeted.

NTHSSA remains committed to meeting its' operational mandate and expected service levels; notwithstanding, significant pressure on fiscal resources that exist within the NTHSSA has resulted in a deficit of \$12.1 million for 2018-2019.

Budget Highlights

- Increase in funding for staffing to support service delivery in the Stanton Territorial Hospital.
- Increase in funding for the Southern Placements program.
- Increased funding for Child and Family Services improvement.
- Additional funding for the Norman Wells Health Centre and Long Term Care Centre.
- Reallocated resources to support quality assurance and improvement activities, records management, facility management, and occupational health and safety functions.
- Increase in funding for the Medical Travel program



Operating Environment

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

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

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

Building on Strengths

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



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

The First Patient Day for the new Stanton Territorial Hospital was May 26, 2019, an official opening ceremony was held on July 12, 2019. This new facility will better position the NTHSSA to attract and develop organizational talent improving the Authority's ability to support and sustain quality care.

Addressing Weaknesses

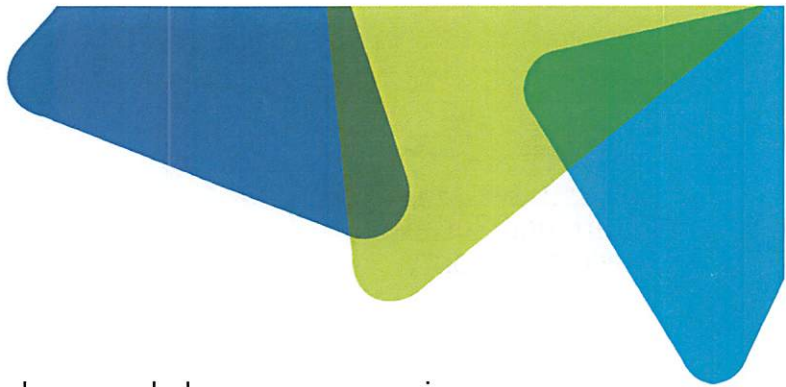
The NTHSSA will leverage the GNWT programs that support the NTHSSA's commitment to improving the ability to recruit, retain and develop a local workforce across the NWT.

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

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

Capturing Opportunities

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



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

Mitigating Risks

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

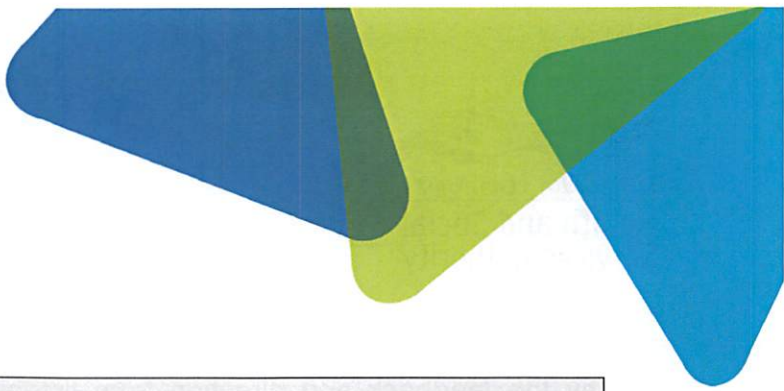
NTHSSA is committed to delivering the operational mandate in a manner respectful of the fiscal environment of the GNWT. The newly established NTHSSA continues to provide opportunities to realign services and care across the five regions and the Territorial Hospital that will improve health outcomes for patients, clients and families; improve patient and client experience and improve organizational performance by reducing overall costs.

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

Financial Condition

As at March 31, 2019 NTHSSA incurred an operating deficit of \$12.1 million, which was \$9.9 million less than the budgeted operating deficit of \$22.0 million. This increased NTHSSA's accumulated deficit to \$100.9 million. For a detailed review of NTHSSA's financial condition, refer to the Statement of Financial Position and Statement of Operations and Accumulated Deficit.

	2018-2019 Actual	2017-2018 Actual
Accumulated (deficit) closing	(100,862,000)	(88,791,000)
Accumulated (deficit) opening	(88,791,000)	(76,123,000)
Annual deficit	(12,071,000)	(12,668,000)



Recovery of prior years' expenses	2,581,000	1,619,000
Employee future benefits reserve	131,000	131,000
Unfunded items - Employee future benefit liability	10,116,000	11,525,000
Change in Employee future benefit	(1,409,000)	(1,844,000)

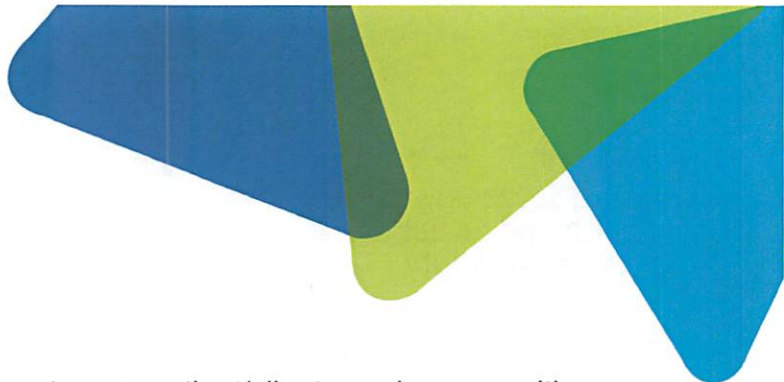
Compensation and benefits represent 56% of NTHSSA's overall expenses and is a contributing factor to NTHSSA accumulated deficit. Some of the key factors in this area relate to staffing models, overtime, sick time, relocation and removal costs within the Collective Agreement between the Union of Northern Workers and the GNWT that are not fully funded by the GNWT. For the Employee Future Benefit liability, the NTHSSA recognizes the expenses on an accrual basis; however funding is associated to current annual expenses and not to accruals for an estimated future liability.

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 \$9,896 (2018 - \$8,134) based on the calculated depreciation expense by the Government and have been recognized as rent expense with a corresponding grant-in-kind in the financial statements.

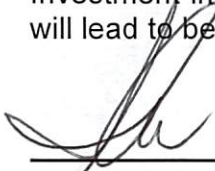
Summary and Outlook

The 2018-2019 fiscal year represented the second full year of operations for the NTHSSA. The focus continues to be on developing the organizational architectural and ensuring core service stabilization while aligning with the HSS System's strategic plan, and the continued provision of quality care and services. 2017-2018 identified areas where efficiencies could be established and the organization has now turned to the implementation and sustainability of these identified areas which can lead to improving care and service delivery.

NTHSSA's future focus will be on building an organization that encourages team and relationship based care that is centered around an engaged workforce. Improving quality within the system is a responsibility held by all NTHSSA staff and is supported



by the feedback and direction from listening to our patient/clients and communities. Investment in the enablers for improvement in internal processes and client experience will lead to better health and a better future for all NWT residents.



SUE CULLEN
Chief Executive Officer

September 26, 2019

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Management's Responsibility for Financial Reporting

Management is responsible for preparing the accompanying financial statements 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 2 to the financial statements. Management is responsible for making certain estimates and judgements required for the preparation of the financial statements. Management is responsible for ensuring that financial information presented elsewhere in the annual report is consistent with the financial statements.

Management is responsible for maintaining 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. Management 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 consider 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



Sheila Silva, CPA, CGA
Chief Financial Officer

26 September 2019



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

Opinion

We have audited the financial statements of the Northwest Territories Health and Social Services Authority (the Authority), which comprise the statement of financial position as at 31 March 2019, 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at 31 March 2019, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a

material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian 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.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Authority to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

Edmonton, Canada
26 September 2019

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Statement of Financial Position

(All figures in thousands of dollars)

As at March 31,	2019	2018
Financial Assets		
Cash	\$ 13,953	\$ 9,248
Accounts receivable (note 5)	11,513	10,422
Due from Government of the Northwest Territories (note 6)	17,275	13,297
Due from Government of Canada	641	424
	43,382	33,391
Liabilities		
Accounts payable and accrued liabilities (note 7)	21,180	17,649
Due to Government of the Northwest Territories (note 6)	117,181	96,877
Due to Government of Canada	28	16
Other employee future benefits and compensated absences (note 9)	10,116	11,525
	148,505	126,067
Net Debt	(105,123)	(92,676)
Non-Financial Assets		
Inventories held for use	3,221	2,735
Prepaid expenses	1,040	1,150
	4,261	3,885
Accumulated Deficit (note 12)	\$ (100,862)	\$ (88,791)

Contractual Obligations and Contingencies (notes 13 and 14)

Approved on behalf of the Authority


 Jim Antoine
 Leadership Council
 Board Chairperson


 Ruby Simba
 Leadership Council Member

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Statement of Operations and Accumulated Deficit

(All figures in thousands of dollars)

For the year ended March 31,	2019		2018
	Budget	Actual	Actual
Revenue			
Recoveries from other sources	\$ 9,246	\$ 11,446	\$ 10,622
Recoveries from Nunavut	3,461	2,417	2,288
Contributions from other sources	-	877	926
Interest income	170	571	215
Other income	31	519	122
Total Revenue	12,908	15,830	14,173
Expenses (note 20)			
Community social programs	81,367	79,577	51,717
Ambulatory care services	60,745	64,535	61,497
Administration and support services	61,189	61,118	50,960
Community health programs	44,864	48,056	43,806
Supplementary health programs	44,785	47,051	45,621
Nursing inpatient services	34,161	39,757	38,733
Diagnostic and therapeutic services	27,405	30,298	27,825
Total Expenses	354,516	370,392	320,159
Deficit for the year before Government contributions	(341,608)	(354,562)	(305,986)
Government contributions			
Contributions from Government of the Northwest Territories	286,634	294,546	250,186
Recoveries from Government of the Northwest Territories	19,636	21,284	20,674
Recoveries - non insured health services	13,357	14,184	12,705
Recoveries of prior years' expenses	-	2,581	1,619
Grant-in-kind - Government assets and services provided at no charge (note 11)	-	9,896	8,134
Total Government contributions	319,627	342,491	293,318
Annual deficit	(21,981)	(12,071)	(12,668)
Accumulated deficit, beginning of year	(88,791)	(88,791)	(76,123)
Accumulated deficit, end of year	\$ (110,772)	\$ (100,862)	\$ (88,791)

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

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Statement of Changes in Net Debt

(All figures in thousands of dollars)

For the year ended March 31,	2019		2018
	Budget	Actual	Actual
Annual deficit for the year	\$ (21,981)	\$ (12,071)	(12,668)
Adjustments			
Acquisition of inventories held for use	-	(6,461)	(5,959)
Consumption of inventories held for use	-	5,975	6,064
Acquisition of prepaid expenses	-	(1,156)	(1,379)
Use of prepaid expenses	-	1,266	1,416
Change in net debt for the year	(21,981)	(12,447)	(12,526)
Net debt, beginning of year	(92,676)	(92,676)	(80,150)
Net debt, end of year	\$ (114,657)	\$ (105,123)	(92,676)

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

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

(All figures in thousands of dollars)

For the year ended March 31,	2019	2018
Cash provided by		
Operating transactions		
Operating deficit	\$ (12,071)	\$ (12,668)
Changes in non-cash assets and liabilities:		
Change in accounts receivable	(1,091)	(2,631)
Change in accounts payable and accrued liabilities	3,533	983
Net change in due to/(from) Government of Northwest Territories	16,325	20,834
Change in other employee future benefits and compensated absences	(1,409)	(1,844)
Net change in due to/(from) Government of Canada	(206)	(107)
Change in inventories held for use	(486)	105
Change in prepaid expenses	110	37
Cash provided by operating transactions	4,705	4,709
Increase in cash	4,705	4,709
Cash, beginning of year	9,248	4,539
Cash, end of year	\$ 13,953	\$ 9,248

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

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

(All figures in thousands of dollars)

March 31, 2019

1. Authority and operations

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

The Authority was established 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. The reporting entity comprises the newly created Authority and the operations from six former HSSAs including Beaufort-Delta, Dehcho, Fort Smith, Sahtu, Yellowknife and Stanton Territorial Hospital.

Hay River Health and Social Services Authority (HRHSSA) and Tlicho Community Services Agency (TCSA) remain outside the Authority; however, the legislation does include provisions to bring the HRHSSA into the Authority at a later date. The Authority serves as a single integrated delivery system for Northwest Territories health and social service programs while recognizing that the TCSA retains a unique role through the provisions of the 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 (Leadership Council) that is comprised of nine persons appointed in accordance with the Act, including one non-voting member. The Authority is exempt from taxation pursuant to Paragraph 149 of the federal Income Tax Act.

Budget

The budgeted figures represent the Authority's original fiscal plan for the year approved by the Leadership Council and the Government. To be consistent with the format of the financial statements, presentation changes have been applied as disclosed in note 19.

Going concern and economic dependence

Upon amalgamation in 2016, the predecessor HSSAs had an accumulated deficit of \$50,824 which was transferred to the Authority and included in its opening financial position. For the year ended March 31, 2019 the Authority had an annual deficit of \$12,071, accumulated deficit of \$100,862, liabilities of \$148,505 (including \$117,181 due to the Government of the Northwest Territories), and total financial assets of only \$43,382.

The Authority was created as part a system-wide transformation of the health and social services system in the NWT, including addressing financial pressures. The Authority remains economically dependent upon the annual appropriations received from the Government, the Government's authorization for incurring annual deficits, the Government's continued support for payments of payroll costs on behalf of the Authority combined with the Government's continued financing of the payroll liability. The Authority anticipates that the Government will continue to provide the current financial support, while working collaboratively with the Authority to identify ways to address the financial pressures.

Since the Authority's inception, the Government has increased its funding to the Authority each year. The Authority's operations have also expanded with a new health centre and long term care facility opened during the year and new hospital which opened shortly after year end. The going concern basis of accounting has been deemed appropriate for the current financial statements.

2. Basis of presentation and significant accounting policies**Basis of presentation**

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

(a) Measurement uncertainty

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

The more significant estimate relates to contingencies.

(b) Cash

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

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

(All figures in thousands of dollars)

March 31, 2019

2. Basis of presentation and significant accounting policies (continued)**(c) Tangible capital assets**

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

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

(d) Inventories held for use

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

(e) Other employee future benefits and compensated absences

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

(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 financial statements as expenses when they are incurred. 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 financial statements as expenses when they are incurred.

(g) Revenue recognition**Government transfers**

Government transfers are recognized as revenues when the transfer is authorized, reasonable estimates of the amounts can be determined 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.

Recoveries

Government recoveries include amounts recovered for expenses paid by the Authority primarily relating to hospital services and non-insured health benefits, are recognized as revenue when the amounts are 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.

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Notes to Financial Statements

(All figures in thousands of dollars)

March 31, 2019

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

(h) Financial Instruments

The Authority classifies its financial instruments at cost or amortized cost.

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

(i) 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.

(j) 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.

(k) 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 11.

(l) Related parties

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 is related in terms of common ownership to all Government created departments, public agencies, and key management personnel and close family members. Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Authority. Related party transactions, other than inter-entity transactions, are recorded at the exchange amount. Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions, other than restructuring transactions, are recorded on a gross basis and are measured at the carrying amount, except for services provided by the Government without charge. Services provided without charge include rent, building utilities, repairs and maintenance, medical travel, contracted services, legal, human resources and other services. These services are provided by the Government's central agency and with the exception of rent described in Note 2 (c) these services cannot be reasonably estimated. The Authority does not recognize any amounts for these services in the financial statements.

(m) 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.

3. Future accounting changes

Public Sector Accounting Board (PSAB) issued new standards on Asset Retirement Obligations (PS 3280) and Revenue (PS 3400). These new standards have an effective date of April 1, 2021, and April 1, 2022 respectively.

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

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Notes to Financial Statements

(All figures in thousands of dollars)

March 31, 2019

4. 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 \$408 (2018 - \$413). Funds established by the Authority include a special project reserve \$277 (2018 - \$265) which are donations made to the Authority under non-contractual conditions; a funded employee future benefits reserve \$131 (2018 - \$131) for funds received for the severance liability of employees who were transferred to the Authority from the Government; and an internally restricted fund \$17, (2018 - \$17) for monies transferred to the Authority when the Beaufort Delta Hospital Foundation became inactive.

5. 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 within 30 days.

	Accounts Receivable	Allow. For Doubtful Accounts	Net 2019	Net 2018
Trade receivables	\$ 10,544	\$ (4,737)	\$ 5,807	\$ 5,877
Government of Nunavut	4,865	(77)	4,788	3,633
Due from WSCC	745	(66)	679	700
Due from related parties (note 15)	243	(4)	239	212
Total accounts receivable	\$ 16,397	\$ (4,884)	\$ 11,513	\$ 10,422

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

For contribution agreements, the Authority receives transfer payments from the Government on a monthly basis. For other recoveries, the Authority receives payments within 30 days of submitting an invoice.

	Accounts Receivable	Allow. For Doubtful Accounts	Net 2019	Net 2018
Due from Government of the Northwest Territories				
Health and Social Services	\$ 15,391	\$ (1,085)	\$ 14,306	\$ 11,148
Finance	2,971	(77)	2,894	2,102
Justice	75	(10)	65	21
Municipal and Community Affairs	-	-	-	14
Education, Culture and Employment	16	(6)	10	10
Infrastructure	-	-	-	2
Total due from Government of the Northwest Territories	\$ 18,453	\$ (1,178)	\$ 17,275	\$ 13,297

Due to Government of the Northwest Territories

Liability for payroll services provided by the Government	\$ 108,866	\$ 93,425
Health and Social Services	3,610	2,466
Finance	4,181	505
Infrastructure	346	481
Municipal and Community Affairs	178	-
Total due to Government of the Northwest Territories	\$ 117,181	\$ 96,877

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

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

(All figures in thousands of dollars)

March 31, 2019

7. Accounts payable and accrued liabilities

The Authority follows the Government for payment practices of accounts payable invoices and pays northern vendors within 20 days and all other vendors within 30 days. 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.

	2019		2018
Trade payable	\$ 13,661	\$	10,938
Annual leave and lieu time	7,092		6,634
Due to related parties (note 15)	427		58
Due to WSCC	-		19
Total accounts payable and accrued liabilities	\$ 21,180	\$	17,649

8. Pensions

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

The public service pension plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the plan on or after January 1, 2013. For members with start dates before January 1, 2013, the normal retirement age remains age 60. The employer contribution rate effective at the end of the year is 1.01 times (2018 – 1.1) the employees' contributions for employees who started prior to January 2013 and 1.0 times (2018 – 1.0) the employees' contributions for all other employees.

The Authority and the contracted physician's contribute to the Physician Retirement Income Benefit (PRIB). The Physician's contribution rate is 7.5 percent of the Physician's base salary, minus the Physician's contribution to the Canada Pension Plan. The Authority contribution rate is 15 percent of the Physician's base salary, minus the Employer's contribution to the Canada Pension Plan on behalf on the Physician. The Authority contributed \$9,966 (2018 – \$9,980) to PSPP and \$2,290 (2018 – \$2,102) to the Physician's fund. The employee's contributions were \$9,977 (2018 – \$9,920) and \$1,069 (2018 – \$966) respectively.

9. 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.

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Notes to Financial Statements

(All figures in thousands of dollars)

March 31, 2019

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

Valuation results

The actuarial valuation was completed as at February 15, 2019. The results were extrapolated to March 31, 2019. The effective date of the next actuarial valuation is March 31, 2020.

These liabilities are expensed in the year they become due.

	Severance and Removal	Compensated absences	2019	2018
Changes in obligation				
Accrued benefit obligations, beginning of year	\$ 7,029	\$ 1,558	\$ 8,587	\$ 10,777
Current period benefit cost	473	149	622	636
Interest accrued	256	59	315	329
Benefits payments	(762)	(1,241)	(2,003)	(2,351)
Actuarial (gain)/loss	1,686	1,172	2,858	(804)
Accrued benefit obligations, end of year	8,682	1,697	10,379	8,587
Unamortized net actuarial gain/(loss)	784	(1,453)	(669)	2,561
Net future obligation	\$ 9,466	\$ 244	\$ 9,710	\$ 11,148
Other compensated absences	-	406	406	377
Total employee future benefits and compensated absences	\$ 9,466	\$ 650	\$ 10,116	\$ 11,525
Benefits expense				
Current period benefit cost	473	149	622	636
Interest accrued	256	59	315	329
Amortization of actuarial (gain)/loss	(405)	33	(372)	(272)
	\$ 324	\$ 241	\$ 565	\$ 693

The discount rate used to determine the accrued benefit obligation is an average of 3.2% (2018 - 3.8%).

10. Trust assets under administration

The authority administers trust assets, consisting of cash held on behalf of patients, which are not included in the reported Authority's assets and liabilities, totaling \$187 (2018 - \$159).

11. 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 \$9,896 (2018 - \$8,134) based on the calculated depreciation expense by the Government and have been recognized as rent expense with a corresponding grant-in-kind in the financial statements.

12. Accumulated Deficit

	2019	2018
Accumulated deficit upon amalgamation	\$ 50,824	\$ 50,824
Addition to the accumulated deficit since amalgamation	50,038	37,967
Accumulated deficit	\$ 100,862	\$ 88,791

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Notes to Financial Statements

(All figures in thousands of dollars)

March 31, 2019

13. Contractual obligations

The Authority has entered into agreements for equipment, operations and services (Government medical travel program) or is contractually committed to, the following expenses payable subsequent to March 31, 2019:

	Expires in Fiscal Year	2020	2021	2022	2023	2024 and Thereafter	Total
Equipment leases	2026	\$ 516	\$ 221	\$ 208	\$ 181	\$ 393	1,519
Operational leases	2024	10,422	5,554	3,121	23	1	19,121
Service contracts	2027	21,989	17,248	16,874	17,200	18,231	91,542
		\$ 32,927	\$ 23,023	\$ 20,203	\$ 17,404	\$ 18,625	\$ 112,182

14. Contingencies

In the normal course of operations, the Authority is subject to claims and pending and threatened litigation against the Authority and its staff. At year end, the Authority estimated the total claimed amount for which the outcome is not determinable at \$10 (2018 - \$50). No provision for such claims has been made in these financial statements as it is not determinable that any future event will confirm that a liability has been incurred as at March 31, 2019.

15. Related Parties

Related party transactions not disclosed elsewhere are as follows:

Due from related parties	Accounts Receivable	Allow. For Doubtful Accounts	Net 2019	Net 2018
Hay River Health and Social Services Authority	\$ 118	\$ (3)	\$ 115	\$ 46
Tiicho Community Services Agency	97	-	97	144
Stanton Territorial Hospital Foundation	23	-	23	-
Fort Good Hope Housing Authority	3	-	3	3
NWT Housing Corporation	1	-	1	16
Beaufort-Delta District Education Council	-	-	-	3
Northwest Territories Power Corporation	1	(1)	-	-
	\$ 243	\$ (4)	\$ 239	\$ 212
Due to related parties:			2019	2018
Aurora College			\$ 214	\$ 1
NWT Housing Corporation			164	10
Tiicho Community Services Agency			39	20
NWT Power Corporation			4	3
Hay River Health and Social Services Authority			2	14
GNWT - Infrastructure			2	-
BDIC			1	8
Beaufort-Delta District Education Council			1	2
			\$ 427	\$ 58
Revenues from related parties:			2019	2018
Tiicho Community Services Agency			\$ 855	\$ 914
Hay River Health and Social Services Authority			389	205
Stanton Territorial Hospital Foundation			142	-
GNWT - ECE			109	-
NWT Power Corporation			76	-
Beaufort-Delta Education Council			-	4
GNWT - MACA			-	1
			\$ 1,571	\$ 1,124

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

(All figures in thousands of dollars)

March 31, 2019

15. Related Parties (continued)

Expenses paid to related parties:	2019	2018
Tlicho Community Services Agency	\$ 651	\$ 376
Aurora College	269	7
NWT Housing Corporation & local housing authorities	166	144
Hay River Health and Social Services Authority	135	52
Yellowknife Catholic School Board	81	10
NWT Power Corporation	72	45
Stanton Territorial Hospital Foundation	50	-
Government of the Northwest Territories	42	978
Dehcho Division Education Council	5	-
Yellowknife Education District #1	5	7
BDIC	3	4
Beaufort-Delta Education Council	2	5
	\$ 1,481	\$ 1,628

16. Financial Instruments

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

(a) Credit risk

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

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

Accounts receivable are due from various governments, government agencies, corporations and individuals. Credit risk related to accounts receivable is mitigated by internal controls as well as policies and oversight over arrears for ultimate collection. Management has determined that a portion of accounts receivable are impaired based on specific identification as well as age of receivables. These amounts are as disclosed in Note 5.

The Authority's maximum exposure to credit risk is represented by the financial assets for a total of \$43,382 (2018 - \$33,391).

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, 2019, receivables from the Government comprised 60% of the total outstanding accounts receivables (2018 - 55%). The Authority reduces this risk by monitoring overdue balances.

(b) Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet all cash outflow obligations as they come due. The Authority mitigates this risk by monitoring cash activities and expected outflows through budgeting, deferring repayment to the Government (Note 1) and 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, 2019 mature within the next six months.

Total financial assets are \$43,382 (2018 - \$33,391) and financial liabilities are \$148,505 (2018 - \$126,067). The Authority has disclosed future financial liabilities and contractual obligations in Note 13. There have been no significant changes from the previous year in the exposure to risk or policies, procedures, and methods used to measure the risk.

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Notes to Financial Statements

(All figures in thousands of dollars)

March 31, 2019

17. Subsequent Event

Subsequent to year end, the Government completed construction of the new Stanton Territorial Hospital. The new hospital is owned by the Government but operated by the Authority. The first patient day in the new hospital was May 26, 2019. The opening of the new hospital will have a significant operating and financial impact on the Authority. The Authority expects to receive increased direct government contributions as well as increased grant-in-kind government contributions to offset the anticipated increase in expenses relating to operating the new, larger hospital. Since this will be the first year of operations for the new hospital, a reasonable estimate of the financial impact cannot be made.

18. Comparative figures

The financial statements have been reclassified where applicable to conform to the presentation used in the current year. The expenses by department were reclassified to provide increased transparency on the amount and type of transactions in each department. Amounts relating to medical travel and out of territory placement have been reclassified from within Administration and support services to Supplementary health programs on the Statement of Operations and Accumulated Deficit.

19. Budget

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

	Budget per Statement of Operations and Accumulated Deficit	Government Approved Budget	Difference
Revenue			
Recoveries from other sources	\$ 9,246	\$ 38,076	\$ (28,830)
Recoveries from Nunavut	3,461	-	3,461
Contributions from other sources	-	-	-
Interest income	170	170	-
Other income	31	-	31
Total Revenue	12,908	38,246	(25,338)
Expenses			
Community social programs	81,367	23,592	57,775
Ambulatory care services	60,745	38,883	21,862
Administration and support services	61,189	61,501	(312)
Community health programs	44,864	98,524	(53,660)
Supplementary health programs	44,785	44,474	311
Nursing inpatient services	34,161	34,161	-
Diagnostic and therapeutic services	27,405	25,515	1,890
Undistributed	-	27,866	(27,866)
Total Expenses	354,516	354,516	-
Government contributions			
Contributions from Government of the Northwest Territories	286,634	281,098	5,536
Recoveries from Government of the Northwest Territories	19,636	-	19,636
Recoveries - non insured health services	13,357	13,191	166
Total Government contributions	319,627	294,289	25,338
Annual deficit	\$ (21,981)	\$ (21,981)	\$ -

NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY**Notes to Financial Statements****(All figures in thousands of dollars)**

March 31, 2019

20. Expenses by object

	2019	2018
	Actual	Actual
Compensation and benefits		
Salaries and wages	\$ 172,758	\$ 157,136
Superannuation	12,256	12,082
Post employment benefits	565	693
Honorariums	108	165
	185,687	170,076
Compensable items		
Locums	15,441	15,978
Other compensable items	6,398	5,244
	21,839	21,222
Operations and maintenance		
Contracted and general services	75,924	47,599
Medical travel and other travel	27,529	26,246
Contributions	18,292	19,012
Medical and surgical supplies	10,420	11,461
Rent expense (Note 11)	9,896	8,134
Administrative expenses	3,910	3,087
Program expenses	4,746	3,606
General supplies	3,730	4,164
Professional development and training	3,531	1,743
Medical and program equipment	2,561	2,377
Communications	1,584	1,416
Valuation allowances	743	16
	162,866	128,861
Total expenses	\$ 370,392	\$ 320,159

Effective 1 April 2018, the Government of the Northwest Territories transferred the Out of Territory Program for Adults from the Department of Health and Social Services to the Authority. The Out of Territory Program for Adults supports the placement of adults from across the entire Northwest Territories based on needs identified by staff across the health and social services system, with a corresponding budget increase of \$26,700, and a corresponding increase in community social programming.



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