

FINANCE

2015-16 Business Plan

1. DEPARTMENTAL OVERVIEW

MISSION

To obtain, manage and control the financial resources required to support the priorities identified by the Legislative Assembly through implementation of Government of the Northwest Territories' policies and programs and ensuring effective, efficient and economical management of financial and information resources.

GOALS

1. Maintain a fiscal regime that facilitates economic growth while supporting social and environmental goals.
2. Provide the necessary financial information, based on sound fiscal analysis, to support Government policy development and decision making.
3. Oversee the management and protection of the Government's information resources.
4. Ensure that the programs and services delivered by Finance are responsive to client needs.
5. Maintain a financially transparent and accountable Government so that there can be public confidence in the prudence and integrity of Government operations.

OPERATING ENVIRONMENT

The fiscal reality of the Government of Northwest Territories (GNWT) is that we depend on Canada for the majority of our revenues. The Territorial Formula Financing, our main federal transfer, largely depends on provincial-local government spending and NWT population growth rates to determine growth of the transfer. The provinces are attempting to return to balanced budgets through reduced spending, and a stagnant, or declining, NWT population will slow the growth in Territorial Formula Financing and therefore total revenues. Consequently, the revenue growth rate is expected to slow to just over 2 per cent per year, on average; less than half the growth that was experienced over the last five years. Furthermore, the NWT's vast size, small and dispersed population, and challenging climate make the cost of delivering services and building infrastructure many times the value of its tax base, and therefore its ability to raise its own revenues is limited.

The net fiscal benefit from resource revenues following the transfer of jurisdiction over non-renewable resources will not change the GNWT fiscal reality. However, GNWT control over the management of NWT lands, waters and resources will provide more opportunities to strategically invest in initiatives that will generate the long-term economic, social and environmental returns that will, over time, increase the territory's self-reliance.

Although the economy has grown substantially in the last decade, it has entered a phase of low growth at a level significantly lower than the double digit growth of the last decade. The NWT economy depends on the large government sector and resource developments. However, historically linkages between the resource sector and the rest of the economy have not been strong. Notwithstanding the proposed development at the Ekati mine, the potential developments that may occur over the next few years are not large enough to replace the large diamond mines that are expected to close within the next 10 years. In the medium to long-term, this is not sustainable and the NWT population is starting to decline. This is why the GNWT has embarked on an objective to increase the NWT population by 2,000 people by the year 2019.

The uncertain economic environment is not a new challenge and the GNWT is poised, through its *Land Use Sustainability Framework*, *Economic Development Strategy*, *Mineral Development Strategy*, and *Energy Plan*, to meet these challenges with actions that support a healthy and growing business sector by addressing weaknesses in the NWT investment environment and restoring the NWTs' competitive edge. Part of the solution is investment in public infrastructure – from roads and airports, to communications networks, to quality remote community housing to attract and retain skilled people.

The Government must ensure that it has adequate fiscal resources to take actions under its various economic development strategies while continuing to provide quality Government programs and services. These programs and services are needed by NWT residents to maintain and improve the quality of life in the NWT and allow residents to take advantage of opportunities as they arise. The Government must ensure it has adequate fiscal resources to provide programs and have the flexibility to deal with changing circumstances and take advantage of new developments in governance or in new technology.

The Government has remained committed to a fiscal strategy that contains the growth in operating expenditures below revenue growth in order to generate operating surpluses needed for infrastructure investment. After three years of deficit budgets to mitigate the impact of the 2008 recession, the Government has returned to surplus operating budgets since 2011-12. Generating operating surpluses is crucial to tackling the large infrastructure deficit. The Government remains committed to the *Fiscal Responsibility Policy* debt management guidelines. These guidelines prevent borrowing to pay for programs and services, require sufficient operating surpluses to generate a minimum of fifty per cent cash to fund annual infrastructure investments and require annual debt servicing payments to remain less than five per cent of total revenues. This commitment to prudent fiscal management was a critical factor in the federal government's decision to raise the GNWT borrowing limit to \$800 million.

Resource revenues from the devolution of the responsibility for public land, water and resource management will not change the fiscal strategy. The GNWT is committed to managing resource revenues for the benefit of today's and tomorrow's generations, which means that resource revenues will not be used to fund programs and services. Instead, under the fiscal framework, resource revenues will be used to invest in infrastructure, pay down debt and, contribute to the NWT Heritage Fund.

Finance made several strategic alignments through the 2014-15 budgeting process to strengthen the way government services are provided internally and to the public. The Service Innovation Strategy (SIS) is aimed at improving service delivery to NWT residents and businesses. One phase of SIS has already been implemented with the Service Inventory available on the GNWT website; while other aspects will be implemented including improved Government websites, online payment management, single contact centres and access to more services online.

Strategic alignments in support of strengthening service delivery and modern management were made by transferring portions of the Department of Human Resources (DHR) to Finance, and transferring the Bureau of Statistics (BoS) and the Program Review Office (PRO) from the Department of Executive. The transfer of the Employee Services division including regional operations, Human Resource information system (HRIS) and the helpdesk function was done to allow the DHR to focus on providing service and support to management while Finance can focus on transaction processing and services to employees. The HRIS team will be aligning with the System for Accountability and Management (SAM) team to form a new Informatics Shared Services (ISS) division that will implement, maintain and support both the financial and human resource information systems. This functional realignment will ensure a common shared services approach through Financial Shared Services (FSS), ISS and Employee Services functions guided by Service Partnership Agreements to achieve agreed to metrics of performance. The BoS and PRO functions were transferred to Finance to enhance the business planning function and help ensure sound fiscal management. Since the current business planning process is a resource allocation tool that links to the Governments' priorities and Main Estimates process, the functions will complement Finance in achieving our goals and objectives.

The Department will be tabling a 2014-2019 Strategic Action Plan during the October-November 2014 sitting of the Legislative Assembly that will provide multi-year direction for the Department. Progress towards the Strategic Plans' priorities, goals, objectives, actions and desired outcomes will be measured through the Departments' annual business plan and feed into the business planning process. The contents of the Strategic Plan will continue to support the goals of the 17th Legislative Assembly and will be updated to reflect any significant changes once the 18th Legislative Assembly is in place.

2. RESOURCE SUMMARY

Departmental Summary

	(thousands of dollars)			
Proposed	2014-15		2014-15	
2015-16	Main	Revised	Main	2013-14
	Estimates	Estimates	Estimates	Actuals
Operations Expenses by Activity				
Deputy Minister's Office	87,200	89,632	89,632	82,175
Fiscal Policy	39,716	40,129	40,129	23,811
Bureau of Statistics	1,069	1,042	1,042	1,585
Budget, Treasury & Debt Management	26,860	27,800	27,800	19,121
Office of the Comptroller General	48,809	49,567	49,567	44,648
Office of the Chief Information Officer	2,837	2,460	2,460	1,899
Total Operations Expenses by Activity	206,491	210,630	210,630	173,239
Operations Expenses by Object				
Compensation and Benefits	45,531	42,223	42,223	39,131
Grants and Contributions	130,175	136,267	136,267	108,055
Other	28,470	29,825	29,825	23,880
Amortization	2,315	2,315	2,315	2,173
Total Operations Expenses by Object	206,491	210,630	210,630	173,239
Revenues	1,597,952	1,561,450	1,561,450	1,465,191

Human Resources Summary

	Proposed	2014-15	2014-15	
2015-16	Main	Revised	Main	2013-14
	Estimates	Estimates	Estimates	Actuals
Yellowknife Headquarters	197	197	197	168
Regional / Area Offices	68	68	68	44
Other Communities	-	-	-	-
Total Number of Positions	265	265	265	212

KEY ACTIVITY 1 – DEPUTY MINISTER’S OFFICE

Description

The Deputy Minister’s Office includes the Office of the Deputy Minister/Secretary of the Financial Management Board and the Corporate Affairs Division.

The duties and responsibilities of the Deputy Minister of Finance/Secretary of the Financial Management Board are conducted as described in the *Financial Administration Act*. In addition, this Division directs the support of the Financial Management Board and provides financial and administrative leadership for the GNWT.

The Corporate Affairs Division is responsible for: developing and maintaining departmental policies and legislation; the department’s budget management and records programs; the provision of information management support to the department; providing strategic advice on departmental performance and emerging issues; and coordinating the department’s involvement in the self-government and devolution processes.

Responding to the Goals and Priorities of the 17th Legislative Assembly

Priority One: Build a strong and sustainable future for our territory: Negotiating and implementing a devolution final agreement

The Department assisted in the negotiation and implementation of a devolution final agreement through the net fiscal benefit and definition of resource revenues, establishing a finance working group and participating on the Property Assets Records and Contracts Committee and on the Human Resources and Contaminated Waste Sites Working Groups.

Departmental Highlights

Strategic Action Plan

The Department will be tabling a 2014-2019 Strategic Action Plan during the October-November 2014 sitting of the Legislative Assembly that will provide multi-year direction for the Department. Progress towards the Strategic Plans’ priorities, goals, objectives, actions and desired outcomes will be measured through the Departments’ annual business plan and feed into the business planning process. The contents of the Strategic Plan will continue to support the goals of the 17th Legislative Assembly and will be updated to reflect any significant changes once the 18th Legislative Assembly is in place.

Northern Employee Benefits Services (NEBS) Pension Plan Legislation

The GNWT recognizes that NWT residents deserve to have a modern, viable and financially stable pension plan capable of meeting their retirement needs. About one thousand NWT residents are members of the NEBS Pension Plan who, supported by the proposed legislation, will have increased comfort and financial security for their retirement planning.

In co-operation with NEBS and the Government of Nunavut, Bill 12 *Northern Employee Benefits Services Pension Plan Act* received 1st and 2nd reading in the Legislative Assembly in March 2014.

The Department is anticipating that the legislation will continue to proceed through the legislative process and be in force in early 2015.

Financial Administration Act (FAA)

The *FAA* is intended to provide a legislative framework for the effective and efficient stewardship of GNWT resources, as well as accountability requirements for the management and use of those resources. Following from the legislative proposal introduced into the legislative process in late 2012, the revised proposed *FAA* is based on the objectives of improved accountability, transparency, fiscal responsibility as well as addressing recommendations from the Legislative Assembly and the Office of the Auditor General. The Department is anticipating that the revised proposed *FAA* will continue to proceed through the legislative process and be in force in 2015.

Legislation Initiatives

The Department currently has numerous other legislative initiatives that will enter the legislative process in 2014, they are as follows:

- **Public-Private Partnerships (P3) Corporation**

Building off the principles from the revised *FAA*, the Department will be submitting a legislative proposal to establish a P3 Corporation to facilitate complete transparency around the funding, procurement and operations of all GNWT P3 projects.

- **Tobacco Tax Act (TTA)**

The Department will be submitting a legislative proposal into the legislative process in order to amend the *TTA* and associated regulations to change the tobacco tax collection system and establish a requirement for a tax duty stamp to be placed on tobacco products sold in the NWT. The proposed changes would enhance the ability of increased control on tobacco products and reduce the amount of contraband and counterfeit tobacco currently offered for sale in the NWT.

- **Petroleum Products Tax Act (PPTA)**

The Department will be submitting a legislative proposal into the legislative process in order to amend the *PPTA* and associated regulations to update the legislative framework to address the current realities for petroleum products distribution and sale in the NWT. The proposed changes will provide greater clarity for all stakeholders regarding petroleum products tax and will assist the Department in administration and collection of taxes due under the legislation.

- **Chartered Professional Accountant (CPA) Legislation**

In co-operation with the CPA transitional body and the Government of Nunavut, the Department will be introducing a legislative proposal into the legislative process to establish new CPA legislation which would replace and rescind legislation for the Chartered Accountants, Certified Management Accountants and Certified General Accountants.

- Liquor Regulations

The Department will be proposing amendments to the liquor regulations to allow for direct sales from a manufacturing facility. This would establish a new type of liquor license and applications would need to be approved by the Liquor Licensing Board. The Department will also be proposing a small manufacturing discount up to a certain production limit for liquor manufacturers in the Northwest Territories.

The Department will continue to work with the City of Yellowknife as well as the Department of Justice to consider legislative amendments to allow certain authorities for Municipal Enforcement Officers under the Liquor Act.

KEY ACTIVITY 2 – FISCAL POLICY

Description

Fiscal Policy is responsible for providing research, analysis and recommendations on the fiscal policies of the government; monitoring economic conditions as they affect the government's fiscal position; providing macroeconomic research and policy advice; providing analysis and advice on Canadian and NWT tax policies; monitoring and advising on intergovernmental fiscal relations; and preparing the annual budget address. The Activity also provides technical support for the Minister and Deputy Minister of Finance in federal-provincial-territorial discussions and represents the GNWT on intergovernmental Finance committees.

Responding to the Goals and Priorities of the 17th Legislative Assembly

Priority One: Build a strong and sustainable future for our territory

Building a sustainable future requires revenues to make strategic investments as well as fund necessary programs and services. Through the Employment and Economic Development Committee of Cabinet, Fiscal Policy is taking a lead role in developing a strategy to increase the NWT's population by 2,000 people by the year 2019. Increasing the population will stimulate the economy and provide greater government revenues.

In addition the GNWT remains committed to finding new revenue sources:

- Effective April 1, 2014 the GNWT will collect all NWT resource revenues and share with the federal and Aboriginal governments.
- Effective April 1, 2014, property tax rates were increased to match inflation
- Tax on loose tobacco was increased effective July 1, 2013
- All other tobacco tax rates and liquor mark-ups remained the same due to the concern that these remain the highest of all Canadian Jurisdictions
- Departments will continue to increase revenue stream from fees as per FMB direction, unless there are extenuating circumstances.

Priority Three: Strengthen and diversify our economy

Through the Employment and Economic Development Committee of Cabinet, Finance is represented as a member of the interdepartmental advisory working group on the *Economic Opportunities Strategy* and the *Mineral Development Strategy*.

Departmental Highlights

Budget Dialogue

A public consultation, Budget Dialogue 2013 – Resourcing Our Legacy, was held from October to November and a results report was released in January 2014. Dialogue 2013 was an opportunity to discuss with NWT residents how much resource revenues the GNWT will receive, why the GNWT is proposing not to use resource revenues for program expenditures and to generate public discussion on the proposed approach to managing resource revenues. The Dialogue asked for input from residents on how they see the GNWT ensuring non-renewable resource

revenues are used for the benefit of current and future NWT residents. A total of one hundred individuals and organizations provided input – eighty through public meetings in one of seven regional centres, and another twenty through written remarks.

Cross-Departmental Initiatives

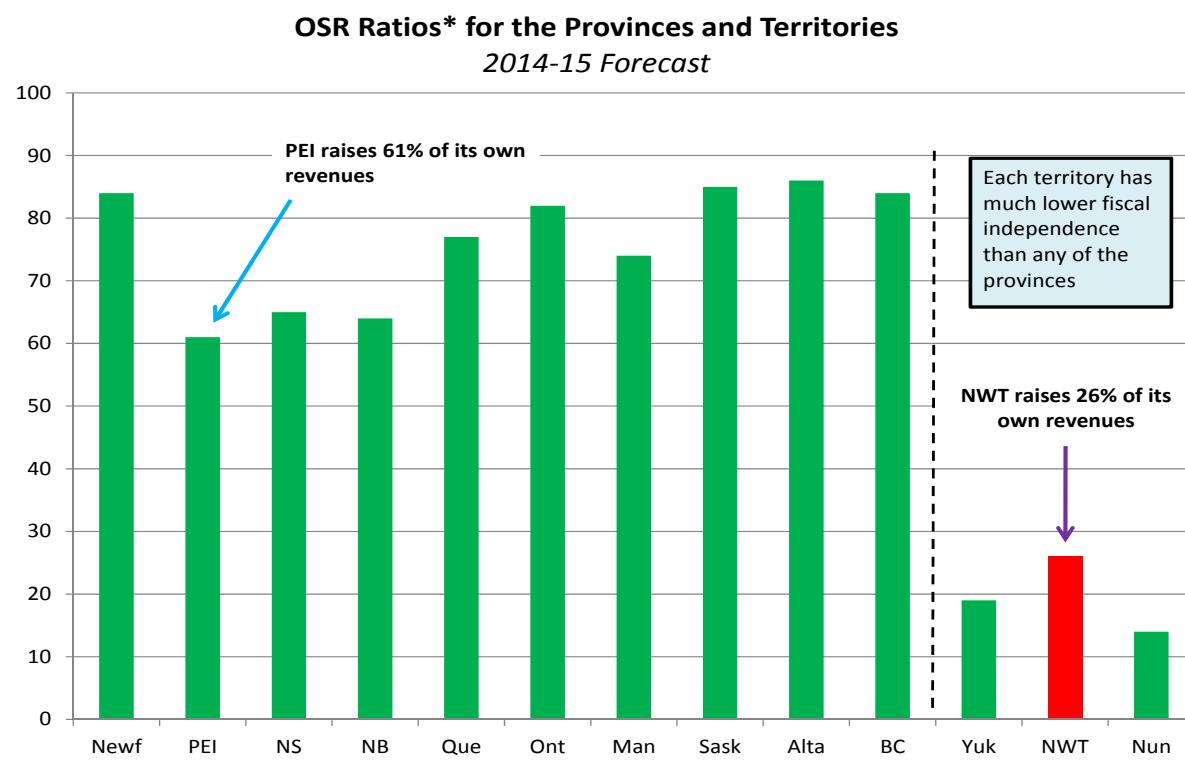
Macroeconomic Framework

Fiscal Policy is using the Macroeconomic Policy Framework as an evidence-based framework and process to guide GNWT economic investment decisions to grow and diversify the economy.

Performance Measures

Outcome – Fiscal Independence by reducing the reliance on federal transfers

Measure: A measure of fiscal independence is the ability of the GNWT to increase GNWT own source revenues. Compared to the provinces, the GNWT has a low degree of fiscal independence, as measured by own-source revenues as a percentage of total revenues and depend on federal transfers for the majority of their revenues.



Outcome - Conducting and tabling results of public Budget consultations

Measure: Budget Dialogue 2013 – Resourcing Our Legacy public consultations were held in the seven regional centres from October to November 2013 and a results report was released on January 13, 2014.

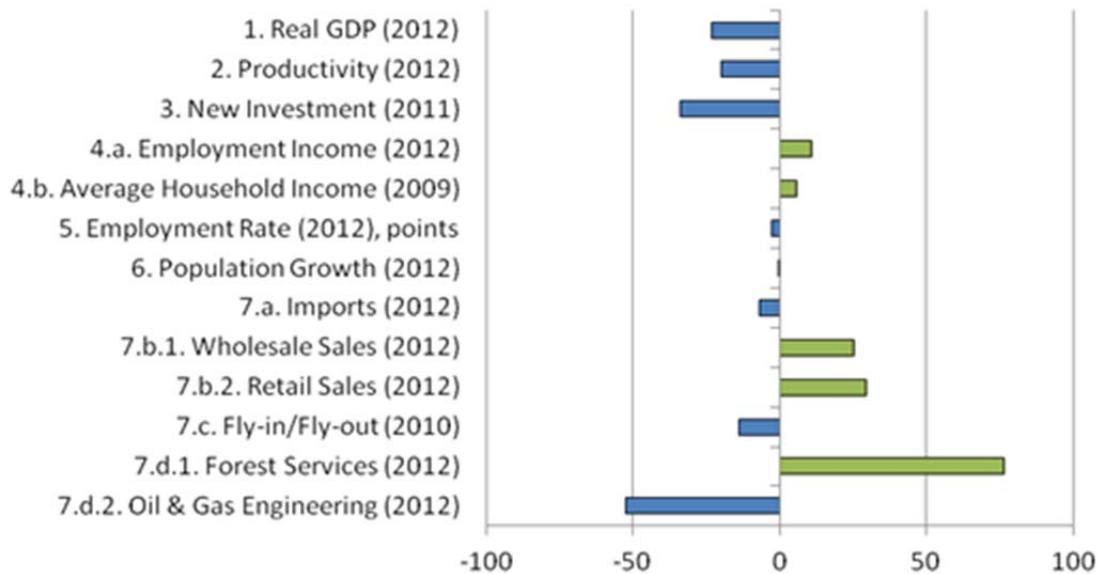
Outcome – An effective Macroeconomic Policy Framework used consistently across departments to provide evidence-based analysis for economic investment decision-making

Measure: Number of Initiatives that are evaluated though the Macroeconomic Policy Framework

Fiscal Year	Initiatives Reviewed
2013-14	3
2012-13	2

Measure: The GNWTs' *Macroeconomic Policy Framework* includes economic performance indicators that monitor the health of the economy over time by comparing indicators to a baseline average value from 2005 to 2007. These indicators can provide an indication of the effectiveness of the GNWT's investments to grow and diversify the economy.

**Macroeconomic Indicators of Progress, per cent
change from the base year to the most recent year***



*Base year is an average value from 2005 to 2007 for Employment Rate, Wholesale Sales, Retail Sales, and Fly-in/Fly-out Labour. For all other indicators, the base year is 2007.

Source: Statistics Canada, Northwest Territories Bureau of Statistics and NWT Finance.

Of the thirteen primary and sub-indicators measured currently, five indicators increased in value, while the remaining indicators have decreased. The NWT economy has demonstrated a low level of resiliency in responding to the recession given that many indicators have not yet returned to their pre-recession levels and the pace of recovery has been slower than in other provinces and territories.

One contributing factor to the low level of resiliency is the composition and openness of the NWT economy, with people and capital free to move to more favourable provinces when faced

with economic challenges at home.

The challenge for the GNWT is to identify and advance investment opportunities that will generate sustainable benefits in the context of the global economic environment in which NWT businesses compete. It is expected that the Mineral Development and Economic Opportunity Strategies will play a significant role in identifying these investment opportunities to help grow the population and economy of the NWT.

KEY ACTIVITY 3 – BUDGET, TREASURY AND DEBT MANAGEMENT

Description

The Budget, Treasury and Debt Management Activity is responsible for the management of the government's financial resources by ensuring that the use of public funds are properly budgeted, monitored, reviewed, and utilized efficiently.

The office of the Deputy Secretary of the Financial Management Board (FMB) oversees the management of the activity in the Division, including the GNWT Public Private Partnership Policy and Management Framework.

The Management Board Secretariat supports the operations of the FMB, and is also responsible for the GNWTs' budget cycle.

The Treasury Division is responsible for licensing and regulating insurance companies, agents, brokers and adjusters operating in the NWT, administering legislated tax programs, administering the GNWTs' insurance and self-insurance programs, and the GNWT Heritage Fund.

The Program Review Office has four main areas of business: the review of programs and services to clarify and confirm mandates, determine program effectiveness, and report on results with a view to recommending modifications or improvements; working with departments to assist with program review, evaluation, and performance monitoring through direct support and advice; the provision of training to build evaluation capacity in the GNWT; and integrating business planning and risk management into overall government planning processes.

Responding to the Goals and Priorities of the 17th Legislative Assembly

Priority One: Build a strong and sustainable future for our territory: Achieve an increase to our borrowing limit

On March 8, 2012, the GNWT borrowing limit was increased to \$800 million, following a review of the definition of borrowing begun in May 2010. The new borrowing definition includes borrowing instruments not covered by the previous limit, such as loan guarantees and capital leases. Available borrowing room will be \$176 million at March 31, 2014, falling to \$148 million by March 31, 2015. Finance Canada is reviewing the GNWT request for additional borrowing capacity that will permit the GNWT to invest in strategic infrastructure.

Priority Two: Increase employment opportunities where they are most needed: Decentralizing more GNWT positions

The Department, through the Refocusing Government Committee-of-Cabinet, is the lead department for the decentralization initiative. In June 2012, Departments were directed to provide options on decentralization of existing positions to communities with existing infrastructure capacity. The proposed approach was to be undertaken in three phases:

Phase 1: Implementation for consideration in the 2013-14 Business Plans.

Phase 2: Incorporate decentralization in the organizational design that will be undertaken as part of the devolution process.

Phase 3: The development of a longer term approach, recognizing issues such as the historical position growth in the GNWT; obligations under the AIP for positions being transferred to the GNWT with Devolution; obligations under existing employment contracts and agreements; regional vacancies; regional capacity; and the impact of government spending and where this spending occurs and who it benefits.

To date, 124 positions have been created outside of Yellowknife and Departments continue to seek opportunities to bring programs and services closer to the people they serve.

Priority Three: Strengthen and diversify our economy: Strategic infrastructure investments

The Mackenzie Valley Fibre Link (MVFL) project will provide the high-speed broadband connectivity required to support an expansion of the Inuvik Satellite Facility (ISF), as well as providing broadband connectivity to communities throughout the Mackenzie Valley by 2016. The ISF is the key anchor customer for the project and its growth significantly impacts the economics of the project. To facilitate this growth, the project has been working under strict timelines to ensure commissioning during the second quarter of 2016. The MVFL needs to be operational by the second quarter of 2016 so that ISF clients can test ground stations for a period of time prior to the launch of a polar orbiting station by the European Space Agency in 2017.

The GNWT has sought authorizations from the Mackenzie Valley Land and Water Board to construct the Project based on an indicative design which is subject to refinement by the contractor who will be selected to construct and operate the MVFL. The MVLWB indicated that more information is required before the authorizations are issued to GNWT for the Project.

In order to provide the MVLWB with sufficient information to issue the authorizations, the GNWT has initiated a plan that includes (i) further community engagement on route determination, and (ii) expediting ratification of land access agreements in the Sahtu and Gwich'in. This will allow construction to proceed on schedule in January 2015 which in turn will ensure that the Project is operational by 2016.

The evaluation process for the MVFL Request for Proposals concluded in early July 2014, and Northern Lights Fibre was identified as the highest ranked Proponent. On July 25, 2014 Northern Lights Fibre achieved Preferred Proponent status and an early works agreement, signed between the GNWT and Northern Lights Fibre, was entered into shortly thereafter on August 5th, 2014. The early works agreement will allow for the key project activities to proceed, complimenting the permitting process, allowing the MVFL to maintain the construction schedule.

Other achievements: Effective, efficient Government: Program Review Office

PRO was established to support the Assembly's goal of efficient and effective government. PRO was transferred to the Budget, Treasury and Debt Management branch of the Department of Finance effective April 01, 2014 to support the integration of PRO's work plan into a more streamlined government-wide planning process. This merger has supported the inclusion of program design, evaluation, and risk assessment into the current business planning cycle.

Departmental Highlights

Fiscal Strategy

The establishment of a fiscal strategy is an essential element of the government's planning effort. The current fiscal strategy calls for a return to surpluses to pay down the short-term borrowing incurred for capital investments over the past few years and to generate cash to invest in future infrastructure projects. The main objective for the current fiscal strategy is to remain within \$100 million of the \$800 borrowing limit.

A number of pressures have impacted the fiscal strategy that was presented during the 2012 business planning process. Personal and corporate income tax estimates for 2013-14 and 2014-15 have been revised downward, causing an almost \$30 million decrease in total revenues in each year. The personal income tax decrease was caused by two events: a decrease in the federal estimate for 2013 taxable income and an unexpected decline in NWT tax filers in 2012. Corporate income tax revisions result from lower 2012 corporate tax returns for a number of the larger NWT corporate tax filers. While a portion of the tax revenue decrease will be recovered through higher Territorial Formula Financing grant entitlements, the pressures that caused these revisions are on-going and corporate income tax forecasts for 2015-16 and beyond have been revised downward significantly.

In addition, there continues to be fiscal future pressures that the GNWT will need to plan for including:

- The Inuvik-Tuktoyaktuk highway;
- The Stanton Territorial Hospital;
- The Mackenzie Valley Fibre Link project;
- Replacement of the Fire Suppression Fleet;
- The growing infrastructure deficit for both the GNWT and communities; and
- Continued pressure on expenditures, especially in health and social programs

As a result of these pressures, the following key components have been implemented to keep the GNWT within the \$100 hundred million target:

- Maintain Community Government Capital Funding at current level of \$28 million in 2016-17 and ongoing;
- \$10 million in program reductions in 2015-16;
- Maintaining the \$125 million GNWT capital planning allocation for 2015-16 and then returning the capital planning budget to the historical level of \$75 million in 2016-17 and ongoing

Risk Management Framework

PRO, the Comptroller General, and the Audit Bureau have together developed and implemented a *GNWT Risk Management Framework* to help provide both senior management and program managers with information and to further support an integrated approach to government-wide planning.

Risk Management and Insurance

In 2010, the Department commissioned an insurance valuation assessment and risk retention review of the GNWTs' insurance program. This review looked at the entire program, compared it to other jurisdictions and offered recommendations based on loss forecasting. Generally, the GNWTs' deductibles and premiums are consistent with similar organizations with similar exposures, and recommended improvements have been negotiated with insurers.

Including the Deh Cho Bridge and the new Inuvik School in the Government's overall property values insured, as well as significant investments to existing facilities and construction of new facilities, has increased the GNWTs' total insured values by 60% over the last two years. Given the GNWTs' notably increased insured values, investments in new infrastructure and new responsibilities arising from Devolution, the Department believes the assumptions in the original Assessment may not be valid and will require restatement over the next year to two years. Prior to commissioning this report from an actuary, the GNWTs' insurance broker has proposed a line by line review of all insurance policies in comparison to the GNWTs' assets and department responsibilities to ensure that our current program is meeting the GNWTs' needs. This review will begin in the 2014-2015 fiscal year and will require approximately 18 months. This is a significant project and is expected to result in some program re-design with regard to limits insured, deductible levels and coverage extensions.

Tax Administration

System reviews of Tobacco and Payroll tax areas are in progress. The purpose of these reviews is to:

- Identify opportunities to create capacity
- Identify processes best suited to other divisions or departments

An example of creating capacity would be introducing ecommerce to these taxes (online submission of tax returns and acceptance of payments; posting of payments to taxpayer

accounts). Also establishing procedures for dealing with taxpayer errors, such as calculation mistakes or missed deadlines will be developed and documented to better measure productivity and minimize the impact of employee turnover. Alternatives will be developed for areas targeted for improvement, and priorities assigned from which an implementation plan will be drafted.

Cross-Departmental Initiatives

Decentralization

A number of hurdles need to be overcome in order to successfully implement a decentralized model of government in the Northwest Territories and these include a lack of available housing and office space and the current high vacancies in the regions. These are being addressed as follows:

- The NWT Housing Corporation (NWTHC) will address the shortage of available housing in smaller NWT communities through the expansion of its **Market Housing Program** by investing \$20.25 million over three years (starting in 2014-15). The combination of this investment and internal reallocations, an additional 100 market rental housing units will be available in smaller NWT communities.
- In addition to this investment, the NWTHC is also proposing to invest \$783,000 over the next three years in the Housing for Staff Program through which the NWTHC partners with community-based organizations, private developers and community corporations to support the development of more rental housing smaller NWT communities. It is expected that with this level of investment an additional 69 market rental housing units could be developed.
- Funding was approved in the 2014-15 Infrastructure Acquisition Plan for Public Works and Services (PWS) to undertake a planning study for the construction of office space in regional centres. This includes undertaking a gap analysis in each community of what office space is available privately and publicly (municipal/commissioners lands) against a virtual requirement. Further work will determine requirements and conceptual design options for a “prototype” building to provide required space. For larger communities it may be that two “units” would be required so the design has to be suitable for doubling. PWS will consult with communities, councils, landlords etc.
- The Department of Human Resources has implemented a *Regional Recruitment Strategy* to address the high vacancy rates outside of Headquarters. The Regional Recruitment Strategy is intended to (1) link regional vacancies with Northerners where the NWT labour supply exists; (2) where there is no NWT labour supply, where feasible, develop Northerners through an on the job training program; and (3) where there is no NWT labour supply, and it is not feasible to develop Northerners in the short term, target appropriate labour markets outside the NWT utilizing specialized recruitment tools and strategies.

Risk Management Framework

An inter-departmental working group, supported by PRO, the Comptroller General, and the Audit Bureau has been established to guide the implementation and further development of the GNWT Risk Management Framework. Training for GNWT staff specific to Risk Management has been provided.

Performance Measures

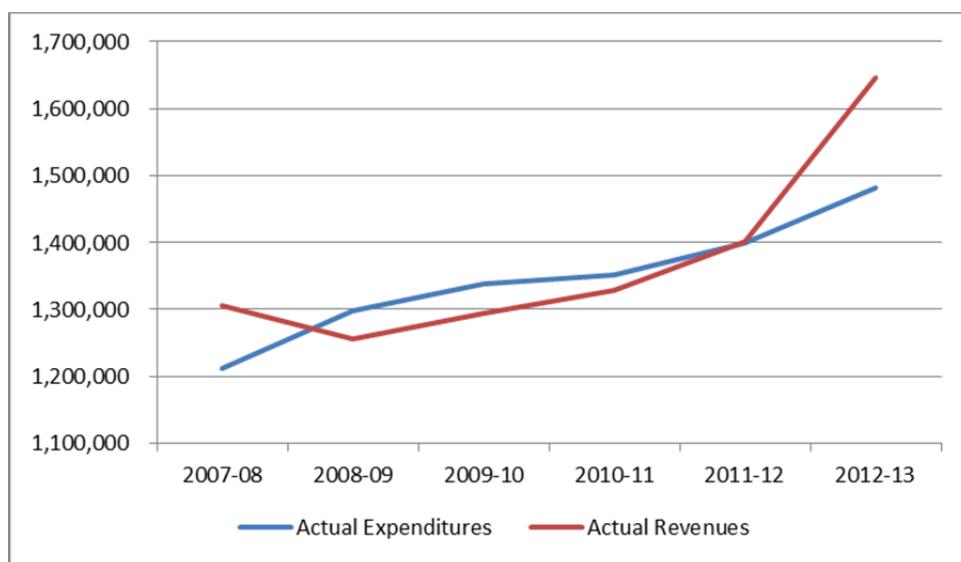
Outcome - Disciplined Government Spending

It is important the GNWT take measures to ensure the long term sustainability of government finances as the GNWT faces a declining population and increasing costs across a number of drivers. It is also important that the GNWT maintain a \$100 million buffer from the borrowing limit in order to mitigate any impacts from economic shocks. The following measures demonstrate the GNWT's efforts to manage growth in a fiscally responsible manner.

Measures:

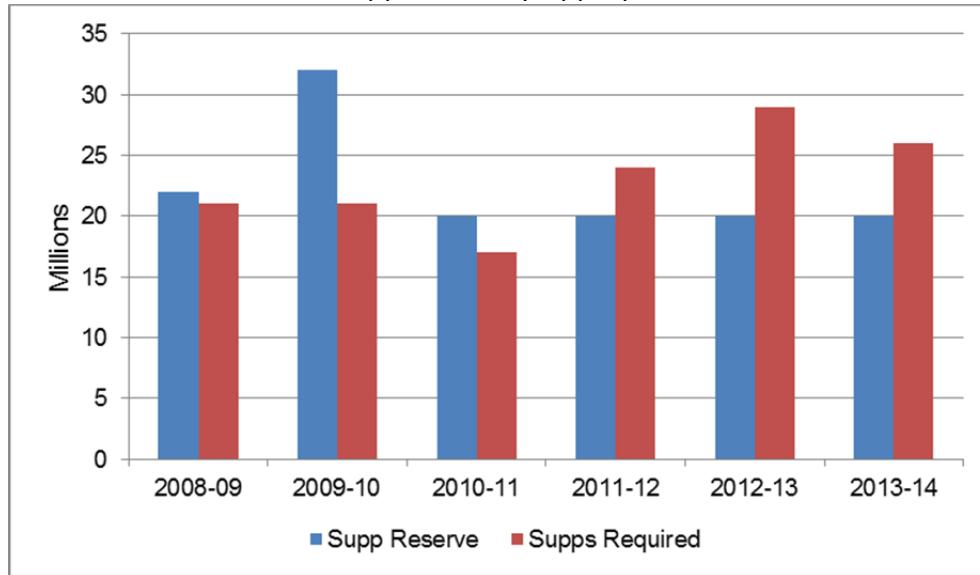
- a) Revenue and operating expenditures

Goal: Expenditure growth will not exceed revenue growth.



Between 2008-09 and 2012-13, the growth in expenditures was less than the cumulative growth in revenues. These efforts to reduce expenditure growth below revenue growth contributed to the first surplus in four years in 2011-12 and a \$163 million surplus in 2012-13.

b) Amount Over/Under the Supplementary Appropriation Reserve



In the last three years the supplementary appropriations has exceed the supplementary reserve.

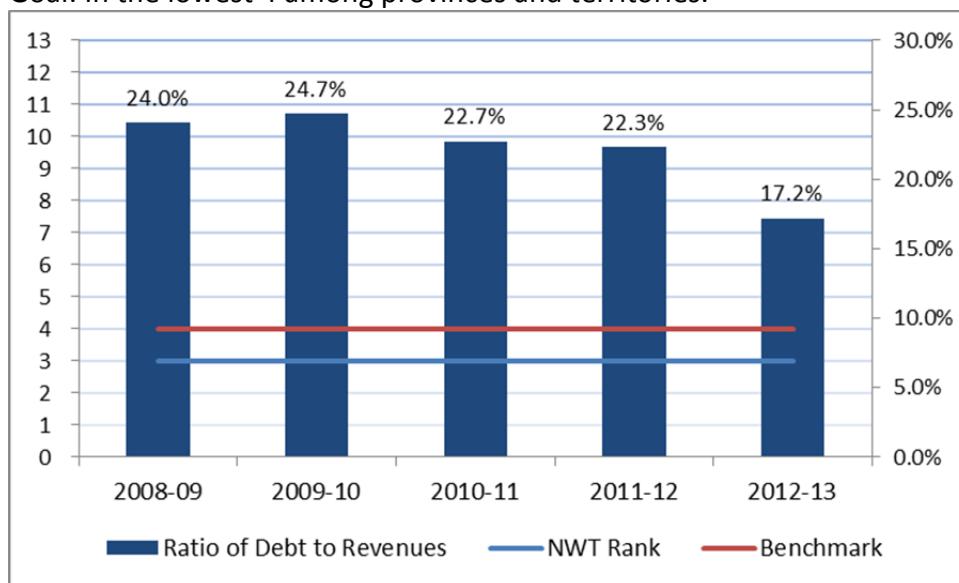
Outcome - Compliance with the performance criteria of the Fiscal Responsibility Policy

The Fiscal Responsibility Policy stipulates that the GNWT will not borrow for operating expenditures, will fund at least 50 per cent of infrastructure investment from cash operating surpluses, and will repay infrastructure debt over a maximum of 20 years. A number of performance measures are used with specific metrics to ensure the affordability of our borrowing.

Measures:

a) **Debt to Revenue** – A decreasing ratio is a positive indicator that the rate of increase in revenue exceeds the rate of increase in debt.

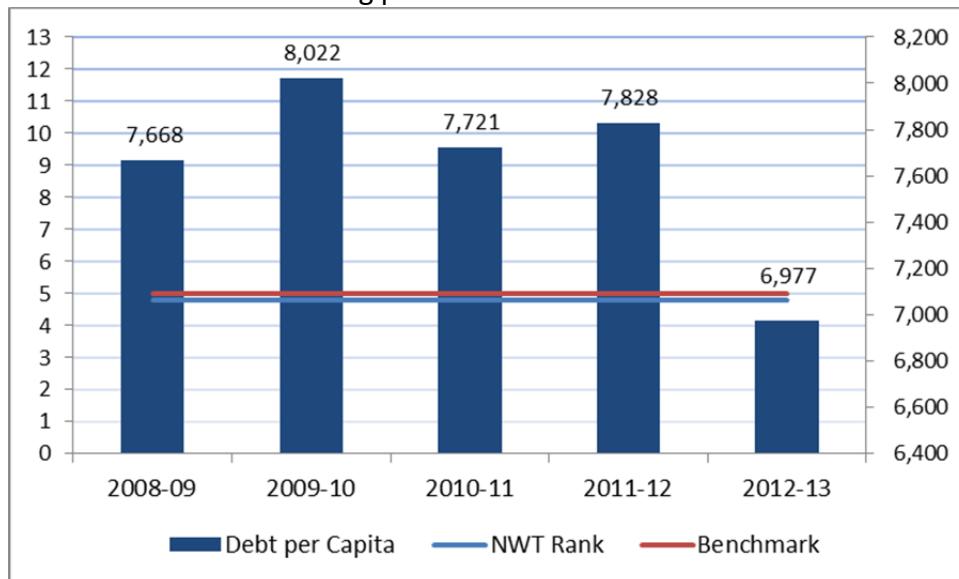
Goal: In the lowest 4 among provinces and territories.



The NWT ranks third lowest among the provinces and territories from 2008-09 to 2012-13

b) **Debt per Capita** – A measure of the debt burden on a per person basis. A decreasing ratio reflects a decreasing debt burden, hence a positive indicator.

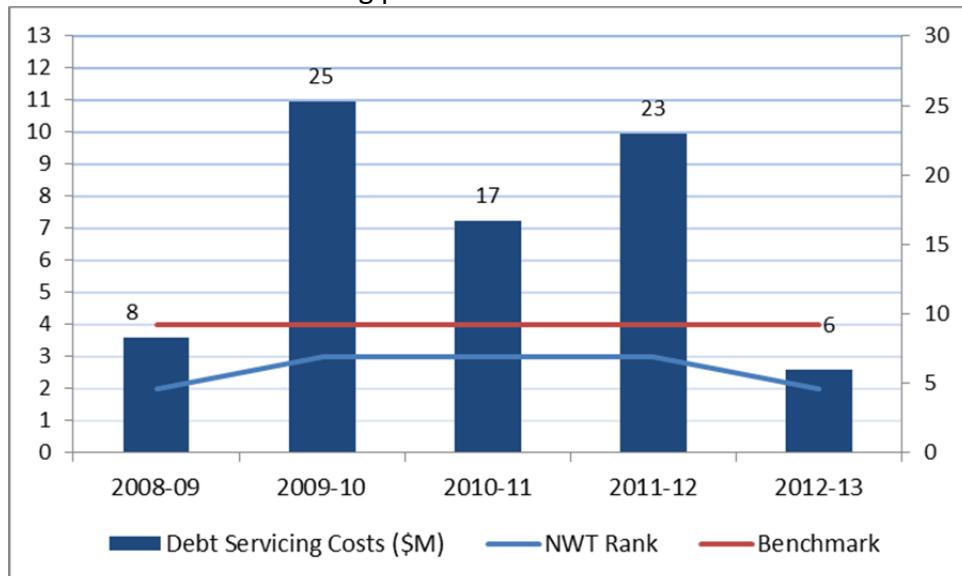
Goal: In the lowest 5 among provinces and territories.



The NWT ranks fifth lowest among the provinces and territories from 2008-09 to 2012-13

c) **Debt Servicing Costs** – Non-consolidated debt interest less investment income from sinking funds on non-consolidated debt.

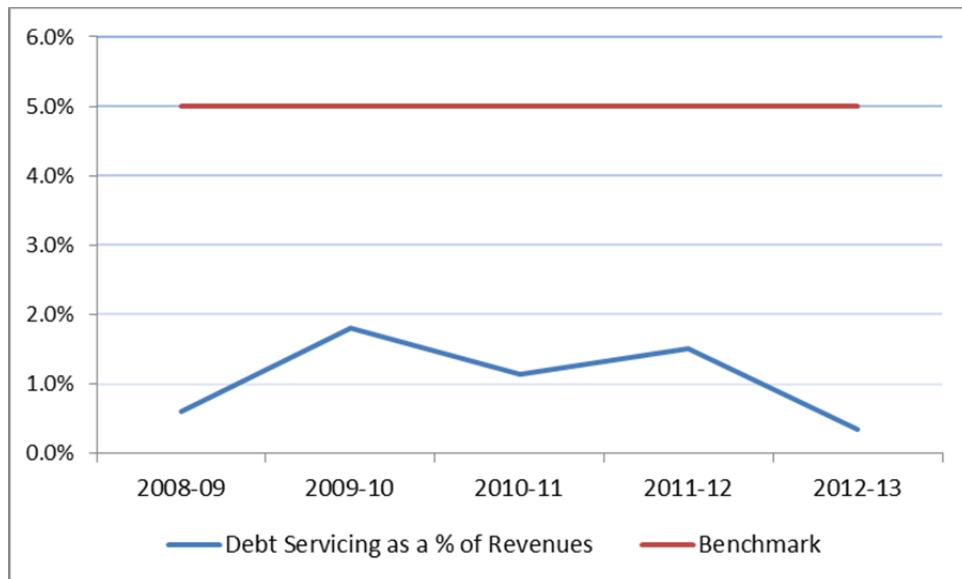
Goal: In the lowest 4 among provinces and territories.



The NWT ranks second lowest among the provinces and territories in 2012-13.

d) **Debt Servicing Payments as a per cent of Revenues** – An indicator of the extent to which revenues are being applied to debt charges rather than to programs and services, or resources that could otherwise be devoted to reducing taxes.

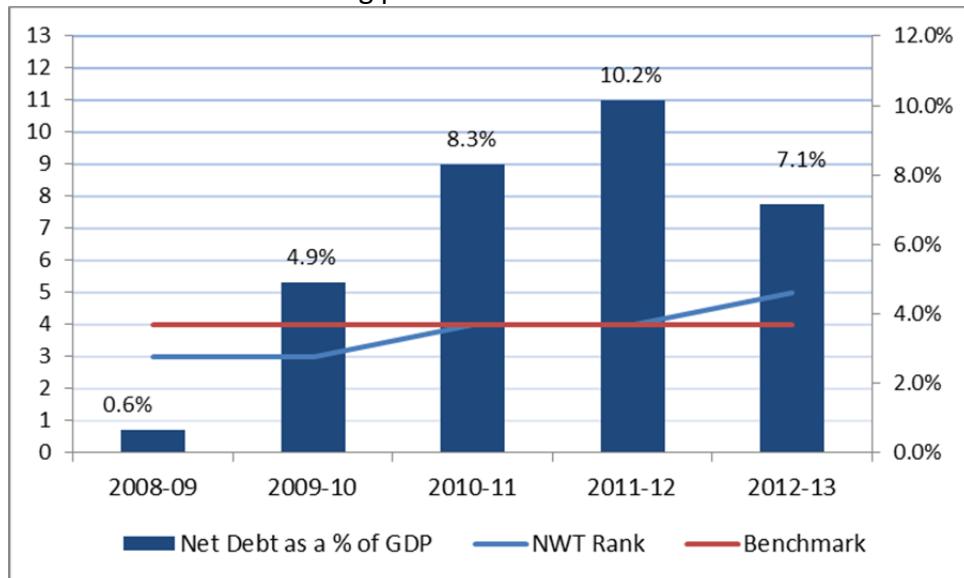
Goal: Not to exceed 5% of revenues.



The GNWT debt service payments 0.3 per cent of revenues.

e) **Net Debt, as a percent of GDP** – Increasing percentage indicates revenue growth is not exceeding rate of debt growth.

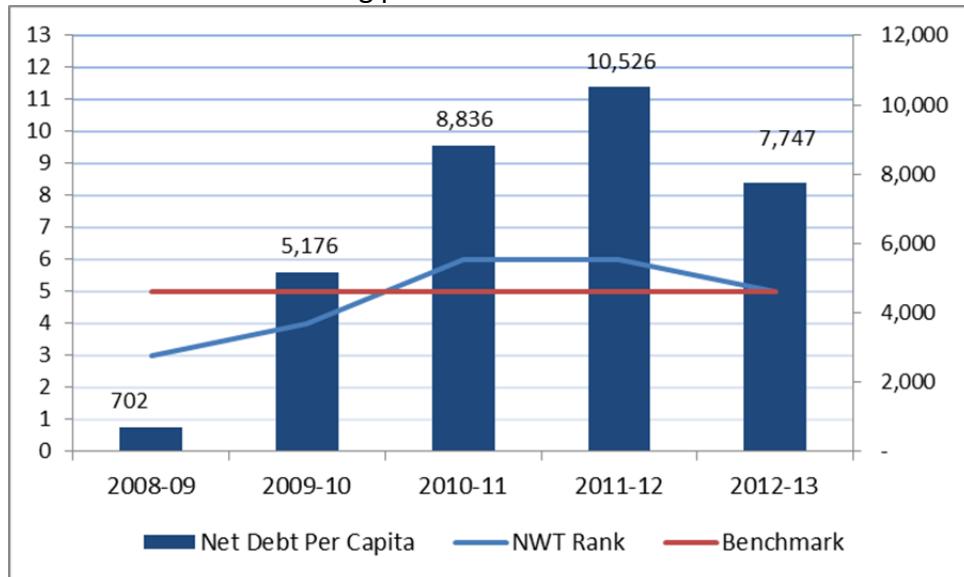
Goal: In the lowest 4 among provinces and territories.



The NWT ranks fifth lowest among the provinces and territories in 2012-13.

f) **Net Debt per Capita** – Indicator of ability to finance activities and meet obligations.

Goal: In the lowest 5 among provinces and territories.



The NWT ranks fifth lowest among the provinces and territories in 2012-13.

Outcome – Maintain Annual Credit Rating of the GNWT

A measure of sound fiscal policies, adherence to these policies and current and future debt burden with the goal of maintaining the current investment grade rating by Moody's.

2010-11	Aa1 (stable outlook)
2011-12	Aa1 (stable outlook)
2012-13	Aa1 (stable outlook)
2013-14	Aa1 (stable outlook)

Outcome – Programs and services that are reviewed, evaluated or audited

The effective and efficient delivery of government programs is supported by the review of programs and services by PRO or others.

Fiscal Year	Reviews and Evaluations
2013-14	40
2012-13	40

Tax assessments for non-compliance with tax statutes are a measure of the effectiveness of the Tax Audit function over a year. The data below provides detail on the number of tax audits resulting each fiscal year resulting in additional tax assessments and associated taxes due to the GNWT.

Fiscal Year	Audits	Audits with Additional Assessments	Additional Assessment Dollars
2009-10	36	7	303,801
2010-11	36	12	782,847
2011-12	54	20	343,470
2012-13	77	9	406,894
2013-14	105	19	2,739,148

Outcome – Capacity Building within the GNWT

- The Department helps to build capacity within the GNWT through advice, support, mentorship, and training of staff.
- In 2013/14 PRO offered the following training opportunities to GNWT staff: Social Return on Investment, Program Design, Evaluation Frameworks, Evaluation Foundations, Qualitative Data Analysis, Turning Statistics into Stories, and Understanding and Interpreting Data.
- Target for future years is to increase number of participants.

Fiscal Year	Number of Training Participants
2013-14	156

- In keeping with our strong focus on, and government-wide leadership in Modern Management principles, the Department encourages leadership development training and supports staff at all levels to pursue educational opportunities that add value to the Public Service.
- Finance takes pride in the GNWT being named one of “Canada’s Best Diversity Employers” and “Canada’s Top 100 Employers”, and strives to live up to these honours by supporting our employees using the tools and policies provided by the Department of Human Resources (e.g. Manager’s Toolkit, EFAP, Harassment Free and Respectful Workplace Policy). In doing so Finance aims to be a true “Employer of Choice” for our current and prospective staff members, while respecting the staffing requirements of other departments.

KEY ACTIVITY 4 – OFFICE OF THE COMPTROLLER GENERAL

Description

The Office of the Comptroller General (OCG) is responsible for control of the administration of the Consolidated Revenue Fund with respect to the receipt and payment of public money, accounting policies, the financial records of the GNWT, reporting responsibilities, financial analysis, advice and interpretation, internal auditing and related matters.

Accounting Services is responsible for the development of corporate accounting procedures and policies, administration and integrity of the government's financial information systems, accounts receivable and accounts payable functions, making territorial power subsidy payments, management of the environmental liability fund, external financing reporting, and providing collections and credit granting functions.

The Informatics Shared Services (ISS) Division implements, maintains, and supports existing and new functionality within the GNWT's Enterprise Resource Planning (ERP) solution which includes financial and human resource information systems and associated reporting and tools.

The Employee Services Division is responsible for providing compensation, benefits, data management and related Helpdesk services for the Public Service. Regional employee service centres in Behchoko, Fort Simpson, Fort Smith, Hay River, Inuvik, and Norman Wells also offer benefits and data management services.

The Financial Shared Services (FSS) Division provides financial transaction processing services to all GNWT Departments and the Northwest Territories Housing Corporation. FSS has service centres in Yellowknife, Inuvik, Norman Wells, Hay River, Fort Smith and Fort Simpson, providing services as outlined through a Service Partnership Agreement with clients.

The Internal Audit Bureau provides an independent, objective internal audit and consulting service to improve the GNWT's operations by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal controls and governance processes.

Responding to the Goals and Priorities of the 17th Legislative Assembly

Other Achievements: Effective, efficient Government

- ISS was established effective April 1, 2014 through the alignment of the Human Resource Information System (HRIS) with the System for Accountability and Management (SAM) team to form the new division. Through implementation of a Service Partnership Agreement between the Department and clients the division will ensure the financial, procurement and human resource information systems provide the functionality and timely service to support improvements in transactional pay and benefits, financial management and procurement activities.

- The Employee Services Division was transferred from the Department of Human Resources to the Department of Finance effective April 1, 2014, enabling the Division to operate in an environment more conducive to establishing and adhering to consistent business processes. Work to document and streamline business processes is ongoing.
- FSS was fully implemented across the GNWT by March 2014. Business processes have also been standardized for the processing of financial transactions in order to eliminate duplication or unnecessary processes.

Departmental Highlights

Informatics Shared Services

In coordination with key stakeholders the OCG will develop an Enterprise Resource Planning (ERP) Strategy and action plan to leverage and continue our investment in GNWTs' financial, human resources and procurement information systems.

In order to protect the GNWT's \$41 million capital investment and fully leverage the capability from Oracle's PeopleSoft line of products, ISS is planning to upgrade both SAM and HRIS to the same version. An upgrade will offer GNWT users with an improved, simple to use and intuitive interface, embedded help, powerful search and enhanced reporting capabilities along with new and improved features and functionality to meet our current and future needs. The Department of Finance will develop a business case and funding submission in 2015/16 for consideration in 2016/17 to perform a PeopleSoft upgrade. The cost for this upgrade is in the \$4-5 million dollar range and implementation timelines would be 12 to 18 months beginning in 2016/17.

The Department is also evaluating the pros and cons of two additional options called Enterprise Performance Management (EPM) and Business Intelligence (BI). With respect to pros and cons the department is evaluating sequencing options such as PeopleSoft upgrade first followed by EPM and BI implementation second or vice versa. These sequencing options would also take into account integrating the Health Boards onto SAM and understanding implications for other GNWT departments such as Education, Culture and Employment's Case Management Administration System (CMAS).

The cost to implement EPM and BI would be in the \$3-4 million dollar range and implementation timelines would be 12 to 24 months. The corporate benefits associated with EPM and BI implementation would be timely closing of public accounts, robust forecasting and variance analysis and automated real-time performance metrics.

Financial Shared Services

The FSS model included an investment in regional centres to develop financial capacity in anticipation of the impacts of the implementation of devolution. The proposed organizational structure provides a clearer path for regional financial employees in order to facilitate improved employee career planning and succession planning.

Environmental Liabilities

The OCG is responsible for administering the Environmental Remediation Fund and fostering a collaborative approach to the assessment and remediation of the government's environmental liabilities. The OCG will continue to support Departments impacted by the transfer of responsibilities for sites as a result of Devolution. The OCG is also addressing the new public sector reporting requirements with respect to recognition of remediation costs and how the GNWT can better forecast the cash outflows that are required to support remediation activities.

The increase/decrease in environmental liabilities has required post year-end supplementary appropriations in the past. The timing is a result of limited historical data, changing technology, and a variety of challenging logistical considerations making it hard to extrapolate from past remediation costs for newly identified sites. Under new accounting standards Departments are required to estimate full remediation costs at the time a site is identified if possible. A benefit of moving to the new reporting requirement will eventually be an ability to better forecast annual remediation costs, thus allowing for the related appropriation to be approved before the end of the fiscal year. The current practice to seek an appropriation for the annual accrual will continue until such as time as better forecasting is available to seek a base budget within Finance for all GNWT environmental liability costs.

Devolution Support

The Office of the Comptroller General continues to play an oversight role to ensure that the Government has proper controls in place to ensure that coordinated administration and safekeeping of securities and to ensure that resource revenues are being recorded and administered correctly.

Cross-Departmental Initiatives

Financial Capacity Building

The Department has begun an initiative to formalize its support for employees in the Chartered Professional Accountant program. The goals of the initiative are to set consistent levels of support for students across all Departments and Agencies, establish a student support group and mentorship program and identify opportunities for students to obtain the required professional experience.

Informatics Shared Services

ISS will provide module configuration and implementation services for the following cross-departmental initiatives:

- Department of Human Resource's Learning Management / eDevelopment modules.
- SAM Strategic Sourcing and Supplier Contract Management modules.
- Cash, Deal and Risk Management modules in support of GNWTs Treasury Management services.

Performance Measures

Outcome – Programs and services that are reviewed, evaluated or audited

In the context of a corporate risk management framework, programs and services managed by departments with high inherent risk should be formally reviewed, evaluated or audited.

Measure: Audit Work Plan targets high risk audits approved by Audit Committee

Approved Audit Work Plan for :	Projects approved	% of projects addressed
2010-2011	20	55%
2011-2012	24	96%
2012-2013	16	62%
2013-2014	12	67%
2014-2015 (Target)	TBD	70-75%
2015-2016(Target)	TBD	70-75%

Measure: Implementation of audit recommendations by management to address the outstanding risk identified in audit reports

Audit Reports issued in:	# of Recommendations	% implemented
2009-2010	31	100%
2010-2011	87	75%
2011-2012	65	100%
2012-2013	47	62%
2014-2015 (Target)	TBD	85-90%
2015-2016(Target)	TBD	85-90%

Outcome – Timely tabling and public review of the Public Accounts

Tabled with:	Document:	2013-14	2014-15	2015-16
Standing Committee on Government Oversight	Interim Public Accounts	September 30, 2013	August 31, 2014	August 31, 2015
Legislative Assembly	Audited Public Accounts	October 2013 session	October 2014 session	First session of the 18 th Assembly

Outcome – Management has relevant, reliable, complete, accurate and timely financial, procurement and human resource information.

A measure of the ability of the financial, procurement and human resource systems to provide program managers and decision-makers with relevant, reliable, complete, accurate and timely financial information is new reporting and analytical functionality and features. ISS will be working with clients in order to implement the following:

- Successful implementation of the Strategic Sourcing and Supplier Contract Management modules for SAM to support Procurement Shared Services
- Successful implementation of Learning Management and eDevelopment modules to support the Department of Human Resources training program which will support training programs and initiatives for all GNWT Departments.
- Initiation of the Treasury module in SAM is well underway to provide the GNWT better access to real-time financial information for better investing decisions, financial analysis, and cash management.
- Improved reporting and analytical services from ISS to support ad-hoc request for financial, human resources and procurement information summaries.

Outcome – Compliance with performance criteria within Service Partnership Agreements

- Employee Services will be implementing a Service Partnership Agreement (SPA) with clients in late 2014-2015. The SPA will articulate roles, responsibilities; relationships and services levels so satisfactory service can be provided to all clients. Such performance criteria which may be reported could include:
 - Helpdesk response times to issue resolution
 - Time to complete the onboarding process
 - Pay cycle issue ratios (i.e. ratio of off cycle cheques resulting from pay errors vs. the number of pays issued per period.)
- ISS will be implementing a Service Partnership Agreement (SPA) with clients in late 2014-2015. The SPA will articulate roles, responsibilities; relationships and services levels to ensure the human resource and financial systems provide timely and relevant access to information, tools, training and helpdesk support. Such performance criteria which may be reported could include:
 - Timely, relevant and effective response and resolution of SAM and HRIS helpdesk inquiries.
 - Effective and timely training on SAM and HRIS to ensure staff have the skills and knowledge required to perform their job functions, duties and responsibilities.
- FSS has had an SPA in place since 2012 when the first service centre was implemented in Inuvik. The SPA identifies a number of both operational and strategic measures that are intended to highlight that the achievement of FSS benchmarks is a partnership between FSS and client departments. These measures will be shared with client departments throughout the fiscal year in order to ensure that the roles and responsibilities of FSS and Client Departments are mutually understood as we move from implementation to full operation.

FSS was fully implemented as of March 3, 2014 and through the oversight of the Deputy Ministers Committee on Shared Services Governance will review existing performance measures during the 2014-2015 fiscal year to ensure that both strategic and operational measures are used and reported appropriately. Such strategic performance measures which may be reported could include:

- Payments are released as per contractual payment terms and as per FAM.
 - FSS enters vouchers within 1 business day of receiving the invoice
 - Client Departments provide vouchers back to FSS with correct coding and authorization within 5 business days
- Expense Reports are processed within 3 business days of receipt
- At least 10% of FSS staff are enrolled in formal accounting training from a recognized educational institution
- Number of developmental opportunities provided to staff

Outcome - Ability to continuously improve service delivery and related business processes

- FSS made modifications to orientation, training and communication for remaining regional implementations based on lessons learned during the pilot project in the Beaufort Delta.
- A finance managers working group was created in all regional centres and Yellowknife which is used to discuss any required amendments to existing processes and develop new processes.
- Leverage the functionality of the financial system to improve user experience, data integrity & information quality.

Outcome – Capacity Building within the GNWT

- The Department helps to build capacity within the GNWT through advice, support, mentorship, and training of staff.
- The Department has begun an initiative to formalize its support for employees in the Chartered Professional Accountant program. The goals of the initiative are to set consistent levels of support for students across all Departments and Agencies, establish a student support group and mentorship program and identify opportunities for students to obtain the required professional experience.

KEY ACTIVITY 5 – OFFICE OF THE CHIEF INFORMATION OFFICER

Description

The Office of the Chief Information Officer (OCIO) serves as the GNWT's senior authority on corporate activities associated with Information and Communications Technology (ICT). This includes Information Systems (IS), Information Technology (IT) and the management of information (IM). The OCIO provides strategic, policy and operational advice to the Informatics Policy Council (IPC), and ensures corporate activities related to strategy, policy implementation, planning and information security are undertaken in a timely and consistent manner.

The OCIO is the lead for current ICT Strategy (Service Innovation Strategy 2013-2016). The Strategy guides the development, management and use of the government's information resources in a manner that supports the government's strategic business goals and operational needs. Other activities include:

- Collaborating with departments on development of strategic and policy frameworks;
- Providing day-to-day guidance regarding Strategy and policy implementation;
- Providing best practice advice and guidance on information and cyber security;
- Coordinating all corporate-level processes pertaining to the ICT environment;
- Providing governance support for and coordinate the flow of information to the IPC.

The Activity is also responsible for GNWT involvement in broadband and telecommunications regulatory matters through the Canadian Radio & Telecommunications Commission (CRTC). The GNWT, through the OCIO, takes on an advocacy role with respect to telecommunications and broadband issues in the north and represents residents and businesses in proceedings with the CRTC and the Government of Canada, to ensure that northern interests are considered in all broadband and telecom regulatory decisions. The OCIO is in the best position to take on this activity as it regularly deals with the Federal Government and the private sector on telecommunications and broadband issues.

Responding to the Goals and Priorities of the 17th Legislative Assembly

Priority Three: Strengthen and diversify our economy

The OCIO continues to represent the GNWT at CRTC activities. Ensuring a competitive northern environment for northern telecom and broadband businesses is one of the goals of involvement in CRTC activities.

Other Achievements: Effective, efficient Government

The OCIO is leading implementation of GNWT's Service Innovation Strategy, improving access to services and supporting decentralized delivery of services by offering more services online. As well, the OCIO continues to coordinate ICT strategic activities that support the 17th Legislative Assembly goal of an effective and efficient government.

Departmental Highlights

Service Innovation Strategy

The OCIO is responsible for leading the development and implementation of the GNWT's corporate ICT strategy. The OCIO and IPC began development of a renewed Service Innovation Strategy or SIS in 2011-12. The SIS reflects recent changes in both the GNWT's business and technology environment, and includes over a dozen corporately focused projects in the next 3 years. SIS focuses on 7 key initiatives that address ICT gaps and opportunities. SIS will ensure that the GNWT's technology resources are effectively used. The 7 initiatives are:

- Information Management
- eService Delivery
- Governance
- Organization
- Tools and Processes
- Metrics

The OCIO is also responsible for the oversight and implementation of the GNWT's information security plan, designed to implement information security best practices, tools and techniques, to ensure the organization's information assets (systems and technology infrastructure) are protected, safe and secure. Many of these information security best practices are built into the SIS projects, such as requirements for privacy impact assessments, vulnerability assessments before services go online, and other security measures.

The GNWT's involvement in CRTC and Broadband development initiatives is critical to ensuring that citizens and businesses can access the services they need and participate fully in Canada's economy.

The OCIO's corporate focus on strategy, policy, planning and information security provides guidance and oversight that is not provided by any other department.

Cross-Departmental Initiatives

Service Innovation Strategy

The Service Innovation Strategy is a corporate, cross department initiative.

Electronic Records and Document Management

The Department, through the OCIO, co-sponsors the corporate electronic records and document management system, with the Department of Public Works and Services. The OCIO is actively working with the PWS Corporate Information Management team to ensure a sustainability model is in place and coordinate the rollout to remaining departments.

Performance Measures

The OCIO is a central agency, providing corporate oversight and guidance on the implementation of corporate ICT strategy. The OCIO is working to establish better outcomes for corporate ICT activities, but has limited control over the outcomes of departmental activities as departments have direct responsibility for these areas. As such, it can be difficult to measure performance against expected outcomes when responsibility for those outcomes rests with each individual department. Under the SIS we've established basic measures that indicate whether we're moving in the right, strategic direction.

Outcome - Effective & efficient use of ICT resources

Measure: Development of a Government-wide Strategy for Electronic Service Delivery:

Completed	
Develop a revised ICT strategy	2011-12
Approved by the Informatics Policy Council (IPC)	Dec 2012
Approved by the Financial Management Board	Feb 2013
Approved by Standing Committee on Government Operations	May 2013

Outcome - Improve Client Satisfaction with Electronic Service Delivery

Measure: SIS Implementation Measures

	2013-14 Actual	2014-15 Target	2015-16 Target
Number of services that can be obtained online	1	5	10
Number of services fully entered in Service Inventory	375	400	400
# online services using common authentication services	0	4	6
# online services using common payment solution	1	3	5
# using Web Standard for GNWT web sites	0	7	10
# of GNWT staff completing Service Training	30	50	65
Overall Service Satisfaction Score (%) from Business	63.2	68	70
Overall Service Satisfaction Score (%) from Citizens	0	Baseline	TBD

Outcome - Ensure Protection and Security of Information through Online Services

Measure: Number of systems or online services assessed for Security vulnerabilities

	2013-14 Actual	2014-15 Target	2015-16 Target
# of assessments conducted on our major information systems and technology infrastructure	2	5	5
# of privacy impact assessments complete	Baseline est.	3	5
# of vulnerability assessments complete (online service)	2	5	8

Outcome - Ensure NWT participation in Federal Regulatory matters impacting the North

Measure: GNWT Participation in CRTC Regulatory Matters

	2013-14 Actual	2014-15 Estimate	2015-16 Estimate
# of submissions, tariffs, applications, decisions, reports and positions reviewed for NWT/northern impacts	80	90	60
#of GNWT documents submitted to CRTC /parties	8	10	6
#of CRTC meetings, hearings or briefings attended	12	8	5

Outcome - Ensure NWT participation in Federal Broadband programs

Measure: Actions taken to advance NWT broadband environment

	2013-14 Actual	2014-15 Estimate	2015-16 Estimate
Development of a Broadband Policy	None	Develop	Approved
# of decisions, papers, reports, articles reviewed for impacts to NWT broadband environment	20	30	10
# of GNWT documents submitted	3	5	2
# of broadband meetings, hearings or briefings attended	8	10	4

KEY ACTIVITY 6 – BUREAU OF STATISTICS

Description

The Bureau of Statistics ensures, as the central statistics agency, the GNWT has appropriate statistical information and provides statistical advice, analysis, and assistance to Departments, regional offices, and central agencies.

Responding to the Goals and Priorities of the 17th Legislative Assembly

Other Achievements: Efficient, efficient Government

The Bureau of Statistics was transferred from the Department of the Executive to the Department of Finance to facilitate the exchange of information and promote efficiency in the business planning process.

Departmental Highlights

2014 NWT Community Survey

During the first quarter of 2014, the Bureau of Statistics conducted the 2014 NWT Community Survey. The survey is conducted once every five years and expands the breadth of available statistics by yielding community level data on topics such as labour force activity, housing needs, language, traditional activities and educational attainment. Results will be available in the winter of 2014.

Partnerships

Building on the Bureau's relationships with the Inuvialuit Regional Corporation, a similar agreement to provide statistical services was established with the Gwich'in Tribal Council.

Anti-Poverty Initiatives

The Bureau will continue to expand on the range of statistical data related to poverty including the development of a Northern Market Basket Measure.

Cross-Departmental Initiatives

2014 Survey of Mining Employees

Based on the success of the 2009 survey, a second iteration of the survey of mining employees will be conducted in the fall of 2014. A working group comprising representatives from the three diamond mines, ITI, HSS, ECE and the Bureau of Statistics was convened to develop the survey questionnaire. A report documenting the findings will be published in December 2014.

Minimum Wage Committee

The Bureau of Statistics continues to provide statistical advice and expertise to the Minimum Wage Committee, an ECE lead initiative.

Social Indicators

Representatives from the NWTHC, HSS, ECE, MACA and the Bureau of Statistics are working together to develop a broad set of social indicators that will be supported by current evaluation frameworks.

Performance Measures

Outcome – Relevant statistical information

Timely and accurate statistics are key tools for the GNWT and other organizations in making informed decisions.

- In 2013-14, 32 analytical products were proactively distributed throughout the GNWT on the day the data was released nationally.
- The Bureau of Statistics continues to support the data needs of departments and aboriginal governments by:
 - Collecting raw data from surveys including the 2014 NWT Community Survey and the 2013 MACA Client Satisfaction Survey; and
 - Compiling data from administrative records
- During 2013-14, the Bureau of Statistics was an active participant in the Council for Statistical Policy FPT and its subcommittees. The Bureau sat on a number of program committees and volunteered to participate in two additional FPT working groups.

KEY ACTIVITY 7 – LIQUOR REVOLVING FUND

Description

The Liquor Revolving Fund is established under the *Liquor Act* (Act) and provides working capital to finance the operations of the Liquor Licensing Board (Board), the Liquor Commission (Commission) and the administration and enforcement of the Act. The Liquor Licensing Board is responsible for the issuance of all types of liquor permits. The Liquor Licensing and Enforcement Division provides support to the Board, is responsible for the enforcement of liquor-related regulations and restrictions, and assists communities in respect of matters arising under the Act. The Liquor Commission is responsible for the purchase, warehousing, distribution and sale of all alcoholic beverages in the Northwest Territories. The Board, Commission and Liquor Licensing and Enforcement are funded by the sale of alcoholic beverages.

Departmental Highlights

Liquor Commission

A number of store contracts will expire during 2014/15; Yellowknife, Inuvik, Norman Wells and Fort Simpson. Business models for the operation of the stores were reviewed and it was determined to change the business model in Yellowknife from Private to Consignment Stores. Procurement for the stores also included a change for the Commission rates from a percentage of total sales to a price per litre to allow for consistencies in the pricing model while ensuring operational efficiencies per measurement one.

The procurement for the contracts for store agents are in various stages and should be finalized within the next few months.

Work continues with respect to the NW TLC facilitating successful liquor manufacturing in the Northwest Territories in terms of amendments to Liquor legislation, regulation, policy, and administrative processes.

The Liquor Commission actively participates on the Canadian Liquor Jurisdictions' Social Responsibility Committee. This Committee works to provide products that are socially responsible and incorporates responsible use messaging into products sales. The Commission also actively promotes social responsibility programs throughout the year.

Liquor Enforcement

Liquor Enforcement (LE) will continue to educate license holders and their staff on the *Liquor Act* through work on a communications strategy. Electronic or hard copies of the *Liquor Act and Regulations* along with the license holder manual will be provided to all license holders.

An enhanced emphasis will be placed on regular communications to license holders through the communications officer position which is located in Hay River. In addition a newsletter will be distributed to all license holders with valuable information on a quarterly basis.

Voluntary alcohol server training will continue to all license holders' staff. Compulsory alcohol server training will be given to Special Occasion Permit high risk events where 500 or more persons are expected to attend.

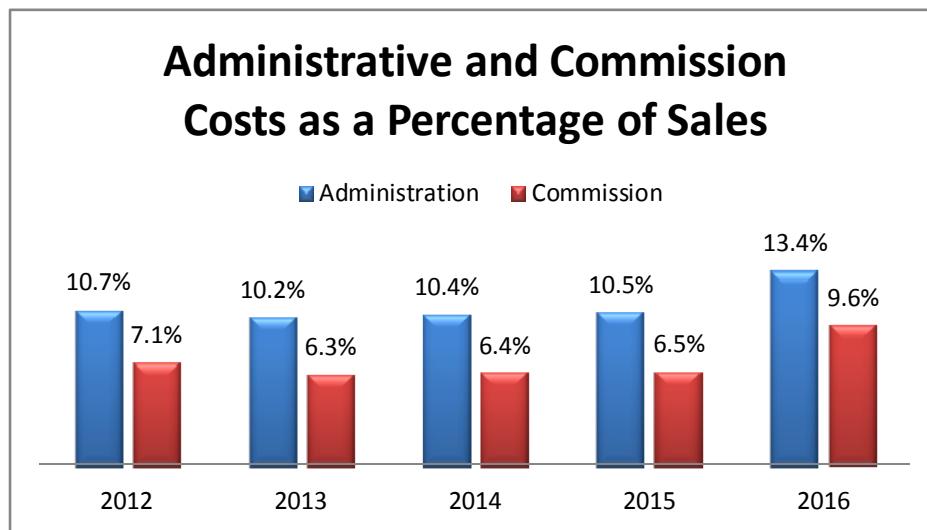
Communities wishing information on holding a community alcohol control plebiscite or request to have the community or a portion of the community temporarily prohibited will be contacted within 48 hours after the request is received.

Performance Measures

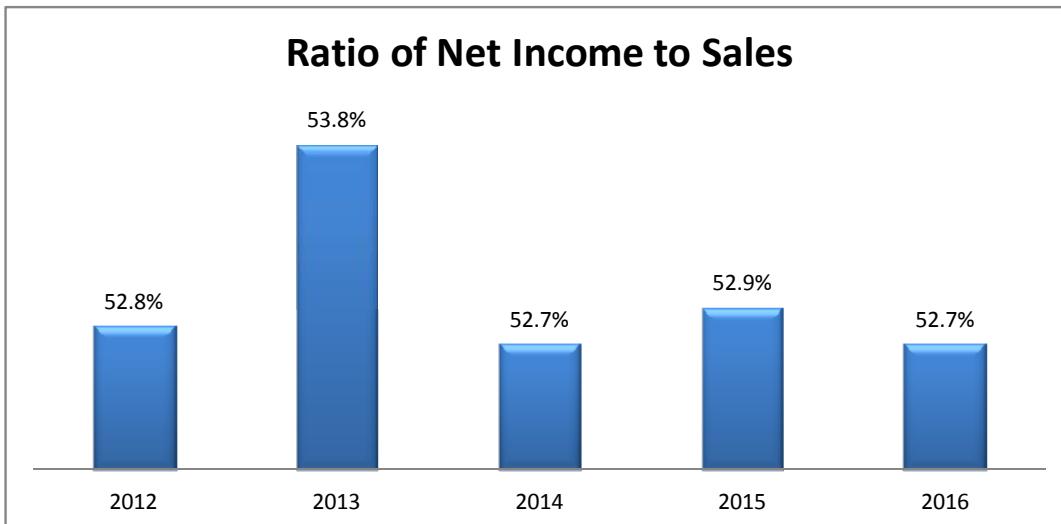
Outcome – Operations are managed efficiently and comply with legislation, regulation and policy

Measures:

- The cost to deliver the sales and administration in 2014 were 10.4% of sales revenue, of which 6.4% was paid to liquor store and warehouse contractors. The Sales to Administrative Expenses ratio measures how well the company is keeping its administrative costs under control for its sales level.
- The forecasts for 2015 and 2016, includes a change in business operations in Yellowknife from a private store model to consignment stores.



- The net income ratio, (net surplus to sales) provides a measurement of ongoing profitability. In 2014 the net income ratio was 52.7% of sales.



Outcome – Promotion of alcohol awareness campaigns

During the fiscal year the Liquor Commission participated on the Canadian Liquor Jurisdictions' Social Responsibility (SR) Committee, working to provide products that are socially responsible, and incorporate responsible messaging into product sales. In addition the Liquor Commission actively promoted the following seven (7) programs throughout the year.

- Techniques of Alcohol Management, a liquor store server program.
- Check 25, a program intended to prevent service to minors.
- Alcohol warnings, messaging targeted to pregnant mothers and operators of motorized vehicles.
- FSAD poster and brochure campaign.
- Be prepared to talk to your children about alcohol booklet provides information regarding alcohol and youth and was available in our stores and to relevant institutions such as schools, medical clinics and drug and alcohol committees.
- Red Ribbon Program – MADD Canada "It's Time to Change the Meaning of Tie One On", "Drive Safe, Drive Sober".
- "Moderation is always in good taste." Poster Campaign with 9 other jurisdictions.
- The Liquor Licensing and Enforcement division also conducts server training. Training is voluntary for liquor license holders.
- The following table illustrates the number of SR programs as well as server training participants:

	2010	2011	2012	2013	2014
Number of SR Programs	6	6	7	7	7
Server Training Participants	106	240	153	170	142

APPENDICES

Finance

Appendix I - Financial Information

Schedule 1 - Operations Expense Summary

Schedule 2 - Explanation of Proposed Adjustments to Operations Expenses in 2015-16

Schedule 3 - Major Revenue Changes: 2014-15 Main Estimates to 2015-16 Business Plan

Schedule 4 - Proposed Adjustments to Grants, Contributions & Transfers: 2014-15 Main Estimates to 2015-16 Business Plan

Appendix II - Human Resources Reconciliation

Schedule 1 - Position Changes: 2014-15 Main Estimates to 2015-16 Business Plan

Schedule 2 - Human Resources Statistics

Appendix III - Infrastructure Investments

Operations Expense Summary

Schedule 1

PROPOSED ADJUSTMENTS								
	2014-15 Main Estimates	Sunsets	Initiatives	* Forced Growth	Internal Transfers	** Inter- Departmental Transfers and Other Adjustments	Amortization	2015-16 Business Plan
Deputy Minister's Office								
Deputy Minister's Office	447	-	-	13	20	-	-	480
Corporate Affairs	2,590	-	7	25	123	-	-	2,745
NWTHC Contribution	83,482	(1,350)	700	1,680		(850)	-	83,662
NWT Power Corp Contribution	2,800	(2,800)	-	-	-	-	-	-
NWT Heritage Fund Contribution	250	-	-	-	-	-	-	250
Amortization	63	-	-	-	-	-	-	63
	89,632	(4,150)	707	1,718	143	(850)	-	87,200
Fiscal Policy								
Fiscal Policy	40,129	-	5	37	45	(500)	-	39,716
	40,129	-	5	37	45	(500)	-	39,716
Bureau of Statistics								
Bureau of Statistics	1,042	-	-	-	-	27	-	1,069
	1,042	-	-	-	-	27	-	1,069
Budget, Treasury & Debt Management								
Deputy Secretary	7,261	-	-	13	163	-	-	7,437
Management Board Secretariat	1,475	-	-	45	59	-	-	1,579
Program Review Office	750	-	-	-	-	20	-	770
Treasury								
Management	417	-	-	12	8,184	-	-	8,613
Banking & Cash Management	13,239	(1,100)	-	4	(7,962)	(500)	-	3,681
Risk Management & Insurance	2,879	-	-	11	12	-	-	2,902
Tax Administration	1,216	(3)	-	27	33	-	-	1,273
Tax Audit & Investigations								
Headquarters	261	-	-	7	41	-	-	309
Inuvik	155	(3)	-	-	-	-	-	152
Hay River	147	(3)	-	-	-	-	-	144
	27,800	(1,109)	-	119	530	(480)	-	26,860
Office of the Comptroller General								
Comptroller General	246	-	-	8	12	-	-	266
Accounting Services								
Management	436	-	-	10	15	-	-	461
Financial Policy	141	-	-	5	4	-	-	150
Financial Reporting & Collections	1,158	-	4	33	42	-	-	1,237
Power Subsidy Program	11,085	-	-	-	(2,479)	(443)	-	8,163
Employee Services								
Employee Services Management	449	-	-	-	81	11	-	541
Helpdesk	293	-	4	-	79	7	-	383
Payroll	2,223	-	3	-	95	60	-	2,381
Benefits								
Headquarters	13,700	-	3	294	64	47	-	14,108
Tlicho	208	-	-	-	10	6	-	224
Fort Smith	441	-	-	-	154	9	-	604
Fort Simpson	235	-	-	-	14	7	-	256
Hay River	207	-	-	-	11	6	-	224
Inuvik	482	-	-	-	24	10	-	516
Norman Wells	222	-	-	-	12	7	-	241
Data Management								
Headquarters	957	-	3	-	39	24	-	1,023
Fort Smith	194	-	-	-	6	5	-	205
Fort Simpson	101	-	-	-	3	3	-	107
Hay River	87	-	-	-	4	3	-	94
Inuvik	199	-	-	-	132	8	-	339
Informatics Shared Services								
Informatics, HR Systems	1,832	-	-	-	318	55	-	2,205
SAM Sustainment	2,704	(161)	-	48	65	-	-	2,656
Internal Audit Bureau	1,637	-	-	47	69	-	-	1,753
Financial Services								
Headquarters/North Slave	3,719	-	10	40	28	50	-	3,847
Inuvik	1,513	-	-	45	71	-	-	1,629
Norman Wells	573	-	-	11	17	12	-	613
Fort Smith	1,033	-	-	11	-	13	-	1,057
Hay River	541	-	-	-	-	12	-	553
Fort Simpson	906	-	-	10	-	12	-	928
Amortization	2,045	-	-	-	-	-	-	2,045
	49,567	(161)	27	562	(1,110)	(76)	-	48,809
Office of the Chief Information Officer								
Chief Information Officer	2,253	(50)	-	35	392	-	-	2,630
Amortization	207	-	-	-	-	-	-	207
	2,460	(50)	-	35	392	-	-	2,837
TOTAL DEPARTMENT	210,630	(5,470)	739	2,471	-	(1,879)	-	206,491

* Forced Growth amounts include Collective Bargaining increases.

** This category includes departmental reductions.

Explanation of Proposed Adjustments		(thousands of dollars)				
		PROPOSED ADJUSTMENTS				
Sunsets	Initiatives	* Forced Growth	Internal Transfers	Other Adjustments	Amortization	** Inter-Departmental Transfers and
						Other Adjustments
Deputy Minister's Office						
Deputy Minister's Office	15-16 Collective Bargaining Increases	-	-	13	-	-
	Employee Benefits	-	-	-	20	-
Corporate Affairs	15-16 Collective Bargaining Increases	-	-	25	-	-
	French Language Communications & Services	-	7	-	-	-
	Position Re-Writes	-	-	-	10	-
	Records Support	-	-	-	68	-
	Employee Benefits	-	-	-	45	-
NTPC	General Rate Application Revenue Shortfall Contribution	(2,800)	-	-	-	-
NWTHC	15-16 Sunsets (per target sheet)	(1,350)	-	-	-	-
NWTHC	15-16 Forced Growth (per target sheet)	-	-	1,680	-	-
NWTHC	15-16 Initiatives (per target sheet)	-	700	-	-	-
NWTHC	FSS CB Decrease (transfer from other Depts.)	-	-	-	-	(8)
NWTHC	15-16 Reductions	-	-	-	-	(819)
NWTHC	15-16 Reductions (Forced Growth)	-	-	-	-	(23)
		(4,150)	707	1,718	143	(850)
Fiscal Policy						
Fiscal Policy	15-16 Collective Bargaining Increases	-	-	37	-	-
	Devolution - 15-16 Collective Bargaining Increases	-	5	-	-	-
	Employee Benefits	-	-	-	45	-
	Reductions - Cost of Living Tax Credit	-	-	-	-	(500)
		-	5	37	45	(500)
Bureau of Statistics						
Bureau of Statistics	Collective Bargaining Increases (transfer from EXEC)	-	-	-	-	27
		-	-	-	-	27
Budget, Treasury & Debt Management						
Deputy Secretary	15-16 Collective Bargaining Increases	-	-	13	-	-
	Employee Benefits	-	-	-	12	-
	P3 Project Leader	-	-	-	151	-
Management Board Secretariat	15-16 Collective Bargaining Increases	-	-	45	-	-
	Employee Benefits	-	-	-	59	-
Program Review Office	Collective Bargaining Increases (transfer from EXEC)	-	-	-	-	20
Treasury Management	15-16 Collective Bargaining Increases	-	-	12	-	-
	Employee Benefits	-	-	-	18	-
Banking & Cash Management	DehCho Bridge Interest Expense (Internal Reallocation)	-	-	-	8,166	-
	15-16 Collective Bargaining Increases	-	-	4	-	-
	Employee Benefits	-	-	-	4	-
	Short-Term Interest Expense	(1,100)	-	-	-	(500)
	DehCho Bridge Interest Expense (Internal Reallocation)	-	-	-	(8,166)	-
	Banking Fees	-	-	-	200	-
Risk Management & Insurance	15-16 Collective Bargaining Increases	-	-	11	-	-
	Employee Benefits	-	-	-	12	-
Tax Administration	15-16 Collective Bargaining Increases	-	-	27	-	-
	Employee Benefits	-	-	-	33	-
	Taxation Officer (Payroll)	(3)	-	-	-	-
Tax Audit & Investigations Headquarters	15-16 Collective Bargaining Increases	-	-	-	-	-
	Employee Benefits	-	-	7	-	-
	Tax Auditor	-	-	-	14	-
Inuvik	Position Re-Writes	-	-	-	27	-
	Tax Auditor	(3)	-	-	-	-
Hay River	Tax Auditor	(3)	-	-	-	-
		-	-	-	-	-
		(1,109)	-	119	530	(480)

Explanation of Proposed Adjustments	(thousands of dollars)					
	PROPOSED ADJUSTMENTS					
	Sunset	Initiatives	* Forced Growth	Internal Transfers	** Inter-Departmental Transfers and Other Adjustments	Amortization
Office of the Comptroller General						
Comptroller General	15-16 Collective Bargaining Increases	-	-	8	-	-
	Employee Benefits	-	-	-	12	-
Accounting Services						
Management	15-16 Collective Bargaining Increases	-	-	10	-	-
	Employee Benefits	-	-	-	15	-
Financial Policy	15-16 Collective Bargaining Increases	-	-	5	-	-
	Employee Benefits	-	-	-	4	-
Reporting & Collections	15-16 Collective Bargaining Increases	-	-	33	-	-
	Devolution - 15-16 Collective Bargaining Increases	-	4	-	-	-
	Employee Benefits	-	-	-	42	-
TPSP	Internal Reallocation	-	-	-	(2,479)	-
	Reductions	-	-	-	-	(419)
	Reductions (Forced Growth)	-	-	-	-	(24)
Employee Services						
Management	15-16 Collective Bargaining Increases	-	-	-	-	11
	Employee Benefits	-	-	-	19	-
	Transfer of Employee Services/HRIS/Helpdesk from DHR	-	-	-	-	-
	Position Re-Write	-	-	-	62	-
Helpdesk	15-16 Collective Bargaining Increases	-	-	-	-	7
	Devolution - 15-16 Collective Bargaining Increases	-	4	-	-	-
	Employee Benefits	-	-	-	7	-
	Helpdesk Officer	-	-	-	72	-
Payroll	15-16 Collective Bargaining Increases	-	-	-	-	60
	Devolution - 15-16 Collective Bargaining Increases	-	3	-	-	-
	Employee Benefits	-	-	-	91	-
	Position Re-Write	-	-	-	4	-
Benefits						
Headquarters	15-16 Collective Bargaining Increases	-	-	-	-	47
	Devolution - 15-16 Collective Bargaining Increases	-	3	-	-	-
	Employee Benefits	-	-	-	54	-
	Dental Benefits	-	-	294	-	-
	Position Re-Write	-	-	-	10	-
Tlicho	15-16 Collective Bargaining Increases	-	-	-	-	6
	Employee Benefits	-	-	-	10	-
Fort Smith	15-16 Collective Bargaining Increases	-	-	-	-	9
	Employee Benefits	-	-	-	17	-
	Supervisor, Regional Benefits	-	-	-	137	-
Fort Simpson	15-16 Collective Bargaining Increases	-	-	-	-	7
	Employee Benefits	-	-	-	8	-
	Position Re-Write	-	-	-	6	-
Hay River	15-16 Collective Bargaining Increases	-	-	-	-	6
	Employee Benefits	-	-	-	11	-
Inuvik	15-16 Collective Bargaining Increases	-	-	-	-	10
	Employee Benefits	-	-	-	19	-
	Position Re-Write	-	-	-	5	-
Norman Wells	15-16 Collective Bargaining Increases	-	-	-	-	7
	Employee Benefits	-	-	-	12	-
Data Management						
Headquarters	15-16 Collective Bargaining Increases	-	-	-	-	24
	Devolution - 15-16 Collective Bargaining Increases	-	3	-	-	-
	Employee Benefits	-	-	-	37	-
	Position Re-Write	-	-	-	2	-
Fort Smith	15-16 Collective Bargaining Increases	-	-	-	-	5
	Employee Benefits	-	-	-	6	-
Fort Simpson	15-16 Collective Bargaining Increases	-	-	-	-	3
	Employee Benefits	-	-	-	3	-
Hay River	15-16 Collective Bargaining Increases	-	-	-	-	3
	Employee Benefits	-	-	-	4	-
Inuvik	15-16 Collective Bargaining Increases	-	-	-	-	8
	Employee Benefits	-	-	-	7	-
	Supervisor, Regional Data Management	-	-	-	125	-
Informatics Shared Services						
ISS	Director, ISS	-	-	-	174	-
HRIS Systems	15-16 Collective Bargaining Increases	-	-	-	-	34
	Employee Benefits	-	-	-	57	-
	Position Re-Writes	-	-	-	87	-
	PeopleSoft Maintenance and Support	-	-	-	-	21
SAM Sustainment	15-16 Collective Bargaining Increases	-	-	48	-	-
	Employee Benefits	-	-	-	65	-
	Oracle Software, Licensing & Support	(161)	-	-	-	-
Amortization						-

Explanation of Proposed Adjustments	Sunsets	Initiatives	PROPOSED ADJUSTMENTS				** Inter- Departmental Transfers and Other Adjustments	Amortization		
			* Forced Growth	Internal Transfers	** Inter- Departmental Transfers and Other Adjustments					
Internal Audit Bureau	15-16 Collective Bargaining Increases	-	-	47	-	-	-	-		
	Employee Benefits	-	-	-	69	-	-	-		
Financial Shared Services	15-16 Collective Bargaining Increases	-	-	40	-	-	50	-		
Headquarters	Devolution - 15-16 Collective Bargaining Increases	-	10	-	-	-	-	-		
	Employee Benefits	-	-	-	23	-	-	-		
	Position Re-Write	-	-	-	5	-	-	-		
	Collective Bargaining Increases (from other Depts.)	-	-	-	-	-	-	-		
Inuvik	15-16 Collective Bargaining Increases	-	-	45	-	-	-	-		
	Employee Benefits	-	-	-	71	-	-	-		
Norman Wells	15-16 Collective Bargaining Increases	-	-	11	-	-	12	-		
	Internal Transfer - Position funding	-	-	-	17	-	-	-		
Fort Smith	15-16 Collective Bargaining Increases	-	-	11	-	-	13	-		
Fort Simpson	15-16 Collective Bargaining Increases	-	-	10	-	-	12	-		
Hay River	15-16 Collective Bargaining Increases	-	-	-	-	-	12	-		
		(161)	27	562	(1,110)	(76)	-	-		
Office of the Chief Information Officer										
Chief Information Officer	15-16 Collective Bargaining Increases	-	-	35	-	-	-	-		
	Employee Benefits	-	-	-	59	-	-	-		
	Contribution to Falcon Communications	(50)	-	-	-	-	-	-		
	Change Management Leader	-	-	-	148	-	-	-		
	Security Monitoring	-	-	-	185	-	-	-		
Amortization		-	-	-	-	-	-	-		
		(50)	-	35	392	-	-	-		
TOTAL DEPARTMENT		(5,470)	739	2,471	-	(1,879)	-	-		

* Forced Growth amounts include Collective Bargaining increases.

** This category includes departmental reductions.

	(thousands of dollars)				
	PROPOSED ADJUSTMENTS				Explanation of Increases (Decreases) that are 10% or Greater
	2014-15 Main Estimates	2015-16 Business Plan	Increase (Decrease) Proposed	Increase (Decrease) %	
GRANT FROM CANADA	1,208,840	1,219,368	10,528	0.9	<ul style="list-style-type: none"> • The TFF entitlement is forecast to rise by \$10.5 million, or 0.9%, because of a \$27.1 million increase in the Gross Expenditure Base, partially offset by a \$16.7 million increase in Eligible Revenues. <ul style="list-style-type: none"> ◦ The Gross Expenditure Base PAGE escalator is +1.8%, which is a combination of the PL escalator (+2.7%), and the population adjustment factor (-1.0%). ◦ Eligible Revenues are expected to grow across most components, but most of the increase in absolute terms is expected to occur in consumption, property and personal and corporate income taxes.
TRANSFER PAYMENTS					
Federal Cost-shared					
Formula Based					
Canada Health Transfer	39,180	41,071	1,891	4.8	The increase is due mainly to growth in the envelope of program funding for CHT and CST (6% and 3%, respectively), partially offset by lower expected population growth in the NWT than in Canada as a whole.
Canada Social Transfer	15,357	15,642	285	1.9	The increase is due mainly to growth in the envelope of program funding for CST of 3%, partially offset by lower expected population growth in the NWT than in Canada as a whole.
	54,537	56,713	2,176	4.0	
TAXATION REVENUE					
Personal Income Tax	104,862	104,713	(149)	(0.1)	Forecast is flat because of optimistic Finance Canada estimates are offset by lower prior year projections in 2015-16.
Corporate Income Tax	53,119	77,581	24,462	46.1	The increase is mainly due to a \$7.5 million increase in Finance Canada's estimate of tax to be received in 2015-16 plus the projected Finance Canada overpayment for prior years in 2014-15 (lowers 2014-15 revenues) makes the 2015-16 amount higher by \$17 million.
Tobacco Tax	15,826	15,811	(15)	(0.1)	Expecting minor decrease due to combination of lower smoking rates and decreasing population.
Fuel Tax	18,890	18,817	(73)	(0.4)	Expecting flat consumption.
Payroll Tax	45,206	42,743	(2,463)	(5.4)	The \$2.5 million decrease is mainly due to the following: a decrease in 2013-14 payroll tax revenues (base year for projections) of \$2.2 million between the actual and the estimated amount has lowered the 2014-15 revised estimate and a lower forecast rate has further lowered 2015-16 forecast revenues.
Property Tax and School Levies	27,885	28,797	912	3.3	Increase is inflation driven.
Insurance Taxes	4,960	4,800	(160)	(3.2)	
	270,748	293,262	22,514	8.3	
GENERAL REVENUES					
Revolving Funds Net Revenue					
Liquor Commission Net Revenues	25,372	26,936	1,564	6.2	1% increase to Yellowknife litre sales overall categories, it is anticipated that with the reduced sales prices under the consignment model, volumes may increase slightly for the first year.
Regulatory Revenue					
Insurance License Fees	450	470	20	4.4	
Property Tax Administrator Fee	13	13	-	-	
Investment Income					
Investment Interest	600	600	-	-	
Investment Pool Cost Recoveries	80	80	-	-	
Program					
Insured and Third Party Recoveries	60	60	-	-	
Medical Transportation Recoveries	750	450	(300)	(40.0)	2014/15 included a backlog of claims to be adjudicated by Sun Life Assurance. 2015/16 figure reflects estimate for the current year only.
	27,325	28,609	1,284	4.7	
TOTAL REVENUE	1,561,450	1,597,952	36,502	2.34	

Explanation of Proposed Adjustments	(thousands of dollars)							2015-16 Business Plan	
	PROPOSED ADJUSTMENTS								
	2014-15 Main Estimates	Sunset	Initiatives	* Forced Growth	Internal Transfers	Departmental Transfers and Other Adjustments			
Deputy Minister's Office									
Contribution	NWTHC Contribution	83,482	(1,350)	700	1,680	-	(850)	83,662	
Contribution	NTPC - General Rate Application	2,800	(2,800)	-	-	-	-	-	
Contribution	Heritage Fund Contribution	250	-	-	-	-	-	250	
	-	-	-	-	-	-	-	-	
		86,532	(4,150)	700	1,680	-	(850)	83,912	
Fiscal Policy									
Grant	Cost of Living Tax Credit	22,400	-	-	-	-	(500)	21,900	
Grant	NWT Child Benefit	1,200	-	-	-	-	-	1,200	
Transfer	Resource Revenue Transfer to Aboriginal Governments	15,000	-	-	-	-	-	15,000	
		38,600	-	-	-	-	(500)	38,100	
Budget, Treasury & Debt Management									
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
Office of the Comptroller General									
Contribution	Power Subsidy Program (TPSP)	11,085	-	-	-	(2,479)	(443)	8,163	
		11,085	-	-	-	(2,479)	(443)	8,163	
Office of the Chief Information Officer									
Contribution	Broadband Initiatives Support	50	(50)	-	-	-	-	-	
		50	(50)	-	-	-	-	-	
Bureau of Statistics									
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
TOTAL DEPARTMENT		136,267	(4,200)	700	1,680	(2,479)	(1,793)	130,175	

Appendix II - Human Resources Reconciliation

Position Changes: 2014-15 Main Estimates to 2015-16 Business Plan

Schedule 1

Community	REGION / AREA							TOTAL
	Yellowknife / HQ	North Slave	Tli Cho	South Slave	Deh Cho	Sahtu	Beaufort-Delta	
2014-15 Main Estimates	197	-	2	24	11	7	24	265
Restatements	-	-	-	-	-	-	-	-
2014-15 Restated Main Estimates	197	-	2	24	11	7	24	265
Sunset	-	-	-	-	-	-	-	-
Initiatives	-	-	-	-	-	-	-	-
Forced Growth	-	-	-	-	-	-	-	-
Internal Transfers	-	-	-	-	-	-	-	-
Interdepartmental Transfers and Other Adjustments	-	-	-	-	-	-	-	-
Increase (decrease)	-	-	-	-	-	-	-	-
Total 2015-16 Business Plan	197	-	2	24	11	7	24	265

	2014-15	%	2013-14	%	2012-13	%	2011-12	%
All Employees	244	100.0%	149	100.0%	119	100.0%	117	100.0%
Indigenous Employees	119	48.8%	70	47.0%	59	49.6%	54	46.2%
Aboriginal	76	31.1%	45	30.2%	39	32.8%	32	27.4%
Non-Aboriginal	43	17.6%	25	16.8%	20	16.8%	22	18.8%
Non-Indigenous Employees	125	51.2%	79	53.0%	60	50.4%	63	53.8%
Male	69	28.3%	53	35.6%	41	34.5%	50	42.7%
Female	175	71.7%	96	64.4%	78	65.5%	67	57.3%
Senior Management	17	7.0%	13	8.7%	12	10.1%	15	12.8%
Indigenous Employees	5	29.4%	5	38.5%	4	33.3%	5	33.3%
Aboriginal	2	11.8%	2	15.4%	2	16.7%	2	13.3%
Non-Aboriginal	3	17.6%	3	23.1%	2	16.7%	3	20.0%
Non-Indigenous Employees	12	70.6%	8	61.5%	8	66.7%	10	66.7%
Male	13	76.5%	11	84.6%	10	83.3%	12	80.0%
Female	4	23.5%	2	15.4%	2	16.7%	3	20.0%
Non-Traditional Occupations	21	8.6%	17	11.4%	18	15.1%	16	13.7%
Indigenous Employees	9	42.9%	6	35.3%	7	38.9%	7	43.8%
Aboriginal	3	14.3%	1	5.9%	1	5.6%	1	6.3%
Non-Aboriginal	6	28.6%	5	29.4%	6	33.3%	6	37.5%
Non-Indigenous Employees	12	57.1%	11	64.7%	11	61.1%	9	56.3%
Male	13	61.9%	12	70.6%	14	77.8%	11	68.8%
Female	8	38.1%	5	29.4%	4	22.2%	5	31.3%

Note: 2012-2014 PeopleSoft Information as of March 31, 2014. 2015 PeopleSoft Information as of June 30, 2014.

Appendix III - Infrastructure Investments

SAM Cash Management Module

The Treasury Division in partnership with Informatics Shared Services (ISS) and the Office of the Comptroller General (OCG) will lead the implementation of functionality within the SAM Treasury Suite of Applications, thus improving the core requirements for managing cash and investments in SAM.

Installation and improvements to the SAM Treasury Suite include improvements to the Cash Management module and implementation of the Deal and Risk Management modules, therefore providing the GNWT better access to real-time financial information for better investing decisions, financial analysis, and cash management. Risk of exceeding the legislated borrowing limit will be reduced, and the Department of Finance's ability to provide Senior Management, The Minister of Finance, Standing Committee and MLA's with information related to the GNWT's cash and borrowing positions will be significantly improved.

Project planning is scheduled to commence in 2015-16 and be completed in 2016-17. Funding has been approved for 2015-16 and 2016-17.

Strategic Sourcing and Supplier Contract Management Modules

ISS will also be working with stakeholders to implement the SAM Strategic Sourcing and Supplier Contract Management modules. Once installation is complete these modules will be fully integrated within the SAM system to provide greater visibility into procurement activities. This project also supports the GNWT's desire to provide more online options to the public.

The project is currently underway and will be completed in 2015-16