



Northwest Territories
Surface Rights Board
2016-2017 Annual Report

June 28, 2017

MESSAGE FROM THE CHAIRPERSON

June 28, 2017



The Northwest Territories Surface Rights Board (SRB or Board) is pleased to present its 2016/17 annual report.

The *Surface Rights Board Act* is an Act of the Northwest Territories Legislative Assembly and came into force on April 1, 2014. It provides for the Government of the NWT to appoint five regular members including a Chairperson as well as five alternate members to the Board of Directors. One Board member and one alternate must be a Gwich'in, Inuvialuit, Sahtu and Tẖcẖ resident.

Members of the SRB and respective residential areas are Louie Azzolini Chairperson – Tẖcẖ, Danny Bayha - Sahtu, Darrell Christie – Inuvialuit, Mike Vaydik - non regional, and Elizabeth Wright - Gwich'in. Alternate members are Vern Christensen - non regional and Ian McCrea - Tẖcẖ.

The purpose of the SRB is set out in section 8. (1) of the *Act*; being “to resolve matters in dispute relating to access to Gwich'in lands, Sahtu lands, and Tẖcẖ lands, and the waters overlying those lands, and Inuvialuit lands and non-designated land.” The substantive functions of the SRB came into force on April 1, 2016.

The Board is pleased to report that its administrative and management structures are established; and, that Rules of Procedure governing its consideration of Applications and its By-laws are in place.

However there remains a lot to be done to ensure the Board is fit and ready to deliver on its mandate. This work is succinctly described in the Board's Strategic Plan. The Board's workplan for 2017/18 will further its vision to be “respected and trusted to resolve land and water access disputes in a fair and timely manner”.

Sincerely,


Louie Azzolini
Chairperson

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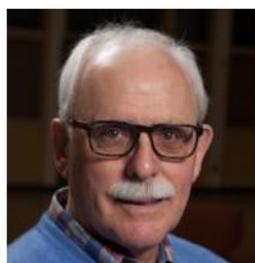
ABOUT THE BOARD

The Board is established by the Northwest Territories (NWT) Surface Rights Board Act and its members are appointed for five year terms by the Minister of Lands of the Government of the NWT. At any time, there can be no less than five (5) and no more than nine (9) members including the Chairperson. The Act also calls for the appointment of five (5) alternate members in the event a member is absent or incapacitated or the position is vacant. All members and alternate members must be residents of the NWT. Further, at least one member and one alternate member must be a resident of Inuvik or the NWT portion of the Inuvialuit Settlement Region, the Gwich'in Settlement Area, the Sahtu Settlement Area and the Mowhi Gogha De Niitlee.

The current members of the Board are:



Louie Azzolini,
Chairperson
(Mowhi)



Mike Vaydik, Vice-
Chairperson (Non-
Regional)



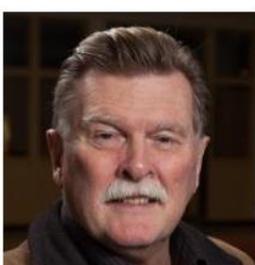
Darrell Christie,
Member (Inuvik or
NWT part of the ISR)



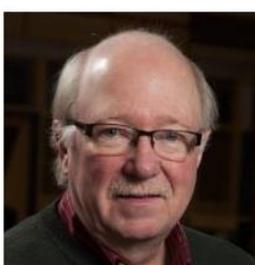
Danny Bayha,
Member (Sahtu)



Elizabeth Wright,
Member (Gwich'in)



Ian McCrea
Alternate Member
(Mowhi)



Vern Christensen,
Alternate Member
(Non-Regional)



THE YEAR IN REVIEW

SRB Meetings

The NWT Surface Rights Board (“Board” or “SRB”) met ten times throughout the year.

March 2016

At its March 1-3, 2016 meeting the SRB addressed bank signing authorities, alternative members serving as full members, adopted the 2015-2016 Strategic Plan; and, provided direction to legal counsel regarding the drafting the SRB By-laws and Rules of Procedure. At its March 23 teleconference, the SRB adopted its 2016-2017 Strategic Plan’s adjunct Business Plan and Budget.

April 2016

In April, the SRB reviewed draft Rules of Procedure and draft annotated Rules of Procedure, and considered its involvement in the *Access to Information and Protection of Privacy Act (ATIP)* review being undertaken by the Government of the Northwest Territories (GNWT). In addition, the SRB:

- Agreed to evaluate its Chairperson as a matter of good operational practice.
- Evaluated alternative office spaces.
- Confirmed the SRB did not need a business licence.
- Asked legal counsel to help identify insurance providers.
- Agreed to meet with the Nunavut Surface Rights Tribunal on its travels through Yellowknife.
- Directed the Board Coordinator to investigate getting SRB identify cards.
- Extended service contracts with its contracted service providers to March 31, 2017 on terms and conditions equivalent to the existing agreements.
- Considered the SRB’s filing system, records management, and its electronic file controls.
- Considered a proposed Electronic Fund Transfer (EFT) policy.
- Provided direction about its website structure and content.
- Received a network infrastructure report from its information technology service provider.

May 2016

In May, the SRB accepted the Rules of Procedure and directed legal counsel to proceed with their formal adoption and decided to prepare an access to information and privacy policy. In addition, the SRB:

- Adopted the EFT policy.

- Considered three SRB logo options.
- Received an update on server installation and SRB member access.
- Considered what information to have available on its website and the proposed directory / filing structure of its server.
- Decided to lease office space at the Finn Hansen Building.
- Received an update from legal counsel on efforts to obtain the insurance coverage required in the Contribution Agreement.
- Received confirmation the GNWT would prepare identification cards for SRB members.
- Discussed hosting the Nunavut Surface Rights Board tribunal during its overnight stay in Yellowknife on July 29, 2017.
- Decided to put on hold any decision about watermarking scanned SRB documents.
- Considered the Chairperson evaluation questionnaire.
- Directed the Board Coordinator to retain a photographer to take member photographs for the website.

June 2016

The SRB convened in June by teleconference and adopted its audited financial statements and annual report for the 2015-2016 fiscal year; and decided on its logo.

July 2016

At its July meeting the SRB received an update from legal counsel on the status and progress of formally adopting the SRB Rules of Procedure and discussed the French language operational plan. The SRB also:

- Received an update from legal counsel on insurance matters and requested quotes on loss of wages, travel, and tenant insurance.
- Approved the Chairperson and Board Coordinator's attendance at the November Board Forum.
- Adopted an SRB member Release of Personal information form.
- Committed funding for a photographer to take SRB member pictures for the website and communication material.

September 2016

At its September meeting the SRB adopted its Rules of Procedure after making some minor changes after considering feedback received from the public on the draft Rules. The SRB also adopted its By-laws and members completed and signed their release of

personal information forms. In addition, the SRB selected its photographer after considering offerings from three photographers.

December 2016

At its December meeting the SRB authorized the purchase of commercial general liability insurance from the Totten Group and asked legal counsel to prepare a Conflict of Interest policy.

February 2017

In February 2017, the SRB directed the Board Coordinator to investigate getting personal optional coverage from the WSCC, struck a committee to update its SRB Strategic Plan and Business Plan, and asked legal counsel to review its draft Confidentiality and Privacy Policy. The SRB also provided direction on the visual identity materials it was having prepared.

March 2017

At its March meeting the SRB asked legal counsel to draft a written response to the GNWT's proposed ATIP changes, considered a draft of its Code of Ethics policy that subsumes the Conflict of Interest policy legal counsel was asked to prepare. The SRB also accepted the FY 2017-18 professional development framework prepared by legal counsel and authorized securing WSCC personal optional coverage for all members. In addition, the SRB:

- Supported the GNWT Contribution Agreement amendments.
- Asked that the annual report note the existence of several unfilled SRB appointments and the potential impact on its legislated mandate.
- Directed the Board Coordinator to prepare a 2017-18 French language operational plan for its consideration.
- Approved the extension of contracts with existing service providers to March 31, 2018 on the same terms and
- Established its annual meeting schedule.

REPORT ON PERFORMANCE

Strategic Plan, Business Plan, and Budget Committee

The SRB committee tasked with updating its strategic plan, business plan and five-year budget forecast met on February 7, 14 and 22, 2017; and, on March 13, 2017 by teleconference to approve the revised documents and recommend their approval by the SRB.

SRB Rules of Procedure

The SRB adopted its Rules of Procedure. Public consultations on the Rules of Procedure generated one submission. The input was incorporated into the final gazetted Rules of Procedure. The *NWT Gazette* 'notice' was submitted to the GNWT Department of Justice for translation and publication on October 31, 2016. The notice made reference to the publication of the NWT SRB *Rules of Procedure* in the *News/North* newspaper and the SRB website on November 21, 2016.

SRB By-laws

The SRB adopted By-laws pursuant to s.22 of the *NWT Surface Rights Board Act (Act)* that authorizes the SRB to make by-laws respecting the powers and functions of the Chairperson and the conduct and management of its internal administrative affairs.

Member Training

The NWT SRB's strategic plan affirms and budgets for professional development. The NWT SRB professional development this year was a hearing simulation based on "real life" issues SRB members may be required to address during a SRB hearing. The SRB's legal counsel and a Yellowknife based lawyer with lands experience delivered the professional development. The Board's busy meeting schedule and significant workload precluded further member training during 2016-2017.

A 2017-2018 professional development framework was adopted. The framework includes one day of professional development to be delivered at each of the four planned SRB meetings.

Communications

The NWT SRB members (including alternates) attended the November 15-17, 2016 NWT Geoscience Forum. Until the Board is more fully established, broad communications and public education activities remained in abeyance.

The Chairperson and Board Coordinator were invited to attend the NWT Board Forum in Norman Wells. Unfortunately, the Forum coincided with the SRB professional development sessions and its December 1 meeting.

External Relationships

The Board's strategic objective of building relationships with stakeholders and resource management organizations was advanced when it met with the members and staff of Nunavut Surface Rights Tribunal in Yellowknife on July 29, 2016.

Human Resources

The NWT SRB retained a permanent half-time Board Coordinator in December 2015 and employment commenced in January 2016.

Office Space and Equipment

The Board relocated its office from the Office Compliments offices to the Finn Hansen Building located at 5105-50 Street, Yellowknife, on May 1, 2016. The relocation was mutually agreeable. The Board bought a server, two laptops, a printer, a phone, answering machine and uses the shared Boardroom at the Finn Hansen Building.

Computer Hardware and Software

Computer hardware and software for a high secure communications and data storage system was purchased. This includes a server and two laptops, one for the Board Coordinator and one for Board members. Final server set-up with member e-mail accounts, secure document storage / access with a supporting filing system and associated security features was implemented in April 2016.

Insurance

The Board was required to carry insurance as detailed in section 11 of the 2015-2016 Contribution Agreement with the GNWT. The GNWT subsequently amended the insurance requirements after concerns were raised by the SRB. The SRB has now been able to address the GNWT's Contribution Agreement amended insurance requirements. The Board has secured personal coverage for members and staff from the NWT Workers' Safety and Compensation Commission (WSCC) and commercial general liability insurance from the Totten Group.

Professional (non-legal) and Technical Support Services

The following services were retained from NWT resident contractors in 2016-2017. The SRB extended their respective contractual engagements to March 31, 2018 under the same terms and conditions.

- Bookkeeping - Office Compliments and administrative support to the Board Coordinator.
- Auditing – Stewart Robert Accounting, Auditing.
- Website – Kellett Communications Inc.
- Information Technology (non-website) – Gray Jay Enterprises Ltd.

Legal Services

The NWT SRB continues to retain the legal counsel of Dr. Larry A. Reynolds of Cliffe Tobias Barristers & Solicitors.

FINANCIAL MATTERS

Contribution Agreement

The GNWT and the NWT SRB signed a five-year (5) Contribution Agreement on September 3, 2015. The Contribution Agreement established the annual budget adjusted annually for Final Domestic Demand Implicit Price index (FDDIPI), and a monthly cash flow. With the FDDIPI adjustment the SRB 2016-2017 budget was \$293,300.

The SRB was informed in February 2016, that it could carry forward unspent funds from one fiscal year to the next during the GNWT's five-year SRB funding agreement period with the Government of Canada.

Banking

The NWT SRB banks with the Royal Bank of Canada and adopted spending control authorities and limits at its first meeting in October 2016. No expenditure can occur without the written authorization of two Board members.

Book keeping and Auditing

Office Compliments provides bookkeeping services and Stewart Robert Accounting, auditing services. The Board staff and Chairperson review finance reports monthly; and, the Board when it meets. A chart of accounts consistent with the GNWT Contribution Agreement and aligned with SRB's five-year strategic plan and budget is

in place. Expenditures are tracked by budgeted activity and electronic payments controlled by the Board's EFT policy.

Financial Variance Report

The Board is operating within its budget and available funding. The SRB has reserved \$50,000, as per the Board's Strategic Plan, to address applications as they arise. If no applications arise, the \$50,000 will be carried forward into FY 2017-2018.

CHALLENGES

SRB member vacancies exist, and could limit the Board's ability to deliver on its mandate.

CONCLUSION

The NWT SRB is pleased to report significant progress in all facets of its work. Its operations are established with key management controls in place. Rules of Procedure and SRB By-laws are in place. A professional development framework will support member capacity to deliver on the SRB's mandate; and, all the SRB's work is consistent with its updated five-year strategic plan, supporting business and expenditure plan.

APPENDIX 1 - STRATEGIC PLAN

MISSION

To fairly resolve disputes regarding access to lands in the NWT and waters overlying those lands in the Mackenzie Valley.

The SRB's mission describes its core purpose or "reason for being" and the contribution it makes to society.

VISION

Respected and trusted to resolve land and water access disputes in a fair and timely manner.

The SRB's vision represents the preferred "ultimate" state the Board would like to achieve in the long run. The Vision outlives the current membership's tenure, and guides short and intermediate term actions.

VALUES

- **Fairness:** treating people equitably and impartially through clear, objective, transparent, accessible and reasoned decision making processes.
- **Respect:** sensitivity to the diversity of the parties to the Board's processes and the peoples of the NWT; and the unique values they attach to lands.
- **Integrity:** honest, ethical and reasonable behavior.
- **Timeliness** – responsive, effective and efficient resolution of disputes.
- **Professionalism:** being competent and proficient while striving for improvement through continuous review and application of lessons learned.

The SRB's values reflect its corporate culture and guide its actions.

ENVIRONMENTAL SCAN

The environmental scan identifies key trends and developments relevant to the SRB's operations and legislative mandate that directly impact its ability to deliver its functions in a fiscally prudent and judicious way.

External Factors

Challenges

- The SRB is a new dispute resolution Board in the NWT (opened for business on April 1, 2016) and is generally unknown to the public and potential clients.
- Similarly, the SRB's "fit" with the existing resource management regime is not well understood (e.g., by Land and Water Boards, Land Use Planning Boards, the Mackenzie Valley Review Board and Renewable Resources Boards, Inuvialuit Game Council, Federal and NWT Government officials).
- The SRB was contemplated pursuant to settled aboriginal land claims and not through a broadly debated public process. Therefore, while enacted by the GNWT, it may not be publicly accepted as a legitimate organization.
- While acknowledged in aboriginal land claims negotiations, First Nations generally will not have a solid understanding of the provisions of the SRB Act; especially in the unsettled land claim areas.
- No "case based" funding is provided to the SRB to resolve specific disputes as and when applications are made.
- There is some uncertainty in jurisdiction of the SRB with land claimant organizations due to specific overlaps still to be resolved.
- The SRB is on a steep learning curve to achieve an acceptable state of competence and readiness to resolve disputes.
- Board vacancies may pose a challenge for addressing disputes in a timely manner.

Opportunities

- The SRB appears to be adequately resourced for its core activities.
- The SRB is not anticipating any applications for dispute resolution in the near future so there should be time to get sufficiently organized in advance of initiating its first dispute resolution process.
- There also appears to be sufficient time for desirable public and stakeholder education and awareness initiatives in advance of the SRB receiving its first application for dispute resolution.

- The SRB office is centrally located in relation to the GNWT, Federal Government offices, the Mackenzie Valley Review Board, the Mackenzie Valley Land and Water Board and the Board Relations Secretariat; all located in Yellowknife. This will facilitate ready day-to-day communications; ready access to GNWT and Board Forum sponsored training events, as well as access to their infrastructure and other resources (e.g. Board rooms) when not in use.
- The GNWT is supportive of the SRB getting organized and operational.
- The Nunavut Surface Rights Tribunal is a similar organization to the SRB operating in Nunavut. It has been very helpful in sharing its expertise and experience with the SRB and appears willing to be as supportive as possible as the SRB gets its “feet on the ground.”
- The *SRB Act* provides comfort to the development community as it assures developers that there is a process that will ensure resolution of land access disputes if the parties cannot successfully resolve the conflict directly.

Internal Factors

Strengths

- The SRB has acquired experienced legal counsel to assist with start-up, training and on-going challenges.
- The SRB has also retained a competent suite of service providers to address financial, bookkeeping, IT and website design needs.
- Regular and alternate Board members have a relevant and broad base of experience and knowledge.
- Board members have a good understanding of their role as members of the SRB.
- Cornerstone documents are now in place and the SRB is operational.

Weaknesses

- The SRB is still maturing in terms of operational readiness.
- The cost of each future dispute resolution process is unknown.

Relevant Trends

- The economic trend in the NWT is downward which suggests land use conflicts requiring dispute resolution will be less likely.
- Implementation of the Canada-GNWT Devolution Initiative will have uncertain impacts on the likelihood of land access disputes.

- The younger demographic in the NWT is becoming differently engaged in land management issues (e.g. through social media). Values held by older generations are being questioned.
- Industry is becoming more engaged in securing a social license for its activities.
- Uncertainty continues regarding settlement of outstanding Aboriginal land claims.

Workload Drivers

- Professional development needs must continue to be addressed to ensure Board readiness to address disputes.
- The administrative requirements (e.g., reporting) of the legislation and the GNWT funder must be satisfied.
- The more people are aware of the SRB's role and how to access the Board, the more work that may be referred to the Board.

Issue(s)

- How to maintain a “state of readiness” if there are few or no applications for many years. This issue may be more problematic at times when there is turnover in Board membership. Part of the answer may be in the quality of the documentation left by the current Board members to assist the new Board members when they are appointed. Periodic scenario based conflict resolution training may also be needed.
- The lack of awareness of the SRB and its processes among the public, industry, land administrators, land use planning boards, government officials and other relevant individuals.
- How to ensure the SRB and land and water regulators have a common understanding of the role of the SRB within the NWT resource management regime.

GOALS

The SRB seeks to achieve these priorities over the next to 5-10-years.

- **Ready, competent and timely dispute resolution.**
- **Respected, trusted and understood by the public and parties to a dispute.**
- **Core capacity and administrative requirements are met.**

OBJECTIVES & STRATEGIES

The SRB's objectives are realistic, results-oriented statements of what the Board expects to achieve in the short term on the way to accomplishing its goals. Objectives are closely linked to strategies.

The SRB's strategies are specific actions that help accomplish an objective in the next one to five years. The SRB's strategies are "do-able" given its resources, and each strategy has an intended outcome and priority. These are the SRB's strategies organized by goal and objective.

Goal 1 - Ready, competent and timely dispute resolution

Objective – Establish and continually improve dispute resolution procedures, guidelines and best practices

- Develop and maintain an internal electronic database of Canadian surface rights decisions – a resource for the SRB to reference when considering a variety of surface rights related legal issues.
- Develop relationships with similar jurisdictions to benefit from their lessons learned and best practices.

Objective – Maintain Board competence and proficiency

- Develop and maintain a Board member and staff professional development and training plan – including topics such as surface rights law, running fair hearings, review of relevant aboriginal land claim agreements, administrative law, resource management law in the NWT and interest based negotiation.
- Conduct annual mock NWT land access dispute resolution exercises (including pre-hearing and hearing scenarios).
- Issue periodic communications to Board members and staff with respect to relevant on-going cases and developments in surface rights law and administration.

Goal 2 - Respected, trusted and understood by the public and parties to disputes

Objective – Improve awareness and understanding of the Board’s role and dispute resolution process with relevant organizations and individuals

- Build relationships with resource management and other relevant organizations.
- Finalize development of the Board website – as a public portal for information regarding the SRB.
- Finalize SRB visual identity (branding) graphics standards to govern the “look and feel” of the Board website, graphics design for Board publications, business cards, letterhead, public notices etc.

Objective – Establish ready public access and transparency to the Board’s dispute resolution process and its decisions

- Finalize and maintain a Public Registry of Board Decisions to be posted on the Board website.
- Develop a communications strategy and key messaging to be conveyed to the public and potential parties to the Board’s processes.

Goal 3 - Core capacity and administrative requirements are met

Objective – Maintain timely and current Strategic and Business Plans and Reports

- Submit annual reports as required.
- Submit annual business plan submissions as required by funder(s).
- Prepare/renew the SRB strategic plan once every 5 years.

Objective – Conduct efficient day-to-day Board operations

- Lease of office space.
- Retain Board Coordinator.
- Identify sufficient funds for Board Honoraria and related travel, meals and accommodation as well as general office supplies, postage & miscellaneous expenses.
- Retain general service providers.
 - Book keeping
 - Legal counsel
 - Financial auditing
 - IT support
 - Website maintenance

- Develop and implement a formal records management system for the storage and retrieval of current and archival records that addresses both paper and digital formats.
- Maintain capacity to digitize documents for posting on the Board's website, public registry and/or internal records management system.
- Identify a standing budget to address Applications as they arise.

Objective – Establish and maintain clear and comprehensive operating procedures

- Maintain on-going currency of the Board's By-laws.
- SRB Members Questionnaire – to assist the Chair in avoiding conflicts when assigning Members to pre-Hearing and /or Hearing duties.
- SRB Support Guide for Staff and Consultants – to clearly delineate the expectations placed on them by the Board e.g. code of conduct, conflict of interest/apprehension of bias etc.
- SRB Support Guide for members clearly delineating the roles, responsibilities and expectations placed on them e.g. code of conduct, conflict of interest/apprehension of bias etc.
- Develop and maintain the necessary internal operations policies.
- Develop and maintain supplementary Process Directives, Reference Bulletins and Guidance Documents to further clarify the Board's processes for parties to disputes and the public (prioritized list to be developed).

APPENDIX 2 - BUSINESS PLAN

Legend

Low Priority
Medium Priority
High Priority

Strategy	Priority	Outcome(s)	Performance Measures	Required Resources
Goal 1 Ready, competent and timely dispute resolution				
Objective 1A – Establish and continually improve dispute resolution procedures, guidelines and best practices				
Strategy 1A1 - Develop and maintain an internal electronic database of Canadian surface rights decisions	Low	A resource for the SRB to reference (and for training and professional development) when considering a variety of surface rights related legal issues	-Data base formally established -Database updated annually	-\$2,000 in 2017/18 implementation -\$2,000 annual maintenance future years
Strategy 1A2 - Develop relationships with similar jurisdictions to benefit from their lessons learned and best practices	Low	-On-going collegial relationship with similar boards in Canada and other management and regulatory bodies in the NWT. -Effective network of formal and informal relationships to advance all aspects of the SRB's work	-Number of formal and informal relationships established - Frequency and types of communications	- Staff/Board Overhead -\$5,000/yr. travel budget beginning in 2018/19 -Combine with other travel where possible

Objective 1B – Maintain Board competence and proficiency

Strategy 1B1 - Develop and maintain a Board member and staff professional development and training plan – including topics such as surface rights law, running fair hearings, review of relevant aboriginal land claim agreements, administrative law, resource management law in the NWT and interest based negotiation	Medium	Knowledgeable Board members	-Members capacity assessment -Member professional development plan established -Professional development undertaken annually	-2018/19 to 2020/21 @ \$15,000/yr. - Budget to increase to \$20,000 in 2021/22
Strategy 1B2 - Conduct annual exercises relating to disputes which may arise within the jurisdiction of the SRB	Medium	- Board members skilled in conduct of dispute resolution methods and legal process	-Priority areas of Board practice to address identified type and frequency of exercises undertaken	-\$20,000/yr.
Strategy 1B3 – Issue periodic communications to Board members and staff with respect to relevant on-going cases and developments in surface rights law and administration	Medium	-Board members current on relevant surface rights activities and decisions	-Semi-annual briefings to the Board	-Staff overheads -Legal advisory support covered by general advice overhead

Goal 2 - Respected, trusted and understood by the public and parties to disputes

Objective 2A – Improve awareness and understanding of the Board’s role and dispute resolution process with relevant organizations and individuals

Strategy 2A1 - Build relationships with resource management and other relevant organizations	Medium	- Effective networks for timely access to relevant information and expertise	-Frequency and type of communication	-\$5,000/year expenses various -Board Member/Staff overhead
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<p>Strategy 2A2 - Finalize development of the Board website – as a public portal for information regarding the SRB</p>	<p>High</p>	<p>-All public information and resources readily available online</p>	<p>-Website operational, current and readily accessible to public and Board members -Current and regularly updated and compliant with S.94 of the SRB Act</p>	<p>-Future years \$3,000/yr. for on-going website maintenance</p>
<p>Strategy 2A3 - Finalize SRB visual identity (branding) graphics standards to govern the “look and feel” of the Board website, graphics design for Board publications, business cards, letterhead, public notices etc..</p>	<p>Medium</p>	<p>-Visual identity readily recognized by the public</p>	<p>-Visual identity products finalized -Integrated into the SRB communications plan</p>	<p>-\$2,000 for Contractor costs 2017/18 - future costs estimated to be \$3,000 per year</p>
<p>Objective 2B - Establish ready public access and transparency to the Board’s dispute resolution process and its decisions</p>				
<p>Strategy - 2B1 Finalize and maintain a Public Registry of Board Decisions to be posted on the Board website</p>	<p>High</p>	<p>-Operational public registry -Board decisions are available and readily accessible to the public online per S.94 of the SRB Act</p>	<p>-Live registry online maintained</p>	<p>-Contractor costs of \$3,000 in 2018/19 to consider adding languages translating module</p>
<p>Strategy - 2B2 Develop a communications strategy and key messaging to be conveyed to the public and potential parties to the Board’s processes</p>	<p>Medium</p>	<p>-Successful positioning of the SRB in the minds of those that might require access to the SRB</p>	<p>-Established communications strategy - critical success indicators monitored and tracked e.g. volume, frequency nature and type of communications</p>	<p>- Contractor costs of \$7,000 in 2019/20</p>

Goal 3 - Core capacity and administrative requirements are met

Objective 3A – Maintain timely and current Strategic and Business Plans and Reports

Strategy 3A1 - Submit annual reports as required	High	-Annual Report submitted	-Submitted on time -Acknowledgment of and posting of the document on the website	Overhead -\$2,500/yr. for graphic design support starting in 2017/18
Strategy 3A2 - Submit annual business plan submissions as required by funder(s)	High	- Annual business plan submitted	-Funding received and expended in conformance with the business plan as amended during the year	Overhead -\$5,000/yr for graphic design support starting in 2018/19
Strategy 3A3 - Prepare/renew the SRB strategic plan once every 5 years	High	-Renewal of the strategic plan -Review of the impact of the previous strategic plan	Timely renewal of Strategic Plan completed	Overhead -\$5,000 honoraria for SP Committee work in 2020/21 - and \$20,000 to design and implement a survey questionnaire for environmental scan and analysis tool to assess effectiveness of previous strategic plan

Objective 3B – Conduct efficient day-to-day Board operations

Strategy 3B1 - Lease office space/boardroom space/secure storage area and purchase required furnishings	High	-Office meeting and storage requirements met -Compliance with s.20 of the SRB Act	-Lease in place - Furniture purchased	Years 2017/18 to 2021/22 - \$15,000/yr
Strategy 3B2 - Retain Board Coordinator	High	-Competent Professional Board Coordinator	-Annual performance review	\$48,000/year
Strategy 3B3 – Identify sufficient funds for Board Honoraria and related travel, meals and accommodation as well as general office supplies, postage & misc. expenses	High	-Fixed costs for Board meetings and regular operations are met	-Number and types of meetings to conduct Board business. -Annual budget variance for Board meetings and regular operations	- 2017/18 \$122,300 - 2018/19 and future years @ \$94,225 - Frequency of Board meetings will decrease as start-up phase is being completed
Strategy 3B4 - Retain general service providers o Book keeping o Legal counsel o Financial auditing o IT support o Website maintenance	High	-Required support service available for Board operations	-Contracts in place -Board satisfaction with services delivered	\$58,500/year
Strategy 3B5 - Develop and implement a formal records management system for the storage and retrieval of current and archival records that addresses both paper and digital formats	Medium	-Clearly understood and applied records management with supporting documentation and control in place	-Records management policy or procedure in place and applied -Compliance with 94.2 of the SRB Act	\$3,000 per year for annual software licensing fees and technical support
Strategy 3B6 - Maintain capacity to digitize documents for posting on the Board's	Low	-Capacity to transfer paper media into digital media	-Monitoring of backlogs if any of paper documents required to	Commercial digitizing services at \$1,200 per year

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website, public registry and/or internal records management system			be digitized	
Strategy 3B7 – Identify a standing budget to address Applications as they arise	High	-SRB has capacity to proceed with applications in a timely manner when received	-Standing budget in place	\$50,000 per year for honoraria, legal, travel and other related expenses. Budget to increase to \$64,000 in 2021/22
Objective 3C – Establish and maintain clear and comprehensive operating procedures				
Strategy 3C1 - Maintain the on-going currency of the Board’s By-laws	Medium	-Effective internal Board governance procedures in place supported by by-laws as amended from time to time	-Approved by-laws in place	\$2,000 per year for legal review support
Strategy 3C2 - SRB Members Questionnaire – to assist the Chair in avoiding conflicts when assigning Members to pre-Hearing and /or Hearing duties	Low	-Preparation of the member questionnaire	-Questionnaire in place and being used	Overhead Commence in 2018/19
Strategy 3C3 - SRB Support Guide for Staff and Consultants – to clearly delineate the expectations placed on them by the Board	Low	-Preparation of a staff guide	-Guide finalized	Overhead Commence in 2018/19
Strategy 3C4 - Support Guide for members clearly delineating the expectations placed on them e.g. code of conduct, avoiding conflict of interest/apprehension of bias etc.	Medium	-Preparation of a Board member guide	-Guide finalized	Overhead Commence in 2018/19
Strategy 3C5 - Develop and maintain the necessary internal operations policies	Medium	-A robust management framework for the Board - For example; Finance Policy, Media Spokespersons Policy, Legal Services Policy; Policy on the Retention and Use of Expert	-Types and number of policies in place	Overhead -2018/19 and 2019/20 \$5,000 each year for Board Committee honouraria and contractor support as

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		Advisors; Records Management Policy; Board Minutes Disclosure Policy and Aboriginal and French language services policy		required
Strategy 3C6 – Develop and maintain supplementary Process Directives, Reference Bulletins and Guidance Documents to further clarify the Board’s processes for parties to disputes and the public (prioritized list to be developed)	Medium	Parties to disputes and the public have clear descriptions of Board process in addition to the Board’s interpretation of specific provisions of the SRB Act where further certainty maybe helpful	Volume of questions regarding uncertainty by parties to disputes and the public about SRB process or the provisions of the SRB Act (that are not covered by SRB Process Directives, Reference Bulletins and guidance documents, policies and procedures) is reduced	For professional advice 2017 - \$2,978 2018/19 – \$10,674 2019/20 - \$10,340 2020/21 - \$1,050 2021/22 - \$10,805

APPENDIX 3 - AUDITED FINANCIAL STATEMENTS

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD

AUDITED FINANCIAL STATEMENTS

MARCH 31, 2017

Management's Responsibility for Financial Reporting

Independent Auditor's Report

Statement of Financial Position

Statement of Revenue, Expenditures and Accumulated Surplus

Statement of Cash Flows

Notes to the Financial Statements

Management's Responsibility for Financial Reporting

May 15, 2017

To the Members of the Board

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD

Yellowknife, N.W.T.

The accompanying financial statements were prepared by management in conformity with generally accepted accounting principles appropriate in the circumstances.

The Board maintains internal financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis and that the Board acts in accordance with the laws of the Northwest Territories and Canada. Management recognizes its responsibility for conducting the Board's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate.

The external auditor annually provides an independent, objective audit for the purposes of expressing an opinion on the financial statements. He also considers whether transactions which come to his notice in the course of this audit are, in all significant respects, in accordance with the specified legislation.

J. Edmondson, Board Coordinator,

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD

Robert
Stewart

Chartered Accountant/
Management Consultants
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Yellowknife, N.W.T. X1A 2P6
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
Yellowknife, N.W.T.

We have audited the accompanying financial statements of NORTHWEST TERRITORIES SURFACE RIGHTS BOARD, which comprise the statement of financial position as at March 31, 2017, and the statements of revenue, expenditures and accumulated surplus, and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Generally Accepted Accounting Principles for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of NORTHWEST TERRITORIES SURFACE RIGHTS BOARD as at March 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.



CHARTERED ACCOUNTANT

May 15, 2017
Yellowknife, N.W.T

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2017
ASSETS

	<u>2017</u>	<u>2016</u>
Current		
Cash	\$ 80,050	\$ 168,366
Accounts receivable (Note 2)	29,592	3,703
Prepaid expenses	1,350	-
	110,992	172,069
Capital assets (Notes 1b and 3)	-	-
	\$ 110,992	\$ 172,069

LIABILITIES

Current		
Accounts payable and accrued liabilities	\$ 44,132	\$ 58,480
Deferred revenue (Note 4)	66,860	113,589
	110,992	172,069

EQUITY

Accumulated surplus	-	-
Investment in capital assets (Note 1b)	-	-
	-	-
	\$ 110,992	\$ 172,069

APPROVED ON BEHALF OF THE BOARD:

Original signed by Louie Azzolini

_____ Director

Original signed by Mike Vavdik

_____ Director

**NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
STATEMENT OF OPERATING FUND REVENUE AND EXPENDITURES
FOR THE PERIOD ENDED MARCH 31, 2017**

	<u>Budget</u> (Note 1h)	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u> (Note 1h)
REVENUE			
Government of NWT Contributions	\$ 406,889	\$ 293,900	\$ 289,300
Interest revenue	-	250	-
Other revenue	-	1,023	-
Transfer from (to) deferred revenue	-	46,729	(113,589)
	<u>406,889</u>	<u>341,902</u>	<u>175,711</u>
OPERATING EXPENSES			
Professional fees	131,400	138,107	51,859
Honoraria	63,700	63,866	52,400
Board travel and other costs	53,089	46,354	25,905
Wages and benefits	54,000	38,118	17,628
Information technology and computer costs	52,200	25,696	13,266
Rent	17,500	16,007	4,231
Advertising and external communication	-	4,190	6,652
Office and other supplies	34,500	3,968	544
Telephone, fax and internet	500	3,120	2,032
Staff travel	-	1,540	-
Bank charges and interest	-	486	1,194
Insurance	-	450	-
	<u>406,889</u>	<u>341,902</u>	<u>175,711</u>
EXCESS REVENUE (EXPENDITURES) FOR THE PERIOD	-	-	-
ACCUMULATED SURPLUS, BEGINNING OF PERIOD	-	-	-
ACCUMULATED SURPLUS, END OF PERIOD	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2017**

	<u>2017</u>	<u>2016</u> (Note 1h)
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Excess revenue (expenditures) for the period	\$ -	\$ -
Net change in non-cash working capital balances:		
Operating resources provided by (used in):		
Decrease (increase) in accounts receivable	(25,889)	(3,703)
Decrease (increase) in prepaid expenses	(1,350)	-
Increase (decrease) in accounts payable	(14,348)	58,480
Increase (decrease) in deferred revenue	(46,729)	113,589
	(88,316)	168,366
Net increase (decrease) in cash and equivalents	168,366	168,366
Cash and equivalents at beginning of period	168,366	-
CASH AND EQUIVALENTS AT END OF PERIOD	\$ 80,050	\$ 168,366
Comprised of:		
Cash in bank	\$ 55,050	\$ 143,366
GIC	25,000	25,000
	\$ 80,050	\$ 168,366

**NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2017**

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD (THE “Board”) was created upon the enactment of the Surface Rights Board (Northwest Territories) by the fifth session of the seventeenth Legislative Assembly of the Northwest Territories, commencing April 2016. The objective of the Board is to fairly and equitably resolve disputes regarding access to lands in the Northwest Territories and waters overlying those lands in the Mackenzie Valley. The Board’s objectives are based on the plan developed by the Government of the Northwest Territories Department of Lands. The Board’s activities are in accordance with the requirements of the Northwest Territories Surface Rights Board Act (Canada), in accordance with the requirements of the Northwest Territories Land and Resource Devolution Agreement. The Board is exempt from income taxes under Section 149 of the Income Tax Act.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards.

a) Use of estimates

The preparation of financial statements necessarily involves the use of estimates, which have been made using careful judgment. Actual results could differ from these estimates and any differences will be reflected in the financial statements in the period in which they are known. The financial statements have, in the opinion of management, been properly prepared within the reasonable limits of materiality and the framework of the significant accounting policies summarized below.

b) Capital assets

Capital assets, when purchased, are recorded in the Capital Fund at cost minus accumulated amortization, and offset by the Investment in Capital Assets and any related debt. Amortization is provided to reduce the Investment in Capital Assets over the expected useful lives of the particular assets. Amortization is recorded using the diminishing balance method. At March 31, 2017, the Board had not acquired any capital assets.

d) Revenue and Expenditure Recognition

Government Contracts and Contribution Agreements:

The Board follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

**NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2017**

e) Fund accounting

Revenues and expenses related to Board operations delivery and administrative activities are reported in the Operating Fund. The net book value of capital assets is reported in the Capital Fund, offset by Investment in Capital Assets and any related debt.

f) Financial Instruments

All significant financial assets, financial liabilities and equity instruments of the organization are either recognized or disclosed in the Financial Statements together with available information for a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable, the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

Risk Management

The Board reviews financial risks and sets appropriate limits and controls when necessary.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will affect the organization's revenue, the organization's expenses and the organization's financial instruments. The Board does not own a significant number of interest earning assets and the Board does not have a significant number of interest bearing liabilities.

Liquidity Risks

Liquidity risk is the risk that the Board will not be able to meet its financial obligations as they become due. The Board manages liquidity risk by reviewing forecasted cash flows from operating activities, forecasted financing activities and forecasted investing activities including budgeted capital expenditures and related financing.

Fair Values

The methods and assumptions followed to disclose fair value are inherently matters of judgment. Accordingly, fair values do not necessarily reflect the amounts that would be recovered or paid under the circumstances that immediate settlement of the financial instruments were required. The use of different methods of estimating and different assumptions could have a material effect on the estimated fair value amounts.

Due to the short-term nature of accounts receivable, accounts payable and accrued liabilities the carrying amounts approximate fair value.

**NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2017**

g) Going Concern

Financial Statements, under Canadian generally accepted accounting standards, are prepared on the assumption that the entity is a going concern, meaning that it will continue in operations for the foreseeable future and that it will be able to realize assets and discharge liabilities in the normal course of its operations.

h) Budget and Actual

Budget figures are for twelve months, unaudited and are those approved by the Board.

Actual 2015/16 figures are for 8 months since the commencement of operations in August 2015.

NOTE 2 ACCOUNTS RECEIVABLE

	2017	2016
Goods & services tax recoverable	\$ -	\$ 3,703
GNWT Department of Lands	29,592	-
Less: allowance for doubtful accounts	-	-
	\$ 29,592	\$ 3,703

**NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2017**

NOTE 3 DEFERRED REVENUE

Pursuant to Contribution Agreement Paragraph 7.3, any unspent amount of the Contribution, or amount repayable in accordance with the Agreement, shall be recorded as a liability in the accounts and records of the Board until the amounts have been spent in accordance with the Agreement or repaid to the GNWT, as applicable.

	<u>2017</u>	<u>2016</u>
Balance, beginning of period	\$ 113,589	\$ -
Transfer to (from) deferred revenue for the period included in Statement of Operating Fund Revenue and Expenditures	(46,860)	113,589
Balance, end of period	\$ 66,860	\$ 113,589
Comprised of:		
Deferred revenue for processing applications	\$ 50,000	\$ -
Deferred revenue, general	16,860	113,589
	\$ 66,860	\$ 113,589

NOTE 4 ECONOMIC DEPENDENCE

Revenues

The Board derives a material amount of its revenues from contribution agreements with the Government of the Northwest Territories. Interruption of this funding would materially affect the operations of the Board.

Supplies and Expenditures

The Board may purchase all of the resources necessary for its operations at fair market values from available vendors deemed to provide best value to the Board.

The Board does not engage in the employment services of skilled individuals who could not be replaced in the labour market.

**NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2017**

NOTE 5 CONTINGENT LIABILITIES

The Board has determined that there have been no events that confirm that an asset has been impaired or liability incurred as at the financial statement date.

The continued operations of the Board is dependent upon the Board securing financing by maintaining a volume of contribution funding. The Board has entered into a long term funding agreement with the Government of the Northwest Territories ending on March 31, 2020.

NOTE 6 COMMITMENTS

Effective May 1, 2016, the Board has entered into an obligation under a 2 year lease for office space. Annual minimum payments under for rent are \$13,103.

NOTE 7 SUBSEQUENT EVENTS

The Board has determined that there have been no subsequent events that provide further evidence of conditions which existed at the financial statement date, and/or which are indicative of conditions which arose subsequent to the financial statement date.