



**Annual Report**

2016-17





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## MESSAGE FROM THE CHAIR AND CEO

We believe in starting conversations with the right information, and being transparent about what's happening in the healthcare system. We also believe in providing tools and resources that support health system stakeholder efforts to continuously improve.

This year, the HQCA launched its flagship online tool, called *FOCUS on Emergency Departments*. It provides Albertans with user-friendly information on patient experiences in 16 of our province's busiest emergency departments. FOCUS – which stands for Fostering Open Conversations that Unleash Solutions – is refreshed with updated information four times a year, so people have access to current information about emergency department care in Alberta.

We look forward to capturing other areas of healthcare in this way, as we plan to expand FOCUS, starting with primary healthcare in 2017-18. FOCUS on Healthcare will be a website that serves as an easy, accessible, relevant, and straightforward source of information about Alberta's health system for healthcare decision makers, providers, and Albertans. We believe transparent and public reporting can lead to quality improvement and a better healthcare system in Alberta.

This year we released the *Home Care Client Experience Survey*. The HQCA has now conducted and reported on experience surveys in all areas of continuing care. As well, we continue to provide physicians with information about their practice to assist them in their improvement efforts. Read about these and our other activities and accomplishments in this report.

The sage advice of our Board of Directors guides our work, and we are grateful for their counsel. This, coupled with the expertise and commitment of our employees and our Patient/Family Safety Advisory Panel, and stakeholders who work collaboratively with us on many projects, helps us maintain focus on putting Albertans first. Their level of dedication and passion about our work day after day is unparalleled.

[Original signed by A.L.A. Fields]

A.L.A (Tony) Fields, CM, MA, MD, FRCPC, FACP  
Board Chair

[Original signed by Andrew Neuner]

Andrew Neuner, BHSA, MBA, MA, CHE  
Chief Executive Officer



## STRATEGIC FRAMEWORK

### Who we are

The Health Quality Council of Alberta (HQCA) has a legislated mandate to promote and improve patient safety and health service quality on a province-wide basis. Our responsibilities are set forth in the *Health Quality Council of Alberta Act*. Our work is guided by a strategic framework that highlights our vision, mission, and values, and defines four strategic areas of focus. By aligning ongoing and future projects to this strategic framework, we will continue to support our partners in improving health system quality and patient safety for Albertans.

### Vision

Excellence in health system quality and patient safety for Albertans

### Mission

With our patient and health system partners, continue to improve the quality of Alberta’s health system through innovative approaches to measuring and monitoring of performance, identifying opportunities for improvement and supporting implementation of improvement initiatives.

### Values

- Hold patients and the population at the forefront
- Be informed by evidence
- Apply an ethical lens
- Analyze objectively
- Inform transparently
- Engage collaboratively

### Strategies



#### Build capacity

Develop knowledge and skills, and inform beliefs, internally and externally to support health system improvement.

- Quality and safety education
- Frameworks and related resources
- Stakeholder engagement
- High-performance and collaborative culture



#### Monitor the health system

Monitor and report on health system performance over time and enable comparison where appropriate to inform improvement.

- System level indicator development
- Population level surveys
- Clinical standards monitoring and reporting
- Health system performance reporting

### STRATEGIES



#### Measure to improve

Measure, analyze and report on healthcare delivery to drive actionable improvement that enhances the quality of healthcare for Albertans.

- Patient-focused measurement
- Sector or service-focused measurement
- Assessments and studies



#### Engage the public

Bring the voice of Albertans to the HQCA’s work.

- HQCA Patient/Family Safety Advisory Panel
- A spectrum of public participation and awareness activities

## GOVERNANCE

The Lieutenant Governor in Council appoints the Board of Directors, who represent a diverse group that includes health professionals, business leaders, academic representatives, and members of the public.

### Chair

Dr. (A.L.A) Tony Fields, Edmonton

### Board of Directors 2016-17

Deborah Apps, Calgary

Dr. Robin Cox, Calgary

Douglas Gilpin, Edmonton

Bruce Harries, Edmonton

Marie Owen, Edmonton

Irene Pfeiffer, Calgary

Our deepest thanks go to outgoing board members Georgina Altman and Toby Jenkins for their commitment, leadership and service.

Chief Executive Officer Andrew Neuner is an ex-officio member of the Board. The HQCA is also supported by Executive Director Charlene McBrien-Morrison.

### The work of the Board is accomplished through the following committees:

#### EXECUTIVE COMMITTEE

The Executive Committee is responsible for facilitating effective communication between the Board and administration. The committee liaises with the chief executive officer and provides direction and support for carrying out the objects of the HQCA as set out in the *Health Quality Council of Alberta Act*.

#### QUALITY ASSURANCE COMMITTEE

This committee is responsible for carrying out quality assurance activities under section 9 of the *Alberta Evidence Act*.

#### AUDIT & FINANCE COMMITTEE

The Audit & Finance Committee's purpose is to monitor the HQCA's financial matters and risk management. It is responsible for presenting the HQCA budget and audited financial statements to the Board for approval and submission to the Ministry of Health.

#### EDUCATION COMMITTEE

In support of the effort to realize the HQCA's Vision, this committee strives to continually enhance Board member knowledge and skills articulated in the HQCA's Board competency matrix.

#### PATIENT/FAMILY SAFETY ADVISORY PANEL

This advisory panel represents the experiences and perspectives of patients and their families. Through the HQCA, the panel works to improve and promote patient safety principles, concepts and actions in all aspects of Alberta's publicly funded healthcare system.

## ACTIVITIES & ACCOMPLISHMENTS

Find out how we worked over the 2016-17 fiscal year to build capacity, measure to improve, monitor the health system, and engage the public.

### **Build capacity**

#### *Quality and safety education – Centre for Collaborative Learning & Education*

Our Centre for Collaborative Learning & Education enables us to offer quality and safety education and capacity-building opportunities for our stakeholders to develop skills in system improvement. The resources offered can also be used by practitioners for certified and non-certified continuing education credits.

#### *Certificate in Patient Safety and Quality Management*

For the seventh year, the HQCA partnered with the University of Calgary's Cumming School of Medicine's Ward of the 21<sup>st</sup> Century (W21C) to provide a certificate course in patient safety and quality management. The course is designed for healthcare professionals who want to expand their working understanding of concepts in patient safety and quality management. Participants completed a combination of in-person classroom sessions and interactive online sessions that began in September 2016 and concluded with a presentation day in March 2017. Candidates who successfully completed the course received a Certificate in Patient Safety and Quality Management from the University of Calgary's Office of Continuing Medical Education & Professional Development, the HQCA, and W21C.

#### *Investigating and Managing Patient Safety Events*

In partnership with the University of Calgary and W21C, the HQCA offers introductory and advanced courses in conducting patient safety reviews and managing patient safety events. This year, the course was held in Edmonton. Completion of both courses and a mentored project earns participants a Certificate in Investigating and Managing Patient Safety Events.

#### *Quality & Patient Safety Education Framework*

The HQCA works to develop education resources and tools to support learning for the concepts and topics within the Quality & Patient Safety Education Framework.

With the University of Calgary's Department of Anesthesiology, the HQCA is working to integrate the Quality & Patient Safety Education Framework across the university's five-year postgraduate anesthesiology program. The framework, in development, provides structure for a consistent approach to patient safety and quality education for healthcare providers. A detailed curriculum for years one and two has been created and training sessions with first- and second-year residents has been held. The HQCA is also working with the department to identify individuals to partner with the HQCA for the training going forward.

To build capacity across the province for teamwork competencies, the HQCA explored the establishment of a TeamSTEPPS regional training centre in Alberta. This included attending a master training course. As the Canadian Patient Safety Institute (CPSI) launched a new initiative – Shift to Safety – which includes TeamSTEPPS and supports the Canadian TeamSTEPPS community, the HQCA worked with the CPSI in the early development of the national initiative and this work is continuing. The HQCA is also working with stakeholders in Alberta to help develop a tailored training program.

## FRAMEWORKS AND RELATED RESOURCES

The HQCA's frameworks provide guiding principles that help promote and improve patient safety and health service quality. Frameworks outline a set of principles for healthcare professionals that address specific topic areas.

### *Simulation-based Mock-up Evaluation Framework*

The physical space, equipment, and people within any healthcare environment have a bearing on patient experience. A poorly designed space can inadvertently introduce hazards for both patients and healthcare workers. Many of these can be anticipated and avoided by involving users in the design process of the healthcare space, to help the end product meet their needs. The Simulation-based Mock-up Evaluation Framework, developed by the HQCA in collaboration with experts and health system stakeholders, outlines an approach to collect and analyze data from mock-up healthcare environments from which an improved design process can result.

The HQCA continues to promote the uptake of the Simulation-based Mock-up Evaluation Framework provincially, nationally, and internationally through strategic relationships with organizations involved in healthcare design, conference presentations, and peer-reviewed journal publications.

We are also working to enable healthcare design teams to successfully apply the framework by developing evidence-based guidelines outlining which mock-up fidelity should be used to optimize cost effectiveness and outcomes in the design process. This involved comparing the use of a virtual reality mock-up, a detailed (full scale physical) mock-up, and a simple (tape on the floor) mock-up's ability to produce results which are consistent with a post-occupancy evaluation of a South Health Campus (Calgary) medication room, along with the return on investment from using each mock-up fidelity.

## FRAMEWORKS UNDERWAY

In collaboration with provincial stakeholders and the HQCA's Health Quality Network, the HQCA is developing the following frameworks:

### *Patient Concerns Management – A Framework for Albertans 2017*

This framework is a refresh of the April 2007 Patient Concerns/Complaints Resolution – Provincial Framework. It provides guiding principles, a Patient Concerns Management Model, suggested process steps, and practical assistance to facilitate a consistent approach to patient concerns management and resolution processes throughout the province. The framework can also be used as a tool to assess current practices and policies. The framework was completed in spring 2017.

### *Healthcare Quality & Safety Management*

In 2016-17, the HQCA began developing *Healthcare Quality & Safety Management: A Framework for Alberta*. The document outlines what healthcare providers, managers, and executives need to do to effectively manage quality and safety in the healthcare system. A companion document was also started, *Healthcare Quality and Safety Management: Sample Scenarios*, which describes how to apply the elements described in the framework.

## JUST CULTURE ONLINE TOOLKIT

This framework underway is an online toolkit of resources to support the development and spread of a just culture across Alberta's healthcare system. A just culture is an atmosphere of trust characterized by transparency, fairness, and accountability; it is the foundational building block of a reporting, learning and patient safety culture. The intent is that the toolkit will be used by individuals and organizations

that are committed to continuous improvement and patient safety; resources within the toolkit will be designed to help build awareness and foster a just culture in the healthcare system.

## PARTNERING WITH PROVINCIAL AND NATIONAL QUALITY AND SAFETY ORGANIZATIONS

We partner with a number of quality and safety organizations at both the provincial and national levels. This includes assisting with curriculum development, participating in various educational initiatives where HQCA expertise is helpful, providing support and mentorship specific to healthcare quality and patient safety, and providing ethics advice and counsel.

## HEALTH QUALITY NETWORK

The Health Quality Network (HQN) was formed in 2004 to ensure knowledge sharing and capability transfer related to leading or best practices throughout the province. Chaired by the HQCA, the HQN met four times in 2016-17. Its current member organizations include: Alberta College of Pharmacists, Alberta Health, Alberta Health Services, Alberta Medical Association, College and Association of Registered Nurses of Alberta, College of Physicians & Surgeons of Alberta, Covenant Health, Office of Alberta Health Advocates, HQCA's Patient/Family Safety Advisory Panel, University of Alberta Faculty of Medicine and Dentistry, and Cumming School of Medicine.

## PROVIDING EXPERTISE ON MEDICAL ASSISTANCE IN DYING

In a joint position supported by AHS and the HQCA, the HQCA provided advisory medical, ethics, education and policy services for operational preparedness of AHS and provincial collaborators for medical assistance in dying.

## Measure to improve

### PATIENT-FOCUSED MEASUREMENT

#### *Supportive living family and resident experience surveys*

In 2016-17, the HQCA began and completed data collection for its second supportive living family and resident surveys. The results assist supportive living facilities to identify areas of success and opportunities for improvement. A mail and web-based survey was used for family members and an in-person or mail-in survey was used for residents. There was an increase in the number of facilities that participated in the surveys compared to the 2013-14 survey cycle. The overall response rate for the family survey was 63 per cent and 59 per cent for the resident survey. The site-level and provincial reports were published in July 2017.

#### *Home care client experience survey*

The *Alberta Home Care Client Experience Survey* was conducted in collaboration with Alberta Health Services and Alberta Health to help identify areas for improvement and highlight areas of success in home care. The purpose was to capture the experiences of and obtain feedback from seniors aged 65-plus receiving long-term supportive and maintenance care. Combined, this group represents the largest group of home care clients. This is the first survey conducted by the HQCA in the home care services sector and provides a baseline measurement that can be used for ongoing benchmarking and monitoring. The provincial response rate was 64 per cent, meaning 7,171 home care clients responded to the survey about their experiences with professional and personal home care services. The provincial report and provider-level reports were published in September 2016.

### *Long term care family experience survey*

In 2016-17, the HQCA initiated the process to begin conducting a survey with family members of residents, or those who are currently most involved in the resident's care, in long-term care facilities throughout Alberta. The data collection took place from April to September 2017. This will be the fourth such survey since 2007 in long term care. The information will help us learn more about the quality and safety of care and services at long-term care facilities across Alberta.

### *Primary care patient experience survey*

This year the HQCA expanded its pilot primary care patient experience survey, started in 2015-16, to include 36 additional participating primary care physicians, resulting in 1,999 patients surveyed. Two survey modalities were tested – text message and email. Each physician who participated in the pilot test will receive a summary report about their patients' experiences. Additionally, cognitive testing interviews with patients were conducted, in collaboration with the University of Calgary's Department of Family Medicine. These interviews led to major questionnaire revisions for the third phase of this pilot, which was conducted over the summer of 2017.

### *Emergency department patient experience survey*

The HQCA continues to randomly sample patients who have recently visited Alberta's 16 busiest urban and regional emergency departments. This brief telephone survey asks patients about their experiences with care during their visit to the emergency department. As of March 31, 2017, there were 16,315 Albertans surveyed about their experiences. Results are reported quarterly through the HQCA's online tool, the *FOCUS on Emergency Departments* website.

### *EQ-5D*

The HQCA continues to support the use of EQ-5D, a patient-reported outcome measure (PROM) that captures five dimensions of health-related quality of life: mobility, self-care, usual activities, pain/discomfort, and anxiety/depression. We collaborated with the EuroQuol Foundation, the University of Alberta, and Alberta Health Services to establish a research and support unit (APERSU) at the University of Alberta. Through this work, we also support the education and training of graduate-level students at the University of Alberta.

## SECTOR OR SERVICE-FOCUSED MEASUREMENT

### *Primary care*

The HQCA continued to collaborate with primary care stakeholders across the province in various ongoing measurement initiatives. We have developed a collaborative, scalable, and sustainable measurement program that primary care physicians can use to inform proactive improvements to positively affect patient care.

### Physician panel identification and maintenance

We continued to work to refine a process that physicians can use to identify and maintain their patient panel list. Now called a Continuity Dataset, this work includes a robust panel identification and maintenance process by providing primary care providers with information about estimated or validated panel lists that they can use in their paneling activities.

## Model care planning process

The HQCA developed a general clinical pathway for care planning in primary care in Alberta in collaboration with Alberta Medical Association's Toward Optimized Practice (TOP), which included the development of a model care planning process. Based on this work, a collaborative initiative was also established between TOP, AHS, primary care physicians, and the HQCA to focus on improving chronic disease management care planning in primary care. The model and pathway will be a central component of this initiative.

## Primary healthcare panel reports

Since 2012, the HQCA has been providing primary healthcare panel reports to family physicians, upon request, across the province. This year we expanded our production of panel reports and for the first time, invited every family physician in Alberta to submit a request for an individualized report. These reports can be used to support and inform program planning, panel management, quality improvement, and policy development. The use of the reports is supported through presentations and webinars to assist physicians in understanding and using the reports.

The HQCA also recognized the need to improve the reports. Through additional grant funding provided by Alberta Health, the HQCA is working with them and a committee of physicians and other primary care stakeholders to review the current report. Their review includes: the measures reported, how the information is organized and presented to increase uptake and usability, and how to standardize these measures across the province.

## ASSESSMENTS AND STUDIES

### *Status report on recommendations from the 2013 Continuity of Patient Care Study*

In 2015, Alberta Health requested the HQCA provide an assessment of progress made toward implementation of the recommendations from our *2013 Continuity of Patient Care Study*, and to provide insight into bringing the recommendations to a conclusion. This followup review, *Improving Continuity of Care: Key Opportunities and a Status Report on Recommendations from the 2013 Continuity of Patient Care Study*, was provided to Alberta Health and published in summer 2016.

The findings from this assessment identified key opportunities to advance the recommendations from the 2013 report. These related to the following topics:

- Provincial clinical information system (CIS)
- Electronic referral system
- Personal health portal
- Clinical test results management
- Provider registry
- Practice standards

### *Physician-Assisted Death Public Survey*

At the request of Alberta Health, the HQCA analyzed the results of the Government of Alberta's *Physician-Assisted Death Public Survey* to inform the development of medical assistance in dying (MAiD) legislation in Alberta. A total of 15,231 responses that included 7,787 open-ended responses were received and analyzed by our team and reported to Alberta Health.

## Laboratory services

In May 2016, at the request of the Minister of Health, the HQCA presented the report, *Moving Ahead on Transformation of Laboratory Services in Alberta*. In response, the Minister directed that a project team be established under a Steering Committee of senior officials. They were to work on a provincial plan for integrated laboratory services in Alberta that included direction for one laboratory information system for the province; planning for new laboratory infrastructure to meet the urgent needs in Edmonton; and ensuring that the process include a robust stakeholder engagement process to inform the development of the plan.

The HQCA was directed to develop the provincial plan. The plan was presented to the Steering Committee in January 2017.

## Monitor the health system

### HEALTH SYSTEM PERFORMANCE REPORTING

#### *FOCUS on Healthcare online reporting initiative*

Through a collaborative and iterative process with health system stakeholders, the HQCA identifies, develops, and reports publicly on key patient experience, economic (cost-effectiveness), and clinical indicators that support its mandate to monitor and report on health service quality and patient safety. This work underpins our FOCUS on Healthcare initiative (Fostering Open Conversations that Unleash Solutions). *FOCUS on Emergency Departments*, an online reporting tool, was the HQCA's first foray into this initiative. The next area of the healthcare system to be added to the website is *FOCUS on Primary Healthcare*, and this project commenced in March 2017 with a Patient Consultation Day and the establishment of a Stakeholder Advisory Committee.

#### FOCUS on Emergency Departments

The HQCA launched *FOCUS on Emergency Departments*, a new interactive online tool, in January 2017 to provide public information about the 16 busiest emergency departments in Alberta. The key measures were determined through robust stakeholder consultation to ensure they were meaningful and informative to healthcare providers, administrators and the public. The interactive charts provide users with insight into what's happening over time and to allow for the comparison of similar emergency departments. *FOCUS on Emergency Departments* was the first tool of its kind published by the HQCA and was designed to give healthcare providers, decision-makers and the public the information they need to have important conversations about emergency department care and services. These conversations can lead to quality improvement and a better healthcare system for Alberta. In the first six months there have been almost 40,000 visits to the website, and a more formal evaluation is planned for the coming year.

#### *Relationship, information and management continuity*

The HQCA conducted an in-depth study to understand the conceptualization and measurement of continuity of care by determining the factors that influence both seamless and fragmented patient journeys. The report, published in August 2016, presents both the qualitative and quantitative results of this in-depth study. The findings from this study have informed other HQCA initiatives, such as: *Improving Continuity of Care: Key Opportunities and a Status Report on Recommendations from the 2013 Continuity of Patient Care Study* and primary healthcare measurement activities. The HQCA continues to promote the report's findings through speaking opportunities and peer-reviewed journals.

## Engage the public

### *Patient/Family Safety Advisory Panel*

The HQCA's Patient/Family Safety Advisory Panel leverages the experiences and perspectives of patients and their families to improve and promote patient safety in Alberta's health system. The panel continues to provide valuable input to the HQCA's strategic direction and business plan. Panel members also provide the patient/family perspective to numerous initiatives both internal and external to the HQCA. These include:

- Participating in the HQCA Board's strategic retreat
- Participating in the Canadian Patient Safety Institute's patient engagement action team
- Presenting at the AHS Quality Summit and at the Accelerating Primary Care Conference
- Partnering with the HQCA on the HQCA Patient Experience Awards Program
- Providing input into patient brochures and the questionnaire on Medical Assistance in Dying (MAiD)
- Providing a patient perspective on HQCA patient experience survey questions

### *Patient Experience Awards*

In 2016 the HQCA and its Patient/Family Safety Advisory Panel established the inaugural Patient Experience Awards program to recognize initiatives in Alberta that are making a positive impact on the patient experience. From nearly 50 initiatives submitted that focused on improving overall healthcare experiences, four teams were selected to receive awards based on their demonstration of incorporating the patient voice in the planning, implementation, and evaluation of an initiative that was focused on improving the patient experience in their care setting. The award recipients were:

- Community Paramedic In-Home Blood Transfusion Program from AHS EMS - Calgary Zone Community Paramedic Program
- FibroFOCUS: A Comprehensive Multidisciplinary Fibromyalgia Treatment Program at the Calgary Chronic Pain Centre
- Peer Support Neuroscience with the Foothills Medical Centre Neuroscience Peer Support Programs
- Stroke Support Team (Medicine Hat & Area) serving Medicine Hat Regional Hospital and the community

These groups presented on their initiatives in a public webcast hosted by the HQCA and were awarded \$2,500 each to go toward a patient safety and quality improvement education opportunity.

### *Change Day Alberta*

Change Day is an initiative centred around the idea that one act can lead to improvement in care for patients, clients, residents, families, and the system. The HQCA, in collaboration with Health Quality Network members, co-sponsored the first Change Day Alberta which invited Albertans to pledge to change their health or the healthcare system – and more than 6,000 made a pledge. Pledges ranged from taking the stairs rather than the elevator; to a doctor shadowing a nurse for a day; to ensuring an introduction of name and positions was always given to patients. To complete the campaign, 75 Change Day celebrations occurred across the province on April 4, 2016.

## **HEALTH QUALITY COUNCIL OF ALBERTA MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS MARCH 31, 2017**

The accompanying financial statements are the responsibility of management and have been reviewed and approved by Senior Management. The financial statements were prepared in accordance with Canadian Public Sector Accounting Standards, and of necessity, include some amounts that are based on estimates and judgement.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system provides management with reasonable assurance that transactions are in accordance with governing legislation and are properly authorized, reliable financial records are maintained, and assets are adequately safeguarded.

The Health Quality Council of Alberta's Board of Directors carries out their responsibility for the financial statements through the Audit and Finance Committee. The Committee meets with management and the Auditor General of Alberta to review financial matters, and recommends the financial statements to the Health Quality Council of Alberta Board of Directors for approval upon finalization of the audit. The Auditor General of Alberta has open and complete access to the Audit and Finance Committee.

The Auditor General of Alberta provides an independent audit of the financial statements. His examination is conducted in accordance with Canadian Generally Accepted Auditing Standards and includes tests and procedures, which allow him to report on the fairness of the financial statements prepared by management.

On behalf of the Health Quality Council of Alberta.

[Original signed by Andrew Neuner]

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Chief Executive Officer  
Andrew Neuner  
May 31, 2017

[Original signed by Jessica Wing]

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Director, Financial Services  
Jessica Wing  
May 31, 2017



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Health Quality Council of Alberta

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the Health Quality Council of Alberta, which comprise the statement of financial position as at March 31, 2017, and the statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

### **Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Health Quality Council of Alberta as at March 31, 2017, and the results of its operations, its remeasurement gains and losses, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, FCPA, FCA]

Auditor General  
May 31, 2017  
Edmonton, Alberta

**HEALTH QUALITY COUNCIL OF ALBERTA  
STATEMENT OF OPERATIONS  
Year ended March 31**

	2017		2016
	Budget	Actual	Actual
(in thousands)			
<b>Revenues</b>			
Government transfers			
Alberta Health - operating grant	\$ 6,611	\$ 6,946	\$ 6,611
Investment income	10	6	9
Other revenue	77	43	26
	6,698	6,995	6,646
<b>Expenses</b>			
Administration	2,552	2,688	2,838
Survey, measure and monitor initiatives	2,686	2,289	2,257
Patient safety initiatives	1,245	1,186	1,038
Quality initiatives	857	734	707
Communication	409	391	402
Ministerial assessment/study	-	239	109
	7,749	7,527	7,351
Annual operating surplus (deficit)	(1,051)	(532)	(705)
Accumulated operating surplus, beginning of year		1,890	2,595
Accumulated operating surplus, end of year	\$	\$ 1,358	\$ 1,890

The accompanying notes and schedules are part of these financial statements.

**HEALTH QUALITY COUNCIL OF ALBERTA  
STATEMENT OF FINANCIAL POSITION  
As at March 31**

	<b>2017</b>	<b>2016</b>
	<b>(in thousands)</b>	
<b>Financial Assets</b>		
Cash	\$ 1,008	\$ 1,579
Accounts receivable	44	47
	<u>1,052</u>	<u>1,626</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	727	844
Employee future benefits (Note 6)	68	43
Deferred revenue (Note 7)	-	7
Deferred lease inducements (Note 8)	53	81
	<u>848</u>	<u>975</u>
<b>Net Financial Assets</b>	<u>204</u>	<u>651</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (Note 9)	1,081	1,186
Prepaid expenses	73	53
	<u>1,154</u>	<u>1,239</u>
<b>Net Assets</b>	<u>1,358</u>	<u>1,890</u>
<b>Net Assets</b>		
Accumulated operating surplus (Note 11)	<u>\$ 1,358</u>	<u>\$ 1,890</u>

Contractual obligations (Note 10)

The accompanying notes and schedules are part of these financial statements.

**HEALTH QUALITY COUNCIL OF ALBERTA**  
**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**Year ended March 31**

	2017		2016
	Budget	Actual	Actual
	(in thousands)		
Annual operating (deficit) surplus	\$ (1,051)	\$ (532)	\$ (705)
Acquisition of tangible capital assets (Note 9)	(30)	(77)	(217)
Amortization of tangible capital assets (Note 9)	136	182	168
Change in prepaid expenses		(20)	(14)
<b>(Decrease) in net financial assets in the year</b>		(447)	(768)
<b>Net financial assets, beginning of year</b>		651	1,419
<b>Net financial assets, end of year</b>	\$	\$ 204	\$ 651

The accompanying notes and schedules are part of these financial statements.

**HEALTH QUALITY COUNCIL OF ALBERTA  
STATEMENT OF CASH FLOWS  
Year ended March 31**

	<b>2017</b>	<b>2016</b>
	<b>(in thousands)</b>	
<b>Operating Transactions</b>		
Annual operating (deficit) surplus	\$ (532)	\$ (705)
Non-cash items:		
Amortization of tangible capital assets (Note 9)	182	168
Amortization of tenant inducements (Note 8)	(47)	(47)
Increase in employee future benefits (Note 6)	25	26
	<u>(372)</u>	<u>(558)</u>
Decrease in accounts receivable	3	62
(Increase) in prepaid expenses	(20)	(14)
(Decrease) Increase in accounts payable and accrued liabilities	(117)	10
(Decrease) Increase in deferred revenue	(7)	7
Increase in deferred lease inducements	19	18
Cash (applied to) operating transactions	<u>(494)</u>	<u>(475)</u>
<b>Capital Transactions</b>		
Acquisition of tangible capital assets	(77)	(217)
Cash (applied to) capital transactions	<u>(77)</u>	<u>(217)</u>
<b>(Decrease) in cash</b>	<b>(571)</b>	<b>(692)</b>
<b>Cash at beginning of year</b>	<b>1,579</b>	<b>2,271</b>
<b>Cash at end of year</b>	<b>\$ 1,008</b>	<b>\$ 1,579</b>

The accompanying notes and schedules are part of these financial statements.

**HEALTH QUALITY COUNCIL OF ALBERTA  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2017  
(in thousands)**

**Note 1 AUTHORITY**

The Health Quality Council of Alberta (HQCA) is a corporation under the *Health Quality Council of Alberta Act* and a government not-for-profit organization.

Pursuant to the *Health Quality Council of Alberta Act*, the HQCA has a mandate to promote and improve patient safety and health service quality on a province-wide basis.

The Health Quality Council of Alberta is exempt from income taxes under the *Income Tax Act*.

**Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES**

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS).

**(a) Reporting Entity**

The financial statements reflect the assets, liabilities, revenues and expenses of the HQCA.

**(b) Basis of Financial Reporting**

**Revenues**

All revenues are reported on the accrual basis of accounting. Cash received, for which services have not been provided by year end is recognized as deferred revenue.

*Government transfers*

Transfers from all governments are referred to as government transfers.

Government transfers and the associated externally restricted investment income are recognized as deferred revenue if the eligibility criteria for use of the transfer, or the stipulations together with the HQCA's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, the HQCA complies with its communicated use of these transfers.

All other government transfers, without stipulations for the use of the transfer, are recognized as revenue when the transfer is authorized and the HQCA meets the eligibility criteria (if any).

**Expenses**

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed.

Grant and transfers are recognized as expenses when the transfer is authorized and eligibility criteria, if any, have been met by the recipient.

**HEALTH QUALITY COUNCIL OF ALBERTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 MARCH 31, 2017  
 (in thousands)**

**Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (CONT'D)**

(b) Basis of Financial Reporting (Cont'd)

Valuation of Financial Assets and Liabilities

The HQCA's financial assets and liabilities are generally measured as follows:

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash	Cost
Accounts receivable	Lower of cost or net recoverable value
Accounts payable and accrued liabilities	Cost

The HQCA does not hold equities traded in an active market, nor engage in derivative contracts or foreign currency transactions. The HQCA is not exposed to remeasurement gains or losses and, consequently, a statement of remeasurement gains and losses is not presented.

Financial Assets

Financial assets are the HQCA's financial claims on external organizations and individuals at the year end.

*Cash*

Cash comprises cash on hand and demand deposits.

*Accounts Receivable*

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

Liabilities

Liabilities represent present obligations of the HQCA to external organizations and individuals arising from transactions or events occurring before the year end. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amount.

Liabilities also include:

- All financial claims payable by the HQCA at year end;
- Accrued employee vacation entitlements; and
- Contingent liabilities where future liabilities are likely.

**HEALTH QUALITY COUNCIL OF ALBERTA  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2017  
(in thousands)**

**Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (CONT'D)**

(b) Basis of Financial Reporting (Cont'd)

*Deferred Tenant Inducements*

Deferred tenant inducements represent amounts received for leasehold improvements and the value of a rent-free period. Lease inducements are deferred and amortized on a straight-line basis over the term of the related lease and the amortization is recognized as a reduction of rent expense for the year.

*Employee Future Benefits*

The HQCA Board has approved a defined contribution Supplementary Executive Retirement Plan (SERP) for certain members of its executive staff. The SERP supplements the benefit under the HQCA registered plan that is limited by the *Income Tax Act* (Canada). The HQCA contributes a certain percentage of an eligible employee's pensionable earnings in excess of the limits of the *Income Tax Act* (Canada). This plan provides participants with an account balance at retirement based on the contributions made to the plan and investment income earned on the contributions based on investment decisions made by the participants.

Non-Financial Assets

Non-financial assets are limited to tangible capital assets and prepaid expenses.

*Tangible Capital Assets*

Tangible capital assets are recognized at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

The cost, less residual value, of the tangible capital assets, excluding work-in-progress, is amortized on a straight-line basis over their estimated useful lives as follows:

Computer hardware and software	5 years
Office equipment	10 years
Leasehold improvements	Over term of lease

Tangible capital assets are written down when conditions indicate that they no longer contribute to the HQCA's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets are less than their book value. The net write-downs are accounted for as expenses in the Statement of Operations.

**HEALTH QUALITY COUNCIL OF ALBERTA  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2017  
(in thousands)**

**Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (CONT'D)**

(b) Basis of Financial Reporting (Cont'd)

*Prepaid Expenses*

Prepaid expenses are recognized at cost and amortized based on the terms of the agreement.

*Funds and Reserves*

Certain amounts, as approved by the Board of Directors, are set aside in accumulated operating surplus for future operating and capital purposes. Transfers to/from funds and reserves are an adjustment to the respective fund when approved.

*Measurement Uncertainty*

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The amounts recognized for amortization of tangible capital assets are based on estimates of the useful life of the related assets. Actual results could differ from estimates.

**Note 3 FUTURE ACCOUNTING CHANGES**

The Public Sector Accounting Board issued the following accounting standards:

PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions (effective April 1, 2017)

PS 2200 defines a related party and establishes disclosures required for related party transactions. PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights (effective April 1, 2017)

PS3210 provides guidance for applying the definition of assets set out in FINANCIAL STATEMENT CONCEPTS, Section PS 1000, and establishes general disclosure standards for assets; PS 3320 defines and establishes disclosure standards on contingent assets; PS 3380 defines and establishes disclosure standards on contractual rights.

PS 3430 Restructuring Transactions (effective April 1, 2018)

This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.

Management is currently assessing the impact of these standards on the financial statements.

**HEALTH QUALITY COUNCIL OF ALBERTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2017**  
**(in thousands)**

**Note 4 BUDGET**

The HQCA's 2016-2017 business plan with a budgeted deficit of (\$1,051) was approved by the Board of Directors on February 25, 2016. The approved financial plan was submitted to the Ministry of Health.

**Note 5 FINANCIAL RISK MANAGEMENT**

The HQCA has the following financial instruments: accounts receivable, accounts payable and accrued liabilities.

The HQCA has exposure to the following risks from its use of financial instruments: interest rate risk, liquidity risk, other price risk and credit risk.

**(a) Interest rate risk**

Interest rate risk is the risk that the rate of return and future cash flows on the HQCA's short-term investments will fluctuate because of changes in market interest rates. As the HQCA invests in short term deposits of 90 days or less and accounts payable are non-interest bearing, the HQCA is not exposed to significant interest rate risk relating to its financial instruments.

**(b) Liquidity risk**

Liquidity risk is the risk that the HQCA will encounter difficulty in meeting obligations associated with financial liabilities. The HQCA enters into transactions to purchase goods and services on credit. Liquidity risk is measured by reviewing the HQCA's future net cash flows for the possibility of negative net cash flow. The HQCA manages the liquidity risk resulting from its accounts payable obligations by maintaining cash resources and investing in short-term deposits of 90 days or less.

**(c) Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Price risk is managed by holding short-term deposits for 90 days or less.

**(d) Credit risk**

The HQCA is exposed to credit risk from potential non-payment of accounts receivable. During the fiscal year most of the HQCA's receivables are from provincial agencies; therefore the credit risk is minimized.

**HEALTH QUALITY COUNCIL OF ALBERTA  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2017  
(in thousands)**

**Note 6 BENEFIT PLAN**

The HQCA participates in the Local Authorities Pension Plan (LAPP), a multi-employer defined benefit pension plan.

The HQCA accounts for this multi-employer pension plan on a defined contribution basis. The HQCA is not responsible for future funding of the plan deficit other than through contribution increases. Pension expense recorded in the financial statements is equivalent to HQCA's annual contributions of \$448 for the year ended March 31, 2017 (2016 - \$383).

At December 31, 2016, the Local Authorities Pension Plan reported a deficiency of \$637,357 (2015 deficiency of \$923,416).

The Supplementary Executive Retirement Plan (SERP) expense for the year ended March 31, 2017 is \$25 (2016 - \$26).

**Note 7 DEFERRED REVENUE**

Deferred revenue represents unspent externally restricted resources. Changes in the balance are as follows:

	<b>2017</b>	<b>2016</b>
Balance, beginning of the year	\$ 7	\$
Amount received	-	25
Amounts recognized in revenue	-	(18)
Amount repaid	(7)	-
Balance, end of the year	<u>\$ -</u>	<u>\$ 7</u>

**Note 8 DEFERRED LEASE INDUCEMENTS**

The HQCA received a leasehold inducement of \$137 for renovations in 2015. The inducement is accounted for as a reduction of rent expense and amortized over the term of the lease.

In 2016, the HQCA received a lease inducement in the form of free rent relating to a lease renewal of the premises effective 2018. This amount will be amortized on a straight-line basis over the term of the related lease and the amortization is recognized as a reduction of rent expense for the year starting 2018.

	<b>2017</b>	<b>2016</b>
Lease inducements - renovations	\$ 137	\$ 137
Lease inducements - rent free periods	37	18
Less accumulated amortization	(121)	(74)
	<u>\$ 53</u>	<u>\$ 81</u>

**HEALTH QUALITY COUNCIL OF ALBERTA  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2017  
(in thousands)**

**Note 9 TANGIBLE CAPITAL ASSETS**

	2017			2016	
	Equipment	Computer Hardware & Software	Leasehold Improvements	Total	Total
<b>Estimated useful life</b>	10 yrs	5 yrs	5-10 yrs		
<b>Historical Cost</b>					
Beginning of year	\$ 365	\$ 422	\$ 1,008	\$ 1,795	\$ 1,578
Additions	36	36	5	77	217
Disposals, including write-downs	-	(101)	-	(101)	-
	401	357	1,013	1,771	1,795
<b>Accumulated Amortization</b>					
Beginning of year	121	334	154	609	441
Amortization expense	32	28	122	182	168
Effect of disposals, including write-downs	-	(101)	-	(101)	-
	153	261	276	690	609
Net book value at March 31, 2017	\$ 248	\$ 96	\$ 737	\$ 1,081	
Net book value at March 31, 2016	\$ 244	\$ 88	\$ 854		\$ 1,186

**HEALTH QUALITY COUNCIL OF ALBERTA  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2017  
(in thousands)**

**Note 10 CONTRACTUAL OBLIGATIONS**

Contractual obligations are obligations of the HQCA to others that will become liabilities in the future when the terms of those contracts or agreements are met.

Estimated payment requirements for each of the next five years and thereafter are as follows:

Year ended March 31	Total lease payments
2017 - 18	\$ 378
2018 - 19	394
2019 - 20	489
2020 - 21	502
2021 - 22	506
Thereafter	507
	<b>\$ 2,776</b>

**Note 11 ACCUMULATED OPERATING SURPLUS**

Accumulated operating surplus is comprised of the following:

	Investment in Tangible Capital Assets <sup>(a)</sup>	Internally Restricted Surplus <sup>(b)</sup>	Unrestricted Surplus (Deficit)	Total	2016
Balance, April 1, 2016	\$ 1,043	\$ 847	\$ -	\$ 1,890	\$ 2,595
Annual operating (deficit)	-	-	(532)	(532)	(705)
Net investments in capital assets	22	-	(22)	-	-
Transfers	-	(554)	554	-	-
Balance, March 31, 2017	\$ 1,065	\$ 293	\$ -	\$ 1,358	\$ 1,890

- (a) Net assets equal to net book value of internally funded tangible capital assets are restricted as these net assets are not available for any other purpose.

**HEALTH QUALITY COUNCIL OF ALBERTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 MARCH 31, 2017  
 (in thousands)**

**Note 12 ACCUMULATED OPERATING SURPLUS (CONT'D)**

(b) The internally restricted surplus represents amounts set aside by the Board for future purposes. Those amounts are not available for other purposes without the approval of the Board. Internally restricted surplus is summarized as follows:

	2017	2016
Build capacity	\$ 35	\$ 132
Measure to improve	258	465
Monitor the health system	-	250
	\$ 293	\$ 847

**Note 13 COMPARATIVE FIGURES**

Certain 2016 figures have been reclassified to conform to the 2017 presentation.

**Note 14 APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were approved by the HQCA Board of Directors on May 31, 2017.

**HEALTH QUALITY COUNCIL OF ALBERTA  
SCHEDULE 1 – EXPENSES – DETAILED BY OBJECT  
Year ended March 31**

	2017		2016
	Budget	Actual	Actual
	(in thousands)		
Salaries and benefits	\$ 4,736	\$ 4,539	\$ 4,210
Supplies, services and other <sup>(1)</sup>	2,877	2,806	2,973
Amortization of tangible capital assets	136	182	168
	<b>\$ 7,749</b>	<b>\$ 7,527</b>	<b>\$ 7,351</b>

- (1) Supplies, services and other include the Patient Experience Awards of \$10 (2016 nil) to recognize and celebrate initiatives that improve the patient experience in accessing and receiving healthcare services.

**HEALTH QUALITY COUNCIL OF ALBERTA  
SCHEDULE 2 – SALARY AND BENEFITS DISCLOSURE  
Year ended March 31**

	2017			2016	
	Base Salary <sup>(1)</sup>	Other Cash Benefits <sup>(2)</sup>	Other Non- Cash Benefits <sup>(3)</sup>	Total	Total
(in thousands)					
<b>Board of Directors-Chair</b>	\$ -	\$ 16	\$ -	\$ 16	\$ 12
<b>Board of Directors-Members</b>	-	37	-	37	35
<b>Chief Executive Officer</b>	350	-	56	406	406
<b>Executive Director</b>	184	-	37	221	219
	<b>\$ 534</b>	<b>\$ 53</b>	<b>\$ 93</b>	<b>\$ 680</b>	<b>\$ 672</b>

(1) Base salary includes pensionable base pay.

(2) Other cash benefits include honoraria for board members.

(3) Other non-cash benefits include: employer’s portion of all employee benefits and contributions or payments made on behalf of employees, including pension, Supplementary Executive Retirement Plan, health care, dental coverage, vision coverage, out of country medical benefits, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, employee assistance program, employment insurance and parking.

**HEALTH QUALITY COUNCIL OF ALBERTA**  
**SCHEDULE 3 – RELATED PARTY TRANSACTIONS**  
**Year ended March 31**

Related parties are those entities consolidated or accounted for on a modified equity basis in the Government of Alberta’s financial statements.

The HQCA had the following transactions with related parties recorded in the Statements of Operations and the Statements of Financial Position at the amount of consideration agreed upon between the related parties.

	2017	2016
	(in thousands)	
<b>Revenues</b>		
Grants	\$ 6,946	\$ 6,611
Other	13	-
	\$ 6,959	\$ 6,611
<b>Expenses</b>		
Other services	\$ 264	\$ 465
Grants	-	30
	\$ 264	\$ 495
<b>Receivable from related parties</b>	\$ -	\$ -
<b>Payable to related parties</b>	\$ 35	\$ 76





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