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Nunavut Liquor Licensing Board

Nunavunmi Taan'ngaliqinirmut Laisaliqiyit Katimayiit Commission des licences d'alcool du Nunavut

Nunavut Liquor Licensing Board

Annual Report

2017-18

August 27, 2018

Submitted to:

THE HONOURABLE GEORGE HICKES
MINISTER OF FINANCE
MINISTER RESPONSIBLE FOR
THE NUNAVUT LIQUOR LICENSING BOARD
GOVERNMENT OF NUNAVUT

2017-18 Annual Report of the Nunavut Liquor Licensing Board

On behalf of the Nunavut Liquor Licensing Board, I am pleased to submit the annual report for the Nunavut Liquor Licensing Board and the audited financial statements for the Board's operations for the fiscal year ended March 31, 2018.

This report is submitted pursuant to section 9(1) of the Nunavut *Liquor Act*.



TERRY DOBBIN, Chairperson

Nunavut Liquor Licensing Board

MISSION STATEMENT:

The mission of the Nunavut Liquor Licensing Board is to foster an environment that guides and regulates the legal and responsible use of alcohol in Nunavut.

Duties and Powers of the Nunavut Liquor Licensing Board:

1. All Board decisions must be made and business conducted in a manner consistent with the Nunavut *Liquor Act* and *Regulations*, other applicable legislation and the policies of the Board.
2. The Minister is authorized to set out guidelines not inconsistent with the Act, and the Board must act in accordance with those guidelines.
3. The Board shall control:
 - a. The conduct of licence holders.
 - b. The management and equipment of licensed premises.
 - c. The conditions under which liquor may be sold or consumed on licensed premises.
4. The Board may:
 - a. Issue, renew and transfer licences.
 - b. After a hearing, cancel or suspend licences.
 - c. Generally advise the Minister on all matters of policy, legislation and administration relating to the sale, distribution and consumption of liquor.
 - d. Make rules or orders governing its proceedings.

Authority: *Liquor Act*, s.6

Members of the Nunavut Liquor Licensing Board: 2017-18

Members of the Board are appointed for a two-year term.

Terry Dobbin, chairperson, Iqaluit

Appointed: May 18, 2016

Reappointed: May 18, 2018

Appointed chairperson: October 5, 2017

Miranda Atatahak, member, Kugluktuk

Appointed: October 5, 2017

Robert Jancke, member, Cambridge Bay

Appointed: May 18, 2016

Reappointed: May 18, 2018

Qilak Kusugak, member, Iqaluit

Appointed: October 5, 2017

Leesa Sowduapik, member, Pond Inlet/Iqaluit

Appointed: November 30, 2007

Reappointed: November 9, 2009

Reappointed: September 20, 2011

Reappointed: September 20, 2013

Reappointed: October 5, 2015

Reappointed: October 5, 2017

Within this fiscal year, former Board chair John Maurice ended his term with the board, as did regular member Esau Tatatoapik. Two new board members were appointed, and three board members were reappointed.

Board Member Profiles

Terry Dobbin (chairperson)

A Nunavut resident for 20 years, Terry brings a strong community commitment to the NLLB. A former City of Iqaluit councillor, Terry has served on both City of Iqaluit and Government of Nunavut committees. He was co-chair of the city's economic development committee involved in the development of the City of Iqaluit Community Economic Development Plan and the recently published city strategic plan. His focus during his terms on council were improving city infrastructure and addressing the housing shortages concerns.

In his civic role, and from having travelled throughout Nunavut's Baffin, Kitikmeot and Kivalliq regions, Terry has extensive understanding of local community challenges and opportunities associated with responsible community development. Prior to joining the NWT and Nunavut Chamber of Mines, he was employed at Northern News Services based in Iqaluit. Additionally, Terry owns and operates a small business in the territory's capital.

Terry has a bachelor of arts from the University of New Brunswick in Fredericton, New Brunswick, a diploma in social sciences from Champlain Regional College in Lennoxville, Québec, and a legal studies diploma from Academy Canada in Corner Brook, Newfoundland. His hobbies include fishing, guitar and hockey.

Leesa Sowduapik

Leesa was raised in Pangnirtung, Nunavut, but now resides in Iqaluit. In 2000, Leesa began her career with the Government of Nunavut. Since joining the GN, Leesa has served as a travel coordinator, staff development specialist and finance officer for the Department of Health and Social Services in Iqaluit, and as the staff relocation officer for the Department of Education, Qikiqtani School Operations in Pond Inlet. She now works for Nunavut Arctic College as human resources relocation and leave and administrative coordinator.

In Pond Inlet, Leesa served as a member of the hamlet council and of the health and social services committee, which monitors and approves liquor applications for the community. Leesa was appointed to the Nunavut Liquor Licensing Board in December 2007, and is currently serving her fifth term.

Qilak Kusugak

Qilak Kusugak, appointed to the Nunavut Liquor Licensing Board in 2017, currently resides in Iqaluit, but grew up in Rankin Inlet. Qilak has been the director of implementation for Nunavut Tunngavik Inc since 2015, and has also held positions with the Kivalliq Inuit Association, the Government of Nunavut and the Nunavut Planning Commission.

Qilak has over 12 years of Board experience, including work with the Nunavut Water Board, the Nunavut Broadband Development Corporation and the Kivalliq Mine Training Society. His career and community experience contribute greatly to the efficiency and effectiveness of the Nunavut Liquor Licensing Board. Qilak and his wife Denise have two teenage children; daughter Taylor and son Dylan.

Miranda Atatahak

Miranda Atatahak has been a director of the Nunavut Liquor Licensing Board since October 2017. Raised in Kugluktuk, Miranda has been a career development officer in the community for over seven years and is an active volunteer with a number of different activities, including the Nattiq Frolics and the Christmas committee. Miranda is currently serving as Deputy Mayor for the Hamlet of Kugluktuk. Some of her past board experience includes the Kugluktuk District Education Authority and the Kugluktuk Community Readiness Initiative.

Miranda's participation as a youth ambassador on the Nunavut Liquor Act Review Task Force from 2010-2012 has given her valuable experience and familiarity with the *Liquor Act*, making her an important contributing member of the Nunavut Liquor Licensing Board.

Robert Jancke

Bob Jancke has been a resident of the Kitikmeot region in Nunavut for over 35 years, and is the owner operator of Nanook Woodworking Ltd. in Cambridge Bay; a construction, general contracting and property management company.

Bob has been an active volunteer in Cambridge Bay since 1994, including working as a volunteer firefighter, coaching minor hockey, and supporting and fundraising for many other youth and community activities. As a small business and property owner, Bob brings valuable business and community experience to the Board, and in May 2018 was appointed to his second term. Bob's interests include spending time with family, outdoor activities and carpentry.

Role of the Board

The Nunavut Liquor Licensing Board (NLLB) is a public regulatory body established under the Nunavut *Liquor Act*. The Board's mission, duties and powers are outlined earlier in this report and are set out in Section 6 of the *Liquor Act*. The Board is responsible for the control of the conduct of licence holders, the management and equipment of licensed premises, and the conditions under which liquor may be sold or consumed in licensed premises. In order to carry out these responsibilities, the *Act* provides the Board with the power to issue, renew and transfer licences, and to hold show cause hearings that might lead to suspension or cancellation of a licence.

The Board reports to the Minister responsible for the Nunavut Liquor Licensing Board (Finance Minister George Hickes) and provides advice to the Minister on all matters of policy, legislation and administration relating to the sale, distribution and consumption of alcohol.

The Board's mission is to foster an environment that guides and regulates the legal and responsible use of alcohol in Nunavut. The Board takes the position that licence holders share the responsibility for this mission, and endeavours to maintain a positive relationship with the businesses and organizations to which it grants licences.

The Board normally holds four regular meetings each fiscal year in order to handle the business, requests, applications and issues that come before it. One meeting is scheduled in March of each year to approve licence renewals for the following fiscal year, which is also the licensing year. In 2017-18, meetings were held in June 2017, January and March 2018.

Ongoing business such as requests for changes in hours of operations, approval to purchase types of alcohol not stocked by the government's liquor warehouses, and the approval of special occasion permits are handled by email on a regular basis.

The Nunavut Liquor Licensing Board did not conduct any public hearings in 2017-18.

Development of Nunavut Liquor Licensing Board Website

The Nunavut Liquor Licensing Board is working with Department of Finance staff to update the board website with the aim to merge it with the existing Government of Nunavut website, and eliminate the stand-alone site. The changes are intended to provide a more professional interface between the Board and the public, and to streamline the application process for special occasion permits and licence renewals.

Application documents are also being renewed and updated in an attempt to eliminate some administrative burden for both the applicants and Department of Finance staff. This includes working with the fire marshal's office and the Department of Health to improve the process for confirming a licence holder or applicant's compliance with fire and health safety legislation.

Show Cause Hearings

Periodically, the Board deals with complaints brought to it by Liquor Enforcement through the Department of Justice, when infractions of the *Liquor Act* or *Liquor Regulations* by licence holders have been reported. In these cases, pursuant to its obligation under section 6(2)(a) of the *Liquor Act*, which directs the Board to control the conduct of licence holders, the Board requires the licence holder to appear and show cause as to why their licence should not be suspended, cancelled or have conditions and/or fines imposed on it pursuant to sections 35 to 37 of the *Liquor Act*.

Over the last several years, the number of violations by licence holders that have been brought before the Board has declined significantly. During fiscal year 2017-18, the Board did not have any show cause hearings.

The Board's Role in Cannabis

The Government of Canada has passed legislation that will legalize cannabis across Canada in October 2018. In anticipation of this decision, and after consulting with Nunavummiut, the Government of Nunavut developed a bill to create the *Cannabis Statutes Amendment Act* and the *Cannabis Act* to set up a legal framework for regulating and distributing cannabis in Nunavut.

If passed, the new legislation will impact the Liquor Licensing Board and its roles. Unlike liquor licensing under the *Liquor Act*, the Board will not have a core role in licensing cannabis establishments. Most licensing decisions will be made by a member of the public service, the superintendent of licensing; with the Board's role in cannabis licensing limited to hearing appeals from licensees who disagree with decisions made by the superintendent.

Specific decisions that can be appealed to the board under the *Act* will include appeals from licensees whose licences are not renewed by the superintendent, and appeals on sanctions that vary the conditions of a licence, suspend the licence or cancel it.

Passing of the new cannabis legislation will also mean a change to the name of the Board from the *Nunavut Liquor Licensing Board* to the *Nunavut Liquor and Cannabis Board*. The board will work closely with the Government of Nunavut as it navigates the legalization of cannabis in the coming year.

Association of Liquor Licensing Authorities of Canada

The Association of Liquor Licensing Authorities of Canada (ALAC) is a national association of liquor licensing jurisdictions with representation from each province and territory. The association meets twice a year and the chairperson of the Nunavut Liquor Licensing Board attends the meetings as a representative from Nunavut. Topics at these meetings include liquor laws and regulations, server training, licence renewal processes and social responsibility initiatives.

In 2017-2018, former Board chairperson, John Maurice attended the Summer ALAC meeting, June 12-13 in Whitehorse, Yukon, and current chairperson, Terry Dobbin, attended the Winter ALAC meeting, February 2-6, in Montreal, Québec.

The major topics at these meetings included the decriminalization of cannabis, the potential for an enhanced role of liquor licensing authorities, trends in alcohol sales and consumption, and sharing of best practices in licensing and renewals.

New Liquor Licensing Board Logo

After many years of using a standard Government of Nunavut logo and letterhead, in 2017-18, the Board commissioned the development of its own logo. The logo is intended to represent a drop of liquid with the green colours of the northern lights. Going forward, the logo will be used on all liquor licences and formal correspondence from the Board.



Liquor Licences Approved for 2018-2019 year

Under section 6(3)(a)(i) of the *Liquor Act*, the Nunavut Liquor Licensing Board has the power to issue, renew and transfer liquor licences.

As per section 17 of the *Liquor Act*, all licences issued under the *Liquor Act* expire on March 31 of each year, unless there is a different date specified on the licence. Licence holders must annually submit a licence renewal application to the Board, who will issue a renewed licence valid for the following fiscal year.

The Board renewed the following liquor licences for the 2018-2019 year, valid until March 31, 2019.

Licence Number	Establishment Name	Type of Licence
001	Granite Dining Room and Banquet Rooms, Discovery Hotel	Dining Room Liquor Licence
002	Bathurst Inlet Lodge	Special Liquor Licence
003	BPO Elks Lodge no 570, Iqaluit	Club Liquor Licence
004	Arctic Club and Wolf's Den (Canadian Forces Station, Alert)	Canteen Liquor Licence
008	Frobisher Racquet Club, LTD	Private Recreational Facility Liquor Licence
009	High Arctic Lodge	Special Liquor Licence
011	Chartroom Lounge (within the Navigator Inn)	Cocktail Lounge Liquor Licence
014	Royal Canadian Legion Branch no 168, Iqaluit	Club Liquor Licence
017	Frobisher Inn	Guest Room Liquor Licence
018	The Frob Kitchen & Eatery	Dining Room Liquor Licence
019	The Storehouse Bar & Grill	Cocktail Lounge Liquor Licence
020	Arctic Watch Lodge	Special Liquor Licence
023	L'Association des francophones du Nunavut	Club Liquor Licence
025	RCMP Headquarters - All Ranks Mess (Iqaluit)	Canteen Liquor Licence
026	Ikaluktutiak Elks Lodge no 593, Cambridge Bay	Club Liquor Licence
028	Dorset Suites	Guest Room Liquor Licence
029	Arctic Haven Lodge	Special Liquor Licence
030	Royal Canadian Legion Branch no 169, Rankin Inlet	Club Liquor Licence
031	The Snack	Dining Room Liquor Licence
032	Nunavut Brewing Company Ltd.	Brew Pub Licence

NUNAVUT LIQUOR LICENSING BOARD
STATEMENT OF EXPENDITURES
MARCH 31, 2018

NUNAVUT LIQUOR LICENSING BOARD
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MARCH 31, 2018

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INDEPENDENT AUDITORS' REPORT

To the Minister of Finance, Government of Nunavut

We have audited the accompanying statement of expenditures of the Nunavut Liquor Licensing Board relating to the expenses connected with operating the Board in accordance with the Nunavut Liquor Act for the year ended March 31, 2018, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Statement of Expenditures

Management is responsible for the preparation of this statement of expenditures in accordance with the basis of accounting disclosed in Note 2 to the statement of expenditures, and for such internal control as management determines is necessary to enable the preparation of the statement of expenditures that is free of material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the statement of expenditures 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 statement of expenditures is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of expenditures. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the statement of expenditures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation of the statement of expenditures 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 Board'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 evaluation of the overall presentation of the statement of expenditures.

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 statement of expenditures of the Nunavut Liquor Licensing Board presents fairly, in all material respects the expenses connected with operating the Board in accordance with the Nunavut Liquor Act for the year ended March 31, 2018 in accordance with the basis of accounting disclosed in Note 2 to the statement of expenditures.

Report on Other Legal and Regulatory Requirements

We further report, in accordance with the *Financial Administration Act*, in our opinion, proper books of account have been kept by the Nunavut Liquor Licensing Board, the statement of expenditures is in agreement therewith and the transactions that have come under our notice have, in all significant respects, been within the statutory powers of the Nunavut Liquor Licensing Board.



Iqaluit, Nunavut
July 27, 2018

Chartered Professional Accountants

NUNAVUT LIQUOR LICENSING BOARD
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2018

	Budget <u>2018</u> (unaudited)	Actual <u>2018</u>	Actual <u>2017</u>
EXPENDITURES			
Computer hardware and software	0	0	1,327
Conferences and catering	0	0	5,161
Fees and payments	8,000	9,230	10,164
Legal counsel fees	0	0	6,059
Materials and supplies	12,000	866	913
Purchased services	10,000	0	0
Salaries and honoraria	70,000	11,140	21,803
Service contracts	80,000	83,857	194,202
Travel and accommodation	<u>70,000</u>	<u>19,931</u>	<u>24,956</u>
	<u><u>\$ 250,000</u></u>	<u><u>\$ 125,024</u></u>	<u><u>\$ 264,585</u></u>

NUNAVUT LIQUOR LICENSING BOARD
NOTES TO THE STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2018

1. NATURE OF THE ORGANIZATION

The Nunavut Liquor Licensing Board operates at arm's length from the Government of Nunavut under the *Nunavut Liquor Act*. The purpose of the Board is to adjudicate over liquor licensing in Nunavut. The Board is a public agency and is exempt from income tax. The Board's continued existence is dependent upon the continuing support from the Government of Nunavut.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Board are in accordance with the Financial Administration Manual of the Government of Nunavut and include the following significant accounting policies:

(a) Use of Estimates

The preparation of the statement of expenditures of the Board requires management to make estimates and assumptions based on information available as of the date of the statement of expenditures. Therefore, actual results could differ from those estimates.

(b) Accrual Basis

The statement of expenditures has been prepared on the accrual basis of accounting.

(c) Allocation of Expenditures

Expenditures which are wholly attributable to the Board are charged directly to the Board. In circumstances where expenditures are not wholly attributable to the Board these expenditures are allocated amongst the Board and other cost centers of the Ministry of Finance based on the Ministry's estimates of the time, effort and resources required to support these activities.