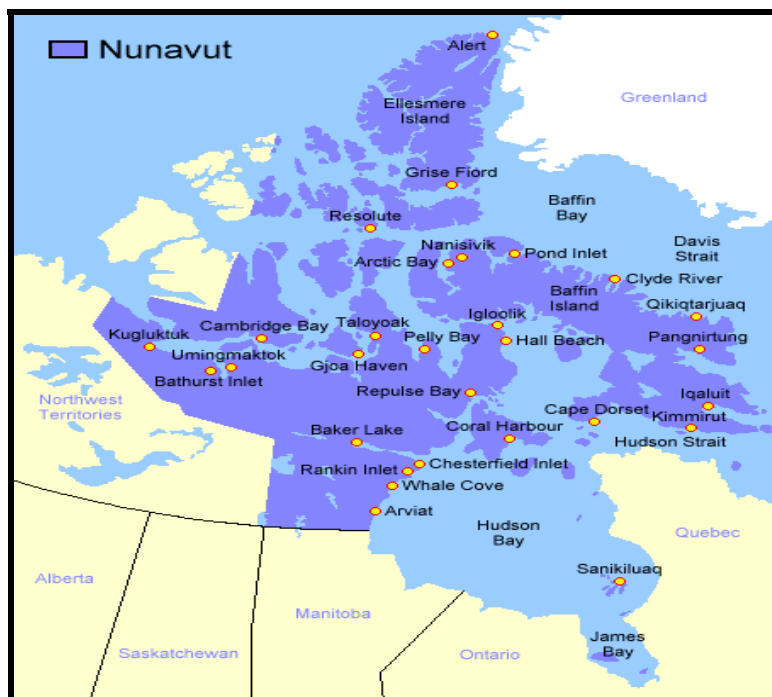


REVIEW OF GN FINANCIAL STRUCTURES

FINAL REPORT

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EXECUTIVE SUMMARY

INTRODUCTION

This is the final report of the project to Review GN Financial Structures. A number of factors contributed to the need for this study. In 2004/05, the Department of Finance commissioned a review of financial management (Strengthening Financial Management). The Review identified a wide range of concerns and concluded that the current situation is not sustainable. The Office of the Auditor General (OAG) has consistently highlighted significant areas of concern in its reports to the Legislative Assembly indicating that financial management within the GN has not improved as quickly as expected.

As a result, this project was mandated to analyze internal financial management capacity and recommend a detailed plan for enhancing the timely and accurate production of the Public Accounts, especially the analysis of shared service centers and other GN organizational design options.

An interim report, prepared in March 2006, was submitted to the Financial Management Board to report progress. This report incorporates many of the details from the interim report to provide readers with a complete picture of the findings and recommendations. However, it has been expanded to provide more clarity on the issues associated with organizational change, to provide cost estimates for the recommended improvements and to recommend implementation strategies.

SCOPE

The project assessed the Government's ability to effectively manage and account for resources in areas of:

- Risk Management and control;
- Information systems and performance information;
- Management of resources.

The project focused primarily on the Comptroller General functions within the Department of Finance and line departments at both headquarters and regional levels. No significant assessment of the fiscal management areas of Finance was undertaken. This assessment did not include a review of Public Agencies as this work was too extensive to be completed within the time frame for this project.

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METHODOLOGY

Following the development of a work plan, a framework was developed for surveying respondents. A detailed questionnaire guided over 100 interviews with GN officials. Although the project was not an audit, documents, policies, reports and processes were examined in sufficient detail to obtain a working knowledge of the Government's financial management policies and procedures.

THE CONTEXT FOR FINANCIAL MANAGEMENT

The achievement of the Government's political priorities are dependant on an efficient support structure to ensure that money is properly spent, controlled and reported on to fulfill the Government commitment to public accountability.

However, the Office of the Auditor General (OAG) has been critical of the organization's capacity for effective financial management. Observations have been made in a wide variety of areas including overspending in some departments and failing to fulfill the legal requirement to table public accounts within a period of 9 months following the end of a fiscal year.

Starting in 1999, the GN began the decentralization of regional and headquarters offices to a variety of communities in accordance with a political commitment to provide jobs at the community level. Decentralization of government programs and services is, indeed, viable. However, in order to adequately support decentralized operations it is essential to have strong financial support structures operating in locations with adequate transportation systems and sufficient satellite bandwidth to operate computerized accounting systems.

As the Government evolved, financial processing authority was gradually delegated outside of the Department of Finance. This required departments and agencies to devote significant resources and expertise to processing activities that might have been better used for direct program delivery.

FINDINGS

In summary, the report shows that the GN has made progress in financial management, but as documented in the reports of the Auditor General, the pace of improvement is slow.

Although some elements of financial management operate at higher levels, many important functions are being performed at the Start-Up level as described in Level 1 of the OAG Financial Management Capability Model.

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A lot of effort has gone into previous improvement initiatives, but these do not appear to have delivered sustained results. What is needed is a comprehensive plan for improvement with measurable objectives, well defined outcomes and adequate resources for implementation.

SETTING A REALISTIC GOAL

The recommendations in this report should be implemented in pursuit of the overall goal of improving the Government's financial management capability to a level that will satisfy audit scrutiny and reassure the public that government resources are acceptably managed.

Therefore, it is recommended that the GN pursue the goal of achieving Level 2 within the OAG Financial Management Capability Model. Improvements are required in the following areas:

- ❑ Accountability Framework
- ❑ Structures, Roles and Responsibilities
- ❑ Policies and Procedures
- ❑ Systems and Tools
- ❑ Human Resources
- ❑ Public Accounts

RECOMMENDATIONS

1. The GN should expand their current accountability framework for Deputy Ministers to provide additional focus on their responsibility for results in the management of financial resources.
2. Develop a Comprehensive Strategy for Producing Public Accounts within the timeframes outlined in legislation.
3. The Comptrollership Branch of the Department of Finance should be strengthened to successfully implement the other recommendations in this report.
4. Strengthen Departmental Senior Financial Officer Capacity by identifying those departments where professional accounting designations are required and those where a university or college trained SFO may be sufficient.
5. The Comptroller General should develop and implement consistent standards to quantify recommended levels of delegated financial signing authority across government.

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6. A human resource strategy must be developed for financial staff across government to include a plan for recruitment, training, retention and promotion.
7. The Department of Finance should assign a high priority to the updating of the Financial Administration Manual to meet the Government's evolving needs.
8. The Department of Finance should develop and implement standard operating procedures for as many financial management and control processes as possible.
9. The Deputy Minister of Finance, in conjunction with departmental senior financial officers, should review and implement an improved set of management tools for planning, budgeting and control.
10. A review should be conducted to analyze whether the Government's financial information systems have the capacity to satisfy the GN's current and future accounting system needs, including the ability to add modules to deal with important requirements such as purchasing, contracts and loans management.
11. The Public Agencies should be subject to a review of their financial management capacity as soon as practicable.
12. In order to contain costs, to facilitate the introduction of standard processes and training, and to respond positively to the observations of the Auditor General, the GN should consider consolidating all GN financial processing and payroll operations within the Department of Finance at both the headquarters and regional levels.

The Igloolik Regional Finance poses the only major problem in this change scenario. For reasons stated in Section V (5) of this report, this study determined that it was not viable to either maintain the current operation or to expand it to take on more responsibilities. In order to achieve centralization of payment processing for the Baffin region, the GN may have to consider an alternative to payment processing from the Igloolik regional Finance office. The most obvious solution would be to provide centralized services for both headquarters and the Baffin Region from the Department of Finance in Iqaluit.

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RESOURCE REQUIREMENTS

The one-time costs for these proposals are approximately \$4.2 million over two years with ongoing costs in the neighborhood of \$800,000.00 per year starting in the 3rd year of the plan. This minimum investment is essential to strengthen the organization and equip it to make acceptable progress.

SIGNS OF PROGRESS

It is important to note that a number of important developments have occurred within the Government since the research was conducted for this project. The Department of Finance, along with line departments has taken a very serious and strategic approach to making improvements in financial management. These

initiatives are consistent with the recommendations of this report and are referred to in various places in this document: They include:

- A proposal call to solicit proposals for the development of a computerized income support system for the Department of Education to replace their current manual systems;
- The Department of Finance has published two proposal calls to update the Financial Administration Manual and to request proposals for the provision of assistance with the completion of public accounts

NEXT STEPS

Implementation plans have been prepared for each of the recommendations in this report. Where possible, the incremental resource requirements have been outlined in the body of each plan. A high level project schedule is also included to show the general time frames involved and to recommend the sequence for implementation.

CONCLUSION

The recommendations included in this report should bring some stability to the GN financial organization, clarify roles and responsibilities between the central agency and line departments and establish a framework of policies, rules and procedures to promote consistency across the organization. If implemented, the proposals should result in major improvements that will address most of the critical observations in the Auditor General's 2005 Report to the Legislative Assembly.

The Government should not underestimate the magnitude of change that will be needed to achieve meaningful results. The problems identified in this study

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cannot be resolved by any amount of fine tuning or minor adjustments to existing mechanisms and structures. The organization must be mobilized to move ahead with sweeping administrative changes. This must be done in conjunction with re-centralization initiatives to promote viable and sustainable processing operations whose efforts will withstand audit scrutiny. Anything less, is likely to fail.

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I. INTRODUCTION

This is the final report of the project to Review GN Financial Structures. The terms of reference for the project were approved by the Financial Management Board in October 2005 and are attached as Appendix "A".

A number of factors contributed to the need for this study. In 2004/05, the Department of Finance commissioned a review of financial management (Strengthening Financial Management). The Review identified a wide range of concerns and concluded that the current situation is not sustainable. The Office of the Auditor General (OAG) has consistently highlighted significant areas of concern in its reports to the Legislative Assembly indicating that financial management within the GN has not improved as quickly as expected.

As a result, this project was mandated to analyze internal financial management capacity and recommend a detailed plan for enhancing the timely and accurate production of the Public Accounts, especially the analysis of shared services centers and other GN organizational design options.

An interim report, prepared in March 2006, was submitted to the Financial Management Board to report progress. This report incorporates many of the details from the interim report to provide readers with a complete picture of the findings and recommendations. However, it has been expanded to provide more clarity on the issues associated with organizational change, to provide cost estimates for the recommended improvements and to recommend implementation strategies.

II. SCOPE

The project assessed the Government's ability to effectively manage and account for resources in areas of:

- Risk Management and control;
- Information systems and performance information;
- Management of resources.

The project focused primarily on the Comptroller General functions within the Department of Finance and on payment processing and financial management capacity in line departments at both headquarters and regional levels. No significant assessment of the fiscal management areas of Finance was undertaken. This assessment did not include a review of Public Agencies as this work was too extensive to be completed within the time frame for this project.

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III. METHODOLOGY

Following the development of a work plan, a framework was developed for surveying respondents. A detailed questionnaire guided over 100 interviews with GN officials (list attached as Appendix "B") ranging from financial support staff through financial managers to program managers in all government departments and regions. The focus of this effort was to obtain information that would supplement the reports of the OAG and the internal study completed in 2004/05 (Strengthening Financial Management).

Research was conducted on trends and practices in other Canadian jurisdictions as a means of comparison and to identify best practices. Although the project was not an audit, documents, policies, reports and processes were examined in sufficient detail to obtain a working knowledge of the Government's financial management policies and procedures.

The assessment also involved a review of both internal and external audit reports. Finally, the project team conducted briefings and explanations with key stakeholders including:

- Directors of Corporate Services/Finance
- Officials from the Office of the Auditor General
- Internal Audit Committee (Steering Committee)

IV. THE CONTEXT FOR FINANCIAL MANAGEMENT

The Government's political priorities are confirmed in Pinasuaqtavut 2004-2009; the overarching document conveying the Government's political priorities to the people of Nunavut. These priorities presuppose strong program initiatives underpinned by an efficient support structure to ensure that money is properly spent, controlled and reported on to fulfill the Government commitment to public accountability.

However, the Office of the Auditor General (OAG) has been critical of the organization's capacity for effective financial management. Observations have been made in a wide variety of areas including overspending in some departments and failing to fulfill the legal requirement to table public accounts within a period of 9 months following the end of a fiscal year. The following extracts from the 2005 Report of the Auditor General to the Legislative Assembly are illustrative of the problems the GN must solve:

- ***"Gaps exist in formal systems. In government departments, some important financial management functions use relatively***

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- unsophisticated systems, or duplicate systems are used elsewhere if no central systems exist.....”*
- **“Widespread reliance on informal manual and spreadsheet systems.** *Informal spreadsheet systems are widely used in the government. This is a concern to our Office.....”*
 - *“At the same time, some systems we would expect to see in an organization of the government’s size are missing, or operated as informal manual systems or spreadsheets, thereby increasing the risk of error or fraud.”*
 - *“A decentralized accounting structure requires a higher proportion of experienced professional accountants. Nunavut does not have enough professional accountants to meet its needs given the existing structure”.*
 - *“Training Land Claims Agreement beneficiaries for accounting jobs is important, both to contribute to Nunavut’s commitments under the Agreement and to prepare beneficiaries for increasing responsibility in the future. For several reasons we are concerned that on-the-job training may not be effective in Nunavut’s decentralized accounting structure.”*

The Auditor General’s report indicates that the GN has tried to resolve problems through fine tuning existing systems for six year with very limited success. The OAG report further states *“To achieve breakthroughs in financial management, the Government of Nunavut should centralize certain accounting operations. In doing so, the government needs to make key decisions, including how to structure recentralized functions and how far to go toward a centralized accounting structure.”*

Starting in 1999, the GN began the decentralization of regional and headquarters offices to a variety of communities in accordance with a political commitment to provide jobs at the community level. A chart showing the location of these decentralized offices is attached as Appendix “C”. This was expected to enhance communication with the public and, ultimately, to result in improved programs and services. What has become apparent is that decentralization of government programs and service is, indeed, viable. However, in order to adequately support decentralized operations it is essential to have strong financial support structures operating in locations with adequate transportation systems and sufficient satellite bandwidth to operate computerized accounting systems.

As the Government evolved, departments received delegated authority for processing their own payments as opposed to having them processed by a central agency. This approach to payment processing was to have serious implications for all departments and agencies as it required them to devote

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significant resources and expertise to processing activities. Appendix “D” shows the results of that decision. There are a total of 319 financial positions spread over 11 communities. This represents around 9% of the total staff complement of approximately 3500 positions. A more appropriate and affordable proportion of financial support staff is in the neighborhood of 5% to 6% of overall staff resources.

This project has been focused, from the outset, on practical solutions aimed at helping to improve the GN’s financial management capacity. However, this was not done in isolation of the need to achieve a better balance between the resources devoted to program delivery and those committed to the provision of financial support. On that basis, this report will recommend a range of solutions that will result in positive change. It will also recommend efficiencies to allow for the diversion of scarce government resources that could be better used for direct service to the public.

V. FINDINGS

1. Roles and Responsibilities

The GN has consolidated into a single position, (the DM of Finance) the responsibilities of the Deputy Minister, the Secretary of the Financial Management Board and the Office of the Comptroller General. The Deputy Minister must fulfill his primary mandate of providing strategic advice to the Financial Management Board and improving overall financial management across government while burdened with many day to day comptrollership responsibilities. Not only does the Comptrollership Branch require additional resources, but it should also be strengthened and restructured. This will equip it to provide better support for effective financial management across the GN, at the same time freeing up the Deputy Minister for a more strategic role.

It is interesting to note that in a survey of all provinces and Territories (Appendix “E”), Nunavut is the only jurisdiction in Canada where the Deputy Minister of Finance functions as the Comptroller General. In all other jurisdictions with the exception of New Brunswick, where the Comptroller reports to the Minister of Finance, and the NWT, where the Secretary of the Financial Management Board is the Comptroller General, the Comptroller General reports to the Deputy Minister of Finance.

Financial authority is extensively delegated to managers throughout the GN. This degree of delegation creates a need for responsible managers who are properly trained and supported and are capable of discharging their delegated financial responsibilities. There is a resulting need to provide adequate support to these managers through professionally trained financial officers.

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Financial employees are geographically dispersed in many locations and offices, many of which lack the critical mass to perform cost-effectively and are difficult to supervise, monitor or train.

2. Policies and Procedures

Financial management policies are contained primarily in the Financial Administration Manual (FAM). The Manual was carried over as part of the policy framework from the previous government at start-up in 1999. The department of Finance has done an excellent job of getting FAM into an electronic format and posting it on their website. This has done a lot to improve access to the Government's policy framework. While many of the directives have been updated, a more comprehensive and holistic effort is needed to ensure that the policy framework meets Nunavut's evolving needs.

In addition to the need to modify FAM to meet the Government's basic financial management needs, there is also a need for a wider range of supporting procedures to promote consistent practice in all areas. This will encourage efficiency, promote training and enhance the ability of financial staff to provide backup from one office to another.

The current capacity of Finance to keep this policy framework up-to-date is quite limited. In spite of Finance's efforts to provide consistent dedicated guidance on the proper interpretation of the FAM directives there has been a lack of staff continuity in this area. This has sometimes left departments to fend for themselves without the benefit of interpretation from functional experts.

Human Resource policies and procedures are largely derived from legislation, collective agreements, employee handbooks and policies approved by Cabinet. The Human Resource manual is designed to bring together all these policies, rules and regulations into one central manual. The current manual is derived from the GNWT manual and is not available in a web based format. Given that salaries and benefits constitute one third of the Government's budget, electronic access to such a manual is critical to the effective management of human resources. Plans call for a new Manual to be made available on-line in the Spring of 2006. This Manual will complement FAM and the two will provide the foundation for effective financial and human resource management in the GN.

3. Systems and Tools

FreeBalance is the principal financial system which captures data, makes payments and allows for budget control. There appears to be a lack of reliance on the standard reports available from the system. Discussions with a variety of staff confirmed the widespread use of non-system generated financial

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spreadsheets, designed to supplement or substitute information from the system. This confirms many of the observations of the OAG in this area.

The GN does not have a computerized system for loans management, or income support. These areas represent significant risks as income support alone is a program with annual expenditures in the neighborhood of \$30 million. The PPROD system, the accounting system for the Government's fuel supply program, with expenditures of over \$160 million annually, is programmed in COBOL, a programming language not in general use today. This antiquated system has data backup protocols, but is nearing the end of its useful life. New and replacement systems are badly needed in these areas, but whatever is done must be integrated with the Government's main accounting system (FreeBalance). The Government has issued requests for proposals to solve a number of these systems problems.

P2K is the principal human resource system. It seems to meet the minimum requirement of processing the regular payroll for GN staff. The first phase of this system (payroll) was implemented in 2005. The second module is scheduled for implementation in December 2006, and will provide an on-line leave management system. Currently, leave records are maintained manually. The implementation of this module will provide the central controls needed to deal with the kinds of errors identified in the report from the OAG.

However, management reporting from P2K is very limited. The underlying problem seems to be a lack of capacity to support the new application including the roll-out of additional functionality or support to the current application. This is evident from the fact that the procedures manual for the system has not been kept up-to-date since its inception. Overall, the capacity within the GN to select, implement and operate systems does not appear to be strong. The small size of both the Territory and the GN may make it uneconomical to invest the amount of resources necessary to develop its own financial systems.

The GN operates a highly decentralized system of program delivery with extensive delegation to managers. For such a system to operate effectively, managers must be equipped with a wider variety of tools and have better access to professional advice. Tools include such things as better templates for preparing plans and budgets, management reports that compare actual results to plan, formats and approaches for conducting variance analysis and typical options for correcting deviations from plans.

4. Payment Processing

The initial organization design for the Government of Nunavut recognized the reality that the organization was small and that the most efficient and effective

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method for payment processing was to have this function carried out by the Department of Finance from its Headquarters and regional operations. However, as departments expanded their financial management support groups and gained capacity the responsibility for processing payments was gradually delegated to all departments to varying degrees. Some departments have full authority including data entry, while some departments and regions rely on the Department of Finance to complete their data entry from documents generated in departments. The functional breakdown in Appendix "F" shows the current split of responsibility for financial management between the Department of Finance and line departments.

At this point, there are a total of 166 employees processing payments across the Government. 91 of these are employed in the Department of Finance. Forty-five are in Iqaluit 15 in Rankin Inlet, 14 in Cambridge Bay and 17 in Igloolik. The remaining 75 are employed by departments outside of Finance. The Auditor General has highlighted a number of concerns with this extensive decentralization. They include a relatively high sample of errors (10%) in signing authorities where payments were approved without proper approval. The OAG also indicated that the decentralized operations require financial staff to work more independently. This means that they must have a stronger accounting knowledge than if they were part of a larger operation with more critical mass. The Auditor General also makes the point that *"in many small accounting units throughout Nunavut, staff may not have exposure to a sufficient variety of tasks to prepare them for more senior duties"* This limits opportunities for career advancement.

The research for this project confirms the Auditor General's observations. It became clear that the 2 to 5 member accounting operations in many locations are not viable. Although some small offices have developed useful expertise; that expertise is often lost through turnover. In the absence of documented desk procedures, the new staff members often start from scratch in learning the job without the mentoring that would be found in larger operations. Centralizing processing staff in fewer locations with larger staff complements would go a long way towards containing costs, improving controls and stimulating staff development.

5. Human Resource Capacity

The people working for the Government of Nunavut represent a major strength for this young organization. The individuals interviewed as part of this project were enthusiastic and anxious to make the Government work in accordance with the political priorities of their leaders. However, there was a certain amount of frustration with the weaknesses of some of the systems and the lack of consistency in areas where standardized processes are most needed.

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Inuit employment in financial positions in the GN is at 44% of the total number of occupied positions – refer to Appendix “D” for details. There are no Inuit senior managers in the financial area of program departments, but two of the Assistant Deputy Ministers in the Department of Finance are Inuit. Only one Inuk is a professional accountant. He acquired his designation while employed by the GN. Approximately 76% of the 104 Inuit employees in the financial area, are below pay range 14 and are largely responsible for processing payments. This reflects the fact that few Inuit have taken accounting training beyond the diploma level.

The strongest areas reviewed were those where the functions are largely processing in nature. The processing operations that seem to be working best are those which have experienced the least amount of turnover and where leadership has been relatively stable. However, the Government’s overall capacity to analyze actual performance against plan as a basis for budgetary control, performance assessment, cash forecasting or corrective action must be strengthened.

The Department of Finance regional office capacity in both Rankin Inlet and Cambridge Bay appears to be generally satisfactory. The Regional Finance Office in Igloolik, on the other hand, was disadvantaged from the outset. Unlike the other Regional Finance Offices that benefited from many years of established practices, it was newly created to serve the needs of the Baffin Region. All of the employees were new hires. In addition to the need for significant training, this team needed standardized processes and well established practices to be successful. Unfortunately, these were not available. The operation has also suffered from a lack of stable leadership. To compound this problem, the Igloolik office is expected to serve the needs of the largest region in Nunavut from a community where access to satellite bandwidth is insufficient for operating FreeBalance and P2K. Igloolik is not a regional transportation hub and this has contributed to significant delays in processing. As a result, the Igloolik Finance Office has not been able to take on the full range of responsibilities for the region.

The capacity and performance of the financial units in the headquarters of individual departments varies. Some are very capable units led by strong directors, while others have suffered from much turnover, lack critical mass or lack stability due to departmental restructuring.

Managers must have the basic capability to discharge their delegated authority. The GN must determine those situations where training and development is the answer, those in which better direction, better financial advice and coaching will improve performance and those situations where delegated authority should be restricted or eliminated as part of good risk management.

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At this point, the GN financial community does not benefit from a cohesive human resource strategy for the recruitment, training and promotion of financial staff. The foundation for any strategy of this kind is an organizational structure where employees performing similar functions are equitably paid. Because of the extensive delegation of processing authorities, there is little consistency anywhere in the GN in terms of how financial units are structured and how job functions are grouped. As a result, there are few common occupational levels that would lend themselves to major recruitment campaigns or organization-wide training initiatives.

Many decisions around recruitment, training and promotion for financial staff in the GN are reactive and unplanned. This leads to continuing crises across the organization as departments struggle to manage without effective financial support. A system must be established to identify and develop high potential employees as part of a succession planning process aimed at continuity in key financial jobs.

The Department of Finance's capacity to provide functional direction across government has suffered from turnover and a lack of stability. A much stronger critical mass of professional expertise and leadership is necessary in the core Comptroller General functions of financial management and accounting policy, financial systems, training and development and external reporting.

In the medium term, this professional capacity will have to be recruited from outside Nunavut. The long term solution to this problem is the development of capacity in the Nunavut workforce to take on the key jobs in the financial community. This will ultimately provide the GN with the stability that is needed for long lasting results. In the meantime, the GN is recruiting in a very competitive market where professional accountants and financial specialists are in high demand.

6. Public Accounts

The GN has been unable to meet its statutory reporting deadline since its inception. This is highly unusual. In comparison to other Canadian jurisdictions, the GN stands out as being unique in its inability to meet this extremely important yet quite basic accountability obligation. This is a critical issue identified by the Auditor General and it must receive priority attention to ensure public confidence in the system.

The production performance for the 2004-05 Public Accounts by governments in Canada indicate that 77% published their financial statements within six months of year-end and all produced them within ten months. The following table summarizes the performance by jurisdiction:

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Jurisdiction	Audited/Tabled
Newfoundland and Labrador	September 23, 2005
Nova Scotia	August 16, 2005
New Brunswick	November 15, 2005
Prince Edward Island	January 23, 2006
Quebec	November 2005
Ontario	September 2005
Manitoba	August 2005
Saskatchewan	June 2005
Alberta	June 21, 2005
British Columbia	June 29, 2005
The Northwest Territories	June 22, 2005
Yukon	July 15, 2005
Government of Canada	September 27, 2005

The plan of action to strengthen the Comptrollership Branch must give priority attention to establishing a core capacity to design, direct, coordinate, monitor and ultimately produce the annual Public Accounts within statutory deadlines.

VI. OVERALL ASSESSMENT

The GN has made progress in financial management, but as documented in the reports of the Auditor General, the pace of improvement is slow.

The results of this project confirm the observations made by the OAG and the previous study commissioned by the Department of Finance. Although some elements of financial management operate at higher levels, many important functions are being performed at the Start-Up level as described in Level 1 of the OAG Financial Management Capability Model as explained below:

“The Start-Up Level describes the financial management characteristics of an organization that has not yet established its key policies and practices or its control framework. At this level, in the absence of established practices, the organization’s ability to achieve its business or program objectives depend on the often-isolated efforts and accomplishments of individuals. In these circumstances, there is no certainty that such accomplishments would be repeatable or sustainable”.

A lot of effort has gone into previous improvement initiatives, but these do not appear to have delivered sustained results. What is needed is a comprehensive

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plan for improvement with measurable objectives, well defined outcomes and adequate resources for implementation.

VII. SETTING A REALISTIC GOAL

The wide range of recommendations identified in the next section of this report (Section VIII) are all important. However, these objectives should not be viewed in isolation of each other. They must be implemented as part of an overall plan to improve the Government's financial management capability to a level that will satisfy audit scrutiny and reassure the public that government resources are acceptably managed.

In determining what constitutes an achievable level of financial management capability, it is important to define the objectives of effective financial management:

- ❑ Ensuring that managers have support for decision making;
- ❑ Ensuring timely, relevant and reliable financial and non-financial information is available;
- ❑ Contributing to managing the risks to the organization;
- ❑ Helping the organization make efficient, effective and economical use of resources;
- ❑ Enabling managers to account for their use of resources;
- ❑ Establishing a supportive control environment; and
- ❑ Enabling the organization to comply with authorities and safeguard its assets.

Recognizing the importance of complying with the overall objectives of financial management, the GN should pursue the goal of achieving Level 2 within the OAG Financial Management Capability Model within a period of 3 to 5 years. At Level 2, organizations:

- ❑ Can ensure that adequate resources are available, assets are safeguarded, data are reliable, and transactions are monitored and controlled and conducted with prudence and probity. Organizations at This level are able to meet statutory and regulatory reporting requirements;
- ❑ Have established a control framework, and mechanisms to ensure that control practices are repeatable and sustainable. When these basic controls are operating as intended, they will help the organization to control or reduce risks and to produce complete and accurate financial and operational data;

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- Can carry out its basic stewardship responsibilities and meet its reporting obligations. The capabilities described in this level link directly to Financial Management Board policies and guidelines.

VIII. GUIDING PRINCIPLES

The principles contained in the terms of reference served as a useful guide in assessing the wide range of possible improvement initiatives. The application of these principles has resulted in the set of proposals outlined in section IX. All of these initiatives have been carefully considered to determine that they are:

- Attainable – the results can be put in place and functioning effectively within three to five years;
- Affordable – the costs are reasonable and can be managed within the fiscal framework;
- Sustainable – the changes will endure over the long-term yielding positive net benefits;
- Accountable – structures, responsibilities and processes are clear and result in accountability for performance and results that is unambiguous.

IX. RECOMMENDATIONS

1. A Financial Management Accountability Framework

Accountability for financial management should start at the top of the organization and be reinforced by Deputies on a continual basis. To emphasize this organizational accountability, the GN should expand their current accountability framework for Deputy Ministers to provide additional focus on their responsibility for results in the management of financial resources:

- A clear assignment of responsibilities;
- Transparency in the operations of government;
- Focus on results;
- Effective oversight along with sanctions;
- Strong reflection of public service values and ethics typically formalized in a “code of conduct”.

2. A Comprehensive Strategy for Producing Public Accounts

The timely production of Public Accounts is a fundamental element of public accountability and transparency that is not currently operating properly. It is therefore critical that the Department of Finance develop a comprehensive strategy based on a review of the GN’s reporting processes that clearly identifies and addresses the primary obstacles to the annual production of the Public

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Accounts. The Strategy will set out necessary improvements and resources with clear targets over an urgent but achievable timeframe.

The Strategy should also identify the internal expertise necessary to coordinate and lead the production of the Public Accounts. Such expertise includes defining the accounting policies and procedures, developing and explaining the production schedule and deadlines, monitoring performance, resolving problems, consolidating and publishing results and liaising with the Office of the Auditor General. Where any significant skill gaps are identified, the Strategy should address how this expertise will be obtained to support the GN's statutory reporting obligations.

Additional one-time resources will be needed to complete the work of producing the public accounts within the statutory time frame for the first time. Once the procedures and processes are in place, subsequent production of timely accounts should be relatively straightforward. This work would be done over 24 months and would require dedicated outside help to achieve success. It is important to note that the Department of Finance has already published a request for proposals to obtain bids on this project.

3. A Strengthened Comptrollership Branch

The Comptrollership Branch should be strengthened to successfully implement the other recommendations in this report by:

- Clearly identifying the key positions in the Branch and formalizing their leadership role with respect to other positions within the GN;
- Rating the key positions at a level that will provide compensation competitive with similar positions in other jurisdictions and in the proper relation to other positions in the GN;
- Staffing the key positions on a priority basis or contracting until fully qualified personnel can be hired. This will involve securing staff housing for these positions. Otherwise, recruitment will be unsuccessful as the lack of staff housing in Iqaluit often represents an insurmountable recruitment barrier in Iqaluit;
- Establishing an adequate budget for the Branch that includes base operating costs, and transition funding to implement the other changes recommended in this report;

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- Adding a new senior manager and some staff resources to the Department of Finance to allow for the creation of a separate Comptroller General reporting to the Deputy Minister of Finance as shown in the functional breakdown in Appendix "G".

In this strengthened operation, the Comptroller General would be responsible for the operation and management of the Comptrollership Branch with particular emphasis on accounting policy, controls, systems and external reporting. The existing Assistant Comptroller General position would have a more focused responsibility on maintaining effective controls, processing payments and managing payroll and benefits administration.

Strengthening the Comptrollership Branch will require resources for some additional staff and resources to enhance key job ratings making them more competitive in the marketplace.

4. Strengthened Departmental Senior Financial Officer Capacity

Some departmental financial organizations need strengthening. The more complex departments should have a senior financial officer (SFO) who is a professional accountant with substantial experience in the financial activities of complex public organizations. Less complex organizations, may find that a university or college trained SFO may be sufficient. In all cases, the decision on the necessary qualifications for departmental SFOs must be made by the Comptroller General in consultation with the affected deputy minister. The job ratings of departmental SFOs should reflect the relative size, complexity and risk of each department.

In cases where existing SFOs do not have the necessary qualifications, a plan should be developed to allow incumbents to obtain the necessary training and/or experience.

5. A Review Of GN Financial Delegation

The Comptroller General should develop consistent standards to quantify recommended levels of delegated authority for application across the GN. Following the approval of the standards, the Comptroller General, in consultation with Deputy Ministers, should conduct a review of current delegated financial authorities to confirm that managers have the necessary skills and abilities to discharge their responsibilities. In those cases where weaknesses exist, training and development should be initiated. If the review identifies a serious weakness in a manager's capacity to exercise the delegated authority, the delegation should be restricted or withdrawn until the situation is rectified. Mandatory

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training to better equip managers for exercising financial signing authority will be part of the standardized training referred to in the recommendation for a human resource strategy.

6. A Comprehensive Human Resource Strategy

A human resource strategy must be developed by the Department of Finance in partnership with Deputy Ministers for financial staff across government. It should include the following elements:

- Benchmarks should be developed for financial positions to establish the levels of positions performing common functions across the organization. Thorough compensation research would then be conducted using these benchmarks. This will result in salaries that are competitive in the marketplace;
- The Department of Finance should be given the mandate to provide leadership in the development of a continuum of financial training in consultation with Departmental SFOs to include:

Consistent organization-wide training leading to certification in functions such as data entry and payment processing;

A financial management training program for managers to improve performance in the exercise of their spending authority;

A professional development program.

- A well planned recruitment and retention strategy to identify where new employees will be brought into the organization through a variety of sourcing techniques including career fairs, networking, advertising in trades publications, newspaper advertising, word of mouth and the use of professional search firms;
- A career development plan to assist employees in achieving their career potential. This will include the development and use of succession plans and should contribute to the achievement of Inuit Employment goals by targeting Inuit staff members for developmental initiatives.

This work will likely require outside expertise to complete over a period of approximately 12 months.

7. A Review and Revision of the Current Financial Policy Framework

The Department of Finance should assign a high priority to the updating of the Financial Administration Manual to meet the Government's evolving needs. A

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plan and schedule with clear priorities and specific accountabilities for updating the FAM should be developed by the Comptroller General as a priority. This effort will require the use of outside consulting resources and will probably be completed over a two year period. It is important to note that the Department of Finance has already issued a request for proposals to solicit bids for this work.

In conjunction with this work, the following initiatives should be undertaken:

Standard GN Processes and Procedures

The Department of Finance should develop and implement standard operating procedures for as many financial management and control processes as possible. A plan and schedule, with clear priorities and specific accountabilities for developing these standard operating procedures, should be developed by the Comptroller General as a priority in conjunction with the FAM initiative. This will involve documenting best practices, completing system flow charts for standard processes and writing the procedures in plain English that lends itself to translation into Inuktitut. This represents approximately one year of work for a dedicated resource person.

Tools for Planning, Budgeting and Control

The Deputy Minister of Finance, in conjunction with departmental senior financial officers, should review and decide on an improved set of management tools for planning, budgeting and control and incorporate them into standard operating procedures which could be used as the foundation for training.

8. A Review of Financial Information System Needs

This project could not complete an intensive review of government financial information systems needs given time constraints and mandate considerations. However, such a review is necessary. This review should include an analysis of whether the Government's financial systems have the capacity to satisfy the GN's current and future accounting system needs, including the ability to add modules to deal with important requirements such as purchasing, contracts and loans management. The study should provide a full range of cost estimates for recommended solutions. Some preparatory work has been done by the Department of Community and Government Services and this baseline work should be useful in completing the review.

9. A Review of Public Agencies

Although Public Agencies make a significant contribution to Nunavut and impact the GN's overall operations, they were not included in the scope of this project due to time constraints. Given significant concerns raised by the Auditor General regarding the GN's Public Agencies and the impact they have on the Government's ability to produce its Public Accounts on a timely basis, the Public Agencies should be subject to a review of their financial management capacity as soon as practicable.

Such a review should result in specific recommendations as part of a plan for achieving the needed improvements in financial management. This work should be coordinated with Senior Officials of the Crown Agency Council. This review will take approximately 6 months.

10. Re-centralizing Payment Processing

In order to contain costs, to facilitate the introduction of standard processes and training, and to respond positively to the observations of the Auditor General, the GN should consider consolidating all GN financial processing and payroll operations within the Department of Finance. The issues around restructuring are discussed in Section X.

X. ORGANIZATIONAL RESTRUCTURING

1. The Reasons For Restructuring

Major organizational restructuring, even in mature, well established organizations is destabilizing. In a young organization such as the GN, such restructuring should be avoided unless there is a compelling reason for change. In the conduct of this review, it became clear that the current organization design and the current division of responsibilities for financial management across the organization require reform. There is sufficient urgency in this reform requirement that organizational restructuring is considered to be essential.

The reasons for reform vary, and are described in some detail in subsection 4 of the *Findings* section and in Section IV, *The Context For Financial Management*.

The compelling reasons for organizational restructuring are:

- Payment processing in the GN is not cost effective;
- Decentralized operations are often too small to have the necessary critical mass to function as stand-alone organizations;

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- There are insufficient resources to provide the necessary professional oversight of small accounting operations.

To resolve this issue, the GN should re-centralize payment processing into the Department of Finance thereby freeing up departmental financial officers to concentrate on planning, analysis and the provision of adequate financial advice to non-financial managers.

In considering the recentralization of this accounting function, the OAG observations in the 2005 report to the Legislative Assembly are instructional. The report states *“To achieve breakthroughs in financial management, the Government of Nunavut should centralize certain accounting operations. In doing so, the government needs to make key decisions, including how far to go towards a centralized accounting structure”*.

2. Debating the Restructuring Options

When examining the issue of centralization, consideration was also given to the options included in the OAG’s 2005 report such as centralizing accounting operations in one location or establishing centers of excellence by creating homogeneous centers for specialized accounting functions such as payroll. Both of these options were reviewed in detail, but in the final analysis they were not considered to be viable.

Firstly, consolidating all accounting operations in one location is not compatible with the Government’s priority for decentralization. Secondly, bringing the entire finance operation together in one location would exceed the housing resources of any community in Nunavut. It would also result in the loss of financial talent to the GN in all the affected communities as existing staff have shown they are reluctant to move when jobs are relocated.

The “centers of excellence” concept was not considered workable for homogeneous operations such as payroll. Unfortunately, it would have the effect of isolating the staff of such centers from their professional colleagues in other financial disciplines. What is needed is to bring financial staff together in large enough groupings and with enough work variety to make the resulting operations viable.

Similarly, the project considered the idea of bringing together all the financial staff in each community in one location to provide centralized services to all government operations in that location. In examining the operations that would result from such a decision, it became clear that this would not achieve critical mass and it would not deal with the continuing problem of recruiting professionals to provide oversight.

3. Making Practical Choices

Recentralizing any delegated function in the Government of Nunavut is difficult given the degree of decentralization that has occurred and the varying models of decentralization that have been chosen in different regions. However, it is important to recognize that the initial decisions on how the Government would operate were made before the Government had much hands-on experience with its new responsibilities. Inevitably, some decisions will have to be re-visited in light of what is known today after almost 7 years of experience.

The reality is that some functions do not lend themselves to delegation and should be handled centrally, to the extent possible. This is particularly true of accounting operations which depend on professional oversight and the existence of adequate access to satellite bandwidth to operate mainframe computer applications.

The Department of Finance currently handles payment processing from four locations. The regional Finance offices in Cambridge Bay and Rankin Inlet serve all the communities in their geographic area. The payment processing for the Baffin region communities is routed through departmental headquarters operations in Iqaluit in most cases. Headquarters payment processing is handled by the Financial Operations Division of the Department of Finance in Iqaluit. With the exception of the Baffin Regional Office, these operations have the expertise and the critical mass to take on more workload if they are given additional resources.

4. The Main Elements of Centralization

The Government should consider restructuring to allow for the centralizing of payment processing in the Department of Finance at both headquarters and the regional level. This would generally involve utilizing the Regional offices of the Department of Finance in Rankin Inlet, Cambridge Bay and Igloolik to process all payments and to provide payroll services to all departments in the region. The Financial Operations Division of Finance in Iqaluit would provide the same services to headquarters departments in Iqaluit.

This change would involve the transfer of some resources from line departments to Finance in all 4 locations to allow them to cope with the additional volume.

The Igloolik Regional Finance poses the only major problem in this change scenario. For reasons stated in Section V (5) of this report, this study determined that it was not viable to either maintain the current operation or to expand it to take on more responsibilities. In order to achieve centralization of payment

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processing for the Baffin region, the GN may have to consider an alternative to payment processing from a regional Finance office. The most obvious solution would be to provide centralized services for both headquarters and the Baffin Region from the Department of Finance in Iqaluit;

When this restructuring is complete, all invoices would be submitted directly to the Department of Finance for coding, data entry and cheque issuance. A decision to centralize in this fashion would go a long way towards solving some of the key financial control problems in the GN. It would result in cost containment and provide a better foundation of accounting support for the entire organization.

The Government should approve the concept of re-centralizing payment processing within the Department of Finance. Detailed organizational options should then be proposed for Cabinet approval to show how this could work in reality. The options would specify the organizational structure, the impacts on staff and the cost implications. The options developed should also identify any exceptions needed to deal with some extraordinary requirements for departments to continue to process payments internally. This could include areas such as Income Support, Student Financial Assistance, Non-Insured Health Benefits and capital project management.

XI. RESOURCE REQUIREMENTS

The requirements for incremental resources needed to implement the recommendations in this report are outlined in the "Implementation" section. It is important to note that these estimates may be subject to change depending on detailed implementation strategies. In summary, the order of magnitude incremental resources needed are:

INITIATIVE	2006/07	2007/08	Ongoing
Strengthen the Comptrollership Branch	\$500,000.	\$800,000.	\$800,000.
Revising the policy framework	\$500,000.	\$500,000.	N/A
Standard processes and procedures	\$120,000.	\$80,000.	N/A
Public Accounts Strategy	\$400,000.	\$200,000.	N/A
Financial Systems Review	\$600,000.	N/A	N/A
A human resource strategy	\$150,000.	150,000.	N/A
Reviewing Public Agencies	\$250,000.	N/A	N/A
Total	\$2,520,000.	\$1,730,000.	\$800,000.

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XII. SIGNS OF PROGRESS

It is important to note that a number of important developments have occurred within the Government since the research was conducted for this project. The Department of Finance, along with line departments has taken a serious and strategic approach to making improvements in financial management. These initiatives are consistent with the recommendations of this report and are referred to in various places in this document. They include:

- A proposal call to solicit proposals for the development of a computerized income support system for the Department of Education to replace their current manual systems;
- The Department of Finance has published two proposal calls to solicit proposals for updating the Financial Administration Manual and for the provision of assistance with the completion of public accounts.

XIII. NEXT STEPS

Implementation plans have been prepared for each of the recommendations in this report. Where possible, the incremental resource requirements have been outlined in the body of each implementation plan. A high level project schedule is also included to show the general time frames involved and to recommend the sequence for implementation. However, no implementation plan has been prepared for the centralizing of payment processing. The plan for implementing that initiative including organizational design options cannot be prepared until the concept of re-centralization is accepted.

XIV. CONCLUSION

The recommendations included in this report should bring some stability to the GN financial organization, clarify roles and responsibilities between the central agency and line departments and establish a framework of policies, rules and procedures to promote consistency across the organization. If implemented, the proposals should result in major improvements that will address most of the critical observations in the Auditor General's 2005 Report to the Legislative Assembly. Nothing that is recommended compromises the Government's ability to fulfill its decentralization commitments. However, in considering alternatives to financial processing in decentralized locations, the Government must ensure that the proposed functions are viable in the community setting.

On a final note, however, the Government should not underestimate the magnitude of change that will be needed to achieve meaningful results. The problems identified in this study cannot be resolved by any amount of fine tuning or minor adjustments to existing mechanisms and structures. The organization

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must be mobilized to move ahead with sweeping administrative changes. This must be done in conjunction with re-centralization initiatives to promote viable and sustainable processing operations whose efforts will withstand audit scrutiny. Anything less, is likely to fail.

IMPLEMENTATION

An Overview

This section of the report includes implementation plans for each of the recommendations contained in the report. Each plan contains the following elements:

- Title and Description of the Plan
- Results Expected
- Plan Activities/Steps
- Resource Requirements
- Accountability
- Timeframe
- Dependencies/Linkages

The individual plans that make up this section are shown below in the same order as they appear in the body of the report:

1. Expanding the management accountability framework
2. A strategy for public accounts
3. Strengthen the Comptrollership Branch
4. Strengthen senior financial officer capacity
5. Review and standardize delegated financial authority
6. A human resource strategy
7. Review and Revise the Financial Policy Framework including the:
 - Development and implementation of standardized processes and procedures
 - Development of Management tools for planning, budgeting and control
8. Review of Government financial information systems
9. Review financial capacity of public agencies

The overall schedule for completing these plans covers two years from the date a decision is made by FMB. A third year is planned for adjustments and contingencies. In summary, the proposed Implementation Plan is a strengthening initiative that should move the GN to Level 2 in the OAG Capability Model within a 3-5 year time horizon.

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Each implementation plan shows the individual with the prime accountability for the successful achievement of the results. However, the Internal Audit Committee will oversee and steer the implementation of all reforms. The only exception is the Review of Public Agencies which will be steered by the Crown Agency Council.

A structured project management approach should be applied to the completion of each project to ensure that each is well planned and carefully executed in accordance with an overall plan. The following chart shows the timeframes recommended for implementation and a proposed sequence for each project.

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REVIEWING GN FINANCIAL STRUCTURES

Project Scheduling

ID	Task	Start	Finish	Duration	2006			2007				2008					
					Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3			
1	Expand Accountability Framework	5/1/2006	9/1/2006	90d													
2	Strategy for Public Accounts	5/1/2006	5/2/2008	525d													
3	Strengthen Comptroller General	5/1/2006	5/1/2009	785d													
4	Strengthen Senior Financial Officer Capacity	10/2/2006	10/2/2007	262d													
5	Standardize levels of financial signing authority across government	5/1/2006	1/1/2007	176d													
6	HR Strategy – Standardized Job Ratings	8/1/2006	1/1/2007	110d													
7	HR Strategy – Implementing a Training Strategy	1/1/2007	8/31/2007	175d													
8	HR Strategy – Implementing a Recruitment Strategy	4/2/2007	4/1/2008	262d													
9	Review and Revise Financial Policy Framework	5/1/2006	5/1/2008	524d													
10	Review Financial Information Systems	5/1/2006	5/1/2007	262d													
11	Review Public Agencies	5/1/2006	5/1/2007	262d													

THE PLANS

Number 1

Title
“A Financial Management Accountability Framework”
Description
Expand the current accountability framework for Deputy Ministers to provide additional focus on their responsibility for results in the management of financial resources. This would include: <ul style="list-style-type: none">○ A clear assignment of responsibilities;○ Transparency in the operations of government;○ Focus on results;○ Effective oversight along with sanctions;○ Strong reflection of public service values and ethics typically formalized in a “code of conduct”.
Results
<ul style="list-style-type: none">○ A balanced assessment of management capacity;○ Stronger accountability for results in program, financial and human resource management;○ Improved public perception of administrative accountability to the Executive Branch of government.
Steps
<ul style="list-style-type: none">○ Assess the existing management accountability framework to determine its adequacy in assessing management performance in all areas of responsibility including such things as: Strategic planning; Managing for results; Learning Innovation and change management; Policy development; Risk Management; Human Resource Management; Stewardship; Accountability.○ Conduct one or more workshops with Deputy Ministers to identify the potential indicators that could be used to assess performance against expectations;○ Obtain consensus amongst Deputy Ministers on the adequacy and

<p>relevance of the indicators used to assist in assessing performance;</p> <ul style="list-style-type: none"> ○ Identify the mechanisms and sources for gathering and maintaining the performance indicator database across the organization; ○ Modifying deputy minister performance contracts to include the expanded accountabilities; ○ Implement the new framework at the beginning of the 2006/07 fiscal year or the 2007/08 fiscal year depending on when the initiative is approved.
<p>Resources The expansion of the management accountability framework for deputy ministers should be achievable within existing resources</p>
<p>Accountability The Secretary to Cabinet and the Secretary to the Senior Personnel Secretariat have primary accountability for coordinating the development and implementation of this initiative with the support of the Deputy Minister of Human Resources and the Deputy Minister of Finance.</p>
<p>Timeframe 4 months from the date the initiative is approved.</p>
<p>Dependencies / Linkages This initiative is not dependant on the completion of any of the other recommendations, but it will have an overall effect on all financial management improvement initiatives.</p>

<p>Title</p> <p style="text-align: center;">“A strategy for producing the Public Accounts”</p>
<p>Description</p> <p>Develop a comprehensive strategy for producing the Public Accounts that addresses the areas most in need of improvement, and in particular:</p> <ul style="list-style-type: none"> ○ Timeliness of reporting; ○ Presentation, format and level of disclosure; ○ Adoption of new and evolving accounting standards.
<p>Results</p> <ul style="list-style-type: none"> ○ Enhanced transparency and accountability through the provision of timely and appropriate information to the Legislative Assembly; ○ Enhanced information to support decision making; ○ A systematic approach for producing the Public Accounts on a timely basis; ○ Established disclosure practices that are consistent with the GN’s commitment to accountability and transparency.
<p>Steps</p> <ul style="list-style-type: none"> ○ Review the current process, timelines and direction for producing the Public Accounts and identify: <ul style="list-style-type: none"> Contributing factors and obstacles that give rise to delays; Requirements for additional direction and accountability; Options for streamlining reporting practices; and A process for escalating critical issues during year-end reporting. ○ Review the deadlines for the previous reporting cycle and assess performance against targets; ○ Determine the most significant issues that contributed to delays; ○ Develop mitigating strategies to deal with potential recurrences of delays in future; ○ Review the presentation, format and level of disclosure evident in the GN’s 2003/04 Public Accounts; ○ Assess the GN’s disclosure practices against current trends and practices; ○ Determine what other voluntary disclosures may be appropriate given the environment and commitments;

- Develop a workplan with financial resources needed to implement the recommendations resulting from the above;
- Implement the workplan aiming to produce the first set of timely Public Accounts for the 2006/07 fiscal year.

Resources

This project will require incremental funding of \$400,000 in 2006/07 and \$200,000 in 2007/08. No base adjustments are necessary.

Accountability

The Department of Finance is accountable for the implementation of this initiative.

Timeframe

Six months for the development of workplan, followed by 12 to 18 months of production.

Dependencies / Linkages

Some of this work may be completed in conjunction with the review of Public Agencies in plan #9.

<p>Title</p> <p style="text-align: center;">“Strengthening the Comptrollership Branch”</p>
<p>Description</p> <p>Strengthen the Comptrollership Branch by ensuring the Office has the proper functional authority both within and outside Finance, define the new organization structure, review, confirm, and where necessary write job descriptions, cost the enhanced organization, obtain the necessary resources and staff the key positions.</p>
<p>Results</p> <ul style="list-style-type: none"> ○ A better span of control within the Branch allowing for a more equitable distribution of work; ○ Capable departmental financial organizations accountable at a functional level to the Comptroller General (CG); ○ More effective accounting policy and financial controls; ○ Improved support for financial management across government.
<p>Steps</p> <ul style="list-style-type: none"> ○ Formalize a new mandate for the Branch that includes both the direct responsibilities for conducting financial management and control activities and for providing guidance and monitoring of those financial management and control activities delegated to departments by: <ul style="list-style-type: none"> Redrafting FAM directive 3-3 to reflect the newly defined mandate, particularly the relationship between the CG and line departments; Consult with Deputy Ministers and the Secretary to Cabinet on the revised draft ; Submit the new directive to FMB for approval and notify deputy ministers. ○ Define the new organization structure, review, confirm, revise and where necessary write job descriptions and cost the resulting organizational changes by: <ul style="list-style-type: none"> Defining the set of positions within each functional area of the Branch;

Reviewing all existing Comptrollership positions to determine which are adequately described and where they fit in the new structure and draft new position descriptions where gaps exist;

Reviewing and confirming the job ratings of existing positions and proposing ratings for newly created positions sufficient for planning and budgeting purposes.

- Identify the key positions in the Branch to be rated first and used as benchmarks for rating all other Comptrollership positions;
- Rate the benchmark positions first and then rate the remaining positions in relation to those benchmarks;
- Develop a recruitment strategy and staff positions in accordance with the priorities established in the strategy;
- Identify functions and positions where a strategy is needed to obtain immediate support before recruitment is complete and where contracted services may be needed to complete priority tasks before new staff members are hired.

Resources

This initiative will cost approximately \$500,000 in 2006/07 a further \$800,000 in 2007/08 and \$800,000 per year on an ongoing basis starting in 2008/09.

Accountability

The Deputy Minister of Finance will be accountable for the completion of this plan.

Timeframe

9 – 12 months following approval of the initiative.

Dependencies / Linkages

This initiative is linked to plan # 6 "A human resource strategy".

<p>Title</p> <p style="text-align: center;">“Strengthen Senior Financial Officer Capacity”</p>
<p>Description</p> <p>Develop and establish new departmental Senior Financial Officer organizations to support departments using a generic, but flexible model and staff the new units from within existing financial resources.</p>
<p>Results</p> <ul style="list-style-type: none"> ○ Deputy Ministers effectively supported by competent and qualified internal financial capacity; ○ Effective and efficient management decision making; ○ Improved planning, financial management and control within each department.
<p>Steps</p> <ul style="list-style-type: none"> ○ Establish the generic mandate for departmental financial support organizations in consultation with deputy Ministers; ○ Develop a generic organization structure with benchmarked positions that can be adjusted to the size and complexity of departmental programs and delivery structures; ○ Assess the existing structures in each organization and devise a transition plan for migrating from the current structure to the desired structure; ○ Assess the capacity of the staff within the organization to take on the new roles and develop training plans for those who are not currently at the desired level, but who have the potential to qualify with a reasonable amount of training and education; ○ Staff the new organization from existing staff where possible and add new resources of talent for critical positions where it does not currently exist.
<p>Resources</p> <p>This project can be completed in conjunction with plan # 6 “A human resource strategy. Therefore, no additional financial resources are shown for this plan.</p>
<p>Accountability</p> <p>The Department of Finance is accountable for the completion of this project in partnership with the Department of Human Resources and the responsible deputy ministers.</p>

Timeframe

The generic design of departmental financial organizations will take approximately six months as part of the overall human resource strategy. Implementation of the new structures will have to start with the largest most complex departments with the highest risk followed by the less complex organizations. This implementation process will likely cover a period of 6-12 months.

Dependencies / Linkages

This plan is dependant on the completion of the benchmarking component of the human resource strategy and should proceed along the same timetable.

<p>Title</p> <p>“Review and Standardize Levels of Delegated Financial Signing Authority”</p>
<p>Description</p> <p>Establish standards to quantify the extent to which financial signing authority can be delegated across the government. Assess current delegated levels of authority, determine in consultation with the affected deputy minister if employees have the capacity to exercise the authority, and revise levels if necessary.</p>
<p>Results</p> <ul style="list-style-type: none"> ○ Consistent levels of delegated financial signing authority across government; ○ Risks to programs and services are minimized; ○ Employees skilled in exercising authority for expending public funds.
<p>Steps</p> <ul style="list-style-type: none"> ○ Analyze current levels of delegated financial signing authorities to determine how authority is currently delegated and the extent to which that delegation is consistent across departments; ○ In consultation with Senior Financial Officers in all departments identify the recommended levels of signing authority for positions at all levels of management taking into account the principles of effective risk management; ○ Identify the skills and abilities necessary to manage the specific delegated authorities; ○ Obtain approval from the Financial Management Board for the standards that will apply to all departments; ○ Review on a department by department basis, the current budget delegations to ensure they conform to the standards; ○ Confirm that each manager with delegated authority has the basic skill set to properly exercise the delegated authority, and to identify any gaps or deficiencies; ○ Implement training, development or education in cases where a manager does not have the set of skills to exercise signing authority; ○ Where risk is high, reduce or eliminate levels of authority until corrective action has been completed.

Resources

This plan will require approximately $\frac{3}{4}$ of a person year to implement. This funding is available internally.

Accountability

The overall accountability for this improvement plan rests with the Department of Finance and each affected Deputy Minister.

Timeframe

The timeframe for completion of the standards is 3 months;

The timeframe for implementing the standards and taking any corrective action is 6 months following approval of the standards.

Dependencies / Linkages

This plan is dependant on the implementation of plan # 3 "Strengthening the Comptrollership Branch".

<p>Title</p> <p style="text-align: center;">“A Human Resource Strategy”</p>
<p>Description</p> <p>A human resource strategy is needed to ensure that the GN has an adequate supply of competent staff in the right locations at the right time. This will include a competitive compensation package, a recruitment plan, a cohesive staff training and development program and a system for career development and succession planning.</p>
<p>Results</p> <ul style="list-style-type: none"> ▪ Stable and competent financial management staff adequately compensated for their work; ▪ Adequate supply of financial management staff ranging from clerical through technical to professional levels; ▪ Representative levels of Inuit employment in keeping with Article 23 commitments; ▪ Home grown workforce developed through a combination of training and experience; ▪ Key financial positions filled internally with high potential staff.
<p>Steps</p> <ul style="list-style-type: none"> ○ Identify the varying roles and responsibilities of all members of the financial community in the office of the Comptroller and financial staff outside Finance by reference to the revised FAM directive developed in Plan #3, “Strengthening the Comptrollership Branch”; ○ Analyze positions in the financial community to establish common job ratings by: <ul style="list-style-type: none"> Identifying common financial functions within Finance and across Departments; Assigning common functions to a reasonable number of position levels given the work to be done and the necessity for oversight and segregation of duties; Establishing a titling convention for financial positions to ensure that similar positions are titled consistently;

Writing common job descriptions for each level of position (benchmark) and arrange for them to be rated by Job Evaluation;

Utilizing benchmark job descriptions in all departments of government to assign responsibilities and establish pay rates;

Utilizing benchmark job descriptions to support salary surveys as part of an ongoing compensation research program.

- Develop a plan to fill jobs through recruitment, training and promotion by:

Identifying those positions which will be filled through external hiring (likely entry level and high level professionals);

Outlining a strategy for filling jobs externally through recruitment campaigns, eligibility lists, advertising in professional journals, attending job fairs, visiting secondary and post-secondary educational institutions to promote GN financial careers, word of mouth, networking and other forms of sourcing;

Identifying those positions to be filled through staff training and promotion; Establish processes for developing training plans, identifying career ladders and preparing individual career plans for employees;

Identifying a process for filling jobs internally with high potential employees identified through the performance appraisal process;

Obtaining approval for a succession planning process to be used for filling key vacancies with high potential staff members, who are groomed for success;

Implementing the strategy and revising its elements to remain up to date with structural changes and realignment of mandates through reorganization.

- Develop a continuum of training aimed at satisfying the needs of Government for skills that can be used across the organization, and satisfying the needs of employees to achieve career goals:

Training based on desk procedures that will allow employees to apply standard processes such as financial data entry, applying financial codings, processing payments, committing funds and generating standard management reports. The training would be provided on a scheduled basis and would be updated regularly to take into account changing practices and new developments (This mandatory training would be

developed and delivered by the Department of Finance);

Training to provide those who exercise spending authority with the tools they need. This training would be brokered by the Department of Human Resources utilizing Finance to assist in curriculum development and modification of existing training resources (Financial Management Modules) to meet the specific needs of the GN. Consideration should be given to making some modules of this program mandatory prior to the granting of spending authority;

Educational programs would be developed along the lines of those currently purchased from Algonquin for all employees who work in the accounting field. It would be designed to provide staff with the theory needed to supplement on-the-job training and could be brokered through Nunavut Arctic College or an outside educational institution;

Mechanisms would be developed to support employees who wish to take university courses and programs leading to professional accounting designations. This could involve brokering courses, providing education leave, accessing distance learning, student financial assistance and/or scholarships.

Dedicated funding would be required to support the strategy. Following program development, sufficient funding should be secured from existing resources, where possible, and utilizing incremental resources where they are available.

Resources

The cost of implementing this initiative will be approximately \$150,000 in 2006/07 and \$150,000 in 2007/08. This will require incremental one-time funding.

Existing Resources (Ongoing)

1 person year (already established within Finance)

Accountability

The Department of Finance has the lead role in the development and implementation of this strategy. Other departments will contribute to the strategy as follows:

- Client departments – assisting in development of benchmarks; consulting on the development of recruitment, staff development and training strategies;
- Human Resources- rating jobs, assisting in salary surveys,

obtaining approval for standard processes such as succession planning, consulting on recruitment and training strategies and developing courses for the proper exercise of spending authority.

Timeframe

Elapsed time approximately 2 years from approval of recommendations in the report.

Dependencies / Linkages

This Strategy is dependant on:

- Plan # 3 – Strengthening the Comptrollership Branch
- Plan # 7 – Review and Revise the Financial Policy Framework

<p>Title</p> <p align="center">“Review and Revise the Government’s Financial Policy Framework”</p>
<p>Description</p> <p>Review and revise the Government’s financial policy framework which includes:</p> <ul style="list-style-type: none"> ○ The Financial Administration Manual; ○ Management tools for planning, budgeting and Control; ○ Standardized processes and procedures for use across the organization.
<p>Results</p> <ul style="list-style-type: none"> ○ Enhanced financial management capacity; ○ Fewer reported errors; ○ Better quality and more accurate forecasting; ○ Spending within the budgets approved by the Legislative Assembly; ○ Timely and credible financial reporting.
<p>Steps</p> <ul style="list-style-type: none"> ○ Assess the GN’s existing financial policies, processes, procedures and tools in financial management areas such as: <ul style="list-style-type: none"> Fiscal planning Priority setting and resource allocation Planning and budgeting(expenditures) Planning and budgeting (non-tax revenue) Asset management Budgetary control Expenditure control Management reporting External reporting (public accounts) Performance assessment and monitoring ○ Develop an inventory of existing policies, procedures and tools and identify crucial gaps; ○ Assess existing documents for appropriateness and relevancy; ○ Establish a workplan which sets out specific priorities based on the analysis of the inventory; ○ Establish the relative priorities for development using a risk based approach by first identifying the highest priority areas which have the most significant gaps and deficiencies and the greatest risks; ○ Identify the priorities for the work needed to support reform initiatives such

<p>as central payment processing centres and establish dedicated work teams to implement the systems, processes and policies as the first priority;</p> <ul style="list-style-type: none"> ○ Develop a schedule for the completion of all the necessary work in consultation with Directors of Corporate Services and Deputy Ministers; ○ Apply a project management approach to the completion of each project in the workplan to ensure accountabilities are established, dedicated resources are committed, obstacles are identified early and approvals processes are clear; ○ Identify a leader for the completion of each high priority project and assign internal resources (experts) to support the project; ○ Establish the desired outputs for each project, identify reporting requirements and monitor progress to ensure the results are achieved within the approved schedule as identified in the workplan.
<p>Resources</p> <p>The funding required to update FAM would be approximately \$500,000 in 2006/07 with a further \$500,000 in 2007/08. Starting in 2008/09, the Manual could be maintained with existing base resources.</p> <p>The development of standard processes and procedures would require an additional \$120,000 in 2006/07 and a further \$80,000 in 2007/08.</p>
<p>Accountability</p> <p>The Department of Finance is accountable for the completion of this project.</p>
<p>Timeframe</p> <p>This project will be completed within 24 months of FMB approval.</p>
<p>Dependencies / Linkages</p> <p>This project is dependant on plan # 3 “Strengthening the Comptrollership Branch”.</p>

<p>Title</p> <p style="text-align: center;">“A Review of Financial Information System Needs”</p>
<p>Description</p> <p>Complete a review of the GN’s financial information systems to include an analysis of whether the existing systems have the ability to satisfy the Government’s current and future accounting system needs. The review should also assess the ability of existing systems to incorporate integrated modules to handle loans management, contracts and purchasing management.</p> <p>The review should identify gaps in the existence of electronic systems and recommend solutions. Finally, the review should assess the capacity within the GN to develop and maintain systems and recommend opportunities, wherever possible, for the GN to become a client of systems from other organizations or service providers rather than implementing and operating their own.</p>
<p>Results</p> <ul style="list-style-type: none"> ○ Improved information for financial decision making; ○ Improved control of assets and liabilities; ○ Improved management reporting and improved external reporting; ○ An integrated framework of financial information systems satisfying the needs of users and allowing the government to fulfill its commitment to public accountability.
<p>Steps</p> <ul style="list-style-type: none"> ○ Establish a steering committee of senior officials from key affected departments to direct the activities of the review team engaged in systems review; ○ Develop a working committee to support the steering committee which would develop the terms of reference for a Request For Proposals from interested bidders; ○ Identify and secure the funding to complete the project based on the work described in the terms of reference above; ○ Advertise the RFP, assess the submissions and award the contract to complete the review; ○ The successful proponent should develop a workplan for the approval of the steering committee including critical elements such as methodology, desired outputs, scheduling, progress reporting and final reporting; ○ Determine if the final report includes viable recommendations, and a

<p>credible costing. If so, approve the final report, obtain Executive approval for the systems development implementation plan as recommended by the contractor.</p>
<p>Resources</p> <p>Terms of reference for the proposed study can be completed using existing resources.</p> <p>The completion of the study will require additional incremental resources of approximately \$600,000 in 2006/07. This is based on previous studies of this magnitude.</p>
<p>Accountability</p> <p>The Deputy Ministers of Finance and Community and Government Services share the prime responsibility for the successful completion of this project.</p>
<p>Timeframe</p> <p>This plan will be completed over a period of twelve months from the date of approval.</p>
<p>Dependencies / Linkages</p> <p>The Plan is dependant on Plan # 3 “Strengthening the Comptrollership Branch” and should be linked to Plans # 7 “Reviewing and Revising the Government’s Financial Policy Framework”.</p>

<p>Title</p> <p style="text-align: center;">“Review Financial Capacity of Public Agencies”</p>
<p>Description</p> <p>Review the GN’s public agencies as a continuation of the work conducted under the Review of GN Financial Structures project which assessed the GN’s financial management capacity. This review should make recommendations for improvements in financial management overall, but specifically with regard to changes that would facilitate more timely submission of financial information needed for Public Accounts.</p>
<p>Results</p> <ul style="list-style-type: none"> ○ Baseline information to allow for performance measurement and assessment of progress; ○ Improved financial management of public agencies; ○ Reduced financial risk; ○ Timely financial reporting; ○ Spending and borrowing within limits and authorities.
<p>Steps</p> <ul style="list-style-type: none"> ○ The Crown Agency Council could be designated as the steering committee to direct the activities of the team engaged in the review of public agencies; ○ Develop the terms of reference for a Request For Proposals from interested bidders; ○ Identify and secure the funding to complete the project based on the work described in the terms of reference above; ○ Advertise the RFP, assess the submissions and award the contract to complete the review; ○ The successful proponent should develop a workplan for the approval of the steering committee including critical elements such as methodology, desired outputs, scheduling, reporting progress and final reporting; ○ Determine if the final report includes viable recommendations, and a credible costing. If so, approve the final report, obtain Executive approval for the suggested improvements as recommended by the contractor; ○ Develop a workplan for the completion of the improvements and implement the necessary changes on an agency by agency basis depending on how the recommendations affect each one.

Resources

Internal resources are available to complete this project.

However, incremental resources in the amount of approximately \$250,000 in 2006/07 would be needed for consulting services to complete the actual study. This figure is based on the costs associated with previous studies of this magnitude.

Accountability

The Deputy Minister of Finance is accountable for the successful completion of this project in conjunction with the Crown Agency Council and the affected public agencies.

Timeframe

This project could be completed within 9 months following approval of project award.

Dependencies / Linkages

This review is not dependent on the completion of any of the plans in this report. It is however, subject to FMB approval.

**TERMS OF REFERENCE
REVIEW OF GN FINANCIAL STRUCTURES**

Introduction

Since the establishment of Nunavut, the Government of Nunavut (GN) has recognized the need to strengthen financial management across its operations. In 1999 the GN faced the unique challenge of having to develop and implement entirely new systems of financial management while ensuring basic public services were maintained without interruption. While much progress was made in establishing financial control since 1999, there are still major gaps in financial management capacity in some parts of the organization. A concentrated effort must be made to improve the situation.

During fiscal year 2004-05, the Department of Finance conducted a review of financial management (FM) which provided the following diagnosis:

- FM legislated responsibilities are clear but:
 - Responsibilities of managers need reinforcement
 - Regional responsibilities are vague
 - Consultative mechanisms are weak
- FM personnel are geographically dispersed with somewhat weak skills
- FM procedures vary throughout the GN resulting in inefficient activities and training challenges
- FM systems improvements are proceeding slowly and year-end reporting is not timely
- Little evidence exists that FM monitoring takes place

The review concluded that the current situation is not sustainable.

The Office of the Auditor General (OAG) recently confirmed the need to reform financial management practices and will likely present this observation to the Standing Committee on Government Operations and Accountability.

Such observations in combination with Nunavut's challenging fiscal situation make it imperative for the GN to take immediate action.

These terms of reference establish a project to analyze internal financial management capacity and recommend a detailed plan for improving the GN's ability to plan, control and forecast expenditures and enhance the timely and accurate production of the Public Accounts.

Scope

The Review of GN Financial Structures Project will assess the GN's government-wide FM capacity to effectively manage and account for resources in the following areas:

- Risk Management & Control:
 - Organization Structure & Support
 - Risk Management & Control Practices
- Information:
 - Information Systems
 - Performance Information
- Management of Resources:
 - Strategic Planning, Analysis & Decision Support
 - Resource Management

The above elements of financial management are adopted from the Office of the Auditor General of Canada's Financial Management Capability Model.

Guiding Principles

This project will be guided by the following principles:

- Sustainability
FM reforms must be able to endure over the long-term. In other words, the significant investment in change must yield benefits over a long time horizon.
- Alignment with Government Priorities
FM reforms should be consistent with stated government priorities. Where conflicts may exist, they should be made explicit and implications clearly identified.
- Supportive of Inuit Employment and Career Development
FM reforms, to the extent possible, should help increase opportunities for Inuit employment in financial positions including entry, training, career development and advancement.
- Attainable
FM reforms should be attainable within two fiscal years and include a detailed implementation plan.
- Affordable
FM reforms should be fully costed including transition costs and should be provided for within the GN's fiscal framework.
- Simple / Standardized / Efficient Functions

FM reforms – in particular, the design of processes and functions -- should be kept simple and standard so that they can be repeated consistently by employees trained in a manner that allows their newly learned skills to be transportable between GN organizations.

□ Clear Accountable Structures & Mechanisms

FM reforms – in particular, the design of roles and responsibilities within structures and processes – should be clear so that accountability for performance and results is unambiguous.

Project Team

The Financial Management Reform Project Team will be comprised of three executive consultants:

Ken Lovely – Millennium Partners (Project Team Leader)
Stephen Dixon – Dixon Associates Management Consultants
Robbin Sinclair-Chenier, CA MBA – an approved Nunavut business

Governance, Roles and Responsibilities

The Deputy Minister of Finance will provide the formal linkage for the Project Team into the governance structure of the FMB, Deputy Ministers Committee (DMC) and Internal Audit Committee (IAC).

The FMB is the final authority for approving the terms of reference, selecting options from the interim report, and approving the implementation strategy and plan, taking into consideration the views of the DMC and IAC (Steering Committee).

The IAC is comprised of:

- Deputy Minister Finance (Chair)
- Deputy Minister Education
- Deputy Minister Community and Government Services
- Deputy Minister Human Resources
- Executive, Qulliq Energy Corporation
- Deputy Minister – Economic Development and Transportation

The Project Team will have responsibility for planning, data gathering, research and analysis, consultations, briefings and report writing.

The Project Team will receive support on a timely basis from GN departments as required in order to obtain any information necessary for the completion of the assigned mandate. Each Deputy Minister will designate a senior officer to be responsible for responding to requests for information from the Project Team.

Methodology

The Project Team will provide regular progress reports to the IAC and will present its findings and recommendations as the project progresses.

The project will consist of the following elements:

- Detailed project planning, data gathering, research and analysis to provide a comprehensive assessment of the GN's financial operations and financial management capacity across its decentralized environment, identification of those areas of most need of improvement which yield the highest impact potential and, support for recommendations and options for implementing needed change;
- Structured interviews with key GN contacts in headquarter and regional operations across the GN to ensure a thorough understanding of the current situation including identification of constraints and obstacles impacting financial operations as well as opportunities towards enhancing efficiency and accountability;
- Regular consultations with the IAC to obtain needed direction as well as briefings of internal stakeholders to keep parties with a vested interest well informed as well as management of overall project communication and dissemination of information more broadly and ensure ongoing validation of data and findings;
- Interim report with options and recommendations for implementing financial management reform which is well supported by the Project Team's analysis and findings;
- Final report with a detailed implementation plan (complete with costing and proposed schedule) to effect the improvements indicated and reflective of the preferred option chosen by the FMB from those presented in the interim report.

Scheduling

Upon obtaining FMB's approval, the project will proceed immediately through to March 31, 2006 and entail the following:

- November/December 2005 & January 2006
Consultations with key contacts across the GN's regional and headquarter operations.

- Mid-February 2006
Interim report with options and recommendations for effecting intended improvements in financial management capacity and operations.
- Late March 2006
Final report with a detailed implementation plan complete with costing and a proposed schedule.

Desired Outputs

The Project Team will be accountable for the following key results:

1. Drafting an interim report outlining:
 - A full range of reform options aimed at strengthening financial management within the Government of Nunavut;
 - Possible organizational design options pertaining to financial management across the GN to effectively implement the reforms presented;
 - Organizational options that would allow for the establishment of shared service centers providing centralized service delivery;
 - Identification of potential risks and related mitigation strategies, and
 - Order of magnitude costing for each of the proposed reforms.

2. Drafting a final report containing:
 - A detailed implementation plan for the reforms approved by the FMB in #1 above. Such reforms may include standard financial operating procedures for implementation across the GN, training and recruitment strategies for financial personnel, recommendations for implementing shared service opportunities and the identification of priorities for financial systems development;
 - Detailed organizational structures for regional and headquarters operations to support the recommended financial management reforms;
 - Step by step strategies for implementing organizational and system change;
 - Cost implications and transitional resource requirements to implement and maintain the recommended reforms.

Project Costs

The project will be completed within the 2005-06 fiscal year at an anticipated cost of \$250,000 to \$300,000.

Conclusion

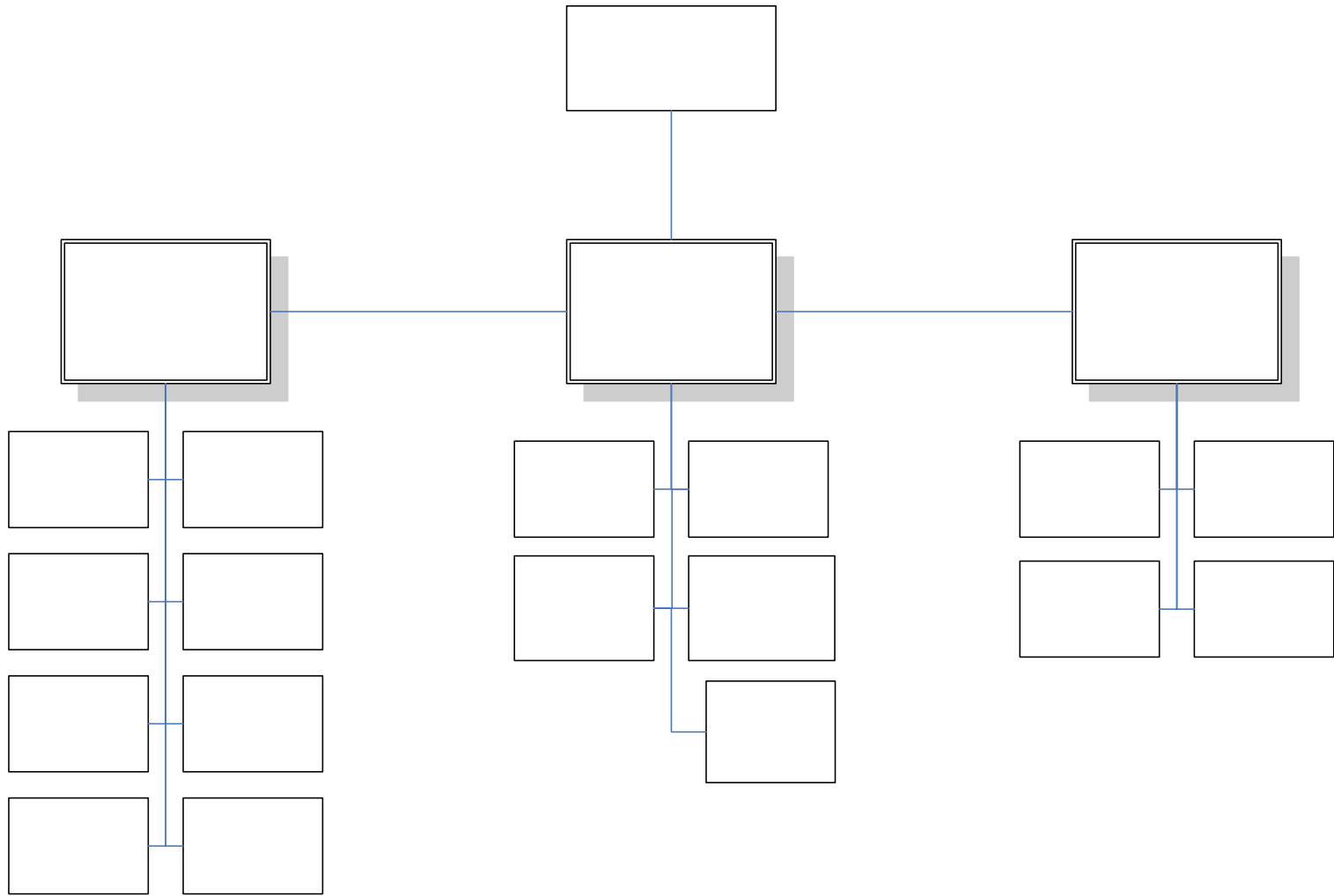
The GN must continue to strengthen financial management across all departments and agencies. This project will result in enhanced public confidence and will allow financial managers to more effectively exercise their responsibilities.

LIST OF INTERVIEWEES

Dept	Location	Position Title	Name
Community & Government Services	Cambridge Bay	A/Director	Anna Kaotalok
Community & Government Services	Cambridge Bay	Asst Director	Kevin Niptanatiak
Community & Government Services	Cambridge Bay	Finance Manager	Patti Greenley
Community & Government Services	Iqaluit	Asst Director, Service & Admin	Darryl Van Tine
Community & Government Services	Iqaluit	Deputy Minister	Tom Rich
Community & Government Services	Iqaluit	Director, Financial Services	Mike Rafter
Community & Government Services	Iqaluit	Director, Systems Mgmt	Peter Baril
Community & Government Services	Iqaluit	Manager, Accounting Ops	Les Hickey
Community & Government Services	Pond Inlet	Asst Manager, Finance & Admin	Joshua Arreak
Community & Government Services	Pond Inlet	Asst Regional Director	Johnathan Palluq
Community & Government Services	Pond Inlet	Facilities Manager	Paul Diamond
Community & Government Services	Pond Inlet	Manager, Finance & Admin	Margaret Gillis
Community & Government Services	Pond Inlet	Project Officer	Anjan Joshi
Community & Government Services	Pond Inlet	Regional Director	Timoon Toonoo
Community & Government Services	Rankin Inlet	A/Comptroller, PPD	Gail Alexander
Community & Government Services	Rankin Inlet	Asst Deputy Minister	Shawn Maley
Community & Government Services	Rankin Inlet	Asst Regional Director	Tommy Bruce
Community & Government Services	Rankin Inlet	Director, PPD	Susan Makpah
Community & Government Services	Rankin Inlet	Finance Clerk	Madeline Manitok
Community & Government Services	Rankin Inlet	Finance Manager	Lexie Morling
Community & Government Services	Rankin Inlet	Finance Manager, PPD	Leha Lehad
Community & Government Services	Rankin Inlet	Finance Officer	Sheila Sharp
Community & Government Services	Rankin Inlet	Manager, Community Operations	Margaret Taylor
Community & Government Services	Rankin Inlet	Regional Director	Brian McKay
Culture, Language, Elders & Youth	Igloolik	Director, Community Operations	Joanna Quassa
Culture, Language, Elders & Youth	Iqaluit	Deputy Minister	David Akeagok
Culture, Language, Elders & Youth	Iqaluit	Director, Corporate Services	David Kolot
Economic Development & Transportation	Iqaluit	Director, Corporate Services	Sherri Rowe
Economic Development & Transportation	Pond Inlet	Regional Director	Malachi Arreak
Economic Development & Transportation	Rankin Inlet	Director, Nunavut Airports	David Ittinuar
Economic Development & Transportation	Rankin Inlet	Finance Manager	Pierre McKenty
Economic Development & Transportation	Rankin Inlet	Finance Manager, Airports	Mary Graham
Economic Development & Transportation	Rankin Inlet	Manager, Transportation Pgms	Tom Rogers
Economic Development & Transportation	Rankin Inlet	Regional Director	Metro Solomon
Education	Arviat	Director, Adult Learning	Joy Suluk
Education	Arviat	Director, Curriculum Development	Cathy McGregor
Education	Arviat	Finance Officer	Romeo Okatsiak
Education	Arviat	Financial Analyst	Angie Curley
Education	Arviat	Loans Officer	Jessie Kaludjak
Education	Arviat	Manager, Curriculum Developmt	Shirley Tagalik
Education	Arviat	Manager, Student Assistance	Mary Pameolik
Education	Arviat	Training Consultant	Cam McGregor
Education	Iqaluit	Controller, Field Operations	Jeff Chown
Education	Iqaluit	Controller, School Operations	David Pealow
Education	Iqaluit	Director, Corporate Services	Murray Horn
Education	Iqaluit	Director, Income Support	Sandy Teiman
Education	Iqaluit	Senior Finance Officer	MJ Sageaktook
Education	Pond Inlet	Executive Director, School Servs	Trudy Pettigrew
Education	Pond Inlet	Finance Officer	Michael Peterloosie
Education	Rankin Inlet	A/Director, Early Childhood	Linda Misheralak
Education	Rankin Inlet	Finance & Admin Officer	Christine Nukapiak

LIST OF INTERVIEWEES

Dept	Location	Position Title	Name
Environment	Igloolik	Manager, Wildlife Research	Mitch Taylor
Environment	Iqaluit	Asst Deputy Minister	Jane Cooper
Environment	Iqaluit	Deputy Minister	Simon Awa
Environment	Iqaluit	Director, Corporate Services	Trevor Jarrett
Environment	Iqaluit	Manager, Financial Services	Jeff Madore
Environment	Iqaluit	Senior Accountant	Tania Scott
Executive & Intergovernment Affairs	Iqaluit	Deputy Minister	John Walsh
Executive & Intergovernment Affairs	Iqaluit	Director, Corporate Services	Terry Rogers
Finance	Cambridge Bay	Manager, Financial Operations	Agnes Olowokere
Finance	Cambridge Bay	Regional Director	Sandra Peterson
Finance	Igloolik	A/Regional Director	Kim Harris
Finance	Iqaluit	Asst Comptroller General	Gerry O'Donnell
Finance	Iqaluit	Chief Internal Audit	Bernie Lodge
Finance	Iqaluit	Deputy Minister	Robert Vardy
Finance	Iqaluit	Director, Compensation & Ben	Wayne Vincent
Finance	Iqaluit	Director, Corporate Services	Scott Marriott
Finance	Iqaluit	Director, Expenditure Mgmt	Paul Reddy
Finance	Iqaluit	Director, Fiscal Policy	Mark Boudreau
Finance	Iqaluit	Director, Govt Accounting	Don Piche
Finance	Iqaluit	Director, Tax & Risk Mgmt	Peter Tumilty
Finance	Iqaluit	Manager, Application Support	Suzanne Wilkes
Finance	Iqaluit	Manager, Capital Budgets	Roy Green
Finance	Iqaluit	Manager, Compensation & Ben	Alice Barrieau
Finance	Iqaluit	Manager, Expenditure Mgmt	Ted Dingle
Finance	Iqaluit	Senior Fiscal Advisor	Robert Loehr
Finance	Iqaluit	Supervisor, Benefits	Cate Russell
Finance	Iqaluit	Supervisor, Payroll	Lena Mark
Finance	Rankin Inlet	Manager, Financial Operations	Goretti Roach
Finance	Rankin Inlet	Regional Director	Kerry Angidlik
Health & Social Services	Cambridge Bay	Executive Director	Rhonda Reid
Health & Social Services	Cambridge Bay	Finance Manager	Helen Jordan
Health & Social Services	Iqaluit	Exec Dir, Corp Services	Eric Whitworth
Health & Social Services	Iqaluit	Manager, Finance	Shirley Alder
Health & Social Services	Rankin Inlet	Director, Regional Health Ctr	Fuad Malha
Health & Social Services	Rankin Inlet	Executive Director	Norm Hatlevik
Health & Social Services	Rankin Inlet	Finance & Admin Clerk	Lizzie Gordon
Health & Social Services	Rankin Inlet	Senior Finance Officer	Tracey Thurston
Human Resources	Cambridge Bay	Director, Community Operations	Alice LaFrance
Human Resources	Igloolik	Director, Community Operations	Barbara Pimlott
Human Resources	Iqaluit	A/Director, Corporate Services	Vincent Cleiren
Human Resources	Iqaluit	Deputy Minister	Kathy Okpik
Human Resources	Iqaluit	Director, Job Evaluation	Tom Critelli
Human Resources	Iqaluit	Director, Training & Developmt	Tiffany Gauthier
Human Resources	Rankin Inlet	Regional Director	Jacqueline Curley
Justice	Iqaluit	Budget Planner/Analyst	Sylvia Hicks
Justice	Iqaluit	Deputy Minister	Markus Weber
Justice	Iqaluit	Director (intern)	Regilee Adla
Justice	Iqaluit	Director (retired)	Pierre Chartrand
Justice	Iqaluit	Director, Corporate Services	Sol Modesto
Legislative Assembly	Iqaluit	Director, Corporate Services	Steve Pollock



APPENDIX D

GOVERNMENT OF NUNAVUT FINANCIAL STAFF

COMM / DEPT	FIN	CLEY	CGS	EIA	EDU	JUS	LA	EDT	ENV	HR	HSS	TOTAL
Iqaluit	102	7	14	5	11	11	6	7	7	5	17	192
Rankin Inlet	15	-	16	-	1	-	-	4	-	1	7	44
Cambridge Bay	13	-	6	-	1	-	-	-	-	1	5	26
Igloolik	17	2	-	-	-	-	-	-	1	1	-	21
Baker Lake	-	2	-	-	4	-	-	-	-	-	-	6
Arviat	-	-	-	-	3	-	-	-	1	-	-	4
Kugluktuk	-	1	-	-	2	1	-	1	1	-	-	6
Gjoa Haven	-	-	-	-	-	2	-	-	-	-	-	2
Pangnirtung	-	-	-	-	3	-	-	1	-	-	-	4
Cape Dorset	-	-	3	-	-	-	-	-	-	-	-	3
Pond Inlet	-	-	6	-	3	-	-	1	1	-	-	11
	147	12	45	5	28	14	6	14	11	8	29	319
Vacancies #	48	4	9	1	9	1	1	3	2	1	4	83
%	33%	33%	20%	20%	32%	7%	17%	21%	18%	13%	14%	26%
Inuit #	38	4	14	3	11	3	3	9	4	5	10	104
%	38%	50%	39%	75%	58%	23%	60%	82%	44%	71%	40%	44%

Notes: * Does not include 17 Finance interns. Includes all staff in Finance except those providing general administration support and Internal Audit. Also includes depts with direct responsibility for providing financial support to the dept in areas such as financial planning, accounts receivable and payable, budget control, and travel coordination. Does not include program managers, human resources staff, or those providing general administration support such as secretaries, receptionists, and general admin officers, buyers and contract administrators.

**Inuit employment is shown as a percentage of occupied (filled) positions.

Appendix “E”

Reporting Relationships of the Comptroller Function in Provincial and Territorial Governments

Alberta

Controller reports to the Deputy Minister of Finance.

British Columbia

Comptroller General reports to the Deputy Minister of Finance.

Manitoba

Comptroller reports to the Deputy Minister of Finance.

New Brunswick

Comptroller reports to the Minister of Finance.

Newfoundland and Labrador

Comptroller General of Finance reports to the Deputy Minister of Finance.

Northwest Territories

The Comptroller General in the Northwest Territories is also the Secretary of the Financial Management Board. This is the only jurisdiction in Canada where the Comptroller General is not part of the Department of Finance.

Nova Scotia

Controller reports to the Deputy Minister of Finance.

Ontario

Provincial Controller reports to the ADM Fiscal & Financial Policy/Program Management & Estimates.

Prince Edward Island

Comptroller reports to the ADM Provincial Treasurer of the Department of the Provincial Treasury.

Quebec

Controller of Finances and Government Accounting reports to the Deputy Minister of Finance.

Saskatchewan

Provincial Comptroller reports to the Deputy Minister of Finance.

Yukon

The Comptroller is located in the Accounting Services Division which reports to the Assistant Deputy Minister, Financial Operations and Revenue Services.

FINANCIAL MANAGEMENT – CURRENT RESPONSIBILITIES

Appendix “F”

