

Response to the Report on the Review of the 2013-2014 Annual Report, 2015-2016 Business Plan of Nunavut Tourism
Standing Committee on Oversight of Government Operations and Public Accounts

Recommendation #1:

The standing committee recommends that the Minister of Economic Development and Transportation table in the Legislative Assembly, on an annual basis, as applicable, beginning with materials prepared in respect to the 2014-2015 fiscal year, the following items:

- Nunavut Tourism's business and strategic plans;
- Nunavut Tourism's annual report;
- The annual contribution/partnership agreement between Nunavut Tourism and the Department of Economic Development and Transportation;
- All monitoring, evaluation, activity and assessment reports prepared by the Department of Economic Development and Transportation in relation to Nunavut Tourism's expenditures, activities and performance under the terms of its annual contribution/partnership agreement with the department;
- All Memoranda of Understanding and/or analogous agreements entered into between Nunavut Tourism and other entities; and
- All of Nunavut Tourism's operational policies and guidelines, including its current conflict of interest guidelines for board members and employees.

Response to Recommendation #1:

The Minister of Economic Development and Transportation is committed to tabling Nunavut's operating and financial reporting beginning with the 2014-2015 fiscal year to enhance transparency as per standing committee's recommendation. With the full cooperation of Nunavut Tourism, a reporting package has been prepared and will be tabled in the Legislative Assembly at the earliest opportunity. (A list of Nunavut Tourism documents is attached.)

It is important to note that while Nunavut Tourism reports through the Department of Economic Development and Transportation and is accountable to the Department for the majority of its funding, it also operates under the direction of a Board of Directors, is accountable to its membership and is audited annually. Under the terms of the partnership agreement between the Department and Nunavut Tourism, annual core funding is paid quarterly and each payment is dependent on the submission of accounting, activity and progress reports and a quarterly Board presentation to the Department on the performance of the previous quarter.

As part of its audited financial statements, Nunavut Tourism also discloses separately how its core funding and its project funding from other sources have been spent. This level of reporting meets the accountability requirements of its funding partners including the Government of Nunavut and CanNor.

With respect to standing committee's request for Memoranda of Understanding, Nunavut Tourism maintains that there are no formal agreements currently in place. However, Nunavut

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Tourism continues to work closely and cooperatively with other Nunavut entities such as the Nunavut Arts and Crafts Association and Nunavut Film to promote the arts and tourism sectors in the territory consistent with the Government mandate under *Sivumut Abluqta*.

Recommendation #2:

The standing committee recommends that the annual contribution/partnership agreement between Nunavut Tourism and the Department of Economic Development and Transportation explicitly require Nunavut Tourism's annual reports to contain the following information:

- Detailed breakdowns of all travel and hospitality expenditures incurred by members of the board of directors of Nunavut Tourism, including the itineraries, travelers, purpose and results of each travel and hospitality expenditure;
- Detailed breakdowns of all travel and hospitality expenditures incurred by employees of Nunavut Tourism, including the itineraries, travelers, purpose and results of each travel and hospitality expenditure;
- Detailed breakdowns of all expenditures incurred by Nunavut Tourism through procurement, contracting and leasing activities;
- Detailed breakdowns of all expenditures incurred by Nunavut Tourism for branding, business aftercare, governance, marketing, training and research activities; and
- Detailed descriptions of all Requests for Proposals and Tenders issued by Nunavut Tourism during the previous fiscal year, including the results of each Request for Proposals and Tender.

Response to Recommendation #2:

The Minister of Economic Development and Transportation is committed to tabling Nunavut's operating and financial reporting beginning with the 2014-2015 fiscal year to enhance transparency as per standing committee's recommendation. With the full cooperation of Nunavut Tourism, an initial reporting package has been prepared and will be tabled in the Legislative Assembly at the earliest opportunity. (see the attached list of Nunavut Tourism documents.)

Nunavut Tourism strives to continually improve its reporting. For the 2014-2015 Annual Report, a new Schedule on CEO Travel was added. More detailed information may be disclosed on a timely basis as it becomes part of the regular reporting processes.

Any information that is not available for 2014-2015 will be made available for 2015-2016 onward.

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Recommendation #3:

The standing committee recommends that the annual contribution/partnership agreement between Nunavut Tourism and the Department of Economic Development and Transportation explicitly require Nunavut Tourism to conform to the provisions of the Government of Nunavut's *Financial Administration Manual* with respect to travel and hospitality expenditures, and the Government of Nunavut's *Human Resource Manual* with respect to employment practice

Response to Recommendation #3:

The Minister of Economic Development and Transportation will ensure these provisions are included in the partnership agreement to the extent practicable, keeping in mind that Nunavut Tourism employees are not members of the Government of Nunavut public service. The department will also ensure Directive 810 Duty Travel of the *Financial Administration Act* and the Human Resource Manual are provided to Nunavut Tourism's CEO who bears overriding responsibility to ensure compliance.

Recommendation #4:

The standing committee recommends that the Government of Nunavut, in its response to this report, provide a detailed breakdown of all Nunavut Tourism expenditures incurred during the first six months of the 2015-2016 fiscal year (April 1, 2015-September 30, 2015).

Response to Recommendation #4:

A detailed listing of Nunavut Tourism's expenditures for the first six months of 2015-2016 has been provided. (see attached list of Nunavut Tourism documents.)

Recommendation #5:

The standing committee recommends that the Government of Nunavut, in its response to this report, clarify, in detail, the status of the Department of Economic Development and Transportation's development of a new "Marine Tourism Management Plan," including the timetable for tabling the Plan in the Legislative Assembly.

Response to Recommendation #5:

The delivery of a Marine Tourism Management Plan is a key priority in the Department of Economic Development and Transportation's Business Plan for 2016-2017. The Department is confident it will achieve this deliverable in the new fiscal year.

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Recommendation #6:

The standing committee recommends that the Government of Nunavut, in its response to this report, clarify, in detail, the status of the Department of Economic Development and Transportation's planned 2015 Visitor Exit Survey.

Response to Recommendation #6:

The results of the 2015 Visitor Exit Survey are being reviewed and analyzed by the Department of Economic Development and Transportation. There are some concerns about the quality of the data overall. Having reliable data is essential for developing the Tourism sector and monitoring the effectiveness of new initiatives. The department is the process of assessing data collection requirements overall and determining where this capability may best be handled.

Recommendation #7:

The standing committee recommends that the Government of Nunavut, in its response to this report, clarify, in detail, the status of the Department of Economic Development and Transportation's plan to "initiate an economic impact study on tourism to determine the impact of tourism activities on the Nunavut economy and the impact of external economic factors on tourism in Nunavut.

Response to Recommendation #7:

The department's plan to initiate an economic impact study to determine the impact of tourist activities on Nunavut as well as the impact of external economic factors on tourism in Nunavut is dependent on solid high quality baseline data. The department laid the groundwork for this initiative in 2015-2016 by developing an economic and statistical model for tourism, and this work will continue in 2016-2017. Recent concerns over the data from the Visitor Exit Survey highlight the need to establish better data management practices as well as quality control. The department is considering its options in building this capacity particularly in view of this and other developments such as the Marine Tourism Management Plan which itself imposes additional data management requirements, as well as the proposed amendments to the *Travel and Tourism Act*, which present an opportunity to collect high quality tourism data directly from tourism operators.

Recommendation #8:

The standing committee recommends that the Government of Nunavut, in its response to this report, clarify, in detail, the status of Nunavut Arctic College's Nunavut Tourism Training Program.

Response to Recommendation #8:

Nunavut Tourism worked closely with Nunavut Arctic College (NAC) to develop the Nunavut Tourism Training Program, a multi-course certificate program. The responsibility for managing and delivering the program resides with NAC. The funding secured by NAC to offer the program lapsed. In the interim, Nunavut Tourism has been offering short one to two day courses that tour operators require such as Wilderness First Aid.

Recommendation #9:

The standing committee recommends that the Government of Nunavut, in its response to this report, clarify, in detail, the status of the following initiatives that have been undertaken by Nunavut Tourism:

- Preparation and public release of its 2014-2015 annual report;
- Development of an Inuit Employment Plan;
- Translation of website content into the Inuit Language, French and other languages;
- Co-operation with the Canadian Wildlife Service and Transport Canada in the development of regulations and permitting requirements; and
- Development of a Memorandum of Understanding with the Nunavut Film Development Corporation.

Response to Recommendation #9:

The 2014-2015 Annual Report has been finalized and has been provided. (See attached list of Nunavut Tourism documents.)

Nunavut Tourism's Inuit Employment Plan is set out under Appendix E of the 2014-2015 Annual Report. Currently 1/3 of the organization's staff is Inuit.

Nunavut Tourism maintains that its website was developed primarily to attract tourists from outside the Territory. The languages available on the website are English, French and German. Under the Members section, however, information is presented in Inuktitut and English. Since the development of the website, the *Inuit Language Protection Act* has been enacted recognizing a stronger commitment to the protecting the Inuit language. In support of this, Nunavut Tourism has set out its commitment in an Inuit Language Plan under Appendix D of the 2014-2015 Annual Report. This overall approach has been approved by its Board of Directors. To incorporate Inuktitut into the existing fully-functioning website could be prohibitive. Therefore Nunavut Tourism is seeking a clarification from the Language Commissioner on this matter given the objectives and intentions for its website as set out above.

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As part of its advocacy role, Nunavut Tourism works closely with Federal parties such as Transport Canada and the Canadian Wildlife Service to keep its membership advised of changing regulations and to ensure there is adequate understanding of the Nunavut environment. This is an ongoing activity.

As stated in the Response to Recommendation #1, Nunavut Tourism maintains that there are no Memoranda of Understanding currently in place. However, Nunavut Tourism continues to work closely and cooperatively with other Nunavut entities such as the Nunavut Arts and Crafts Association and Nunavut Film to promote the arts and tourism sectors in the territory consistent with the Government mandate under *Sivumut Abluqta*.

Recommendation #10:

The standing committee recommends that the Government of Nunavut's current "Operational Audit" initiative explicitly consider the advisability of the Tourism and Cultural Industries Division of the Department of Economic Development and Transportation assuming some or all of the functions that are presently managed by Nunavut Tourism, and that this analysis consider what adjustments would be required to each entity's financial and human resources.

Response to Recommendation #10:

The Government of Nunavut acknowledges the Standing Committee's direction to critically review how the Tourism sector is being addressed within the Territory and the relationship between Nunavut Tourism and the Government of Nunavut. The Government has included the analysis proposed by the committee into the second phase of the Operational Audit. However, the department has already begun this examination to identify opportunities to better align functions and responsibilities respecting the territorial wide mandate of the department to development the Tourism sector and the critical role that Nunavut Tourism plays as a member association, serving its members' interests. Certain areas of responsibility demand a strategic focus that addresses the Territory as a whole such as market research and promotion of the territory as a tourist destination. As well, there are increasing demands for reliable data to support new initiatives and strategies. The Marine Tourism Management Plan, as an example, contains a significant requirement for accurate data capture and management capabilities. At the same time, the development of the Tourism sector requires operators who are market ready and capable of delivering products to meet tourist demands. This is a critical aspect that can be best fulfilled through the member association, Nunavut Tourism. Notwithstanding that some of these questions may be included in the Operational Audit, the Government of Nunavut will continue to engage with Nunavut Tourism to discuss how to re-align functions and responsibilities with an aim to conclude any necessary adjustments by the end of 2016-2017.

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LIST OF DOCUMENTS

| # | Name | File Name |
|----|---|---|
| 1 | 2014-2015 Business Plan | 14-15 business plan.pdf |
| 2 | 2014-2015 Annual Report (English) | annual report 1415ARENG.pdf |
| 3 | 2014-2015 Annual Report (Inuktitut) | Annual 1415ARINUKITUT.pdf |
| 4 | 2014-2015 Financial Statements | Nunavut Tourism 2015.pdf |
| 5 | 2012-2017 Strategic Plan | Nunavut-Tourism-Strategic-Plan-2012-2017.pdf |
| 6 | Board Confidentiality Agreement | BOD Confidentiality Agreement MASTER.pdf |
| 7 | Roles and Responsibilities for Directors (September 2003) | ROLE AND RESPONSIBILITIES Board.doc |
| 8 | Board of Directors Policy Manual (October 2013) | NT Board Policy Manual-2013.pdf |
| 9 | Employee Handbook (January 2014) | Nunavut Tourism Employee Handbook January, 2014.pdf |
| 10 | Inuit Employment Plan | Nunavut Tourism Inuit Employment Plan.docx |
| 11 | 2015-2016 Q1 & Q2 Detailed Ledger | 2015-15 Q1-Q2 Core Detailed Ledger.pdf |
| 12 | 2014-2015 Travel Detailed Ledger | 2014-15 Board and Staff Travel Detailed Ledger.pdf |