



Standing Committee on Oversight of Government Operations and Public Accounts

Report on the Review of the 2022-2023 Public Accounts of Nunavut

**2nd Session of the 6th Legislative Assembly of Nunavut
Fall 2024 Sitting**

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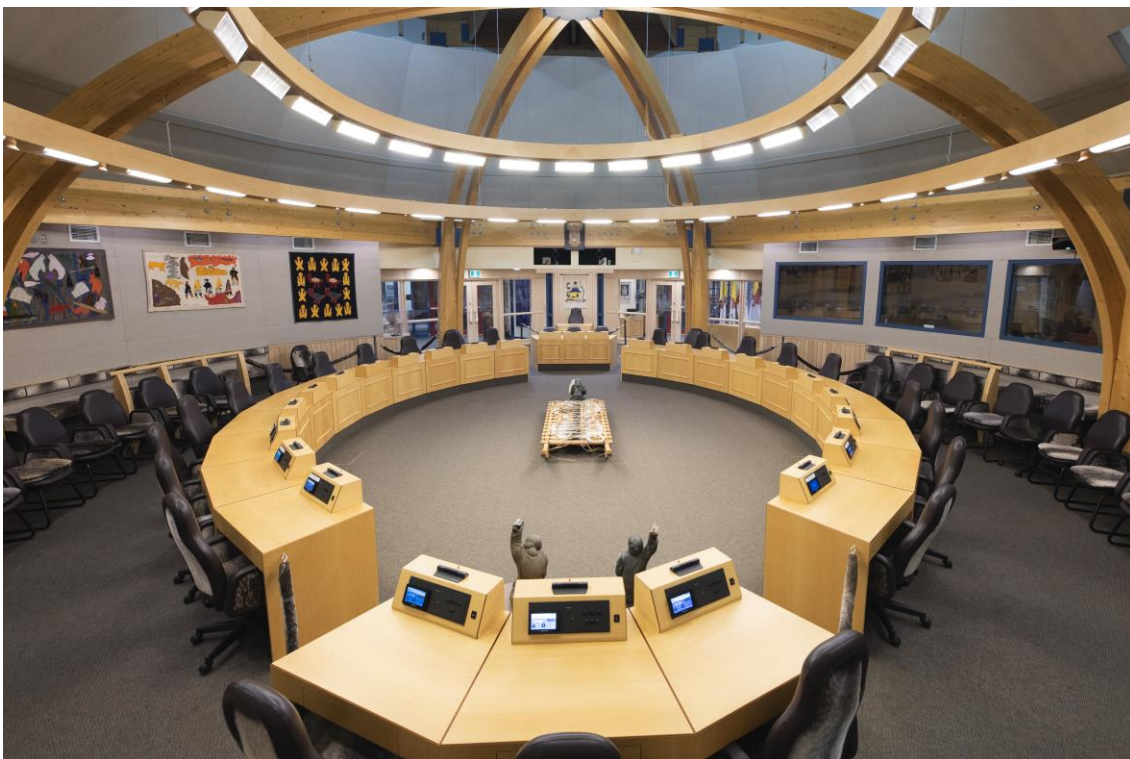
Introduction

The 2021-2022 Public Accounts were tabled in the House on November 8, 2022. The standing committee's televised hearing on the 2021-2022 Public Accounts was held on September 21, 2023. The standing committee subsequently presented its report to the House at its sitting of March 5, 2024. The Government of Nunavut's response to the standing committee's report was provided to Members prior to the September 2024 televised hearing on the 2022-2023 Public Accounts and was formally tabled in the Legislative Assembly at its sitting of October 24, 2024.

The 2022-2023 Public Accounts were tabled in the House on May 30, 2024, five months after the statutory deadline. The Standing Committee on Oversight of Government Operations and Public Accounts held a televised hearing on the 2022-2023 Public Accounts from September 19-20, 2024.

The standing committee's hearing was held in the Chamber of the Legislative Assembly and was televised live across the territory. The hearing was open to the public and news media to observe from the Visitors' Gallery, and was livestreamed on the Legislative Assembly's website. The transcript from the standing committee's hearing is available on the Legislative Assembly's website.

Witnesses appearing before the standing committee included a number of senior officials from the Office of the Auditor General of Canada and the Government of Nunavut. The standing committee notes its appreciation to the witnesses.



Observations and Recommendations

Issue: Requests for Additional Information

During the televised hearing, a number of requests were made for additional information to be provided to the standing committee.

Standing Committee Recommendation #1:

The standing committee recommends that the Government of Nunavut's response to this report include the information items that were requested during the televised hearing of September 19-20, 2024.

Issue: Budgetary and Financial Management Transparency, Sustainability and Flexibility

The theme of budgetary and financial management transparency, sustainability and flexibility was highlighted on a number of occasions during the standing committee's televised hearing. This was also a major theme of the standing committee's 2023 televised hearing.

In recent years, the Government of Nunavut has expanded its financial reporting beyond the annual main/capital estimates, business plans and public accounts to include an annual "Consolidated Budget of the Government Reporting Entity" and an annual "Mid-Year Fiscal Report".

Prior to the standing committee's 2023 televised hearing, the Department of Finance provided Members with a document titled *Public Accounts at a Glance*. The standing committee is pleased to note that this publication is now publicly accessible on the website of the Department of Finance. This followed a recommendation made by the standing committee in its *Report on the Review of the 2021-2022 Public Accounts of Nunavut*, which was presented to the House at its sitting of March 5, 2024.

On October 24, 2023, the C.D. Howe Institute released its annual *Report Card for Canada's Senior Governments*.¹ The 2023 edition was titled *The ABCs of Fiscal Accountability*. The report awarded Nunavut a C+ grade and noted that:

"Nunavut tabled its budget after the start of the fiscal year and its financial statements were not timely. It released a mid-year fiscal update, an improvement from the previous year, but its update used restated figures in its budget comparison."

It should be noted the 2022 edition of the annual report, which was titled *The Right to Know: Grading the Fiscal Transparency of Canada's Senior Governments*, awarded Nunavut a B+ grade.

Section 44 of the federal *Nunavut Act* provides that:

Submission of Territorial Accounts to Assembly
44. The Commissioner shall, on or before December 31 of each fiscal year, lay before the Assembly a report, called the Territorial Accounts, for the preceding fiscal year of Nunavut, and the Assembly shall consider the report.

¹ <https://www.cdhowe.org/public-policy-research/abcs-fiscal-accountability-report-card-canadas-senior-governments-2023>. As of October 25, 2024, the 2024 edition had not yet been published.

Section 74 of the territorial *Financial Administration Act* provides that:

Tabling of Public Accounts

74. Unless the Legislative Assembly otherwise fixes a date, the Public Accounts for the fiscal year must be laid before the Legislative Assembly on or before December 31 following the end of the fiscal year or, if the Legislative Assembly is not then in session, not later than 15 days after the commencement of the next session of the Legislative Assembly.

The dates of tabling of the Public Accounts have been as follows:

Fiscal Year	Date of Tabling in the Legislative Assembly ²
1999-2000	May 29, 2001
2000-2001	May 16, 2002
2001-2002	June 3, 2003
2002-2003	May 21, 2004
2003-2004	December 16, 2005 ³
2004-2005	January 8, 2007 ⁴
2005-2006	March 6, 2008
2006-2007	September 16, 2008
2007-2008	July 31, 2009 ⁵
2008-2009	August 27, 2010 ⁶
2009-2010	April 15, 2011 ⁷
2010-2011	December 19, 2011 ⁸
2011-2012	December 14, 2012 ⁹
2012-2013	December 13, 2013 ¹⁰
2013-2014	November 6, 2014
2014-2015	November 5, 2015
2015-2016	November 7, 2016
2016-2017	November 21, 2017
2017-2018	November 8, 2018
2018-2019	November 6, 2019
2019-2020	November 5, 2020
2020-2021	November 19, 2021
2021-2022	November 8, 2022
2022-2023	May 30, 2024
2023-2024	NOT YET TABLED

² Green = Tabled by Statutory Deadline / Red = Not Tabled by Statutory Deadline

³ Backdoor Tabled

⁴ Backdoor Tabled

⁵ Backdoor Tabled

⁶ Backdoor Tabled

⁷ Backdoor Tabled

⁸ Backdoor Tabled

⁹ Backdoor Tabled

¹⁰ Backdoor Tabled

During the standing committee's televised hearing of September 19, 2024, Office of the Auditor General witness testimony indicated that:

"The government missed the statutory financial reporting deadline. This delay was because the financial statements of the Petroleum Products Revolving Fund were completed too late to meet the December 31 statutory reporting deadline for the government's financial statements. The 2022-2023 Public Accounts of Nunavut were tabled in the Legislative Assembly on May 30, 2024. Because the government missed the reporting deadline, we have issued a modified opinion on compliance with specified authorities.

We wish to draw the committee's attention to two (2) issues. The first was raised previously and involves inadequate inventory management practices and significant control deficiencies for spare parts and lubricants at the Qulliq Energy Corporation. These shortcomings matter because the lack of complete information on these inventories prevented us from concluding on whether they were accurately recorded and valued. The second issue involves the Petroleum Products Division, which required action by the government and the legislature to resolve issues with authorized limits for its two (2) funds.

On another matter, in 2022-2023, the government implemented a new accounting standard for Asset Retirement Obligations, or AROs. AROs are legal obligations for physical assets that will cost money to deal with when they stop being used. For example, the government could incur costs in the future to clean up buildings that contain asbestos.

We noted issues relating to AROs. The new standard is complex, and the government and some territorial corporations had difficulty implementing it. As a result, both the Qulliq Energy Corporation and the Nunavut Housing Corporation missed their statutory financial reporting deadlines. This in turn delayed the government's consolidation process. We would also like to remind the committee about the issue relating to AROs in the financial statements of the Nunavut Development Corporation that we brought to your attention in last year's hearing. In our 2022-2023 independent auditor's report on the corporation's financial statements, we noted that the corporation had not done the required analysis to identify future AROs."

The standing committee notes that the 2023-2024 *Ministerial Letter of Expectation* to the Chair of the Board of Directors of the Qulliq Energy Corporation was tabled in the Legislative Assembly at its sitting of November 3, 2023. The *Ministerial Letter of Expectation* stated, in part, that:

"In the past fiscal year, the Office of the Auditor General of Canada issued a qualified opinion regarding the persistence of inadequate inventory controls. I encourage you to continue working closely with the Office of the Auditor General and management to tighten control procedures and improve financial reporting. You must develop reliable and appropriate count procedures for your inventory to

ensure accuracy and efficiency. Looking ahead to 2024-2025, I expect the Qulliq Energy Corporation to have a comprehensive plan outlining how reliable and appropriate controls are implemented throughout the corporation's inventory management system."

The standing committee notes that the 2023-2024 *Ministerial Letter of Expectation* to the Chair of the Board of Directors of the Nunavut Housing Corporation was tabled in the Legislative Assembly at its sitting of November 3, 2023. The *Ministerial Letter of Expectation* stated, in part, that:

"The Corporation continues to implement Asset Retirement Obligations accounting standards relating to buildings that are owned by the Corporation that contain either asbestos, lead, mercury, or polychlorinated biphenyl (PCBs). This standard requires public sector entities to recognize liabilities for legal obligations to incur costs associated with the retirement of tangible capital assets on their acquisition, construction, development, or through their normal use and to expense those costs systematically over the life of the asset."

Standing Committee Recommendation #2:

The standing committee recommends that the Government of Nunavut's response to this report include a detailed update on the status of work to address the Office of the Auditor General's observations concerning the Qulliq Energy Corporation, the Nunavut Development Corporation and the Nunavut Housing Corporation.

The standing committee further recommends that the Government of Nunavut's response to this report include a detailed update on the status of the preparation of the Petroleum Products Revolving Fund's 2023-2024 financial statements.

The standing committee further recommends that the Government of Nunavut's response to this report include a detailed update on the status of staffing at the Petroleum Products Division of the Department of Community and Government Services.

The standing committee further recommends that the Government of Nunavut's response to this report include a detailed timeline for when the new Enterprise Resource Planning System ("Fusion Cloud") will be utilized by the Petroleum Products Division of the Department of Community and Government Services.

The standing committee further recommends that the Department of Finance's publication titled *Public Accounts at a Glance* be updated on a regular basis to reflect such developments as the adoption of new accounting standards.

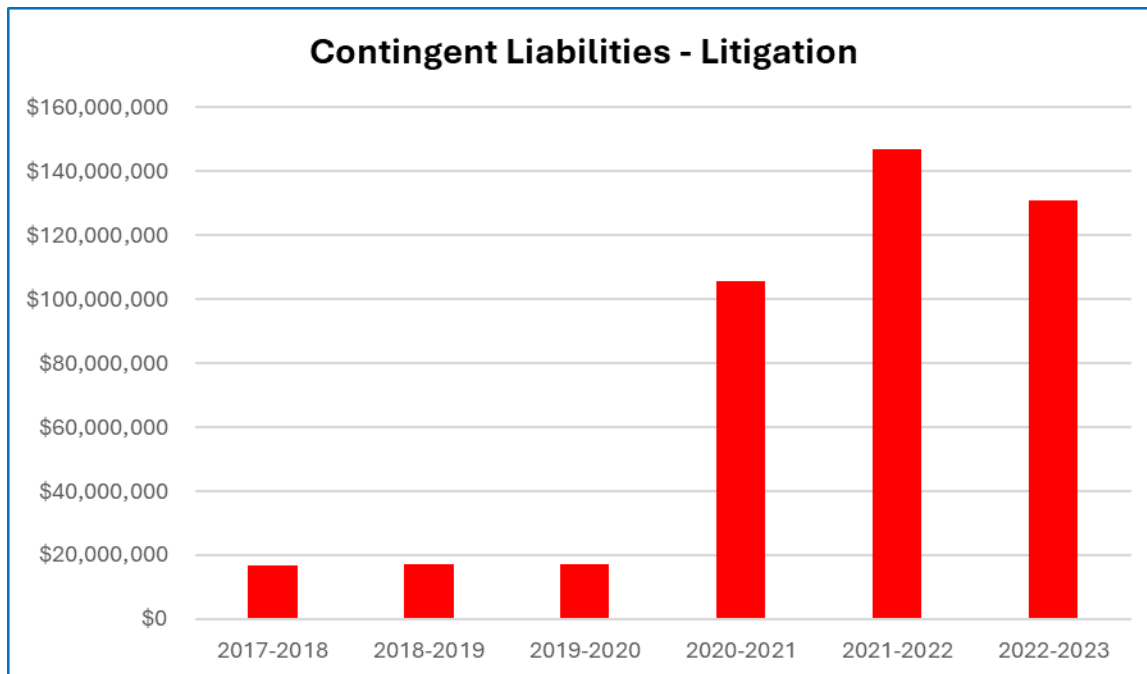
Issue: Contingent Liabilities

Note 23 on page 43 of the 2022-2023 *Public Accounts of Nunavut* indicates that:

“There are a number of claims and threatened litigation cases outstanding against the Government for which the outcomes are not determinable, including a number of cases where an amount is not specified. The nature of these claims include wrongful dismissal, breach of policy, personal injury, sexual abuse, negligence, wrongful arrest and assault. Where it is likely that there will be a future payment and a reasonable estimate of the amount can be made, the Government has recorded a liability. For those pending cases, where the outcome is not determinable as at March 31 and a reasonable estimate of the amount can be made, the total amount of those claims is estimated at \$130,958,000 (2021-2022 - \$146,775,000). No liability has been recorded for these claims as the outcome of these cases is not determinable.”

This amount has increased significantly over time and there is little public disclosure concerning the specific matters.

The standing committee recognizes that the annual Public Accounts did not include a specific dollar value for this category of liability until the 2017-2018 fiscal year. The amount has changed as follows:



During the standing committee's televised hearing of September 21, 2023, Government of Nunavut witness testimony indicated that:

"It's a tricky balance between disclosure and not putting information out there that could be harmful to the government when it comes to litigation. Obviously, we can't list individual claims and what were estimated as liabilities because that would give parties on the other side an idea of what we think our risk exposure is. While I appreciate that jurisdictions such as Ontario do into these categories break down a little bit further, they may have hundreds of thousands of litigations in there, whereas if I started to break some of ours down and do four or five categories, I might have one or two litigations in a category. I guess the risk is if we get too specific because of the limited number of claims we might have in a category. We could still be disclosing information we don't want to, to other parties to the litigation just by virtue of the limited number of claims we have.

It's certainly something we could discuss with the Department of Justice as far as how much additional disclosure we could give without compromising our legal position. That's certainly a discussion item that we would be willing to have, but I do know one or two contracts that might be in dispute could have a significant impact on our balance. While amounts may look like they're growing, it may not be that there is tons of additional litigation; it could just be one or two large contracts that are impacting our liabilities. It's certainly something that we would be willing to look at and discuss with Justice, but I would caution that there's only so far we can go just because of the limited number of cases we may have at any one time."

The standing committee subsequently recommended in its *Report on the Review of the 2021-2022 Public Accounts of Nunavut*, which was presented to the House at its sitting of March 5, 2024, that the government:

"provide a detailed update on the status of the review undertaken by the Department of Finance and the Department of Justice concerning the disclosure of contingent liabilities in the annual Public Accounts."

The government's response to the standing committee's *Report on the Review of the 2021-2022 Public Accounts of Nunavut* indicated that the Department of Finance has:

"discussed additional disclosure with the Department of Justice related to legal contingent liabilities. On the advice of Justice, the GN should not provide legal contingent liability assessments on individual matters within the disclosure."

During the standing committee's televised hearing of September 19, 2024, Government of Nunavut witness testimony indicated that:

"we will work with the Department of Justice and see if there's any way we can provide more information without giving away too much sensitive information.

Part of the issue, just so all the listeners are aware, is that a lot of the contingent liabilities that we record have to do with whether or not we think we're in a strong position and how much we might have to pay out if we were to lose those challenges. The obvious problem with giving that information out is that it shows our position publicly to someone who might be challenging us in court. With respect to the number or the total value of the contingent liability growing, I can confirm that that is not necessarily reflective of the volume of challenges. There are some large ones in there that are really skewing the total pot, and once those are dealt with I suspect that it will return to levels that we've seen in the past."

Standing Committee Recommendation #3:

The standing committee recommends that the Government of Nunavut's response to this report provide a detailed update on the status of the review undertaken by the Department of Finance and the Department of Justice concerning the disclosure of contingent liabilities in the annual Public Accounts.

Issue: Risks, Uncertainties and Climate Change

The 2022-2023 Public Accounts indicates that one of the most “significant risks and uncertainties” to which the Government of Nunavut is exposed are the:

“Unknown effects of climate change (e.g. infrastructure damage, natural resource development, water shortages, etc.).”

The government’s response to the standing committee’s *Report on the Review of the 2021-2022 Public Accounts of Nunavut* indicated that:

“In 2018, the Auditor General of Canada found that the Government of Nunavut had identified potential climate-related risks but had not ranked or analyzed risks based on their impacts. The [Climate Change] Secretariat is about to commence the 3rd year of our GN-wide Risk and Resiliency Assessment. This project is a direct result of the recommendations made by the Auditor General. We anticipate this work to wrap up in this current fiscal year. We will then be working more directly with each GN department to help them address gaps identified in our assessment.

This work is imperative to develop a Nunavut adaptation action plan as we move forward. To address these challenges, the Secretariat is developing a method of assessing climate change risks and building resilience. This multi-year project aims to improve the management of climate-related risks within the Government of Nunavut and integrate the findings into existing and new government management and planning processes, including risk management and emergency protocols.”

Standing Committee Recommendation #4:

The standing committee recommends that the Government of Nunavut’s response to this report provides a detailed update on the Department of Finance and the Department of Environment’s work to date to address the issue of risks associated with the impact of climate change, including work to quantify the financial impact of climate change for the purpose of including a dollar value in the annual Public Accounts.

Issue: New Accounting Standards and Tangible Capital Assets

Information provided by the Office of the Auditor General of Canada indicates that:

“We wish to highlight the following new accounting standards, which could affect the government’s consolidated financial statements in future years:

- PS 3450-Financial Instruments (effective April 1, 2022)
- PS 3280-Asset Retirement Obligations (effective April 1, 2022)
- PS 3400-Revenue (effective April 1, 2023)”

Information provided by the Office also indicates that “PS 3160-Public Private Partnerships became effective on April 1, 2023.”

These standards are approved by the Public Sector Accounting Board, which is an “independent body created to serve the public interest by developing accounting standards for the public sector.”¹¹

Note 2 on page 32 of the 2022-2023 *Public Accounts of Nunavut* indicates that:

“A number of new and amended standards and guidance issued by the Public Sector Accounting Board of Canada are not yet effective and have not been applied in preparing these consolidated financial statements. The Government will adopt these new and amended standards and guidance on their effective dates. The Government is currently assessing the impact they will have on its consolidated financial statements. The following standards for governments will become effective as follows:

PS 3400 Revenue (effective April 1, 2023), a new section establishing standards on how to account for and report on revenue, differentiating between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations.

PS 1202 Financial Statement Presentation (effective April 1, 2026), defines how financial statement information is presented. Key changes include removal of the statement of change in net financial assets or net debt and the addition of a new statement of net assets or net liabilities and how this amount is determined.”

Government of Nunavut witness testimony provided to the standing committee during its September 21, 2023, televised hearing indicated that:

“Regarding asset retirement obligations, the Department of Finance is responsible for coordinating the implementation of the new accounting standard. This process involves educating departments and public agencies on the

¹¹ <https://www.frascanada.ca/en/psab/about>

requirements of the new standard and then working with them on plans and approach to ensure they are able to gather the necessary information to allow for appropriate reporting under the new standard. As this is a new and complex standard, governments and auditors across the country have found it challenging to find the right balance of information-gathering and reporting to satisfy the standard.”

Government of Nunavut witness testimony provided to the standing committee during its September 19, 2024, televised hearing indicated that:

“We’ve also been successful in implementing all of the new standards that come about this year, specifically the one mentioned in the opening comments. And we are on track to table on time for this current fiscal year.”

The *Financial Statement Discussion and Analysis* section of the 2022-2023 Public Accounts indicates on page 13 that:

“The Government of Nunavut ratio of net book value to total cost of tangible capital assets declined in the current period indicating assets are getting older. As assets get older, repairs and maintenance costs increase which results in less funds available for other programs and services. The aging tangible capital asset base also presents a risk to future programs and service delivery as assets become less reliable and the potential for failure increases. The Government of Nunavut is aware of the challenges presented by an aging asset base and continues to actively monitor asset conditions and invest in its tangible capital assets.”

The standing committee notes with concern the implications of this trend in respect to insurance coverage for buildings and major assets.

Note 3 on page 33 of the 2022-2023 Public Accounts includes detailed information concerning “the effect of the adoption of PS 3280-Asset Retirement Obligations.” This information included restated figures in a number of areas.

Information on pages 9, 46 and 47 of the 2022-2023 Public Accounts indicates that \$153,512,000 was classified as an “expense” related to the amortization of tangible capital assets during the 2022-2023 fiscal year.

Standing Committee Recommendation #4:

The standing committee recommends that the Government of Nunavut's response to this report provide a detailed update on the status of its work to implement new accounting standards that have been approved by the Public Sector Accounting Board and which came into effect, or are scheduled to come into effect, on or after April 1, 2022.

The standing committee further recommends that the Government of Nunavut's response to this report provide a detailed breakdown of its current portfolio of tangible capital assets and a detailed clarification as to how the amount of \$153,512,000 in "amortization of tangible capital assets" that is referenced on pages 9, 46 and 47 of the 2022-2023 *Public Accounts of Nunavut* was calculated.

The standing committee further recommends that the Government of Nunavut's response to this report provide a detailed timeline for when enhanced disclosure of fully amortized tangible capital assets will be integrated into the annual Public Accounts.

Issue: Activities of the Contaminated Sites Liabilities Working Group

Note 13 on page 36 of the 2022-2023 Public Accounts indicates that:

“The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which it is responsible. As of March 31, 2023, there were 6 sites (2022 - 6), 2 storage tank farms (2022 - 2) and 4 waste sites (2022 - 4) identified as requiring environmental remediation. In addition to the number of sites disclosed above, Nunavut Housing Corporation has also recognized costs related to the remediation of 3 sites (2022 - 11) contaminated as a result of oil spills. Qulliq Energy Corporation has recognized costs related to 3 sites (2022 - 4) resulting from oil spills at the Corporation's power plants.

For those sites where the Government of Nunavut expects to give up future economic benefits due to a legal order or plans to remediate contamination (e.g., due to the risk to human health), and is responsible or has accepted responsibility for remediation, and a reasonable estimate can be determined for remediation costs, a liability has been recorded in these consolidated financial statements. Where remediation costs have been estimated and a liability has been recorded, the methodology used to estimate the liability is either based on third party analyses or extrapolated from costs previously incurred to remediate, monitor, or manage sites of similar size and contamination.

The Government has identified an additional 73 sites (2022 - 73) on Commissioner's land for which liabilities for contamination may exist for assessment, remediation and monitoring.”

The Department of Environment is responsible for the administration of the government's *Contaminated Sites Policy*. The policy provides that:

“The Government of Nunavut prepares its financial statements in accordance with Generally Accepted Accounting Principles for Governments as recommended by the Public Sector Accounting Board of Canada. *PS 3260 – Liability for Contaminated Sites* provides guidance on the recognition and measurement of liabilities for contaminated sites.”

The policy establishes a Contaminated Sites Liabilities Working Group, as well as providing for management of the Government of Nunavut Contaminated Sites Database.

The Government of Nunavut's response to the standing committee's *Report on the Review of the 2021-2022 Public Accounts* indicated that one of the activities of the Contaminated Sites Liability Working Group has been to develop a “responsibility matrix”, which is described as being “a tool to provide a defensible way to accept or reject responsibility for liabilities.”

Standing Committee Recommendation #5:

The standing committee recommends that the Government of Nunavut's response to this report provide a detailed update on the activities of the Contaminated Sites Liabilities Working Group for the 2023-2024 and 2024-2025 (to date) fiscal years.

The standing committee further recommends that the Government of Nunavut's response to this report provide a detailed description of how *Inuit Qaujimagatuqangit* is integrated into the work of the Contaminated Sites Liabilities Working Group.

The standing committee further recommends that the Government of Nunavut's response to this report provide a detailed update on the timeline for making the Government of Nunavut Contaminated Sites Database accessible to the public.

Issue: Comptrollership Branch Priorities and Activities

The Department of Finance’s annual business plans indicate that the Financial Reporting and Controls Division of the Comptrollership Branch is “accountable for the preparation and publication of the annual Public Accounts, as required by the *Financial Administration Act*.”

Testimony provided by the Office of the Auditor General during the standing committee’s televised hearing of September 21, 2023, indicated that:

“Our office has noticed that certain government departments and territorial corporations have experienced high levels of employee turnover and vacancies in key positions, which further increased during the pandemic. As a result, the high level of vacancies inherently increases the risk of fraud or error as it can lead to deficiencies within the internal control environment and have an impact on the successful delivery of programs. We believe this is an important root cause underlying many observations we also reported in our recent performance audits. Governmental representatives have indicated that challenges in securing staff housing can have a significant impact on the ability to attract potential candidates.”

Testimony provided by the Office of the Auditor General during the standing committee’s televised hearing of September 19, 2024, indicated that:

“We continue to notice that certain government departments and territorial corporations have experienced high levels of employee turnover and vacancies in key positions. The high level of vacancies inherently increases the risk of errors in financial reporting because it can lead to deficiencies in the internal control environment.”

The standing committee shares this concern. The Government of Nunavut’s most recently-published quarterly employment report indicated that there was a government-wide vacancy rate of 35.1% as of June 30, 2024. The Department of Finance’s vacancy rate was 35.7%.

The standing committee recognizes that the Department of Human Resources’ annual business plans have indicated that one of its priorities has been to finalize a new *Human Resource Strategy*. The *2019-2023 Human Resource Strategy* was tabled in the Legislative Assembly on November 3, 2020.

The department’s annual business plans indicate that its priorities for the 2022-2023 fiscal year were to:

- “Collaborate with all departments to develop a comprehensive Accounts Receivable collection strategy;

- In collaboration with the Department of Health, develop an employee survey for employee medical travel to help improve effective delivery of the benefit and to reduce controllable expenses;
- Roll out the Financial Management Development Program;
- Procure an Enterprise Resource Planning system;
- Implement an electronic signature system for the Government of Nunavut;
- Review and revise the Government of Nunavut's approach to honoraria payments under Financial Administration Manual Directive 810: Honoraria;
- Update the Government of Nunavut's approach to grants and contributions, through a review of Financial Administration Manual Directive 801: Grants and Contributions; and
- Conduct an operational review of the Internal Audit Division and its functions.”

The department's annual business plans indicate that its priorities for the 2023-2024 fiscal year were to:

- “Develop a strategy to link existing public service training with financial management training activities;
- In consultation with the Department of Health, develop an employee survey for employee medical travel to guide improvements in program delivery;
- Initiate GN-wide review of Specimen Signature records;
- Develop a program to support professional finance and accounting designations for new and existing employees across government; and
- Roll out the Enterprise Resource Planning system with increasing focus on training, testing, design, and implementation.”

On July 24, 2023, the Department of Finance issued *Request for Proposals 2023-42: Financial Reporting and Auditing Services - Assistance with the Public Accounts and Internal Audits*. The RFP closed on August 25, 2023. On December 8, 2023, the department issued its Award List, which included four proponents.

The department's annual business plans indicate that its priorities for the 2024-2025 fiscal year have been to:

- Implement core modules and priority functions of the Enterprise Resource Planning platform, and begin transition towards long-term operations ("sustainment").
- Explore opportunities to expand e-commerce and payment methods.

The department's annual business plans indicate that its priorities for the 2025-2026 fiscal year (prior to dissolution of the 6th Legislative Assembly) will be to:

- Implement pay-related modules and functions of the Government's new system, and other remaining modules and functions.
- Undertake an internal assessment of improvements to the GN's overall financial capacity since the implementation of the Enterprise Resource Planning platform.

The Department of Finance's recent business plans have indicated that one of the Comptrollership Branch's priorities has been to "collaborate with all departments to develop a comprehensive Accounts Receivable collection strategy."

The Government of Nunavut's response to the standing committee's *Report on the Review of the 2021-2022 Public Accounts* indicated that "the Accounts Receivable Working Group was re-established."

Standing Committee Recommendation #6:

The standing committee recommends that the Government of Nunavut's response to this report provide a detailed update on the status of the Comptrollership Branch's work to implement business plan priorities for the 2024-2025 fiscal year.

The standing committee further recommends that the Government of Nunavut's response to this report include a detailed update on the activities of the Accounts Receivable Working Group.

The standing committee further recommends that the Government of Nunavut's response to this report include a detailed breakdown of accounts receivable as listed in the 2022-2023 Public Accounts in a format that is comparable to that which was included in the Government of Nunavut's response to the standing committee's *Report on the Review of the 2021-2022 Public Accounts*.

The standing committee further recommends that the Government of Nunavut's response to this report include a detailed update on work performed to date by proponents pursuant to *Request for Proposals 2023-42: Financial Reporting and Auditing Services - Assistance with the Public Accounts and Internal Audits*.

The standing committee further recommends that the Government of Nunavut's response to this report include a detailed list of internal audits undertaken during the 2022-2023 and 2023-2024 fiscal years, and that this list include a summary of significant actions undertaken in response to the findings of each audit.

The standing committee further recommends that the Government of Nunavut's response to this report provide a detailed breakdown of the employment status of all positions in the Department of Finance's Comptrollership Branch.

The standing committee further recommends that the Government of Nunavut's response to this report provide a detailed update on the status of the development of the *2024-2028 Human Resource Strategy* in respect to the recruitment and retention of financial management professionals.

Looking Ahead

Looking ahead, the standing committee looks forward to holding a televised hearing during the spring of 2025 on the 2023-2024 Public Accounts. This hearing is anticipated to allow for detailed consideration of a number of emerging issues and themes, including:

- Administration of the government's *Treasury Management Policy and Investment Regulations*;
- Human resources capacity and recruitment strategies to address vacant financial management positions in the Government of Nunavut;
- Implementation of the Public Sector Accounting Board of Canada's new standard (PS 3160) concerning Public-Private Partnerships (P3s);
- Results of audits of the Petroleum Products Revolving Fund and the Petroleum Products Stabilization Fund;
- Enhancement of transparency in respect to reporting of territorial tax revenues associated with the natural resources extractive sector;
- Enhancement of transparency in respect to reporting of carbon tax revenues;
- Impact of the recently-signed *Nunavut Lands and Resources Devolution Agreement* on reporting of territorial royalty revenues and liabilities in respect to contaminated sites;
- Administration of departmental grants and contributions, including updates to *Financial Administration Manual Directive 801*; and
- Expansion of the range of electronic formats in which the Government of Nunavut's financial reporting publications and data are made publicly available and achievement of greater alignment of, and consistency between, figures and formats in the Public Accounts and other publications, including annual reports on grants and contributions expenditures, contracting, procurement and leasing activities.