



Pangnirtung Inuit Co-operative Limited

Pangnirtung, NU X0A 0R0

Phone: (867) 473-8936 Fax: (867) 473-8657

Email: manager@pangnirtung.coop

Johnny Mike
MLA, Pangnirtung
jmike@assembly.nu.ca

Re: Nunavut Audit Requirements

Dear Mr. Mike,

Congratulations on your election as MLA for Pangnirtung, and thank you for taking on the responsibility of representing the region. As Directors of Pangnirtung Co-op, serving 1,633 Members in Pangnirtung, we recognize the importance of representing a broad range of perspectives on matters that impact local communities. We are writing to seek your position on a challenge imposed on local cooperatives during the last legislative session.

Since before the formation of Nunavut, cooperatives filed financial statements annually, validated by a professional and independent Review Engagement, along with other documents with the Supervisor of Cooperatives to remain in good standing. A recent change in the practical interpretation/enforcement of the Cooperative Act has puts local co-ops in an impossible position to remain in good standing and imposed additional costs of a minimum of almost \$800,000 (including travel) cumulatively per year. The extra costs for Pangnirtung Co-op of approximately \$41,100 are ultimately borne by our Members at a time that high food pricing and food insecurity is affecting our community.

For your reference, this document includes a comprehensive briefing note, the Resolution from the 2025 Arctic Co-ops AGM, and a copy of the letter submitted to the responsible Minister proposing **very minor** amendments to the Cooperative Act.

Please advise the Pangnirtung Co-op with your position on this matter via email at manager@pangnirtung.coop and cc. to communications@arctic.coop along with any questions or comments that you may have. We will consider your response internally and for communication to our Members.

Co-operatively,

[Insert Name Here]

On behalf of the Pangnirtung Co-op Board of Directors



**Arctic
Co-operatives
Limited**

WINNIPEG OFFICE
1645 Inkster Boulevard
Winnipeg, MB R2X 2W7
Tel: (204) 697-2243
Fax: (800) 665-1241

IQUALUIT OFFICE
1121 Mivvik Street, PO Box 697
Iqaluit, NU X0A 0H0
Tel: (867) 979-2248
Fax : (867) 979-2535

Legislative Assembly of Nunavut
Attention: The Honourable David Akeeagok, Minister of Justice

May 23, 2025

Via email:
<dakeeagok6@gov.nu.ca>

Re: Proposed Legislative Amendments to Section 31 of the *Co-operative Associations Act*, R.S.N.W.T. 1988, c.C-19

Dear Mr. Akeeagok:

Thank you for the opportunity to provide our proposed legislative amendments to section 31 of the *Co-operative Associations Act*, R.S.N.W.T. 1988, c.C-19. Cooperatives in Nunavut are anxious to demonstrate full compliance with the Nunavut Act. These amendments will help Nunavut co-operatives meet their respective review obligations as prescribed by the Nunavut Act.

Below is an excerpt of section 31 of the Nunavut Act. Our proposed amendments are included in red (words added) or double strike out (words removed).

Appointment of auditor

31(1) An association shall, in accordance with the by-laws, appoint a person to hold the office of auditor for the association who shall, on the approval of the Supervisor, be the auditor for the association.

31(2) At the end of each fiscal year the association shall submit its accounts for review engagement or audit by the auditor.

Annual return to Supervisor

31(3) Within ~~90~~ 180 days after the end of each fiscal year, an association shall send the Supervisor

(a) a general statement of the affairs of the association in the form and including the details required by the Supervisor; and

(b) a copy of the financial statement for the preceding fiscal year reviewed ~~certified~~ by the auditors.

Provision of annual statement to members.

31(4) On the application of a member, an association shall provide to the member, without charge, a summary of the latest annual statement of the association reviewed ~~prepared~~ by the auditors.

Please do not hesitate to contact the undersigned with any questions or concerns.

Sincerely,

Duane Wilson
Vice-President, Stakeholder Relations
E: dwilson@arctic.coop
T: 204-697-2243 ext. 222 | C: 204-470-9357

cc. Brian Tattuinee, Arctic Co-ops & Legal Notices, Arctic Co-ops

Briefing Note

Nunavut Requirement for Co-op Audited Financial Statements

- Co-ops have been submitting review engagements for many years without any issues
- Financial impact of this change to audited financial statements across the Nunavut Co-ops is estimated to be an increase at least \$500,000 (over \$21,000 per Co-op if it was the same for all) since the fees charged by firms is significantly more for audits compared to review engagements
- Direct impact on standard of living of individuals in our Nunavut communities (may see some Co-ops unable to pay out a patronage dividend)
- Impact of timing – takes significantly longer to complete a full audit. As a result, there is a delay in Co-op's able to host their annual general meeting. With this delay, Co-ops are no longer in good standing with the Co-op Supervisor's office, and this is posing challenges for the Co-ops for financing transactions, NNI status, purchase and sale transactions, obtaining ATMs for the community, among others

WHEREAS Member Co-ops have always had review engagements of their annual financial statements conducted by reputable accounting firms providing assurance of the accuracy of their financial statements. Until recently, review engagements were acceptable to the Government of Nunavut's Supervisor of Co-operatives; and,

WHEREAS the Supervisor of Co-operatives is now enforcing requirements in the *Co-operative Association Act* (Nunavut) that include the annual filing of audited financial statements, the approval of the auditor and strict enforcement of the 90-day time limit to file annual filing materials for Nunavut Co-operatives. Should Nunavut Co-operatives fail to file based on these new requirements, they will be considered not "in good standing"; and,

WHEREAS obtaining audits of their financial statements cost Member Co-ops up to two to three times more than the review engagements. It is estimated that this additional cost has amounted to over \$500,000 across Nunavut Member Co-ops which results in increased pricing at Member Co-op retail stores, and less patronage paid out in each community; and,

WHEREAS the enforcement of these requirements by the Supervisor of Co-operatives has proven to pose challenges for the timing of Member Co-op Annual General Meetings in an effort to file within the 90-day time limit.

NOW THEREFORE BE IT RESOLVED that Arctic Co-operatives Limited develop an action plan to encourage the Government of Nunavut to make minor changes to the Cooperative Act to permit Nunavut Co-operative Membership the option to submit audited financial statements or review engagements of their financial statements, at their choice; and,

BE IT FURTHER RESOLVED that the changes proposed also consider minor adjustments to legislation that provide practical timelines for the filing of financial statements or the duration of the status of "in good standing" so as not to impair Member Co-ops.

Moved by: Pauloosie Kowmageak

Seconded by: Ragilee Attagootak