

## Nunavut Arctic College Letter of Expectation 2019-20

Dear Ms. Ball,

I am pleased to provide you with this Letter of Expectation for 2019-20. This letter outlines the priorities and goals intended to guide Nunavut Arctic College (NAC) in the new fiscal year and ensure the College meets the expectation for its success, as set out in in the Government of Nunavut's mandate, *Turaagtavut*.

This letter also outlines the important financial reporting requirements and responsibilities of the College, intended to promote transparency and accountability in operations and governance.

I look forward to working with the Board of Governors and Executive team as we strive to provide high quality educational opportunities for Nunavummiut, guided by the priorities set out in *Turaaqtavut*.

### Expectations and Priorities for 2019-20

NAC's 2019-20 business plan and budget outline several important priorities for the College, many of which align with *Turaaqtavut*, and should be implemented strategically, and with the overall well-being of Nunavummiut in mind.

## Inuit Employment Plan

As we enter the first full fiscal year of its implementation, the GN's master Inuit Employment Plan, and NAC's specific plan should be guiding the College's recruitment and human resources activities to increase Inuit employment at all levels.

All departments and territorial corporations are accountable for implementing their respective Inuit Employment Plans, including effective use of training and development programs provided by the GN, particularly as the government works to enhance the opportunities available through the creation of a stand-alone Department of Human Resources.

As of September, 2018 Inuit employment at NAC was 56%. I look forward to seeing the progress the College makes to implement strategic efforts to increase Inuit employment.



### Harassment Free Workplace

In accordance with the Harassment Free Workplace Policy, the GN has zero tolerance for harassment, bullying or reprisals of any type. It is crucial that all employees read, understand and follow this policy, as well as the Human Resource Manual directives that complement the policy. I expect you to ensure that the President and Board of Governors take personal responsibility for ensuring a harassment-free workplace at the College.

### Partnership and Collaboration

*Turaaqtavut*, through the *Katujjiqatigiinnivut* priority, calls for collaboration with key partners to improve the lives of Nunavummiut. In 2019-20, I expect NAC to work closely with Nunavut Tunngavik Inc., as well as the three regional Inuit associations to explore opportunities for partnership and cooperation.

I also look forward to seeing NAC continue to strengthen and formalize its important partnership with Memorial University. This partnership will be critical in ensuring that the College can continually improve the educational opportunities offered to students.

### Long-term Strategic Planning

As we move forward together as a territory, long-term planning and strategic objective setting will be crucial to the success of any organization serving the needs of Nunavummiut.

The efforts of the Board of Governors in beginning the very important process of developing a ten-year strategy are commendable. While the immediate needs of the College and its students often take priority, it is critical that these long-term goals be identified, with realistic and achievable mechanisms for implementation. My hope is that a plan which spans three separate mandates will support a smooth transition between governments and ensure a continued focus on meeting the educational needs of Nunavummiut.

In 2019-20, I look forward to seeing the College's completed ten-year strategy, including a plan for implementation.

### Board Recruitment and Governance

The Board of Governors plays an important role in leadership and oversight at the College. A strong Board is critical to ensuring the College can continue to play a valuable role in providing high quality and relevant educational opportunities across the territory.

As NAC works to implement its ten-year strategic plan, it is important that the Board has the capacity to lead the strategic direction of the organization.

In 2019-20, I expect the College to recruit two new board members to fill existing vacancies. In the upcoming year, the Board and College should also consider increasing the size of the Board, as is allowable under legislation, to ensure that it has the ability and capacity to move the College forward in a meaningful way.

### Expanding Opportunities for Teachers

Successful delivery of NAC's Teacher Education Program is critical to the well-being and economic development of the territory as a whole. Opportunities for Nunavummiut to take advantage of teacher training outside of Nunavut's regional centres are vital to the overall success of the program.

Following the successful delivery of the Teacher Education Program in Taloyoak and Gjoa Haven, I look forward to seeing further expansion of the Teacher Education Program in 2019-20.



### Leadership in Research

The work of the College's Innovation and Research Institute is critical for ensuring that research in the territory aligns with the values of Nunavummiut, and creating opportunities for innovation and development.

In 2019-20, I expect the College to become a leader in creating opportunities for research related to energy resource development in Nunavut, particularly renewable energy. As Canada moves towards prioritizing renewable energy, the College should be poised to lead the development of important energy technologies, and their applicability in the Arctic.

### Law Program

The College's Law Degree Program is critical to increasing Nunavut's capacity as a territory by developing professionals who are sensitive to Nunavut's unique context and will remain in the territory to work.

Following the first full year of its implementation, I am pleased at the high student retention rate of the program, and I look forward to regular updates as students continue to progress within the program.

### Strategic Local Workforce Development

As NAC forms critical partnerships with other post-secondary institutions, the expansion of the College's program and course offerings should be done strategically, to create and support a stronger local workforce in a variety of key fields.

In 2019-20 and beyond, I expect the College to work closely with GN departments and other employers to identify specific opportunities for post-secondary education that can fill the gaps in service, and increase local and Inuit employment in the territory.

As we work towards achieving the *Turaaqtavut* priority of *Sivummuaqpalliajjutivut*, the College plays a critical role in reducing Nunavut's dependence on imported labour by fostering, developing, and supporting the skills and abilities of Nunavummiut. Strategically aligning the training available locally with territory's public service needs requires a commitment to collaboration, and I look forward to seeing evidence of this in the coming year. Of equal importance is identifying impediments to such success and implementing strategies to overcome them.

NAC's offerings of apprenticeship and trades training are also critically important. Having a skilled local workforce in maintenance and construction improves economic development across the territory, and reduces the costs of housing, in turn addressing Nunavut's severe housing crisis.

In 2019-20, I expect the College to work closely with the Nunavut Housing Corporation to identify relevant trades training opportunities, which can eventually limit the need for southern tradesperson contracts in communities.

### Inuit Language Training and Development

*Turaaqtavut* calls for the increased use of Inuit language in the government. As the primary delivery agent of adult education in the territory, NAC will have a key role to play in strengthening Inuktitut as the language of work within the government.

In 2019-20, I expect the College to explore and develop further opportunities to increase and support the use of Inuktitut, including working collaboratively with the Department of Human Resources in this area.



Continued development of Inuktitut as a language of instruction within the College should also be an ongoing priority for NAC and the Board of Governors.

### **Accountability and Financial Management Reporting Expectations for 2019-20**

The *Financial Administration Act (FAA)*, in Section IX, Public Agencies, outlines the minimum reporting responsibilities and timeframes for Nunavut's public agencies, including particular provisions for territorial corporations. Additionally, please be aware that in the interest of increased transparency, accountability and effectiveness, Ministers responsible for territorial corporations may issue directives to provide additional important information to the GN and Nunavummiut.

Ongoing reporting responsibilities include tabling the following in the Legislative Assembly:

- The College's Business Plan, at the same time as the GN's Business Plan is tabled.  
A yearly comprehensive report on all procurement, contracting and leasing activities undertaken by the NAC. This report should contain, at a minimum, the information currently available in the GN Annual Procurement Activity Report, Lease Activity Report and Contract Activity Report. (In preparing the Lease Activity Report, please ensure that information which may provide an unfair business advantage to potential competitors is not disclosed).
- Formal responses to letters of expectation, letters of instruction and Ministerial directives at the first session of the Legislative Assembly subsequent to the NAC receiving such correspondence.

During 2019-20 you are again instructed to give attention to the following ongoing reporting responsibilities to the Department of Finance:

- Board-approved budget variance reports and expense projections for both operations and maintenance and capital on a monthly basis. This monthly reporting should be submitted on or before the 10<sup>th</sup> day of every month.
- Semi-annual presentation of college financials and operations to the DM Central Accountability Committee.
- All schedules and working papers required for the preparation of the consolidated public accounts at their earliest availability or as per the distributed requirement timetable.
- Management letters or other reporting (including the NAC's response) issued by the auditor (both the Auditor General of Canada and any other independent auditor) for all audits conducted on the NAC for the year.
- NAC is asked to work with staff at the Department of Finance's Financial Reporting and Controls division to ensure Public Sector Accounting Standards are appropriately implemented in all financial reporting.

It is also important that dialogue and communication be ongoing throughout our government. In the spirit of strengthening our public agencies, I ask that NAC continue its close working relationship with the Department of Finance, and other stakeholder departments, at all levels.

I look forward to discussing with you the priorities and directions as stated in this Letter of Expectation. I also look forward to reviewing your response to this letter.

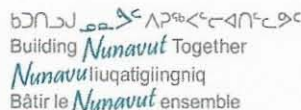
Sincerely,



Honourable Patterk Netser  
Minister Responsible for Nunavut Arctic College

CC: Pauloosie Suvega, President, Nunavut Arctic College  
Jeff Chown, Deputy Minister, Department of Finance





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### Harassment Free Workplace

In accordance with the Harassment Free Workplace Policy, the GN has zero tolerance for harassment, bullying or reprisals of any type. It is crucial that all employees read, understand and follow this policy, as well as the Human Resource Manual directives that complement the policy. Further, I expect you to ensure that the CEO and Board of Directors take personal responsibility for ensuring a harassment-free workplace at NBCC.

### Partnership and Collaboration

*Turaaqtavut*, through the *Katujjiqatigiinnivut* priority, calls for collaboration with key partners to improve the lives of Nunavummiut. To support economic development in Nunavut's unique context, it is important that NBCC continue to partner with other lending agencies with a focus on collaboratively serving clients.

I was pleased to hear that in 2018-19, the Corporation renewed MOUs with Baffin Business Development Corporation, Kitikmeot Community Futures Inc, and Atuqtuarvik Corporation. These continued partnerships will be critical to providing the custom support required by growing businesses in the territory.

In 2019-20, I expect to see these existing partnerships strengthened, and further relationships developed, including work towards the formalization of NBCC's relationship with the Kivalliq Business Development Centre.

### Strategic Plan

As we move forward together as a territory, long term planning and strategic objective setting will be crucial to the success of any organization serving the needs of Nunavummiut.

The efforts of the Board of Directors on working to develop an updated strategic plan for 2019-22 are commendable. While the immediate operations of the Corporation in serving its clients often take priority, it is critical that these longer-term goals and objectives be identified with realistic and achievable mechanisms for implementation.

In 2019-20, I look forward to seeing how the implementation of the updated strategic plan supports the *Turaaqtavut* priority of *Pivaallirutivut* by creating economic opportunities for local businesses and encouraging self-reliance and local employment.

### Communications Plan

In his 2018-19 letter of expectation to NBCC, my predecessor, now Premier of Nunavut, identified the need to increase the use of Inuktitut as the working language of the government. This important priority, as outlined in *Turaaqtavut*, is critical to strengthening Nunavut as a distinct territory. From an economic development perspective, offering lending services in all official languages helps to tackle a key barrier to small business growth in the territory.

I was pleased to see that the Corporation's updated website includes Inuktitut content, and that the Corporation is working to have online Inuinnaqtun content as well. In 2019-20 I hope to see more forms and applications available for download in Inuktitut.

Further to the website updates, in 2019-20, I look forward to seeing the development of a communications plan for the Corporation, to ensure that NBCC continues to take full advantage of every opportunity to increase its portfolio and support to businesses across the territory.



### Transparency and Accountability

I was pleased to see that NBCC's 2017-18 Annual Report included a disclosure of NBCC clients. As you know, this recommendation came not only in the 2018-19 Letter of Expectation, but also from the 2015 Standing Committee on Oversight of Government Operations and Public Accounts, as well from the Information and Privacy Commissioner.

I expect this practice to continue in 2019-20, and trust that the Board understands the importance of this disclosure from a perspective of transparency and accountability.

### Legislative Amendments

During the 4<sup>th</sup> Legislative Assembly, the Standing Committee on Oversight of Government Operations and Accounts recommended that NBCC formally submit to their Minister recommendations for specific amendments to the *Nunavut Business Credit Corporation Act*.

It is my understanding that work has continued in bringing forward important amendments to the *Act*. I recognize that the process for legislative amendments is a lengthy one, and I expect the Corporation to continue the process into 2019-20, as required.

### Potential Amalgamation

I was interested to hear of informal discussions taking place around the idea of amalgamating NBCC with the Nunavut Development Corporation (NDC). I expect to see NBCC begin to explore this prospect on a more formal basis in partnership with NDC and the Department of Economic Development and Transportation.

## **Accountability and Financial Management Reporting Expectations for the 2019-20 Fiscal Year**

The *Financial Administration Act (FAA)*, in Section IX, Public Agencies, outlines the minimum reporting responsibilities and timeframes for Nunavut's public agencies, including particular provisions for territorial corporations. Additionally, please be aware that in the interest of increased transparency, accountability and effectiveness, Ministers responsible for territorial corporations may issue directives to provide additional important information to the GN and Nunavummiut.

Ongoing reporting responsibilities include tabling the following in the Legislative Assembly:

- The NBCC's Business Plan, at the same time as the GN's Business Plan is tabled.
- A yearly comprehensive report on all procurement, contracting and leasing activities undertaken by the NBCC. This report should contain at a minimum the information currently available in the GN Annual Procurement Activity Report, Lease Activity Report and Contract Activity Report. In preparing the Lease Activity Report, please ensure that information, which may provide an unfair business advantage to potential competitors, is not disclosed.
- Formal responses to letters of expectation, letters of instruction and Ministerial directives at the first session of the Legislative Assembly subsequent to the NBCC receiving such correspondence.

During 2019-20 you are again instructed to give attention to the following ongoing reporting responsibilities to the Department of Finance:

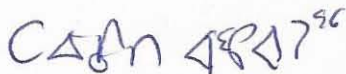


- Board-approved budget variance reports and expense projections for both operations and maintenance and capital on at least a quarterly basis and submitted within 30 days of the end of the quarter.
- Semi-annual presentation of corporate financials and operations to the DM Central Accountability Committee.
- All schedules and working papers required for the preparation of the consolidated public accounts at their earliest availability or as per the distributed requirement timetable. Management letters or other reporting (including the NBCC's response) issued by the auditor (both the Auditor General of Canada and any other independent auditor) for all audits conducted on the NBCC for the year.
- The NBCC is asked to work with staff at the Department of Finance's Financial Reporting and Controls division to ensure Public Sector Accounting Standards are implemented appropriately in all financial reporting.

It is also important that dialogue and communication be ongoing throughout our government. In the spirit of strengthening our public agencies, I ask that the NBCC continue its close working relationship with the Department of Finance at all levels.

I look forward to discussing with you the priorities and directions as stated in this Letter of Expectation. I also look forward to reviewing your response to this letter.

Sincerely,

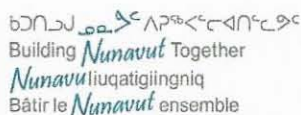


Hon. David Akeeagok

Minister Responsible for Nunavut Business Credit Corporation

CC: Peter Ma, CEO, Nunavut Business Credit Corporation  
 Udlu Hanson, Deputy Minister, Department of Economic Development and Transportation  
 Jeff Chown, Deputy Minister, Department of Finance





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provided by the GN, particularly as the government works to enhance the opportunities available through the creation of a stand-alone Department of Human Resources.

While I recognize that NDC has a very small team, I look forward to seeing the progress the Corporation makes to implement strategic efforts to increase Inuit employment in 2019-20.

### Fostering Strong Partnerships

*Turaaqtavut*, through the *Katujjiqatigiinnivut* priority, calls for collaboration with key partners to improve the lives of Nunavummiut. Much of the important work of NDC is centred around strong business partnerships that allow the Corporation to offer varied economic development opportunities for Nunavummiut.

Innovative partnerships such as the one between Kitikmeot Foods Limited and American based Clean Fish, as well as supply partnerships with artists and enterprises will be key to expanding Nunavut's economic future.

In 2019-20, I expect NDC to continue to foster these important existing partnerships, as well as develop new partnership opportunities.

### Opportunities through Community Banking

I was pleased to hear of NDC's leadership in working to develop an agreement for community banking through Uqqurmiut Arts and Crafts in Pangnirtung.

The economic development and overall wellbeing of the territory is limited by the inability of many Nunavummiut to access banking services in their respective communities. Access to services of a financial institution not only means more opportunity for investment in businesses or homeownership, but also the increased potential for savings, financial literacy, and increased self-reliance.

To support the *Turaaqtavut* priority of *Inuusivut*, in 2019-20, I expect NDC to continue its discussions and negotiations towards achieving an agreement for community banking that can be of meaningful benefit to Nunavummiut living in Pangnirtung.

### Economic Diversification

*Turaaqtavut* calls for the diversification and improvement of economic opportunities to encourage self-reliance and local employment. In 2019-20, I expect NDC, through its Venture Investment Fund, to seek new investments of at least \$500,000, with an emphasis on local harvesting and tourism sectors.

I look forward to updates on how NDC is working to support a more diverse economy that will provide Nunavummiut with a wide range of employment and business options.

### Potential Amalgamation

I was interested to hear of informal discussions taking place around the idea of amalgamating NDC with the Nunavut Business Credit Corporation (NBCC). I expect to see NDC begin to explore this prospect on a more formal basis in partnership with NBCC and the Department of Economic Development and Transportation.



## **Accountability and Financial Management Reporting Expectations for the 2019-20 Fiscal Year**

The *Financial Administration Act (FAA)*, in Section IX, Public Agencies, outlines the minimum reporting responsibilities and timeframes for Nunavut's public agencies including particular provisions for territorial corporations. Additionally, please be aware that in the interest of increased transparency, accountability and effectiveness, Ministers responsible for territorial corporations may issue directives to provide additional important information to the GN and Nunavummiut.

Ongoing reporting responsibilities include tabling the following in the Legislative Assembly:

- Tabling the NDC's Business Plan, at the same time as the GN's Business Plan is tabled.
- A yearly comprehensive report on all procurement, contracting and leasing activities undertaken by the NDC. This report should contain at a minimum the information currently available in the GN Annual Procurement Activity Report, Lease Activity Report and Contract Activity Report. (In preparing the Lease Activity Report, please ensure that information, which may provide an unfair business advantage to potential competitors, is not disclosed). This report may be most appropriately included within the NDC's Annual Report.
- Formal responses to letters of expectation, letters of instruction, and Ministerial directives at the first session of the Assembly subsequent to the NDC receiving such correspondence.

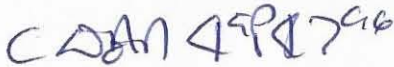
During 2019-20 you are again instructed to give attention to the following ongoing reporting responsibilities to the Department of Finance:

- Board-approved budget variance reports and expense projections for both operations and maintenance and capital on at least a quarterly basis and submitted within 30 days of the end of the quarter, and including a year-end fiscal forecast with surplus/deficit reporting.
- Semi-annual presentation of corporate financials and operations to the DM Central Accountability Committee.
- All schedules and working papers required for the preparation of the consolidated public accounts at their earliest availability or as per the distributed requirement timetable.
- Management letters or other reporting (including the NDC's response) issued by the auditor (both the Auditor General of Canada and any other independent auditor) for all audits conducted on the NDC for the year.
- The NDC is asked to work with staff at the Department of Finance's Financial Reporting and Controls division to ensure Public Sector Accounting Standards are appropriately implemented in all financial reporting.

It is also essential that dialogue and communication be ongoing throughout our government. In the spirit of strengthening our public agencies, I ask that the NDC continue its close working relationship with the Department of Finance at all levels.

I look forward to discussing with you the priorities and directions as stated in this Letter of Expectation. I also look forward to reviewing your response to this letter.

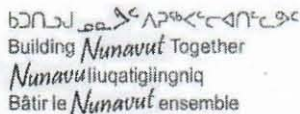
Sincerely,

A handwritten signature in blue ink, appearing to read 'C. A. Akeeagok'.

Hon. David Akeeagok  
Minister Responsible for Nunavut Development Corporation

CC: Darrin Nichol, President, Nunavut Development Corporation  
Udlu Hanson, Deputy Minister, Department of Economic Development and  
Transportation  
Jeff Chown, Deputy Minister, Department of Finance





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In 2019-20, I expect the Corporation to make significant efforts to increase Inuit employment through the methods identified in the NHC's Inuit Employment Plan, including working with employees to develop career advancement plans, and increasing the number of secondments of Inuit employees from LHOs to NHC offices.

#### Harassment Free Workplace

In accordance with the Harassment Free Workplace Policy, our government has zero tolerance for harassment, bullying or reprisals of any type. It is crucial that all employees read, understand and follow this policy, as well as the Human Resource Manual directives that complement the policy. Further, I expect you to ensure that the President and Board of Directors take personal responsibility for ensuring a harassment-free workplace at the Corporation.

#### National Housing Strategy

I am pleased with the progress the Corporation is making in completing negotiation of the bilateral agreement with Canada Mortgage and Housing Corporation for the funding through the National Housing Strategy.

The funding flexibilities that the NHC has secured will be critical to ensuring that investments in housing can truly benefit the territory, and meet the diverse housing needs of Nunavummiut.

I expect that in 2019-20 the bilateral agreement will be complete and that the funding coming to the territory through the National Housing Strategy will be efficiently and effectively utilized. I also expect that the critical partnership with the Canada Mortgage and Housing Corporation continues to be fostered, and the *Turaaqtavut*, priority, *Katujjiqatigiinnivut*, be met through this collaboration.

I look forward to reviewing the federally-required three-year action plan for the utilization of the new funding, and hope that it will align strategically with the existing *Blueprint for Action on Housing*.

#### Blueprint for Action on Housing

As we enter the third year of implementation of the *Blueprint for Action on Housing*, I expect to see continued progress on the critical actions identified in the *Blueprint*, including increased collaboration with other departments and agencies to make achievement of specific actions and activities a reality.

The *Blueprint for Action* is a complex document which requires continuous participation from across the government, and beyond. I encourage the Board of Directors to ensure that the Corporation works to maintain the momentum of the *Blueprint* in its third year, as the medium and long-term actions become more relevant.

In 2019-20, I expect the Corporation to continue to devote the required resources to the *Blueprint's* implementation, and I look forward to tabling the *Annual Status of Housing* report in fall 2019.

#### Local Workforce Development

The GN's *Long-Term Comprehensive Housing and Homelessness Strategy*, the guiding document for the *Blueprint for Action*, identifies the clear link between housing and



economic development. A predictable and sustainable investment in housing has the ability to create skilled jobs directly in construction and indirectly in related industries.

Over the next ten years, Nunavut will see significant new investment in housing construction. To ensure these investments can have their full positive effects on economic development, it is imperative that the Corporation work with Nunavut Arctic College, as well as major contractors, to identify relevant apprenticeship and training opportunities that will develop the local workforce.

If proper training is made available, housing investment can also carry the potential to reduce Nunavut's future need for public housing by fostering and increasing self-reliance.

#### Partnership and Collaboration

*Turaaqtavut* calls for collaboration with key partners to improve the lives of Nunavummiut. In 2019-20, I expect the Corporation to increase its collaboration with Nunavut Tunngavik Inc., as well as all three regional Inuit associations. This collaboration will be key to addressing the housing crisis and improving the housing options available in the territory, particularly as opportunities for development on Inuit-owned land increase.

#### Partnership with Local Housing Organizations

In keeping with the important *Turaaqtavut* priority, *Katujjiqatigiinnivut*, I expect the NHC, in 2019-20 to continue to work diligently at maintaining and strengthening its most important partnership, that with the LHOs.

The relationship with LHOs is critical to the operations of the Corporation and the provision of housing to tenants, and I hope to see revised and improved Management Agreements signed with LHOs and implemented this year.

I am confident that the commitments and requirements set out in these agreements will significantly improve housing operations in communities, including ensuring that critical modernization and improvement work is completed on the territory's public housing stock.

#### Staff Housing

The completion of a review of GN staff housing policies and procedures in 2018-19 is an important first step in developing program changes that will support recruitment, retention, and Inuit employment within the public service.

I expect the Corporation to work very closely with the Departments of Finance and Human Resources in 2019-20 to ensure that the recommended changes to the program are properly implemented as soon as possible.

#### Homeownership

Successfully transitioning from subsidized public or staff housing to homeownership is a critical step in improving one's housing situation, and increasing self-reliance and well-being. Grant and loan programs offered through the NHC can play a key role in supporting the transition to homeownership and ensuring the success of homeowners in the future.

I am pleased at the progress that was made in 2018-19 to review the Corporation's offering of programs to support homeownership. In 2019-20, I expect the NHC to continue their work to increase the relevancy of its homeownership programs, including



changes to eligibility criteria, and exploring the development of new and innovative programming that meets the needs of Nunavummiut. Additionally, in 2019-20, I expect the Corporation to explore options to develop a program similar in nature to the former Homeownership Assistance Program (HAP). To further support the transition out of subsidized housing for those Nunavummiut who can afford it, I expect the Corporation's work with mining companies to continue towards the development and implementation of homeownership support programs for their employees.

#### Mould Remediation

In 2019-20, I expect mould remediation in public housing units to remain a priority of the Corporation.

I am aware of the Corporation's efforts to address issues of mould through training for LHO staff, as well as contracted remediation for more severe cases. I encourage the Board of Directors to monitor and support the progress of these efforts, as well as efforts to identify design and mechanical factors that can work to mitigate or prevent mould before it becomes severe.

#### **Accountability and Financial Management Reporting Expectations for 2019-20**

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Ongoing reporting responsibilities, through tabling in the Legislative Assembly, include:

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- Semi-annual presentation of corporate financials and operations to the DM Central Accountability Committee.



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- The Corporation is asked to work with staff at the Department of Finance's Financial Reporting and Controls division to ensure Public Sector Accounting Standards are appropriately implemented in all financial reporting.

It is also important that dialogue and communication be ongoing throughout our government. In the spirit of strengthening our public agencies, I ask that the Corporation continue its close working relationship with the Department of Finance at all levels.

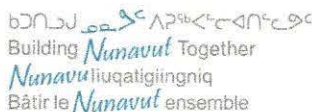
I look forward to discussing with you the priorities and directions as stated in this Letter of Expectation, along with your response.

Sincerely,



Hon. Patterk Netser  
Minister Responsible for Nunavut Housing Corporation

CC: Terry Audla, President & CEO, Nunavut Housing Corporation  
Jeff Chown, Deputy Minister, Department of Finance



Minister responsible for Qulliq Energy Corporation  
Minista Kamayiuyuq Qulliq Umaqqutit Kuapurisankunik  
Ministre responsable de la Société d'énergie Qulliq

## The Honourable Jeannie Ehaloak

Dear Mr. Rose,

I am pleased to provide you with this Letter of Expectation for 2019-20. This letter outlines the priorities and goals intended to guide Qulliq Energy Corporation (QEC) in the new fiscal year, as set out in the Government of Nunavut's mandate, *Turaagtavut*.

This letter also outlines the important financial reporting requirements and responsibilities of the corporation which is intended to promote transparency and accountability in operations and governance.

I look forward to strengthening relationships with the QEC board and senior management team as we work closely to provide safe, reliable and efficient electricity to Nunavummiut.

## Expectations and Priorities for 2019-20

QEC's 2019-20 business plan and budget outline several important priorities for the corporation, many of which align with *Turaaqtavut*, and should be implemented strategically, and with the overall well-being of Nunavummiut in mind.

## *Inuit Employment Plan*

As we enter the first full fiscal year of its implementation, the Government of Nunavut (GN) Inuit employment plan and QEC's specific plan should be guiding the corporation's recruitment, and human resources activities to increase Inuit employment at all levels.

All departments and territorial corporations are accountable for implementing their respective Inuit employment plans, including effective use of training and development programs provided by the GN, particularly as the government works to enhance the opportunities available through the creation of the stand-alone Department of Human Resources.

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As of September 2018, Inuit employment at QEC was at 49%. I look forward to seeing the progress the corporation makes to implement strategic efforts to increase Inuit employment in 2019-20.

#### Harassment Free Workplace

In accordance with the Harassment Free Workplace Policy, the GN has zero tolerance for harassment, bullying or reprisals of any type. It is crucial that all employees read, understand and follow this policy, as well as the Human Resource Manual directives that complement the policy. Further, I expect you to ensure that the president and board of directors take personal responsibility for ensuring a harassment-free workplace at QEC.

#### Plant Upgrades

As the territory grows in both population size and infrastructure, the demand for upgraded power plants will continue to increase. This need for increased power generation will only grow as the federal government's Investing in Canada's Infrastructure Program (ICIP) brings new infrastructure projects to communities over the next 10 years.

As part of the ICIP funding, the Arctic Energy Fund will help support critical upgrades to power plants, including rebuilds and generator set replacements to help the corporation keep up with growth and increased demand.

I look forward to further updates on the overall plan for spending under the Arctic Energy Fund in 2019-20. I expect the corporation to work closely with the Department of Community and Government Services to ensure the requirements under the ICIP and its associated Integrated Bilateral Agreement are met.

#### Alternative Energy and Independent Power Producers

As governments across Canada attempt to reduce emissions and improve energy efficiency in all areas, there is recognition that Nunavut is unique in the challenges it faces related to developing alternative energy opportunities.

That said, I expect QEC to continue its efforts to reduce Nunavut's reliance on diesel power in a way that is feasible for the corporation and affordable for its customers. Important work has already been done in 2018-19 to develop an Independent Power Producer Policy with the recent amendments to the *Qulliq Energy Corporation Act* to make the policy a reality.

#### Net Metering

The launch of QEC's net metering program is an important step for the corporation, and  
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it aligns with several *Turaaqtavut* priorities. By reducing QEC's power demand and reliance on diesel fuel, the program supports the priority of *pivaallirutivut* and specifically managing renewable and non-renewable resources for the long-term benefit of Nunavummiut. Further, by allowing customers to produce their own power, the program contributes to increasing the self-reliance of Nunavummiut, and aligns with the priority *inuusivut*.

In 2019-20, I expect the corporation to continue to promote this important program, including enhancing communications associated with the program.

#### Continuing Communications

I look forward to seeing the implementation of the new Corporate Communications Policy in 2019-20. More formal communications around corporate policies and initiatives will help increase the public's understanding of QEC, and improve relationships with both individuals and stakeholder groups.

I expect to see continued collaboration and communication with municipalities regarding QEC programs and projects that impact communities, particularly projects that fall under the Arctic Energy Fund.

#### New Office in Baker Lake

QEC's development of a major projects permit application requesting approval to build a new head office in Baker Lake, is a significant step for the corporation.

I recognize the importance of improving and expanding the working environment for QEC staff as the corporation continues to increase its capacity. I look forward to reviewing the advice of the Utility Rates Review Council as I make a decision regarding this project.

### **Accountability and Financial Management Reporting Expectations for 2019-20**

- The *Financial Administration Act* (FAA) in section IX - Public Agencies - outlines the minimum reporting responsibilities and timeframes for Nunavut's public agencies including particular provisions for territorial corporations. Additionally, please be aware that in the interest of increased transparency, accountability and effectiveness, Ministers responsible for territorial corporations may issue directives to provide additional important information to the GN and Nunavummiut.

Ongoing reporting responsibilities through tabling in the Legislative Assembly include:

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- The corporation's business plan, at the same time as the GN's business plan is tabled;
- A yearly comprehensive report on all procurement, contracting and leasing activities undertaken by QEC. This report, or reports, should contain at a minimum the information currently available in the GN Annual Procurement Activity Report, Lease Activity Report and Contract Activity Report (in preparing the Lease Activity Report, please ensure that information, which may provide an unfair business advantage to potential competitors, is not disclosed); and
- Formal responses to letters of expectation, letters of instruction, and Ministerial directives at the first session of the assembly subsequent to the corporation receiving such correspondence.

During 2019-20, you are once again instructed to give attention to the following ongoing reporting responsibilities to the Department of Finance:

- Board approved budget variance reports and expense projections for both operations and maintenance and capital on at least a quarterly basis, submitted within 60 days of the end of the quarter, and including a year-end fiscal forecast with surplus/deficit reporting;
  - *The 60 day submission deadline, requested by QEC, will be revisited in the future, and may be reduced to 30 days to align with other public agency reporting*
- Semi-annual presentation of corporate financials and operations to the Deputy Minister Central Accountability Committee;
- All schedules and working papers required for the preparation of the consolidated public accounts at their earliest availability or as per the distributed requirement timetable;
- Management letters (and the corporation's response) issued by the auditor (both the Auditor General of Canada and any other independent auditor) for all audits conducted on the corporation for the year;
- QEC is asked to work with staff at the Department of Finance's Financial Reporting and Controls to ensure Public Sector Accounting Standards are implemented in all financial reporting;
- QEC will direct its auditors to copy the comptroller general on the annual audit plan, annual audit results, and management letters and/or other reporting; and

QEC will enable the Internal Audit Services in the Department of Finance to carry out its audit duties and responsibilities and shall ensure that the Internal

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Audit Services has full, unrestricted, and timely access to all organizational activities, records, property, and personnel.

It is also important that dialogue and communication be ongoing throughout our government. In the spirit of strengthening our public agencies, I ask that QEC continue its close working relationship with the Department of Finance at all levels.

I look forward to discussing with you the priorities and directions as stated in this letter. I also look forward to receiving and reviewing your response.

Yours truly,



Jeannie Ehloak  
Minister responsible for Qulliq Energy Corporation

cc: Mr. Bruno Pereira, President and CEO, Qulliq Energy Corporation  
Mr. Jeff Chown, Deputy Minister, Department of Finance