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Minister Responsible for Qulliq Energy Corporation
Ministak Kamayiuuq Qulliq Umaqqutit Kuapurisankunik
Ministre Responsable de la Société d'énergie Qulliq

July 29, 2014

David Omilgoitok
Chairperson, Board of Directors
Qulliq Energy Corporation
PO Box 120
Pond Inlet, NU X0A 0S0

Qulliq Energy Corporation Letter of Expectation 2014-15

Dear Mr. Omilgoituk:

It is my pleasure to provide this Letter of Expectation for 2014-15. I firmly believe that the direction provided within will help to reinforce our relationship, build on our successes and further promote accountability. This letter contains the priorities and desired outcomes for the 2014-15 fiscal year and provides direction concerning the reporting responsibilities of the Corporation. It is my expectation that you will discuss the direction herein with the Board of Directors and your staff to ensure the expectations are met.

In addition, I expect that the Corporation's 2014-15 strategic goals will be to realize your mandate while endeavoring to achieve the vision for the future as outlined in *Sivumut Abluqta: Stepping Forward Together*:

- Our Government is committed to focusing on four priorities that will enable us to step forward together and make Nunavut an even better place for our children and grandchildren
 - Self-reliance and optimism through education and training
 - Healthy families through strong and resilient communities
 - Economic growth through responsible development across all sectors
 - Good government through wise use of resources

Qulliq Energy Corporation (QEC) plays an integral role in helping to realize this vision, particularly with respect to taking advantage of economic development opportunities through strategic alliances with sector partners while upgrading, modernizing and strengthening Nunavut's power utility infrastructure.

Nunavut has one of the fastest growing populations in Canada, as well as Canada's youngest; more than 30 per cent of the population is below the age of 15. This growing, youthful population places persistent new demands on the territory's health and education systems, housing stock, infrastructure and economy.

All of this will also create more demands on Nunavut's power system, and QEC will need to keep pace with the ever growing power needs of the territory. This will include Nunavummiut taking advantage of the business, employment and training opportunities as a result of QEC activities, and working with communities to help them realize their own vision for local economic development.

In 2013, a new *Public Service Act* was passed by the Legislative Assembly and received Commissioner's Assent. This year the Departments of Finance and Executive and Intergovernmental Affairs will be working with all departments and agencies to strengthen human resources accountability, staffing, appeals, and the implementation of Article 23 of the NLCA, including the completion of Inuit Employment Plans for each department and agency. QEC is expected work with both departments on these initiatives.

Additionally, the GN is committed to fully implementing the *Official Languages Act* and the *Inuit Language Protection Act*, ensuring Nunavummiut are able to communicate in their preferred official language when dealing with GN departments and agencies. In this regard, I remind you of your obligation to implement the *Uqausivut Comprehensive Plan* to ensure all Nunavummiut are able to communicate with QEC in their official language of choice.

Corporate Expectations and Priorities 2014-15

As Minister responsible for QEC, I have reviewed and approved your 2014-15 business plan and budget. It is my expectation that you will adhere to the priorities and principles you have stated. Our continuous goal of achieving improved accountability and transparency must be kept in mind when you are following your plan.

I look forward to receiving quarterly reports highlighting progress made in implementing the 2014-15 business plan, with particular emphasis on the following priorities:

1. Administration

- a. Review Key Performance Indicators (KPIs)/Balanced Scorecard performance measures into all business plans and reporting platforms to determine relevance.
- b. Continue a quality control process for audit projects, as required by Institute of Internal Auditor (IIA) Standards, including external review and client satisfaction feedback.

2. Engineering

- a. Continue with power plant replacement/infrastructure renewal program for Cape Dorset, Qikiqtarjuaq and Taloyoak.
- b. Develop and implement a mentoring/development program for Engineers-in-Training.
- c. Review Departmental Structure and update Job Descriptions.
- d. Design new power plant in Grise Fiord; initiate design for Gjoa Haven.
- e. Complete distribution upgrade and voltage conversion of the Grise fiord system.
- f. Identify power plant replacement priorities for the next 5-Year Capital Plan.

3. Finance

- a. In collaboration with the Information Technology department, review the current enterprise reporting system (ERP) to meet present and future needs.
- b. Enhance the Customer Care plan to improve customer service.
- c. Assess and improve existing sealift procedures.
- d. Assess and improve existing contracting and procurement procedures.
- e. Assess and improve asset management for inventory and capital assets.
- f. Anticipate and optimize financing options to support QEC's capital infrastructure and bulk fuel purchases within the Corporation's borrowing limit.

4. Health, Safety and Environment

- a. Complete three Environment Delineation Studies (Phase I, II & III) at QEC power plant properties throughout Nunavut. Communities are determined according to the assessment priority list.
- b. Roll out of new Work Protection Code to Operations staff anticipated to occur during Operation training in May 2014.
- c. Continue to develop a waste oil reduction/recycling plan.
- d. Complete and roll-out a new QEC Safety Rule book for employees and contractors.
- e. Develop decommissioning plans for on-site infrastructure such as power plants, pipelines, fuel tanks, etc.

The Corporation is taking important steps to keep costs down for ratepayers: however, more work needs to be done to determine how the Corporation can reduce its costs, including a review of how fuel requirements are managed, and whether or not the Corporation can achieve economies of scale. The Corporation should continue to investigate how new technologies can contribute

to cost savings. At the same time, the Corporation must consider alternate funding models for infrastructure development.

I look forward to meeting with you to discuss the status of these priorities and the Corporation's overall performance.

Accountability and Financial Management Reporting Expectations for 2014-15 Fiscal Year

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

Ongoing reporting responsibilities through tabling in the Legislative Assembly include:

- 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).
- 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 2014-15 you are once again instructed to give attention to the following ongoing reporting responsibilities to the Department of Finance:

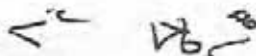
- Board approved budget variance reports and expense projections for both operations and maintenance and capital on at least a quarterly basis.
- All schedules and working papers required for the preparation of the consolidated public accounts at their earliest availability or as per the distributed 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.

- A comprehensive list of all leasing activity, if different to the public Lease Activity Report above.
- QEC is asked to work with staff in the Department of Finance's Financial Reporting and Controls division 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.
- QEC will direct its staff to work with Department of Finance's Internal Audit Services to undertake a systematic review of operations for the purpose of advising as to the effectiveness, efficiency and economy of GN policies, practices, procedures, controls and to make recommendations for improvements.
- Undertake a human resources audit for QEC including a review of staffing practices.

I look forward to discussing the priorities and expectations stated in this Letter of Expectation with you, the Board of Directors and the President. I also look forward to reviewing your response to this letter.

In replying to this letter, please copy Chris D'Arcy, Deputy Minister of Finance, who will ensure that all public agency responses are tabled in the Legislative Assembly by the Chairman of the Public Agencies Council at the appropriate time.

Sincerely,



Honourable Paul Okalik
Minister responsible for Qulliq Energy Corporation

c.c. Chris D'Arcy, Deputy Minister, Department of Finance, GN
Peter Ma, President & CEO, QEC



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Bâtir le Nunavut ensemble

AUG 06 2014

Mr. Bob Leonard
Chairperson, Nunavut Housing Corporation
PO Box 1000, Station 1300
Iqaluit NU X0A 0H0

Nunavut Housing Corporation Letter of Expectation 2014-15

Dear Mr. Leonard:

It is my pleasure to provide this Letter of Expectation for 2014-15. I firmly believe that the direction provided within will help to reinforce our relationship, build on our successes and further promote accountability. This letter contains the priorities and desired outcomes for the 2014-15 fiscal year and provides direction concerning the reporting responsibilities of the Corporation. It is my expectation that you will discuss the direction herein with the Board of Directors and your staff to ensure the expectations are met.

In addition, I expect that the Corporation's 2014-15 strategic goals will be to realize your mandate while endeavoring to achieve the vision for the future as outlined in *Sivumut Abluqta: Stepping Forward Together*:

- Our Government is committed to focusing on four priorities that will enable us to step forward together and make Nunavut an even better place for our children and grandchildren
 - Self-reliance and optimism through education and training
 - Healthy families through strong and resilient communities
 - Economic growth through responsible development across all sectors
 - Good government through wise use of resources

Nunavut Housing Corporation (NHC) plays an integral role in helping to realize this vision, particularly with respect to the provision of adequate housing that is fundamental to the health, education and well-being of Nunavummiut.

As we continue to invest in housing with our partners, we will develop more energy efficient and economical solutions, and ensure more affordable housing options and alternatives are available to meet people's varied needs, including the needs of a growing elder population.



Sivumut Abluqta identifies “Good government through wise use of our resources” as a priority. It commits to delivering programs and services in an effective, efficient and economical manner, and to focusing limited funds on programs and services that enable Nunavummiut to live healthy and productive lives. To accomplish this, a review of programs and services will be conducted to determine what is working well, what needs improvement, and what we should stop doing, and to ensure recipients of government funding are providing the outcomes that are expected from these investments.

In 2013, a new *Public Service Act* was passed by the Legislative Assembly and received Commissioner’s Assent. This year the Departments of Finance and Executive and Intergovernmental Affairs will be working with all departments and agencies to strengthen human resources accountability, staffing, appeals, and the implementation of Article 23 of the NLCA, including the completion of Inuit Employment Plans for each department and agency. NHC is expected work with Finance and the Department of Executive and Intergovernmental Affairs on these initiatives.

Additionally, the GN is committed to fully implementing the *Official Languages Act* and the *Inuit Language Protection Act*, ensuring Nunavummiut are able to communicate in their preferred official language when dealing with GN departments and agencies. In this regard, I remind you of your obligation to implement the *Uqausivut Comprehensive Plan* to ensure all Nunavummiut are able to communicate with NHC in their official language of choice.

Expectations and Priorities for 2014-15

As Minister responsible for NHC, I have reviewed and approved your 2014-15 business plan and budget. It is my expectation that you will adhere to the priorities and principles you have stated. Our continuous goal of achieving improved accountability and transparency must be kept in mind when you are following your plan.

I look forward to receiving quarterly reports highlighting progress made in implementing the 2014-15 business plan, with particular emphasis on the following priorities:

1. Advisory and Administrative Services
 - a. Establish interdepartmental collaboration structure for the development of a multi-year Action Plan for the GN Comprehensive Long Term Housing and Homelessness Strategy.
 - b. Implement approved recommendations as a result of NHC’s comprehensive organizational structure review.



- c. Engage in lobbying efforts at the territorial and federal levels to seek support for the provision of suitable, adequate and affordable housing across Nunavut.
- d. Undertake research that will demonstrate that the provision of adequate housing is fundamental to the health, educational, socio-economic and cultural well-being of Nunavummiut.
- e. Identify training, mentoring, development and staffing opportunities for NLCA beneficiaries within NHC and its network of Local Housing Organizations, to support the development of a long term Inuit Employment Plan for the NHC.

2. Public Housing

- a. Monitor the construction of additional housing funded under the \$100 million 2013 Economic Action Plan from the federal government.
- b. Develop a five-year Public Housing portfolio expansion plan to implement the 2014-2019 extension of the Investment in Affordable Housing (IAH) agreement with the federal government.
- c. Identify activities to promote apprenticeship opportunities in support of the IAH agreement.
- d. Complete the roll out of collections policy and procedures to reduce LHO arrears, and continue to develop and implement LHO deficit recovery plans.
- e. Research and initiate the development of alternate affordable housing options, including the use of new technologies, to support a full housing continuum in Nunavut, as identified in the GN Long Term Comprehensive Housing and Homelessness Strategy.
- f. Monitor the impact of changes made to the public housing rent scale and identify how the new rent scale software can assist the NHC in demonstrating that the provision of adequate housing is fundamental to the health, educational, socio-economic and cultural well-being of Nunavummiut.

3. Staff Housing

- a. Research alternative approaches for the delivery of staff housing in emerging market communities.
- b. Continue to enhance the staff housing portfolio, particularly in communities with growing staff housing requirements.



4. Homeownership

- a. Research and develop proposed changes to NHC's home ownership programs resulting from the GN Comprehensive Long Term Housing and Homelessness Strategy.
- b. Monitor the success and impact of the homeownership programs with data collected from the Homeownership Applicant Database.
- c. Promote homeownership in Nunavut through publicity and promotion as well as through education and counseling. All NHC programs will be posted on the NHC website.

Homeownership programs provide Nunavummiut with important support to bridge the transition to homeownership: the review of home ownership programs should consider programs that were offered in the past and may be appropriate again today.

I look forward to meeting with you to discuss the status of these priorities and the Corporation's overall performance.

Accountability and Financial Management Reporting Expectations for 2014-15 Fiscal Year

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

Ongoing reporting responsibilities through tabling in the Legislative Assembly include:

- 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 NHC. 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).



- 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 2014-15 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.
- 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 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.
- A comprehensive list of all leasing activity, if different to the public Lease Activity Report above.
- NHC 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.

In addition to these ongoing reporting responsibilities, it is essential that you work with the Department of Finance to continue the implementation of the quarterly reporting system to closely monitor and report on projects that utilize the \$100 million the GN will receive from the CMHC as announced in Federal Budget 2013.

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 NHC continue its close working relationship with the Department of Finance at all levels. The relationship needs to be nurtured on both parts, with an effective flow of both formal and informal information.

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.



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Bâtir le Nunavut ensemble

In replying to this letter, please copy Chris D'Arcy, Deputy Minister of Finance, who will ensure that all public agency responses are tabled in the Legislative Assembly by the Chairman of the Public Agencies Council at the appropriate time.

Sincerely,

George Kuksuk

Honourable George Kuksuk
Minister Responsible for Nunavut Housing Corporation

c.c. Chris D'Arcy, Deputy Minister, Department of Finance



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AUG 06 2014

Nancy Karetak-Lindell
Chairperson, Nunavut Development Corporation
PO Box 249
Rankin Inlet, NU X0C 0G0

RE: Nunavut Development Corporation 2014-15 Letter of Expectation

Dear Ms. Karetak-Lindell:

It is my pleasure to provide this Letter of Expectation for 2014-15. I firmly believe that the direction provided within will help to reinforce our relationship, build on our successes and further promote accountability. This letter contains the priorities and desired outcomes for the 2014-15 fiscal year and provides direction concerning the reporting responsibilities of the Corporation. It is my expectation that you will discuss the direction herein with your staff in order to ensure that the expectations will be met.

In addition, I expect that the Corporation's 2014-15 strategic goals will be to realize your mandate while endeavoring to achieve the vision for the future as outlined in *Sivumut Abluqta: Stepping Forward together*:

- Our Government is committed to focusing on four priorities that will enable us to step forward together and make Nunavut an even better place for our children and grandchildren
 - Self-reliance and optimism through education and training
 - Healthy families through strong and resilient communities
 - Economic growth through responsible development across all sectors
 - Good government through wise use of resources

The Nunavut Development Corporation's (NDC's) mandate to carry on the business of companies, the business of projects, and investing in business enterprises, will play an integral role in helping to realize the vision of Nunavummiut participating in business and resource development activities which will be the foundation for our future prosperity and success.

This includes supporting local economic development initiatives that are based on a community's own natural resources and skills, its vision for the future, its initiatives that build on and add value to identified areas of potential, including harvesting, arts and tourism sectors, and supporting the development of current

and future Nunavut artists in all media to produce high quality work and to market their work across Canada and around the world.

Nunavut has abundant natural resources – renewable and non-renewable. We must work towards a more diverse economy that will provide Nunavummiut with a wide range of employment and business options.

Sivumut Abluqta identifies “Good government through wise use of our resources” as a priority. It commits to delivering programs and services in an effective, efficient and economical manner, and to focusing limited funds on programs and services that enable Nunavummiut to live healthy and productive lives. To accomplish this, a review of programs and services will be conducted to determine what is working well, what needs improvement, and what we should stop doing, and to ensure recipients of government funding are providing the outcomes that are expected from these investments.

This year the Department of Executive and Intergovernmental Affairs will be working with all departments and agencies on the implementation of Article 23 of the NLCA, including the completion of Inuit Employment Plans for each department and agency. NDC is expected work with the Department of Executive and Intergovernmental Affairs on these initiatives.

Additionally, the GN is committed to fully implementing the *Official Languages Act* and the *Inuit Language Protection Act*, ensuring Nunavummiut are able to communicate in their preferred official language when dealing with GN departments and agencies. In this regard, I remind you of your obligation to implement the *Uqausivut Comprehensive Plan* to ensure all Nunavummiut are able to communicate with NDC in their official language of choice.

Expectations and Priorities for 2014-15

As Minister responsible for NDC, I have reviewed and approved your 2014-15 business plan and budget. It is my expectation that you will adhere to the priorities and principles you have stated. Our continuous goal of achieving improved accountability and transparency must be kept in mind when you are following your plan.

I look forward to receiving quarterly reports highlighting progress made in implementing the 2014-15 business plan, with particular emphasis on the following priorities:



- Place investments totaling \$500,000 with qualifying business enterprises operating in Nunavut's Commercial Harvesting, Cultural Industries and Tourism Sectors that help create employment and income opportunities, stimulate the growth of business and promote economic diversification.
- Continue to advance the hub and spoke model supporting the sustainable commercial harvesting and distribution of finished country food products within Nunavut. Explore other possible harvesting and processing options for traditional food products such as maktaaq and other underutilized fish species.
- Continue to seek out new business opportunities and production efficiencies that will improve the financial performance of the subsidiary companies portfolio.
- Adapt the Corporation's overall arts and crafts marketing approach to help ensure complementary alignment of the Corporation's Nunavut (Northern), Southern and Online marketing approach.
- Build linkages with Nunavut communities and organizations to draw in art and craft items for distribution through the subsidiary companies and to a broader audience through the Sales Division.
- Transfer NDC's controlling equity interest in Pangnirtung Fisheries to its Joint Venture Partner Cumberland Sound Fisheries, including a timeline with milestones for divestiture.
- Implement the Corporation's communication strategy.

Accountability and Financial Management Reporting Expectations for 2014-15 Fiscal Year

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

Ongoing reporting responsibilities through tabling in the Legislative Assembly include:

- 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 NDC. 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).
- 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 2014-15 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.
- 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 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.
- A comprehensive list of all leasing activity, if different to the public Lease Activity Report above.
- 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 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. The relationship needs to be nurtured on both parts with an effective flow of information, both formally and informally.

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.

