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 Building *Nunavut* Together
Nunavut liuqatigiingniq
 Bâtir le *Nunavut* ensemble

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 Office of Minister David Joanasié
 Havakvingni Ministam David Joanasié
 Bureau du ministre David Joanasié

Ms. Susan Ball
 Chairperson
 Nunavut Arctic College
 Box 600, Iqaluit, Nunavut
 X0A 0H0

Nunavut Arctic College Letter of Expectation 2018-19

April 16, 2018

Dear Ms. Ball,

I am pleased to provide you with this Letter of Expectation for 2018-19. This letter outlines the priorities and goals intended to guide Nunavut Arctic College (NAC or “the College”) in the new fiscal year and ensure the College meets the expectation for its success, as set out in the Government of Nunavut’s new mandate, *Turaaqtaavut*.

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

Representing a new government, I look forward to strengthening new relationships with the Board of Governors and Executive team as we work closely to provide high quality educational opportunities to all residents of Nunavut. I believe that many of the major initiatives already underway at NAC complement the government’s mandate, and that the priorities outlined through *Turaaqtaavut* will provide focus to the work of the Corporation with positive outcomes

Expectations and Priorities for 2018-19

As we enter a new fiscal year, I look forward to reviewing and approving NAC’s 2018-2021 business plan and budget. It is my expectation that the priorities and principles outlined in the business plan will be implemented with the overall well-being of Nunavummiut in mind.

Inuit Employment Plan

To support the Government of Nunavut in meeting its objectives under Article 23 of the Nunavut Agreement, the Department of Executive and Intergovernmental Affairs is



developing a government-wide master Inuit Employment Plan (IEP) that provides strategic direction for GN-wide programs and initiatives to increase and enhance Inuit employment.

All departments and territorial corporations are accountable for developing and implementing their respective IEPs, including effective use of training and development programs provided by central agencies.

As of December 2017, Inuit employment at NAC is 57%. I look forward to seeing the progress NAC makes on finalizing the development of its plan, and implementing strategic efforts to increase Inuit employment in all occupational categories.

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 Governors take personal responsibility for ensuring a harassment-free workplace at NAC.

Partnership and Collaboration

Turaaqtavut calls for collaboration with key partners to improve the lives of Nunavummiut. In 2018-19, I expect NAC to work closely with Nunavut Tunngavik Inc., as well as the three regional Inuit associations to explore opportunities for partnership and co-operation.

In 2018-19, NAC should also ensure that its important partnership with the federal government continues, particularly regarding the funding associated with expansion of the campus in Iqaluit.

Nunatta Campus Expansion

As the construction of the Nunatta campus expansion continues, I look forward to being updated regularly regarding its progress.

The completion of this expansion will be a big achievement, and I expect that the roll out, and transition into the space in fall 2018 will be smooth, and will successfully enhance the level of education and support offered to NAC students.



Connectivity and Community Learning

Each of Nunavut's 25 communities is unique in terms of the educational needs of its residents. Community Learning Centres (CLCs) are a very important aspect of the College, as they allow NAC to bring its programs home to Nunavummiut.

As information technology develops and advances, it is important that NAC takes advantage of new opportunities to offer more to students through CLCs. In the 2018-19 fiscal year, I expect to see an assessment of the CLC offerings that can be enhanced through information technology systems, including video conferencing.

I also look forward to seeing the College's development of distance learning programming to help ensure that Nunavummiut can access high quality education without having to leave their home communities for long periods of time.

Law Program – Ensuring Support and Success of Students

The College's new Law Degree Program, and the partnership with the University of Saskatchewan, 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. The program supports the *Turaaqtavut* priority of Nunavut being recognized as a distinct territory in Canada.

I was pleased to hear of the Law Degree Program's 100% completion rate after the first semester, and I look forward to regular updates as students continue to progress within the program.

Local Workforce Development

NAC's apprenticeships and trades training are vital for continued economic development in the territory. From housing construction to building maintenance, having skilled tradespeople available in the smaller communities can have a significant impact on that community's cost of living and overall well-being.

It is important that the trades and career oriented programs offered through the College are strategically developed and delivered to meet current and future demand, and are increasingly offered at the community level. I expect NAC to continue its work with key employers, including the GN and Nunavut Housing Corporation, to help limit the need for southern tradesperson contracts in the future, an important priority identified in *Turaaqtavut*.



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 Inuktut as the language of work within the government.

In 2018-19, I expect the college to explore and develop opportunities to increase and support the use of Inuktut, including working collaboratively with the Department of Executive and Intergovernmental affairs in this area.

Continued development of Inuktut 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 2018-19

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 2018-19 you are again instructed to give attention to the following ongoing reporting responsibilities to the Department of Finance:



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Minister of Economic Development & Transportation
Minista Pivalliyuliyikkut Ingilrayuliyitkullu
Ministre de Développement économique et des Transports

April 18, 2018

Ms. Marg Epp
Chairperson
Nunavut Business Credit Corporation
PO Box 2548, Iqaluit NU
X0A 0H0

Nunavut Business Credit Corporation Letter of Expectation 2018-19

Dear Ms. Epp:

I am pleased to provide you with this Letter of Expectation for 2018-19. This letter outlines the priorities and goals intended to guide Nunavut Business Credit Corporation (NBCC) in the new fiscal year and ensure the Corporation supports the economic development priorities set out in the Government of Nunavut's new mandate, *Turaaqtavut*.

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

Representing a new government, I look forward to strengthening new relationships with the Board of Directors and staff as we work closely to support economic development in the territory. I believe that many of the major initiatives already underway at NBCC complement the government's mandate, and that the priorities outlined through *Turaaqtavut* will provide focus to the work of the Corporation with positive outcomes.

Expectations and Priorities for 2018-19

As we enter a new fiscal year, I look forward to reviewing and approving NBCC's 2018-2021 business plan and budget. It is my expectation that the priorities and principles outlined in the business plan will be implemented with the overall well-being of Nunavummiut in mind.

Inuit Employment Plan

To support the Government of Nunavut in meeting its objectives under Article 23 of the *Nunavut Agreement*, the Department of Executive and Intergovernmental Affairs is developing a government-wide master plan that provides strategic direction for GN-wide programs and initiatives to increase and enhance Inuit employment.

All departments and territorial corporations are accountable for developing and implementing their respective Inuit Employment Plans, including effective use of training and development programs provided by central agencies. As of December 2017, Inuit employment at NBCC was 40%. While recognizing that NBCC has a small staff complement, I look forward to seeing the progress the Corporation makes on finalizing the development of its plan, and

implementing strategic efforts to increase Inuit employment, including identification of opportunities for Inuit internships.

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 calls for collaboration with key partners to improve the lives of Nunavummiut. In 2018-19, I expect NBCC to continue to work closely with Nunavut Tunngavik Inc.(NTI), mainly through Atuqtuarvik Corporation, to explore further opportunities for partnership and cooperation.

Transparency and Accountability

I would like to again draw your attention to recommendations from the 2015 Standing Committee on Oversight of Government Operations and Public Accounts, as well as advice from the Information and Privacy Commissioner, that NBCC should adopt the practice of disclosing the identities of recipients of loans and other financial assistance in its annual reports.

When dealing with public money, disclosure of this information is critical to maintaining transparency, and such a disclosure is not prohibited by any current legislation. I look forward to having the Corporation meet this expectation in 2018-19.

Legislative Amendments

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

It is my understanding that you and your Board have worked to identify several important amendments to the *Act*, including how the legislation can be used to require disclosure of businesses that have received financial assistance from NBCC. I look forward to reviewing the proposed amendments, with the possibility of bringing them forward through the appropriate approval channels.

Throughout the legislative review process, I expect the Corporation to ensure appropriate levels of consultation and collaboration, particularly with external partners such as NTI.

It is my expectation that the legislative amendments put forward will solidify the role of the Corporation, strengthen accountability and transparency, and allow the Corporation to better support local businesses and economic development in the territory.

Building Capacity

As the Corporation continues to provide valuable financing alternatives to local businesses, and grows its client base, there is an increasing need for maintaining client supports to ensure that client businesses can take full advantage of the opportunities presented through NBCC's lending and mitigate the Corporation's risk.

I look forward to seeing NBCC's plan for continuing to support after-care services to its clients in 2018-19.

Inuit Language

Turaaqtavut identifies the need to increase the use of Inuktitut as the working language of the government. To this end, NBCC should continue to work to ensure that its loan application processes can be carried out in Inuktitut, including all relevant forms, documents, and support.

Developing standardized financial terminology in Inuktitut will be key to ensuring that NBCC's programs are accessible in all official languages. With the financial expertise at the staff and Board level, I expect the Corporation to be fully involved in this important process.

Strengthening Governance

As a territorial corporation, it is important that NBCC's Board of Directors has the capacity to lead the strategic direction of the organization. I am aware that some of your directors have developed their skills through corporate governance training and I expect the Corporation to continue to support this growth and development in 2018-19.

A strong Board will be critical for NBCC as it updates its strategic plan for 2019-2022. I look forward to working with the Board in 2018-19 as it focuses its goals and priorities in its strategic planning process.

Accountability and Financial Management Reporting Expectations for the 2018-19 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:

- 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. This report may be most appropriately included within the NBCC's Annual 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 NBCC receiving such correspondence.

During 2018-19 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, submitted within 30 days of the end of the quarter, and including a year-end fiscal forecast with surplus/deficit reporting.
- Quarterly presentation of budget variance reports 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 NBCC's response) issued by the auditor (both the Auditor General of Canada and any other independent auditor) for all audits conducted on NBCC for the year.
- 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 essential that dialogue and communication be ongoing throughout our government. In the spirit of strengthening our public agencies, I ask that 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. Joe Savikataaq
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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Minister of Economic Development & Transportation
Minista Pivalliyuliyikkut Ingilrayuliyitkullu
Ministre de Développement économique et des Transports

April 18, 2018

Mr. Donald Havioyak
Chairperson
Nunavut Development Corporation
PO Box 249, Rankin Inlet NU
X0C 0G0

Nunavut Development Corporation Letter of Expectation 2018-19

Dear Mr. Havioyak,

I am pleased to provide you with this Letter of Expectation for 2018-19. This letter outlines the priorities and goals intended to guide the Nunavut Development Corporation (NDC) in the new fiscal year, and ensure the Corporation supports the economic development priorities set out in the Government of Nunavut's new mandate, *Turaaqtavut*.

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

Representing a new government, I look forward to strengthening new relationships with the Board of Directors and staff as we work closely to support economic development in the territory. I believe that many of the major initiatives already underway at NDC complement the government's mandate, and that the priorities outlined through *Turaaqtavut* will provide focus to the work of the Corporation with positive outcomes.

By supporting Nunavummiut participating in business and resource development activities, and encouraging community self-reliance through the arts and culture, harvesting, and tourism sectors, NDC will play an integral role in helping to realize the government's vision.

Expectations and Priorities for 2018-19

As we enter a new fiscal year, I look forward to reviewing and approving NDC's 2018-2021 business plan and budget. It is my expectation that the priorities and principles outlined in the business plan will be implemented with the overall well-being of Nunavummiut in mind.

Harassment Free Workplace

The GN has zero tolerance for harassment, bullying or reprisals of any type in its departments and public agencies. Harassment in the workplace can have serious negative effects on an employee's well-being, with potential long-term consequences for individuals and the organization as a whole.

I expect you to ensure that that the President and Board of Directors take personal responsibility for ensuring a harassment-free workplace at NDC.

Inuit Employment Plan

To support the Government of Nunavut in meeting its objectives under Article 23 of the Nunavut Agreement, the Department of Executive and Intergovernmental Affairs is developing a government-wide master plan that provides strategic direction for GN-wide programs and initiatives to increase and enhance Inuit employment.

All departments and territorial corporations are accountable for developing and implementing their respective Inuit Employment Plans, including effective use of training and development programs provided by central agencies. While recognizing that NDC has a very small staff complement, I look forward to seeing the progress the Corporation makes on finalizing the development of its plan, and implementing strategic efforts to increase Inuit employment.

Economic Diversification

Turaaqtavut calls for the diversification and improvement of economic opportunities to encourage self-reliance and local employment. In 2018-19, 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.

Nunavut has abundant natural resources – both renewable and non-renewable. 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.

Harvesting and Cultural Industries

NDC's investments in the commercial fishery and harvesting sector are critical to economic development and local employment in the territory. Continued sustainable harvesting requires diligent tracking and record keeping to meet inspection requirements, and maintain federal and territorial certification. I expect NDC to continue to work closely with regulators and harvesters to ensure all criteria are met for continued success in this sector.

The arts and crafts sector is also significant to Nunavut's economic development. In 2018-19, I expect NDC to foster existing supply partnerships with artists and enterprises, as well as seek out new opportunities for projects that will support Nunavut artists.

Inuit Language

Turaaqtavut identifies the need to increase the use of Inuktitut as the working language of the government. To this end, NDC should continue to work to ensure that its investment application processes can be carried out in Inuktitut, including all relevant forms, documents, and support.

Developing standardized financial terminology in Inuktitut will be key to ensuring that NDC's programs are accessible in all official languages. With the financial expertise at the staff and board level, I expect the Corporation to be fully involved in this important process.

Strengthening Governance

As a territorial corporation, it is important that NDC's Board of Directors has the capacity to lead the strategic direction of the organization. I expect the Corporation to continue to support the board's growth and development in 2018-19.

A strong board will be critical for NDC as it continues to play a key role in supporting Nunavummiut participating in business and resource development activities, and meeting the *Turaaqtavut* priority of ensuring Nunavut is recognized as a distinct territory in Canada and internationally.

Accountability and Financial Management Reporting Expectations for the 2018-19 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 2018-19 you are again instructed to give attention to the following ongoing reporting responsibilities to the Department of Finance:

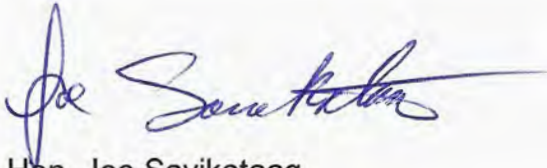
- Board-approved budget variance reports and expense projections for both operations and maintenance and capital on at least a quarterly basis and submitted within 30 days of the end of the quarter, and including a year-end fiscal forecast with surplus/deficit reporting.
- Quarterly presentation of budget variance reports 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 "Joe Savikataaq", is written over a light grey rectangular background.

Hon. Joe Savikataaq
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

All departments and territorial corporations are accountable for developing and implementing their respective Inuit Employment Plans, including effective use of training and development programs provided by central agencies. While the Local Housing Organizations employ hundreds of Inuit staff and have very high Inuit employment rates, Inuit employment within the Corporation itself has plateaued around 35% for some years now. I look forward to seeing the progress the Corporation makes in finalizing the development of its plan and implementing strategic efforts to progressively increase Inuit employment within all categories of employment.

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.

Partnership and Collaboration

Turaaqtavut calls for collaboration with key partners to improve the lives of Nunavummiut. In 2018-19, I expect the Corporation to continue to work closely with the federal government to secure funding for housing in Nunavut. Increased collaboration with Nunavut Tunngavik Inc., as well as all three regional Inuit associations, will also 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.

Blueprint for Action

2017-18 saw the first year of implementation of the Blueprint for Action on Housing. As we know, progress on the 60 concrete actions, laid out in the Blueprint, is critical to addressing Nunavut's housing crisis. I expect the Corporation to give specific attention to actions that focus on Elders and supportive housing, to align with the priorities set out in *Turaaqtavut*.

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 has the capacity to continue the implementation of the actions set out in the Blueprint, particularly those related to purpose-built and affordable housing.

In 2018-19, the Blueprint for Action should be reviewed in consultation with all participating departments and agencies, and potentially revised, based on the results of its first year of implementation. I look forward to tabling the first Annual Status of Housing report upon its completion in fall 2018.

Staff Housing

As you are aware, the government's Staff Housing program acts as an important recruitment and retention tool within the Public Service. The program, however, has not undergone any major change in over 10 years.

With the completion of the Staff Housing Program review, I expect to see the development of comprehensive options with the goal of improving the effectiveness of the program. Nunavut's capital, and to some extent, its regional centres, have potential to support more diverse housing markets and the Corporation should explore and implement programming that encourages government employees to seek alternative housing options.

National Housing Strategy

2018-19 will be an important year for housing providers, partners and stakeholders across the country, as the National Housing Strategy begins implementation, and bilateral agreements for funding and program implementation are negotiated between Canada and each province and territory.

I expect the Corporation to approach these bilateral negotiations with the aim of establishing an agreement that is sufficiently flexible to account for the unique housing challenges we face in this territory. The significant amount of funding associated with the agreement, as well as its long-term nature, means that successful negotiations this year will be critical to the future progress of housing in Nunavut.

I also expect the Corporation to work closely with the Department of Finance to report on the implementation of the \$24 million in federal funding committed for 2018-19, as well as plan for the implementation of further funding under the National Housing Strategy.

Homeownership

The Corporation's suite of homeownership programs is an important tool for diversifying housing options and developing the private housing market in Nunavut. Action 16 in the Blueprint for Action on Housing calls for a review of homeownership programs to increase and encourage private ownership.

In 2018-19, I expect to see a thorough review of current and past homeownership programs to determine potential changes to improve the effectiveness of the programs in stimulating the private housing market in the territory.

As the mining sector continues to grow, more Nunavummiut will have incomes that can potentially support homeownership. The Corporation should also continue to work with mining companies towards the development and implementation of homeownership support programs for their employees.

Public Housing Construction

As new funding from the federal government becomes available, I look forward to seeing the details of long-term planning for new public housing construction across the territory, as well as how the construction allocation methodology will be enhanced to accurately capture true need within each community.

As you know, overcrowding links directly with social determinants of health and the outcomes for families and our elders—impacting on our justice and education systems, as well as our social services. Further, overcrowding significantly increases the rate of transmission for respiratory infections such as tuberculosis, and other contagious illnesses. Strategically increasing the public housing stock across the territory is critical to the well-being of Nunavummiut and the success of *Turaaqtavut*.

Mould Remediation

Another factor contributing to the well-being of Nunavummiut is the condition of our public housing units. I am aware of the Corporation's recent efforts to systematically address issues of mould in public housing units, and I encourage the Board of Directors to monitor and support the progress of these efforts and continue to develop and roll out a public education campaign on household mould, and how it can be prevented.

Relationship with Local Housing Organizations (LHOs)

As we move into 2018-19, I hope that the Corporation will continue to strengthen its relationships with the LHOs in each community. This relationship is critical to the operations of the Corporation and the provision of housing to tenants, and I hope to see a revised and improved Management Agreement with the LHOs implemented in the coming year with the goal of better supporting board governance, administration and reporting, service provision, human resources management and asset management at the local level.

Board Recruitment and Governance

With the recent appointment of two new Directors to the Board, the Corporation now has a full complement of members, representing a diverse range of insight and experience.

The Board plays an important role in the oversight and strategic direction of the Corporation. I ask that, moving forward, you and your executives ensure that the Board continues to function at full strength, with a focus on good governance and capacity-building as you support and guide the work of the Corporation.

Accountability and Financial Management Reporting Expectations for 2018-19

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:

- 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 the Corporation. This report, or reports, should contain, at a minimum, the information currently available in the government's 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.

For 2018-19, 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 and submitted within 30 days of the end of the quarter, and including a year-end fiscal forecast with surplus/deficit reporting.
- Quarterly presentation of budget variance reports 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 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.
- 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,

A handwritten signature in blue ink, appearing to read "Lorne Kusugak".

Hon. Lorne Kusugak
Minister Responsible for the Nunavut Housing Corporation

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



The Honourable Jeannie Ehaloak

MAR 29 2018

Mr. Bert Rose
Vice-Chairperson, Qulliq Energy Corporation
PO Box 1000, Station 1300
Iqaluit, Nunavut X0A 0H0

Qulliq Energy Corporation Letter of Expectation 2018-19

Dear Mr. Rose,

I am pleased to provide you with this Letter of Expectation for 2018/19. This letter outlines the priorities and goals intended to guide QEC in the new fiscal year and ensure the corporation meets the expectation for its success, as set out in in the Government of Nunavut's new mandate, *Turaaqtavut*.

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

Representing a new government, I look forward to strengthening new relationships with the QEC Board and Senior Management team as we work closely to provide safe, reliable and efficient electricity to Nunavummiut. I believe that many of the major initiatives already underway at QEC complement the government's mandate, and that the priorities outlined through *Turaaqtavut* will provide focus to the work of the corporation with positive outcomes.

Expectations and Priorities for 2018/19

As we enter a new fiscal year, I look forward to reviewing and approving QEC's 2018-2021 business plan with the timing that aligns with GN business planning. It is my expectation that the priorities and principles outlined in the business plan will be implemented with the overall well-being of Nunavummiut in mind.

Inuit Employment Plan

To support the Government of Nunavut in meeting its objectives under Article 23 of the Nunavut Agreement, the Department of Executive and Intergovernmental Affairs is developing a government-wide master plan that provides strategic direction for GN-wide programs and initiatives to increase and enhance Inuit employment.



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Minister Responsible for Qulliq Energy Corporation
Minista Kamayiyuq Qulliq Umaqquitit Kuapurisankunik
Ministre responsable de la Société d'énergie Qulliq

The Honourable Jeannie Ehaloak

All departments and territorial corporations are accountable for developing and implementing their respective Inuit Employment Plans, including effective use of training and development programs provided by central agencies. As of December 2017, Inuit employment at QEC is 52%. I look forward to seeing the progress QEC makes on finalizing the development of its plan, and implementing 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. Further, I expect you to ensure that that the President and Board of Directors take personal responsibility for ensuring a harassment-free workplace at QEC.

Partnership and Collaboration

Turaaqtavut calls for collaboration with key partners to improve the lives of Nunavummiut. In 2018, I expect QEC to work closely with the federal government to explore opportunities for increased funding for renewable energy initiatives and the power plant replacement program in the territory.

Increased collaboration with Nunavut Tunngavik Inc., the three regional Inuit associations, as well as the Nunavut Association of Municipalities will also be important for exploring and developing potential alternative energy opportunities to decrease the territory's reliance on diesel.

Power Plant Replacement

As QEC continues to work to provide safe and reliable energy to Nunavummiut, power plants in each community will need to be maintained, repaired, and replaced.

I expect that QEC will continue to work to ensure that plants are maintained at the highest efficiencies, in order to reliably supply energy to the territory. Turaaqtavut calls on us to develop and manage infrastructure in a positive way. While the cost of replacing plants is high, I look forward to seeing QEC's progress as it lobbies for increased funding from the federal government for plant upgrades and replacements.

Rate Changes

In the coming weeks, I will be thoroughly reviewing recommendations from the Utility Rate Review Council (URRC) regarding QEC's recent General Rate Application, to address costs, as well as issues with the existing rate structure.



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While I will reserve comment until after I have reviewed the URRC's report and recommendations, I expect you to accept and follow my direction, informed by URRC, accordingly. As you know, changes in utility rates, particularly increases, can have a significant effect on the lives of Nunavummiut, and the budgets of subsidy programs offered through Government of Nunavut departments and agencies. Good coordination for any rate change implementation will be critical, and I expect QEC to lead any such effort collaboratively, keeping in mind the principles of Aajiiqatigiinniq and Piliriqatigiinniq.

Alternative Energy and Independent Power Producers

The costs of supplying power to Nunavummiut through our 25 diesel plants are both monetary and environmental. As governments across Canada attempt to reduce emissions and improve energy efficiency in all fields, the GN must consider what this means in Nunavut's unique context.

I expect QEC to continue its efforts to reduce Nunavut's reliance on diesel power in a way that is feasible. Efforts to get an Independent Power Producer Policy in place should be continued. Increased work with municipalities will be critical to determining their ability to support independent power production.

To ensure the corporation's ability to purchase energy from alternative providers, QEC should continue its work to pursue necessary amendments to the *Qulliq Energy Corporation Act*.

Increasing Communications

QEC's ability to fulfil its mission and vision in serving its customers is partially dependent on its relationship with communities. QEC's vision to operate with transparency, accountability and integrity can be supported through strong lines of communication on all levels. Efforts to increase and improve communication with communities should be continued and enhanced through 2018/19.

Increased communication will also be important as QEC rolls out its net metering program. The Board and your staff must ensure that customers are aware of the program, and the potential benefits of investing in renewable energy. I also expect the Corporation to collaborate with the Climate Change Secretariat and the Nunavut Housing Corporation to explore opportunities for programs that support interested homeowners in obtaining and maintaining renewable energy sources.

Governance

With the passing of your former board chair, now is a more important time than ever to focus on building the governance capacity of QEC's Board of Directors. It is my intention to issue a call to fill the vacant position in a timely manner. Having a Board that is representative of



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Nunavummiut is important to ensuring a strong understanding of the needs and issues in our territory.

I encourage you to continue to build the strength of the board and pursue training opportunities that will allow you and your fellow Directors to be active and contributing members to the strategic planning of the Corporation.

Accountability and Financial Management Reporting Expectations for 2018/19

- 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:

- 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 2018/19, 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.



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- Quarterly presentation of budget variance reports 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 (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.
- QEC will enable the Internal Audit Services, Department of Finance, to carry out its audit duties and responsibilities and shall ensure that the Internal 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 the 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 of Expectation. I also look forward to reviewing your response to this letter.

Sincerely,

Jeannie Ehaloak
Minister Responsible for Qulliq Energy Corporation

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