



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

Nunavut Arctic College Letter of Expectation 2021-22

April 12, 2021

Dear Ms. Ball,

I am pleased to provide you with this Letter of Expectation for 2021-22. 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 (GN) mandate, *Turaaqtavut*.

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 post-secondary educational opportunities for Nunavummiut, guided by the priorities set out in *Turaaqtavut*.

Covid-19 Response:

I would like to thank the College for its commitment to the people of Nunavut throughout these unprecedented times. By focusing on the health and safety of your employees, students, and communities, you were able to limit the negative impacts on Nunavummiut. I recognize that many Nunavummiut have made significant sacrifices throughout the COVID-19 pandemic, but thanks to our combined efforts we are finally beginning to see the positive results.

Expectations and Priorities for 2021-22

NAC's 2021-22 business plan and budget outline a number of 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.

In particular, I ask that you prioritize a review of the *Piqqusilirivvik* program and explore



expanding cultural programming options offered at the Community Learning Centers. I look forward to an update on this in the coming year.

I am encouraged by NAC's renewed focus on creating bilingual teachers for Nunavut and also look forward to updates on the *Uqariuqsatittijit* Inuit Language specialist training pilot project that aligns with the Nunavut Teacher Education Program (NTEP).

Inuit Employment Plan

The GN Master Inuit Employment Plan and NAC's detailed plan should continue to guide the College's recruitment, and human resources activities to increase Inuit employment at all levels through 2023.

All departments and territorial corporations are responsible for implementing their respective Inuit Employment Plans, including effective use of training and development programs provided by the GN. All departments and territorial corporations are expected to report on progress semi-annually.

As of December 2020, Inuit employment at the College is 56%. While I am encouraged by NAC's continued commitment towards the employment of a strong, representative work force, I look forward to NAC's further strategic efforts to increase Inuit employment. It is particularly important to have Inuit instructors delivering your programs.

Harassment Free Workplace

The Government of Nunavut remains committed to supporting a safe work environment for all employees. In accordance with the Harassment Free Workplace Policy the GN has zero tolerance for harassment, bullying or reprisals of any type. To ensure this safe environment, it is imperative that all employees read, understand, and follow this policy, and the Human Resource Manual directives that complement the policy. The responsibility for ensuring a harassment-free workplace at the College falls on the organization's leadership, therefore, I direct the Board of Governors and President to take personal responsibility in this area.

Territorial Corporations Committee

I am encouraged by the recent creation of the Territorial Corporations Committee. The opportunity for collaboration with Nunavut's other Territorial Corporations is invaluable, not only helping to foster a positive working relationship, but allowing Corporations to work collectively to meet their statutory reporting requirements. I look for the College to continue its valuable participation at this table on an ongoing basis.



Memorandums of Understanding

I expect NAC to work with the Department of Finance to establish a formal memorandum of understanding (MOU) with the GN. This MOU will strengthen the College's relationship with the GN and ensure the efficient and effective administration of operations and delivery of the College's mandate. This MOU will in no way diminish the duties or powers of either my office, or the College, but rather build upon the foundational principles of autonomy, accountability, and collaboration to ensure Nunavummiut are provided services at the highest level.

Contracting, Procurement & Leasing

In 2019, Standing Committee on Oversight of Government Operations and Public Accounts raised concerns about the leasing activities of all Corporations. The GN ensures this transparency through the tabling of its annual contracting activity reports which clearly identify the various contracts entered into by the GN as well as the procurement method used. I expect you to ensure that proper accountability processes are followed in the College's procurement contracts and leasing of properties.

I encourage NAC's participation in the Territorial Corporations Committee's work to create a standardized template for Activity Reporting for all territorial corporations to ensure appropriate levels of accountability and transparency and look forward to the tabling of NAC's 2019-20 Contracting, Procurement and Leasing Reports at the earliest possible time.

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. Strategic partnerships allow the College to expand development in areas such as program delivery, student support services, faculty and staff development and research collaboration.

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. I look forward to seeing the College's completed 10-year strategy, including a plan for implementation.

Family Education Model

With family forming the foundation of any student's learning, this is an especially important initiative which seeks to support the student as a whole person, within the context of their cultural values and family. I look forward to an update on the



development of a plan for implementing this model in 2021-22.

Expanding Opportunities for Teachers

As noted earlier, I am encouraged by NAC's on-going work to refine the Nunavut Teachers Education Program (NTEP), particularly the *Uqariuqsatittijit* Initiative and the ongoing work to create a laddered approach.

Successful delivery of NTEP is critical to the wellbeing for children of all ages, but the youngest Nunavummiut are often the most vulnerable. I encourage the College to prioritize the promotion and expansion of the two Early Childhood Education programs.

With the signing of the MOU with Memorial University, I look forward to the college exploring the possibility of a Master of Education program for Nunavummiut in 2021-22 and onwards.

Expanding Opportunities for Students

I was pleased to see that Memorial and the College have also developed an agreement for the delivery of a Bachelor of Social Work degree in Cambridge Bay in the fall of 2021. I am hopeful this program will allow interested students to pursue continuous learning through a master's degree in social work offered online through Memorial. I look forward to updates on this program's success.

Leadership in Research

The work of the College's Innovation and Research Institute is critical for not only ensuring that research in the territory aligns with the values of Nunavummiut, but also in creating opportunities for innovation and development.

In 2021-22, I encourage the College to continue to create opportunities to further engage in research initiatives, particularly as they relate to energy resource development and renewable energy in Nunavut. I understand this is a long and strategic process. Therefore, in 2021-22 I look forward to updates on progress for this initiative. 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

Over the past four years the College's Law Degree Program has provided an important pathway for Nunavummiut to further themselves professionally. It has also been successfully increasing Nunavut's capacity by developing professionals who understand Nunavut's unique context and will remain in the territory to work. I note the College's



using the Central Accountability Committee (CAC) reporting template and timeframe indicated in the 2021-22 GN-NAC Contribution Agreement:

- Reporting template will include corporate financials, policy and strategic planning, interim budget variance reports and expense projections for both operations and maintenance, capital and year-end fiscal forecast with surplus/deficit reporting.
- These reports will be presented semi-annually to CAC for review.

The College is also asked to work with staff at the Department of Finance's Financial Reporting and Controls division to provide all requested documents in the GN's ongoing effort to ensure Public Sector Accounting Standards are appropriately implemented:

- All schedules and supporting documents required in the preparation of the consolidated public accounts at their earliest availability or as per the distributed requirement timetable.
- Management letters or other reporting (including NAC's response) issued by the auditor (both the Auditor General of Canada and any other independent auditor) for all audits conducted on the College for the year.

It is important that dialogue and communication be ongoing throughout our government. In the spirit of strengthening our public agencies, I ask that the College 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 receiving your formal response to this letter.

Sincerely,

Hon. David Joanasie
Minister Responsible for Nunavut Arctic College

CC: Rebecca Mearns, A/President, Nunavut Arctic College
Jeff Chown, Deputy Minister, Department of Finance



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

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Minista munariyualik Nunaminiqaqtut Atukkirviit Kuapuliisitkut
Minister responsible for the Nunavut Business Credit Corporation
Ministre responsable de la Société de crédit commercial du Nunavut

March 31, 2021

Translation to Follow

Ms. Marg Epp
Chairperson
Nunavut Business Credit Corporation
PO Box 2548, Iqaluit NU
X0A 0H0
Email: mepp@kcfi.ca

Nunavut Business Credit Corporation Letter of Expectation 2021-22

Dear Ms. Epp:

I am pleased to provide you with this Letter of Expectation for 2021-22. This letter outlines the priorities and goals intended to guide Nunavut Business Credit Corporation (NBCC) in the new fiscal year, particularly in relation to the economic development priorities set out in the Government of Nunavut's (GN) mandate, *Turaaqtavut*.

This past year has been exceptional with Covid-19 impacting all facets of our lives and creating uncertainty across all sectors of our economy. As we move forward into 2021-22 with this economic uncertainty, it will be particularly important for the GN and its agencies to exercise diligence and careful fiscal management.

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

I look forward to continuing a strong working relationship with the Board of Directors and staff over the coming year as we jointly strive to support Northern opportunities for economic development.

Expectations and Priorities for 2021-22

NBCC's 2021-22 business plan and budget outline several important priorities for the Corporation. I note that NBCC's priorities align directly with *Turaaqtavut* as they encourage *Inuusivut*, *Pivaallirutivut*, *Sivummuvaqpalliajjutivut*, *Inuunivut* and *Katujjiqatigiinnivut*. It is important that these priorities be implemented strategically with the overall well-being of Nunavummiut in mind.

I note that NBCC's portfolio has decreased further with nine credit facilities being paid in full during 2019-20, allowing the Corporation to make repayments to its advance from the GN. With only 25 performing clients in 2020-21, I expect the Corporation to actively



pursue high potential investment projects, with the aim to reverse the decreasing value of NBCC's active loan portfolio. I encourage the Corporation to explore opportunities in new business areas including the cannabis sector. I look forward to the impact these renewed efforts will have on the corporation's projected portfolio.

Inuit Employment Plan

The GN Master Inuit Employment Plan and the NBCC detailed plan should continue to guide the Corporation's recruitment and human resources activities to increase Inuit employment at all levels. All departments and territorial corporations are responsible for implementing their respective Inuit Employment Plans, including effective use of training and development programs provided by the GN. All departments and territorial corporations are expected to report on progress semi-annually, as the GN works to enhance the opportunities available to Inuit. I look forward to seeing the progress the Corporation makes to implement strategic efforts to increase Inuit employment in 2021-22.

As of December 2020, Inuit employment at NBCC is 25%. While there are some mitigating factors including NBCC's very small team comprised of stable, long-term employees, I look forward to seeing the Corporation implement strategic efforts to increase Inuit employment, including developing succession planning and accessing the Sivuliqtiksat Internship Program. In particular, I expect NBCC to renew efforts to create and fund a CEO Intern through the GN's Sivuliqtiksat Program.

Respectful and Harassment-Free Workplace

In accordance with the Respectful and 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 associated Human Resource Manual directives. Further, I expect you to ensure that that the CEO and Board of Directors take personal responsibility for ensuring a respectful and harassment-free workplace.

Leasing & Procurement Activity

As the Minister responsible for NBCC, I understand that Nunavut is a unique territory. Competition may be limited, and actual or perceived conflicts of interests may occur, particularly when hiring, procuring goods and services locally or leasing properties. Nonetheless, I expect ethical conduct as the Corporation works to fulfil its operational requirements.

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



supported by the corporation's activities. I recommend exploring a comparable system to one used by NDC.

Accountability and Financial Management Reporting Expectations for the 2021-22 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 provisions for territorial corporations. Additionally, please be aware that in the interest of increased transparency, accountability and effectiveness, Minister's 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 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 NBCC's Annual Report.
- 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 2021-22 you are asked to ensure the following reporting requirements are submitted to the Department of Finance, through the Manager of Public Agencies, on a quarterly basis using the Central Accountability Committee (CAC) reporting template and timeframe indicated below:

- Reporting template will include corporate financials, policy and strategic planning, interim budget variance reports and expense projections for both operations and maintenance, and capital
- These are to be submitted within 10 days of the end of the quarter, including a year-end fiscal forecast with surplus/deficit reporting.
- Board approved budget variance reports must submitted within 30 days of the end of each quarter.
- These reports will be presented semi-annually to CAC for full review.



Collaboration with NBCC and EDT

In 2021-22 NDC should work with EDT officials on opportunities to increase integration with the Nunavut Business Credit Corporation (NBCC). This should at minimum include regular communication regarding investments, dividend rates, and due diligence.

With EDT's Assistant Deputy Minister of Economic Development now located in Rankin Inlet, it is my expectation that the NDC will work more proactively with the department to align its efforts to strengthen Nunavut's economy.

Fostering Strong Business 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 NDC to offer varied economic development opportunities for Nunavummiut.

Your partnerships with subsidiaries such as Ivalu, Uqqurmiut Arts and Crafts Ltd., and Kitikmeot Foods Ltd., as well as supply partnerships with artists and enterprises, are key to expanding Nunavut's economic future. In 2021-22, I expect NDC to continue to foster these important existing partnerships, as well as working to develop potential new strategic partnership opportunities, including new subsidiaries.

Opportunities through Community Banking

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.

While I am pleased to see the agency banking arrangement between Uqqurmiut Arts and Crafts Ltd. and RBC, to support the *Turaaqtavut* priority of *Inuusivut*, in 2021-22, I expect NDC to continue working towards more options for Nunavummiut living in underserved communities.

Economic Diversification

Through *Pivaallirutivut* and *Inuusivut*, *Turaaqtavut* calls for the diversification and improvement of economic opportunities to encourage self-reliance and local employment. I look forward to updates on implementation plans for the Capital Fund,

finalized and approved, they will be tabled in the Legislative Assembly. prior to the end of the Assembly's mandate.

Once the reports are approved, I expect the Corporation to promptly begin work to implement the recommendations made in the review.

Inuit Employment Plan

The GN Master Inuit Employment plan and NHC's detailed plan should continue to guide the Corporation's recruitment, and human resources activities to increase Inuit employment at all levels. All departments and territorial corporations are responsible for implementing their respective Inuit Employment Plans, including effective use of training and development programs provided by the GN. All departments and territorial corporations are expected to report on progress semi-annually.

While the Local Housing Organizations (LHOs) employ hundreds of Inuit staff and have very high Inuit employment rates, Inuit employment within the NHC was itself 37% in December 2020.

I look forward to seeing the progress the Corporation makes to implement strategic efforts to increase Inuit employment in 2021-22.

Respectful and Harassment-Free Workplace

In accordance with the Respectful and 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 respectful and harassment-free workplace at the Corporation.

Leasing & Procurement

As the Minister responsible for the NHC, I understand that Nunavut is a unique territory. Competition may be limited, and actual or perceived conflicts of interests may occur, particularly when hiring, procuring goods and services locally or leasing properties. Nonetheless, I expect ethical conduct as you work to fulfil the operational requirements of the Corporation.

In 2019, the Standing Committee on Oversight of Government Operations and Public Accounts raised concerns about the leasing activities of all Corporations. I was pleased to see the NHC tabled their 2017-18, 2018-19 and 2019-20 Contracting, Procurement and Leasing Reports this winter. It is important that NHC continues to table this report in a timely manner in the coming year.

I will continue to ask that you provide as part of your internal leasing process that each lease agreement entered includes a validation of the registered titleholder of the property and this information along with the landlord (which may be different) should be reported as part of your annual contract reporting.

I further ask that your contracting policies and process require disclosure to senior management of any situation where a contract is being considered that involves a board member, employee,

or their immediate family member. I expect that entry into any such contracts be subsequently reported to the Board.

Territorial Corporations Committee

I am encouraged by the recent creation of the Territorial Corporations Committee. The opportunity for collaboration with Nunavut's other Territorial Corporations is invaluable, not only helping to foster a positive working relationship, but allowing Corporations to work collectively to meet their statutory reporting requirements. I look for the NHC to continue its valuable participation at this table on an ongoing basis.

Memorandums of Understanding

I expect the Corporation will work to establish a formal memorandum of understanding (MOU) with the GN. This MOU will strengthen NHC's relationship with the GN and ensure the efficient and effective administration of operations and delivery of the NHC's mandate. This MOU will in no way diminish the duties or powers of either my office, or the NHC, but rather build upon the foundational the principles of autonomy, accountability, and collaboration to ensure a Nunavummiut are provided services at the highest level.

Partnerships

I was encouraged by NHC's focus on the *Turaaqtavut*, priority of *Katujjiqatigiinnivut* in 2020-21. With the implementation of the federal government's National Housing Strategy initiatives and Inuit Tapiriit Kanatami's ten-year *Inuit Nunangat Housing Strategy* it is important to see Nunavummiut working together to address the housing crisis.

I expect that the critical partnership with the Canada Mortgage and Housing Corporation will also continue to be fostered.

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

Blueprint for Action on Housing & Status of Housing Report

As we enter the fifth 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 achieve specific actions and activities. I was encouraged to see the *GN Status of Housing Report 2020* and the subsequent *Pathways Home - Blueprint Renewal*. It is important to celebrate the past successes of NHC, while recognizing the work to be done. I expect the initiatives laid out in the Corporation's strategy will continue and NHC will provide updates to its stakeholders and GN partners on a regular basis.

As we know, it is only through shared investment and collective responsibility that we can adequately address the complex issues related to housing. I encourage the Corporation forming strategic partnership with Inuit organizations and working with Nunavut's mining companies to encourage the development of homeownership supports of their employees.

The Blueprint for Action is a complex document that 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 fifth year, as the medium and longer-term actions become more relevant.

Partnership with Local Housing Organizations

I would like to congratulate the Corporation on signing of the new LHO Management Agreement. In keeping with *Katujjiqatigiinnivut*, I expect the NHC in 2021-22 to continue to work diligently at maintaining and strengthening its most important partnership, that with the LHOs. This will help ensure programs are delivered consistently across the territory and that the LHOs are consulted for valuable insight on community priorities and concerns.

I do have concerns about the ongoing collection rates, and I expect the Corporation to review its policies and procedures while working with the LHO to develop strategies to improve these rates.

I am confident that the commitments and requirements set out in the new agreements will also help 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 new GN staff housing policy was approved in 2019-20 and with it the creation of the representative allocation committee comprised of all GN departments. While I am encouraged by this development, I recognize that there is much work to be done to create housing opportunities within the public service.

With the increase in the number of staff housing units being added to NHC's portfolio, NHC needs to ensure they can accurately track the maintenance of the units while ensuring staff are trained to complete the necessary maintenance. Additionally, the corporation needs to ensure that all maintenance and repair calls made to LHO are tracked and responded to in a timely manner.

I expect the Corporation, working with the Departments of Finance and Human Resources, to complete the Homebuyers Matched Savings Program prior to the end of the current Assembly.

Condo Program

The Condo Program was scheduled to resume in March 2021, after experiencing delays due to the pandemic. I expect all efforts be made to communicate the benefits of condo ownership to GN staff, with a focus on long term Inuit employees.

I also expect NHC to provide the Central Accountability Committee (CAC) with ongoing updates on the status of GN Condo Program allocations, including the status of units occupied, pending sale and unsold. The current Condo Program should conclude before March 31, 2022.

Homeownership

Successfully transitioning from subsidized public or staff housing to homeownership is a critical step in the housing continuum and helps increase self-reliance and well-being for Nunavut's families. NHC's Homeownership Programs can play a key role in supporting the transition, as well as maintaining successful homeowners in the future.

In 2021-22, I expect to see the outcomes from the Rent Scale and construction methodology reviews, and the tabling of the completed reports in the legislature as soon as possible. I also expect the formalization of the Homeowners Building Assistance Program when CMHC funding has been confirmed.

Communications

The Corporation will devote resources to developing comprehensive communications strategies for their programs and services including homeownership programs, condo program, waitlist updates and any other programs to improve access and supports for Nunavummiut. Elders require additional support and information about the programs they are eligible to apply for. The Corporation will develop a comprehensive communications plan specific to communicating with Elders and programs. I encourage NHC to review the forms used to apply for all homeownership programs to ensure clarity and simplicity.

In 2021-22, I expect the Corporation will also complete and roll-out their tenant education plan that is now in development.

Accountability and Financial Management Reporting Expectations for 2021-22

The Financial Administration Act (FAA), in Section IX, Public Agencies, outlines the minimum reporting responsibilities and timeframes for Nunavut's public agencies, including 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:

- NHC's Business Plan, to coincide with the tabling of the GN's Business Plan.
- A yearly comprehensive report on all procurement, contracting and leasing activities undertaken by NHC. 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. I expect NHC to participate in the Territorial Corporations Committee's work to create a standardized template for Activity Reporting for all territorial corporations.
- Formal responses to letters of expectation, letters of instruction and Ministerial directives at the first session of the Legislative Assembly after the NHC receiving such correspondence.

During 2021-22 you are asked to ensure the following reporting requirements are submitted to the Department of Finance, through the Manager of Public Agencies, on a quarterly basis to using the Central Accountability Committee (CAC) reporting template and timeframe indicated below:

- Reporting template will include corporate financials, policy and strategic planning, interim budget variance reports and expense projections for both operations and maintenance, and capital. These are to be submitted within 10 days of the end of the quarter, including a year-end fiscal forecast with surplus/deficit reporting.

- Board approved budget variance reports can be submitted within 30 days of the end of the quarter.

The NHC is also asked to work with staff at the Department of Finance's Financial Reporting and Controls division to provide all requested documents in the GN's ongoing effort to ensure Public Sector Accounting Standards are appropriately implemented:

- All schedules and supporting documents required in the preparation of the consolidated public accounts at their earliest availability or as per the distributed requirement timetable.
- Management letters or other reporting (including NHC's response) issued by the auditor (both the Auditor General of Canada and any other independent auditor) for all audits conducted on NHC for the year.
- These reports will be presented semi-annually to CAC for review.

It is 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.

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

Sincerely,



Hon. Margaret Nakashuk
Minister Responsible for Nunavut Housing Corporation

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



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

The Honourable Jeannie Ehaloak

12-April-21

Mr. Keith Peterson
 Chairperson
 Qulliq Energy Corporation
 PO Box 250
 IQALUIT, NU X0A 0H0

Qulliq Energy Corporation 2021-22 Letter of Expectation

Dear Mr. Peterson:

I am pleased to provide you with the 2021-22 Letter of Expectation. I would like to begin by congratulating the Qulliq Energy Corporation (QEC) on its 20th anniversary. While there have been challenges along the way, there have also been many successes and achievements, which the Board of Directors and all QEC employees can be very proud of.

This letter outlines the priorities and goals intended to give clear guidance to the QEC in the new fiscal year, to not only achieve their energy objectives, but those set out in the Government of Nunavut's (GN) 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. I look forward to further strengthening my relationship with the QEC board and the new senior management team as we work closely to provide safe, reliable, and efficient electricity to Nunavummiut.

Covid-19 Response

I would like to thank the corporation for its commitment to the people of Nunavut throughout these unprecedented times. By focusing on the health and safety of your employees, customers, and communities, you were able to limit the negative impacts on Nunavummiut. I recognize that Nunavummiut have made significant sacrifices throughout the COVID-19 pandemic, but thanks to our combined efforts we are finally beginning to see the positive results.

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Expectations and Priorities for 2021-22

QEC's 2021-22 Corporate 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. I remind the Board of the benefits of integrating the Inuit Societal Value *Aajiiqatigiinniq* (decision making through discussion and consensus) regarding the strategic direction of the Corporation.

Territorial Corporations Committee

I am encouraged by the recent creation of the Territorial Corporations Committee. The opportunity for collaboration with Nunavut's other Territorial Corporations is invaluable, not only helping to foster a positive working relationship but allowing corporations to work collectively to meet their statutory reporting requirements. I look for QEC to continue its valuable participation at this table on an ongoing basis.

Memorandums of Understanding

I expect the corporation to work to establish a formal memorandum of understanding (MOU) with the GN. This MOU will strengthen QEC's relationship with the GN and further define the role of the Board Chair and the President, to ensure the efficient and effective administration of operations and delivery of QEC's mandate. This MOU will in no way diminish the duties or powers of either my office or QEC, but rather build upon the foundational principles of autonomy, accountability, and collaboration to ensure a Nunavummiut are provided services at the highest level.

Inuit Employment Plan

I am encouraged by the corporations continued commitment towards the employment of a strong, representative work force, which is critical to the ongoing success of the Corporation and territory. The GN Master Inuit Employment Plan and QEC's detailed plan should continue to guide the corporation's recruitment, and human resources activities to increase Inuit employment at all levels through 2023.

In 2021-22, this includes the Inuit Leadership Development Program which helps Inuit employees achieve their career goals. I note that the corporation has also committed to creating career development plans for up to 90% of Inuit employees, recruiting two Inuit candidates into the apprenticeship program and creating an internal internship program. I look forward to an update on these important targets.

All departments and territorial corporations are responsible for implementing their respective Inuit Employment Plans, including effective use of training and development programs provided by the GN. All departments and territorial corporations are expected to report on progress semi-annually.

As of September 2020, Inuit employment at QEC was 52%. I look forward to seeing the progress the corporation makes to implement strategic efforts to increase Inuit employment in 2021-22.

Respectful and Harassment Free Workplace

In accordance with the *Respectful and 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.

Contracting, Procurement & Leasing

In 2019 Standing Committee on Oversight of Government Operations and Public Accounts raised concerns about the leasing activities of all corporations. I was pleased to see QEC table their 2018-19 Contracting, Procurement and Leasing Reports this winter, but it is important that QEC table these reports in a timely manner in the coming years.

As the Minister responsible for the QEC, I understand that Nunavut is a unique territory. Competition may be limited, and actual or perceived conflicts of interests may occur, particularly when hiring, procuring goods locally and services, or leasing properties. Nonetheless, I expect ethical conduct as you work to fulfil the operational requirements of the corporation.

I will continue to request that as part of your internal leasing process each lease agreement, includes validation of the registered titleholder of the property and the landlord (which may be different). I further ask that your contracting policies and process require disclosure to senior management of any situation where a contract is being considered that involves a board member, employee, or their immediate family member. I expect that entry into any such contracts be subsequently reported to the Board of Directors.

I ask that QEC participate in the Territorial Corporations Committee's work to create a standardized template for Activity Reporting for all territorial corporations to ensure appropriate levels of accountability and transparency. I appreciate your cooperation in ensuring that proper processes are followed and look forward to seeing your 2019-20 report, with the changes implemented based on the Standing Committee recommendations.

Plant Upgrades & Office Upgrades

I recognize that Covid-19 has created several challenges and delays to the planned upgrades. This includes delay of new office in Baker Lake. Completion of this facility will be a significant step for the corporation as it continues to increase its capacity.

I know the contract has been awarded and work is expected to begin in the spring 2021 and continue through 2022. I look forward to regular updates on the progress of this project.

As the territory grows in both population size and infrastructure, the demand for upgraded power plants and facilities will continue to increase. The federal government's funding program, Arctic Energy Fund (AEF) will support critical upgrades to power plants, including replacement of generators in 6 communities over the next few years, helping the corporation keep up with growth and increased demand. I also look forward to further updates on the plan for spending under the AEF and in 2021-22.

Customer-Focused Operations

As a territorial corporation, QEC does not receive any appropriations from the GN and its revenue is dependent on the money it collects from its customers. Nunavummiut pay some of the highest electricity rates in the country. Therefore, it is crucial that the corporation maintains its focus on providing excellent service and ensuring all customers are getting the best value for their money.

In 2021-22, I also expect QEC to continuing open transparent communication with customers and maintain its commitment to review its customer service processes and develop a plan to improve its engagement with and service to customers.

Alternative Energy Programs

While it is generally accepted that Nunavut is unique in the challenges it faces related to developing alternative energy opportunities, it important that the Corporation continues reduce emissions and improve energy efficiency in all areas. I commend QEC for the launch of the Commercial and Institutional Power Producers (CIPP) Policy which will provide local economic opportunities for Nunavummiut while adding renewable power energy sources and energy security. I do, however, expect QEC to continue your work with the Utility Rates Review Council to develop a new pricing regime for full implementation of the program.

I am pleased to see the Arctic Energy Fund (AEF) will be used to help fund replacement of the Kugluktuk power plant with Nunavut's first solar diesel power plant. This marks an exciting first for Nunavut and signifies QEC's commitment to reducing diesel fuel dependency.

The Net Metering policy marked an important step for the Corporation. By allowing customers to produce their own power, the program contributes to increasing the self-reliance of Nunavummiut, and aligns with the priority *Inuusivut*. As QEC enters the third year of the Net Metering Program, I look forward to receiving updates on the progress of the review being conducted by your engineering department.

Accountability and Financial Management Reporting Expectations for 2021-22

The Financial Administration Act (FAA), in Section IX, Public Agencies, outlines the minimum reporting responsibilities and timeframes for Nunavut's public agencies, including 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 information to the GN and Nunavummiut. Ongoing reporting responsibilities include tabling the following in the Legislative Assembly:

- QEC's Corporate Plan coincide with the tabling of the GN's Business Plan;
- A yearly comprehensive report on all procurement, contracting and leasing activities undertaken by the QEC. 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. I expect the QEC to participate in the Territorial Corporations Committee's work to create a standardized template for Activity Reporting for all territorial corporations;
- Formal responses to letters of expectation, letters of instruction and Ministerial directives at the first session of the Legislative Assembly after the QEC receiving such correspondence.

During 2021-22 you are asked to ensure the following reporting requirements are submitted to the Department of Finance, through the Manager of Public Agencies, on a quarterly basis using the Central Accountability Committee (CAC) reporting template and timeframe indicated below:

- Reporting template will include corporate financials, policy and strategic planning, interim budget variance reports and expense projections for both operations and maintenance, and capital. These are to be submitted within 20 days of the end of the quarter, including a year-end fiscal forecast with surplus/deficit reporting;
- Board approved budget variance reports can be submitted within 30 days of the end of the quarter;
- These reports will be presented semi-annually for CAC full review.

QEC is also asked to work with staff at the Department of Finance's Financial Reporting and Controls division to provide all requested documents in the GN's ongoing effort to ensure Public Sector Accounting Standards are appropriately implemented:

- All schedules and supporting documents required in the preparation of the consolidated public accounts at their earliest availability or as per the distributed requirement timetable;

- Management letters or other reporting (including QEC's response) issued by the auditor (both the Auditor General of Canada and any other independent auditor) for all audits conducted on the College for the year.

It is 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 receiving your formal response to this letter.

Sincerely,

A handwritten signature in blue ink, appearing to read "JEHALOAK". The signature is fluid and cursive, with the first name "Jeannie" and last name "Ehaloak" clearly distinguishable.

Jeannie Ehaloak

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