



NUNAVUT BUSINESS
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CREDIT CORPORATION
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“Lender of Northern Opportunity”

July 14, 2020

Hon. David Akeeagok
Minister responsible for
Nunavut Business Credit Corporation
PO Box 2410
IQALUIT, NU
X0A 0H0

Dear Minister Akeeagok:

The Board of Directors met on June 15, 2020 and discussed your 2020/2021 Letter of Expectation.

The main priority of the Board of Directors for the *Turaaqtavut* mandate is to enact legislative amendments to the *Nunavut Business Credit Corporation Act* to strengthen business development throughout the territory. To this end, your support and that of the Department of Economic Development and Transportation is necessary to ensure that a legislative proposal is approved by Executive Council as a first step towards this priority. These discussions have taken place since prior to 2012, and we ask that it becomes a priority of your Department to bring this to completion.

During the last four fiscal years, 26 credit facilities were paid out because our clients obtained financing from traditional banking sources or Atuqtuarvik Corporation. Many of these clients would prefer to remain with NBCC, but are unable to, due to our constraints. This underscores the need to enact a legislative amendment to increase the Corporation’s maximum lending limit to remain competitive in today’s lending environment.

The Corporation is developing a communications plan with the goal of better serving its existing clientele and to expand its client base. This is particularly important as the Corporation replenishes its client base.

Although it is noted in the Corporation’s 2019/2020 annual report, it is worth noting again in this response that the Corporation has implemented a client portal to allow clients to access their credit facility information on-line, similar to on-line banking. Clients can also upload credit facility compliance documents for the Corporation’s review. This is also a possible first step towards on-line credit applications.

The Corporation continues to be the leader in providing input to the Department of Finance with respect to its Financial Administration Manual for Public Agencies (FAMPA) initiative and early adopted FAMPA in 2017/2018. As part of its submission to the Department of Finance during its loans receivable review in 2019/2020, the Corporation provided value added analysis.

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The Corporation has also taken the lead in ensuring that interdepartmental balances with the Department of Finance and the Department of Economic Development and Transportation are reconciled during its pre-audit work. As in past years, the Corporation is the first territorial corporation to complete its annual audit.

It is the understanding of the Corporation that the leasing and procurement section in your 2020/2021 Letter of Expectation is the result of confidential correspondence between the Minister of Finance and the Standing Committee on Oversight of Government Operations and Public Accounts (Standing Committee). The Corporation is of the view that the Standing Committee should be transparent to Nunavummiut in its recommendations to the Minister of Finance and provide the context of those recommendations to territorial corporations.

The Corporation's only leasing activity for its office space in the Parnaivik Building is conducted through the Department of Community and Government Services (CGS). The current lease has been extended to September 30, 2020 and it is the Corporation's understanding that CGS is or will be conducting a RFP for office space.

The Board of Directors is appreciative of your ongoing support and open line of communication. We had, once again, wanted to extend an invitation to you to our spring in-person Board of Directors meeting, but with COVID-19, the spring in-person Board of Directors meeting was replaced by a teleconference. We are hopeful that we can invite you to our in-person fall Board of Directors meeting to continue our dialogue.

Yours sincerely,



Marg Epp
Chairperson

xc: Hon. George Hickes, Minister of Finance
Jeff Chown, Deputy Minister, Department of Finance
Bernie MacIsaac, Deputy Minister, Department of Economic Development
and Transportation
Peter Ma, CEO, Nunavut Business Credit Corporation

Harassment Free Workplace

Our Board has made it clear for many years that we will not tolerate Harassment or Bullying of any sort within our Corporation; this is also reinforced in our internal human resource policies.

Inuit Employment Plan

NDC will continue to have a strong Inuit workforce and will endeavor to continue to increase its Inuit employment Filling positions with qualified Inuit staff is essentials looking forward to taking part of the Inuit Employment plan in training and development program withing the GN.

As a small team we are currently working with 75% of the Inuit workforce and at this time since our President has been transferred to another department, we currently are working with Inuit beneficiary interim President with 5 five Nunavut beneficiary General Managers with the Cultural Industries managing all Inuit Employees and 2 two non-beneficiary General Managers in the meat and fish sector with all Inuit beneficiary employees in the new future to increase Inuit employment for 2020-21.

Leasing & Procurement

NDC has a strong working environment dealing with Conflict of Interested in not an issue – we will provide our team Government of Nunavut's Code of Values and Ethics document for all our employees to review.

Fostering Strong Partnerships

NDC – Turaaqtavut, through the Katujjiqatigiinnivut collaboration with our key partners to help improve the lives of Nunavummiut is our strong way of supporting though Inuuqatigiitsiarniq in Nunavut on projects that we had done with GN production in AWG pang hats in Pangnirtung and Arviat; sewing machine repair workshops, providing a repair person to come up north and do repairs of sewing machine collaborating with Rubenstein Sewing machine from Winnipeg to come up to the Kivalliq communities through funding from ED&T as we all know every household might have sewing machine are in need of repair, due to more and more seamstresses with employment and income earning opportunities supporting families, packing doll workshops with youth and women, to provide income opportunities we will continue to support our Nunavummiut with so much potential out there in the cultural industries and meat and fish sector.

NDC will continue to supply partnership across Nunavut and beyond by reaching out to communities across Nunavut throughout visitor's centers, galleries and any other arts sectors like Arctic Airports, tradeshow and also that we provide support into smaller communities with our workshops, bringing products from our Subsidiaries company products to show what are available products in Nunavut for our Nunavummiut artist and customers. We will continue to work with our Christmas market for Agnico Eagle's Meliadine and Meadowbank gold mine workers, as well as supply partnerships with artist and enterprises to support and expanding Nunavut economic futures.

In 2021, NDC will continue to foster these important existing partnerships, as well as working to develop to provide income earning opportunities for our Inuit to develop new opportunities in the years to come.

Opportunities through Community Banking and more

We are pleased to announce that Uqqurmiut Arts & Craft in Pangnirtung has partnered with Royal Bank of Canada to provide banking services through establishment of agency banking, our customer service for our community has been keeping our community quite busy with the banking system Uqqurmiut Arts & Craft also have the Canada postage services and SSI – QINIQ service that provides income earning opportunities in our community.



Economic Diversification

All funds at the disposal of NDC, viz., Capital Fund, Subsidy Fund, Capital Reserve Fund, and Venture Reserve Fund, as in the past, are always being used for diversification and improvement of economic opportunities to encourage self-reliance and local employment. *Turaaqtavut* is in the thoughts, words and deeds of NDC. NDC will continue to strive making new investments of at least \$500,000 with an emphasis on local harvesting and tourism sectors.

Accountability and Financial Management Reporting Expectations for the 2020-21 Fiscal Year.

Transparency, accountability and effectiveness have been the heart and soul of NDC's operations from its inception. NDC will continue to maintain the same level of sincerity in 2020-21 also.

Reporting requirements to both the Legislative Assembly and the department of Finance will be met without delaying the preparation of Public Accounts the Government of Nunavut. The fact that NDC has never failed to meet the reporting deadlines in the past many years, indicate the true spirit of NDC.

I very much look forward to working with you in positively advancing matters of economic development across Nunavut in the years ahead.

Sincerely,

Donald Havioyak
Chairperson

CC: Gorette Kakuktinniq, Interim President, Nunavut Development Corporation
Bernie MacIsaac, Deputy Minister, Dept. of Economic Dev. & Transportation
Jeff Chown, Deputy Minister, Dept. of Finance



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Qulliq Energy Corporation
Société d'énergie Qulliq
Qulliq Airuyaktuqtunik Ikumatjutiit

May 15, 2020

Hon. Jeannie Ehaloak
Minister responsible for QEC
PO Box 2410
Iqaluit, NU
X0A 0H0

Re: Qulliq Energy Corporation's 2020-21 Letter of Expectation

Dear Minister Ehaloak,

Thank you for your letter of March 30, 2020 outlining the 2020-21 expectations for Qulliq Energy Corporation (QEC or "the Corporation"). The Corporation's Board of Directors, our President and Chief Executive Officer (CEO), Mr. Bruno Pereira, and I have reviewed your letter. Together, we look forward to successfully meeting the priorities and goals outlined for the new fiscal year.

Inuit Employment Plan

QEC continues its efforts into increasing Inuit employment to representative levels through our Human Resources department's Inuit Employment Programs division. As of April 2020, Inuit employment at QEC is 50%. Although the overall Inuit employment percentage has not significantly changed over the past year, Inuit employment has increased in the professional and middle management employment categories through the use of career development plans, the Inuit Leadership Development Program and developmental assignments. We believe that over time our holistic efforts will result in sustained increases to our Inuit employment percentages across all employment categories.

The Board of Directors will continue to monitor this progress through our Human Resources and IQ Committee. We look forward to having the support of your office and the Government of Nunavut as we execute the corporation's IEP strategy in 2020-21 and beyond.

Harassment Free Workplace

Upon the start of their employment, employees are required to review the Harassment Free Workplace Policy. Over the past two years, the Human Resources department has delivered Respect in the Workplace presentations to employees based in Cambridge Bay, Rankin Inlet, Baker Lake, and some departments in Iqaluit. Additionally, several employees from across the territory participated in these sessions via teleconference. The Respect in the Workplace presentations were most recently incorporated into the annual operators training to ensure community-based employees throughout Nunavut are provided with information on creating a respectful workplace and harassment reporting procedures. Both myself, and the President and CEO of QEC commit to taking personal responsibility for promoting a workplace free of harassment.

Code of Values and Ethics

As part of their onboarding materials, new employees are provided with either a physical copy or electronic copy of the Nunavut Public Service Code of Values and Ethics. New employees review and acknowledge understanding of the Code, including sections on conflict of interest, in conjunction with signing their contract of employment.

QEC adheres to both its obligations under the Public Service Act and the GN directive on disclosure of wrongdoing. QEC is in the process of developing a supplemental policy on whistleblowing. This policy will clearly identify the process for reporting concerns with respect to a breach of the Code of Values and Ethics and will clearly indicate protection from reprisals for employees who report concerns to a public official with the authority to investigate the matter.

QEC follows Chapter 3 of the Nunavut Public Service Code of Values and Ethics, which speaks to Conflict of Interest, in addition to Directive 202 – Conflict of Interest. Where a public servant is engaging in an activity where there may be a conflict of interest, or perceived conflict of interest, the public servant is required to disclose the conflict. Where a public servant is uncertain of their responsibilities under the code, they are to seek guidance from their supervisor or a representative of Human Resources. In QEC's hiring process, all supervisors must declare conflicts of interest with potential new hires. If any are declared, steps are taken to ensure that the supervisor has no input on hiring that potential employee.

In the Corporation's Procurement division, all employees follow the GN mandated procedures including those related to conflicts of interest and subscribe to the [code of ethics](#) as outlined by the Purchasing Management Association of Canada. In efforts to increase transparency and efficiency, QEC uses the GN's website to post all requests for tenders/proposals. Furthermore, all purchasing is reviewed and approved by senior management.

Leasing

QEC recognizes the issues raised by the Standing Committee on Oversight of Government Operations and Public Accounts, and has implemented steps to address deficiencies in its leasing operations. Validating the registered titleholder and landlord is now standard practice and we will ensure that our annual reporting reflects this change. QEC standard leases now include sections on declaring relationships with QEC, its employees, or the Board of Directors.

Plant Upgrades

QEC looks forward to sharing the progress being propelled by the Arctic Energy Fund in 2020-21. These enhancements to energy efficiency and reliability will have a profound impact on the communities receiving upgrades. We will continue to work closely with the Department of Community and Government Services to ensure the fulfillment of all Arctic Energy Fund plans. QEC anticipates that delays stemming from COVID-19 will impact plant upgrade and replacement timelines; due to the fluid nature of this issue exact timelines are difficult to provide. QEC will update the Minister when further information becomes available.

Customer-Focused Operations

Nunavummiut do pay the highest electricity rates in Canada, and QEC will continue to focus on ensuring the best value for money possible for our customers. Clear communication of QEC's activities and programs is important in reaching Nunavummiut and fostering strong community relations. However, communicating our activities to the community is not enough. QEC can improve how its customer service operates. In 2020-21, QEC will be reviewing its customer service processes and work to develop a plan to improve customer engagement and service. In the meantime, QEC's updated Corporate Communications Policy is ready for review and we would gladly provide a copy to the Minister.

Alternative Energy Programs

QEC's new Commercial and Institutional Power Producer and Independent Power Producer programs are slated for launch this fiscal year, following Cabinet approval. These programs will help reduce harmful emissions and utilize new energy technologies that rely on renewable sources. With a strong emphasis on local and Inuit ownership, these programs will also provide opportunities to develop electricity resources that best serve the long-term environmental and economic interests of Nunavummiut.

Net Metering

QEC will continue to support and promote the Net Metering Program in 2020-21. To date, there have been 10 approved applications, all of which have been constructed or are under construction. With further promotion of the program's benefits, we hope to see increased interest in the Net Metering program this fiscal year.

New Office in Baker Lake

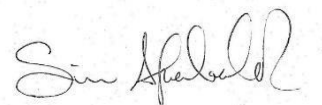
QEC received tenders for construction of the new office in Baker Lake and selected the lowest compliant bidder. Unfortunately, due to COVID-19 related manufacturing and construction delays QEC has postponed the project until 2021. When completed, this much needed office space will ensure a cohesive team environment for our employees currently working in various locations within the community. QEC will monitor the impact of COVID related issues and update the Minister as more information becomes available.

Financial Accountability, Management, and Reporting Expectations for 2020-21

QEC's President and CEO, and I can assure you that we will continue to work closely with the Department of Finance to ensure the fulfillment of our reporting responsibilities as outlined in your mandate letter. This includes providing Internal Audit Services with full, unrestricted, and timely access to all records, property, and personnel.

We look forward to strengthening our relationship with you further and welcome any additional input or questions you may have about QEC's future or the Board of Directors.

Sincerely,



Simeonie Akpalialuk
Chairperson, QEC Board of Directors



actively support and enable LHO employees to take positions within the NHC's district offices, headquarters and directorate.

The NHC's recruitment strategies and human resource activities to increase Inuit Employment are guided by the Government of Nunavut (GN) Master IEP and NHC's detailed plan. The President continues to work with the Department of Human Resources and NHC Human Resources on opportunities to improve Inuit employment within NHC. This work included discussions with my fellow directors on NHC's option to provide for the appointment of employees under S(7) of the NHC Act; recently approved by Cabinet.

Based on this work, the board is very confident in the direction of the NHC in advancing on improving Inuit Employment and expects this will be reflected in the near future.

Harassment-Free Workplace

On behalf of the Board of Directors, the President of the Corporation and the executive team, please note we are responsible for ensuring a harassment-free workplace at the Corporation.

The NHC collectively recognizes the importance of protecting the right of every employee to work in a respectful, positive and supportive environment. Where necessary we have communicated with the GN's Department of Human Resources to address issues of violence in the workplace, mental health, absenteeism and lateness. The NHC is currently updating its Occupational Health and Safety Guidelines, which include specific procedures to address complaints of harassment in the workplace.

Leasing and Procurement

The NHC takes conflicts of interest very seriously. Please note I will re-emphasize the need to ensure our full intention to ensure that my team members and employees at the NHC conduct themselves ethically on the job in all day-to-day operations. The NHC collectively recognizes the importance of operating in accordance with the GN's Code of Values and Ethics.

All board members and employees at the NHC are required to review and acknowledge the Code of Values and Ethics upon initial hire and are periodically reminded of this policy. Board members and employees at the NHC are also provided guidance on how to report any concerns with respect to a breach of the Code of Values and Ethics. Protection from reprisals will be given to employees who report concerns to the Ethics Officer, and I can assure you that my fellow directors and I, together with the NHC executive teamwork to ensure that proper procedures are in place.



The NHC will ensure that it is following the proper guidelines and policies with regard to leasing activities. The Board of Directors will provide the necessary oversight, ensuring that there are no conflicts of interest occurring, and ensuring the integrity of the procurement process.

The NHC is committed to transparency and accountability in leasing activities. As such, the Corporation shall continue to produce comprehensive annual reports on all procurement, contracting and leasing activities it undertakes that are consistent with the information provided and tabled by CGS on behalf of GN departments. I can assure you that my fellow directors on the board and I, as well as the President of the NHC, take personal responsibility to ensure transparent and accountable leasing agreements.

National Housing Strategy

Congratulations, Mr. Minister, for signing the nine-year bilateral agreement with the Canada Mortgage and Housing Corporation (CMHC) on April 1, 2019, for funding associated with the National Housing Strategy.

Addressing Nunavut's housing crisis requires collaboration and coordination. In line with *Katujjiqatigiinnivut*, the NHC will continue to actively foster its partnership with CMHC and raise awareness of the realities of housing in Nunavut. For the first three years of our agreement, the NHC will focus on new social housing construction to reduce core housing need.

In February 2020, the NHC hosted a two-day meeting with CMHC representatives as well as local stakeholders in Iqaluit. Discussions took place between CMHC, NHC and the Department of Family Services representatives regarding the National Housing Strategy and the Canada Housing Benefit. There were also discussions regarding CMHC programs that local stakeholders can utilize. The NHC will continue to foster this important relationship with our partners in the federal government.

Blueprint for Action on Housing

Work on the implementation of the Blueprint for Action on Housing continues. Year 3 of implementation focused on the renewal of the Blueprint with the goal of improving collaboration and processes, as well as developing key indicators to improve accountability. In November 2019, the NHC brought together senior executives of departments within the GN to renew the Blueprint for Action on Housing. During two days, participants conceived ways to help track, communicate and collaborate towards achieving our shared goals set in Nunavut's Housing Strategy. Delegates agreed on how to proceed in three main areas:

- Principles for incorporating and promoting Inuit Societal Values through Blueprint activities;



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- Guidelines for reporting and communications;
 - Framework for Blueprint monitoring and evaluation

The interdepartmental discussions at the workshop have informed the Annual Status of Housing report, to be tabled in the next scheduled session of the Legislative Assembly.

Partnerships with Local Housing Organizations

The NHC continues to work with the Local Housing Organizations (LHO) to fulfill its mandate. The new Management Agreement has been finalized and has been sent to all LHO Boards for signing. To ensure there are no disruptions in funding, the NHC has asked for all Agreements to be signed by LHO Board Chairs and returned to the NHC by the end of June 2020. This timeline may vary depending on Board schedules.

The new Management Agreement will help clarify and define the relationship and authorities between the NHC and the local housing organizations and help ensure that the NHC's programs are delivered successfully and consistently across the territory.

Staff Housing

The NHC is committed to continued collaboration with the Department of Finance and the Department of Human Resources to ensure swift implementation. Currently, the NHC, together with the Departments of Finance and Human Resources, are working closely to implement Cabinet's direction on changes to the Staff Housing Policy and other programming.

Homeownership

Homeownership is one component of the housing spectrum in Nunavut, one that is proportionally smaller than other provinces and territories. The current homeownership review identified barriers to homeownership in Nunavut. A range of new, innovative and appropriate options to strengthen homeownership in Nunavut, a result of the feasibility study, are being considered.

The NHC is also in the process of developing a pilot project of a program similar to the former Homeownership Assistance Program and expects to complete submission of a Request for Decision in Spring 2020.

Accountability and Financial Management Reporting Expectations for 2020-21

The NHC remains dedicated to the highest standards of accountability and transparency. This includes tabling the following documents in the Legislative Assembly:

- The Corporation's Business Plan

