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

Kolola Pitsiulak  
Chairperson  
Nunavut Development Corporation  
PO Box 249, Rankin Inlet, NU  
X0C 0G0

September 26, 2023

## **Nunavut Development Corporation Letter of Expectation 2023-24**

Dear Mr. Pitsiulak,

I am pleased to provide you with this letter of expectation for fiscal year 2023-24. This letter outlines the priorities and goals intended to guide Nunavut Development Corporation (NDC) in the new fiscal year, particularly in relation to the economic development priorities set out in the Government of Nunavut's *Katujjiluta mandate*.

Additionally, this letter 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 working with the Board of Directors and staff as we strive to support opportunities for economic development in Nunavut.

### **Expectations and Priorities for 2023-24**

As we move forward with the *Katujjiluta* mandate, it is important that we set achievable priorities. NDC's 2023-26 Business Plan outlines several important priorities for the corporation, which align with *Katujjiluta* and help in developing enduring partnerships that will improve the daily lives of Nunavummiut and lay strong foundations for our future.

## Performance Indicators

I encourage the NDC Board of Directors and Senior Management to work collaboratively to develop meaningful performance indicators which identify clear targets and report on these outcomes to show tangible results. By collecting and analyzing pertinent data, NDC will be better able track the status of ongoing initiatives. I ask that these indicators be included in the Corporation's annual reports.

These may include the following criteria;

- Inuit employment levels;
- Support the creation of at least one new business venture per fiscal year;
- Set a benchmark of incrementally creating at least five new direct and indirect jobs annually through investing in new subsidiary businesses;
- A target to invest in a new subsidiary using the Capital Fund within the current year with the intent to have a subsidiary within the next three years.

## Economic Diversification

*Katujjiluta* highlights the importance of diversifying our local economies by promoting and providing long-term core funding to support and expand effective models for community-led programs and services. To support this priority, I look forward to updates on implementation plans for the below listed items in the 2023-24 fiscal year as noted in your 2023-26 business plan.

- Venture Investment Fund - I expect NDC to seek new investments, with an emphasis on Inuit and Nunavut businesses operating in our arts sector. NDC should also emphasize investments that support employment and income earning opportunities, the growth of business and the diversification of our Territorial economy with an emphasis on making investments in Nunavut's smaller communities.
- Capital Fund & Subsidy Fund - New investments from the Capital and Subsidy Funds must prioritize investments in Nunavut's arts, harvesting, and tourism sectors that generate employment and income earning opportunities for residents, stimulate the growth of business and the diversification of our Territorial economy.
- Cultural Industries - NDC should seek out opportunities and income earning opportunities for Nunavut artists and support for Nunavut business enterprises operating in our cultural industry sectors. Invest in partner subsidiaries Uqqurmiut Arts and Crafts (Pangnirtung), Taluq (Taloyoak), Kiluk (Arviat) and Jessie Oonark (Baker Lake) to support local producers in the community and regions where the companies are located.



- Harvesting / Fisheries - NDC should seek new projects and investments in our commercial fishery and harvesting sectors that will lead to enhanced employment and income earning opportunities for Nunavut hunters, fishermen and processing plant workers and support for Nunavut business enterprises operating in these sectors.
- Tourism - NDC should seek opportunities for new projects and investments that will lead to enhanced employment and income earning opportunities for sector participants and support for Nunavut businesses enterprises operating in this vital sector.

### Fostering Strong Partnerships

*Katujjiluta* highlights the importance of establishing enduring partnerships for initiatives in the short, medium, and long term. The work of NDC is largely centred around strong business partnerships that allow the corporation to offer varied economic development opportunities for Nunavummiut.

Your partnerships with subsidiaries such as Ivalu, Uqqurmiut Arts and Crafts Ltd., and supply partnerships with artists and enterprises are key to expanding Nunavut's economic future. In 2023-24, I expect NDC to continue to foster these existing partnerships, and work to develop new strategic partnership opportunities, including investments in new subsidiaries.

Further, I expect NDC to work with the GN's Department of Economic Development and Transportation (EDT) officials on opportunities to increase integration with the Nunavut Business Credit Corporation (NBCC). At a minimum this should include regular communication regarding investments, dividend rates, and due diligence.

### 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. Please endeavour to partner with financial services providers to create more banking services, particularly in those communities where NDC has subsidiary companies.

### Inuit Employment Plan

The GN Master Inuit Employment Plan (IEP) and the NDC detailed plan should continue to guide recruitment, and human resource activities to increase Inuit employment at all

levels. All departments and territorial corporations are responsible for implementing their respective IEP, 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 government works to enhance the employment opportunities available to Nunavut Inuit.

NDC has targeted a minimum of 80% Inuit employment for its five permanent headquarter positions. Currently, four of the five positions at NDC are filled by Inuit, which represents 80% Inuit employment. I encourage NDC to develop a program or framework that could enhance Inuit employment rates through effective succession planning and mentoring of Inuit staff into the Chief Financial Officer's senior management position.

### Leasing and Procurement

Nunavut is a unique territory with limited competition. This could lead to potential conflicts of interest, whether real or perceived, especially when it comes to hiring, procuring local goods, or leasing properties. It is crucial that you maintain ethical behavior while striving to meet the operational needs of the corporation.

### Official Languages Act

As a territorial corporation, NDC has operational requirements under the *Official Languages Act*. The Office of the Language Commissioner 2020-21 Annual Report states that "territorial institutions should take appropriate measures to establish and maintain the operational policies necessary to implement subsections 12(7) of the *Official Languages Act*". I ask that NDC work with the Commissioner and GN partners to understand its responsibilities under the Act and take measurable steps to implement these requirements.

Public agencies need to be accessible to all Nunavummiut. Therefore, I ask that you make your website available in Inuinnaqtun in addition to Inuktitut, English, and French, thus broadening the opportunity for all Nunavummiut to access NDC's programs and services and meeting requirements under the *Official Languages Act*.

## **Accountability and Financial Management Reporting Expectations for the 2023-24 Fiscal Year**

### Memorandum of Understanding

Through the Territorial Corporations Committee (TCC), I ask that NDC work to establish a formal memorandum of understanding (MOU) with the GN. This MOU will strengthen NDC's relationship with the GN and ensure the efficient and effective administration of operations and delivery of the NDC's mandate.



This MOU will in no way diminish the duties or powers of either my office, of the NDC, but rather builds upon the foundational principles of accountability and collaboration to ensure Nunavummiut are provided services at the highest level.

### Central Accountability Committee and Territorial Corporation Committee

It is important for NDC to continue working with their counterparts in the GN and other territorial corporations. I encourage NDC to continue to participate in and contribute to the TCC. 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. In the coming year, Terms of Reference for the TCC will be developed. This will outline the goals, objectives, and responsibilities of the TCC and its work.

### Accountability and Financial Management Reporting

The foundations of the GN and its public agencies are built on maintaining public trust through adherence to the principles of good governance. This commitment to transparency and accountability, requires us to meet all financial reporting requirements and responsibilities outlined in legislation.

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:

- NDC'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 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.
- I expect NDC 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 NDC receiving such correspondence.
- Annual Reports, in accordance with Part IX of the *Financial Administration Act*.

Again in 2023-24, 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:

- Board approved budget variance reports can be submitted within 30 days of the end of the quarter.
- 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 40 days of the end of the quarter, including a year-end fiscal forecast with surplus/deficit reporting.

The NDC 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 NDC's response) issued by the auditor (both the Auditor General of Canada and any other independent auditor) for all audits conducted on NDC for the year.
- These reports will be presented to CAC as part of a mid-year update, or at any time upon request of the committee.

In the spirit of strengthening Nunavut's public agencies, it is important that dialogue and communication be ongoing throughout our government, and we continue to foster a close working relationship between NDC and the Department of Finance at all levels.

I look forward to discussing with you the priorities and expectations outlined here, as well as receiving your formal response to this letter.

Sincerely,



Hon. David Akeeagok

Minister Responsible for the Nunavut Development Corporation

cc. Kyle Tattuinee, President and CEO, Nunavut Development Corporation  
David Kunuk, Deputy Minister, Economic Development and Transportation  
Jeff Chown, Deputy Minister of Finance