



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

September 26, 2023

## **Nunavut Business Credit Corporation Letter of Expectation 2023-24**

Dear Ms. Epp,

I am pleased to provide you with this Letter of Expectation for the fiscal year 2023-24. 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 mandate, *Katujjiluta*.

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 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**

The NBCC's 2023-26 business plan and budget outline several key priorities for the Corporation, many of which are in line with the *Katujjiluta* mandate and create lasting partnerships that enhance the daily lives of Nunavummiut and build a solid foundation for the future.

#### Strategic Plan

I look forward to seeing the Corporation implement the updated strategic plan specified in the 2023-26 Business Plan as a priority for 2023-24. Of particular interest are the areas that focus on economic growth opportunities for local businesses and the creation of employment opportunities and self-reliance.

#### Legislative Amendments

As noted in the 2023-26 Business Plan, NBCC hopes to introduce a legislative proposal to further revise the *Nunavut Business Credit Corporation Act* in the Legislative Assembly in 2023-24. I look forward to introducing these proposed amendments by the upcoming Winter Sitting.

#### Accounting Manual Update

I noted the recent changes to the Public Sector Accounting Standards Board, specifically Section PS 3400 Revenue, reported in NBCC's 2021-22 Annual Report. This new Section establishes standards on how to account for and report revenue. It differentiates between

revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. These changes will impact NBCC's business significantly. Therefore, an update to your Accounting Manual must be done expediently to account for these changes. I would appreciate an update on the progress of this update, as this was a priority item in 2022-23.

### Fostering Strong Partnerships

In 2023-24, I anticipate that NBCC will be actively working towards finalizing a Memorandum of Understanding with the Kakivak Association and the Kivalliq Business Development Centre (KBDC) to establish an official partnership with both organizations. This partnership has the potential to encourage greater collaboration and enhance economic growth within the region.

I also encourage you to continue to review the Corporation's Administration and Conduct Manual to ensure that NBCC's policies and guidelines are up-to-date and continue to maintain a professional and ethical work environment.

Further, I expect NBCC to work with officials at the department of Economic Development and Transportation (EDT) on opportunities to increase integration with the Nunavut Development Corporation (NDC). This should at a minimum include regular communication regarding investments, dividend rates, and due diligence.

### Inuit Employment Plan

The GN (Government of Nunavut) Master Inuit Employment Plan (IEP) and NBCC's detailed IEP should be guiding 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 Plan, including effective use of training and development programs by the GN.

I am pleased that the NBCC intends to follow through with the recruitment process for an intern position in its Inuit Employment Priorities for 2023-24. For the past several years, Inuit employment at NBCC has consistently remained at 25%. While I recognize that NBCC has a small team, I look forward to seeing the Corporation meet its business plan commitment directly by filling the Accounts Manager Intern position with an Inuk employee in 2023-24.

### 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.

### Transparency and Accountability

As previously outlined in the 2022-23 Letter of Expectation, it is vital that NBCC continues to disclose recipients of financial assistance in its annual reports. I expect this practice to be upheld in the Corporation's annual reports.

I am confident the Board recognizes this disclosure's importance in terms of transparency and accountability in lending practices and public funding use.

## Reporting Performance Indicators

As a territorial corporation, NBCC must communicate effectively and clearly with the people it serves. I encourage you to introduce additional reporting methods to the GN and Nunavummiut on your actions and progress toward the strategic outcomes you have set for your organization.

While you continue providing information about operational opportunities in business plans, I urge the NBCC Board of Directors, Senior Management, and stakeholders to work together and establish meaningful performance indicators. One example could be to collaborate with investment partners to ensure accurate job reporting and avoid duplicate counting, among other indicators. I look forward to seeing these new indicators included in the Corporation's annual reports.

## Official Languages Act

As a territorial corporation, NBCC 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 NBCC 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 NBCC's programs and services and meeting requirements under the *Official Languages Act*.

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

### Memorandum of Understanding

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

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

### Central Accountability Committee and Territorial Corporation Committee

It is important for NBCC to continue working with their counterparts in the GN and other territorial corporations. I encourage NBCC 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, as well as the scope of 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:

- The NBCC'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 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 (CAR/PAR/LAR).
- I expect NBCC to participate in the Territorial Corporations Committee's ongoing work to create and use 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 NBCC 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 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 NBCC 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 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 NBCC's response) issued by the auditor (both the Auditor General of Canada and any other independent auditor) for all audits conducted on the NBCC 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 NBCC 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 Nunavut Business Credit Corporation

cc: Peter Ma, CEO, Nunavut Business Credit Corporation  
David Kunuk, Deputy Minister Economic Development and Transportation  
Jeff Chown, Deputy Minister, Department of Finance