



Your file - Votre référence

Our file - Notre référence

August 19, 2016

Ms. Sharon Ehaloak
Executive Director
Nunavut Planning Commission
P.O. Box 1797
Iqaluit, Nunavut X0A 0H0

Dear Ms. Ehaloak:

We have recently received KPMG's report on the financial review of the Nunavut Planning Commission (NPC). We very much appreciate the attention you paid to the financial review and your role in ensuring your organization's co-operation with KPMG.

We are pleased that KPMG found "in general management controls have improved over the period of review and appear adequate" and "that costs reviewed were incurred in support of NPC's objectives."

KPMG noted NPC had well documented policies, procedures and processes and that challenges, which were well managed, were largely those of operationalization of practices once procedures and policies were developed and the recommitment and retention of qualified staff.

The report noted that the CFO of NPC held an interest in Northern Allied - the exclusive travel company used by NPC. KPMG did not raise concerns with the fees charged but noted a lack of supporting documentation around the decision to select Northern Allied. To avoid the perception of a lack of transparency, NPC may wish to consider how to deal with this issue.

KPMG advised us that NPC declined to provide supporting documentation for significant funding used to pay legal fees. Legal advice received by NPC noted that certain of the fees related to a request for judicial review filed by NPC against the Federal Government. We understand that various options were proposed by KPMG to allow for a more limited review to try and deal with legal concerns but those efforts were not successful.

KPMG noted that “based solely on the financial and task-based information reported to INAC, it would appear that work completed by NPC does not fully align with the tasks approved by INAC in the work plan at the beginning of each fiscal year. Significant variances exist in actual expenditures when compared to approved budgets, and tasks expected to be completed are not formally reported in the activity report”.

KPMG noted that the explanation for these variances provided to KPMG by NPC appeared reasonable, but observed a lack of communication between INAC and NPC on a number of issues, which made clarification of when reports were sent and if they were received, difficult.

The program has been made aware of KPMG’s findings and we are hopeful that both the program and NPC can work to resolve any remaining communication issues. We understand some of that work is already underway.

We trust that the findings of the review are helpful to you and NPC and thank you again for your co-operation in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Lafrenière', with a long horizontal stroke extending to the right.

Jean-Marc Lafrenière
Director, Assessment and Investigation Services Branch
Audit and Evaluation Sector