



## News Release

### Improvements at the Nunavut Business Credit Corporation

**IQALUIT, Nunavut (November 6, 2007)** –David Simailak, Minister of Economic Development & Transportation acknowledged the seriousness of the Auditor General of Canada's denial of opinion on the Nunavut Business Credit Corporation's 2005/06 Annual Report.

"Effective today, I have directed that the corporation's lending activities be temporarily suspended," said Simailak.

Furthermore, resignations of three members of the board of directors, including the chair and vice chairperson have been accepted. In the coming days, new members of the board will be appointed on an interim basis.

As Nunavut's Minister of Finance, Simailak issued a directive under the *Financial Administration Act* that will ensure due diligence at NBCC. The directive will require NBCC to provide monthly management and financial reports to the Department of Finance to ensure that loan financial and administrative matters are well in hand. The directive will remain in place until a permanent board has been appointed and NBCC has demonstrated that it can manage its own financial affairs.

"Departmental officials will prepare a comprehensive action plan to address the recommendations in the Auditor General's report," said the Minister. "I also look forward to receiving recommendations by the appropriate Standing Committee of the Legislative Assembly to help address the Auditor General's concerns."

Today, the Comptroller General of Nunavut referred matters of financial records and controls to the Royal Canadian Mounted Police (RCMP) for consideration.

"The Legislative Assembly has heard repeatedly in previous reports of the Auditor General of problems within the NBCC, and NBCC had been directed to act on those concerns," said Minister Simailak. "We learned of further problems in November 2006, when the Office of the Auditor General advised the Department of Finance of the seriousness of the 2005/06 fiscal year financial audit."

Clients of the corporation will not be affected by these measures and the impact on the business community in the territory, in terms of access to capital, will be short-term.

The chief executive officer and staff who were employed during 2005-2006, when the OAG conducted their examination of the books of account, are no longer with the corporation.

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