



## IDENTIFICATION

| Department                       | Position Title                           |                                           |
|----------------------------------|------------------------------------------|-------------------------------------------|
| Industry, Tourism and Investment | Manager, Resource Royalty Administration |                                           |
| Position Number                  | Community                                | Division/Region                           |
| 63-5230                          | Yellowknife                              | Diamonds Royalties and Financial Analysis |

## PURPOSE OF THE POSITION

The Manager, Resource Royalty Administration is accountable to administer the collection of resource revenues from mineral and petroleum development in the Northwest Territories.

## SCOPE

Located in Yellowknife, the Manager, Resource Royalty Administration (Manager) reports to the Director, Diamonds, Royalties, and Financial Analysis (Director), and is responsible for leading the planned, effective, and efficient execution of processes to collect mineral and petroleum resource royalties. In doing so, the Manager also leads the development, implementation, and interpretation of policy and application of the resource royalty and production regime in the NWT. The Manager is considered the Government of the Northwest Territories (GNWT) authority on royalties.

The mandate of the Department of Industry, Tourism and Investment (ITI) is to promote economic self-sufficiency through the responsible development of NWT mineral and petroleum resources, the development of natural resource industries, and the promotion and support of tourism, trade and investment, business, and manufacturing and secondary industries, to create a prosperous, diverse and sustainable economy for the benefit of all NWT residents.

The Diamonds, Royalties and Financial Analysis Division (DRFA) is responsible for the management, administration, and collection of royalties from mineral and petroleum resource development in the NWT. DRFA is also responsible for facilitating the development of the diamond secondary industry in the NWT through implementation of the Diamond Policy Framework (DPF).

The Manager works within a legislative and regulatory framework that includes the: NWT Mining Regulations, the NWT Mineral Resources Act and its regulations, the NWT Mining Regulations, the Petroleum Lands Resource Regulations, the DPF, and the Financial Administration Act as well as GNWT and ITI policies and procedures.

In accordance with the NWT Mining Regulations, rough diamonds (goods) produced from the NWT's operating diamond mines receive a third-party valuation prior to being exported from the NWT on a regular cycle. Further, all diamonds that are held in inventory by producing mines must be valued at the close of the operator's fiscal year end to ensure that their prices reflect fair market value. The valuation process (both regular cycle and year-end) involves assigning a value to the various categories of diamonds below a certain size and the valuation of individual diamonds above a certain size. This work is highly specialized and requires a significant depth of knowledge of the diamond industry and technical skill. This valuation of diamonds serves as a back-stop if rough diamonds are sold to a related party or lost (either through theft or during shipping) and thus plays a critical role in the amount of resource royalties collected by the GNWT. The valuation process works in conjunction with the Government of Canada's (GOC) Kimberley Process. Through this process, the GOC issues a certificate to verify that the diamonds produced are conflict-free. The Manager oversees and/or conducts this work through the use of internal and contract staff. The Manager is responsible for ensuring that processes are aligned, effective, and efficient; that documentation and communications are comprehensive and effective; and that issues are tracked and resolved. The Manager is fully responsible to resolve disputes between the valuation of the government-valuator and the producers..

The Manager also participates in the annual valuation of rough diamonds held in inventory by mine operators, at the fiscal year end of each mine operator. These year-end valuations take place in Mumbai, India and Antwerp, Belgium. The Senior Advisor is required to make decisions on behalf of the GNWT during these year-end valuations, acting autonomously and using judgment as the Director may not be available due to time difference in various locations where the valuations take place and the time constraints to complete the valuations. The value of royalties collected by the GNWT between 2014 and 2018 totals \$240 million.

In accordance with the NWT Mining Regulations and the Petroleum lands Resource Regulations, the royalty return that is filed by operators is audited to ensure that operators are fully and accurately reporting on the value of output Petroleum operator royalties are filed on a monthly basis. Mine operator returns are audited on an annual basis. These audits ensure that royalties collected are the maximum allowable under the law at any point in time. Audits of mine and petroleum operator royalty returns include a review of inventory, sales, expenses, depreciation pools, etc. When it is determined that resource revenues due to the government are outstanding, the Manager must take steps to recoup those revenues. The Manager oversees and/or conducts this work through the use of internal and contract staff. The Manager is responsible for ensuring that processes are aligned, effective, and efficient; that documentation and communication are comprehensive and effective; and that issues are tracked and resolved.

The Manager acts in compliance with established legislation, regulation, procedures, systems and, processes related to royalties collected from mining and contributes to the documentation and communications for the division. The Manager provides analysis, advice, interpretation, and information on mining royalties to the Director, senior management, central agencies, and Aboriginal groups, other GNWT departments and committees, non-government organizations (NGO), industry, NWT stakeholders and the public.

The Manager must be able to develop a creative approach to government strategies, policies and programs. As the diamond industry is unique, the incumbent must operate in a rapidly changing and evolving environment.

A major challenge is to support and encourage the development of the diamond value-added industries in a manner that will maximize benefits to the NWT. The position operates in a unique environment and new strategies are required in order to grow the industry to sustainable levels. Working with the Manager, Diamond Secondary Industry (OSI), the Manager is responsible to support the work of the DSI unit. In particular, the Manager will collaborate with the Manager, DSI to support the administration of the DPF.

The Manager works in an area of significant financial risk, sensitivity, and confidentiality, and must ensure both that processes are developed and followed, and that critical relationships are carefully managed. Between 2014 and 2019, mining and petroleum royalties collected for the GNWT were in the order of \$620 million. The Manager must routinely balance the impacts on a variety of stakeholders in the execution of the unit's mandate.

The Manager also collaborates closely with the Division's Manager, Geology and Resource Royalty Policy and Manager, Financial and Economic Analysis. The Manager works collaboratively with colleagues within the Divisions of ITI, particularly Policy, Planning, Analysis and Communications, Mineral and Petroleum Resources, the NWT Geological Survey and with colleagues within the Departments of Finance, Justice, Executive and Indigenous Affairs. The Manager also works with colleagues in Natural Resources Canada (other federal departments) and with his/her provincial counterparts.

The Manager oversees the work of the Senior Advisor, Resource Royalty Administration. Through the work of the Resource Royalty administration unit, the Manager plans and manages the full scope of royalty and resource production policy and geological resource / reserve research, development, implementation and interpretation.

Work is performed under the general direction of the Director and with strong collaboration with the Manager, Diamond Secondary Industry. The Manager has a significant amount of latitude provided that the policies, guidelines, and interests of the GNWT are complied with. This latitude is tempered by the knowledge that incorrect interpretation of policies, guidelines and interests are likely to result in considerable conflict during meetings; and political backlash from stakeholders, particularly mine operators. Judgment is required in interactions with operators and the application of valuation and audit processes. Diplomacy and tact are required to interact with operators and other stakeholders.

Travel to remote mine sites in small aircraft may be required once per year. Periodic trips to local (Yellowknife) diamond manufacturing operations and diamond sorting facilities are required as part of the duties of the position and occur every five weeks. These trips require the incumbent to participate in search protocols imposed by external operators. Search protocols may require the incumbent to consent to be touched by another person. Incumbent travels to India and Belgium on long haul flights once per year. This travel overseas will require immunizations against disease, mandatory in some countries. Confidentiality and discretion is critical in the management of resource royalties. The incumbent must sign a confidentiality agreement and disclose all conflicts of interest (real and perceived).

## **RESPONSIBILITIES**

**1. Oversee the valuation of rough diamonds (goods) and all minerals and metals minded in the NWT.**

- Implement and audit procedures and controls that safeguard critical and highly sensitive records and information.
- Contribute information and expertise when required to process appeals under Section 84 of the NWT Mining Regulations.
- Establish and manage contracts with third-party valuator, ensuring that the work is carried out at the defined standard and verify and approve invoices for payment.
- Provide guidance to the third-party valuator and companies on how valuations are conducted according to the NWT Mining Regulations (for example, that operators are required to present goods by size category).
- Attend the operator's sorting and valuation facility (in Yellowknife) to oversee the valuation of diamonds prior to their export from the NWT.
- Attend the operator's worksite to oversee the reconciliation and valuation of the diamonds against information provided by the operator.
- Oversee mediation and dispute resolution process in the event of disagreements between the third-party valuator and the operator with respect to the valuation of the diamonds.
- Review the third-party valuator's report and the information provided by the company on the valuation results.
- Resolve issues associated with the diamond valuation process or escalate them, as required.
- Manage the Department's commitments under the Kimberley Process including providing support to Natural Resources Canada; participate in meetings, drafting agreements, etc.
- Maintain current knowledge of the diamond industry (e.g., diamond prices, offer vs. demand, companies operating in the market, sales methodologies, DTC box prices, diamond exploration projects, security, branding, etc.).

**2. Oversee the audit of royalty returns from mining and petroleum operations.**

- Develop, implement, review and revise audit programs and the audit procedures that are used to conduct the office and field audits of royalty/tax returns.

- Ensure compliance of audit with royalty tax legislation, adherence to policies and procedures, and recognized audit principles and procedures.
- Develop and implement the unit's annual audit plans and programs, including confirmation of risk areas and audit focus.
- Ensure that tracking of audits, issues and other business information is up-to-date and that reporting is timely and meets the needs of the organization.
- Establish and manage audit contracts, ensuring the deliverables are as agreed and verifying and approving invoices for payment.
- Implement and audit procedures and controls that safeguard critical and highly sensitive records and information.
- Contribute information and expertise when required to process appeals under Section 84 of the NWT Mining Regulations.
- Review and approve the work performed by the auditor, their audit reports and analysis and the assessments of royalty tax adjustments in the resource sector as a consequence of the audit.

**3. Support the implementation of the Diamond Policy Framework (DPF).**

- Oversee the audit of business reports provided pursuant to the DPF.
- Review and assess applications received from investors seeking approval to operate as an Approved NWT Diamond Manufacturer.
- Audit and provide feedback on proposed business plans for Approved NWT Diamond Manufacturer.
- Audit the chain of custody of rough diamonds purchased and manufacture made available through the beneficiation agreements.
- Physically monitor the checking in and out of diamonds at the local facilities.

**4. Support the development of legislation, regulation, policies, and strategies associated with mineral and petroleum resource development.**

- Provide advice to the Division and to ITI's senior management on strengthening the GNWT's policy approaches to managing resource royalties and insolvencies and bankruptcies.
- Identify and recommend solutions to issues with changes in legislation, regulations, and policies.
- Develop operational approaches to managing any divergences between legislation, regulation, policies, and strategies that may otherwise undermine the GNWT's ability to provide for sound management of resource royalties.
- Create and manage a strategic framework and interface for relations between operators and administrators of resource royalties to identify challenges and gaps in the legislative, regulatory and policy basis for resource royalty management.

**5. Cultivate, build and maintain personal and business relationships with key stakeholders, individuals, and business associations in Canada, and internationally.**

- Provide ongoing assistance to Canadian and international companies and other clients on the application of legislation, regulations and guidelines, including the development

- of written guidelines and processes that guide the interpretation of the legislation as it is applied to royalty calculations, allowable deductions and payouts, etc.
- Develop and manage stakeholder management plans within the mining and petroleum context to ensure that relationships are pro-actively managed.
- Address and/or escalate issues that arise, balancing the need for diplomacy and strong relationships with the requirement for accurate and complete royalty collection and audit activities.
- Communicate with royalty tax-payers or their financial or legal representatives and GNWT officials in verbal and written form, in order to explain applicable royalty/ tax legislation.

**6. Manage the human resources, financial and administrative functions of the unit to provide effective and efficient services within budgeted frameworks.**

- Develop and implement annual work plans establishing short / long-term objectives.
- Manage human resource functions within the branch including staffing, direction setting and performance evaluations.
- Manage the annual budget for the unit (\$3.5 million) and project future budget requirements in a fiscally responsible manner.
- Oversee contract management, including preparing terms of reference and statements of work to direct contractors.
- Develop objectives and performance indicators for the Unit including individual staff goals, ensuring they are complimentary to the Division's goals and objectives.
- Provide positive leadership and advice to branch staff.
- Encourage employee development through performance appraisals, training plans, and professional development opportunities.
- Support objectives of succession planning within the unit and the Division.
- Participate as a member of the Divisional management team in planning the short and long-term objectives for the Division.

**WORKING CONDITIONS**

**Physical Demands**

No unusual demands.

**Environmental Conditions**

No unusual conditions.

**Sensory Demands**

No unusual demands.

**Mental Demands**

This position deals with high profile issues that are political and sensitive. Consequently, the incumbent is often placed in difficult and awkward positions dealing with proponents, the public and government officials.

## **KNOWLEDGE, SKILLS AND ABILITIES**

- Knowledge of principles of auditing, accounting, financial planning, taxation and contract administration; ability to apply those principles to the development, application and tracking of processes related to royalty, audit and administration.
- Knowledge of the NWT mining and petroleum royalty regimes and associated legislation and processes.
- Knowledge of techniques and practices for process development, analysis and improvements.
- Knowledge of effective protocols for data collection and statistical analysis.
- Knowledge of conflict resolution and demonstrated ability to resolve issues and challenges with stakeholders with tact and diplomacy.
- Knowledge of diamond value-added industries.
- Knowledge of strategic planning, policy and program development.
- Knowledge of federal and GNWT taxation and trade authority and responsibilities as they relate to diamond value-added industries.
- Knowledge of NWT economic sectors.
- Knowledge of existing GNWT strategies and policies, especially those that impact on the development of diamond value-added industries.
- Knowledge of exploration and development activities and practices, as well as industry accounting practices.
- Knowledge of computer software, including work processing, database and spreadsheet applications Knowledge of human resources and financial management best practices with the GNWT to manage resources in a sustainable manner.
- Knowledge of the techniques and practices used in the diamond industry (e.g., the OTC system, cutting and polishing, Kimberley Process, etc.).
- Facilitation, negotiation and diplomacy skills to resolve royalty-related or audit issues with clients, colleagues and other stakeholders.
- Verbal and written communication skills, including the ability to present policies and procedures in a clear and audience-appropriate manner.
- Skills in effective public-speaking and delivering public presentations.
- Project and contract management skills and the ability to develop and manage audit plans and administer contracts.
- Analysis and judgement skills to synthesize, interpret and communicate data and information.
- Ability to handle and safeguard complex, sensitive and confidential information with integrity, judgment, discretion and professionalism.
- Ability to build long-term relationships with a diverse group of stakeholders.
- Ability to supervise and direct the work of a team of two subordinates.

### **Typically, the above qualifications would be attained by:**

An undergraduate degree in a related field (commerce, finance, accounting or marketing), a recognized Canadian accounting designation (CMA, CGA, CA or CPA), or advanced standing towards a designation, a minimum of seven (7) years related experience in a similar role in

government or in the mineral resource industry and two (2) years of experience in a supervisory role.

Specialized training in diamond valuation is required but can be acquired post-hire.

Assets include: experience directly related to the auditing of royalty/resource taxpayers and experience within the mining and petroleum industries.

### **ADDITIONAL REQUIREMENTS**

#### **Position Security**

- No criminal records check required
- Position of Trust – criminal records check required
- Highly sensitive position – requires verification of identity and a criminal records check

#### **French Language (check one if applicable)**

- French required (must identify required level below)  
Level required for this Designated Position is:  
ORAL EXPRESSION AND COMPREHENSION  
Basic (B)  Intermediate (I)  Advanced (A)   
READING COMPREHENSION:  
Basic (B)  Intermediate (I)  Advanced (A)   
WRITING SKILLS:  
Basic (B)  Intermediate (I)  Advanced (A)
- French preferred

#### **Indigenous Language: Select Language**

- Required
- Preferred