

d) Acceptance of Agenda

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut accepted the December 2014 agenda, as presented.

14/12-001 - Carried

e) Council Concerns

- i) The owners of the Centre Square Tower, where the Yellowknife WSCC office is located, contacted the President and CEO to determine if the WSCC is interested in purchasing additional floors in the tower. The President will speak with Administration to see if there is an interest to put a business case forward to the Governance Council.
- ii) The Governance Council expressed some concern regarding the stop work direction the WSCC issued to the Fort Resolution Fire Department. The GNWT Department of MACA sent a message to the President complimenting the WSCC Safety Officers for all their work and assistance in this matter. The department took full responsibility for their actions. An action plan is in place and will be completed by the end of December 2014.

2. CONSENT AGENDA

a) Approval of Minutes

The Governance Council reviewed the minutes from its September 2014 meeting.

b) Business Arising Out of the Minutes

There was no business arising out of the September 2014 minutes.

c) 2015 CEO Travel

The President and CEO provided the Governance Council with a list of known travel for 2015.

d) Medical Subsistence Allowance

Annually the Governance Council reviews the Medical Subsistence rates paid to injured workers. These rates are updated annually to reflect the Treasury Board of Canada Secretariat's rates.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut accepted all consent items for the December 2014 meeting.

14/12-002 - Carried

3. EXECUTIVE REPORTS

a) Chairperson's Report

The Chairperson's Report is intended to report on the Chairperson's broad activities in between Governance Council meetings and to apprise Governance Council Directors of significant or noteworthy information.

b) President's Report

The President's Report is intended to capture the pulse of the organization as viewed by the President and keep Directors apprised of significant events or achievements. It provided information for the period August 16, 2014 to November 7, 2014 on WSCC operations not covered elsewhere in Governance Council proceedings.

4. DECISION ITEMS

a) Audit Committee Report

Abe Theil, Audit Committee Chairperson, provided the Governance Council with the Audit Committee report of its meeting held December 2, 2014.

The Audit Committee held its meeting on Tuesday, December 2, 2014. The following items were discussed:

Audit Committee Report cont'd

Decision Items:

a) 2015-2017 Internal Audit Plan

The Audit Committee reviewed the proposed 3 year Internal Audit Plan for 2015-2017.

On a motion duly moved and seconded, the Governance Council upon the recommendation of its Audit Committee approved the 2015-2017 Internal Audit Plan, as presented.

AC14/12-003 – Carried

b) Risk Management Administrative Policy

At its September 2014 meeting, the Audit Committee was presented with research about the benefits of creating and maintaining a policy framework for Enterprise Risk Management (ERM) at the WSCC. The Audit Committee asked Administration to present a draft policy to the Governance Council at its December 2014 meeting. The Audit Committee reviewed the draft policy.

On a motion duly moved and seconded, the Governance Council upon the recommendation of its Audit Committee approved Administrative Policy B.10 – Enterprise Risk Management, as presented.

14/12-004 – Carried

Discussion/Presentation Items:

a) Enterprise Risk Management

The Audit Committee reviewed the risk registry. Since the last quarter, the risk surrounding the Business Continuity Plan was added to the registry. The WSCC currently lacks an operable plan. The Audit Committee discussed the possibility of moving to paperless records system. Administration will conduct research and bring back to the Audit Committee at the March meeting.

Audit Committee report cont'd

b) 10 Year Capital Reserves Plan

At the September 2014 meeting, the capital budget for 2015 was presented. Included within that budget were the costs of the planned retrofit of the Yellowknife office. Given the scope and financial magnitude of the planned project that item was presented as a separate component of the overall capital budget.

Membership of the Audit Committee requested administration to explore the need or usefulness of a multi-year capital replacement reserve for infrequent, but large capital expenditures.

As outlined in the pre-read paper, an approach of segregating the existing operating reserve will, in management's opinion, add complexity to a reserve structure that has recently been removed with the implementation of the new funding strategy.

Management; therefore, does not recommend implementing a capital reserve process at this time.

c) Investment Manager Compliance Report/Checklist

At the Audit Committee meeting in September 2014, AON who provides investment management services met with the committee membership. The Committee directed Administration to work with AON to develop an investment process compliance document, which will provide a framework for the investment governance of the funds administered by the WSCC.

Aon is working on this project and will have a final draft for the WSCC by the end of the year.

Audit Committee Report cont'd

d) 2014 OAG Annual Audit Plan

The Audit Committee welcomed Terry DeJong, Michelle Spence and Lana Dar to the meeting via teleconference. The Committee also welcomed Ranjana Bhanot, Internal Auditor, to the meeting for this agenda item.

Audit Committee report cont'd

The Audit Committee met with representatives of the OAG via teleconference to go through the 2014 OAG Audit Plan. For 2014, the OAG will focus on the Claims Processing and Payments, and Benefits Liability. They will also look at executive and board compensation, travel and hospitality.

Materiality for this audit is set at \$1,100,000. The OAG estimates completion by April 2015.

e) Third Party Actions

The Audit Committee reviewed updates on third party action up to October 31, 2014.

f) Investigations (Employer/Worker) Report

The Audit Committee received a report on investigations activity to November 5, 2014. No significant issues to note for Investigations. Management is looking at the Investigations position to determine if it is a better fit elsewhere in the WSCC such as with the Internal Audit function.

g) Internal Audit Quarterly Report

In Q3, the Internal Auditor completed the Attendance, Leave and Lieu Time audit as well as the Half-Yearly Travel Authorizations review.

The Internal Auditor also worked on the WSCC process mapping project.

Audit Committee Report cont'd

The Audit Committee asked the Internal Auditor to look into the legal and moral responsibilities of the Audit Committee members and to work with John Dinner, Governance Advisor, to identify some training to help new members.

The Internal Auditor will also look at the Whistleblower program and having something in house.

h) Oil and Gas Inspection Update

On April 1, 2014, the WSCC was given responsibility for the regulation of Occupational Health and Safety on oil and gas sites in the Northwest Territories. Prevention Services evaluated training needs for Safety Officers to access sites and added those needs to the general training plan for the Division.

At the present time, there is a very limited amount of work occurring on oil and gas sites that WSCC has jurisdictional authority over. In light of the fact that WSCC is new to this industry, Prevention Services will ensure the active operational properties are visited at least once to get a perspective on the extent of work while ensuring the employers and workers understand the new reporting relationship.

Information Items:

a) Investments:

- **Q3 Investment Report**
- **Investment Results as September 30, 2014**
- **Q3 Investment Rebalancing**

The Audit Committee discussed the investments to September 30, 2014. For the year-to-date period ending September 30, 2014, the fund returned 6.83%, underperforming its benchmark slightly by -0.43%.

Performance over the long term remains strong with the fund outperforming its benchmark by 2.02% (9.28% vs. 7.26%) for the 4-year period ending September 30, 2014.

There was no formal rebalancing for Q3 of 2014.

Audit Committee Report cont'd

b) Q3 Sole Source Awards

There were three sole source awards between July 1, 2014 and September 30, 2014. One for a vehicle in Iqaluit, one for consulting services for the Yellowknife retrofit, and one for training for employees in Stakeholder Services.

Audit Committee Report cont'd

c) Q2 Financial Report

Reporting in thousands, the WSCC has a net income of \$17, 603.

d) Q3 Capital Asset Report

At the end of Q3, \$ 1,492.516 of capital funds have been spent, accrued or are estimated to be spent by the end of the year. Management is currently estimating that \$76,223 worth of projects will be retired in the current year, \$27,336 will be available for reallocation and the rest will be requested for carry-forward to 2014, for a total of \$1,375,317.

On a motion duly moved and seconded, Governance Council of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut accepts the report of the December 2, 2014 Audit Committee meeting.

14/12-005 – Carried

b) Policy 03.11 – Allowances and Services for Severely Injured Workers

The Workers' Safety and Compensation Commission (WSCC) provides severely injured workers or their dependents special allowances or services to reduce or eliminate the effects of a severe, compensable injury. All allowances and services for severely injured workers are considered on a case-by-case basis.

This policy was identified for review by the Comprehensive Policy Review Plan.

Policy 03.11 – Allowances and Services for Severely Injured Workers cont'd

After reviewing this policy, the Governance Council requested potential financial impacts of policy changes be added to the provided material. This will be added for each policy going forward.

On a motion duly moved and seconded, Governance Council of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut approved Policy 03.11 – Allowances and Services for Severely Injured Workers, as presented.

14/12-006 – Carried

c) Policy 04.02 – Payment for Medical Aid and Services

The Workers' Safety and Compensation Commission (WSCC) provides or pays for medical aid necessary to diagnose and treat a work-related injury or disease, from the time a worker suffers the injury or disease through the period of disability.

Payment for medical aid by the WSCC does not of itself constitute the acceptance of a claim for compensation.

The Comprehensive Policy Review Plan identified this policy for review.

On a motion duly moved and seconded, Governance Council of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut approved Policy 04.02 – Payment for Medical Aid and Services, as presented.

14/12-006 – Carried

d) Policy 04.06 – Prescription Drug Use

The Workers' Safety and Compensation Commission (WSCC) compensates for prescription drugs medically necessary to treat a compensable work-related injury.

Policy 04.06 – Prescription Drug Use cont'd

The WSCC encourages responsible prescription drug use. The WSCC monitors drug prescriptions to ensure the drugs prescribed to treat a work-related injury are not prescribed in excessive amounts and have no adverse effects on a worker's health and general well-being.

The Comprehensive Policy Review Plan identified this policy for review.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut approved Policy 04.06 – Prescription Drug Use, as presented.

14/12-007 – Carried

e) Policy 04.07 – Medical Examinations

The Workers' Safety and Compensation Commission (WSCC) monitors the standard of care provided to injured workers by health care providers. Medical examinations are an integral part of this process. The WSCC may request the WSCC Medical Advisor, another physician or health care provider to examine a worker.

The WSCC pays for physician or other health care provider medical examinations. The WSCC may also approve a medical examination to help in adjudicating a claim.

The Comprehensive Policy Review Plan identified this policy for review.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut approved Policy 04.07 – Medical Examinations, as presented.

14/12-008– Carried

f) Policy 04.08 – Medical Devices

The Workers' Safety and Compensation Commission (WSCC) provides medical devices to injured workers when: they are required because of a compensable injury; or they are necessary to replace a medical device damaged in a work-related incident.

The Comprehensive Policy Review Plan identified this policy for review.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut approved Policy 04.08 – Medical Devices, as presented.

14/12-009– Carried

g) Policy 06.03 – Calculation of Permanent Compensation

The Workers' Safety and Compensation Commission (WSCC) provides monthly pension payments to workers permanently disabled as a result of a work-related injury or disease. In the case of fatal workplace incidents, the WSCC makes these payments to the workers' dependents. This policy outlines the method for calculating permanent compensation.

The Comprehensive Policy Review Plan identified this policy for review.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut approved Policy 06.03 – Calculation of Permanent Compensation, as presented.

14/12-010– Carried

h) 2015 – 2016 Safe Advantage Inclusion Limit

Annually, the Governance Council reviews the inclusion limit for the WSCC Safe Advantage program. Safe Advantage is a WSCC safety incentive program based on policies first approved by the Governance Council in June 2007. The annual program provides for refunds to employers with proven safety and return to work practices and superior claims experience results.

2015/2015 Safe Advantage Inclusion Limit cont'd

Employers with poor safety and return to work practices and poor claims experience results pay additional penalties. The current limit is average assessments of \$40,000 and over.

Administration provided the Governance Council three options to consider for the 2015/2016 program inclusion limit.

The Governance Council asked Administration to conduct a comparative study on Safe Advantage and the Certificate of Recognition program to determine options, if any, for employers. This would include advantages and disadvantages of amalgamating the programs. This will be brought back to the Governance Council at the September 2015 meeting.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut approved to continue with the Safe Advantage average assessment inclusion limit of \$40,000 for the 2015/2016 program year, as per Option A as presented.

14/12-011- Carried

i) Governance and Leadership Committee

At the September 2014 meeting, the Governance Council asked the Governance Advisor to complete a proposal for a new committee dealing with governance and leadership issues. After reviewing the research provided, the Governance Council decided it would form a Governance and Leadership Committee. The Governance Council agreed to pilot this new committee for one year and then review its effectiveness.

Governance and Leadership Committee cont'd

The Committee will include the following Governance Council members: Jack Rowe, Rachel Makohoniuk and Janet Brewster. The Audit Committee will include Abe Theil, Robert Gabuna and Arlene Hansen.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut approved the adoption of a Governance and Leadership Committee in addition to the Audit Committee. Members of the Audit Committee will be Abe Theil as the Chairperson, Arlene Hansen and Robert Gabuna. Members of the Governance and Leadership Committee will be Jack Rowe as the Chairperson, Rachel Makohoniuk and Janet Brewster.

14/12-012– Carried

5. DISCUSSION/PRESENTATION ITEMS

a) Q3 Performance Report

The Quarterly Performance Report provides a snap shot of actions the Workers' Safety and Compensation Commission (WSCC) is taking to achieve its goals. The report indicates whether the WSCC is successfully delivering against the Corporate Plan and achieving progress towards its Vision and Mission. For each available performance measure, the WSCC indicates whether it is on track, lagging or off track from the targeted goal.

Every month, operational units provide updates on their key performance indicators, including a review of key initiatives for that month.

b) Outstanding Litigation and Appeals Tribunal Decisions

In carrying out its mandate, the WSCC is sometimes required to enforce its legal rights in court, clarify its legal obligations and responsibilities, defend its decisions, and hold people and companies liable for non-compliance with legislation such as the *Safety Act*.

Outstanding Litigation and Appeals Tribunal Decisions cont'd

This report contained:

- Outstanding non-third party litigation involving the WSCC,
- Prosecutions commenced by the WSCC,
- Short term contracts for legal services, and
- Appeals Tribunal decisions released between July 31, 2014 and October 31, 2014

c) AWCBC Governance Session Summary

The Governance Council attended an AWCBC Governance Session September 28-30, 2014 in Toronto, Ontario. This item provided a summary of topics and presentations for those members who could not attend the session.

d) NSA Strategic Plan

The Governance Council approved 5-year funding for the Northern Safety Association for 2015- 2019. To ensure quality assurance and alignment with the Contribution Agreement between the WSCC and the NSA, Administration requested the NSA provide a strategic plan. The Governance Council reviewed the plan and will continue to do so on an annual basis.

e) NTFL Strategic Plan

The Governance Council approved 5-year funding for the Northern Territories Federation of Labour (NTFL) for 2015-2019. To ensure quality assurance and alignment with the Contribution Agreement between the WSCC and the NTFL, Administration requested the NTFL provide a strategic plan. The Governance Council reviewed the plan and will continue to do so on an annual basis.

f) Interjurisdictional Comparison of Pension Benefits

Over the past few years several discussion items and decision papers have made reference to the differences in the WSCC pension system in comparison to other jurisdictions.

Interjurisdictional Comparison of Pension Benefits cont'd

In the June 2014 meeting, the Governance Council requested that an Inter-jurisdictional Comparison of Pension Benefits be provided at their December Meeting. The Governance Council discussed the information provided and requested more information for the March 2015 meeting.

Specifically, the Governance Council asked for information regarding other boards and why they moved to the model they have. they also asked for an action plan on how we could make changes to be in line with the rest of the boards in Canada.

The Governance Council also asked for an interjurisdictional scan regarding payout of lump sum payouts.

g) Review of Administration Fee and Minimum Assessment Charges

The Governance Council requested one year from the implementation of the Simplified Registration process they review the \$200 administration fee to determine if the amount continues to be appropriate. They also recommended at that time the minimum assessment fee of \$50 be reviewed.

The Simplified Registration process has been in effect since October 1, 2013. Simplified Registration accounts are charged an administration fee of \$200 which covers the cost of administering an account for which no assessments are paid.

The minimum assessment fee is a \$50 fee charged to employers if the calculated assessment is less than or equal to \$50. Maintaining a minimum assessment fee ensures that the WSCC is covering the costs of administrating an employer account.

The Governance Council discussed both fees and upon advise from Administration they decided to maintain the Simplified Registration Fee at \$200; and increase all other minimum assessments from \$50 to \$200.

h) Jurisdictional Comparison of Supplementary Pension Increase (SPI) Calculations

At the September 2014 meeting of the Governance Council an annual information item was presented regarding the 2015 Supplementary Pension Increase (SPI). SPI is an adjustment the WSCC makes to existing pensions to maintain their purchasing power. The September information item provided that based on the formula prescribed in Policy 06.03, Calculation of Permanent Compensation, the SPI for 2015 was calculated to be 1.43%. This increase is set to be applied to existing pensions on January 1, 2015.

At the September meeting the Governance Council asked Administration to present a jurisdictional comparison on how SPI is calculated across other boards and commissions. The Governance Council reviewed the information presented.

i) Safety Officer Engagement Process

Safety Officers and Mine Inspectors are required to meet with stakeholders and communicate with them during the evolution of inspections and investigations. In the past, this process was not standardized and each officer would add their own flavour to the process. Due to inconsistencies, the Governance Council asked for a Safety Officer Engagement process to ensure quality service is provided.

Prevention Services is updating the desktop procedures manual for the Division. It will standardize the process of how all Prevention Services staff, including Safety Officers and Mine Inspectors perform their functions. The expectation is for the procedure manual to be operational early in 2015. Prevention Services will also look at various training options for Officers. The full action plan will be presented to the Governance Council at the June 2015 meeting.

j) Small Business Merit/Demerit Program – Financial Impacts

The Governance Council asked for information regarding a potential small business merit/demerit program. Administration provided information regarding programs at other boards across Canada, specifically British Columbia and Alberta.

Based on actuarial information and consultation with other agencies, Administration recommended that no action be taken until the completion of the 10 year review on the Safe Advantage program. WSCC is expected to have enough information to identify if Safe Advantage is reducing injuries and claims costs as it was designed to accomplish.

k) Comprehensive Policy Review Plan

The Comprehensive Policy Review Plan (CPRP) sets out the WSCC's five-year policy review schedule. Annually, the Governance Council approves this plan. As policy issues emerge, the CPRP can be updated by Administration. In addition to the actions taken by Administration, the Governance Council may specifically direct Administration to action a policy earlier than proposed in the CPRP.

Administration commits to reporting the quarterly status of the CPRP to the Governance Council.

6. NEXT MEETING

The Governance Council reviewed the agendas and corporate planning calendar for the March 2015 meeting. The meeting will take place March 5-6, 2015 in Iqaluit, NU.

7. IN CAMERA SESSION

The Governance Council did hold an in camera session which the Corporate Secretary and President did not attend.

8. ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 11:40 am on December 3, 2014.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut adjourned its December 2-3, 2014 meeting in Yellowknife, NT.

Date

Chairperson

Date

Corporate Secretary