

d) Acceptance of Agenda

The Governance Council added the Governance and Leadership report to the 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 June 2015 agenda, as amended.
15/06-001 - Carried

e) Council Concerns

There were no council concerns identified for this meeting.

2. CONSENT AGENDA

a) Approval of Minutes

The Governance Council reviewed the minutes from its March 2015 meeting.

b) Business Arising Out of the Minutes

There was no business arising out of the March 2015 minutes.

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 June 2015 meeting.
15/06-002 - 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 February 6, 2015 to May 13, 2015 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 June 4, 2015.

The Audit Committee held its meeting on June 4, 2015. The following items were discussed:

Decision Items:

a) 2014 Capital Asset Report

The President approved \$1,932,700 worth of capital requests for 2014. Of the total request, \$1,062,500 is for a retrofit to the Yellowknife office including furniture. The other large requests were for a new corporate website, disaster recovery software and a CAAPS wage calculation program. In 2013, a glycol spill occurred resulting in damage to part of the fourth floor, the cost of repairing the area was recorded in the 2014 capital assets with an estimated budget of \$111,000. Insurance proceeds of \$76,128 have been received to date pertaining to the glycol spill.

Audit Committee Report cont'd

As of the end of the fourth quarter \$1,256,153 of capital funding has been spent. Management retired \$71,391 worth of projects in the current year. \$36,023 was made available for reallocation and the remainder of \$1,718,825 is requested for carry-forward to 2015.

On a motion duly moved and seconded, the Governance Council upon the recommendation of its Audit Committee approved *to carry forward the \$1,718,825 in capital funding to 2015.*

AC15/06-003 – Carried

Discussion/Presentation Items:

a) Quarterly Internal Audit Report

Quarterly, the Audit Committee reviews the Internal Audit Report and holds an in-camera meeting with the Internal Auditor. In Q1, the Internal Auditor completed the contract review of Outcrop Communications Ltd, the review of the Investigations Procedures, an Audit Committee training plan and the Investigators Annual Plan.

The contract review resulted in nine recommendations, all of which management agreed with. When this contract ends, an RFP will be issued instead of renewing the contract.

Going forward the Internal Auditor will review one contract each year to determine if contract management is an issue across the organization.

b) Enterprise Risk Management

In Q1, the Enterprise Risk Management Committee added two risks to the registry:

- Inconsistencies in translation of external communications; and
- WSCC 4th floor retrofit.

Audit Committee Report cont'd

Two risks dealing with the disaster recovery site are scheduled for reassessment at the June committee meeting. The Audit Committee discussed the disaster recovery site and specifications of the data storage.

c) Third Party Actions

The Audit Committee reviewed updates on third party action up to April 30, 2015.

d) Investigations (Employer/Worker) Report

The Audit Committee received a report on investigations activity to May 6, 2015. No significant issues to note for Investigations.

e) Audit Committee Training Matrix

The Audit Committee requested the Internal Auditor develop a training matrix for the Audit Committee members. The training matrix will be useful in identifying the training needs for the current and future Audit Committee members.

The Internal Auditor will assist in scheduling approved training for the Audit Committee members.

The Audit Committee agreed to discuss with the Governance Council to look at Audit Committee Training by the Institute of Internal Auditors. The instructor can come to Yellowknife to provide a day of training to the Audit Committee and another full day for the Governance Council. The cost is approximately \$11,000.

Information Items:

a) Investments:

- **Q1 Investment Report**
- **Investment Results as April 30, 2015**
- **Q1 Investment Rebalancing**

Audit Committee Report cont'd

Overall, the Total Fund returned -0.27% for the month ending March 31, 2015. The key detractor to performance over this period was real estate at -2.85%. For the year-to-date period ending March 31, 2015, the fund returned 5.94%, essentially matching the benchmark return of 5.92%.

Performance over the long term remains strong with the fund outperforming its benchmark by 2.28% (10.44% vs. 8.16%) for the 4-year period ending March 31, 2015. For 2014, the WSCC had the third highest return in the country.

There was no formal rebalancing done in the 1st quarter of 2015. The WSCC will move approximately 20 million from the asset class to fixed income due to high returns.

Included in the package for the first time, is the Investment Manager Compliance Checklist. The checklist is updated to the end of Q1 2015.

b) Q1 Sole Source Awards

There were three sole sources awards in Q1. Two dealt with Medical Advisory Services and one for Workplace Violence training for WSCC employees.

c) Q1 Financial Report

For the first quarter, the WSCC has a net income of \$22.6 million.

d) Q1 Capital Asset Report

As of the end of the first quarter \$473,202 of capital funds have been spent or accrued and four projects have been completed to date. Management is currently estimating that all incomplete projects will be fully completed on budget by the end of 2015.

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 June 4, 2015 Audit Committee meeting.

15/06-004 – Carried

a)(i) Governance and Leadership Committee Meeting

Discussion/Presentation Items:

a) Governance Advisor

For approximately 10 years, the Governance Council of the Workers' Safety and Compensation Commission (WSCC) of the Northwest Territories and Nunavut contracted the services of a Governance Advisor. Originally, the Governance Advisor was hired as a result of recommendations found in an audit conducted by the Office of the Auditor General. The recommendations resulted from a general perception of dysfunction of the Governance Council.

At the time, the Governance Advisor was contracted to work with the Governance Council to develop general governance best practices dealing with:

- Enhancing Ministerial relationships;
- Accountability and Oversight – determining the role of the Governance Council at the WSCC;
- Governance Council Involvement in the Appointment Process;
- Governance Council Effectiveness; and
- Reporting and Disclosure.

The decision on whether or not to have a Governance Advisor helps fulfill the strategic priority of delivering quality services and outcomes for workers and employers. The Governance Council agrees to leave the Governance Advisor position vacant and have it as an annual standing item for review to the Governance Council.

b) What do Governance Council Members want to achieve?

Members feel this committee is a complimentary function to the organization and to the board. General discussion involving presumptive and latent disease – are they re-allocated to all classes, who picks up the cost, how does it affect the rates. Presumptive is re-allocated to all classes and for firefighters the cost is paid by the governments. The president to inquire if latent is re-allocated. The members want to achieve rate stability and ensure a fully funded board.

Governance and Leadership Committee cont'd

c) Future Agenda Topics

The Committee discussed potential agenda items for future meeting, which could include:

- Monitoring strategic planning
- Stakeholder training plan
- Monitoring corporate plan
- Risk Management – more in depth look at risks including rates and investments
- Succession planning
- Compensation Issues
- Education for the board specific to WSCC and onboarding process
- President and CEO evaluation

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 June 4, 2015 Governance and Leadership Committee meeting.
15/06-005 – Carried

b) Actuary's Report and 2016 Provisional Assessment Rate:

In June of each year the Actuary attends and presents the Governance Council with reports on the benefit liability as well as a recommendation of a provisional target rate for the year following, in this case that being 2016. Based on the presentation and discussion Governance Council approves a provisional target rate for the upcoming 2016 year. The Actuary then uses that rate to establish the assessment rates for all employer subclasses. The detailed subclass rates are presented and approved by the Governance Council in September of each year.

Actuary's Report and 2016 Provisional Assessment Rate cont'd

The Governance Council requested a rate model review and the results to be presented at the September meeting.

On a motion duly moved and seconded, Governance Council of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut approved a provisional target rate of \$2.00 for 2016 and directs management and the Actuary to present subclass rates to the Governance Council at its September meeting.

15/06-005 – Carried

c) YMIR Options

At the Governance Council's September 2014 meeting, the Governance Council requested a review and evaluation of policy options for calculating and setting the YMIR. The Governance Council was presented with three options for consideration.

On a motion duly moved and seconded, Governance Council of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut approved Option 3 to increase YMIR equal to an increase in average weekly earnings for the Northwest Territories and Nunavut.

15/06-006 – Carried

d) Policy 00.04 – Year's Maximum Insurable Remuneration

Year's Maximum Insurable Remuneration (YMIR) is a fundamental element of workers' compensation. The YMIR establishes a maximum remuneration for calculating workers' compensation benefits and sets a limit on employers' assessable payroll. The Comprehensive Policy Review Plan identified this policy for review.

Policy 00.04 – Year’s Maximum Insurable Remuneration cont’d

On a motion duly moved and seconded, Governance Council of the Workers’ Safety and Compensation Commission of the Northwest Territories and Nunavut approved Policy 00.04 – Year’s Maximum Insurable Remuneration, as presented.

15/06-007 – Carried

e) Policy 00.05 – Determining Status of Persons under the Workers’ Compensation Acts: General

The *Workers’ Compensation Acts (Acts)* of the Northwest Territories and Nunavut apply to all employers and workers in the Northwest Territories and Nunavut. For the purposes of workers’ compensation, the *Acts* define who is considered an employer and a worker. This policy provides guidelines to assist in the confirmation of the status of an employer or a worker as it relates to the application of the *Acts*. 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 00.05 – Determining status of Persons under the Workers’ Compensation Acts: General, as presented.

15/06-008 – Carried

f) Policy 00.05.01 – Determining status of Persons under the Workers’ Compensation Acts: Employers

This is a new policy arising out of the original review of Policy 00.05. This policy outlines and expands upon the Employers section of the original policy.

On a motion duly moved and seconded, the Governance Council of the Workers’ Safety and Compensation Commission of the Northwest Territories and Nunavut approves Policy 00.05.01 – Determining Status of Persons under the Workers’ Compensation Acts: Employers, as presented.

15/06-009 – Carried

g) Policy 00.05.02 – Determining Status of Persons under the Workers’ Compensation Acts: Workers

This is a new policy arising out of the original review of Policy 00.05. This policy outlines and expands upon the Workers section of the original policy.

On a motion duly moved and seconded, the Governance Council of the Workers’ Safety and Compensation Commission of the Northwest Territories and Nunavut approves Policy 00.05.02 – Determining Status of Persons under the Workers’ Compensation Acts: Workers, as presented.

15/06-010 – Carried

h) Policy 02.11 – Successor and Related Employers

To ensure the Workers’ Safety and Compensation Commission (WSCC) treats employers fairly and equitably, it may investigate employers who reorganize, restructure or change ownership to determine if the new employer is a successor of, or if its operations are related to, the former employer. Under the Workers’ Compensation Act(s), the WSCC may treat successor employers as former employers, and related employers as the same employer. This policy sets out how the WSCC determines if a new employer is a successor of, or related to, another employer. 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 approves Policy 02.11 – Successor and Related Employers, as presented.

15/06-011 – Carried

i) Policy 02.12 – Employer Clearances

This is a new policy. The proposal to establish an employer clearance policy is an action item arising from the May 2014 Continuous Excellence event on employer clearances. A draft of Policy 02.12 was approved in principle during the March 2015 Governance Council Meeting and was subsequently sent to stakeholders to solicit feedback.

Policy 02.12 – Employer Clearances cont'd

On a motion duly moved and seconded, the Governance Council of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut approves Policy 02.12 – Employer Clearances, as presented.

15/06-012 – Carried

5. DISCUSSION/PRESENTATION ITEMS

a) Q1 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) Comprehensive Policy Review Plan Quarterly Update

The Comprehensive Policy Review Plan (CPRP) sets out the WSCC's five-year policy review schedule. 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.

During this item, the Governance Council discussed effects the new Occupational Health and Safety Regulations will have on policies.

c) 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

Outstanding Litigation and Appeals Tribunal Decisions cont'd

decisions, and hold people and companies liable for non-compliance with legislation such as the *Safety Act*.

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 January 31, 2015 and April 30, 2015.

The Governance Council also discussed the difference between Human Rights Tribunals and how to file an appeal in different jurisdictions.

d) Divisional Presentation – Executive Services

The Governance Council welcomed Susan Abernethy, Ben Hendriksen, Greg Kelly and Kim Walker, the leadership team from Executive Services, to the meeting for this presentation.

The leadership team from Executive Services outlined the strategic direction for the division to the Governance Council during this presentation.

e) Divisional Presentation – Nunavut Operations

The Governance Council welcomed Lisa Clarke, Regional Superintendent, to the meeting for this presentation.

At each meeting the Governance Council receives divisional presentations and gains insight into the functions of each division. The presentations also outline how the work of the divisions fit into the strategic plan and help fulfill the goals of objectives set out for the organization.

f) Safety Officer Engagement and Inspection Conduct – Action Plan

At its December 2014 meeting, the Governance Council requested an Action Plan be developed for Safety Officer Engagement and Inspection Conduct. The Governance Council reviewed a timeline of actions to be taken in order for this plan to be implemented. The actions include interacting with other jurisdictions, training for employees, and development of a rollout plan. The final plan is expected to be implemented early in 2016.

g) Safe Advantage and COR Comparative Study

At its December 2014 meeting, the Governance Council requested the WSCC consider options for combining Safe Advantage (SA) and Certificate of Recognition (COR). This has been implemented with a three year phased in approach which is linked to the 3 year COR audit requirement as each COR employer is audited at least every three years.

The Governance Council discussed the possibility of the GNWT adding an audited safety program to all of their large contractors. The WSCC will write a letter to the GNWT suggesting this.

h) Stakeholder Engagement Project Results

During the first quarter of 2015, the President's Office seconded an individual from our Human Resources department to travel the north speaking face to face with employers to ascertain what the issues are with the WSCC and if they had any thoughts on how we could improve our service.

The final report was presented to the Governance Council at this meeting for review and discussion. One message that was loud and clear throughout the process was employers would like training to be brought back into the WSCC. The Governance Council asked for development of a training matrix which employers can use to identify where to acquire training. This will be presented to the GC at the December 2015 meeting.

i) WSCC Retrofit Update

The Governance Council received an update on the current retrofit at the WSCC. The retrofit began in January 2015 and is expected to be completed in January 2016. The update included costs to date, total projected costs and any minor issues that may arise in the course of the project.

6. NEXT MEETING

The Governance Council reviewed the agendas and corporate planning calendar for the September 2015 meeting. The meeting will take place September 17-18, 2015 in Yellowknife, NT.

7. IN CAMERA SESSION

The Governance Council did not hold an in camera session during this meeting.

8. ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 12:06 pm on June 5, 2015.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut adjourned its June 4-5, 2015 meeting in Yellowknife, NT.

Date

Chairperson

Date

Corporate Secretary