



**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 March 2015 agenda, as presented.  
**15/03-001 - 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 December 2014 meeting.

**b) Business Arising Out of the Minutes**

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

**c) Lump Sum Payouts**

The President must report all lump sum payouts greater than 10% to the Governance Council. In 2014, the WSCC approved the conversion of three injured workers pensions to a lump sum payout. In addition, one conversion was denied as it did not meet the criteria stipulated in policy.

**d) 2014 Gift Disposal**

During the course of the year, the President receives gifts from various businesses and organizations for making presentations or just good will. Annually, the president presents the Governance Council with a list of these gifts and how they were disposed of.

## 2014 Gift Disposal cont'd

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 March 2015 meeting.

**15/03-002 - 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 November 7, 2014 to February 6, 2015 on WSCC operations not covered elsewhere in Governance Council proceedings. In addition to the report, the President discussed the WSCC Stakeholder Input initiative currently ongoing. This involves an individual from Human Resources travelling throughout the NT and NU gathering input on WSCC services. A report with these findings will be presented to the GC at the June 2015 meeting.

### 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 March 5, 2015.*

The Audit Committee held its meeting on Thursday, March 5, 2015. The following items were discussed:

## Audit Committee Report cont'd

### Decision Items:

#### a) 2014 Capital Asset Disposals

As part of the year-end process, the WSCC is required to review all capital assets for evidence of impairment, obsolescence and changes to the assets useful life. This process resulted in the WSCC identifying some assets that required disposal.

On a motion duly moved and seconded, the Governance Council upon the recommendation of its Audit Committee approved *to write down the value of the assets due to impairment and obsolescence from \$80,738.54 to zero effective December 31, 2014.*

**AC15/03-003 – Carried**

#### b) Write-off of Debts

Under the authority of the *Workers' Compensation Act* the Governance Council can approve amounts for write-off. Under Policy 10.01, the Chief Financial Officer recommends amounts for write-off to the Governance Council annually.

On a motion duly moved and seconded, the Governance Council of the of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut, upon the recommendation of its Audit Committee, approved the write-off of debts as follows:

	<i>Balance as at December 31, 2013</i>	<i>\$115,639.15</i>
<i>Add:</i>	<i>New 2014 Allowance submission-Employers</i>	<i>71,721.51</i>
	<i>New 2014 Other debtor allowance</i>	<i>0.00</i>
<i>Less:</i>	<i>2014 Bad debts written off - Employers</i>	<i>(67,484.27)</i>

**Audit Committee Report cont'd**

	<i>2014 Bad debt written off – Other debtors</i>	<i>(0.00)</i>
	<i>2014 Payments received on doubtful accounts</i>	<u><i>(28,938.05)</i></u>
	<i>Balance as at December 31, 2014</i>	<i>\$90,938.34</i>
<b>AC15/03-003 - Carried</b>		

**Discussion/Presentation Items:**

**a) Draft 2014 Financial Statements**

The Governance Council (GC) approves the annual financial statements of the Workers' Safety and Compensation Commission (WSCC). Under the *Financial Administration Acts*, the Auditor General for Canada (OAG) provides an opinion on the statements. The OAG will complete their work in late April, so final approval will occur after this meeting. Currently at 128% funded, but will likely drop to approximately 116% once the latent occupational diseases are factored in.

**b) 2014 Internal Audit Report**

The 2014 quarterly Internal Audit Performance Report is prepared in accordance with standard internal audit operating procedures. This report provides an overview of the contributions made by internal audit in its service to the Workers' Safety and Compensation Commission (WSCC) of Northwest Territories and Nunavut.

This quarterly report provides an update on the accomplishments of Internal Auditor in providing assurance and consulting services to the President, Audit Committee and the Governance Council. Audit Projects completed in Q4 are User Access Management and Process Mapping.

**c) Enterprise Risk Management**

The Audit Committee reviewed the quarterly ERM update. In Q4, two risks were added to the registry dealing with key position vacancies and the lack of a business continuity plan. Both of these are being worked on at this time.

## **Audit Committee Report cont'd**

### **d) Third Party Actions**

The Audit Committee reviewed updates on third party action up to January 31, 2015.

### **e) Investigations (Employer/Worker) Report**

The Investigations Coordinator reports on activities on a quarterly basis. The attached report is for the period November 6, 2014 to February 5, 2015. The Investigations Coordinator position was recently moved to the Internal Audit function which seems to be working very well.

### **f) Draft 2014 Annual Report**

Annually the Audit Committee reviews the draft Annual Report for discussion and information purposes. The Audit Committee will receive the final report at the special meeting in April.

### **g) Costs and Opinions for WSCC Paperless System**

At the December 2014 meeting, the Audit Committee asked for updates and current status of the WSCC going toward a paperless system. The paper included the current status and action plans for steps toward this initiative to 2016.

### **h) Audit Committee Training Plan**

In December meeting, the Audit Committee requested the Internal Auditor develop a training plan exclusively for the Audit Committee members. There is no plan currently in place that would be helpful for the new and existing members in acquiring the skill set required for an Audit Committee member.

Before the June meeting, the Internal Auditor will create a matrix of skills for the AC members and will contact each member by phone to discuss the training options with them.

## **Audit Committee Report cont'd**

### **i) Whistleblower Process**

At the December 2014 meeting, the Audit Committee asked the Internal Auditor to develop a formal Whistleblower Process for the WSCC. The WSCC was recently told by the GNWT that we cannot have our own program. After discussion with the Deputy Minister, this has been forwarded to the Labour Relations unit for review. The AC will receive an update as information comes available.

### **j) Investment Manager Compliance Checklist**

At the Audit Committee meeting in September 2014, AON who provide investment management services to the WSCC 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. Going forward, this will be presented to the AC on a quarterly basis.

### **k) Investigations Annual Plan**

At the December 2014 meeting, the Audit Committee asked for an Investigations Annual Plan to ensure the Investigations Unit was covering all facets of the role. The Investigations Unit has been transferred to the Internal Audit function. The Internal Auditor and the Investigator will review the Investigations process and procedures in consultation with other divisions. The process will be revised, if needed, to ensure that the unit provides adequate coverage and support to the staff and the Organization.

## **Information Items:**

### **a) Investments:**

- **Q4 Investment Report**
- **Investment Results as January 31, 2015**
- **Q4 Investment Rebalancing**

## **Audit Committee Report cont'd**

Overall, the total fund returned 0.51% for the month ending December 31, 2014. The key detractor to performance over this period was non-North American

## **Audit Committee Report cont'd**

equities. For the year-to-date period ending December 31, 2014, the fund returned 10.83%, outperforming its benchmark by 1.49%. Performance over the long term remains strong with the fund outperforming its benchmark by 1.92% (9.25% vs. 7.33%) for the 5-year period ending December 31, 2014.

There was no formal rebalancing for Q4.

Aon flagged TimeSquare as a concern, US equities are overvalued, so Brad thinks it may be time to look a change to our strategy and take a more global approach. This will give them more flexibility. He doesn't recommend to do it right away, but the WSCC has started the asset liability study so some recommendations may come out of that.

The study will be complete with recommendations by September.

Administration would like to have someone from the AC involved in the asset liability study, the Audit Committee Chair will think about who that will be.

### **b) Q4 Sole Source Awards**

There were six sole source awards in Q4. These included contracting physician services, system software, and independent consulting.

### **c) Q4 Capital Asset Report**

As of the end of the fourth quarter \$1,256,153 of capital funds have been spent. Management is currently estimating that \$71,391 worth of projects will be retired in the current year, \$36,023 will be available for reallocation and the rest will be requested for carry-forward to 2015, for a total of \$1,718,825.



## **Audit Committee Report cont'd**

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 March 5, 2015 Audit Committee meeting.

**15/03-004 – Carried**

### **b) Policy 04.14 – Return to Work**

The Workers' Safety and Compensation Commission (WSCC) supports the safe and early return to work of injured workers. This policy sets out the Return to Work plans and programs the WSCC uses to help workers' recoveries and encourage their successful return to the workforce.

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

On a motion duly moved and seconded, Governance Council of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut approved Policy 04.14 – Return to Work, as presented.

**15/03-005 – Carried**

### **c) Policy 09.02 – Safe Advantage**

This policy outlines the Workers' Safety and Compensation Commission (WSCC) Safe Advantage program, including employer inclusion and program administration. The Safe Advantage program's purpose is to increase employer accountability for workplace safety and return to work programs by creating incentives to do so.

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 09.02 – Safe Advantage, as presented.

**15/03-006 – Carried**

**d) Policy 10.01 – Doubtful Accounts and Write-offs**

The Workers' Safety and Compensation Commission (WSCC) estimates an allowance for doubtful accounts and may write-off an asset, debt or obligation owed to the WSCC if it considers the asset, debt or obligation unrealizable or uncollectible. This ensures the accounts receivable balance reflects its true assets.

**Policy 10.01 – Doubtful Accounts and Write-offs cont'd**

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 10.01 – Doubtful Accounts and Write-offs, as presented.

**15/03-007 – Carried**

**e) GC Directive B-004 – Governance Council Director's Honoraria**

The Workers' Safety and Compensation Commission (WSCC) pays Governance Council Directors' honoraria while attending meetings or other business functions on behalf of the Governance Council. This remuneration is paid from the Workers' Protection Fund. This directive outlines the remuneration paid to WSCC Governance Council Directors when conducting business or travelling on the Governance Council's behalf.

The Comprehensive Policy Review Plan identified this Directive 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 GC Directive B-004 – Governance Council Director's Honoraria, as presented.

**15/03-008 – Carried**

**f) Request for International Travel – Lex Lovatt**

In accordance with Administrative Policy B.3 International Travel, the Governance Council reviews and approves international travel for all WSCC employees.

The Chief Inspectors of Mines (Canadian jurisdictions) requested that Lex Lovatt, as the Canadian Representative to the International Mines Rescue Body (IMRB), attend the 7<sup>th</sup> International Mines Rescue Body Conference in Hanover, Germany from September 6 to 10, 2015. Mr. Lovatt has been asked by the organizing committee and members of the IMRB to present at the 2015 conference. The

NWT and NU have a progressive approach to Mine Rescue that will benefit the rest of the world. This will be an opportunity to share Northwest Territories and Nunavut Mine Rescue experiences with organizations around the world.

The Governance Council were very excited about this initiative for the WSCC and for Mr. Lovatt.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut approves international travel for Lex Lovatt to attend the 7<sup>th</sup> International Mines Rescue Body Conference in Hanover, Germany from September 6-10, 2015.

**15/03-009 – Carried**

**g) Appeals Tribunal Decision – Mr. Harnish – Direct Rehearing**

On December 18, 2014, the Appeals Tribunal released its decisions regarding Mr. Troy Harnish. The analysis contained in the decision of the Appeals Tribunal is insufficient to provide guidance to the WSCC with respect to the material contribution standard in section 13(2) of the *Workers' Compensation Act*. As well, it appears the Appeals Tribunal made an error with respect to its jurisdiction, in determining an issue not properly before the Tribunal. The Governance Council may direct the Appeals Tribunal to rehear a decision up to 6 months after the date of the original decision.

## **Appeals Tribunal Decision – Mr. Harnish – Direct Rehearing cont'd**

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut directs the Appeals Tribunal to rehear Review Committee decisions 2628-1 and 2545-1 for Mr. Troy Harnish and stay the Appeals Tribunal original decision until the matter is reheard.

**15/03-010– Carried**

### **5. DISCUSSION/PRESENTATION ITEMS**

#### **a) Q4 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. This is the last report for the 2012-2014 Strategic Plan.

#### **b) Comprehensive Policy Review Plan**

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 in general how policies are scheduled, how the review plan works and who decides the policy schedule.

### **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 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 October 31, 2014 and January 31, 2015

### **d) Human Resources Talent Management**

*The Governance Council welcomed Harmeet Jagpal, VP, Corporate Services and Jonathan Andrews, Manager, Human Resources to the meeting for this item.*

In June 2014, Human Resources (HR) presented the Governance Council with a Talent Management Strategy proposal that would be the guiding HR strategy over the next Strategic Period. This proposal identified a number of HR initiatives that would be developed and implemented over the remaining six months of 2014.

The following HR initiatives were developed and implemented in 2014:

- Advance the Safety Culture - Maintain COR certification
- Total Rewards Program
- Succession Planning Program
- Secondment Program

The Governance Council praised the Human Resources Team and the WSCC for work conducted on this initiative.

**e) Prevention Services Strategic Plan and Education Framework – 2015-2017**

The Governance Council requested Prevention Services to develop a Strategic Plan and Education Framework for 2015 – 2017. The plan addressed the WSCC mandate and work with partners. This is a living document and the Prevention Services team will expand to include corporate objectives. This plan focuses on education, communication and collaboration. It allows for the WSCC to give employers the tools they need to advance the safety culture across the NT and NU.

**f) Non-substantive Policy Changes – Policy 02.01 and 02.03**

At the Governance Council's December 2014 meeting it approved a change increasing the minimum assessment rate for employers from \$50 to \$200. As a result, Policy 02.01, Employer Assessments, and Policy 02.03, Personal Optional Coverage has a non-substantive policy revisions to incorporate this change

**g) Policy 02.12 – Employer Clearances**

Administration proposed the creation of Policy 02.12, Employer Clearances. The proposal to establish an employer clearance policy is an action item arising from the May 2014 Continuous Excellence event on employer clearances. The proposed policy did not describe a new process or requirements for employers, but meant to clarify current legislative responsibilities under the *Workers' Compensation Acts*.

The Governance Council agreed with the adoption of this policy. Administration will now seek stakeholder feedback on the draft policy and present a finalized policy for approval and an effective date at the Governance Council's June 2015 meeting.

**h) Process Mapping Update**

The Audit Committee directed administration to build, document and maintain process maps for key financial and operational cycles. A completion target date of December 2014 was set. The maps contain identified risks and the control mechanisms that exist to address those risks.

## **Process Mapping Update cont'd**

The maps facilitate audit and review practices ensuring controls are functioning as designed and as operationally necessary.

This exercise resulted in 37 processes in the organization, the primary focus was the financial processes but some other operational processes were done as well. The maps are currently being formatted and will be sent to the Governance Council when complete.

### **i) Pensions Action Plan and Jurisdictional Information**

At its June 2014 meeting, the Governance Council requested an interjurisdictional comparison of pension benefits for presentation in December 2014. Upon reviewing the information the Governance Council requested information regarding other workers' compensation board's experience when migrating from their historical permanent compensation system to their current permanent compensation system. Specifically, these questions have been asked:

- why other boards made a change to their current system; and
- why they made the change at the time they did.

The report presented to the Governance Council summarized information gathered from Canada's four western provinces, Manitoba, Saskatchewan, Alberta and British Columbia. At the request of WSCC Administration the four provinces workers' compensation boards provided summaries of the issues that were contemplated at the time of migrating from one permanent compensation system to another.

Administration provided a timeline of competition to move from the current WSCC permanent compensation system to a new and as yet undetermined system. The plan will begin in May 2015 and administration anticipates presenting a final report to the Governance Council, with complete financial and stakeholder analysis, at the September 2016 Governance Council meeting.

The Governance Council discussed the impact on a worker's CPP if they are injured, receiving workers' compensation benefits and not contributing to CPP. This information will be provided to the GC prior to the next meeting.

#### **j) Governance Council Education Topics**

As part of the Governance Council work plan, the Governance Advisor was tasked with helping the council identify potential topics for education session to be held at their meetings. The Governance Advisor provided some information which was discussed at the March 2015 meeting. During this meeting, each member provided the Governance Advisor with education topics they felt were important. The Governance Advisor will compile the lists and determine education topics for future meetings.

#### **k) GC Education Session – Effective Board Oversight**

The Governance Advisor presented a Governance Council Education session regarding Effective Board Oversight at the March 2015 meeting. The Governance Council only covered some of the questions and discussion throughout the presentation. The remaining information will be added to the Chairperson's report for future follow-up.

#### **l) 2015-2017 Quarterly Update Proposals**

The WSCC operates under the direction of the WSCC Governance Council's Strategic Plan, which provides priorities, objectives, actions and key performance indicators (KPIs) for the organization. The Strategic Plan provides the basis for the yearly Corporate Plan, which outlines how the WSCC will achieve the Governance Council's strategic priorities.

Administration proposed a WSCC Quarterly Update which is a public tracking report that keeps the Governance Council abreast on the WSCC's commitments and provides corporate accountability and transparency to stakeholders.

On a quarterly basis Administration will provide the Quarterly Update to the Governance Council for review prior to publication for WSCC employees and stakeholders. The Quarterly Update will be available to WSCC employees on the intranet and to external stakeholders on the WSCC website.



## 6. NEXT MEETING

The Governance Council reviewed the agendas and corporate planning calendar for the June 2015 meeting. The meeting will take place June 4-5, 2015 in Yellowknife, NT.

## 7. IN CAMERA SESSION

The Governance Council did hold an in camera session which the Corporate Secretary attended dealing with the President and CEO evaluation and the Governance Advisor contract.

## 8. ADJOURNMENT

*There being no further business to discuss, the meeting adjourned at 11:46 am on March 6, 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 March 5-6, 2015 meeting in Iqaluit, NU.

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*Date*

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*Chairperson*

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*Date*

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*Corporate Secretary*