



## **Acceptance of Agenda 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 the December 2013 agenda, as presented.

**13/12-001 - Carried**

### **e) Council Concerns**

- i) The Governance Council discussed having information bulletins available for industry to advise of changes, near misses, incidents, and any other topics that may be of general interest to all industry. The WSCC does currently publish Hazard Alerts on the website but will look at expanding the current practice to include more information. The WSCC will explore additional options to distribute this information and if possible, allow this to be interactive with others providing information for distribution to the WSCC.
- ii) The joint SMT and Governance Council strategic planning session was not as productive as it could have been. Therefore, the Governance Council will join the SMT again in January 29, 2014 to continue discussions.

## **2. CONSENT AGENDA**

### **a) Approval of Minutes**

The Governance Council reviewed the minutes from its September 2013 meeting.

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

There was no business arising out of the September 2013 minutes.

### **c) 2014 CEO Travel**

The President provided the Governance Council a list of planned travel for 2014.

#### **d) Medical Subsistence Allowance**

The WSCC instructed the Departments of Justice in the Governments of the Northwest Territories and Nunavut to amend Sections 4 and 6 of the *Workers' Compensation General Regulations* effective January 1, 2014, to reflect the Treasury Board of Canada Secretariat's rates.

#### **e) Morneau Shepell – Actuary Contract Extension**

In September 2010, the Workers' Safety and Compensation Commission (WSCC) entered into a contract with Morneau Shepell for actuarial services, on the approval of the Governance Council.

A public request for proposals (RFP) was completed prior to entering into the contract with Morneau Shepell. The RFP and resultant contract contained a provision for the parties to extend the initial contract for a period of up to three years. The WSCC opted to extend the contract as permitted.

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 2013 meeting.

**13/12-002 - 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. It provided information for the period August 29, 2013 to November 19, 2013.

#### **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 31, 2013 to

## **President's Report cont'd**

November 19, 2013, on WSCC operations not covered elsewhere in Governance Council proceedings.

### **4. DECISION ITEMS**

#### **a) Audit Committee Report**

*John Vander Velde, Audit Committee Chairperson, provided the Governance Council with the Audit Committee report of its meeting held December 4, 2013.*

The Audit Committee of the Governance Council of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut held its meeting December 4, 2013.

#### **Decision Items:**

##### **2014 Operations and Capital Budget**

In accordance with *Section 83(2)(d)* of the *Workers Compensation Act(s)*, the Governance Council establishes the annual operating and capital budgets of the Commission.

At the September Audit Committee meetings, draft operations and capital budgets for 2014 were presented for discussion by the Audit Committee and Governance Council. There were no changes directed for the final budget.

The Audit Committee again reviewed the draft 2014 Capital and Operations budget.

The Audit Committee also reviewed a list of pre-2013 approved capital items which administration requests approval for the funding to be carried forward. Past practice has been to retire unexpended capital funding after one year.

Administration requested, and Audit Committee agreed to change the budget approval timeline to have final approval of the budget to occur in September.

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

Last week, the WSCC was advised, as a result of Devolution, it will resume responsibility for Oil and Gas inspections in the NWT. This will be managed from the current budget for now, the WSCC does not anticipate requiring additional funds.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut approved the 2014 Operations and Capital budget, as presented.

**AC13/12-003 – Carried**

On a motion duly moved and seconded, the Governance Council of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut approved the Pre-2013 Capital Items Carry Forward, as presented.

**AC13/12-004 – Carried**

## **2014-2016 Internal Audit Plan**

The Audit Committee reviewed the proposed 3 year Internal Audit Plan. Although, the plan can be changed at any time, the Audit Committee will be consulted with before any change is made.

In 2014, the Internal Auditor will complete a:

- Review of Assessments Refundable;
- Review of Attendance and Lieu/Overtime;
- Review of Online Travel Authorizations;
- System Access Review;
- Review of Big Contracts;
- Half Yearly Travel Authorizations review;
- Benefits Liability – Review of Pension Process; and
- Review of the first Lean Process.

## **Audit Committee Report 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 approved the 2014 – 2016 Internal Audit Plan, as presented.

**AC13/12-005 – Carried**

### **Discussion/Presentation Items:**

#### **Enterprise Risk Management:**

Administration has concerns with the current risk management process. At the March 2014 meeting, administration will present the Audit Committee with a revised risk management approach.

The Audit Committee requested a comparison document accompany the new approach so it is event what changes were made.

#### **2013 OAG Audit Plan:**

The Audit Committee conducted a teleconference with representatives from the OAG to discuss the 2013 Audit plan. The audit will focus on important risks:

- Claims processes and payments; and
- Benefits liability.

They will also audit some developments in IFRS.

They estimate the overall materiality at \$1.1 million.

The Audit Committee discussed with the OAG the possibility of meeting the legislated March 31 deadline. They will discuss with administration as a possibility for 2014.

#### **Third Party Actions:**

The Audit Committee received a report of Third Party Actions to October 31, 2013. The claims for all passengers in the First Air crash have been settled. The Audit Committee will receive the actual costs at the next meeting.

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

### **Investigations Report:**

The Audit Committee received a report on investigations activity to October 31, 2013. No significant issues to note for Investigations.

### **Internal Audit Quarterly Update:**

In the third quarter, the Internal Auditor completed 4 audits:

- CAAPS and Great Plains Integration Review;
- Travel Authorization Audit – Q2 2013;
- Claims – Nunavut Follow Up Audit; and
- Medical and Supplier Payments Review.

### **Information Items:**

### **Investment Report:**

The Audit Committee discussed the investments to September 30, 2013. Overall, the total fund returned 2.90% for quarter ending September 20, 2013. Year to date, the fund returned 8.26% outperforming the benchmark by 2.75%. There was no formal rebalancing for the third quarter.

### **Sole Source Awards:**

There was one sole source award between July 1 and September 20, 2013 for Occupational Medical Consulting services.

### **2013 Third Quarter Financial Review:**

Reporting in thousands, for the third quarter, the WSCC has a net income of \$14,995.

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

### **2013 Third Quarter Capital Asset Report:**

At the end of Q3, \$372,803 of capital funds has been spent or is estimated to be spent by year end.

Management estimates to spend a total of \$85,100 out of the pre-2013 carry forward and requests \$662,814 carry forward to 2014.

For 2013, management expects to spend \$287,703 and requests that \$661,579 be carried forward to 2014.

### **Adjournment:**

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 4, 2013 Audit Committee meeting.

**AC13/12-005 – Carried**

### **b) 2014 Comprehensive Policy Review Plan**

The Workers' Safety and Compensation Commission (WSCC) Policy 00.01, Policy Creation and Revision, commits the WSCC Governance Council (GC) to the annual approval of the Comprehensive Policy Review Plan (CPRP) to set the schedule for policy review.

This paper provided options for changes to the process, those proposed changes were:

- New stakeholder engagement process;
- Revised Stakeholder Engagement policy for approval at the March 2014 meeting; and
- The Comprehensive Policy Review Plan will change to a quarterly discussion item instead of an annual decision item to allow for more input and discussion on stakeholder engagement.



## 2014 Comprehensive Policy Review Plan 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 changing the Comprehensive Policy Review Plan from an annual decision item to a quarterly discussion item.  
**13/012-006 – Carried**

### c) Policy 00.02 – Reconsidering a Decision

*The Governance Council welcomed Susan Abernethy, VP Executive Services, and Hayley Smith, Policy Analyst, to the meeting for all policy discussions.*

The Workers' Safety and Compensation Commission (WSCC) may reconsider any decision it has previously made. At the request of a claimant, employer or another person, or on its own initiative, the WSCC may rescind, vary, amend or confirm a past decision.

The three-year cycle of the Comprehensive Policy Review Plan identified Policy 00.02 - Reconsidering a Decision, 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 00.02 – Reconsidering a Decision, as presented.  
**13/012-007 – Carried**

### d) Policy 00.03 – Inter-jurisdictional Agreements

The WSCC participates in the Association of Workers' Compensation Boards of Canada (AWCBC) Standing Committee to maintain and develop the *Interjurisdictional Agreement on Workers' Compensation* which ensures that the assessment and claim matters involving more than one jurisdiction are administered in an effective, efficient and timely manner.

### **Policy 00.03 – Inter-jurisdictional Agreements cont’d**

The three-year cycle of the Comprehensive Policy Review Plan identified Policy 00.03 – Inter-jurisdictional Agreements, 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 00.03 – Inter-jurisdictional Agreements, as presented.

**13/12-008– Carried**

### **e) Policy 00.07 - Consultation**

At the September 2013 Governance Council meeting, a resulting Action Item requested that a draft revised stakeholder engagement process be completed for December’s GC meeting, with an objective to increase the WSCC’s level of external stakeholder engagement.

In order to provide the flexibility needed to transition to a revised stakeholder engagement process, the WSCC’s Policy Unit requested the rescission of Policy 00.07.

On a motion duly moved and seconded, the Governance Council of the Workers’ Safety & Compensation Commission of the Northwest Territories and Nunavut rescinded Policy 00.07- Consultation.

**13/12-009– Carried**

### **f) Policy 00.08 – Decision Making**

The Workers’ Safety and Compensation Commission (WSCC) has exclusive jurisdiction to examine, inquire into, hear and determine all matters and questions arising under the Workers’ Compensation Act(s), subject to the jurisdiction of the Appeals Tribunal. The WSCC decides each matter before it according to the justice and merits of the case, without being bound by its previous decisions.

## **Policy 00.08 – Decision Making cont'd**

The three year cycle of the Comprehensive Policy Review Plan identified Policy 00.08 – Decision Making, 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 00.08 – Decision Making, as presented.

**13/12-010– Carried**

### **g) Administrative Policy B.9 – Employee Travel**

This administrative policy outlines the Workers' Safety and Compensation Commission (WSCC) employee travel requirements. This administrative policy ensures consistent reporting and equitable treatment when WSCC employees travel.

At the September 2013 Governance Council meeting, the Audit Committee put forward the recommendation that an 'Executive Travel Guideline' be incorporated into the WSCC's internal travel policies. This guideline would aim to minimize the risks that are inherent in work-related travel. The Governance Council agreed to the addition of the recommended guideline, resulting in the need for policy revisions to this administrative policy as well as Governance Council Directive B-005. While the approval of this policy would normally fall under the authority of the President, the result of September's Action Item requires that the Governance Council approve the revisions to this policy.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut approved Administrative Policy B.9 – Employee Travel, as presented.

**13/12-011– Carried**

## **h) Governance Council Directive B-005 – Governance Council Directors Travel**

The Workers' Safety and Compensation Commission (WSCC) pays the Governance Council Directors' travel costs to attend meetings or other business functions of the Governance Council from the WSCC Workers' Protection Fund. This directive provides guidelines for reimbursing Directors' expenses incurred while travelling to attend meetings or to conduct business on behalf of the Governance Council.

At the September 2013 Governance Council meeting, the Audit Committee put forward the recommendation that an 'Executive Travel Guideline' be incorporated into the WSCC's internal travel policies. This guideline would aim to minimize the risks that are inherent in work-related travel. The Governance Council agreed to the addition of the recommended guideline, resulting in the need for policy revisions to this Directive as well as Administrative Policy B.9, Employee Travel.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut approved GCD B-005 – Governance Council Directors Travel, as presented.

**13/12-012– Carried**

## **i) Revised WSCC Funding Strategy**

*The Governance Council welcomed Thane MacKay, Morneau Shepell, to the meeting for this presentation.*

At the June 2013 Governance Council meetings, Administration presented to the Governance Council a discussion paper introducing the option of undertaking a review of the current funding strategy and exploring alternatives.

At present, the WSCC is not operating in accordance with its funding approach in its rate setting process. The Governance Council directed Administration to explore options for a revised funding strategy.

## **Revised WSCC Funding Strategy cont'd**

Administration worked with Morneau Shepell, the WSCC contracted actuary over the past number of months to develop and test alternatives for a revised funding strategy. After working through and modelling approximately twenty differing approaches, the Governance Council was presented with for review and comment, including to keep the current funding strategy.

The Governance Council asked for additional information regarding limiting the downside of risk and acknowledgement of the Catastrophe Reserve. Thane will review this and provide scenarios by January 29, 2014.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut directs Administration to proceed with the necessary policy amendments, for presentation and approval at the March 2014 meeting, to implement FP17 with the addition of limitation of downside risk and acknowledgement of the Catastrophe Reserve.  
**13/12-013– Carried**

### **j) Northern Safety Association Additional Funding Request**

On April 20, 2007, the Workers' Safety and Compensation Commission (WSCC) signed a three-year Contribution Agreement with the Northern Construction Safety Association, now known as the Northern Safety Association (NSA) for the delivery of safety courses requiring certification.

In recent months, the NSA has seen a dramatic increase in program and course demand. The Governance Council reviewed the NSA request for additional funding to recover administrative costs associated with providing the additional training.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut approved \$25,000 additional funding for the Northern Safety Association.  
**13/12-014– Carried**

### **k) Draft 2014 Corporate Plan**

The annual Corporate Plan outlines the Governance Council's strategic direction and the WSCC's operational objectives for the current planning cycle. It fulfills an important obligation of accountability and transparency to the WSCC's stakeholders. The 2014 Corporate Plan represents year three of the 2012 – 2014 three-year strategic plan. The content complies with the *Financial Administration Act(s)* and best practices. The content is organized to demonstrate the importance of each key result area and associated objectives.

With Governance Council approval of the 2014 Budget and the Funding Strategy, financials statements and the 2014 percentage funding range will be inserted. The 2014 Corporate Plan will then undergo French and Inuktitut translation and design/layout. The 2014 Corporate Plan distribution is scheduled for mid-January and subsequent legislative tabling in the first 2014 sessions of the Northwest Territories and Nunavut Legislatures.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut approved the draft content for the 2014 Corporate Plan, as presented.

**13/12-015– Carried**

### **l) 2014/2015 Safe Advantage Inclusion Limit**

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. Employers with poor safety and return to work practices and poor claims experience results pay additional penalties.

During the development phase of the program and based on consultation with employers, and recommendations by our Actuary, the Governance Council decided to limit participation in the program to employers with average assessments of \$40,000 and over. This limit was put in place to ensure administrative costs would not exceed potential gains made by the program.

## **2014/2015 Safe Advantage Inclusion Limit cont'd**

The \$40,000 amount was intended to limit the program to approximately 100 employers, representing approximately 50% of claims costs and 60% of assessments. It is anticipated that over time improvements in claims experience for this group will benefit the rate setting system as a whole. The Governance Council annually reviews and approves the inclusion limit.

The Governance Council was provided with three options for consideration.

The Governance Council would like to explore the cost of the Go Safe Program for businesses. They also asked Administration to determine how much the WSCC would save in administrative costs if COR included a Return to Work portion.

The Governance Council would like to explore getting more employers involved in the Safe Advantage Program or allow them to participate in a merit/demerit program of some sort. Administration will explore options and provide a paper to the Governance Council at the June 2014 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 204/2015 program year.

**13/12-016– Carried**

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

### **a) 2013 Q2 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.

## **2013 Q2 Performance Report cont'd**

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*.

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 August 1, 2013 and October 31, 2013.

### **c) Safe Advantage Evaluation Presentation**

*The Governance Council welcomed Greg Lamothe and Greg Runke from MNP and Susan Abernethy, VP Executive Services, and Steve Moss, VP Prevention Services, to the meeting for this presentation.*

The Safe Advantage Program (SAP) is a safety incentive program delivered by the WSCC. The program provides for refunds to employers with proven safety and return to work practices a superior claims experience results. Employers with poor safety and return to work practices, and poor claims experience results, pay additional penalties. The main goal of SAP is to reduce injuries and claims costs for the system as a whole.

The specific objectives are to:

- Improve employer accountability for workplace claims costs
- Improve workplace safety and prevention programs
- Improve return to work practices
- Advancing the culture of safety in NWT and NU



### **Safe Advantage Program Evaluation Presentation cont'd**

The fifth year of the program was completed in June 2012 and an independent evaluation was required in 2013. MNP was engaged by the WSCC to evaluate the program to determine if it is achieving its intended goal.

MNP developed a plan to guide the evaluation which included nine areas of focus. They conducted 40 interviews and had 179 surveys completed. Throughout the evaluation, MNP drew 43 discrete conclusions regarding the Safe Advantage Program. From there, they came to four summary conclusions and these were presented to the Governance Council. The Governance Council discussed the four conclusions in detail.

MNP developed six recommendations for GC consideration.

The Governance Council agreed to go ahead with the recommendations in the paper provided and conduct another evaluation in five years.

The Governance Council would like Administration to research ways to make the Safe Advantage Program more inclusive.

#### **d) AWCBC Governance Session Summary**

Annually, the Governance Council receives a summary of topics discussed at the AWCBC Governance Session and in particular their relevance to the WSCC. This allows the Governance Council time to discuss the topics and determine how the WSCC is doing in comparison to other jurisdictions.

The Governance Council did not identify any topics or trends the WSCC should have a particular focus for the upcoming year. One session focused on board effectiveness as a result the Governance Council will adopt a work plan and mandate in 2014 with assistance from the Governance Advisor.

#### **e) Proposed Stakeholder Engagement Process**

This discussion item was developed based on an action item arising out of the September 2013 Governance Council (GC) meeting requesting a draft revised stakeholder engagement process.

## **Proposed Stakeholder Engagement Process cont'd**

The goal is to increase the Workers' Safety and Compensation Commission's (WSCC's) level of external stakeholder engagement. With the objectives of creating mechanisms that are easy to access by WSCC divisions and program areas, are administered effectively, and facilitate results being available in a timely manner.

The mechanisms must provide maximum opportunities for participants to express their opinions, and for those ideas to influence outcomes.

The main areas this process focuses on are changing the Comprehensive Policy Review Plan to a quarterly discussion item instead of an annual decision item and the implementation of a Stakeholder Engagement Committee.

The Governance Council agreed with this proposal but wanted to ensure there was a follow up portion included to ensure people who provided input knew the outcome of the process.

### **f) Divisional Presentation – Corporate Services**

*The Governance Council welcomed Harmeet Jagpal, VP Corporate Services, Franklyn Gentles, Manager, Information Services, and Tendayi ????? to the meeting for this presentation.*

At the September 2013 meeting, the Governance Council requested high level strategic presentation from all divisions at the WSCC. These presentations should outline activities and ways each division fits into and fulfills the strategic priorities.

This presentation from Corporate Services will focus specifically on Information Services. The remaining units in Corporate Services will present in 2014.

**g) Divisional Presentation – Financial Services**

*The Governance Council welcomed Len MacDonald, VP Financial Services, Miranda Bass, Corporate Comptroller, and Jeremy Stringer, Manager, Treasury and Procurement, to the meeting for this presentation.*

At the September 2013 meeting, the Governance Council requested high level strategic presentation from all divisions at the WSCC. These presentations should outline activities and ways each division fits into and fulfills the strategic priorities. The second divisional presentation at the December 2013 meeting was from Financial Services.

**h) Framework for Financial Impacts of Decisions**

This agenda item was deferred to the March 2014 meeting to allow for inclusion of more information.

**i) NTFL and NSA Quarterly Compliance Report**

In the third quarter, the NTFL taught seven participants from 4 different employers. In the third quarter, they only delivered one course. Due to unforeseen circumstances, they could not hold all scheduled September courses so these were rescheduled to October 2013.

The NTFL is in compliance with the terms of the contract agreed upon by the Governance Council and administration.

In the third quarter, the NSA has 65 employers COR certified to date, and three of these were new in Q3. Six of these are new in 2013. To date, the NSA has held 20 in-class training sessions.

The NSA is compliant with the terms of the contract agreed upon by the Governance Council and Administration.

The Governance Council would like the NTFL and the NSA to draft documents outlining how they fit into the WSCC Strategic Plan.

## 6. NEXT MEETING

The Governance Council reviewed the agendas and corporate planning calendar for the March 2014 meeting.

## 7. IN CAMERA SESSION

- a) President and CEO Evaluation Process
- b) GC/Chair Evaluation
- c) Meeting Evaluation

## 8. ADJOURNMENT

*There being no further business to discuss, the meeting adjourned at 14:25 pm on December 5, 2013.*

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 4-5, 2014 meeting in Yellowknife, NT..

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*Date*

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*Chairperson*

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*Date*

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*Corporate Secretary*