

GOVERNANCE COUNCIL MEETING

JUNE 5-7, 2012

YELLOWKNIFE, NT

MINUTES

PRESENT: William Aho, Chairperson
Fred Koe, Member
Karin McDonald, Member
John Vander Velde, Member
Doug Witty, Member
David Ritchie, Member

Dave Grundy, President & CEO, ex officio (non-voting)
Melanie Walters, Corporate Secretary/Manager, Executive Services

REGRETS: Christopher Callahan, Member

The meeting called to order at 13:31, June 5, 2012.

1. CONSENT

a) 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 agenda of its June meeting as presented.

12/06-001 – Carried

b) Conflict of Interest Declarations

Mr. John Vander Velde noted a potential conflict of interest as a Northern Territories Federation of Labour board member.

c) Approval of Minutes

The Council reviewed the minutes from its March 2012 meeting and May 22 teleconference.

The Governance Council identified several typos in the minutes and requested those members presenting in the May teleconference be identified as teleconference participants.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut approved the Minutes of the Governance Council meeting held March 2012 and the May 22, 2011 teleconference as amended.

12/06-002 – Carried

d) Business Arising Out of Minutes

In the previous meeting, the Governance Council gave Administration direction to pursue Collection Agencies if needed. The Governance Council asked for reassurance this option is being used if appropriate. They were assured it is.

An Audit Committee member provided an update to the Governance Council regarding the qualified financial statements. They reassured the Governance Council steps have been taken by Administration to ensure the financial statements will not be qualified by the Office of the Auditor General in the coming years.

e) Executive Reports

i) 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 March 4, 2012 to May 16, 2012.

ii) 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 March 4, 2012 – May 16, 2012, on WSCC operations not covered elsewhere in Governance Council proceedings.

The President changed the format of the report for this meeting and going forward. The report is specifically lined up with the priorities identified on the Strategic Plan. This will give the Governance Council a better idea of where the organization is in regards to the Strategic Plan.

f) Council Concerns

- (i). The GNWT Minister of Human Resources approached a Governance Council member to discuss the GNWT Safe Advantage Penalty. The Chairperson will contact the Minister to discuss the issue.
- (ii). The Governance Council would like Administration to compile a list of documents that reference the Audit Committee so they are aware of all requirements.
- (iii). The Governance Council requests all documents referenced in material presented to them be included as well so they know the background behind what is presented to them.

Council Concerns Cont'd

- (iv). The Governance Council discussed the length of their meetings. They decided to keep as is for now, and will determine at a later date if it needs to be changed. The current length of the meetings allows ample time for full discussion on all topics presented.

Decision Items:

a) Audit Committee Report

Fred Koe, Audit Committee Chairperson, provided the Governance Council with the Audit Committee report of its meeting held June 5, 2012.

The Audit Committee of the Governance Council of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut held its meeting June 5, 2012.

Decision Items:

1. 2011 Capital Asset Report

The Governance Council annually approves the Workers' Safety and Compensation Commission (WSCC) of the Northwest Territories and Nunavut's Capital Budget.

The WSCC requests \$1,392,324 of capital funding be carried forward to 2012.

Additionally, the funds available for reallocation and the excess funding will be transferred to the capital reserve resulting in a reserve balance, as of December 31, 2011, of \$301,174. This balance is composed of the closing 2010 balance of \$187,480, which was adjusted by \$155,934, by GC motion to have a 2010 adjusted balance of \$31,546.

The additions for 2011 are the required 10% or \$100,000 reserve transfer, the minor equipment transfer of \$50,000, the \$90,483 of funding available for reallocation and the \$29,145 of funding not spent in 2011 and not requested to be carried forward.

Audit Committee Report cont'd

The Audit Committee expressed some concern that the carry overs are for several years. The President asked for approval, for one year to get this matter cleaned up. The Audit Committee will review at the March 2013 meeting to ensure this is taken care of.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut upon the recommendation of its Audit Committee approves to carry forward the \$753,740 in pre-2010 capital funding to 2012.

AC12/06-003 – Carried

Discussion/Presentation Items:

1. Enterprise Risk Management:

The WSCC created an Enterprise Risk Management Committee. The committee is comprised of representatives across the organization. They have met twice and are currently working on the committee Terms of Reference. They are currently assisting Information Services with the Disaster Recovery Plan. They agreed to meet monthly until the Risk Management program is revitalized.

The key changes made to the risk registry include:

- Funding risk remains a top risk facing the WSCC, specifically the risk the organization will not be within the desired funded range position;
- The risk of an adverse or qualified audit opinion from the OAG was updated to reflect the results of the 2011 OAG audit;
- The threat of work stoppage risk was updated to reflect that the Union of Northern Workers and the Government of the Northwest Territories reached a tentative collective agreement, pending the results of the UNW ratification vote;
- The potential risks associated with finding a new office space for Iqaluit was moved to the retired list.

Retired risks continue to be monitored, just not to the same extent as those identified as top priority.

Audit Committee Report cont'd

2. IFRS:

The Audit Committee received its regular report on the status of IFRS. The WSCC worked closely with the Office of the Auditor General (OAG) on the audit of the IFRS implementation along with regular year-end work. The audit of both the IFRS implementation and 2011 year-end is complete. The Finance department worked closely with the OAG to ensure the comparatives for opening figures January 1, 2010, December 31, 2010 and December 31, 2011 are all IFRS compliant. The WSCC will continue to monitor IFRS accounting standards to ensure the Commission is in compliance.

3. 2012 Investment Manager Reviews

Part of the Governance Council's mandate is to formally review the performance of the WSCC's investment managers at the September meeting.

For 2012, the WSCC wanted to include input from the Audit Committee in selecting managers to present formally to the Governance Council at the September meeting.

The following are managers recommended by Brad Bondy with Aon Consulting (based on Q1 investment returns):

- Westwood: Hired as a US equity manager in late 2011, Westwood manages approximately \$22 million on behalf of the WSCC. This would be their first opportunity to present to the Governance Council.
- TimeSquare: Hired as a US equity manager in late 2011, TimeSquare manages just under \$24 million on behalf of the WSCC. As with Westwood, the September 2012 Governance Council meeting is their first opportunity to meet the Governance Council.
- Bentall: Hired as the WSCC's real estate manager in the third quarter of 2007, Bentall oversees \$38 million in WSCC investments. Aon's recommendation they present to the Governance Council in September is two-fold: their performance to-date has struggled and it has been 3 years since they last presented to the Governance Council.

Audit Committee Report cont'd

4. WSCC Insurance Liability Ceilings:

At its March 2012 meeting, the Audit Committee requested a report on the WSCC insurance liability ceilings for the June 2012 meeting. The following are the liability ceilings by type of insurance:

- Commercial General Liability insurance - \$13,000,000;
- Directors and Officers Liability insurance - \$5,000,000
- Non-owned Aviation Liability - \$5,000,000;
- Automobile insurance - \$5,000,000;
- Employee Business Travel insurance - \$250,000

The Audit Committee asked for information regarding coverage for GC members if they are injured while on GC business.

5. Internal Auditor Function and Reporting Relationship:

At the December 2011 meeting, the Audit Committee asked the Governance Advisor to prepare a document outlining the roles, responsibilities and function of the Internal Auditor at the WSCC.

The Audit Committee also asked for clarification regarding the reporting relationship of the Internal Auditor.

The Governance Advisor made several recommendations for consideration:

- the audit committee mandate could explicitly define the committee's relationship with internal auditor as well as that with management, with a particular focus on communications protocol;
- the frequency of meetings without management with the internal auditor;
- review and approve an internal audit charter that could include a process overview for internal audit planning, budgeting, and reporting. The charter also may contain a summary of internal audit's organizational structure, staffing, and auditor qualifications. The charter could provide internal auditors the authority to access all company employees and to examine all company records and physical assets. An internal audit charter should reiterate internal audit's responsibilities relative to the audit committee;

Audit Committee Report cont'd

- review and approve the internal audit budget to ensure that internal auditing possesses adequate resources to implement the internal audit plan effectively; and/or,
- conduct a regular third-party review the performance of the internal audit function.

The Audit Committee would like to request GC agreement to change the reporting relationship of the Internal Auditor and to have the change reflected in the Internal Auditor job description.

6. Third Party Actions:

The Audit Committee received a report of Third Party Actions to May 2012.

The Audit Committee questioned how Third Party Actions come to be and the status of the incident at Canadian North.

7. Investigations Report:

The Audit Committee received a report on investigations activity to May 2012.

Information Items:

1. Investment Report:

The Audit Committee discussed the investments to April 30, 2012.

The Audit Committee wondered if the benchmarks set for investments are too high, and when and where they would discuss this. At the September 2012 meeting, Brad Bondy can work this into his presentation so the GC, if they chose, can discuss at that time.

Audit Committee Report cont'd

2. Sole Source Awards:

There were two sole source awards between January 1 and March 31, 2012.

The Audit Committee asked for information regarding:

- how the salary for the Medical Advisor is dealt with. They are on contract, so is it a sole source award or another type of contract;
- is the Audit Committee seeing all sole source contracts; and
- how are the current Medical Advisor contracts and funding being allocated.

3. Q1 Financial Report

The Audit Committee's mandate includes the review of quarterly financial reporting.

The fiscal year is the calendar year. This report is for the first quarter operations, which includes budget and actual expenses to March 31, 2012.

Reporting in thousands, for the first quarter, the WSCC has a net income of \$1,327.

4. Q1 Capital Asset Report:

At the end of 2011, the WSCC carried forward \$1,392,324 in capital funding from pre-2010, 2010, and 2011, capital funding.

The President approved \$1,396,268 worth of capital requests for 2012. Of the total request, \$703,268 is for the new Iqaluit office, which includes change orders, and \$65,000 for the new furniture and equipment for Iqaluit. The other large requests are for finance leases, server replacement, and laptop and desktop replacement.

As of the end of the first quarter, \$865,299 in capital funds have been spent or accrued. Based on the current actual costs and accruals for the new Iqaluit office the project is over budget by \$13,317. Management expects to realize an additional \$5,000 to \$10,000 on this project before completion.

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 accepts the report of the June 5, 2012 Audit Committee meeting.

AC12/06-004 – Carried

b) Actuary's Report and 2013 Provisional Assessment Rate

Our Actuary, Morneau-Sobeco, fills two major roles for the Commission: calculation of our benefits liabilities and recommending assessment rates. The benefits liability is essential to determine our long term financial requirements, and our assessment rates determine how these requirements affect employers who pay for the Workers' Compensation system.

Every year at its June meeting, the WSCC Actuary presents information to assist the Governance Council in setting the Provisional Target Rate (PTR) for the following year. Setting the 2013 PTR is more complex than usual. The WSCC Actuary's presentation provided the Governance Council information on and impact to rates in light of the following:

- Treatment of plane crash fatalities with impact on Catastrophe Reserve and subclass rates.
- A plan for addressing Reserve shortfalls and direct rate reduction over a period of time.
- The Funding Policy rate adjustment by component for 2013 and future years.

The Governance Council considered options resulting in three decisions at the June meeting. The topics discussed were:

Treatment of plane crash fatalities and Catastrophe Reserve:

The Catastrophe Reserve balance is \$19.8 million, which is \$5.0 million below target of \$24.8 million. Governance Council approved the use of \$5.0 million in 2010 to fund the Giant Mines litigation. The 2011 rate setting did not include a plan to replenish this reserve. The total cost of the plane crashes is estimated at \$8.9 million with: First Air at \$6.3 million; Arctic Sunwest at \$1.85 million and Air Tindi at \$0.75 million.

Actuary's Report and 2013 Provisional Assessment Rate 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 the assignment of the actuarial estimate of \$8.15 million of the First Air and Arctic Sunwest plane crashes to the Catastrophe Reserve.

AC12/06-005 – Carried

Direct Rate Reduction

In 2011, the Governance Council adopted a ten-year period with a \$0.035 annual increase to remove the direct rate reduction. It is recommended this decision be reviewed every year in light of recent events.

The WSCC Actuary estimates cost of direct rate reduction in 2012 will be \$7.5 million, with an expected equal decrease in the Operating Reserve for 2012.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut approves the removal of the direct rate reduction effective January 1, 2013.

AC12/06-006 – Carried

Operating Reserve Shortfall

The Operating Reserve's balance at December 31, 2011 is (\$14.0) million with a current shortfall of \$24.1 million to bring the reserve back to its targeted level. The WSCC Actuary's presentation will provide information on two issues that require attention. The first is the current Operating Reserve shortfall of \$24.1 million and the second is the expected future deterioration of the Operating Reserve due to the direct rate reduction in place.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut approves the 2013 Provisional Target Rate set at \$2.05.

AC12/06-007 – Carried

c) Policy 04.09 – Non Work Related Disability

The Workers' Safety and Compensation Commission (WSCC) may pay for the treatment of a non work-related disability if it is medically determined that it will affect the worker's recovery from a work-related injury/disease or increase the worker's work related permanent impairment.

Currently, WSCC Policy 04.09, Non Work-Related Disability, contains information that overlaps with Policies 03.12, Pre-Existing Conditions, and 04.01, Payment of Compensation.

Administration proposes that the Governance Council rescind Policy 04.09, Non Work- Related Disability, and include the relevant information within Policies 03.12, Pre- Existing Conditions and 04.01, Payment of Compensation.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut rescinds Policy 04.09 – Non Work Related Disability.

12/06-005– Carried

d) Policy 03.12 – Pre-Existing Conditions

A pre-existing condition may affect the impairment and recovery of a worker's compensable injury or disease. This policy provides direction to Workers' Safety and Compensation Commission (WSCC) decision makers when evaluating a pre-existing condition's effect on a compensable injury or disease.

Currently, pre-existing non work-related disabilities are covered under WSCC Policy 04.09, Non Work-Related Disability. In order to efficiently communicate information to stakeholders, Administration proposes that the Governance Council rescind Policy 04.09 and transfer the relevant information into Policy 03.12, Pre-Existing Conditions.

Policy 03.12 – Pre-existing Conditions cont'd

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut approved Policy 03.12 – Pre-Existing Conditions, as presented.

12/06-006– Carried

e) Policy 04.01 – Payment of Compensation

The Workers' Safety and Compensation Commission (WSCC) provides compensation to workers with temporary and permanent disabilities. This policy describes the circumstances for assigning, diverting, recovering, suspending and terminating compensation.

Currently, the circumstances where the WSCC may suspend or reduce a worker's compensation are covered under Policies 04.01, Payment of Compensation and 04.09, Non Work-Related Disability. In order to efficiently communicate information to stakeholders, Administration proposes that the Governance Council rescind Policy 04.09 and transfer the information related to the suspension or reduction of compensation to Policy 04.01, Payment of Compensation.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut approved Policy 04.01 – Payment of Compensation, as presented.

12/06-007– Carried

f) Policy 05.03 – Vocational Rehabilitation: Support Services

The Workers' Safety and Compensation Commission (WSCC) provides support services, when appropriate, to enable workers to recover from a work-related injury, disease or its effects. These services intend to increase the worker's state of employability, enable a worker's access to necessary services while in recovery, and enhance quality of life.

Policy 05.03 – Vocational Rehabilitation: Support Services cont'd

This policy outlines the support services the WSCC provides to injured workers: pain management, child care and counselling.

The three year cycle of the Comprehensive Policy Review Plan identified Policy 05.03, Vocational Rehabilitation: Support Services, 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 05.03 – Vocational Rehabilitation: Support Services, as presented.

12/06-008– Carried

g) Policy 04.15 – Support Services for Injured Workers

Administration proposed to rescind Policy 05.03, Vocational Rehabilitation: Support Services, and move the information into the new Policy 04.15, Support Services for Injured Workers.

The title and numbering of Policy 05.03 is not reflective of the WSCC's practices related to these services. While these services are available to worker's participating in a Vocational Rehabilitation Plan (VR Plan), they are also available to a worker without a VR Plan. The proposal is to move the information to a new Claims series policy to reflect this distinction.

The policy is not exactly the same as the previous version, Administration did a clear language review but the intended content is the same.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut approved Policy 04.15 – Support Services for Injured Workers, as presented.

12/06-009– Carried

h) Policy 05.01 – Vocational Rehabilitation Eligibility

The Workers' Safety and Compensation Commission (WSCC) administers vocational rehabilitation services to assist injured workers to return to a state of employability compatible with any resulting physical or psychological restrictions.

This policy sets out eligibility criteria for vocational rehabilitation services, the hierarchy for determining appropriate re-employment goals and grounds for the discontinuance of vocational rehabilitation.

The three year cycle of the Comprehensive Policy Review Plan identified Policy 05.01, Vocational Rehabilitation, 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 05.01 – Vocational Rehabilitation Eligibility, as presented.

12/06-010– Carried

i) Policy 05.02 – Vocational Rehabilitation Programs

The WSCC provides re-employment programs to help injured workers attain a state of employability that offers a return to suitable employment compatible with any resulting physical or psychological restrictions.

This policy describes those re-employment programs available to a worker participating under a Vocational Rehabilitation Plan, circumstances for program extension and criteria for Alternate Program Assistance and Term Supplements.

Policy 05.02 – Vocational Rehabilitation Programs cont'd

The three year cycle of the Comprehensive Policy Review Plan identified Policy 05.02, Vocational Rehabilitation: Re-Employment Programs, 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 05.02 – Vocational Rehabilitation Programs, as presented.

12/06-011– Carried

j) Policy 05.05 – Vocational Rehabilitation: Allowances and Grants

The WSCC provides workers in Vocational Rehabilitation with allowances and grants to support their re-employment goal set out in their Vocational Rehabilitation Plan.

This policy describes applicable allowances and grants and eligibility criteria.

The three year cycle of the Comprehensive Policy Review Plan identified Policy 05.05, Vocational Rehabilitation: Allowances and Grants, 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 05.05 – Vocational Rehabilitation: Allowances and Grants, as presented.

12/06-012– Carried

k) GCD B-002 – Governance Council Rules of Order

This directive provides the “rules of order” by which the Workers' Safety and Compensation Commission (WSCC) Governance Council will conduct its meetings.

The three year cycle of the Comprehensive Policy Review Plan identified Governance Council Directive B-002, Governance Council Rules of Order for review. Additionally, the Audit Committee, at its March 2012 meeting, requested that all its meetings are audio recorded.

GCD B-002 – Governance Council Rules of Order cont'd

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-002 – Governance Council Rules of Order, as presented.

12/06-013– Carried

3. DISCUSSION/PRESENTATION ITEMS

a) Strategic Priorities and Goals

i) Year-end Balanced Scorecard Performance Report

Adopted by the Governance Council in 2004, the Balanced Scorecard concept is a corporate performance management tool.

In 2010, the Governance Council developed its strategic priorities, goals, and performance measures for 2011. The Governance Council reviewed a report that provided an overview of the corporate performance for each of our measures and targets.

ii) Q1 Performance Report

The Quarterly Performance is a new report and replaces its predecessor, the Quarterly Activities Report. This quarterly performance report stems from our 2012 Corporate Plan. It provides a current snap shot of what we are doing to achieve our goals. It also indicates whether we are successfully working towards our vision and mission. For each available performance measure, we indicate whether we are on track, lagging, or off track with our targets.

Every month, units provide updates on their key performance indicators, including a review of key initiatives for that month. On a quarterly basis, we prepare this Performance Report; it is distributed to the Governance Council, WSCC employees, and stakeholders.

Q1 Performance Report cont'd

The Governance Council liked the new format of the report and commented that it was easier to focus on the information presented.

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 February 1, 2012 and April 31, 2012.

c) Collections Operational Procedure

At the September 2011 meeting, the Governance Council reviewed Policy 10.01 – Doubtful Accounts and Write offs. During this review process, the Governance Council requested a copy of the Collections procedures when developed to ensure it captured the Governance Council's direction to use the services of Collections Agencies when necessary. The Governance Council expressed understanding that the use of a Collections Agency is the last resort, but want to ensure the GC direction is not lost as it is not explicit in the manual.

The Governance Council asked for an annual list of individual accounts sent to a Collections Agency.

d) Independent Contractors

At its March 2012 meeting, the Governance Council requested the WSCC examine the process and justification for determining self-employed individuals as workers for the purposes of the *Workers' Compensation Acts*. To complete this review the WSCC:

- reflected on the philosophy of the 1914 Meredith Report;
- reviewed the *Workers' Compensation Acts (Acts)* related to the determination of workers;
- reviewed WSCC Policy 00.05, Determining Employer/Worker Status;
- reviewed the internal decision-making process; and
- completed an interjurisdictional analysis to determine how other Canadian workers' compensation boards (boards) evaluate the status of self-employed individuals.

The Governance Council discussed this paper in length, covering issues such as:

- Canada Revenue Agency (CRA) rules and tests – if an employer meets the CRA rules, why would the WSCC not consider them an independent contractor;
- By denying these contractor's coverage, is the WSCC designating what the business is, is it the intention of the GC to deem these employers employees of others?
- Section 8 of the legislation says if you employ one or more people, you are an employer. So, this would mean an independent contractor is an employer.
- Why does the WSCC only consider activities performed in the NWT and Nunavut? When was this established?
- The WSCC is actively classifying employers as workers, is this what the GC wants to continue doing?

The Governance Council was concerned about the effect of changing the way current practices are done and the impact of giving an independent contractor an account with the WSCC.

The Governance Council asked Administration to provide options to streamline the current process, either a policy revision or process change options. This will be presented at the September 2012 meeting.

e) Framework for Satisfying Director Information Needs

At the March 2012 meeting, the Governance Council discussed presentations they receive on a quarterly basis. The discussion surrounded creating an approach created that WSCC employees can use to ensure presentations during Governance Council meetings are consistent and meet the specific needs and expectations of GC members.

The Governance Advisor created a guideline for Governance Council review and discussion. The Governance Council asked that whichever documents quoted in the Framework be attached for ease of review.

f) WSCC CEO Performance Assessment Process

Following completion of the 2011 CEO Evaluation Process, the President, Corporate Secretary and Governance Advisor identified several areas of possible improvement in the process.

The Governance Advisor captured these ideas and outlined them for the Governance Council. Specifically, changes were suggested to:

- Increase the number of participants to include all WSCC employees;
- Groups of participants will receive customized questionnaires depending on the nature of their relationship with the CEO;
- Change assessment date to end of year rather than beginning of the next, to allow for alignment with the Strategic Plan.

The Governance Council expressed concern about the confidentiality of WSCC employee responses. They want to ensure there is complete confidentiality and the employees are aware of it.

g) Governance Council Competency Matrix

At the November 2010 meeting, the Governance Council asked the Governance Advisor to create a competency matrix they could share with the Minister Responsible for the WSCC to assist in filling vacancies on the Council when the time arises.

Governance Council Competency Matrix cont'd

The Chairperson will discuss this with the Minister at the upcoming meeting and see if the Minister is open to using such a document.

h) Partnership Presentations:

(i) Northern Territories Federation of Labour

In December 2007, the Governance Council (GC) approved an interim contribution of \$186,000 to fund the “groundwork” of the Return-to-Work (RTW) training program carried out by the Northern Territories Federation of Labour (NTFL) for 2008.

The GC approved funding of \$375,842 for the NTFL to deliver a three step RTW training program in Yellowknife for 2009. This funding carried over to 2010 following an interim agreement with the NTFL. At the September 2010 GC meeting and following an evaluation of the RTW program offered by the NTFL, the GC resolved to entertain a proposal for funding for 2011 and 2012 of \$350,000 annually.

The NTFL continues to offer a quality RTW program as well as an Introduction to the WSCC. In 2011, there were 397 participants in 31 courses. These courses were offered in Yellowknife, N’ dilo and Rankin Inlet.

The Governance Council discussed the impending assessment rate increase and the perception of the WSCC fully funding the NTFL. The Governance Council asked Administration to assist the NTFL in consulting with employers to determine if they would support an additional rate increase to assist in funding the NTFL.

On a motion duly moved and seconded, the Governance Council of the Workers’ Safety & Compensation Commission of the Northwest Territories and Nunavut approved funding for the Northern Territories Federation of Labour \$350,000 for 2013.

12/06-017– Carried

(ii) Northern Safety Association

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. The NSA continues to deliver the COR program. Since inception, 46 companies have become COR certified with another 100+ companies in various stages of receiving certification. The NSA offers hundreds of courses that are available through e-learning. In 2010, the NSA requested additional funding to expand their mandates to other parts of the NWT and Nunavut.

The Governance Council (GC) approved funding of \$424,000 for the NSA to deliver safety certification courses, including the COR program in Yellowknife for 2009. This funding carried over to 2010 following an interim agreement with the NSA. At the September 2010 Governance Council meeting and following an evaluation of the programs offered by the NSA, the GC agreed to further funding for 2011 and 2012 of \$400,000 annually.

The NSA requested funding for a 3-year term from 2013 to 2015 for \$1,491,514 at the March 2012 Governance Council Meeting. During the March 2012 meeting, the Governance Council postponed their decision to the June 2012 meeting.

NSA revised the proposal and resubmitted for the June 2012 meeting. The NSA provided three options. With option 1, the NSA requests \$1,491,514 over the 3-year period. Option 2 requests \$1,248,640 over the 3-year period which results in a revenue loss of \$11,814 in 2013. Finally option 3 requests \$1,139,384 over the 3 years which results in a revenue loss of \$5,314 also in 2013 and a revenue loss of \$1,188 in 2015.

The Governance Council discussed the impending assessment rate increase and the perception of the WSCC fully funding the NSA. The Governance Council asked Administration to assist the NSA in consulting with employers to determine to if they would support an additional rate increase to assist in funding the NSA.

NSA Presentation cont'd

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut approved funding for the Northern Safety Association of \$400,000 for 2013.

12/06-018– Carried

i) Safe Advantage

The Government of the Northwest Territories (GNWT) is an employer under section eight of the *Workers' Compensation Act (Act)*. As such, the GNWT submits one annual Employer Payroll Statement and pays one assessment which covers all of its departments, and all but two agencies. Those two agencies are the Workers' Safety and Compensation Commission (WSCC) and the NWT Power Corporation which maintain separate payroll functions and operate at arms-length from the GNWT.

The GNWT is inquiring as to whether their remaining 24 departments and agencies can be treated as separate employers under our *Act*. This approach would result in a significant administrative cost increase for the GNWT. Each department would need to be a separate legal entity operating at arms-length, provide the WSCC with separate annual Employer Payroll Statements, and pay separate assessments.

The Chair of the Governance Council will meet with the Minister Responsible for Human Resources and determine next steps.

4. INFORMATION ITEMS

a) NTFL and NSA Quarterly Compliance Reports

5. NEXT MEETING

a) September 2012 Corporate Planning Calendar

b) Draft September 2012 Governance Council Agenda

6. IN CAMERA SESSION

- a) President and CEO Salary Increment**
- b) Meeting Evaluation**

7. ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 12:24 pm on June 7, 2012.

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 5-7, 2012, meeting, in Yellowknife, NT.

Date

Chairperson

Date

Corporate Secretary