

b) Conflict of Interest Declarations

Mr. Dave Tucker is a member of the NWT Power Corporate board. If discussion arises regarding the Power Corporation he will recuse himself and the Vice Chairperson will take over the meeting.

c) Approval of Minutes

The Council reviewed the minutes from its March 2013 meeting.

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 2013 as presented.

13/06-002 – Carried

d) 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. This report provided information, not previously communicated to the Governance Council for April 1, 2013 to May 21, 2013.

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. This report provided a summary of information from April 1, 2013 to May 21, 2013, on WSCC operations not covered elsewhere in Governance

President's Report cont'd

Council proceedings.

e) Council Concerns

- (i). A Governance Council member asked if the WSCC endeavors to purchase items made in Canada prior to anywhere else? The WSCC does not have much option to purchase items strictly made in Canada but do make an effort where available.
- (ii). A Governance Council member asked if there is any implication to the WSCC when a company goes into receivership? The WSCC usually does collect some funds when this happens, but has to wait for Revenue Canada etc. to collect their funds first.

Decision Items:

a) Audit Committee Report

John Vander Velde, provided the Governance Council with the Audit Committee report of its meeting held June 3, 2013.

The Audit Committee of the Governance Council of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut held its meeting June 3, 2013.

Audit Committee Report cont'd

Decision Items:

1. 2012 Capital Asset Report

The President approved \$1,396,268 worth of capital requests for 2012 resulting in over allocation of the \$1,000,000 budget due to the new Iqaluit office requirements. Of these requests a total of \$1,152,178 was spent and \$22,716 reallocated in 2012 resulting in a carry-forward request of \$221,374.

The largest capital project in 2012 was the Iqaluit office leasehold improvements and new furniture required following the relocation of the Iqaluit office. The other large projects in 2012 included the Iqaluit telephone upgrade, laptop and desktop replacements, server replacement, share point implementation, equipment leases, manager's toolkit and the Microsoft enterprise agreement.

Overall, the WSCC is requesting \$616,084 of capital funding to be carried forward to 2013.

Further, due to the Iqaluit office the capital reserve balance has been largely depleted to cover the cost of the purchases made. At the end of 2012 the capital reserve balance is \$4,408.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut, upon the recommendation of its Audit Committee, approves to carry forward the \$615,994 in capital funding to 2013.

13/06-003-Carried

Audit Committee report cont'd

Discussion/Presentation Items:

1. Enterprise Risk Management

The Audit Committee received its standard quarterly risk update.

Since the previous reporting period the ERM Committee met regularly. Committee members identified and are taking an on-line introductory risk management course offered through the Canada School of Public Service. To date, 5 out of 8 committee members completed the training. The remaining members are required to complete the training by the end of Q3. The ERM Committee has been working on the following projects:

- Disaster recovery testing;
- Staff residential Housing;
- Economic Growth Concerns;
- Executive Travel; and
- Business Continuity Planning

2. 2013 Investment Manager Reviews

If the Governance Council chooses to meet with Investment Managers in 2013, Brad Bondy of Aon Consulting recommends the following:

- Fiera Capital;
- Great West Life; and
- The new investment manager hired to replace Jarislowsky Fraser.

If the Governance Council agrees to conduct the meeting, Brad Bondy will notify each investment manager. If the Governance Council decides not to conduct the meetings Brad is available to attend the September meeting and discuss the performance of the Investment Managers as a whole with the GC.

Audit Committee Report cont'd

3. Internal Audit Quarterly Update

In the first quarter, the Internal Auditor completed the 4th quarter Travel Authorizations audit and a review of Prevention Services. She also worked on a document regarding Governance Council Roles and Responsibilities.

4. Third Party Actions

The Audit Committee received a report of Third Party Actions to April 30, 2013.

5. Investigations Report:

The Audit Committee received a report on investigations activity to May 7, 2013. No significant issues to note for Investigations.

6. List of Historical Risk removed from the Risk Registry:

At the March 2013 meeting, the Audit Committee asked to see a list of all risks that have been retired from the Risk Registry. The list is included in the Audit Committee booklet.

7. Executive Travel – How Much of a Risk is This?

At its March 2013 meeting, the Workers' Safety and Compensation Commission (WSCC) Audit Committee requested that Administration analyze the organization's risk resulting from current WSCC executive member travel practices.

The current understanding throughout the WSCC is that the organization contemplates risks resulting from multiple executives travelling on the same form of transportation at the same time. However, no legislation, policy or procedure exists within the WSCC, Government of the Northwest Territories or Government of Nunavut contemplating these risks.

Understanding that the WSCC is currently without an executive travel administrative policy or procedure; the paper explained the potential risks

arising when multiple executives travel together and three options to mitigate those risks.

8. Process Mapping Update:

An RFP for process mapping and process improvement was conducted and Westmark Consulting LLP, based in Vancouver, was awarded the contract.

Training sessions for the Leadership Team is scheduled for June 10 – 11, 2013, with implementation of Lean cross-functional team reviews to follow.

Information Items:

1. Investment Report:

The Audit Committee discussed the investments to April 30, 2013.

2. Sole Source Awards:

The Committee reviewed five sole source contracts, awarded between January 1, 2013 and March 31, 2013.

3. 2013 First Quarter Financial Review:

This report is for the first quarter operations, which includes budget and actual expenses to March 31, 2013.

Reporting in thousands, for the first quarter, the WSCC has a net income of \$7,505.

4. 2013 First Quarter Capital Asset Report:

As of the end of the first quarter \$45,680 of capital funds have been spent or accrued. The majority of the spending was on pre-2013 projects.

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 3, 2013 Audit Committee meeting.

13/06-004 – Carried

b) Actuary's Report and 2014 Provisional Assessment Rate

The Governance Council welcomed thane MacKay, Morneau Shepell, to present options for the 2014 Provisional Assessment Rate.

At the June 2012 meeting, the Governance Council approved a provisional target rate of \$2.05 for 2013. The provision did not include any element for replenishment of the Catastrophe or Operating Reserves. The provisional target rate did; however, exclude a historical direct rate reduction estimated at \$0.28 for 2012.

Based on current information the best estimate of the actual rate for 2013 is \$1.95. The change is attributable to a shift towards lower risk rate groups.

Morneau Shepell put forward three options for the 2014 provisional target rate. In addition to the three put forward a fourth option, to maintain the estimated actual 2013 rate of \$1.95, was included.

The Governance Council asked for historical data for injury costs and operating costs. Information will be provided at the next Governance Council meeting.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut approved a provisional target rate of \$2.05 for 2014, and directs managements and the Actuary to present subclass rates to the Governance Council at its September 2013 meeting.

13/06-005– Carried

c) Policy 00.04 – Year’s Maximum Insurable Remuneration (YMIR)

Year’s Maximum Insurable Remuneration (YMIR) is a fundamental element of workers’ compensation. It establishes a maximum for calculating workers’ compensation benefits and sets a limit on employers’ assessable payroll.

The three year cycle of the Comprehensive Policy Review Plan identified Policy 09.01, Safety Education, 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 00.04 – Year’s Maximum Insurable Remuneration, as presented.

13/06-006 - Carried

d) Policy 03.07 – Calculation of Temporary Compensation

The Workers’ Safety and Compensation Commission (WSCC) provides temporary compensation payments to workers temporarily disabled because of a work-related injury or disease. This policy explains how the WSCC calculates temporary compensation.

The three year cycle of the Comprehensive Policy Review Plan identified Policy 03.07, Calculation of Temporary Compensation, 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 03.07 – Calculation of Temporary Compensation, as presented.

13/06-007 - Carried

e) Policy 04.11 – Claims Management

To support injured workers’ recoveries, the Workers’ Safety and Compensation Commission (WSCC) encourages collaboration between injured workers, their employers, the WSCC, their health care providers and other parties (when applicable).

Policy 04.11 – Claims Management cont'd

This policy sets out the roles and responsibilities of this team in the successful management of injured workers' claims.

The three year cycle of the Comprehensive Policy Review Plan identified Policy 04.11, Claims Management, 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 11.02 – Reporting an Injury, as presented.

13/06-008 - Carried

f) Policy 04.13 – Conflicting Medical Opinions

On occasion, the Workers' Safety and Compensation Commission (WSCC) receives conflicting medical opinions respecting a worker's personal injury or disease from their healthcare provider(s) and the WSCC Medical Advisor(s).

This policy describes the process the WSCC uses to resolve conflicting medical opinions.

The three year cycle of the Comprehensive Policy Review Plan identified Policy 04.13, Conflicting Medical Opinions, for review.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut approved Policy 04.13 – Conflicting Medical Opinions, as presented.

13/06-009 - Carried

g) Policy 06.03 – Calculation of Permanent Compensation

The Workers' Safety and Compensation Commission (WSCC) provides monthly pension payments to workers permanently disabled because of a work-related injury or disease. In the case of fatal workplace incidents, the WSCC makes these payments to the workers' dependants.

Policy 06.03 – Calculation of Permanent Compensation cont'd

This policy outlines the method for calculating permanent disability compensation.

The three year cycle of the Comprehensive Policy Review Plan identified Policy 06.03, Calculation of Permanent Compensation, 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 revisions to Policy 06.03 – Calculation of Permanent Compensation, as presented.

13/06-009– Carried

h) Policy 10.04 – Preventing and Investigating Abuses and Offences

The Workers' Safety and Compensation Commission (WSCC) ensures the integrity of the workers' compensation system. The WSCC actively guards against abuses and offences of the workers' compensation system through prevention and investigations when abuses and offences do occur.

Policy 10.04, Preventing and Investigating Abuses and Offences, was presented and approved at the Governance Council's March 2013 meeting. Policy 10.04 is now being presented to propose a single revision discussed but not approved at the March 2013 meeting.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut approved revisions to Policy 10.04 – Preventing and Investigating Abuses and Offences, as presented.

13/06-010– Carried

i) GCD B-000 – Governance Council Roles and Responsibilities

This directive outlines the Workers' Safety and Compensation Commission (WSCC) Governance Council's roles and responsibilities.

Governance Council Directive B-000 – Governance Council Roles and Responsibilities cont'd

The three year cycle of the Comprehensive Policy Review Plan identified Governance Council Directive B-000, Governance Council Roles and Responsibilities, 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 revisions to GCD B-000 – Governance Council Roles and Responsibilities.

13/06-011– Carried

j) Delegation of Authority – Appointment/Revocation of Safety Professionals

Under the *Act*, *Safety Act* and *Mine Health and Safety Act*, various appointments are made by the Minister, the Governance Council and the “Commission”, as well as the Chief Inspector under the *Mine Health and Safety Act*. All appointments are currently made by the party specified, aside from the safety officers under the *Safety Act*.

Currently, the Governance Council Chairperson signs the appointment and revocation instruments for all safety professionals. It makes more sense, operationally, for the President to sign the appointment instruments for safety professionals as the President can control and oversee the functions and duties of the safety professionals on a day to day basis within the organization. The Chairperson cannot feasibly fulfill this oversight as the position is not a full time position and the Chairperson is not immersed into the culture on a regular basis.

If the Governance Council delegates the authority of safety professional appointments and revocations to the President, Administration will draft an Administrative Policy and present to the Governance Council for review and approval at the December 2013 meeting.

In the meantime, if the Governance Council approves, Administration will draft a memo advising the respective governments of the change in authority and reasons for it. This will eliminate any confusion for the governments with the change in signing authority.

Delegation of Authority – Appointment/Revocation of Safety Professionals cont'd

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut delegates authority of safety professional appointments and revocations to the President and CEO of the Workers' Safety and Compensation Commission.

13/06-012– Carried

k) Additional Iqaluit Office Space

In April 2012, WSCC relocated its Iqaluit office from the Baron Building to the newly constructed commercial Qamutik Building in Iqaluit, Nunavut. The new 10 year lease (to March 31, 2022) is for 6,750 square feet located on the 2nd floor, which represents an increase of 303 square feet from our previous location.

The WSCC asked Governance Council for approval to enter into a lease for the remaining space on the second floor of the Qamutik Building due to operational reasons. The current space does not allow for sufficient employee growth, space for visiting employees for other office and more importantly, the current weight restrictions do not allow for the weight of the files stored in the office. The floor structure cannot accommodate the weight of the cabinets.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut approved the acquisition of the additional 3043 square feet of office space and directs the President to finalize the lease agreement with the Landlord, based on the leasing proposal from NPR Limited Partnership, including the implementation of the Tenant Improvements.

13/06-013– Carried

3. DISCUSSION/PRESENTATION ITEMS

a) Q1 Performance Report

The Quarterly Performance Report provides a snap shot of actions the Workers' Safety and Compensation Commission (WSCC) is taking to achieve its goals. The

Q1 Performance Report cont'd

report indicates whether the WSCC is successfully delivering against the Corporate Plan and achieving progress towards its Vision and Mission. For each available performance measure, the WSCC indicates whether it is on track, lagging or off track from the targeted goal.

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

b) Outstanding Litigation and Appeals Tribunal Decisions

The Governance Council received information regarding:

- 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, 2013 and April 30, 2013.

c) Authority of the Minister to Direct WSCC Spending

The Governance Council asked Administration to provide information on what the Minister can direct regarding WSCC spending and funds.

The Minister Responsible for the WSCC (the "Minister") has various powers under the *Act*, some of which may directly or indirectly impact the WSCC's spending. The Minister appoints the Workers Advisor, Deputy Workers Advisor and staff of that office, the budget for which must be paid out of the Fund.

Similarly, the Minister appoints the chair, members and staff of the Appeals Tribunal. The budget of the Appeals Tribunal also must be paid out of the Fund, subject to the restrictions contained in the *Act* on budgetary increases for both of these offices from one year to the next. Under the *Safety Act* the Minister must establish a Safety Advisory Committee, the costs of which are paid out of the Fund.

In addition, the Minister has the responsibility to recommend the creation or amendment of Regulations under the *Act* which govern a wide variety of

Authority of the Minister to Direct WSCC Spending cont'd

matters. The cost of compliance with these Regulations must come from the Fund.

Two other sections in the *Act* provide authority to the Minister to direct the actions of the WSCC. Section 96 permits the Minister to assign additional functions or tasks, related to workers compensation or a workers compensation type statute, to the WSCC. However, this section specifically states that once the task or duty is assigned to it, the WSCC and by extension the Governance Council, retains the overall authority to govern and operate as stipulated in the *Act*.

Section 171 appears to provide the Minister with the most authority to direct WSCC spending. This section permits the Minister to appoint a panel to evaluate the *Act*. The Minister may require the costs of the panel to be paid out of the Fund. However, it is important to note the Minister may appoint the panel after consulting with the Governance Council. Also, the direction to pay the panel's costs from the Fund may only be made on the recommendation of the Governance Council.

d) Directed Services Philosophy Update

As part of the strategic focus for the WSCC, it initiated a directed services philosophy. Stakeholder and Prevention Services support and enhance the connection between workplace safety and care for workers. Four principles apply in the directed services philosophy: prevention, care, education and consultation with stakeholders.

e) 2014 Draft Balanced Scorecard

The Balanced Scorecard is a corporate performance management tool used by the WSCC.

In 2011, the Governance Council developed its strategic and foundational priorities, goals and performance measures for 2012 – 2011. The attached report provides the measures and targets for each of the WSSC's objectives over the 3 year period, including actuals for 2012 and benchmarks established from the

Draft 2014 Balanced Scorecard cont'd

Stakeholder Survey. For each available performance measure, the WSCC indicates whether it is on track, lagging or off track from the targeted goal.

f) Governance Council In Camera Meeting Guideline

At the 2012 AWCBC Governance Session, the Governance Council received a presentation that included discussion surrounding in Camera meetings. It was identified during this session; the Governance Council does not have a guideline outlining their current process and purpose for In Camera Meetings.

The Governance Council reviewed the process for the Governance Council when dealing with In Camera Meetings.

g) Governance Council Role regarding the Acts and Regulations

In discussion with the Governance Council, they requested a document outlining the roles and responsibilities in regards to the Acts and regulations administered by the Workers' Safety and Compensation Commission.

The Governance Council's reviewed a draft work plan that outlined all responsibilities for oversight the Governance Council has. The final work plan will be submitted for approval at the December 2013 meeting.

h) WSCC Succession Plan and Hard to Fill Positions

At the March 2013 meeting, the Governance Council asked for information regarding the WSCC Succession Plan for employees and Hard to Fill positions. The WSCC Senior Management Team met and identified the hard to fill positions throughout the organization. The Governance Council reviewed this list.

In addition, the WSCC will develop a Succession Planning program. The succession plan process is designed to ensure there are a range of options available to the Commission and a broad diverse base of skills at the top and middle levels of the organization from which future leaders will be chosen.

WSCC Succession Plan and Hard to Fill Positions cont'd

The commission will explore incorporating the following into our succession program in order to successfully satisfy our needs:

- performance planning
- leadership & employee development
- employee engagement strategies; and
- a recruitment and marketing plan

The Vice Presidents will analyse and review their division with the intent of developing a plan to address their respective hard to fill positions. The risk(s) associated with each vacant position will be identified and properly measured in the succession plan.

The Governance Council asked for a collective list of Senior Management skills.

i) WSCC Funding Strategy

At its June 2012 meeting, the Workers' Safety and Compensation Commission's (WSCC) Governance Council directed Administration to provide a discussion paper addressing specific concerns regarding funding. Those concerns included:

- Whether 100% funded is appropriate;
- Whether the current funding range of 108 – 120% is appropriate;
- What happens if the WSCC is in an underfunded position; and
- How reserves are replenished.

The current Statement, dated October 2008 and amended September 2011, requires the WSCC to maintain funding level between 108 – 120% (total assets / total liabilities). In addition to the aforementioned required funding level the Statement further defines the WSCC's:

- Reserves and their role(s);
- Investment approach;
- Valuation of liabilities; and
- Annual assessment rate setting approach

The Governance Council reviewed preliminary information and research regarding the funding strategy and possible changes that could be made. The

WSCC Funding Strategy Cont'd

Governance Council will receive a revised funding strategy at the December 2013 meeting, for approval.

4. INFORMATION ITEMS

- a) **Quarterly Compliance Report – NSA and NTFL**

5. NEXT MEETING

- a) **Draft September 2013 Governance Council Meeting Agenda**
- b) **September 2013 Corporate Planning Calendar**

6. IN CAMERA SESSION

- a) **Meeting Evaluation**

7. ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 15:35 pm on June 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 June 3-5, 2013, meeting, in Yellowknife, NT.

Date

Chairperson

Date

Corporate Secretary