

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 and web version minutes from its December 2011 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 and Web Minutes of the Governance Council meeting held December 6-7, 2011 as presented.
12/03-002 – 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 November 15, 2011 to March 3, 2012.

The Chairperson advised the Governance Council of the Nunavut Minister orientation which took place the day before. It went very well, positive interactions between both parties.

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 November 15, 2011 to March 3, 2012, on WSCC operations not covered elsewhere in Governance

President's Report cont'd

Council proceedings.

e) Council Concerns

- (i). The Governance Council asked if the WSCC had a strike mandate or plan in the event a strike vote was made regarding the current Collective Agreement bargaining. Advised that there is and employees are aware.
- (ii). Governance Council member advised of an employer who continues to work without WSCC coverage. They will provide the information to the President for follow up.
- (iii). Council member asked what the revenue split is for Northwest Territories vs. Nunavut. Information will be provided.
- (iv). As discussed in the Audit Committee meeting, a template will be prepared to outline expectations for presentations to the Governance Council and the Audit Committee.
- (v). A bulk of calls being received from Independent Contractors who are not considered employers by the WSCC. The GC would like more information on this matter. A paper will be provided at the June 2012 meeting.
- (vi). The Audit Committee advised they would like to begin recording their meetings and asked for Governance Council input. The Governance Council supported this initiative, information will be added to the current Governance Council Directive.
- (vii). A Governance Council member asked about the WSCC policy regarding acceptance of gifts. Was concerned about the perception of the WSCC accepting airline tickets from First Air in light of the airline crash.

Decision Items:

a) Audit Committee Report

Fred Koe, Audit Committee Chairperson, provided the Governance Council with the Audit Committee report of its meeting held March 27, 2012.

Audit Committee Report cont'd

The Audit Committee of the Governance Council of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut held its meeting March 27, 2012.

Decision Items:

1. Draft 2011 Financial Statements

The Governance Council (GC) approves the annual financial statements of the Workers' Safety and Compensation Commission (WSCC). Under the Financial Administration Acts, the Auditor General for Canada (OAG) provides an opinion on the statements.

The OAG audit is still pending. While the majority of the work on the financial statements is complete, the following information is outstanding:

- The final valuation of both the claims and employee benefits liability by the Actuary. These are expected by early March. The draft valuation results are included. However, the actuary has not provided all the information to complete all notes which will be included in the final financial statement submission.
- The final amount for employer assessments.
- The related parties note information.
- Contingent liabilities note information.

The WSCC's funded position is 107%, down from 116% in 2010. The WSCC's statement of funding range indicates a required funded range of 108-120%.

The Audit Committee will have a special meeting when financial statements are finalized and approve at that time.

2. 2011 Capital Asset Disposals

As part of the year-end process, the WSCC is required to review all capital assets for evidence of impairment, obsolescence and changes to the assets useful life.

Audit Committee Report cont'd

This process resulted in the WSCC identifying three assets that required disposal.

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 write down the value of assets due to impairment and obsolescence from \$5,115.41 to zero effective December 31, 2011.

11/03-003– Carried

Discussion/Presentation Items:

Draft 2011 Annual Report

The 2011 Annual Report reports the WSCC's performance against objectives outlined in the Corporate Plan. The look and feel of the report will be consistent with corporate design themes and emphasize our four strategic themes. The content will be organized to reflect the Balanced Scorecard. Results and activities reported according to their connection to our strategic themes, priorities, and goal, much like quarterly activities reports.

The Audit Committee will recommend the Governance Council approve the content of this report when the financial statements are final and approved.

Enterprise Risk Management

The Audit Committee received its standard quarterly risk update.

The WSCC is revamping the Enterprise Risk Management process, a Risk Committee was formed with a cross divisional group of people. The Committee will meet in the second quarter to determine the direction of Risk Management at the WSCC.

Audit Committee Report cont'd

IFRS

The Audit Committee received its regular report on the status of IFRS. The white papers and draft pro-forma financial statements, along with supporting working documents were submitted to the OAG in December. The WSCC's Financial Services received some feedback in February but as yet the OAG has not signed off on our IFRS statements.

The draft 2011 financial statements, as presented to the Audit Committee, incorporate all changes discussed and agreed upon between the OAG and the WSCC.

Over the next two months, WSCC Administration expects additional conversations with the OAG regarding the conversion to and compliance with IFRS until final statements are complete and ready for final sign-off in May.

NTFL and NSA Audit

At the direction of the Governance Council, the Internal Auditor conducted a performance audit of the partnerships with the NTFL and NSA. The Internal Auditor looked at various aspects of the programs and concluded the WSCC is getting value for money in these partnerships.

Third Party Actions

The Audit Committee received a report of Third Party Actions to March 2012. Audit Committee requested clarification on what the costs in the report mean.

Investigations Report

The Audit Committee received a report on investigations activity to February 2, 2012.

Audit Committee Report cont'd

Audit Completed by the Internal Auditor

The Internal Auditor completed three audits as found on the Internal Audit Plan: Travel Claims, Corporate Risk Registry and Network and File Security. He is currently working on a Travel Claims Follow-up.

He advised the Audit Committee he will leave the WSCC to accept a position with the Federal Government.

Information Items

Investment Report

The Audit Committee discussed the investments to January 31, 2012.

Sole Source Awards

There were two sole source awards between October 1 and December 31, 2011.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut accepted the report of the March 27, 2012 Audit Committee meeting.

12/03-004– Carried

b) Policy 04.12 – Lump Sum Payments to Pre-1985 Surviving Spouses

The Workers' Safety and Compensation Commission (WSCC) compensates entitled surviving spouses whose pensions were terminated upon their marriage or remarriage before April 17, 1985.

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 04.12 Lump Sum Payments to Pre-1985 Surviving Spouses, as presented.

12/03-005– Carried

c) Policy 06.01 – Pension Entitlement

The Workers' Safety and Compensation Commission (WSCC) provides a pension to:

- A worker who suffers a permanent disability through employment; or
- A worker's dependents in the case of a workplace fatality.

Injured workers or dependent(s) must establish their entitlement to a pension by filing a claim with the WSCC.

The Governance Council asked if we pay based on gross income or net income. The WSCC uses net annual income; pay based on 95% of net income.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut approved Policy 06.01 – Pension Entitlement, as presented.

12/03-006 - Carried

d) Policy 06.02 – Pension Conversions and Advances

This policy establishes the conditions under which the Workers' Safety and Compensation Commission (WSCC) will convert a pension into a full or partial lump sum payment, or advance sums against a pension.

The Governance Council asked that accounting designation CAFM (Certified Aboriginal Finance Manager) be added to the Independent Financial Advice section of the policy.

Governance Council asked how the WSCC protects against multiple lump sum payments, going from one jurisdiction to another. The WSCC is a member of the Interjurisdictional Agreement, and the premise of this is so individuals do not get duplicate payments.

Governance Council asked if the caregiver of a child can request a lump sum payment on behalf of the child. The WSCC has not experienced this but would

Policy 06.02 – Pension Conversions and Advances cont'd

consider the best and long term interest of the child before approving such a request.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut approved Policy 06.02 – Pension Conversions and Advances, as amended.

12/03-007 - Carried

e) Policy 10.03 - Procurement

When purchasing goods or services, the Workers' Safety and Compensation Commission (WSCC) takes measures to treat all firms fairly and consistently, to support the use of northern businesses by applying the WSCC Northern Incentive Adjustment and to obtain the best value.

This policy describes purchasing authorities and the WSCC's process for contracts, direct purchases, tenders, sole-sourcing, proposals and bulk-purchasing.

The Governance Council asked for amendments to this policy, particularly dealing with:

- Employees making decisions perceived to be outside or not in line with policy;
- President approval for maintenance of computer software; and
- Chief Information Officer having unlimited spending authority.

Changes were made to the policy, and presented to the Governance Council for review.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut approves Policy 10.03 – Procurement, as amended.

12/03-008– Carried

f) GCD B-005 – Governance Council Director’s Travel

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.

The Governance Council approves Directors’ international travel to ensure the prudent management of WSCC resources.

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 its December 2011 meeting, the Governance Council directed administration to revise Governance Council Directive B-005, Governance Council Directors’ Travel, to remove the allowance for Business Class travel.

The Governance Council asked for revisions to this directive to remove the statement indicating the Chairperson has unlimited travel.

This directive was revised and presented to the Governance Council for review.

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

12/03-009– Carried

g) Contribution Agreement Proposals

i) Northern Safety Association

The Governance Council welcomed Mr. Dave Tucker and Mr. Chris Johnston to the meeting via video conference to present the three year proposal.

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 Certificate of Recognition (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 \$331,902 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.

At the September 2010 Governance Council meeting, a contractor presented findings of its consultation with stakeholders involved in the programs offered by the NSA.

At this time, the NSA requests funding for a 3-year term from 2013 - 2015 in the amount of \$1,412,817

The Governance Council asked the NSA to consider and determine other possible funding options available to them. The NSA will present these additional funding options to the Governance Council at the June 2012 meeting.

Contribution Agreement Proposals cont'd

ii) Northern Territories Federation of Labour

The Governance Council welcomed Mary Lou Cherwaty and Heather Oliver to the meeting via videoconference to present the NTFL proposal.

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.

At the September 2010 GC meeting, a contractor presented findings of its consultation with stakeholders involved in the Return to Work program offered by the NTFL.

At this time, the NTFL requests further funding for 2013 in the amount of \$392,441.84

The Governance Council asked the NSA to consider and determine other possible funding options available to them. The NSA will present these additional funding options to the Governance Council at the June 2012 meeting.

3. DISCUSSION/PRESENTATION ITEMS

a) Presentation – Legal Services

The Governance Council welcomed Amy Groothuis, General Counsel, to the meeting via video conference for this presentation.

The General Counsel provided the Governance Council with information on a recent case before the British Columbia Supreme Court which is similar in nature to one the Governance Council requested the Appeals Tribunal to rehear.

The Governance Council also received information on collecting bad debts, and whether or not the WSCC is able to use a Collections agency to do so.

b) Strategic Priorities and Goals

iii) Q4 Activities Report

Initiated to provide the Governance Council and WSCC stakeholders with frequent and current operations updates, the Activities Report (Report) provides an overview of WSCC activities, programs, and projects. Every quarter, divisions provide activities updates that include status, a review of the previous quarter, and expected results and actions for the subsequent quarter. Reports are distributed to the Governance Council, WSCC employees, and stakeholders.

For 2012, this report will focus on organization performance rather than activities. The report the Governance Council receives at the June 2012 meeting will show the new focus and format.

iv) Succession Plan Report

Sixteen managers and supervisors received the Ethics and Diversity module on February 28, 2012. Sandy Osborne of Sandy Osborne Consulting facilitated the session. The Leadership Development Program is on hold for review.

c) Outstanding Litigation/Appeals Tribunal Decisions

The Governance Council received information regarding:

1. Outstanding non-third party litigation involving the WSCC,
2. Prosecutions commenced by the WSCC,
3. Short term contracts for legal services, and
4. Appeals Tribunal decisions released between November 1, 2011 and January 31, 2012.

d) Human Resources Update

Attract, engage, and develop employees; these key priorities continue to be our focus. Like many employers, we face challenges including a competitive northern labour market, an aging population, and recruitment of staff for key positions. Our human resources activities, programs, and strategies ensure we have a qualified, engaged, and capable workforce dedicated to meeting the needs of our stakeholders. This will continue in 2012 with the roll out of our Strategic Human Resource Plan.

The Governance Council received updates on:

- Learning and Development;
- Recognition;
- Succession Planning;
- Exit Process;
- Performance Management;
- Health, Wellness and Safety Programs
- Affirmative Action;
- Retention;
- Recruitment;
- Leave Usage; and
- Salary and Benefit Costs.

The Governance Council discussed the issues the WSCC is having recruiting Mining professionals. This is an issue across all sectors.

e) Strategic Planning Update

The Governance Council and the Senior Management Team annually participate in strategic planning sessions to set or confirm the Workers' Safety and Compensation Commission's (WSCC) strategic priorities. In 2012, the focus will be on year two (2013) of the 2012-2014 plan.

In planning for 2012-2014, the WSCC went through a major refresh. The WSCC launched the new Vision, Mission, Values, and Balanced Scorecard on January 1, 2012. Our Balanced Scorecard outlines our two strategic and four foundational priorities in support of the new Vision, Mission and Values.

The WSCC does not anticipate any significant changes to the strategic plan for year two of the three-year cycle. However, we recognize the importance of revisiting the plan to:

- confirm our achievements in year one of the three-year cycle;
- review year one challenges and implementation barriers;
- review the strategic focus of other jurisdictions across Canada;
- identify any changes in our environment and our business;
- discuss the risks we face over the next year; and
- adjust our priorities, strategies, measures and targets, if necessary.

With the assistance of our Policy and Planning unit, the Senior Management Team will initiate the strategic planning review towards the end of Q3. The outcome of this exercise will be presented to the Governance Council (GC) in a joint SMT/GC session at the beginning of Q4.

f) Catastrophe Reserve – Cost Allocation – Jurisdictional Comparison

At its December 2011 meeting, the Governance Council requested the WSCC complete a jurisdictional analysis concerning how other Canadian workers' compensation bodies allocate costs in the event of a catastrophe. To complete the analysis, the WSCC asked jurisdictions a series of questions concerning the existence and structure of any reserves and the allocation of benefit costs in the event of a catastrophe.

Catastrophe Reserve – Cost Allocation – Jurisdictional Comparison cont'd

The precipitating events leading to the Governance Council request arose from the three airline crashes (First Air, Arctic Sunwest and Air Tindi) in the Northwest Territories and Nunavut occurring from August 20 to October 4, 2011.

The WSCC Statement of Funding Strategy (September 2011) explains the purpose and criteria for application of the Catastrophe Reserve.

The Governance Council agreed this information is good foundational work. To prepare for a presentation from the Actuary in June 2012, the Governance Council asked Administration to circulate a list of questions for the Actuary to work on. Once the Governance Council agrees with the questions, they will be sent to the Actuary and will form a part of the presentation at the June meeting.

g) Historical Impact of Subclass 51

At the December 2011 meeting, the Governance Council requested information on the historical impact of Subclass 51 (Air Transportation) on assessment rates. In total, over the past five years (2007 – 2011) there were 15 air transportation crashes in the NWT/Nunavut which resulted in 21 fatalities.

Third party actions have been initiated on seven of these crashes related to 36 claims. Of those 36 actions; 27 are ongoing, 6 have been settled (total value \$62,000) and three have been discontinued. The settled actions were related to claims for two separate crashes. There are ongoing actions for other claims related to those two crashes, so the overall outcome has yet to be determined. No funds have been received on the settled actions and no costs have been transferred. Policy 04.10 Employer Cost Transfer and Relief was updated to include cost transfer in 2011 and became effective December 7, 2011; no cost transfers have been initiated since the effective date of this policy.

The Governance Council received information on subclasses that have been impacted by air transportation crashes over the past five years.

The Governance Council agreed, at the June 2012 meeting, they would need to discuss the options of Cost Relief, Cost Transfer and Catastrophe Reserve Allocation regarding the airline crashes.

h) Summary of 2011 Governance Council Travel

At the December 2011 meeting, the Governance Council asked the Corporate Secretary to complete a summary of all Governance Council travel for 2011. The Governance Council received a breakdown for each member which included the member who traveled, the destination, the reason for the travel and the approximate dates of travel.

For future reports, the Governance Council would like the costs of each trip taken.

4. INFORMATION ITEMS

- a) IS Report**
- b) Communications Plan Update**
- c) Lump Sum Payouts**
- d) Governance Council Directors Guide**
- e) NTFL and NSA Quarterly Compliance Report**
- f) Retention Rates – WSCC and GNWT**

5. NEXT MEETING

- a) Draft June 2012 Governance Council Meeting Agenda**
- b) June 2012 Corporate Planning Calendar**

6. IN CAMERA SESSION

- a) 2011 CEO Performance**
- b) Governance Advisor Contract**
- c) Meeting Evaluation**

7. ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 14:15 on March 29, 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 March 27-29, 2012 meeting in Iqaluit, NU.

Date

Chairperson

Date

Corporate Secretary