

GOVERNANCE COUNCIL MEETING

MARCH 5-7, 2013

IQALUIT, NU

MINUTES

PRESENT: William Aho, Chairperson
John Vander Velde, Vice Chairperson
Dave Tucker, Member
Karin McDonald, Member
David Ritchie, Member
Eberhard(Abe Theil), Member
Dave Grundy, President & CEO, ex officio (non-voting)
Melanie Walters, Corporate Secretary

REGRETS: Christopher Callahan, Member

The Governance Council welcomed new member Abe Theil to the meeting. Also, welcomed Mr. Jack Rowe who will be a member of the Governance Council effective April 1, 2013.

Prior to the Audit Committee meeting, the Governance Council met briefly to appoint a new member to the Audit Committee. The Governance Council appointed Mr. Abe Theil.

The meeting called to order at 13:30 on March 5, 2013.

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 March meeting as accepted.

13/03-001-Carried

b) Conflict of Interest Declarations

No conflict of interest declared at this meeting.

c) Approval of Minutes

The Council reviewed the minutes from its December 2012 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-version minutes of the Governance Council meeting held December 2012 as presented.

13/03-002 – 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 1, 2012 to February 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 for 2012, on WSCC operations not covered elsewhere in Governance

President's Report cont'd

Council proceedings. In addition, the President informed the Governance Council of upcoming retirements, employee departures and the change in management of the partnerships. Partnerships are a Governance Council initiative so it makes more sense to have them managed in the President's office.

e) Council Concerns

- (i). A Governance Council member received a letter from a stakeholder regarding the Supervisor Safety course currently facilitated by the WSCC. Their concern is they provided supervisory training through the Certificate of Recognition (COR) program, now fear employees will have to take double training.
- (ii). A Governance Council member was absent from the meeting, and the regret email came from his spouse but was a reply to an email sent only to Governance Council members. There is a concern from the Governance Council of confidentiality.
- (iii). A Governance Council member brought up the current meeting length and perception they may be too long. Members believe the meetings need to have ample time for discussion and if shortened may not allow for that.
- (iv). The President met with the NWT Minister regarding the proposed Safety Regulations and provided an update to the Governance Council.

Decision Items:

a) Audit Committee Report

John Vander Velde, provided the Governance Council with the Audit Committee report of its meeting held March 5, 2013.

The Audit Committee of the Governance Council of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut held its meeting March 5, 2013.

Audit Committee Report cont'd

Decision Items:

1. Chairperson/Vice Chairperson Appointments

The Audit Committee nominated John Vander Velde as Chairperson and Eberhard (Abe) Theil as Vice Chairperson.

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, designated John Vander Velde as the Audit Committee Chairperson and Eberhard (Abe) Theil as the Audit Committee Vice Chairperson.

13/03-003-Carried

2. Draft 2012 Financial Statements

The Office of the Auditor General will complete the financial statements in April 2013. There will be a special Audit Committee and Governance Council meeting in May 2013 to approve the final statements. The committee was given two options: to approve the statements as presented or wait until the end of the audit.

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, accepted the financial statements, for information and discussion, and will approve the statements at the end of the audit.

13/03-004-Carried

Audit Committee report cont'd

3. 2012 Capital Asset Disposal

The Audit Committee reviewed the list of 2012 capital asset disposals.

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, approved to write down the value of the assets due to impairment and obsolescence from \$133,325.18 to zero effective December 31, 2012.

13/03-005-Carried

4. Draft 2012 Annual Report

The Audit Committee reviewed the draft content for the 2012 Annual Report.

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, approved the draft Annual Report content as presented.

13/03-006-Carried

Discussion/Presentation Items:

1. 2012 Internal Audit Report

The Audit Committee welcomed Ranjana Bhanot, Internal Auditor, to the meeting to discuss the 2012 Internal Audit Performance Report. There were five audits completed in 2012, dealing with Nunavut Claims, Medical Supplier Payments and Travel Authorizations.

2. Enterprise Risk Management

The Audit Committee received its standard quarterly risk update. There was one new item added to the registry dealing with substantial growth in Nunavut and the possibility of inadequate Iqaluit office space.

Audit Committee Report cont'd

3. Third Party Actions

The Audit Committee received a report of Third Party Actions to January 31, 2013..

4. Investigations Report

The Committee received an overview of investigation activities to February 1, 2013.

Information Items:

1. Investment Report:

The Audit Committee discussed the investments to January 31, 2013.

2. Sole Source Awards:

The Committee reviewed four sole source contracts, awarded between October 1, 2012 and December 31, 2012.

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 March 5, 2013 Audit Committee meeting.

13/03-007 – Carried

b) Policy 02.04 – Coverage Outside of the Northwest Territories and Nunavut

The Workers' Safety and Compensation Commission (WSCC) may provide compensation to workers who suffer an injury, disease or death arising out of and during the course of employment while working outside of the Northwest Territories and Nunavut.

Policy 02.04 – Coverage Outside of the Northwest Territories and Nunavut cont'd

The three-year cycle of the Comprehensive Policy Review Plan identified this policy 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 02.04 – Coverage Outside of the Northwest Territories and Nunavut, as presented.

13/03-008– Carried

c) Policy 09.01 – Safety Education

The Workers' Safety and Compensation Commission (WSCC) Mission is to '*Promote workplace safety and care for injured workers.*' In support of this the WSCC is committed to reducing work-related injuries and diseases by providing courses and materials. These courses and materials are offered to workers, employers and any party interested in safety education.

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 09.01 – Safety Education, as presented.

13/03-009 - Carried

d) Policy 10.04 – Preventing and Investigating Abuses and Offences

The Workers' Safety and Compensation Commission (WSCC) is responsible to ensure the proper stewardship of the Workers' Protection Fund (the Fund). The WSCC actively guards against abuses and offences through prevention and investigations.

Policy 10.04 – Preventing and Investigating Abuses and Offences cont'd

The three-year cycle of the Comprehensive Policy Review (CPRP) Plan identified Policy 10.04, Investigating Abuses and Offences, for review. Currently the WSCC is reviewing its fraud strategy. To ensure that Policy 10.04 remains precise, efficient and effective, the Policy and Planning Unit, as part of the CPRP, will review Policy 10.04 once the fraud strategy is complete.

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

13/03-010 - Carried

e) Policy 11.02 – Reporting an Injury

As soon as practicable, a personal injury, disease or death sustained by a worker, arising out of and during the course of their employment, must be reported to the respective employer and to the Workers' Safety and Compensation Commission (WSCC).

Injured workers, employers, attending health care providers and the WSCC each have responsibilities related to the reporting process. This policy outlines each party's responsibilities to ensure the timely and effective adjudication of workers' claims.

The three-year cycle of the Comprehensive Policy Review Plan identified Policy 11.02, Reporting an Injury, 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.

13/03-011 - Carried

f) A.P. B.4 – Governance Council Spending, Signing and Payment Authorities

The three year-cycle of the Comprehensive Policy Review Plan identified Administrative Policy B.4, Governance Council Spending, Signing and Payment Authority, 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 Administrative Policy B.4 – Governance Council Spending, Signing and Payment Authorities, as presented..

13/03-012 - Carried

g) Policy 00.05 – Determining Employer Worker Status

At its September 2012 meeting, the Workers' Safety and Compensation Commission (WSCC) Governance Council requested that Administration revise Policy 00.05, Determining Employer/Worker Status, to include revisions recommended by Administration at their meeting.

The revision proposed by Administration at the September 2012 meeting stated that:

“it is recommended that Policy 00.05, Determining Employer/Worker Status, is amended to permit Administration's consideration of an individual's worker or self-employed status in another jurisdiction when determining their status in the Northwest Territories and Nunavut. This amendment will expand the current criteria, allowing Administration the flexibility to consider, as one factor in its determination, what or how an individual may operate outside of the Northwest Territories and Nunavut.”

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 00.05 – Determining Employer/Worker Status, as presented.

13/03-013– Carried

h) Partners in Compliance Proposal

Partners in Compliance is a non-profit organization that provides the truck and bus industries with an opportunity to demonstrate they can successfully participate in a program of self-control that meets legislative requirements including highway safety and protection. The program provides a measurable system which allows for a carrier to be identified as having a superior safety program.

Partners in Compliance (PIC) approached the Workers' Safety and Compensation Commission (WSCC) to enter into a partnership. They provided their proposal in January 2013. PIC is asking WSCC for an annual operating budget of \$5,000 for transportation and accommodation costs for the Director of the PIC Program to travel to the Northwest Territories on a semi-annual basis. The trips will educate prospective PIC members and ensure continued compliance and commitment. Each four day visit will accommodate group meetings and one-on-one appointments. The group meetings will be information sessions in conjunction with the WSCC, DOT, the Northwest Territories Trucking Association and NSA to provide information on transportation, best safety practices, regulatory changes and the program criteria to the members.

On a motion duly moved and seconded, the Governance Council of the Workers' Safety & Compensation Commission of the Northwest Territories and Nunavut accepted the proposal as presented by the Partners in Compliance for 2013 in support of its program to assist Northern employers and workers.

13/03-014– Carried

3. DISCUSSION/PRESENTATION ITEMS

a) Q4 Performance Report

This is a new report in 2012 and replaces its predecessor, the Quarterly Activities Report. This quarterly performance report stems from the 2012 Corporate Plan. It provides a current snap shot of what the Workers' Safety and Compensation Commission is doing to achieve its goals. It also indicates whether the WSCC is successfully working towards its vision and mission. For each available

Q4 Performance Report cont'd

performance measure, the WSCC indicates whether it is on track, lagging or off track with its targets.

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

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 November 1, 2012 and January 31, 2013.

c) List of Accounts sent to the Collections Agency

At its June 2012 meeting, the Workers' Safety and Compensation Commission's (WSCC) Governance Council directed Administration to provide a listing of all accounts receivable sent to a third party collection agency.

Following this direction, the WSCC entered into a Contract for Service with 852515 Ontario Limited acting as Action Collections and Receivables Management. This company was the successful bidder in a Request for Tenders for Services (RFT) with the Government of the Northwest Territories (GNWT) to provide collection services. The RFT allowed for all GNWT departments, boards and agencies to use this RFT, if they chose. The WSCC made the decision to utilize the RFT with some minor changes to account for the WSCC's particular circumstances such as a different fiscal year end. This decision was made to save time and money for the WSCC.

d) GNWT/GN Retention Rates vs. WSCC Retention Rates

During their December 2011 meeting, the Governance Council requested information about retention rates; specifically, how do WSCC retention rates compare to the Government of the Northwest Territories (GNWT) and the Government of Nunavut (GN).

In 2011, the WSCC and GN retention rate was the same at 82% while the GNWT was 87%.

e) Governance Council Role in Regards to Safety

At the December 2013 meeting, the Governance Council asked Administration for additional information specifically dealing with:

- The Governance Council role in regards to the Chief Safety Officer;
- The Governance Council role in regards to the draft Safety Regulations; and
- The plan for the GC to provide input into the proposed draft Safety Regulations.

The Governance Council received general information regarding their role in safety and the specific instances outlined above. The overarching question is whether or not the Governance Council is in compliance and doing their due diligence when it comes to all Acts and Regulations the WSCC administers.

Going forward, the WSCC Internal Auditor will review the requirements under the Acts and Regulations and provide a snapshot of the responsibilities of the Governance Council. In addition, Administration will look at and determine how to deal with the Governance Council role in the appointment of the Chief Safety Officer and all other Safety Officers at the WSCC.

f) Governance Council Directors Guide Annual Review

The Governance Council reviewed the proposed changes and updates for the Director's Guide. They accepted the proposed amendments. The Corporate Secretary will update the guide and the updated guide will be available for all directors prior to the June 2013 meeting.

g) History of When/Why Mining was Transferred to the WSCC?

At the December 2012 meeting, the Governance Council asked for information regarding the history of how Mining became part of the WSCC.

In 1994, the Government of the Northwest Territories Minister Responsible for Safety and Public Services (SAPS) proposed the Workers' Compensation Board (WCB) fund part of the cost of occupational health and safety (OHS) programs and services to ease the pressures on the territorial government's General Revenue Fund.

On April 16, 1996, the Government of the Northwest Territories, Department of Safety and Public Services, Occupational Health and Safety Division amalgamated with the Workers' Compensation Board (WCB). The Prevention Services Division of the WCB comprised two groups: the Mine Safety Unit and the Industrial Safety Unit.

The Mine Safety Unit was responsible for administering, enforcing and providing information pursuant to the Mine Health & Safety Act and Regulations and the Explosives Use Act and Regulations. Responsibility for the Safety Act and Regulations rested with the Industrial Safety Unit.

Today the structure of the Workers' Safety and Compensation Commission's (WSCC) Prevention Services Division remains the same as it was in 1996 when it was amalgamated into the then WCB.

h) Governance Council Role Regarding Acts and Regulations

This agenda item is very similar to agenda item 3e - Governance Council Role in Regards to Safety. This paper presented to the Governance Council focused on safety oversight and did not take into account the other Acts and Regulations the WSCC administers.

In reviewing this paper, the Governance Council questioned:

- What does proper administration of the Acts and Regulations mean?
- Is there a definitive process for appointing the Chief Safety Officer and all other Safety Officers? If so, this will have to be documented.

Governance Council Role Regarding Acts and Regulations cont'd

- If allowable under the Act, need to put in policy that the Governance Council delegates authority to the President to appoint the Chief Safety Officer and all other Safety Officers as well.

Administration will look into these questions and bring responses back to the Governance Council at the June 2013 meeting.

4. Simplified Employer Registration Process

At the request of the Governance Council, to improve service to stakeholders, and tracking of operations and business activity, a simplified registration process was put forward for discussion. The process focuses primarily on changes with regard to registering independent operators, and start up/ bidding operations. The intent is that any business operation looking to register with the WSCC will be able to obtain an account number, whether or not that account number provides for coverage under the Workers' Compensation Act (WCA).

Discussions by the Governance Council in 2012 indicate that the WSCC's approach to registration may be too restrictive and the focus requires adjustment. Ease of doing business in the Northwest Territories and/or Nunavut should be the focus, not ensuring operations registered with the WSCC (obtaining account numbers) are employers paying into the system and covered by the *Workers' Compensation Act (WCA)*.

To address this revised focus the Governance Council reviewed five scenarios for registration of independent operators and a method for registering start up operations and/or employers without workers who are registering for the purpose of bidding on contracts. The WSCC will continue to register all employers with workers as standard accounts, and through a proposed simplified investigation process (new self-employed questionnaire) continue to perform due diligence to determine the employer worker relationship and ensure the requirements of the WCA are met.

In the proposed changes, the WSCC proposed to start starting an administrative fee for this service. In current policy, the other minimum charges are set between \$25 and \$50.

Simplified Employer Registration Process cont'd

The Governance Council agreed with the administrative fee and agreed the fee amount will be \$200. The fee will be interim and will be reviewed after one year and may be readjusted at that time. Administration will monitor these accounts and will look at the minimum assessment in a year as well.

i) 2012 Human Resources Summary

The Governance Council reviewed 2012 achievements and highlights of the Human Resources division.

The Governance Council asked for an update on succession planning and hard to fill positions at the WSCC. This will be provided to the Governance Council at the June 2013 meeting and going forward at all quarterly meetings.

j) Strategic Plan Update and 2014 Initiatives

Dave Grundy, President and CEO provided a presentation on the accomplishments under the Strategic Plan to date. He also presented the proposed initiatives for 2014. The Governance Council agreed with all initiatives and asked that a statement be added dealing directly with the partnerships and how these relationships enable the WSCC to accomplish the initiatives and fulfill its goals.

5. INFORMATION ITEMS

- a) Quarterly Compliance Report – NSA and NTFL**
- b) Lump Sum Payouts**
- c) WSCC Complaints Log Update**
- d) Gift Disposal**

6. NEXT MEETING

a) Draft June 2013 Governance Council Meeting Agenda

The Governance Council asked that a Process Mapping Update be provided at the Audit Committee meeting in June 2013.

b) June 2013 Corporate Planning Calendar

7. IN CAMERA SESSION

a) President Salary/Bonus Determination

b) Meeting Evaluation

8. ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 12:29 pm on March 7, 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 March 5-7, 2013, meeting, in Iqaluit, NU.

Date

Chairperson

Date

Corporate Secretary