

**Yukon Workers' Compensation
Health and Safety Board**

Board of Directors'

**GOVERNANCE
GUIDE**

2006

January 11, 2006
[Last Amended September 16, 2008]

Board of Directors' Commitment

The appointed Board of Directors commit to govern the Yukon Workers' Compensation Health and Safety Board as set out in this Governance Guide, adopted January 11, 2006.

The current Directors, in appreciation, acknowledge SBM Davis & Associates Management Consulting Ltd. and previous Directors for the work undertaken in collaboration with the Board of Directors in the development of this Governance Guide.

Craig Tuton, Chair

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Introduction

The Board of Directors of the Yukon Workers' Compensation Health and Safety Board (YWCHSB) is mandated by the Yukon Government to oversee the implementation and administration of the *Workers' Compensation Act*, the *Occupational Health and Safety Act*, and related regulations. This Governance Guide provides the framework within which the Board of Directors carries out its responsibilities outlined by this legislation. The Board of Directors publishes this Guide as a demonstrated ongoing commitment to uphold the highest standards of performance in its work as Directors of the Yukon Workers' Compensation Health and Safety Board.

The Board of Directors approved in principle its first Governance Handbook in August 200 and amended the Handbook in May 2003. The Handbook was originally designed to include the necessary legislative and policy information to guide the Board of Directors in its work. In 2006, a new Governance Guide was adopted to guide the Board of Directors in delivering on ten principal governance responsibilities to the YWCHSB. These responsibilities are as follows:

1. Define the YWCHSB Long-Term Direction
2. Understand and Interpret the YWCHSB Accountability Framework
3. Define and Ensure Value for YWCHSB Stakeholders
4. Establish the YWCHSB Board of Directors' Structure and Process
5. Interface with YWCHSB Stakeholders
6. Partner with YWCHSB Management
7. Plan for YWCHSB Succession
8. Monitor and Evaluate YWCHSB Organizational Performance
9. Foster Change and Manage Issues for the YWCHSB
10. Define and Develop Policy for the YWCHSB

This Guide contains the significant information and tools the Board of Directors will use to provide governance over the next five years. Each section contains a **definition** of the specific responsibilities in that area, the principal **tools** the Directors will use to carry out the responsibilities in each area, and the specific **commitment** the Directors will make to ensure the responsibility is honoured.

Upon appointment, the Board of Directors will sign the Declaration of Commitment to the Governance Guide, which may be found in the appendices.

The Board of Directors will review and update this Governance Guide on an annual basis.

Definitions

The Yukon Workers' Compensation Health and Safety Board (YWCHSB)

refers, in this document, to the whole organization including the Board of Directors, the President/CEO and the staff.

Board of Directors refers to the group of individuals appointed by the Commissioner in Executive Council to collectively provide governance to the YWCHSB.

Director/Directors refers to the appointed individual(s) on the Board of Directors.

The President/CEO refers to the individual, recruited and hired by the Board of Directors, responsible for the administration of the YWCHSB and other duties as described in section 116 of the *Workers' Compensation Act*.

Staff refers to the individuals employed by the Public Service Commission on behalf of the YWCHSB.

The President/CEO and the staff are members of the Public Service of the Yukon.

1. Define the YWCHSB Long-Term Direction

Definition

In order to effectively implement and administer the relevant legislation, the Board of Directors of an organization is responsible for developing a plan. The Board of Directors takes the "long, wide view" for setting the long-term direction for the organization. This normally takes place through a process such as strategic or business planning. The Directors of the YWCHSB are responsible for developing the contents of the Strategic Plan - notably the Mission, Vision and key directions for the organization for a specific period of time. To develop this plan, the Board of Directors identifies and evaluates risk and positioning, consults with stakeholders and then develops the long-term plan to favourably position the YWCHSB relative to these risks and stakeholder perspectives.

In summary, the Board of Directors is responsible for:

- ◆ The development and adoption of a strategic planning process;
- ◆ The identification of the principal risks of the corporation's business;
- ◆ Consulting stakeholders with respect to their views and needs, and
- ◆ Ensuring implementation of appropriate systems to achieve organizational success in managing risks and meeting stakeholder needs.

Tools

The Board of Directors will utilize the following tools to fulfill its responsibilities in this area:

- ◆ A Five-Year Strategic Plan
- ◆ A Five-Year Balanced Scorecard
- ◆ An Accountability Agreement with the President/CEO

Commitment

The Board of Directors will develop a long-term plan for the YWCHSB, called the Strategic Plan, every five years. This plan will be based on a process of environmental scanning and stakeholder consultation and will include the following components:

Mission

A statement of intent for the YWCHSB, which will define the core business and specific focus for the five-year period.

Vision

A descriptive picture of how the YWCHSB will look when the contents of the Strategic Plan have been achieved.

Values

The key ethics on which the Strategic Plan will be based and which will guide the actions of the YWCHSB over the implementation period.

Philosophy

A series of statements which describe the desired values and beliefs and how these will be practiced in implementing the Strategic Plan and conducting Board of Directors business.

Challenges

A series of clear statements regarding the factors that may impede or affect the implementation of the plan.

Goals

The specific areas of business that the YWCHSB will focus its attention and resources for the five-year period, and a series of statements which outline the Board of Directors' intent with respect to these areas of business.

Approaches

The broad, long-range strategies the YWCHSB will use to address challenges and achieve goals.

Once this plan has been developed, it is the responsibility of the Board of Directors to provide clear objectives and directions for the President/CEO and to identify and monitor performance measurables for those objectives. The Board of Directors, therefore, will develop a Balanced Scorecard to monitor and measure performance. Performance will be monitored against the scorecard on a quarterly basis.

Specifically, the Board of Directors will:

- ◆ Annually review the Vision, Mission and Mandate of the YWCHSB and ensure:
 - The relevance to the legislated requirements;
 - Needs of stakeholders are addressed;
 - Risks and opportunities facing the YWCHSB are identified;
 - Appropriate responsive actions to current environmental scans are taken;
 - Goals are established for the YWCHSB on an annual basis, as evolved from the Vision, Mission and Mandate, for one or more years;
 - Strategies are approved and an annual plan put forward by the President/CEO for the attainment of the goals; and
 - Attainment of the end results of the plan on a quarterly and annual basis is monitored.

The current Strategic Plan is located on the YWCHSB website at www.wcb.yk.ca.

2. Understand and Interpret the YWCHSB Accountability Framework

Definitions

The Accountability Framework defines the delegated powers and the reporting requirements for the YWCHSB. There are three principal components to the YWCHSB Accountability Framework:

- ◆ The Legislative Framework, which describes the Board of Directors and its accountability to the Minister and the Yukon public;
- ◆ The Governance Framework, which describes the Board of Directors' governance processes and the relationship of responsibilities between the Directors and the President/CEO; and
- ◆ The President/CEO Accountability Agreement, which specifically details the results for which the President/CEO will be held accountable by the Board of Directors.

Each of these components is detailed below.

The Legislative Framework

The foundation for the YWCHSB Accountability Framework has been established by the Legislature and is stated as follows:

The Yukon *Workers' Compensation Act* [the *Act*] states, "The purposes of this *Act* are (g) to establish a board and Board of Directors, independent of government, with equal representation from workers and industry and a neutral chair to administer workers' compensation, health and safety for all industries."

Implicit in the legislation is that the Board of Directors is the 'guardian of the system' and should act in such a way as to fulfill the principles and objectives of the legislation. Therefore, the Directors must act in good faith and in the best interests of the compensation system as a whole while recognizing their fiduciary obligations.

The Board of Directors is responsible for administering the *Workers' Compensation Act* and the *Occupational Health and Safety Act* and is bound by both acts and regulations. The roles and responsibilities of the Board of Directors are established in these acts and are outlined below.

General

The Board of Directors:

- ◆ Shall promote awareness of the basic rights and obligations of workers and employers;
- ◆ Are to ensure that workers, dependents of deceased workers and employers are treated with compassion, respect and fairness;
- ◆ Shall plan for the future of the YWCHSB; and
- ◆ Has the jurisdiction to examine, inquire into, hear and interpret, and determine all matters and questions under the *Workers' Compensation Act and the Occupational Health and Safety Act*.

Functioning

The Board of Directors:

- ◆ Will remain independent from government;
- ◆ Will meet at least once a month; and
- ◆ May act despite any vacancy.

Accountability

The Board of Directors:

- ◆ Shall hold an annual information meeting;
- ◆ Shall appear before the Yukon Legislative Assembly annually, represented by the Chair and the President/CEO;
- ◆ Shall advise, investigate and report to the Minister, in a timely manner, on any matter the Minister may request; and
- ◆ shall provide the Minister with an annual report no later than April 30th of each year, which will include: audited financial statements, actuarial reviews of the Compensation Fund liabilities, financial and management practices, policies and plans including a service plan setting out the Board of Directors' priorities,

objectives and performance measures, and all matters regarding the activities of the Board of Directors.

Confidentiality

The Board of Directors:

- ◆ Are to maintain confidentiality in matters respecting claims for compensation when discussing or conducting the affairs of the compensation system; and
- ◆ Shall create rules to define conflict of interest and provide guidelines regarding participation and voting at meetings by a member of the Board of Directors who has a conflict.

Adjudication

- ◆ Through the budget process and policies, the Board of Directors will:
 - provide an open and fair system of guaranteed, adequate compensation for all workers or their dependents for work-related injuries; and
 - Promote recovery from workplace injuries through early return to work, appropriate health care as well as vocational rehabilitation, where required.

Finance

The Board of Directors:

- ◆ Will maintain a solvent Compensation Fund managed in the interest of workers and employers;
- ◆ Shall consider and approve the capital and operating budgets of the YWCHSB;
- ◆ Shall cause an actuarial valuation of the Compensation Fund to be performed at least once every three years; and
- ◆ Shall provide the Minister with an audited financial statement as required by legislation.

Prevention

- ◆ The Board of Directors, through the budget process and policies, will combine efforts and resources to prevent workplace injuries including the enforcement of health and safety standards.

Appeals

- ◆ The Board of Directors will provide an appeal procedure that is simple, fair and accessible, with minimal delays.

The Governance Framework for YWCHSB

The Board of Directors is the first line of accountability for the YWCHSB. As such, it is responsible for implementing a governance process, which facilitates the sound functioning of the organization.

Board of Directors govern rather than manage. Governance is the act of establishing and providing stewardship of the organization. In this Guide, governance refers to the processes used by the Directors to provide overall direction to the YWCHSB. These define the delegation of decision-making power and resources to conduct the Board of Directors' business, as well as the development of key policies and principal tools the organization will use to manage its performance.

The Canadian Comprehensive Auditing Foundation establishes Six Principles of Effective Governance for Boards. Effective governing Board of Directors:

- ◆ Are comprised of people with the necessary knowledge, ability and commitment to fulfill their responsibilities;
- ◆ Understand their purpose and whose interests they represent;
- ◆ Understand the objectives and strategies of the organization;
- ◆ Understand what constitutes reasonable information for good governance and obtain it;
- ◆ Once informed, are prepared to act to ensure the organization's objectives are met and that performance is satisfactory; and
- ◆ Fulfill their accountability obligations to those whose interests they represent by reporting on their organization's effectiveness.

The Governance Framework for the YWCHSB is designed to uphold these principles through the use of various tools for the Board of Directors' development, planning, and monitoring performance.

The relationship between the Board of Directors and President/CEO is defined as follows:

1. The Directors assumes responsibility for the leadership and stewardship of the YWCHSB.
2. The President/CEO is held responsible for delivering results identified by the Board of Directors, and for respecting the Accountability Framework developed by the Directors.
3. Both parties are responsible for ensuring a sound and effective working relationship between the two parties.

The President/CEO Accountability Agreement

The President/CEO Accountability Agreement is the principal tool used by the Board of Directors to define the relationship between the Directors and the President/CEO, and holds the President/CEO accountable for specified performance objectives.

Tools

The key tools, which form the basis of the Accountability Framework, are as follows:

- ◆ Acts and Regulations
- ◆ Strategic Plan
- ◆ Governance Guide
- ◆ President/CEO Accountability Agreement

Commitment

In conjunction with its responsibilities and accountabilities, the Board of Directors commits to the following:

- ◆ Ensure it operates independently from Government;
- ◆ Review and update its governance processes and the Governance Guide annually;
- ◆ Approach its tasks and responsibilities in a manner which emphasizes strategic leadership as opposed to administrative management and will focus on long-term goals and ends as opposed to means. The Directors will ensure the development and use of measurements of those ends;
- ◆ Respect the boundaries between President/CEO and the Board of Directors, as established through mutual discussions;
- ◆ In conjunction with the President/CEO, will annually develop an Accountability Agreement. This Agreement will be based on the approved Strategic Plan, Operational/Business Plan and resulting budget of the organization; and
- ◆ Establish discretionary spending limits for the President/CEO. These discretionary spending limits will be reviewed each year during budget presentations and approval.

3. Define and Ensure Value for YWCHSB Stakeholders

Definition

There are two key sets of values which the Board of Directors must consider in defining and ensuring value for stakeholders. The first set of values represents those considered by stakeholders to be important to their perceptions and needs.

These may include the following:

- ◆ Degree and ease of access to services and the quality of services provided;
- ◆ The style utilized by the YWCHSB to provide services and communicate with stakeholders;
- ◆ Fairness in the decisions made relative to compensation and care;
- ◆ The cost of services, as well as how resources are allocated;
- ◆ The degree to which the organization consults with and listens to the views of stakeholders; and
- ◆ The speed and timeliness of response to concerns and issues of stakeholders.

It is the responsibility of the Board of Directors to identify the key stakeholders of the YWCHSB and determine the values specific to each of these groups of stakeholders. The Directors must then determine if these needs can be met and value can be demonstrated.

The second key responsibility of the Board of Directors is to develop the values of the organization in the strategic planning process. These values represent the ethics which will characterize the way in which the YWCHSB does business. These values will be developed from the understanding the Directors have regarding its stakeholders' views and perceptions of value.

It is not sufficient to simply identify values. The Board of Directors must monitor the respect for these values as it does business. This implies a process of monitoring stakeholder feedback and issues, as well as a more formal review of whether or not the YWCHSB values are being respected by all parties in the organization.

Tools

- ◆ The Strategic Planning Process
- ◆ Stakeholder Consultations
- ◆ Annual Board of Directors' Values Review

Commitment

The Board of Directors commits to the following to ensure value for all stakeholders:

- ◆ Conduct an ongoing and regular program of consultation with all stakeholders and include representative groups - workers and employers, as well as employees and key government officials;
- ◆ Identify key values in the Strategic Plan and modeling these values in the Directors' governance process; and
- ◆ Monitor the respect for the espoused values on an ongoing basis, and conduct an annual values audit as part of the strategic planning process to ensure the values are appropriate and practiced.

4. Establish the YWCHSB Board of Directors' Structure and Process

Definition

The current composition of the Board of Directors is established as the result of the *Workers' Compensation Act*. The Board of Directors is comprised of seven to nine members, one of whom sits as the Chair. There must be no fewer than four and no more than six voting members consisting of equal representation from employers and workers. The Chair and the Alternate Chair are members of the Board of Directors. The President/CEO also sits on the Board of Directors as a non-voting member.

The effectiveness of the Board of Directors influences the effectiveness of the YWCHSB as a whole. The Directors must have an effective structure and process to ensure that business proceeds in a timely and efficient manner.

Tools

The Role of the Chair

By legislation, the Chair will call and preside over meetings in accordance with procedures established by the Board of Directors and will report to the Legislature on matters relating to the administration of the *Act* and the financial status of the YWCHSB. By delegation from the Board of Directors, the Chair will:

- ◆ Advise the Minister on developments in the field of compensation;
- ◆ Submit the annual report to the Minister pursuant to the *Act*;
- ◆ Call and preside over all meetings of Board of Directors' committees (unless directed otherwise);
- ◆ Ensure appropriate reports of Board of Directors' committee activities are submitted to the Directors;
- ◆ Co-ordinate appropriate, necessary support to the Directors' committees to accomplish their mandates;
- ◆ Facilitate discussions of the Directors;
- ◆ Act as the chief spokesperson for the YWCHSB on behalf of the Board of Directors, relative to the public and government, including, but not limited to, all correspondence; and
- ◆ Delegate his/her authority as necessary and appropriate.

The Chair and the Alternate-Chair are non-voting.

When the Chair is unavailable, the Alternate Chair will assume the role of Chair. The duties of the Alternate Chair are the same as those of the Chair, but carried out only in the absence of the Chair. In addition, the Alternate Chair:

- ◆ Learns the duties of the Chair and keeps informed on key issues;
- ◆ Works closely as consultant and advisor to the Chair; and
- ◆ Prepares to serve a future term as Chair.

The Role of the Board of Directors

- ◆ The Directors are expected to conduct themselves with decorum at all meetings and functions in which they are representative of the Board of Directors, respecting the opinions of other Directors and the YWCHSB itself.
- ◆ As representative members, the Directors appointed as representative of workers and employers have the unique role of acting in the best interest of the YWCHSB while ensuring that they are fully aware of the interests and needs of their representative stakeholders. Workers and employers have both shared and diverse interests. There may be the perception that when opposing issues arise, the Directors are expected to hold to the positions of their stakeholder groups. There will be instances where the Directors will rise above stakeholder positions to embrace another perspective which they believe to be in the best interest of injured workers, employers and ultimately, the system.

Meetings

Conduct of Meetings

- ◆ The Chair will set the agenda for each meeting. A Director may request an item be placed on the agenda prior to the meeting package distribution.
- ◆ Meeting agenda and materials will be provided to the Directors by Friday noon prior to the regular scheduled Board of Directors meeting.
- ◆ Additions to the agenda at the time of the meeting will be permitted providing all members of the Directors agree. Otherwise, the item will be tabled to the next meeting.
- ◆ The Directors will provide direction and advice regarding the form, content, level of detail and relevance of agenda material provided.
- ◆ Meetings will be conducted in a business-like fashion with each Director being provided suitable opportunity to speak to each issue.
- ◆ Directors are expected to attend all Board of Directors' meetings.
- ◆ The Board of Directors will operate on the basis of consensus. The Chair may use alternative processes to facilitate consensus.
- ◆ Directors are expected to vote, except the Chair, the Alternate Chair and the President/CEO.
- ◆ Each Director is responsible for being familiar with the material provided and will be prepared to discuss and debate the issues raised.
- ◆ The Directors will annually update the Board of Directors' Commitments and Meeting Schedule.

Order of Business

- ◆ The Board of Directors will meet at least once a month and may conduct its proceedings in such a manner as it considers appropriate.
- ◆ Electronic meetings may be considered formal meetings of the Board of Directors, provided minute requirements are met.

Recording of Board of Directors Meetings

- ◆ The Board Manager or designate will record all Board of Directors' meetings.
- ◆ Minutes will include:
 - Date, location and time of convening/adjourning of meetings;
 - Agenda and action items;
 - Attendance and regrets; and
 - Motions and voting results.
- ◆ Issues and discussion arising will be recorded to provide clarity as to how decisions were made. Minutes may indicate whether items were expressed by the Board of Directors, the President/CEO or guests.
- ◆ Finalized draft minutes will be provided by Friday in the packages for the meeting the following week.
- ◆ Finalized minutes, approved by the Board of Directors, will be held in the Records Unit along with all relative materials and meeting package references.
- ◆ The Board Manager will record meetings and compile draft minutes for review by the Board of Directors. Recording notes will be destroyed once the Directors have approved the minutes.

- ◆ There will be minutes taken at all Board of Directors' meetings. The purpose of the minutes is to assure a clear record of the considerations made by the Directors when making decisions.

Correspondence Authorized by the Board of Directors

The Chair or Alternate Chair will sign correspondence, as authorized by the Board of Directors, which has been duly recorded in the meeting minutes. Where correspondence arises out of a legal opinion provided to the Board of Directors by General Counsel, and the Directors determine it is appropriate to provide that opinion, there will be a cover letter signed by the Chair, indicating that the legal opinion is attached. Legal opinions will be sent under General Counsel's signature.

Board Orders, Policies and Rules

Board Orders, policies and rules will be signed by the Chair or Alternate Chair, as authorized by Board of Directors' meeting minutes, and the signature of the Chair/Alternate Chair will be deemed to be signatory on behalf of the Directors.

Committees

The Board of Directors may, from time to time, constitute and dissolve both standing and ad hoc committees, by resolution. The Board of Directors will determine the membership and specific responsibilities of committees; however, the responsibilities of committees, in general, are to provide research, advice and direction to the Directors. Committees do not have decision-making powers.

There are two standing committees of the Board of Directors. Each committee is a committee of the full Board of Directors. The Terms of Reference for these committees may be found in the appendices.

- Finance, Investment and Audit Committee (FIAC)
- Board Policy Committee

There is one standing consultation committee, the Stakeholder Advisory Committee, consisting of members of the Board of Directors, the President/CEO and appointed volunteer stakeholder representatives of employers and workers. Staff attend as appropriate.

From time to time, ad hoc committees are established by the Board of Directors focused on stakeholder participation. Two Director liaisons (one representative of workers, one representative of employers) appointed by the Board of Directors participate in these groups, along with the Chair. The groups may include, but are not limited to:

- Prevention and Safety Advisory Group; and
- Policy Working Group.

Board of Directors' Support

The Board of Directors is supported by a Board Manager whose responsibilities include, but are not limited to:

- ◆ Assisting in planning, directing, coordinating the activities of the Board of Directors, including Director and committee meetings, as requested by the Chair;
- ◆ Maintaining communication links between the Directors;
- ◆ Providing support and advice to the Board of Directors as a whole and to individual Directors;
- ◆ Providing advice on business meeting protocol and rules of order;
- ◆ Providing orientation to new Directors;
- ◆ Ensuring accurate, professional and timely distribution of sensitive and confidential information from external and internal sources;
- ◆ Managing the Board office including procedures, a Bring Forward System, maintenance of Board of Directors' documentation and office security;
- ◆ Providing executive assistance to the Chair, while taking direction from the Chair (or Alternate Chair as appropriate); and
- ◆ Recording minutes at all Board of Directors meetings and other business meetings as requested, such as stakeholder meetings.

Board of Directors Professional Guidelines

The following guidelines are intended to provide members of the Board of Directors with a clear description of behavioural expectations.

Unanimity

No member of the Board of Directors may engage in public criticism of the YWCHSB or in public disagreement with any decision of the Directors. The Board of Directors must speak with one voice to establish and maintain trust and credibility with all stakeholders.

Confidentiality of Information

Information gathered or prepared for use by the Board of Directors is confidential under the provisions of the *Act*. No Director will divulge or allow to be divulged that information except in the performance of their duties or under the authority of the Board of Directors.

Information regarding individual claims or appeals, or employer information, is not the business of the Board of Directors and shall not be sought out. Directors are not to be involved as individuals with claims, assessment or OHS appeals. In addition, the Board of Directors establishes the following rules regarding information use and dissemination.

The following information or issues are not to be communicated:

- ◆ Any information identified as confidential either in written or any other form;
- ◆ Personal matters;
- ◆ Claims, appeals or employer specific information;
- ◆ Items related to physical security of the premises or staff;

- ◆ Legal opinions pertaining to legal matters involving the Board of Directors, unless authorized by a motion passed by the Directors;
- ◆ Information which, if released, could prejudice the Board of Directors, the Appeal Tribunal or the YWCHSB in its administration of the *Act*;
- ◆ Minutes of Board of Directors' meetings, items dealt with 'in camera' and/or submission documents where marked confidential;
- ◆ Draft material involving court cases;
- ◆ Personnel information including medical, psychiatric or psychological history, diagnosis, condition, treatment or evaluation;
- ◆ Information with respect to a possible violation of the *Workers' Compensation Act*; and
- ◆ Information with respect to the amount of monies or benefits paid out to an injured worker.

This provision is not intended to limit a member of the Board of Directors from discussing issues and policies with stakeholders. The intent is that Directors must maintain a proper governance role and must not provide, to any party, information which could be damaging to the operation of the YWCHSB, bring the YWCHSB under public embarrassment or be detrimental to the credibility of the Board of Directors. Each Director must comply with the Confidentiality Provisions in this Governance Guide when they are appointed to the Board of Directors. The provisions are included in the appendices.

Conflict of Interest

The Board of Directors will arrange their private affairs in a manner that will prevent real, potential, apparent or perceived conflicts of interest from arising. Each Director will comply with the Conflict of Interest Provisions in this Governance Guide when they are appointed. Details regarding Conflict of Interest Provisions may be found in the appendices.

Liability of Board of Directors

Pursuant to section 105(4) of the *Workers' Compensation Act*, the Directors will not be held personally liable for any action taken while acting on behalf of the Board of Directors and/or while acting in the role of a Director while under the honest belief that they were acting in good faith within their jurisdiction.

Discipline of the Board of Directors

Directors are required to act within the guidelines and spirit of this Governance Guide, the legislation and Board of Directors' policies. If a Director believes that another Director has, or is, acting in a manner contrary to the above, he/she may bring the issue to the attention of the Chair. The Chair will determine the seriousness of the issue and may bring the item to the attention of the full Board of Directors, 'in camera', and the Director will be given an opportunity to defend or explain his/her actions. Pursuant to Section 98(9) of the *Act*, the Board of Directors, other than the President/CEO may be removed by the Commissioner in Executive Council only for cause. The Chair has the authority to remove a Director from the discussions at the table, for conduct unbecoming a Director. The Board of Directors' Code of Conduct is as follows:

Code of Conduct

The Board of Directors developed a Code of Conduct for Directors in September 2005 and it is reviewed annually. This Code of Conduct governs the behaviour of all Directors while engaged in Board of Directors' activities. The Code of Conduct forms part of this Governance Guide and, therefore, all Directors demonstrate their commitment to this Code when they sign the Guide's Declaration of Commitment. The Chair has the authority to dismiss any Director from Board of Directors' activities if they fail, in the opinion of the Directors, to comply with the Code of Conduct.

Code of Conduct

We, the Board of Directors of the Yukon Workers' Compensation Health and Safety Board (YWCHSB), set the following guidelines for the specific behaviour of all of Directors while engaged in YWCHSB activities and events. These behaviours are intended to guide the conduct of Directors to facilitate a high-performing Board of Directors.

- Practice fair, ethical, sound and defensible decision-making.
- Achieve consensus in decision-making wherever possible.
- Practice active listening and embrace healthy debate while respecting all opinions.
- Fairly and accurately present and debate the perspectives of stakeholders.
- Respect the practice of governance, the neutrality of the Chair and Alternate Chair, the role of the President/CEO, and all other YWCHSB business relationships.
- Maintain focus on, and respect for, the foundation documents of the YWCHSB, including the Meredith Principles, legislation, Board of Directors' policies, Strategic Plan and Governance Guide.
- Report for meetings promptly, be prepared, and be ready to actively participate.
- Demonstrate respect for one another, encourage respectful interaction and support one another both in and out of the Boardroom.

Commitment

The Board of Directors commits to upholding and following these guidelines as outlined in this Governance Guide. Further, the Directors commit to reviewing its processes annually.

5. Interface with YWCHSB Stakeholders

Definition

To be effective in delivering its mandate, the YWCHSB must be closely attuned to the diverse interests of the stakeholders. One of the challenging responsibilities facing the

Board of Directors is to seek, organize, weigh and evaluate stakeholder input. The relationship between Directors and stakeholders should promote:

- ◆ Accessibility of the Board of Directors to stakeholders;
- ◆ Communication of the 'facts' with respect to issues and situations, prior to motions and votes;
- ◆ Sound consultative processes; and
- ◆ When decisions are made at the Board table, the Board of Directors and each Director must be prepared to go to stakeholders to explain what decisions were made and upon what criteria the Directors made such informed decisions. This may include motivators, background information, and perhaps even the actual points raised in discussions without revealing the votes. The Directors, acting pursuant to a motion or the Chair, speaking on behalf of the Board of Directors, will provide the required information to go back to the stakeholders.

The Board of Directors has identified its key stakeholders as follows:

- ◆ **The President/CEO.** The primary relationship for Strategic Plan implementation is with the President/CEO. The Board of Directors intends to build an honest, open, trusting relationship with a shared vision and mutual accountability for Strategic Plan achievement.
- ◆ **Staff.** The Directors see staff as the front-line partners in implementation of the Strategic Plan. The Board of Directors cannot have a direct relationship with staff; therefore, it will work through the President/CEO to establish a respectful and personable rapport. Directors' role with staff is to model the values of the organization and inspire and motivate staff to achieve the vision.
- ◆ **Legislators.** Legislators are essential players in the YWCHSB Strategic Plan. The Board of Directors' intent is to maintain communication with legislators to develop mutual trust to a point where legislators become advocates for the YWCHSB Strategic Plan.
- ◆ **Employers.** As one of the fundamental stakeholder groups in the YWCHSB mandate, the Board of Directors intends to develop a solid working relationship with employers by maintaining open lines of communication, and by keeping employers informed so that employers can implement the vision of the YWCHSB in their work places. Directors also intend to strengthen the relationship between employers and workers with a focus on workplace wellness.
- ◆ **Workers and Youth.** As one of the fundamental stakeholders in the YWCHSB mandate, the Board of Directors intends to keep workers and youth well informed with respect to their rights and well being, and motivate a belief in self-empowerment and shared responsibility for workplace wellness.
- ◆ **Health Care Community.** To demonstrate the importance of the health care community's' expertise, Directors intend to develop partnerships for care and health, as well as facilitate the development of relationships between, and among, service providers to build a strong, caring community.

Tools

- ◆ Stakeholder Advisory Committee
- ◆ Annual Information Meeting
- ◆ Ministerial Communication and Legislative Reporting
- ◆ Liaise with First Nation Governments
- ◆ Presentations by the Board of Directors to Various Representative Stakeholder Groups
- ◆ Prevention Fund and Program Funding
- ◆ Tailgate Meetings with President/CEO and Staff
- ◆ Press Conferences and Releases
- ◆ Stakeholder Consultations and Education
- ◆ YWCHSB Annual Report

Commitment

Under section 104, the Directors will hold an Annual Information Meeting convenient to worker and employer organizations following the filing of the annual report for the purpose of reporting to workers and employers on the administration of the compensation system and Board of Directors' policies related thereto.

The Chair of the Board of Directors will provide the Minister with informal updates on the activities of the Directors and the current status of the organization as a whole at least quarterly

The Board of Directors will commit to regular, ongoing consultations and communications with stakeholder groups.

6. Partner with YWCHSB Management

Definition

The achievement of the legislative mandate and the Strategic Plan are dependent upon the cooperation and communication between the Board of Directors and the President/CEO. The Directors have the first responsibility to define the type of relationship that will best facilitate implementation of YWCHSB business, and to build this relationship with the President/CEO.

Tools

- ◆ Accountability Agreement
- ◆ Quarterly Management Reports
- ◆ Quarterly Partnership Feedback Sessions
- ◆ Annual Performance Evaluations
- ◆ Monthly President's Reports

Commitment

The Board of Directors commits to quarterly discussions through the balanced scorecard on the status of the partnership between the Directors and the President/CEO. At that time, informal performance feedback will be provided to the President/CEO, as well as feedback to the Board of Directors.

The Board of Directors will commit to developing an Accountability Agreement with the President/CEO, to be updated annually.

7. Plan for YWCHSB Succession

Definition

There are two aspects of succession that are important to the Board of Directors. The first is the succession of new Directors. At this time, the Minister is responsible for selecting Directors. The Board of Directors' concern, therefore, is with the effective orientation of new Directors.

The second aspect of succession is related to the role of the President/CEO. The position of the President/CEO is the most critical position within administration. The President/CEO is the liaison between the Board of Directors and the staff. It is the President/CEO who is responsible for achieving the results set out by the Directors. At the same time, the relationship between the President/CEO and the Directors is the single most important relationship in the organization. Therefore, succession planning for the position of the President/CEO is a principal concern of the Board of Directors. Succession is a process that requires thoughtful design and includes the specification of criteria for hiring, promoting from within and rewarding performance.

Tools

The Board of Directors utilizes a Succession Plan process which has been developed by the President/CEO. The Plan is based on the following steps:

YWCHSB President/CEO Succession Plan Process

- ◆ Target Key Positions
 - specialized expertise
 - high skill/knowledge/ability levels (management)
- ◆ Target Key Individuals
- ◆ Plan for Five (5) Years
 - jobs = number of individuals prepared for the job
- ◆ Assess Competencies
 - job competencies
 - individual competencies
- ◆ Complete Development Plan

The YWCHSB Succession Plan is reviewed on an annual basis before the formal performance review process is complete.

Recruiting and Orienting the Board of Directors

Recognizing the Board of Directors have no input into the recruitment of new Directors, it remains within its responsibility to ensure that the Minister is aware of the competencies to be considered in the appointment of the Directors. This will assist the Minister to review nominees with an eye to their knowledge, skills, time constraints, strengths and competency, ensuring appointments of people who are ready and willing to actively and fully participate.

Once appointed, it is the responsibility of the Board of Directors to ensure proper, extensive orientation of new Directors to their roles, responsibilities and expectations.

Orientation should include:

- ◆ Meeting with the Chair;
- ◆ Meeting with the Board Manager;
- ◆ Review of the Governance Guide and Orientation and Training Manual;
- ◆ Review and signing of the Declaration of Commitment to the Governance Guide;
- ◆ Scheduling and attendance at appropriate training; and
- ◆ Meeting with Directors of the same representative stakeholder group.

Commitment

The Board of Directors commits to reviewing succession for the role of the President/CEO and key positions on an annual basis.

The Board of Directors commits to conducting the required orientation for each new Director.

8. Monitor and Evaluate YWCHSB Organizational Performance

Definition

The Board of Directors will have a primary interest in the ongoing performance of the YWCHSB. Monitoring this performance on a regular basis will be essential to ensuring that the YWCHSB is on track in achieving the desired results.

There are three levels of performance requiring ongoing monitoring:

- ◆ YWCHSB Performance;
- ◆ Board of Directors' and Chair Effectiveness; and
- ◆ President/CEO Performance.

YWCHSB Performance

At the YWCHSB level, performance expectations are set through legislation, the Strategic Plan and the Balanced Scorecard, as well as various policies. The Board of Directors needs to be reassured that results in plans are being achieved and legislative requirements are respected. To obtain this reassurance the Directors will require regular sharing of performance information by the President/CEO. The President/CEO will prepare and deliver to the Board of Directors, a report/update on the activities and status of the organization, which will include, but is not limited to:

Monthly

- ◆ Changes in Human Resources, which may impact expected and current changes to staffing and impacts of said changes;
- ◆ Reports on major projects, which may impact concerns and issues within each department, by department; and
- ◆ Requests for the Board of Directors to consider needs and expectations for policy development and/or amendments as considered necessary by each department.

Quarterly

- ◆ A progress report on the specific results set out in the Balanced Scorecard in specified key result areas; and
- ◆ Financial and budget variance reports.

Board of Directors Effectiveness

The Board of Directors will assess its own effectiveness in delivering on its responsibilities by conducting a self-evaluation on an annual basis. The Directors will assess its effectiveness relative to the ten responsibilities outlined in this Governance Guide.

Chair Effectiveness

The Board of Directors will include an evaluation of the Chair in its effectiveness evaluation.

President/CEO Evaluation

The performance of the President/CEO will be evaluated annually. This annual evaluation will be based on the Accountability Agreement and will also incorporate appropriate sections of the public service evaluation form.

Tools

- ◆ Balanced Scorecard
- ◆ Quarterly Performance Reports
- ◆ Board of Directors and Chair Effectiveness Evaluations
- ◆ President/CEO Performance Evaluation
- ◆ Annual Performance Report

Commitment

The Board of Directors will:

- ◆ Monitor the performance of the organization monthly on an informal basis and quarterly on a formal basis;
- ◆ Perform a quarterly and an annual evaluation of the President/CEO's performance; and
- ◆ Assess its own effectiveness annually.

9. Foster Change and Manage Issues for the YWCHSB

Definitions

Two of the key responsibilities of the Board of Directors are to promote and foster change, and to manage issues.

The Board of Directors will foster change by identifying and developing new partnerships with stakeholders, and shifting expectations regarding YWCHSB programs and services. The Board of Directors intends, as well, to provide stakeholders with a new awareness regarding the responsibilities and provision of programs and services by the YWCHSB. The Board of Directors will also explore and implement new initiatives to achieve the Strategic Plan.

The Board of Directors will foster change within the YWCHSB by changing its expectations and processes regarding monitoring and reporting of performance. Rather than managing, the Board of Directors will seek to provide leadership and inspiration to the President/CEO.

With respect to the management of issues, an "issue" is defined as an area of controversy, or where a performance result is not being achieved. The majority of issues are brought forward by the President/CEO or the Board of Directors and may be discussed at the meeting. At that time, the Board of Directors decides whether or not the Directors involvement in the subject is appropriate.

The Board of Directors anticipates that new issues will arise as the implementation of the Strategic Plan proceeds. These will likely occur in the areas of assessment,

Prevention Strategy, incentives, Board of Directors processes, and management styles. The Directors intend to proactively address these issues by creating funding opportunities in areas such as prevention, enhancing communication, and responding as quickly as possible when the issues arise.

Tools

- ◆ Communication
- ◆ Consultation
- ◆ Funding
- ◆ Education

Commitment

The Board of Directors commits to following the Strategic Plan and the cultural shift necessary to implement the plan with the intent of evolving to a high-performing organization.

The Board of Directors commits to leading and examining its own practices and progress to enhance its own effectiveness.

The Board of Directors commits to managing issues as quickly and effectively as appropriate.

10. Define and Develop Policy for the YWCHSB

Definition

Two of the most critical responsibilities of the Board of Directors are to establish policy and to make Orders. Policy is the primary vehicle of governance. Through policy, the Board of Directors provides explicit direction to the organization and informs stakeholders regarding the parameters within which the legislation will be administered and programs and services will be provided. The Board of Directors is mandated to establish policy in areas related to the YWCHSB. The Board of Directors will consult with employer and employer organizations and workers and worker organizations prior to adopting policies affecting claims for compensation or assessment matters.

The Board of Directors is restricted by legislation; however, into specific areas, it may make Orders. The Directors are authorized to make orders relating to:

- ◆ Applications to the Board of Directors including the information and evidence to be furnished by the applicants; and
- ◆ Any other matter that is necessary for the effective performance of the Board of Directors.

The Board of Directors may make, by Order:

- ◆ Rules relating to the conduct and proceedings before the Board of Directors and the Hearing Officer;
- ◆ Conflict of Interest for Board of Directors;
- ◆ The making of application to the Board of Directors, including the information and evidence to be furnished by applicants;
- ◆ The certification or publication of orders and decisions of the Board of Directors;
- ◆ The establishment of publications of orders and decisions of the Board of Directors;
- ◆ The establishment of procedures and time limits governing reviews and appeals;
- ◆ The establishing of classes of industries;
- ◆ The setting of assessment rates;
- ◆ The setting of experience, merit rating or other incentive programs ;
- ◆ The issuing and varying or revoking of codes of practice for occupational health and safety;
- ◆ The setting of a minimum assessment;
- ◆ Interest on non-filing of assessments, late assessments, penalties for non-payment of assessments and underestimating; and
- ◆ Any other matter that reasonably is necessary or advisable for the effective and orderly performance of the duties of the Board of Directors.

Tools

- ◆ The Yukon Workers' Compensation Health and Safety Board Policy and Procedures Manual
- ◆ Board Policy Committee
- ◆ Policy Working Group
- ◆ Stakeholder Advisory Committee

Commitment

The Board of Directors commits to participation on the Board Policy Committee.

The Directors will commit to developing policy priorities and to providing clear policy direction to the President/CEO.

The Directors commit to consultation with stakeholder groups during the development of policies using stakeholder committee and advisory groups.

Appendix 1. Declaration of Commitment to the Governance Guide

The Governance Guide is a document produced by the Board of Directors of the Yukon Workers' Compensation Health and Safety Board to govern the activities of the Board of Directors. The Guide outlines the key responsibilities of the Board of Directors, and the spirit and processes the Directors will use to carry out these responsibilities.

As an appointed Director of the Yukon Workers' Compensation Health and Safety Board, I have read and I understand the contents of the Governance Guide, including the Confidentiality and Conflict of Interest Provisions, and I will commit to supporting and implementing the terms of the Governance Guide.

Director Name & Signature

Date

Appendix 2. Board of Directors' Committee Terms of Reference

Standing Committees

Finance, Investment and Audit Committee (FIAC), Terms of Reference

Purpose

The Finance, Investment and Audit Committee is a standing committee of the Board of Directors, established to make recommendations to the full Board of Directors on financial issues and concerns.

Responsibilities

The committee may review and make recommendations to the full Board of Directors on any of the following matters:

- ◆ Review the Investment Policy annually and put forward changes to the Board of Directors for recommendation to Cabinet;
- ◆ Recommend to the Board of Directors the appointment of agents, advisors and investment managers and their termination if necessary;
- ◆ Recommend to the Board of Directors new and/or modified investment manager mandates, and the benchmark portfolio;
- ◆ Monitor and report quarterly to the Board of Directors on investment performance of the total Fund, Asset Mix Classes and investment manager(s) to the respective benchmarks;
- ◆ Monitor compliance of investment manager(s) to their respective mandates and the policy; and
- ◆ Report the financial position of the Fund to the Board of Directors. This report will include the opinions of the YWCHSB auditors and actuary.

Composition

The committee may consist of:

- ◆ Board of Directors, Committee of the Whole; or
- ◆ Chair or Alternate Chair;
- ◆ One Director Representative of Employers;
- ◆ One Director Representative of Workers;
- ◆ President/CEO;
- ◆ Vice President/CEO of Operations & CFO; and
- ◆ Additional staff may attend meetings to provide support or information, as decided by the committee.

Where the Committee of the Whole sits during a Board of Directors meeting, when the Committee of the Whole votes on an issue and passes a motion, the Committee of the Whole is considered to be acting as the Board of Directors.

Procedure

- ◆ The committee will set its own processes for meetings, including designation of a Chair, if desired.
- ◆ Meetings will be held as agreed upon by the committee or as delegated by the committee.
- ◆ Minutes of recommendations and follow-up actions will be kept. Notes of the discussion may be kept at the discretion of the committee, including methods for review and approval. The Board Manager may provide administrative support.

Board Policy Committee, Terms of Reference

Purpose

The Board Policy Committee is a standing committee of the Board of Directors, established to make recommendations to the full Board of Directors on policy issues and concerns in the development of Board of Directors' policies.

Responsibilities

The committee may review and make recommendations to the full Board of Directors on any of the following matters:

- ◆ Drafts of policies or discussion papers (committee may also provide preliminary feedback);
- ◆ Stakeholder consultation requirements for claims for compensation or assessment matters;
- ◆ Final drafts of policy, after reviewing any stakeholder input and other advice; and
- ◆ Priority list for policy development.

Composition

The committee may consist of:

- ◆ Board of Directors, Committee of the Whole; or
- ◆ Chair or Alternate Chair;
- ◆ One Director Representative of Employers;
- ◆ One Director Representative of Workers;
- ◆ President/CEO or designate; and
- ◆ Additional staff may attend meetings to provide support or information, as decided by the committee.

Where the Committee of the Whole sits during a Board of Directors' meeting, when the Committee of the Whole votes on an issue and passes a motion, the Committee of the Whole is considered to be acting as the Board of Directors.

Procedure

- ◆ The committee will set its own processes for meetings, including designation of a Chair, if desired.
- ◆ Meetings will be held as agreed upon by the committee or as delegated by the committee.
- ◆ Minutes of recommendations and follow-up actions will be kept. Notes of the discussion may be kept at the discretion of the committee, including methods for review and approval. The Board Manager may provide administrative support.

Appendix 3. Confidentiality Provisions

The Board of Directors of the Yukon Workers' Compensation Health and Safety Board must keep confidential, information that they have learned, either through involvement as a Director or as a member of an Appeal Panel of the Board of Directors.

The duty of confidentiality includes, but is not limited to, an obligation to not disclose information received as a Director or when sitting as an Appeal Panel member.

The Board of Directors are aware of and understand subsection 117(1) of the *Workers' Compensation Act* ("the *Act*") which states:

No member of the Board of Directors, the Appeal Tribunal, the YWCHSB, or any employee or agent of the Board of Directors, the Appeal Tribunal or the YWCHSB authorized to make an examination or inquiry under this Act, shall divulge or allow to be divulged except in the performance of their duties or under authority of the Board of Directors or the YWCHSB, any information obtained in the administration of this Act.

The Board of Directors are aware of subsection 117(4) of the *Act*, which states: "Every person who violates the provisions of this section commits an offence under this *Act*."

The Board of Directors, when they cease being a Director, will not reveal any information obtained when they were a Director or a member of an Appeal Panel.

Appendix 4. Conflict of Interest Provisions

A Director, in conducting Board of Directors business, must ensure that he/she is neither perceived as having a conflict of interest, nor has a conflict of interest.

Where a Director is appointed to an Appeal Panel dealing with assessment appeals under the *Workers' Compensation Act* ("the *Act*") or appeals under the *Occupational Health and Safety Act*, it requires an additional duty of ensuring there is no real or apparent bias. The Board of Directors also carry out reviews of Appeal Tribunal decisions. The test is whether a reasonably informed and right-minded person would reasonably conclude that a Director, whether consciously or unconsciously, may not decide a question fairly.

A conflict of interest is any situation where an individual Director's ability to act in the best interests of the Yukon Workers' Compensation Health and Safety Board is compromised or potentially compromised by business, family or personal relationships. A conflict of interest may be actual or apparent, potential or perceived and exists whether or not financial advantages or other valuable benefits have been or may be derived by an individual Director.

A Director could have their corporation or business enter into a contract with the Yukon Workers' Compensation Health and Safety Board. Under the *Act*, the Board of Directors must consider and approve operating and capital budgets. Because of this duty, to have a Director enter into a contract with the YWCHSB, it could be seen as influencing the administration and perceived as a conflict of interest.

A personal interest means an opportunity to produce a loss or benefit because of a decision made by the Board of Directors or an Appeal Panel of the Board of Directors in respect of that individual Director's business, family or personal relationships. Individual Directors shall take all reasonable steps to avoid a conflict of interest.

The Board of Directors shall respect and comply with any rules dealing with a conflict of interest or bias. Where there exists a possibility of a conflict of interest or bias, the Board of Directors will take the steps required within the Rules Respecting Conflict of Interest.