

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

**Board of Directors**

**GOVERNANCE  
GUIDE**

**2006**

**January 11, 2006**  
*[Amended February 21, 2006]*

## Board of Directors Commitment

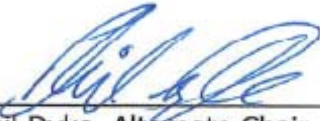
The appointed members of the Board of Directors commit to govern the Yukon Workers' Compensation Health and Safety Board as set out in this Governance Guide, adopted January 11, 2006.

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



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Craig Tuton, Chair



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Phil Dyke, Alternate Chair



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Don Frizzell, Director



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Michelle Kolla, Director



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Gary Annau, Director



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Barbara Evans, Director

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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 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 approved in principle its first Governance Handbook in August 2002, and amended the Handbook in May 2003. The Handbook was originally designed to include the necessary legislative and policy information to guide the Board 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 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 Board will use to carry out the responsibilities in each area, and the specific **commitment** the Board will make to ensure the responsibility is honoured.

Upon appointment, Board members 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.

**The Board** refers to the Board of Directors appointed by the Commissioner in Executive Council.

**The President/CEO** refers to the individual recruited and hired by the Board of Directors.

**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 Board of Directors of the Yukon Workers' Compensation Health and Safety Board is 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 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 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 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's 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 to provide clear objectives and directions for the President/CEO and to identify and monitor performance measurables for those objectives. The Board, 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 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 board are identified;
  - the appropriate responsive actions to current environmental scans are taken;
  - goals are established for the YWCHSB as evolved from the Vision, Mission and Mandate, for one or more years on an annual basis;
  - strategies are approved and an annual plan put forward by the President/CEO for the attainment of the goals; and
  - the 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 Web site at [www.wcb.yk.ca](http://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's governance processes and the relationship of responsibilities between the Board of 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 1(1), "The objects of this *Act* are (g) to establish a Board, 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, Board members must act in good faith and in the best interests of the compensation system as a whole while recognizing their fiduciary obligations.

The Yukon Workers' Compensation Health and Safety 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 will promote awareness of the basic rights and obligations of workers and employers.
- ◆ the Board will ensure that workers, dependents of deceased workers and employers are treated with compassion, respect and fairness.
- ◆ the Board will plan for the future of the Board.
- ◆ the Board may examine, inquire into, hear, determine and interpret all matters and questions under the *Workers' Compensation Act*.
- ◆ the Board may examine, inquire into, hear, determine and interpret all matters and questions under the *Occupational Health and Safety Act*.

### **Functioning**

- ◆ the Board will remain independent from government.
- ◆ the Board will meet at least once a month.
- ◆ the Board may act despite any vacancy.

### **Accountability**

- ◆ the Board will hold an annual information meeting.
- ◆ the Board will appear before the Yukon Legislative Assembly annually, represented by the Chair and the President/CEO.
- ◆ the Board will report to the Minister each year on all matters regarding the activities of the board within 90 days after the end of the calendar year.
- ◆ the Board will advise, investigate and report to the Minister, in a timely manner, on any matter the Minister may request.
- ◆ the Board will provide the Minister with an audited financial statement by June 30, dealing with the Compensation Fund assets, actuarial of assessment rates, reviews including liabilities of the Compensation Fund, and financial and management plans and policies.

### **Confidentiality**

- ◆ the Board will maintain confidentiality in matters respecting claims for compensation when discussing or conducting the affairs of the compensation system.



- ◆ the Board will create rules to define conflict of interest and provide guidelines about participation and voting at meetings by a member who has a conflict.

### **Adjudication**

- ◆ through the budget process and policies, the Board will:
  - provide an open and fair system of guaranteed, adequate compensation for all workers or their dependents for work-related disabilities; and
  - provide disabled workers with rehabilitation to assist them to overcome the effects of work-related disabilities as much as possible.

### **Finance**

- ◆ the Board will maintain a solvent Compensation Fund managed in the interest of workers and employers.
- ◆ the Board will consider and approve a capital and operating budget.
- ◆ the Board will cause an actuarial valuation of the Compensation Fund at least once every three years.
- ◆ the Board will provide to the Minister an audited financial statement as required by legislation.

### **Prevention**

- ◆ the Board, through the budget process and policies, will combine efforts and resources to prevent workplace disabilities including enforcing health and safety standards.

### **Appeals**

- ◆ the Board 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 Yukon Workers' Compensation Health and Safety Board. As such, it is responsible for implementing a governance process which facilitates the sound functioning of the organization.

Boards govern rather than manage. Governance is the act of establishing and stewarding the organization. In this Guide, governance refers to the processes used by the Board of Directors to provide overall direction to the YWCHSB. These define the delegation of decision-making power and resources to conduct the Board's 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 Boards:

- ◆ 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 Board development, planning, and monitoring performance.

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

1. The Board of Directors assumes responsibility for the leadership and stewardship of the Yukon Workers Compensation Health and Safety Board (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 Board.
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 Board 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:

- ◆ the Board will ensure it operates independently from Government;
- ◆ the Board will review and update its governance processes on a quarterly basis, and the Governance Guide will be updated annually;
- ◆ the Board of Directors will 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 Board will ensure the development and use of measurements of those ends;

- ◆ the Board will respect the boundaries between President/CEO and the Board, as established through mutual discussions;
- ◆ the Board, 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
- ◆ the Board will establish discretionary spending limits for the President/CEO. These discretionary spending limits will be reviewed each year during budget presentation 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 Board 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 Board has regarding its stakeholders' views and perceptions of value.

It is not sufficient to simply identify values. The Board 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 Values Review

## Commitment

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

- ◆ conducting an ongoing and regular program of consultation with all stakeholders including representative groups - workers and employers, as well as employees and key government officials;
- ◆ identifying key values in the Strategic Plan and modeling these values in the Board of Directors governance process; and
- ◆ monitoring the respect for the espoused values on an ongoing basis, and conducting an annual Values Audit to ensure the values are appropriate and practiced.

## 4. Establish the YWCHSB Board Structure and Process

### Definition

The current composition of the Board of Directors was established as the result of the *Workers' Compensation Act*, as amended in 1992. The Worker's Compensation Health and Safety Board, Board of Directors, is comprised of eight to ten 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 of employers and workers. The Chair of the Board and the Alternate Chair are members of the Board. Additional members of the Board include the President/CEO and the Chair of the Appeal Tribunal, who are non-voting members.

The effectiveness of the Board of Directors influences the effectiveness of the YWCHSB as a whole. The Board 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 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, the Chair will:

- ◆ advise the Minister on developments in the field of compensation;
- ◆ submit an annual report to the Minister;
- ◆ call and preside over all meetings of Board committees (unless directed otherwise);
- ◆ ensure appropriate reports of Board committee activities are submitted to the Board;
- ◆ co-ordinate appropriate, necessary support to the Board committees to accomplish their mandates;
- ◆ facilitate discussions of the Board;
- ◆ 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;
- ◆ prepares to serve a future term as Chair; and
- ◆ orients the new Alternate Chair.

By legislation, the Chair of the Appeal Tribunal is a non-voting member of the Board. The Appeal Tribunal Chair will:

- ◆ report on the relevant operations of the Appeal Tribunal, as needed;
- ◆ present the proposed budget and reports on financial matters, as needed;
- ◆ identify legislation and policy issues arising from the activities of the Appeal Tribunal, as needed, to the Board; and
- ◆ communicate with the Board of Directors on issues arising between the Appeal Tribunal and the Board of Directors.

### **The Role of Board Members**

- ◆ members of the Board are expected to conduct themselves with decorum at all meetings and functions in which they are representative of the Board, respecting the opinions of other members of the Board and the YWCHSB itself.
- ◆ as representative members, members of the Board appointed as representative of labour 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 members of the Board are expected to hold to the positions of their stakeholder groups. There will be instances where members of the Board will rise above stakeholder positions to embrace another perspective which they believe to be in the best interest of injured workers and ultimately, the system.

## **Meetings**

### **Conduct of Meetings**

- ◆ the Chair will set the agenda for each meeting. A Board member may request an item be placed on the agenda prior to the meeting package distribution.
- ◆ meeting agenda and materials will be provided to the Board members by Friday noon prior to the regular scheduled Board meeting.
- ◆ additions to the agenda at the time of the meeting will be permitted providing all members of the Board agree. Otherwise, the item will be tabled to the next meeting.
- ◆ the Board 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 member of the Board being provided suitable opportunity to speak to each issue.
- ◆ members of the Board are expected to attend all Board meetings.
- ◆ the Board of Directors will operate on the basis of consensus. The Chair may use alternative processes to facilitate consensus.
- ◆ members of the Board are expected to vote, except the Chair, the Alternate Chair, the President/CEO and the Chair of the Appeal Tribunal.
- ◆ each member of the Board is responsible for being familiar with the material provided and will be prepared to discuss and debate the issues raised.
- ◆ the Board will annually update the Board of Directors Commitments and Meeting Schedule.

### **Order of Business**

- ◆ the Board 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, provided minute requirements are met.

### **Recording of Board Meetings**

- ◆ the Board Manager or designate will record all board meetings.
- ◆ minutes will include:
  - date, location and time of convening/adjourning of meetings.
  - agenda and action items.
  - attendance and regrets.
  - 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, the President/CEO or guests.
- ◆ finalized draft minutes will be provided by Friday in the packages for the meeting the following week.
- ◆ finalized minutes, duly accepted by the Board, will be held in the Records Unit along with all relative materials and Board package references.
- ◆ the Board Manager will record meetings and compile draft minutes for review by the Board members. Recording notes will be destroyed once the Board has duly accepted the minutes.

- ◆ there will be minutes taken at all Board meetings. The purpose of the minutes is to assure a clear record of the considerations made by the Board 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 Board meeting minutes. Where correspondence arises out of a legal opinion provided to the Board by General Counsel, and the Board determines 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 minutes, and the signature of the Chair/Alternate Chair will be deemed to be signatory on behalf of the Board of Directors.

### **Committees**

The Board may, from time to time, constitute and dissolve both standing and ad hoc committees, by resolution. The Board 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 Board. Committees do not have decision-making powers.

There are two standing committees of the Board. Each committee is a committee of the whole Board. 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 consisting of Board members, the President/CEO and appointed volunteer stakeholder representatives of employers and workers. Staff attend as appropriate.

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

- Prevention and Safety Advisory Group
- Policy Working Group

### **Board Support**

The Board is supported by a Board Manager who performs the following responsibilities:

- ◆ assists in planning, directing, coordinating the activities of the Board, including Board and committee meetings, as requested by the Chair;
- ◆ maintains communication links between the Board members;

- ◆ provides support and advice to the Board as a whole and to individual members;
- ◆ provides advice on business meeting protocol and rules of order;
- ◆ provides orientation to new Board members;
- ◆ ensures accurate, professional and timely distribution of sensitive and confidential information from external and internal sources;
- ◆ manages the Board office including procedures, a Bring Forward System, maintenance of Board documentation and office security;
- ◆ provides executive assistance to the Chair, while taking direction from the Chair (or Alternate Chair as appropriate); and
- ◆ records minutes at all Board meetings and other business meetings as requested, such as stakeholder meetings.

### **Board Professional Guidelines**

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

#### **Unanimity**

No member of the Board may engage in public criticism of the YWCHSB or in public disagreement with any decision of the Board. The Board 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 is confidential under the provisions of the *Act*. No member of the Board will divulge or allow to be divulged that information except in the performance of their duties or under the authority of the Board.

Information regarding individual claims or appeals, or employer information, is not the business of the Board of Directors and shall not be sought out. The Board is not to be involved as individuals with claims, assessment or OHS appeals. In addition, the Board 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, unless authorized by Board motion;
- ◆ information which, if released, could prejudice the Board, the Appeal Tribunal or the YWCHSB in its administration of the *Act*;
- ◆ Board minutes, 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 from discussing issues and policies with stakeholders. The intent is that members of the Board 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. Each Director must sign a Confidentiality Agreement when they are appointed to the Board. The agreement is included in the appendices.

### **Conflict of Interest**

Members of the Board will arrange their private affairs in a manner that will prevent real, potential, apparent or perceived conflicts of interest from arising. Each member will sign a Conflict of Interest Agreement when they are appointed. Details regarding Conflict of Interest guidelines may be found in the appendices.

### **Liability of Board Directors**

Pursuant to section 96(4) of the *Workers' Compensation Act*, the members of the Board will not be held personally liable for any action taken while acting on behalf of the Board and/or while acting in the role of a Director while under the honest belief that they were acting within their jurisdiction.

### **Discipline of Members of the Board**

Members of the Board are required to act within the guidelines and spirit of this Governance Guide, the legislation and Board policies. If a member of the Board believes that another member of the Board 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, 'in camera', and the member of the Board will be given an opportunity to defend or explain his/her actions. Pursuant to Section 106(8) Of the *Act*, the Board may recommend to the Minister that a Board member be removed for cause. The Chair has the authority to remove a Board member from the discussions at the table, for conduct unbecoming a Board member. The Board member Code of Conduct is as follows:

### **Code of Conduct**

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

### **Code of Conduct**

We, the members of the Board of Directors of the Yukon Workers' Compensation Health and Safety Board, set the following guidelines for the specific behavior of all Board members while engaged in YWCHSB activities and events. These behaviours are intended to guide the conduct of Board members 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 policies, the 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 Board commits to reviewing its processes on a regular basis, at least quarterly and once 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 is to seek, organize, weigh and evaluate stakeholder input. The relationship between members of the Board and stakeholders should promote:

- ◆ accessibility of the Board 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 and each of its members must be prepared to go to stakeholders to explain what decisions were made and upon what criteria the Board made such informed decisions. This may include

motivators, background information, and perhaps even the actual points raised in discussions without revealing the votes. The Board, acting pursuant to a motion or the Chair, speaking on behalf of the Board, will provide the required information to go back to the stakeholders.

The Board has identified its key stakeholders as follows:

- ◆ **The President/CEO.** The primary relationship for Strategic Plan implementation is with the President/CEO. The Board intends to build an honest, open, trusting relationship with a shared vision and mutual accountability for Strategic Plan achievement.
- ◆ **Staff.** The Board sees staff as the front-line partners in implementation of the Strategic Plan. The Board cannot have a direct relationship with staff; therefore, it will work through the President/CEO to establish a respectful and personable rapport. The Board's 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's 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 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. The Board also intends 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 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.
- ◆ **Medical Community.** To demonstrate the importance of the medical community's expertise, the Board intends 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
- ◆ WorkSafe Newsletter
- ◆ Ministerial Communication and Legislative Reporting
- ◆ Presentations by the Board to Various Representative Stakeholder Groups
- ◆ Prevention Fund and Program Funding
- ◆ Tailgate Meetings with President/CEO and Staff
- ◆ Press Conferences and Releases
- ◆ Stakeholder Consultations
- ◆ YWCHSB Annual Report

## Commitment

The Board will hold an Annual Information Meeting within ninety (90) days following the public release of the audited financial statement as required under subsection 111(1) of the *Act*, for the purpose of reporting to workers and employers on the administration of the compensation system and Board policies related thereto. Within 30 days, the Board must make available a summary report of the meeting.

The Chair of the Board of Directors will deliver to the Minister an informal, written update on the activities of the Board and the current status of the organization as a whole at least quarterly.

The Board 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 Board has 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 Priority Reports

### Commitment

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

The Board 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 members to the Board. At this time, the Minister is responsible for selecting Board members. The Board's concern, therefore, is with the effective orientation of new Board members.

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 Board of Directors. At the same time, the relationship between the President/CEO and the Board of 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. 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 a quarterly basis, and updated at that time. A major review is completed annually after the formal annual performance review process is complete.

#### Recruiting and Orienting Board Members

Recognizing that members of the Board have no input into the recruitment of new Board members, it remains within its responsibility to ensure that the Minister is aware of the competencies to be considered in the appointment of Board members. 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 to ensure proper, extensive orientation of new members to their roles, responsibilities and expectations.

Orientation should include:

- ◆ meeting with the Chair;
- ◆ meeting with the Board Manager;
- ◆ review and signing of the Confidentiality Agreement;
- ◆ review and signing of the Conflict of Interest Agreement;
- ◆ review of the Governance Guide and Orientation Manual;
- ◆ review and signing of the Declaration of Commitment to the Governance Guide;
- ◆ scheduling and attendance at appropriate training; and
- ◆ meeting with Board members of the same representative stakeholder group.

## Commitment

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

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

## 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 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 Board will require regular sharing of performance information by the President/CEO. Each quarter, the President/CEO will prepare and deliver to the Board a report/update on the activities and status of the organization which will include:

- ◆ a progress report on the specific results set out in the Balanced Scorecard in specified key result areas.
- ◆ changes in Human Resources, including expected and current changes to staffing and impacts of said changes;
- ◆ reports on major projects, concerns and issues within each department, by department;
- ◆ requests for the Board to consider needs and expectations for policy development and/or amendments as considered necessary by each department; and
- ◆ financial and budget variance reports.

### **Board of Directors Effectiveness**

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

### **President/CEO Evaluation**

The performance of the President/CEO will be evaluated informally on a quarterly basis, and evaluated formally 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 Effectiveness Evaluation
- ◆ President/CEO Performance Evaluation
- ◆ Annual Performance Report

## **Commitment**

The Board 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 on a quarterly basis.

## 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 intends, as well, to provide stakeholders with a new awareness regarding the responsibilities and provision of programs and services by the YWCHSB. The Board 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 being managed, the Board will seek to provide leadership and inspiration to the President/CEO.

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

The Board 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 processes, and management styles. The Board intends 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

### Commitment

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

The Board 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 are to establish policy and to make orders. Policy is the primary vehicle of governance. Through policy, the Board 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 is mandated to establish policy in areas related to the YWCHSB. The Board will publish notice of draft policy changes affecting claims for compensation and how submissions may be made.

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

- ◆ applications to the Board 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.

The Board may make, by Order, rules relating to:

- ◆ the conduct and proceedings of the Board;
- ◆ the establishment of forms;
- ◆ the certification or publication of orders and decisions of the Board;
- ◆ the setting of assessment rates;
- ◆ the establishing of classes of industries;
- ◆ the setting of merit rates; and
- ◆ the issuing and varying or revoking of codes of practice for occupational health and safety.

### Tools

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

## **Commitment**

The Board of Directors commits to participation on the Board Policy Committee, and to an annual review and updating of the Policy and Procedures Manual.

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

The Board commits to consultation with stakeholder groups during the development of policies using the 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. The Guide outlines the key responsibilities of the Board, and the spirit and processes the Board will use to carry out these responsibilities.

As an appointed member of the Board of Directors of the Yukon Workers' Compensation Health and Safety Board, I have read and I understand the contents of the Governance Guide, and I will commit to supporting and implementing the terms of the Governance Guide.

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**Board Member Name & Signature**

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**Date**

## ***Appendix 2. Board 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 on financial issues and concerns.

##### **Responsibilities**

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

- ◆ review the Investment Policy annually and put forward changes to the Board for recommendation to Cabinet;
- ◆ recommend to the Board the appointment of agents, advisors and investment managers and their termination if necessary;
- ◆ recommend to the Board new and/or modified investment manager mandates, and the benchmark portfolio;
- ◆ monitor and report to the Board quarterly, the 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 to the Board the financial position of the Fund. This report will include the opinions of the Board auditors and the actuary.

##### **Composition**

The committee may consist of:

- ◆ Board of Directors, Committee of the Whole; or
- ◆ Board Chair or Alternate Chair;
- ◆ one Board Representative of Employers;
- ◆ one Board Representative of Labour;
- ◆ Board 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.<sup>1</sup>

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<sup>1</sup> Amended February 21, 2006

**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 on policy issues and concerns in the development of Board policies.

### **Responsibilities**

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

- ◆ drafts of policies or discussion papers (committee may also provide preliminary feedback);
- ◆ public consultation requirements for individual policies, including desired level of public or stakeholder involvement;
- ◆ final drafts of policy, after reviewing any public input and other advice; and
- ◆ priority list for policy development.

### **Composition**

The committee may consist of:

- ◆ Board of Directors, Committee of the Whole; or
- ◆ Board Chair or Alternate Chair;
- ◆ one Board Representative of Employers;
- ◆ one Board Representative of Labour;
- ◆ Board President/CEO or designate;
- ◆ additional staff may attend meetings to provide support or information, as decided by the committee; and
- ◆ volunteer representatives from the community at large.

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.<sup>2</sup>

### **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.

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<sup>2</sup> Amended February 21, 2006

### **Appendix 3. Confidentiality Agreement**

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

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

I acknowledge that I am aware of, understand, and have read and understand subsection 93(1) of the *Workers' Compensation Act, R.S.Y. 2002* ("the *Act*") which states:

93(1) No member of the board, the appeal tribunal or any employee or agent of either or person 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, any information obtained in the administration of this *Act*.

I am also advised and I have read subsection 93(4) of the *Act* which states: "Every person who violates the provisions of this section commits an offence under this *Act*."

While I am a member of the Board of Directors or after I cease being a member of the Board of Directors, I will not reveal any information obtained when I was a member of the Board of Directors or a member of an Appeal Panel.

Dated at Whitehorse, Yukon, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Board of Director Signature

\_\_\_\_\_  
Witness Name Printed

\_\_\_\_\_  
Board of Director Name Printed

## **Appendix 4. Conflict of Interest Agreement**

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

Where a member of the Board of Directors 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. Members of 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 member of the Board of Directors, whether consciously or unconsciously, may not decide a question fairly.

The test of a conflict of interest is set out in Board Policy BD-05, Rules Governing Conflict of Interest for Board Members, at section A(2), which defines a conflict of interest as occurring "...when a member of the Board of Directors has a direct or indirect private interest in the outcome of a particular decision the Board, Appeal Panel of the Board or the President may make."

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

Section A(3) of Policy Statement BD-05 states:

A private interest means an opportunity to produce a loss or a benefit because of a decision made by the Board, or the Appeal Panel of the Board, in respect of one's finances, business or commercial interests, family or personal relationships, or other activity or pursuits.

I, as a Board member, agree that at all times I shall respect and comply with any policy or rules dealing with a conflict of interest or bias. This will also mean that where there is the possibility of a conflict of interest or bias, that I will take the steps required within the policy or rules for conflict of interest and bias.

I have examined Policy Statement BD-05, Rules Governing Conflict of Interest for Board Members, and confirm that I have read that policy and will abide by and follow that policy, or any policy or rules dealing with bias and conflict of interest.



## **Conflict of Interest Agreement, con't**

Dated at Whitehorse, Yukon, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Board of Director Signature

\_\_\_\_\_  
Witness Name Printed

\_\_\_\_\_  
Board of Director Printed