



THE WORKERS COMPENSATION BOARD OF MANITOBA

BOARD OF DIRECTORS

GOVERNANCE MANUAL

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1. INTRODUCTION

1.1 Workers Compensation Board of Manitoba (WCB)

The Manitoba WCB is an injury and disability insurance agency that is governed by a Board of Directors representative of employers, workers and the public interest and funded by employer premiums. Aside from providing compensation, the WCB works with workers, employers and healthcare professionals to promote safety and health in workplaces and to return workers to health and work in a safe and timely manner.

1.2 WCB's Vision

SAFE Work – A Way of Life

1.3 WCB's Mission

Working with its partners, the WCB promotes safe and healthy workplaces, promotes recovery and return to work, provides compassionate and supportive compensation services for workers and employers, and ensures responsible financial stewardship.

1.4 WCB's Values

The WCB is committed to being a safe workplace that:

- ❖ Operates with fairness, integrity and respect
- ❖ Provides services that are fast, easy, caring, right and clear
- ❖ Strives for excellence
- ❖ Manages resources efficiently and effectively
- ❖ Operates in an open and transparent manner
- ❖ Is accountable to the public and WCB partners
- ❖ Develops WCB staff and provides a supportive, innovative and creative environment

- ❖ Meets the diverse needs of WCB clients in a comfortable and welcoming way
- ❖ Provides a respectful and diverse workplace reflective of Manitoba
- ❖ Works collaboratively with WCB partners
- ❖ Is a valued member of the community

1.5 Strategic Themes

The WCB has four strategic themes that provide a framework for how the WCB conducts business and organizes activities to meet the needs of stakeholders and to fulfill the Vision, Mission and Values:

- ❖ **Prevention** – *Preventing Injuries and Illnesses through Promotion, Protection and Education*
- ❖ **Recovery** – *Returning Workers to Health and Work*
- ❖ **Service** – *Continuously Improving Services to Workers and Employers*
- ❖ **Stewardship** – *Effectively Managing Human, Technological and Financial Resources*

1.6 The WCB Board of Directors

The Board of Directors is the centre of the WCB's governance structure and oversees the management of the WCB. The Board is responsible for setting the WCB's strategic direction, safeguarding resources (financial and human), monitoring performance and is accountable for the actions of the WCB.

As stewards of the compensation system, the Board of Directors plans for its future. The Board of Directors sets the WCB's strategic direction, makes policies about compensation, rehabilitation, assessment and investment of funds within the investment portfolio and monitors progress.

1.7 Board of Directors' Governance Principles

The WCB Board of Directors is committed to best practices in corporate governance. The Board's governance practices are built upon the four pillars recognized by leaders in governance as attributes of effective governance: stewardship, leadership, responsibility and accountability.¹ These attributes include:

Stewardship:

- ❖ Trustee of the organization's mandate and resources
- ❖ Clear understanding of the organization's goals and priorities
- ❖ Risk management plans
- ❖ Clear understanding of whom the Board represents
- ❖ Appropriate relationships with other organizations

Leadership:

- ❖ Leadership function for society
- ❖ Clear on Board responsibilities
- ❖ Build positive relationships
- ❖ Clear relationship with Chief Executive Officer

Responsibility:

- ❖ Members committed to the organization
- ❖ Effective and efficient management of the organization's resources to accomplish desired aims
- ❖ Reliability
- ❖ Independent of management

Accountability:

- ❖ Accountable for organization's effectiveness
- ❖ Understand roles: who is responsible for what
- ❖ Performance measures and expectations
- ❖ Appropriate information for decision-making

¹ Sources: Brown Governance Inc. and Office of the Auditor General of Manitoba.

2. ROLES AND RESPONSIBILITIES

2.1 Legislative Authority

The Workers Compensation Board is a statutory corporation under *The Workers Compensation Act* of Manitoba (the *WCA*). The *WCA* establishes the WCB and the Board of Directors and sets out the Board's responsibilities to approve and supervise the policies and direction of the WCB, including operations and planning for the future of the compensation system.

2.2 General Structure and Board Members' Terms

The structure of the Board of Directors is determined by the *WCA*. The Board of Directors is appointed by the Lieutenant Governor in Council and consists of:

- ❖ a member who is Chairperson;
- ❖ three members representative of employers;
- ❖ three members representative of workers;
- ❖ three members representative of the public interest; and
- ❖ the CEO of the WCB who is a non-voting member.

Board members, other than the CEO, are appointed for terms of up to four years. Board members are eligible for reappointment.

Board appointments are staggered so that no more than one-third of the Board is eligible for reappointment in any given year. Staggered appointments balance the Board's need for continuity with the benefits of renewal.

A member of the Board of Directors whose term has expired continues to hold office until reappointed, a successor is appointed or the appointment is revoked.

2.3 Board Meetings

The *WCA* requires that the office of the Board of Directors be situated in the City of Winnipeg. Board meetings are held at the call of the Chairperson at any place in Manitoba that the Chairperson may decide.

The *WCA* requires the Board of Directors to meet at least 10 times in each year and at such other times as may be necessary.

A majority of the appointed members of the Board of Directors constitutes a quorum.

Notice of the time, location and any related information or materials for a meeting of the Board of Directors or a Committee is delivered to each Board member at least five days before the meeting.

2.4 Board Committees

The Board may establish committees that it considers necessary and must establish a policy and planning committee, an audit committee and an investment committee. The Board's current Committees are:

- ❖ Policy, Planning, Governance and Service Committee: WCB policies, strategic planning, governance, policies and practices regarding WCB human resources, injury prevention initiatives and services to stakeholders;
- ❖ Audit Committee: financial reporting, internal audit, monitoring of corporate integrity, review of actuarial functions and internal controls;
- ❖ Investment and Finance Committee: financial management, assessment rates and investments.

2.5 Composition of Board Committees

The WCA sets out the composition of committees. Each committee must be composed of:

- ❖ Chairperson of the Board of Directors;
- ❖ CEO (non-voting); and
- ❖ An equal number of Directors representative of workers, employers and the public interest, one of whom must be appointed Committee Chairperson by the Board.

The Board of Directors may also appoint up to three additional non-Board members as members of the Audit Committee and the Investment and Finance Committee.

2.6 Roles and Responsibilities – Board of Directors

The responsibilities of the Board and each Committee are set out in Terms of Reference, which the Board reviews annually.

The Board of Directors oversees the operation of the workers compensation system in Manitoba and plans for its future. The Board's functions include:

- ❖ Appointing the CEO and Fair Practices Advocate and evaluating their performance annually;
- ❖ Monitoring the activities of the WCB to ensure that the WCB's operations achieve the Vision, Mission and Values;
- ❖ Approving Board governance policies in accordance with current leading governance practices, including codes of conduct and conflict of interest;
- ❖ Regularly monitoring and evaluating the performance of the Board of Directors and its Committees, including orientation and development of Board members;
- ❖ Approving and supervising the policies and direction of the WCB, including policies respecting compensation, rehabilitation, assessment, prevention, investment of the accident fund and operations;

- ❖ Strategic planning, including approving annual and five year plans and ensuring that measures are in place to monitor progress towards the goals;
- ❖ Financial and actuarial matters, including approving budgets and financial statements;
- ❖ Ensuring that the WCB has in place adequate systems and processes to identify, monitor and mitigate significant financial, business and regulatory risks;
- ❖ Consulting with stakeholders and the public;
- ❖ Considering requests to review Appeal Commission decisions where the Appeal Commission has not properly applied the WCA, regulations or Board policy.

2.7 Roles and Responsibilities – Chairperson

The Chairperson is appointed by the Lieutenant Governor in Council.

The Chairperson is the official spokesperson for the Board of Directors, including communications with the Minister, the Legislature and legislative committees, stakeholders and other workers compensation agencies.

The Chairperson provides leadership to the Board of Directors, allocates responsibility within the Board of Directors and considers matters relating to Board members' conduct. The Chairperson calls and chairs Board of Director meetings and exercises the powers associated with chairing.

The Chairperson does not serve as Chairperson of any Committee except as acting Chairperson.

2.8 Roles and Responsibilities – Committee Chairs

The Board of Directors appoints Committee Chairs from the Board members representative of employers, workers and the public interest. The Committee Chair of the Audit Committee does not chair another Committee except as acting Chair.

The Committee Chairperson presides over Committee meetings and exercises the powers associated with chairing.

The Committee Chair establishes the Committee agenda, in conjunction with the Board of Directors' Chairperson and in consultation with the CEO.

The Committee Chair regularly reports to the Board of Directors on the activities, decisions and recommendations of the Committee.

2.9 Board and Committee Evaluations

The Board of Directors regularly reviews and assesses its performance and that of its Committees. The Board of Directors may independently undertake this evaluation process or retain the services of a consultant.

2.10 WCB Relationship to Government

The WCB is a statutory corporation created by the Manitoba Legislature. The WCB is a government agency that operates at arm's-length from government. The WCB's funding is obtained by charging employers assessments rather than through receipt of provincial tax revenues.

The Board of Directors is the centre of the governance structure for the WCB. The Lieutenant Governor in Council appoints the Chairperson and Board members, other than the CEO.

The Minister is responsible for the legislation and the broad public policies governing the WCB. The Minister is accountable in general to the Legislature for the outcomes of the workers compensation system, but maintains an arm's-length relationship from the WCB.

Each year, the WCB provides its annual report and five year plan to the Minister who then tables them before the Legislature. The annual report and five year plan are then referred to the Standing Committee on Crown Corporations.

❖ **WCB and Workplace Safety and Health**

Under the *WCA*, the WCB provides an annual grant to the provincial government to fund the operating costs and related overhead of Workplace Safety and Health Division (WSH) and the Worker Advisor Office. The WCB and WSH are partners in prevention.

❖ **Worker Advisor Office**

The Worker Advisor Office (WAO), which is part of the Department of Labour and Immigration, provides free advocacy services to injured workers and their dependants. The WCB funds the costs of the WAO but the WAO is independent of the WCB. Employees of the WAO (worker advisors) are civil servants who are specially trained in workers compensation matters. The worker advisors assist workers with claim matters both at the WCB and at the Appeal Commission.

3. BOARD APPOINTMENTS AND DEVELOPMENT

3.1 Appointment Process

In addition to appointing the WCB Chairperson, the Lieutenant Governor in Council appoints individuals to the Board of Directors who are representative of workers, employers and public interest. The appointments are based on Ministerial consultations with the stakeholder groups.

The Board's tripartite structure recognizes that maintaining a constructive and productive working relationship between employer and labour stakeholders is an essential prerequisite for an effective workers compensation system.

3.2 Remuneration

Board members' remuneration is set out in Order in Council passed by the Lieutenant Governor in Council. Board members are also entitled to reimbursement of expenses incurred in the performance of their duties as Board members. The Chairperson approves Board members' remuneration and expenses.

The Board of Directors sets the remuneration for members of the Audit Committee or Investment and Finance Committee who are not members of the Board of Directors.

The Audit Committee monitors the expenses of the Chairperson, Board of Directors and the CEO.

3.3 Matrix of Competencies

Effective corporate governance depends on having a Board of Directors with the appropriate personal attributes and mix of competencies that will support and advance the organization's mission.

In accordance with good governance practices, the Board of Directors has developed a list of competencies that a corporate board should collectively possess. The Board reviews this list annually. The Minister provides this competency list to stakeholders to assist them in their selection of nominees who will be considered for appointment by the Minister.

THE WORKERS COMPENSATION BOARD OF MANITOBA
BOARD OF DIRECTORS’ MATRIX OF COMPETENCIES

Excellent corporate governance depends on having a Board of Directors with the appropriate attributes and a mix of competencies that will support and advance the organization’s mission. It is not necessary for all Board members to possess each and every one of the desired competencies, though the Board may prefer that each of its members attain a certain degree of proficiency in certain areas (like financial literacy, for example). It is recognized that, just as Board members will bring a variety of skills and experience to the table, they will also possess variety in the depth of their experience in various areas. **This diversity is both expected and valued.** It is incumbent on the Board to ensure its members are provided with ongoing training that will provide the skills necessary to perform their function.

In addition to the attributes, skills and experience listed below, the Board of Directors should reflect the diversity of Manitoba and the stakeholders of the WCB. This includes representation from key sectors served by the WCB and members from relevant Manitoba communities (for example, Aboriginal persons, women, people with disabilities, urban/rural, etcetera).

Attributes

Ability and willingness to ask challenging questions

Capable of a wide, balanced perspective

High degree of commitment to Workers Compensation

Integrity and high ethical standards

Sound judgment

Strong interpersonal skills

Skills and Experience	Definition
Financial expertise	<ul style="list-style-type: none"> • Accounting credentials; • An understanding of generally accepted accounting principles and financial statements and their application; and • Experience preparing, auditing, analyzing, or evaluating financial statements.
Financial literacy	The ability to read and understand financial statements.
Governance expertise	An awareness of current governance issues and trends, and direct prior board experience.
Human resources	Experience as a human resource professional.
Investment management expertise	<ul style="list-style-type: none"> • Extensive experience in the investment field; • Investment credentials, such as a CFA; • Membership in investment organizations such as PIAC; • Experience in institutional investing; • Having experience managing an investment portfolio through at least one severe bear market; and • Conversant with investment terminology.
Labour relations	Experience in the organized labour movement
Leadership experience	Significant experience leading others; could be in any type of organization, in a paid or volunteer capacity.
Legal experience	An understanding of the law as it applies to organizations like the WCB; not necessarily with a law degree.
Risk management experience	Experience identifying, planning for and putting in place strategies to mitigate organizational risks.
Strategic planning experience	Experience participating in or leading an organization in planning for its future.
Senior management experience	Experience as a paid senior manager (i.e., director, Vice-President or higher, Deputy Minister, Board member, etc.) in any organization. This could include private business, public sector, or organized labour.
Understanding of the workers compensation system	An awareness of the role the workers compensation system plays in Manitoba. Not necessarily direct experience with or within a workers compensation board.

3.4 Directors' Code of Conduct

Directors have a fiduciary duty to the corporation, the WCB. Directors exercise the duties of loyalty and care. The duty of loyalty requires that Directors act honestly and in good faith with a view to the best interests of the WCB. Directors also have a duty of care to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Board members:

- ❖ Endeavour to attend all Board meetings and meetings of Committee meetings to which they are appointed and if necessary, provide advance notification of absence.
- ❖ Are familiar with meeting materials distributed in advance of the meeting.
- ❖ Respect decisions of the Board of Directors and speak with a unified voice in communications once a decision has been made.
- ❖ Are familiar with the WCA, the regulations, policies, governance policies and organizational structure of the WCB as well as the rules of procedure and proper conduct of a meeting.
- ❖ Demonstrate high ethical standards in personal and professional dealings.
- ❖ Maintain confidentiality of Board information.

3.5 Respectful Workplace Protocol

Board by-laws require the Board to conduct Board and Committee meetings in accordance with respectful workplace principles adopted by the Board from time to time.

The Board of Directors has a Respectful Workplace Protocol that recognizes the right of every Board member, Committee member and WCB employee and contract personnel to work in an environment that is free from discrimination, harassment, acts of violence and disruptive workplace conflict.

3.6 Conflict of Interest

The Board of Directors has a by-law to govern conflicts of interest, whether real or perceived. In discharging their duties, Board members need to arrange their affairs in a manner that does not present a conflict of interest with their role as a Board member.

Board members are responsible for identifying and disclosing any real, potential or perceived conflicts of interest and do not participate in any decision or action where there is a real or apparent conflict.

Board members disclose to the Board of Directors any situation or matter where they have or may have a conflict of interest. Where a Board member is unsure whether a conflict of interest may exist, the member seeks clarification from the Chairperson or the Board.

Annually, each Board and external Committee member signs a conflict of interest declaration form.

3.7 Corporate Integrity

Under the *WCA*, the Audit Committee has oversight over corporate integrity. The Audit Committee reports to the Board about corporate integrity annually.

3.8 Board Member Development

Board members participate in conferences, seminars and workshops dealing with issues relevant to governance and the workers compensation program to increase their effectiveness and allow greater individual input into the Board's decision making processes.

The Policy, Planning, Governance and Service Committee sets the governance agenda, including education sessions on investments, financial reports, risk identification and Board governance. Other activities that Board members may participate in include:

- ❖ Orientation for new Board members.
- ❖ Committee orientations.
- ❖ Board of Directors' annual Planning Symposium.
- ❖ Continuing education programs, such as conferences and seminars related to the WCB or governance topics.

3.9 Director Protection from Liability

Board members are protected from liability under Section 61 of the WCA:

Protection from liability

No action or proceeding may be brought against the board, a member of the Board of Directors, an employee or agent of the board, an appeal commissioner, a member of a medical review panel, the Fair Practices Advocate or a worker adviser acting under the authority of this Act for anything done or not done, or for any neglect,

- (a) in the performance or intended performance of a duty under this Act or its regulations; or
- (b) in the exercise or intended exercise of a power under this Act or its regulations;

unless the person was acting in bad faith.

4. RELATIONSHIP TO WCB ADMINISTRATION

4.1 Role of the President & Chief Executive Officer

The Board of Directors appoints the President & CEO. The CEO is a non-voting member of the Board of Directors and is the Board's link to the administration of the WCB.

The CEO is responsible for the management and operations of the WCB. The CEO ensures that the Board policies and plans approved by the Board of Directors are implemented. The CEO provides advice and feedback to the Board of Directors and employs and maintains the staff complement, including the delegation of authority to personnel.

The CEO represents the Board of Directors to stakeholders and outside groups, as may be required.

4.2 Evaluating the Performance of the President & CEO

The Board monitors and annually evaluates the CEO's performance. The Chairperson completes the evaluation with assistance from a special Board Committee. Once the evaluation is completed, the special Committee's recommendation is presented to the Board of Directors for approval.

4.3 Protocol for Director Communications with Staff

To the greatest extent possible, to avoid any perception of undue influence by a Board member on a matter in which the member has a personal or employment-related interest, communications between the member and the WCB that are not directly related to the member's responsibilities on the Board of Directors are addressed to the CEO or a senior WCB official designated by the CEO.