

Statement of Principles and Objectives
Governance and Accountability
For the Workplace Safety and Insurance System

Revised April 22, 2014

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Preamble:

In 2005, after considerable consultation and deliberation by stakeholders a "Statement of Principle and Objectives (SP&O) - Governance and Accountability for the Workplace Safety and Insurance System" was approved for adoption and implementation by the then Minister of Environment and Labour. The 2005 SP&O is the foundational document of the Workplace Safety and Insurance System (WSIS).

At the request of stakeholders, and in recognition of the ever-evolving nature of the WSIS, the SP&O was reviewed by a stakeholder working group during summer 2009. In early 2010, in keeping with the working group recommendations, the SP&O was revised to reflect the current situation for all System partners: agencies, strategically aligned and third party organizations, and other interested stakeholders (see definitions within this document). The document was further refined in 2011/12 to reflect changes in the system. As a go forward commitment, to assure the SP&O remains up to date and current, the Statement of Principles and Objectives will be reviewed periodically.

Overall, the SP&O sets out a framework for governance and accountability that is intended to achieve coordination and alignment of effort across the system. The SP&O supplements, but does not replace or alter, the provisions on governance and accountability found in the *Occupational Health and Safety Act* and the *Workers' Compensation Act*. Further, it recognizes and supports the independence of the aligned and third party organizations with respect to their organizational mandates.

It is believed that a shared vision for the System supports and encourages partners to successfully collaborate in the advancement of WSIS priorities, and also in meeting their distinct mandates and accountabilities. Further, a fundamental principle of the SP&O is that the strategic direction of the System is informed by significant input from all aligned and third party organizations, and other interested stakeholders.

It is important to stress, once again, that maintaining the independence of the various agencies and organizations that make up the system is critical. The organizations are not changing their reporting relationships, or any other accountability, but are instead looking to better coordinate key areas of focus and priority. Coordination and collaboration are fundamental principles of the WSIS.

This 2012 document is a statement of principles and objectives for renewed governance and accountability for the WSIS. It will be used as a basis to identify,

coordinate, and where appropriate align System wide activity. It is also based on the understanding that government will consider the role of all relevant parties in determining future direction.

1.0 Structure of the Workplace Safety and Insurance System

The WSIS consists of the organizations and stakeholders that are responsible for, or have an interest in workplace health and safety and insurance in Nova Scotia. The WSIS provides an overarching governance and accountability framework that supports the establishment and achievement of broad goals/objectives for the entire workers' compensation and occupational health and safety system and provides a formal mechanism for identifying broad system priorities where agencies and others can work together to improve the system for all.

- 1.1** The primary intent of the WSIS is to encourage, where appropriate, system integration and collaboration among the agencies, each of which is legislatively distinct and subject to its own framework of governance, management and accountability.
- 1.2** The WSIS is comprised of four agencies, (the Workers' Compensation Board (WCB), the Occupational Health and Safety Division (OHS) of the Department of Labour and Advanced Education, the Workers' Advisers Program (WAP), and the Workers' Compensation Appeals Tribunal (WCAT)), the Co-ordinating Committee, the Heads of Agencies Committee, Aligned and Third Party Organizations, the Occupational Health and Safety Advisory Council, and the Minister of Labour and Advanced Education. Attached, as Appendix A, is a brief synopsis of the key components of the WSIS.

2.0 Broad Objectives for Governance and Accountability

System governance and accountability focus on the following objectives:

- 2.1** To ensure that the Board of Directors of the Workers' Compensation Board and members serving on the Occupational Health and Safety Advisory Council are representative of the stakeholders of the system.
- 2.2** To ensure that all the organizations, which make up the WSIS work collaboratively to improve the system by demonstrating the values of fairness and accountability in their decision-making processes, recognizing that each agency has its own independent mandate.

- 2.3 To ensure that the values of consultation, openness and transparency are reflected in the governance and accountability of the WSIS.
- 2.4 To ensure that the system agencies, which make up the WSIS work effectively to maximize coordination of services.
- 2.5 To ensure a more collaborative approach to resolving disputes.
- 2.6 To ensure system goals and objectives are set collaboratively and reflect system-wide opportunities
- 2.7 To ensure activity and resources are directed toward WSIS goals and objectives by holding an Annual Meeting, where the Coordinating Committee (see Section 3.0) will report out on activity.

3.0 System Coordinating Committee

The Coordinating Committee is comprised of the Chair of the Workers' Compensation Board of Directors and the Deputy Minister of the Department of Labour and Advanced Education. Further, the Coordinating Committee is supported by a secretariat staffed by the Workers' Compensation Board and the Department of Labour and Advanced Education.

Roles & Responsibilities

Generally, the role and responsibilities of the Coordinating Committee include:

- 3.1 To ensure the alignment of the business planning processes and activities of the Workers' Compensation Board and the Department of Labour and Advanced Education.
- 3.2 To encourage and foster collaboration between the agencies comprising the WSIS including the WCB, WAP, OHS and WCAT and any future agencies that may be added to the system.
- 3.3 To ensure a process exists for the creation of a legislative agenda for the system. Such a process should involve a mechanism for seeking stakeholder input, consistent with the roles of the WCB Board of Directors, the OH&S Advisory Council and the Department of Labour and Advanced Education with regards to their governing statutes and regulations.

Coordinating Committee recognizes that it is the responsibility of the WCB Board of Directors (with respect to the *Workers' Compensation Act*) and the Department

of Labour and Advanced Education (with respect to the *Occupational Health and Safety Act*) to define a process for the development of legislative agenda recommendations. The Coordinating Committee will report out on the status of the legislative agenda at the WSIS Annual Meeting.

- 3.4 To work in partnership with government to determine the appropriate timing to initiate a legislative agenda process and to ensure any legislative change recommendation(s) put forward by an agency or government be coordinated and considerate of the potential implications, if any, on other agencies within the system.
- 3.5 Accountability for the WSIS process of consultations with stakeholders (distinct from consultation that takes place within the mandate of each agency). At minimum, these consultations include the WSIS Fall Stakeholder meeting and the WSIS Annual General Meeting. This requirement also includes setting the agenda for both the WSIS Annual General meeting and the WSIS Fall Stakeholder consultation.
- 3.6 WSIS agencies responsible for the funding of Aligned and Third Party Organizations appropriately discharge that accountability through the WSIS AGM by reporting out.

4.0 Heads of Agencies Committee

- 4.1 The Heads of Agencies Committee is comprised of the respective administrative leaders of the four agencies (OHS, WAP, WCAT and WCB). Membership would be appropriately amended if any other agencies are added to the system in the future. Generally, the mandate of the Heads of Agencies Committee is to ensure coordination in the development and implementation of the individual agency business plans and to improve overall operational collaboration among the agencies.
- 4.2 The Heads of Agencies Committee is also responsible for striking standing committees that advance WSIS goals and objectives. The Heads of Agencies Committee is accountable to the System Coordinating Committee.

5.0 WSIS Aligned and Third Party Organizations

- 5.1 An Aligned Organization and a Third Party Organization are organizations in the WSIS that are not one of the four agencies but operate within the system and viewed as collaborative partners in achieving the goals and objectives of the WSIS.

- 5.2 An Aligned Organization is directly funded by an agency of the system and shares the goals of the system. A Third Party Organization is not directly funded by an Agency but share elements of goals and objectives of the system.
- 5.3 Aligned Organizations are directly accountable to the WSIS agency responsible for its funding and indirectly to stakeholders in the system.
- 5.4 WSIS agencies that fund aligned organizations take into account the following accountability framework when deciding on funding and deciding to continue funding of an aligned organization:
1. Ensure there is an alignment between the goals of the Aligned Organization and the goals of the system
 2. Ensure the Aligned Organization has a distinct mandate different from other funded organizations within the system
 3. Ensure the Aligned Organization has an internal governance structure that is accountable to its WSIS funding agency and to the stakeholders of the system it serves
 4. Ensure the Aligned Organization has identified benchmarks for success to be used to monitor and evaluate its progress towards the goals and reports annually on its progress
 5. Ensure the Aligned Organization has the capacity to carry out its mandate
 6. Ensure the Aligned Organization has suitable internal systems of financial control and management and reports annually its financial situation
- 5.5 Agencies that fund or are responsible for funding an Aligned Organization are accountable within the framework of the system for discharging these responsibilities on an ongoing basis in accordance with the criteria outlined above.
- 5.6 Aligned Organizations that receive funding from an agency of the system, are expected to report out, or make available a report, on their activity at the WSIS Annual Meeting as it relates to the goals of the system annually and key elements of the accountability framework.
- 5.7 Third Party Organizations that are not directly funded by an agency are encouraged to report out, or make available a report, on results at the WSIS Annual Meeting to stakeholders. Doing this increases knowledge and awareness

in the stakeholder community of system activity and illustrates the collaborative focus of the system.

6.0 Consultation with Stakeholders

- 6.1 Stakeholder consultation has three primary purposes. First, consultation is intended to ensure that stakeholders have input into the development of WSIS goals, objectives, and the activities carried out in support of those objectives. Second, consultation is intended to hold agencies accountable for the efforts and progress they make in achieving (or advancing) WSIS objectives. Third, consultation is intended to contribute to the development and accountability for the development of the legislative agenda and related elements of the WSIS framework, including the SP&O.
- 6.2 The Coordinating Committee has the responsibility to ensure stakeholders are consulted. WSIS consultation with stakeholders is independent of agency-specific consultation. It is paramount that WSIS consultations reflect this independence.
- 6.3 Agencies that conduct specific consultations agree to do so on issues appropriate to their mandate and ensure that the consultation is consistent with the SP&O's commitment to stakeholder consultation and stakeholder involvement in governance and accountability.
- 6.4 Broad system and separate agency initiated consultations should be collaborative, accountable and responsive. In recognition of these principles, and to provide fixed opportunities for Aligned and Third Party Organizations, as well as other stakeholders, to be consulted on the direction of the WSIS, each year two public meetings will be held.
- 6.5 In the fall, the Stakeholder Consultation may be held. The Fall Stakeholder Consultation is intended to provide stakeholders an opportunity to provide input on the system strategic direction.
- 6.6 In the spring, the Annual Meeting will be held. The Annual Meeting is intended to provide all parties an opportunity to report out on work done over the past year that advances the strategic direction of the WSIS. This would include the Occupational Health and Safety Division, the Workers' Advisers Program, the Workers' Compensation Appeals Tribunal, the Workers' Compensation Board, other Aligned and Third Party Organizations, and other interested entities (at the discretion of the System Coordinating Committee).

6.7 The Coordinating Committee is responsible for the organization of the Annual Meeting and the Fall Consultation.

7.0 Occupational Health and Safety Advisory Council

7.1 The Occupational Health and Safety Advisory Council (the Council) has a direct advisory role to the Minister of Labour and Advanced Education on occupational health and safety matters. In that role, the Council contributes to the legislative agenda on matters relating to the *Occupational Health and Safety Act*.

7.2 The Council will also continue to have an advisory role on prevention to the WCB Board of Directors.

7.3 The Council will meet twice each year with the Coordinating Committee to discuss prevention initiatives and proposals to enhance collaboration with regards to prevention and occupational health and safety within the province.

7.4 It is agreed that the current agreement between the WCB and the Council, where the Chair of the WCB Board of Directors attends a Council meeting once a year and the Co-Chairs of the Council attend a WCB Board of Directors meeting once a year to provide updates and promote cooperation and input, especially on prevention matters, should be continued.

8.0 Board of Directors of the Workers' Compensation Board

8.1 The Workers' Compensation Board is an independent agency operating at arm's length from the government of the Province of Nova Scotia as well as a member agency of the WSIS. The Board of Directors of the WCB is a stakeholder representative board appointed by the Governor in Council in accordance with and having the governance authority set out in the *Workers' Compensation Act*.

8.2 In addition to meeting the requirements established by law, the Board of Directors is accountable to provide effective stewardship and strategic leadership for the WCB.

9.0 Role of the Minister of Labour and Advanced Education

9.1 The WSIS includes the Minister of Labour and Advanced Education.

9.2 The Minister is responsible for fulfilling the key responsibilities under the legislation, and for bringing forward legislative and regulatory proposals for the system upon the recommendation of the Coordinating Committee.

- 9.3 The Minister is responsible for making recommendations to the Governor in Council on appointments to the Board from the nominees that are supported by employer and employee stakeholder associations and that are vetted by the Department of Labour and Advanced Education screening committee (See Appendix B).
- 9.4 The Minister receives recommendations for legislative change from the system Coordinating Committee who in turn receives advice from the WCB Board of Directors and the OHS Advisory Council. Ultimately, the Minister is responsible for introducing a legislative agenda for consideration by government.

Appendix A: Key Components of the WSIS

1. Minister Responsible:

Elected member of the Executive Council, responsible to the Legislature on matters relating to the Occupational Health and Safety and the Workers' Compensation Act and their administration.

2. NS Department of Labour and Advanced Education

Occupational Health and Safety Division

Reporting to the Deputy Minister of Labour and Advanced Education. The authority and responsibilities of the Director and Division staff are established in the Occupational Health and Safety Act.

3. Workers' Advisers Program

Reporting to the Deputy Minister of Labour and Advanced Education, the authority and power of the Program is established in the Workers' Compensation Act.

4. Workers' Compensation Appeal Tribunal

A quasi-judicial body that determines appeals in the Workers' Compensation system. WCAT is responsible to the Minister of Justice. The Tribunal's authority and role are defined in the Workers' Compensation Act, and have been subject to further expansion by the Supreme Court of Canada.

5. Workers' Compensation Board of Nova Scotia

The Workers' Compensation Board is an independent agency of the Province of Nova Scotia. Funded entirely by the employers of Nova Scotia, the WCB provides workplace injury insurance to Nova Scotia workers. The authority and responsibilities of the Chief Executive Officer and staff are established in the Workers Compensation Act

6. Workers' Compensation Board of Directors

A stakeholder representative board that has stewardship responsibilities for injury prevention and the operations of the insurance program for individuals injured as a result of their employment. The Workers' Compensation Board receives its authority from the Workers Compensation Act.

7. Occupational Health and Safety Advisory Council

A stakeholder representative advisory group to the Minister of Environment and Labour on matters related to the Occupational Health and Safety Act and the state of health and safety in NS. It also has an advisory role to the WCB Board of Directors on prevention. The Advisory Council is created under the authority of the Occupational Health and Safety Act.

8. System Coordinating Committee

An advisory committee to the Minister Labour and Advanced Education comprised of the Chair of the Workers' Compensation Board and the Deputy Minister of Labour and Advanced Education. The Committee has a mandate that includes coordinating recommendations on legislation and overall system goals and opportunities for coordination.

9. Heads of Agencies Committee

The Heads of Agencies Committee is made up of the respective leaders of the four agencies that make up the system (OHS, WAP, WCAT and WCB). It is agreed that the mandate of the Heads of Agencies Committee is to oversee the coordinated implementation of the plans developed by each agency and in particular to improve collaboration among the agencies. The Heads of Agencies Committee can strike sub-committees and working groups to resource WSIS initiatives.

Appendix B - Membership on the Workers' Compensation Board

- 1.0** It is agreed to maintain a balance between employer and employee representation on the Board of Directors of the members of WCB. It is agreed that representative employers and employees' organizations, as noted in the appendices, should have a direct influence on the selection and appointment of board members. It is agreed that there will be four employer and four employee voting representatives.
- 2.0** It is agreed that the NS Federation of Labour and designated injured workers associations will have a role in nominating employee representatives. References to employee representatives or associations include labour and designated injured worker associations. It is agreed that employer associations representing employers who are assessed under the Workers Compensation Act will have a role in nominating employer representatives.
- 3.0** It is agreed that there should be a general advertisement for members of the board indicating that persons advancing their names must be nominated by and representative of employer and employee associations. In addition, a letter should go out to organizations representing assessed employers and employees from the Minister seeking nominations. It is agreed that only nominees supported by representative associations or organizations will be eligible to be appointed as members of the board. It is agreed that the Governor in Council will appoint from nominees of representative associations. Before reappointing a member, the Minister must receive a letter of renomination from the employee or employer association or any of the employer or employee associations supporting the renomination.
- 4.0** It is agreed that nominations will be made that ensure participation based on region, gender, cultural diversity and capacity to contribute to the governance of the board. It is agreed that the Governance Committee of the WCB will promote new member development and will advise the Minister in advance of any pending vacancies. It is agreed that nominees should be reviewed by the departmental screening committee, which has representatives of employers and employees, to prepare the list of nominees for the Minister.
- 5.0** It is agreed that the board members terms should be staggered, so that there is an opportunity for learning and transition for new members and continuity of direction. The length of terms, 4 years for members, and 5 years for the Chair and Deputy Chair is appropriate. Typically members will not serve more than 2 terms to ensure appropriate renewal and revitalization on the board. However, the Minister of Labour and Advanced Education has discretion to reappoint members beyond the two-term limit, for up to a full third term. The Minister may obtain the

input of the Chair regarding potential reappointments of board members beyond the two-term limit. It is agreed to assist in the recruitment, mentoring and nomination of new members.

- 6.0** It is agreed that when a member changes an occupation so as to no longer be representative of the employer or employee associations, any of the employer or employee associations will advise the Chair as to whether the member continues to have stakeholders' support.
- 7.0** It is agreed that the process for selection and appointment of the Chair should continue and that the same process be used for the selection and appointment of the Deputy-Chair. It is agreed that one of the criteria that the Committee may take into account is that the person who is nominated for Deputy-Chair may become Chair, and should have the capacity to act in the stead of the Chair.
- 8.0** It is agreed that at this time it is more important to have representatives who are strongly interested in the outcomes of key decisions, and not public interest representatives. All representatives should be voting representatives.
- 9.0** It is agreed that there is consensus on the principle that no organization owns a seat on the board and that there should be enhanced accountability to stakeholders.
- 10.0** It is agreed that the ability to avoid being overly legalistic, to promote mediated solutions, and yet remain prudent is the key to defining the reasonable board member in an increasingly complex system.