



Workers' Compensation Board

Mandate and Roles Document

03/19/2024

Workers' Compensation Board, Mandate and Roles Document

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1. PREAMBLE

The Mandate and Roles Document (“MRD”) for the Workers’ Compensation Board (“WCB”) has been developed collaboratively between the Minister of Jobs, Economy and Trade (JET), (“Minister”), WCB, and the Department of Jobs, Economy and Trade (“Department”) to reflect a common understanding of each signatory’s respective roles and responsibilities in ensuring that the principles and goals of the workers’ compensation system are achieved, pursuant to and in accordance with the requirements of Section 3 of the *Alberta Public Agencies Governance Act*.

The workers’ compensation system in Alberta is founded on the principles of no-fault compensation, security of benefits, collective liability, independent administration and exclusive jurisdiction. The purpose of the workers’ compensation system is to provide appropriate compensation to workers who suffer workplace-related injuries and illnesses. The central focus of the workers’ compensation system is the health and well-being of workers. It is recognized that the success of the workers’ compensation system requires a commitment by all parties to work collaboratively with each other. It is also recognized that the workers’ compensation system must be sustainable, affordable, and fair in order to benefit workers and employers now and in the future. All parties involved in the workers’ compensation system share an obligation to work collaboratively to ensure the success of the system. This MRD is not a contract, nor does it establish or create legal obligations. Rather, it sets out the understanding of WCB, the Minister and the Department regarding their respective roles and responsibilities, as well as the relationships between the Government of Alberta (GOA), the Minister, WCB and the Department.

2. DEFINITIONS

“Workers’ Compensation Board – Alberta” (“WCB”) refers to the Alberta corporate entity known as the Workers’ Compensation Board.

“Accident Fund” refers to WCB’s Accident Fund which comprises all assets, including reserves, owned whether beneficially or otherwise by WCB. All money received by WCB shall be paid from the Accident Fund.

“Board” refers to WCB’s Board of Directors.

“Chair” refers to the Chair of WCB’s Board of Directors.

“Government of Alberta” (GOA or Government) refers to the Government of Alberta.

“Department” (Department) refers to the Department of JET.

“Minister” refers to the Minister responsible for the *Workers’ Compensation Act* and related regulations.

“Deputy Minister” (DM) refers to the Executive Head of the Department of JET.

3. AGENCY MANDATE

3.1 Mandate

The mandate of WCB is to operate Alberta's workers' compensation system providing compensation to workers who suffer workplace injuries or illnesses, and helping them recover and return to work. The health and well-being of injured workers is at the centre of the workers' compensation system, which must be sustainable, affordable and fair in order to benefit workers and employers now and in the future.

Through an Act of the Legislature, the *Workers' Compensation Act (WCA)*, WCB has overall responsibility for the administration of the workers' compensation system in Alberta, and the delivery of workers' compensation services to the workers and employers of the province, subject only to statutory rights of review and appeal contained in the WCA.

This MRD is intended to support the Meredith principles and legislative authority entrusted to WCB. The workers' compensation system in Alberta is founded on the principles of no-fault compensation, security of benefits, collective liability, independent administration and exclusive jurisdiction. All parties to this MRD have a part to play in ensuring the success of the system and are committed to ensuring the principles to which the system is founded upon are acknowledged and acted upon in good faith.

3.2 Legislation and Regulations

a. Enabling

WCB has responsibilities under the following statutes and regulations:

- *Workers' Compensation Act*, RSA 2000, Chapter W-15;
- *MLA Compensation Act*, RSA 2000, Chapter M-19;
- *Blind Workers' Compensation Act*, RSA 2000, Chapter B-4;
- *Special Payment Act*, RSA 2000, Chapter S-17;
- *Heroes' Compensation Act*, SA 2020, Chapter H-7.8;
- *Workers' Compensation Regulation*, Alberta Regulation 325/2002;
- *Medical Panels Regulation*, Alberta Regulation 21/2018;
- *Firefighters' Primary Site Cancer Regulation*, Alberta Regulation 102/2003; and
- *Government Employees Compensation Act*, RSC 1985, Chapter G-5.

b. Applicable

- *Alberta Human Rights Act*, RSA 2000, Chapter 25.5;
- *Alberta Public Agencies Governance Act*, SA 2009, Chapter 31.5;
- *Auditor General Act*, RSA 2000, Chapter A-46;
- *Business Corporations Act*, RSA 2000, Chapter B-9, s. 171;
- *Conflicts of Interest Act*, RSA 2000, Chapter C-23;
- *Financial Administration Act*, RSA 2000, Chapter F-12, ss. 1, 6, 77 and 80;
- *Freedom of Information and Protection of Privacy Act*, RSA 2000, Chapter F-25;
- *Government Accountability Act*, RSA 2000, Chapter G-7;
- *Government Organization Act*, RSA 2000, Chapter G-10;
- *Occupational Health and Safety Act*, RSA 2000, Chapter O-2, s. 39;
- *Ombudsman Act*, RSA 2000, Chapter O-8;
- *Public Interest Disclosure (Whistleblower Protection) Act*, SA 2012, Chapter P-39.5; and
- *Reform of Agencies, Boards and Commissions Compensation Act (RABCCA)*.

c. Subsidiaries

WCB has incorporated two wholly owned subsidiary corporations as permitted by Order In Council 72/2013 and in furtherance of WCB's exclusive authority over its investments as provided for in Section 92(1) of the WCA: WCB Real Assets Ltd. and WCB Global Real Assets Ltd.

Both subsidiaries are established as holding corporations for portions of WCB investment portfolio or Accident Fund. They do not have any employees or operations, or any roles or responsibilities other than to hold portfolio investments for the purposes of mitigating potential tax liabilities in foreign jurisdictions. Any investments held in the subsidiary corporations must comply with WCB investment policy and related governance reporting.

3.3 Independence

Nothing in this MRD shall interfere with the proper exercise of any of WCB's statutory decision-making powers. Although WCB is part of the Ministry of JET for administrative purposes, WCB is independent when making decisions in carrying out its mandate. WCB's neutrality, impartiality and transparency are critical to maintaining public trust and confidence in its operations and decisions. While WCB operates arm's-length from government, WCB remains accountable to the Minister of JET through the Chair and the Board of Directors in respect of broad system outcomes.

4. ACCOUNTABILITY ROLES AND RESPONSIBILITIES

4.1 The Government of Alberta ("GOA")

Accountabilities

The GOA is accountable to the Premier and the citizens of Alberta.

Responsibilities

The GOA is responsible for the legislative and regulatory framework in which WCB operates.

4.2 Minister of Jobs, Economy and Trade (JET)

Accountabilities

The Minister is determined under Section 16 of the *Government Organization Act* as the Minister responsible for the WCA. The Minister answers to the Legislative Assembly and the public for the activities and performance of WCB.

Responsibilities

- a. Through the Board of Directors.
 1. Identifying broad outcomes for the workers' compensation system and monitoring overall system performance.
 2. Providing direction regarding government public policy expectations.
 3. Providing advice on government priorities.
- b. Meeting regularly with the Chair and President of WCB on matters relating to the overall performance of the workers' compensation system.

- c. Reporting to the Legislature on the business and affairs of WCB and answering questions in the Legislature about WCB.
- d. Recommending the appointment of the Chair and Board Members following a selection process (herein later described) and based on the Minister's assessment that the appointees have the appropriate knowledge, skills, experience and values to lead WCB, in achieving its objectives, performing its functions and fulfilling its mandate.
- e. Informs WCB of GOA policies and direction that might affect the work of WCB.
- f. Administering the "Code of Conduct" with respect to the Chair of WCB.
- g. Annually tabling WCB's report of its business and affairs during the preceding calendar year, including the audited financial statements and a report on the performance information results, before the Legislative Assembly [s. 93(5), WCA].
- h. Meeting from time to time with the Chair of WCB Board of Directors with respect to significant events concerning WCB and to discuss matters of mutual concern.
- i. Consulting with WCB with regard to proposed changes to the WCA or other legislation affecting WCB or the administration of the workers' compensation system in Alberta.
- j. Recommending the appointment of a review committee to conduct a statutory review of the WCA, the regulations and the operations of WCB in 2021 and at least every ten years thereafter, in accordance with Section 159 of the WCA.

The Minister may delegate certain activities under this document to the DM or other staff in JET.

4.3 Deputy Minister of JET

Accountabilities

The Deputy Minister ("DM") is the senior civil servant in the Department and is accountable to the Minister.

Responsibilities

The DM supports and acts under the general direction of the Minister. The Department, under the leadership of the DM, is responsible for supporting WCB in the following areas:

- a. advising WCB of issues and concerns raised by stakeholders and seeking the advice and input of WCB in responding to those issues and concerns;
- b. collaborating with WCB with regard to required legislative and regulation amendments;
- c. collaborating with WCB with regard to the responsibilities of both WCB and the Ministry under Section 90 of the *Occupational Health and Safety Act* and Sections 23.4 (effective December 2018), 24.3 and Section 46.2 of the WCA with regard to funding reviews of the provisions of the WCA and regulations relating to occupational diseases;
- d. meeting regularly with the Chair and President of WCB on matters relating to WCB's mandate;
- e. recruitment of Chairs or members, including how the requirement to have appointed representatives of both employer and labour perspectives involved in recruitment will be addressed;
- f. collaborating and working with WCB in the following areas when there are mutual considerations such as prevention, data and the general health of the system:
 - communications;
 - recruitment and appointments (herein later described); and
 - orientation of the Chairperson to the relationship with the Minister and the Ministry;
 and

- g. informing WCB of government policies and direction affecting the work of WCB.

4.4 WCB Board of Directors

Accountabilities

Through the Board of Directors, WCB is accountable to the Minister of JET for the effective management of the workers' compensation system in Alberta as determined under Section 16 of the *Government Organization Act*.

Responsibilities

Under the WCA, WCB has overall responsibility for the administration of the workers' compensation system in Alberta and the delivery of workers' compensation services to the workers and employers of the province, subject only to statutory rights of review and appeal contained in the WCA.

The Board of Directors is responsible for the governance of WCB and oversight of WCB's operations. The Board of Directors guides WCB's strategic direction, evaluates the performance of WCB's President and Chief Executive Officer (CEO), approves and monitors WCB's administrative budget and financial results, and is ultimately accountable to the Minister.

Members of the Board of Directors must act honestly and in good faith, leaving aside personal interest to advance the interests of the workers' compensation system for the benefit of all Albertans. The Board of Directors receives input from workers, employers and the public so that it has a current knowledge of stakeholder perspectives on the operation of the workers' compensation system, in addition to the perspectives provided by the Minister regarding expectations for the system. The Board of Directors is responsible to consider these perspectives in building a strategic direction for the system, ensuring that the system employs decision-making processes that focus on assisting workers with their workplace injuries and illnesses, and that the culture of WCB puts the health and well-being of workers at the centre of system. The Board of Directors is responsible to guide strategic direction, taking into consideration the mandate set out for the workers' compensation system as a whole by government.

The Board of Directors operates under a published Corporate Governance Policy (CGP). WCB's CGP provides as follows:

- a. the Board of Directors shall operate in a manner consistent with the *Workers' Compensation Act (WCA)* and corporate governance principles. Although Board Members are representative of the interests of workers, employers and the general public, it is expected that, consistent with their fiduciary role, they will set aside any allegiances to a particular group and strive to maintain the welfare, credibility and integrity of the workers' compensation system at all times;
- b. in accordance with the WCA, the Board of Directors shall:
 - determine WCB's compensation policy;
 - review and approve the programs and operating policies of WCB;
 - consider and approve the annual operating and capital budgets of WCB;
 - enact bylaws and pass resolutions for the conduct of the business and affairs of WCB;
 - select and appoint a person to be the President of WCB who is the sole employee of the Board of Directors and determine the salary and benefits of the President;

- determine the salary and benefits of the President within the parameters as set out by the regulation framework under the *Reform of Agencies, Boards and Commissions Compensation Act (RABCCA)*; and
 - designate an employee of WCB as the Fairness Review Officer, define the Fairness Review Officer's role and mandate and receive annual reports from the Fairness Review Officer.
- c. in accordance with corporate governance principles, the Board of Directors shall:
- monitor the performance of WCB;
 - establish and approve the corporate beliefs and values;
 - determine the strategic direction of WCB;
 - assess relevant risks;
 - approve the WCB's investment principles and policy;
 - approve the WCB's funding policy;
 - review and approve the audited financial statements of the WCB; and
 - approve WCB policies taking into consideration the Meredith Principles, legislation and the fairness to the WCB's customers.

Additionally, the Board of Directors is responsible for overseeing and assessing the performance of the President as required by the CGP in the following manner:

- a. the Board of Directors will oversee and assess the performance of the President, consistent with assessing the performance of WCB, by regularly monitoring the performance of the President against the beliefs and values, corporate governance policy, corporate objectives and individual performance expectations;
- b. monitoring will include:
 - ongoing reports from the President;
 - information and reports, as requested;
 - regularly reviewing corporate performance; and
 - reports from external and internal audit and actuary; and
- c. all members of the Board of Directors will complete a formal evaluation of the President annually. Feedback to the President will be provided by the Chair of the Human Resource and Compensation Committee and the Board Chair. The Chair of the Board of Directors is responsible for having ongoing performance discussions with the President regarding performance expectations.

4.5 Chair of WCB Board of Directors ("Chair")

Accountabilities

The Chair is appointed by the Lieutenant Governor in Council, through an Order in Council (OC), on the recommendation of the Minister and is accountable to the Minister.

Responsibilities

The Chair represents the Board of Directors and its interests, as well as the interests of WCB, in dealing with the Minister, the CEO, stakeholder groups and the community. The Chair is responsible for ensuring the Minister is informed on changes to WCB governance policy and any significant public consultations. The Chair is also responsible for providing leadership for the Board of Directors and for effectively facilitating its work. The Chair is expected to apprise the Minister of emergent issues, public consultations regarding policy changes and reporting on broad system outcomes.

- a. As outlined in the CGP, the Chair is responsible for:
 - allocating responsibility within the Board of Directors;
 - providing positive and proactive leadership and direction;
 - approving attendance at, and remuneration and expenses for all activities and events other than Board of Directors' meetings or committee meetings;
 - appointing Board members to the committees if necessary;
 - calling and conducting meetings of the Board of Directors at any place in Alberta the Chair determines;
 - setting the meeting agenda and ensuring business transactions are recorded properly and accurately through the Secretary of the Board of Directors;
 - on the advice of a committee of the Board of Directors, and as approved by the Board of Directors, developing and entering into an employment agreement with the President, setting out the terms and conditions of employment, salary and benefits within the parameters as set out by the regulatory framework under RABCCA;
 - supervising the administrative affairs of the President and reporting to the Board of Directors;
 - bringing to the attention of individual Board Members or the Board of Directors as a whole, any situation that contravenes the CGP and ensuring the matter is dealt with; and
 - acting as the official spokesperson for the Board of Directors, including communications with the Minister, the Legislature, legislative committees, stakeholders and other workers' compensation agencies.
- b. Additionally, the Chair shall:
 - as required by the CGP, have ongoing performance discussions with the President regarding performance expectations, as required by the CGP;
 - provide the Minister with regular updates on WCB's operations and inform the Minister regarding emergent issues; and
 - ensure the Board and its committees have opportunities to meet independent of management as provided for in the CGP.

4.6 President and Chief Executive Officer of WCB ("President")

Accountabilities

The President is appointed in accordance with Section 8 of the WCA and is accountable to the Board of Directors for the effective management of the workers' compensation system in Alberta. The President must ensure the workers' compensation system employs decision-making that focuses on assisting people with their workplace injuries and illnesses, and that the health and well-being of injured workers and the fairness and sustainability of the system are priorities of the system.

Responsibilities

The President is responsible for leading management, developing recommendations for, and implementing WCB's strategy. The responsibilities of the President are outlined in the CGP as follows:

- a. the President is the CEO of WCB and is the Board of Directors' link to the administration of WCB. The President is accountable to the Board of Directors as a whole and all communication to the Board of Directors on behalf of WCB is through the President. As such, the President is accountable for the performance and

- employees of WCB and exercises all authority delegated by the Board of Directors through corporate governance policy;
- b. for the purposes of governance, the President is considered the only employee of the Board of Directors and, as such, the Board of Directors directs and authorizes the President to:
- achieve results through the establishment of corporate objectives;
 - provide and implement a development and succession plan annually;
 - advise and inform on the operating, planning and development functions of WCB;
 - delegate authority, implement policy, establish procedures, make all decisions, take all actions, establish all practices and develop all activities to conduct the business of WCB; and
 - enter into employment agreements with officers of WCB setting out terms and conditions of employment, benefits and salary and advise of subsequent changes;
- c. in exercising due diligence, the Board of Directors provides parameters for achieving results. As such, the President will:
- ensure WCB assets are protected, adequately maintained and not unnecessarily risked;
 - operate with strategies that adequately respond to the nature and level of risk, risk parameters, impairment and loss of assets;
 - protect WCB's public image and credibility, particularly in ways that facilitate the accomplishment of the corporate mission;
 - provide a budget that contains sufficient information to enable credible projection of revenues and expenses; separation of capital, operational and notes to the budget; cash flow and disclosure of planning assumptions;
 - provide a budget that supports the achievement of the corporate objectives;
 - protect the fiscal soundness of future years and facilitate the building of organizational capability sufficient to achieve the corporate objectives in future years;
 - operate consistently with the funding policy and investment policy;
 - operate WCB with financial management control systems and financial records using generally accepted accounting principles; and
 - advise the Board of Directors of any significant change in accounting policy; and
- d. in discharging the foregoing role, the President shall regularly meet with the Chair, as necessary, to discuss ongoing issues.

5. RECRUITMENT AND APPOINTMENT

5.1 Recruitment and Appointment

The GOA uses competency-based recruitment process for all members of public agencies, boards, and commissions (ABC). The Public Agency Secretariat, Public Service Commission, leads the coordination of recruitment activities through collaboration with departments across the GOA, Premier's Office and ABCs.

The Centralized Recruitment Process is located here:

<https://open.alberta.ca/publications/centralized-recruitment-guidebook-for-albertas-public-agencies-boards-commissions>.

WCB's first point of contact for starting a recruitment process is a Governance Specialist at JET.

5.2 Termination

The Minister may recommend to Cabinet the termination of the appointment of the Chair or WCB Member for reasons including but not limited to:

- a. significant breach of an obligation under the code of conduct;
- b. theft;
- c. fraud;
- d. criminal charges; and/or
- e. other reasons deemed warranted.

6. COMMUNICATIONS WITH MINISTER, PUBLIC AND OTHERS

6.1 Communications with the Minister

There will be ongoing interaction among WCB, Minister and Department staff as needed to facilitate the work of each body.

6.2 Communications with the Public

The President and Chair shall determine how WCB interacts with the public and establish policies that clearly identify roles and responsibilities in the areas of communication with the public.

6.3 Communications with Other Stakeholders

The President and Chair shall develop and maintain working relationships with stakeholders in the workers' compensation system, other ministries, as well as related boards and agencies across Canada.

7. THE CODE OF CONDUCT

The Code of Conduct provides a framework to guide ethical conduct and reflects the key values of WCB and the public it services.

The process for administering the Code of Conduct is referred to in the Code itself. The Code is available on the PAS website at <https://www.alberta.ca/public-agency-secretariat.aspx>.

8. ADMINISTRATION OF THE MANDATE AND ROLES DOCUMENT (MRD)

8.1 Review of the MRD

The MRD shall be in effect for not more than three years. It must be renewed or revised by the expiry date. Any party may initiate this review. Additionally:

- a. the MRD remains in effect until it is renewed, amended, or replaced under Section 12.1; and
- b. the MRD may be amended at any time through written agreement between the Minister, WCB and the DM.

8.2 Transparency

Copies of the MRD will be filed with the Minister, WCB, the Department and PAS. In support of the principle of transparency, this document will also be easily available to the public on WCB website at www.wcb.ab.ca or through the GOA on the PAS website at www.alberta.ca/public-agency-mandates.aspx.

8.3 Periodic Agency Review

Pursuant to Section 159 of the WCA, a review committee shall be appointed by the Lieutenant Governor in Council to conduct a statutory review of the WCA, the regulations and the operations of WCB in 2021, and at least every ten years thereafter.

9. OTHER

9.1 Conflicts with an Act or Regulation of Alberta

In the event that any provision in the MRD conflicts with an Act or Regulation of Alberta, the provision will be considered to be of no force or effect and will not invalidate the remainder of this document.

10. APPROVALS

We, the undersigned, agree to the terms and conditions described in this MRD and commit to seeing that the intent of the document is carried out.

Signed copy on file

Chair, Workers' Compensation Board

April 12, 2024

Date

Signed copy on file

Honourable Matt Jones, Minister

Ministry of Jobs, Economy and Trade (JET)

March 19, 2024

Date