

# **WCB FINANCE COMMITTEE**

## Terms of Reference

### **1. PURPOSE:**

The Finance Committee is established to assist the Board of Directors in fulfilling its oversight responsibilities in financial matters.

### **2. COMPOSITION**

- 2.1 The Finance Committee will be composed of the Chair of the Board of Directors, the Chief Executive Officer (non-voting) and an equal number of members of the Board of Directors representative of workers, employers and the public interest.
- 2.2 Appointments to the Finance Committee will be reviewed annually.

### **3. CHAIR OF THE FINANCE COMMITTEE**

- 3.1 The Board of Directors appoints a Board member representative of workers, employers or the public interest as a Committee Chair (under the legislation, external members may not chair committees). The appointment of the Committee Chair will occur, with input from the Committee, after the Committee has been selected each year.
- 3.2 The appointment of the Chair will be reviewed annually.
- 3.3 In the absence of the Chair of the Finance Committee, the members will appoint an acting Chair.
- 3.4 The Chair of the Audit Committee may not chair this Committee except as an acting Chair.

### **4. RESPONSIBILITIES**

The Finance Committee will make recommendations to the Board of Directors about financial matters.

#### **4.1 Financial Matters - Accident Fund**

The Finance Committee will, from time to time, review the financial position of the WCB and make recommendations to the Board of Directors for:

- (a) Approval of the annual budgets for revenue and expenses, operating expenses, capital expenditures and Board of Directors, Fair Practices Office and Internal Audit departmental budgets;

- (b) Approval of annual assessment rates, changes to the rate model and related policies;
- (c) Approval of the financial projections in the Five Year Plan;
- (d) Approval of significant changes in accounting policies;
- (e) Approval of changes to the WCB Policy 31.05 *Funding Policy*;
- (f) Approval of key actuarial valuation assumptions for the benefit liabilities;

In addition, the Finance Committee will:

- (g) Review and approve contracts with significant value, as determined by the Board of Directors other than contracts for investment managers or consultants; and
- (h) Review and consider the quarterly and annual financial statements and other financial reports as necessary.

#### **4.2 Financial Matters - WCB Retirement Plan**

The Finance Committee will, from time to time, review the financial position of the WCB Retirement Plan and make recommendations to the Board of Directors for:

- (a) Approval of key actuarial valuation assumptions for the funding valuations;
- (b) Approval of Administration's recommendation about when to file the valuation with the Manitoba Pension Commission in cases where the filing is not a mandatory legal requirement;
- (c) Approval of changes to the WCB Retirement Plan Funding Policy; and

In addition, the Finance Committee will:

- (d) Review and consider other financial reports or matters that may arise from time to time.

#### **4.3 Other**

The Finance Committee will:

- (a) Periodically perform a self-assessment of its performance as a committee; and
- (b) Review its terms of reference annually, and make recommendations to the Board of Directors for amendments as the Finance Committee deems necessary; and
- (c) Periodically receive reports on any financial implications of a violation of the WCB employees' *Ethics and Code of Conduct* policy.

## **History:**

1. Investment and Finance Committee Terms of Reference approved by Board Order 01/06 on January 31, 2006.
2. On January 30, 2014 by Board Order No. 04/14 effective February 1, 2014, the Board of Directors approved the establishment of a stand-alone Investment Committee and a stand-alone Finance Committee. On March 17, 2014 by Board Order 11/14, the Committee Terms of Reference have been amended to reflect the revised structure. Revisions also include that the Finance Committee will make recommendations to the Board on the key actuarial valuation assumptions for the benefit liabilities.
3. On January 22, 2015 by Board Order No. 07/15 the Board of Directors approved revisions to clarify the duties of the Committee related to the Retirement Plan financial matters.
4. On January 28, 2016 by Board Order No. 03/16 the Board of Directors approved the revisions to Section 3.1 to clarify the process for appointment of Committee Chairperson and to Section 4.1(a) to add in the Internal Audit budget.
5. On March 23, 2017 by Board Order No. 06/17 the Board of Directors confirmed the Terms of Reference.
6. Terms of Reference amended on January 25, 2018 by Board Order No. 05/18, the Board of Directors approved revisions to Section 4.2 (b) relating to the filing of valuations.
7. Terms of Reference amended on April 16, 2019 by Board Order No. 14/19. Minor housekeeping changes to provide consistency in formatting and style, and Section 4.2 (b) was re-written to provide clarity.
8. Terms of Reference amended on April 17, 2020 by Board Order No. 10/20. Section 4.2 (d) was revised to reflect that the final financial statements for the Registered Retirement Plan will not be presented to the Finance Committee. The statements will go directly to the Board in April.
9. Terms of Reference amended on November 25, 2021 by Board Order No. 47/2021 effective January 1, 2022. Section 4.3 (c) was added to reflect changes in governance and that any Code of Conduct violations that have finance implications should be reported to the Finance Committee.
10. Terms of Reference confirmed on November 30, 2022 by Board Order No. 37/22 effective January 1, 2023.
11. Terms of Reference confirmed on December 7, 2023 by Board Order No. 49/23 effective January 1, 2024.
12. Terms of Reference confirmed on November 28, 2024 by Board Order No. 49/24 effective January 1, 2025.