

Present:

Michael Werier, Chair of the Board of Directors

Richard Deacon, President & CEO (ex officio)

Glenn Hildebrand

Ranbir Dhillon

Randal Smith

Marc Lafond

Sylvia Farley

Ron Koslowsky

Yvette Milner (Video)

Chris Lorenc

Being a quorum of the Board of Directors under *The Workers Compensation Act*.

Also Attending:

Cathy Skinner, Vice President, Legal, Compliance & Corporate Services (LCCS)

Heather Baete, Recording Secretary

Candace Crossland, CEO Office Liaison

Regrets:

Jean-Guy Bourgeois, Director

Call to Order

The meeting was called to order at 12:07 p.m. The agenda was confirmed as circulated.

Regrets were received from Jean-Guy Bourgeois.

Conflict of Interest Declaration

There were no declared conflicts.

For Decision

Interior Space Renewal Project Budget

(Board Order No. 28/23)

The President & CEO introduced discussion noting the RFP for the Interior Space Renewal Phase 2 project was issued in May 2023 and only one response was

received. The original capital budget for phase 2 was for \$13.6M which was approved in the 2020 budget process. Construction was delayed because of the pandemic. The bid that was received is for an amount that is more than is currently budgeted for this project. Therefore an increase to the budget including a contingency of 20% would require an additional budget amount of \$4M. He reported space has been rented and staff have been decanted. With the upcoming Digital Modernization project, it was suggested that the project proceed now or wait until after the Digital Modernization project is substantially complete to minimize the disruption to staff.

In response to a question, it was reported that the contractor for Phase 2 is different from the first phase of the project.

On motion duly made and carried,

BE IT RESOLVED THAT the Board of Directors approve a capital budget increase of \$4M for the Interior Space Renewal Project Phase 2 project.

2022 Audit Engagement and Fees

(Board Order No. 29/23)

The Board Chair introduced discussion noting events and issues arose surrounding the 2022 audit as detailed in the materials. Discussions have taken place with PricewaterhouseCoopers (PwC) and steps have been taken to deal with the situation. He noted that issues related to fees would ordinarily be handled by the Administration and it is unusual for the Board to become involved. The Board Chair noted he met with the President and Audit Chair to take certain steps leading to the recommendation.

The Audit Committee Chair introduced discussion. He reported PwC had contacted the President & CEO with their request for additional fees and indicating their desire to resign from the audit. He noted that he was not prepared to accept their resignation for various reasons including that the upcoming audit includes a significant accounting change and a lot of time has already been invested.

He discussed the current fees as well as what can be expected in the next couple of years. He reported that PwC would be prepared to accept additional fees of \$100K to remain on the audit. In addition, someone else will be assigned to the audit to deal with the day to day matters. He proposed that the Audit Chair and the President be more involved with the next year's audit.

The Board discussed the events leading to the current situation. It was suggested there was a breakdown in communications from both sides that led to the current situation. It was also noted there continue to be outstanding areas of disagreement

between the WCB and PwC, including the residency of data. Members of the Audit Committee suggested the auditors had provided an indication to them during the *in camera* sessions that there would be additional fees.

It was noted that following a competitive RFP process a contract was agreed to between the WCB and PwC for audit services. It was suggested that PwC be bound by the original agreement. The Board also asked whether the WCB had considered /proposed other options to resolve the current issues. The Board was advised that PwC would not accept a lower fee offer. There was further discussion about the risks and costs associated with securing a new external auditor and the options available.

On motion duly made and carried,

BE IT RESOLVED THAT the Board of Directors approve payment of \$100,000 in additional fees to PwC for the 2022 audit, over and above the original \$90,500 fee estimate.

Opposed: Randal Smith

Other Business

Investment Committee Members: The Board was reminded that recruitment is underway to retain two external committee members to support the work of the Investment Committee. Board members were encouraged to identify individual who may have the professional skills and background to support the investment process.

In Camera Discussion

The Board of Directors adjourned to an *in camera* session.

Conclusion

As all matters coming before the Board had been dealt with, the meeting concluded at 1:15 p.m.

The next meeting will be held on Thursday, September 28, 2023 at 12:15 p.m.