



# Report on Governance Practices

Prepared by the  
Financial and Consumer  
Services Commission

June 2022



FINANCIAL AND  
CONSUMER SERVICES  
COMMISSION

# Role of Commission Members

The Commission is a corporate entity created for the purpose of administering financial and consumer services legislation in New Brunswick. The Commission is accountable to the government through the Minister of Finance and Treasury Board (Minister). The Commission operates under the direction of Commission Members who act as the board of directors. Commission staff discharge the responsibilities prescribed by legislation and are overseen by Commission Members.

In their policy-making role, the Members are responsible to determine policy, recommend changes to financial and consumer services legislation and regulations and consider and approve new rules. In their governing and oversight role, the Members set and monitor the strategic direction of the Commission and oversee its operations such as the annual budget, resource allocation, risk management, financial reporting and the effectiveness of internal controls and information systems. Further details of this oversight are contained in the [Governance Policy](#), which can be found on the Commission's website.

The Chair presides over Commission meetings and is ultimately responsible for providing strong leadership to the Members. The Chair is also responsible to ensure that a number of legislated annual deliverables are approved by Members and submitted to the Minister within the set timeframes. The Chair's detailed responsibilities are contained in the *Governance Policy*.

## Independence

The Members of the Commission, as well as the Chair, are appointed by the Lieutenant-Governor in Council. The board is comprised of not less than five nor more than 10 Members. The term of a Member cannot exceed five years, but they can be reappointed for up to 10 years. Members are responsible for independent governance of the Commission. The Commission also ensures board independence by including in camera-sessions without management present at every board and committee meeting.

# Financial and Consumer Services Commission Members

## The Commission’s Members for 2021-2022 were:



### Peter Klohn (Chair)

**Residence:** Rothesay

Mr. Klohn was appointed Chair of the Financial and Consumer Services Commission on January 1, 2014 for a five-year term, which was renewed in January 2019 for an additional five years. Prior to his appointment, he was a Senior Partner at the Stewart McKelvey law firm with a diverse national practice in securities law, regulated industries, corporate law and corporate finance.

His report entitled *Responding to the Challenge of Borderless Markets: Recommendations for Reform of Securities Law in New Brunswick* resulted in the establishment of the Commission’s predecessor organization, the New Brunswick Securities Commission in 2004. Mr. Klohn is an Accredited Corporate Director (ICD.D) of the Institute of Corporate Directors, Rotman School of Management (2011). In 2013, he was profiled in the Lexpert Directory as a leading practitioner in Canada in corporate finance and mergers and acquisitions. He is a former member of the Council for the NB Branch of the Canadian Bar Association and is active in community affairs. Mr. Klohn represented New Brunswick as a member of the advisory committee to the Canadian Securities Transition Office responsible for reviewing proposals for federal regulation of securities in Canada. He has also recently served as a member of the Board of Directors of the Capital Markets Authority Implementation Organization (CMAIO), the interim body established to assist in the transition and implementation of the Capital Markets Regulatory Authority (CMRA). In March 2019 and February 2020, he was awarded certificates of completion for the Strategic Management of Regulatory and Enforcement Agencies and Leadership Decision Making: Optimizing Organizational Performance, respectively, from the John F. Kennedy School of Government, Harvard University, Executive Education.

**Appointed:** January 1, 2014  
**Reappointed:** January 1, 2019  
**Term ends:** December 31, 2023

- Committees:**
- Audit and Risk Management (ex officio)
  - Human Resources and Governance (ex officio)

**Professional and industry experience:**

- Governance
- Legal
- Pensions
- Securities

**Education:**

- BBA, University of New Brunswick
- LL.B, Osgoode Hall Law School, York University
- ICD.D, Corporate Director



## Donald French (Vice-Chair)

**Residence:** Dieppe

Mr. French is a retired professional accountant with more than 40 years of experience. For more than 20 years, Mr. French has worked at the Université de Moncton in both administrative and lecturing positions, in accounting and assurance subjects. In addition to his accounting background, he previously held the position of Superintendent of credit unions and Director of Examinations, which at the time also included responsibilities for the regulation of other financial institutions in the province, including insurance and trust companies. He also worked as the Chief Executive of the Credit Union Stabilization Fund. With extensive experience in both the public and private sector, his expertise in accounting, auditing, governance, regulation of financial institutions and related fields has been attained through his professional development initiatives, work experience and board and committee work.

Mr. French has served as Member and Chair for the New Brunswick Credit Union Deposit Insurance Corporation Board (NBCUDIC), as well as for the Office de stabilisation de la Fédération des caisses populaires acadiennes. In addition to these responsibilities, he was a member of the Deposit Insurance and Stabilization Funds of Canada (now the Credit Union Prudential Supervisors Association) and participated in numerous other boards and committees.

**Appointed:** October 31, 2019  
**Term ends:** October 30, 2023

**Committee:**

- Human Resources and Governance

**Professional and industry experience:**

- Accounting
- Audit
- Financial Institutions
- Governance
- Human Resources
- Insurance

**Education:**

- Fellow of the Chartered Professional Accountant (FCPA, FCA), Institute of Chartered Professional Accountants
- CA, NB Institute of Chartered Accountants



## Lucie Boucher

**Residence:** Grand-Barachois

Ms. Boucher worked for more than 25 years in the financial industry as a financial advisor, wealth manager as well as an insurance agent. She held numerous positions throughout her career, both with a private company as well as a national financial institution. Until her retirement in March 2019, she maintained her securities license through the Investment Industry Regulatory Organization of Canada (IIROC) and her insurance license in the four Atlantic Provinces and in Ontario.

Having held positions as the Atlantic Canada regional vice-president and regional manager for MD Management Limited, a subsidiary of the Canadian Medical Association, and in other management positions over the years, she brings a wealth of knowledge in compliance, budgeting, governance and strategic thinking.

Ms. Boucher currently serves as director of the Fondation Louis-J.-Robichaud and a member of its investment committee. She also serves as the Public Representative for the New Brunswick Speech-Language Pathologists and Audiologists.

**Appointed:** November 4, 2021  
**Term ends:** November 3, 2024

**Committee:**

- Human Resources and Governance (since November 23, 2021)

**Professional and industry experience:**

- Audit
- Financial Institutions
- Governance

- Management
- Insurance
- Securities

**Education:**

- Fellow of the Canadian Securities Institute (FCSI) (until her retirement in 2019)
- Certified Financial Planner (CFP) (until her retirement in 2019)
- Financial Management Advisor (FMA) (until her retirement in 2019)

- Professional Financial Planning (PFP) Course, Canadian Securities Institute
- Wealth Management Techniques (WMT), Canadian Securities Institute
- Branch Manager’s Course, Canadian Securities Institute
- CSC/CPH – Canadian Securities Course / Conduct and Practices Handbook, Canadian Securities Institute



## Marilyn Evans Born

**Residence:** Fredericton

Ms. Evans Born has had an extensive career working for the government of New Brunswick. She retired as the Assistant Deputy Minister of Courts and Chief Sheriff for the Province of New Brunswick. She brings a wealth of knowledge in the policy area and the credit union industry through her former role as Director of Legislation and Policy for the Department of Health, which she occupied for 21 years, and as Executive Director, Policy and Education Branch in the Department of Environment, as well as her service on the board of the New Brunswick Credit Union Deposit Insurance Corporation (NBCUDIC). She also has experience in the consumer affairs sector, having previously occupied the position of Chief Residential Tenancies Officer (formerly known as Chief Rentalsman) and Director of Consumer Affairs.

In addition to her experience in public service, her community involvement has included time spent on the York Care Centre Board, the New Brunswick Association of Occupational Therapists and the Canadian Deafblind Association-NB.

**Appointed:** October 30, 2019, effective January 1, 2020

**Reappointed:** November 4, 2021, effective January 1, 2022

**Term ends:** December 31, 2023

**Committee:**

- Audit and Risk Management

**Professional and industry experience:**

- Consumer Affairs
- Financial Institutions
- Legal
- Public Policy

**Education:**

- BA, University of New Brunswick
- LL.B, Faculty of Law, University of New Brunswick



## Norma Kelly

**Residence:** Sussex

Ms. Kelly is an experienced professional accountant and internal auditor, having held numerous positions in these professional capacities with private companies and as a current Chief Audit Executive at a provincial Crown corporation. She brings a wealth of knowledge in corporate governance and the area of credit unions, having served as President and Vice-President for the Bayview Credit Union Ltd., and on the board of directors for the Brunswick Credit Union Stabilization Board Limited (RMA). She has also served as Treasurer for Saint John Kings Adult Learning Inc. and as well as Treasurer for Fundy Funeral Home Cooperative, as well as serving on other boards.

**Appointed:** October 31, 2019

**Term ends:** October 30, 2022

**Committee:**

- Audit and Risk Management (Chair)

**Professional and industry experience:**

- Accounting
- Financial Institutions
- Management
- Internal Audit

- Risk Management
- Strategic Planning

**Education:**

- Chartered Professional Accountants (CPA), NB Institute of Chartered Accountants
- COSO Enterprise Risk Management Program
- Certified Internal Auditor (CIA) designation

- Certificate of Professional Development for Credit Union Directors
- Certified Management Accountant (CMA) designation
- Advanced Certificate in Accounting, University of New Brunswick
- Diploma in Business Technology (Automation) (Honours), New Brunswick Community College



## I. Gérald Lévesque

**Residence:** Saint-Basile

Mr. Gérald Lévesque has been practising law in the Edmundston area for more than 30 years. He is skilled in civil and criminal litigation, having appeared at all levels of court in the province, including the Court of Appeal. He has also served in various capacities on numerous administrative tribunals and boards, including the New Brunswick Branch of the Canadian Bar Association, the New Brunswick Law Foundation, the Law Society of New Brunswick and the Madawaska Law Society.

Mr. Lévesque is an active member of his community and has been involved with many local organizations, including the Fondation Centre Maillet, Hockey New Brunswick, the Children’s Wish Foundation, and the Knights of Columbus.

**Appointed:** January 21, 2021  
**Term ends:** January 20, 2024

**Committee:**

- Human Resources and Governance

**Professional and industry experience:**

- Arbitration, Adjudication and Mediation
- Insurance
- Legal
- Policy Drafting

**Education:**

- LL.B, Faculty of Law, Université de Moncton
- BBA, Université de Moncton



## Tania Morris

**Residence:** Dieppe

Ms. Morris is a professor of finance in the Faculty of Administration at the Université de Moncton. Throughout her career, she has contributed to research in corporate governance and financial literacy, and to numerous articles published in scientific journals. With a keen interest in the financial well-being of New Brunswickers, she has organized several conferences on topics related to financial literacy over the years, appeared numerous times on Radio-Canada to discuss financial issues and news, and participated as a speaker at numerous conferences, seminars and roundtables on topics ranging from corporate governance, senior executive compensation to financial literacy.

In her role at the university, Ms. Morris was director of Master of Business Administration program (M.B.A.), Assistant Director of the Accounting Department, Chair of the Research Committee of the Faculty and she is holder of the Chaire d’études Jeanne et J.-Louis-Lévesque in financial management. She initiated a course in financial literacy, offered for the first time in 2020 at the Université de Moncton.

In addition to her extensive professional experience, Ms. Morris has served as treasurer on various board of directors and as a member of the Université de Moncton retirement committee.

**Appointed:** November 4, 2021  
**Term ends:** November 3, 2024

**Committee:**

- Audit and Risk Management (since November 23, 2021)

**Professional and industry experience:**

- Accounting
- Education and Communication
- Financial literacy
- Governance
- Securities

**Education:**

- Doctorate and D.E.A. (Financial Sciences), Université Pierre Mendès-France (Grenoble II)
- M. Sc. (Financial Sciences), Université de Sherbrooke
- BBA (Financial Sciences), Université de Moncton
- Chartered Professional Accountant (CPA), NB Institute of Chartered Accountants



## Paul Van Iderstine

**Residence:** Moncton

Mr. Van Iderstine is a former audit partner of a national chartered professional accounting firm and served as the Chief Information Security Officer for a national insurance company. His experience in the financial, audit and cybersecurity fields is supported by his strong analytical skills and understanding of governance practices garnered from 30 years of working with various boards and audit committees.

Mr. Van Iderstine has extensive volunteer experience in the community and is a past president of the Moncton West and Riverview Rotary Club and the Windsor and District Board of Trade. He has also served as a Treasurer for the Codiac Regional Police Association, Moncton Headstart Inc., and various other organizations.

**Appointed:** October 31, 2019

**Reappointed:** November 4, 2021

**Term ends:** November 3, 2026

**Committee:**

- Audit and Risk Management

**Professional and industry experience:**

- Accounting
- Audit

- Cybersecurity
- Insurance
- Risk Management
- Strategic Planning

**Education:**

- B. Eng., Technical University of Nova Scotia
- Chartered Professional Accountant (CPA, CA), CPA Nova Scotia

- Certified Information Systems Security Professional (CISSP), ISC2
- GIAC Security Essentials Certification (GSEC), SANS Institute
- GIAC Critical Controls Certification (GCCC), SANS Institute



## Michael D. Wennberg

**Residence:** Rothesay

Mr. Wennberg practised law with the Stewart McKelvey or its predecessor firm for 30 years. He served as the firm's corporate-commercial practice manager, managing partner and was on the firm's Atlantic Canada Partnership Board. He conducted a diversified practice in commercial, major business/industrial contracting, insolvency and technology law areas. He is a member of the Canadian Bar Association, American Bar Association, Law Society of New Brunswick, Law Society of Upper Canada (1976 to 2018) and Saint John Law Society.

Mr. Wennberg is the author of numerous articles on commercial law matters, and he was active in the Law Society of New Brunswick, serving as counsel to a number of its committees, as a lecturer in its Bar Admission program, as chair of its Articling Committee and as a Provincial Reviewing Officer. He is the past chair of the Heritage Preservation Review Board for the Town of Rothesay.

Among his many cultural involvements, Mr. Wennberg was past president and CEO of the Imperial Theatre, past president and current board member of the Imperial Theatre Foundation, past board member of Saint John 225, Sculpture Saint John and ArtsLink NB, past chair and board member of Saint John Community Arts Board and current board member of Symphony New Brunswick. In 2012, Mr. Wennberg was awarded the Queen Elizabeth II Diamond Jubilee Medal.

**Appointed:** August 21, 2013

**Reappointed:** August 21, 2018

**Term ends:** August 20, 2022

**Committee:**

- Human Resources and Governance (Chair)

**Professional and industry experience:**

- Governance
- Human Resources
- Legal
- Management

**Education:**

- B. Comm., University of Toronto
- LL.B, Osgoode Hall Law School, York University

The terms of Yves Gagnon and Vincent L. Duff, ended on November 3, 2021.

# Code of Conduct

The Commission's *Governance Policy* states that the highest ethical standards are expected of our Members and staff. In addition, the Commission has a [Conflict of Interest Rule \(CO-001\)](#) and a *Code of Conduct and Conflict of Interest Policy* in place. These documents stipulate that all Members and staff must act in a manner that ensures that public confidence and trust in the integrity, objectivity and impartiality of the Commission are conserved and enhanced.

Members and staff are exposed to confidential information. As such, they are required to immediately report actual or potential conflicts that might be seen to influence decisions. Each year, Members and staff are provided with an annual reminder of the requirements contained in the rule and in the policy. They must provide written confirmation to their supervisor, or the Chair in the case of Members, that they have received the reminder and reviewed the rule and its supporting policy.

## Official Languages

We recognize our obligation under the New Brunswick *Official Languages Act* and are committed to providing quality services to members of the public in their official language of choice. We have an in-house translation service which allowed us in 2021-22 to translate or coordinate the translation of over half a million words, including board materials. We are striving to meet the spirit of the Province of New Brunswick's Language of Work Policy and Guidelines by promoting a balanced use of both official languages within the workplace. Although language of work and language of service have separate applications, we view their connection as essential to the overall commitment of the organization to official languages matters.



# Disclosure and Accountability

The Commission places high value on transparent disclosure practices and accountability and has created this annual report on governance practices to reflect these values.

In accordance with the *Accountability and Continuous Improvement Act (ACIA)*, the Commission publishes on its website the [Memorandum of Understanding \(MOU\)](#) entered into with the Department of Finance and Treasury Board. The purpose of this MOU is to provide a framework to enhance the parties' abilities to meet their respective legislative and policy objectives in a collaborative and effective manner. The terms of the MOU delineate the relationship between the parties, clarify the parties' roles and responsibilities and ensure complete and full disclosure of information. As per the ACIA, the Commission also prepares and publishes its Strategy and Business Plan, setting out the goals and objectives to deliver on the strategic and operational direction of the government in the area of the Commission's mandate, as communicated by the Minister in the annual Mandate Letter.

In addition to its statutory disclosure obligations, the Commission publishes on its website its various governance-related policies, including the *Governance Policy* and the *Conflict of Interest Rule*.

## Public Interest Disclosure

The *Public Interest Disclosure (PID) Act* encourages employees in the provincial public service to report any wrongdoing that has occurred or is about to occur in the workplace that is potentially unlawful, dangerous to the public or harmful to the public interest. The *PID Act* protects employees from reprisal for disclosing these wrongdoings and provides a fair and objective process for those employees who are alleged to have committed a wrongdoing. As a public sector workplace, the Commission is required to have and has adopted a written procedure to receive disclosures and conduct investigations. All Commission staff periodically receive training on the topic of public interest disclosure, the Commission's procedure and alternative reporting options available under the *PID Act*.

As a Crown corporation, the Commission is also required to disclose in its annual report the number of complaints received and the action taken; the number of investigations begun as a result of a disclosure; the number of claims referred from the Ombudsman and the action taken; and, the number of investigations begun as a result of such claims.

We are pleased to report that there were no disclosures or claims made against any employee of the Commission under the *PID Act* in 2021-2022.

# Privacy

The Commission is committed to respecting privacy and confidentiality. We manage and protect personal and confidential information according to New Brunswick's *Right to Information and Protection of Privacy Act*, the *Financial and Consumer Services Commission Act*, the various pieces of financial and consumer services legislation administered by the Commission, the Commission policies, including its *Privacy Policy* and the Commission's directives and procedures.

The Commission's *Privacy Policy* incorporates the 10 principles of the Canadian Standards Association *Model Code for the Protection of Personal Information* (CSA Model Code), which was published as a National Standard of Canada by the Standards Council of Canada. The Commission's Privacy Officer is responsible for ensuring proper procedures are in place for compliance with the policy. The Commission received a Privacy and Right to Information Management Report of the Privacy Designate, providing an overview of access and privacy issues addressed by the Commission over the past year. This report will continue to be provided on an annual basis in the future.

Also, to maximize the security of information exchanged between management and Members, the Commission uses a secure board portal as a repository for information intended for the board.

## Member Orientation and Continuing Education

New Members must participate in an extensive and mandatory orientation program. This orientation provides an overview of the Canadian and New Brunswick financial and consumer services regulatory, compliance and enforcement landscape. The program is led by senior management and includes a detailed overview of our legal framework, strategic direction, operations, key initiatives, financial affairs, governance practices, as well as information technology and cybersecurity practices. Two new Members underwent an orientation in the 2021-2022 fiscal year, which was held through a series of virtual sessions in November. Detailed documentation about the organization and the industries we regulate was made available to the Members in preparation for and throughout the program.

The Commission places high value on continuing education and its programs are comprised of mandatory individual and common education sessions. Over the years, Members have taken courses to enhance their knowledge of the areas regulated by the Commission and their governance skills.

A description of the common education sessions offered to Members during fiscal year 2021-2022 is set out below:

## Common Education Sessions

Date	Topic	Presenters	Attendees
<b>May 21, 2021 (2.25 hours)</b>	Overview of the Roles and Responsibilities of the Pensions Regulator  Cyber Insurance  Bitcoin/Crypto Currency	Angela Mazerolle, VP Regulatory Operations - FCNB  Jeff Mills, Managing Director - Marsh McLennan  Jake van der Laan, Director and Chief Information Officer - FCNB	Peter Klohn Michael D. Wennberg Yves Gagnon Gérald Lévesque Vincent L. Duff Marilyn Evans Born Norma Kelly Paul Van Iderstine Donald French
<b>June 22, 2021 (1 hour)</b>	Co-Regulation of Real Estate in New Brunswick	Jamie Ryan, CEO - New Brunswick Real Estate Association (NBREA)  and  Alaina Nicholson, Director of Consumer Affairs - FCNB	Peter Klohn Michael D. Wennberg Yves Gagnon Gérald Lévesque Vincent L. Duff Marilyn Evans Born Norma Kelly Paul Van Iderstine Donald French
<b>December 17, 2021 (3 hours)</b>	Effective communication and team dynamics	Ross Preston and Catherine Lavers - Adroit Solutions	Peter Klohn Michael D. Wennberg Tania Morris Gérald Lévesque Lucie Boucher Marilyn Evans Born Norma Kelly Paul Van Iderstine Donald French

The total amount of hours allocated to group sessions for fiscal 2021-2022 was 6.25 hours.

In addition to the group sessions offered by the Commission, Members are encouraged to pursue individual learning initiatives that are relevant to the work of the Commission. Our *Professional Development for Members Policy* provides a yearly allotment of \$4,000 per Member to support Members' learning activities. Below is a list of the courses that Members attended throughout the year:

## Individual Learning Initiatives

Member	Date	Course
<b>Peter Klohn</b>	June 21-23, 2021	City Week 2021 - The 11 <sup>th</sup> Annual International Financial Services Forum: Financing A Sustainable Global Recovery
	November 8-9, 2021	Northwind 15 <sup>th</sup> Annual Capital Markets Forum
	February 11, 2022	Institute of Corporate Directors - Leading the Board: What Makes a Great Board Chair?
<b>Donald French</b>	April 13, 2021	Institute of Corporate Directors - Cybersecurity: The Board's Role and Assessing the Evolving Risk
	June 3, 2021	Institute of Corporate Directors - National Conference 2021: Next Level Governance In an Era of Massive Transformational Change
	September 9-10, 2021	Chartered Professional Accountants of Canada (CPA) - The One conference
	November 9, 2021	Deloitte Director's Series for Audit Committees
	December 1, 2021	Institute of Corporate Directors - Inclusive and Diverse Governance on NFP Boards
	January 27, 2022	Institute of Corporate Directors - Modèles de Gouvernance Meilleures Pratiques
	March 11, 2022	Institute of Corporate Directors - Board Oversight of Strategy
<b>Vincent L. Duff</b>	September 25, 2021	First Nations University of Canada - Online course 4 Seasons of Reconciliation
<b>Marilyn Evans Born</b>	April 8, 2021	Institute of Corporate Directors - Board Oversight of Strategy
	April 15, 2021	Institute of Corporate Directors - HR and Compensation Committee effectiveness
	April 28, 2021	Institute of Corporate Directors - Audit Committee effectiveness
	August 31, 2021	First Nations University of Canada - Online course 4 Seasons of Reconciliation
	February 3, 2022	Queen's Executive Education - Accounting and Finance Fundamentals (consisting of 2 modules of two days)
	March 2022	Chartered Professional Accountants of Canada - Audit Committee Certificate, CPA (consisting of 4 sessions)

<b>Member</b>	<b>Date</b>	<b>Course</b>
<b>Norma Kelly</b>	June 3, 2021	Institute of Corporate Directors – National Conference 2021: Next Level Governance In an Era of Massive Transformational Change
	March 2022	Chartered Professional Accountants of Canada – Audit Committee Certificate, CPA (consisting of 4 sessions)
<b>Gérald Lévesque</b>	October 19, 2021	Osgoode Professional Development – Thinking Fast & Slow: Strategies and Tools to Enhance Decision Making [2021]
	November 30, 2021	The Canadian Bar Association – CCCA In-House Counsel Fall Bootcamp
	January 26, 2022	Osgoode Professional Development – Intensive course in Canadian Securities Law and Practice
<b>Tania Morris</b>	January 27, 2022	Institute of Corporate Directors – Modèles de Gouvernance Meilleures Pratiques
<b>Paul Van Iderstine</b>	November 9, 2021	Deloitte Director’s Series for Audit Committees
	September 25, 2021	First Nations University of Canada – Online course 4 Seasons of Reconciliation
	March 2022	Chartered Professional Accountants of Canada – Audit Committee Certificate, CPA (consisting of 4 sessions)
<b>Michael D. Wennberg</b>	June 3, 2021	Institute of Corporate Directors – National Conference 2021: Next Level Governance In an Era of Massive Transformational Change.
	October 2021	The Canadian Institute – Crown Corporate Governance
	February 22, 2022	Institute of Corporate Director – Leading the Board: What Makes a Great Board Chair?

# Diversity, Equity, and Inclusion (DEI)

The Commission believes that DEI among members and employees enriches both the board's decision-making process and the Commission's regulatory role by bringing a variety of perspectives to discussion. The Commission supports the appointment of candidates who reflect the gender and linguistic representation as well as the cultural and geographic diversity of the province.

The Commission believes that increased knowledge of diversity, equity, and inclusion enhances both individual and organizational actions. As such, since 2015, staff at the Commission have been monitoring developments on the topic of DEI. The resulting research is presented on an annual basis to the Members of the Commission. This topic is a standing item for yearly discussion as part of our commitment to maintain best practices in corporate governance. This report keeps Commission Members apprised of developments in Canada of the trends with respect to diversity on boards, as well as the importance of equity and inclusion generally in the workplace to attract and retain a more diverse pool of candidates for Member and staff positions.

The Commission is committed to embracing the ethical and practical values of Environmental, Social and Governance (ESG) factors toward a more inclusive, sustainable, and prosperous future. To this end, it has included ESG factors as part of its strategic planning process.

## Governance review

This past year, the Commission focused on implementing the recommendations arising from a comprehensive review of its governance practices, leading to more effective governance processes. During the year, a consultant engaged the board and executive management in a series of working sessions to review, understand and agree on a path forward regarding the recommendations. Consistent with the recommendations, the board participated in an exercise to refresh its strategy and business plan, including the development of enhanced and meaningful key performance indicators. The board also initiated steps to refresh the Commission's enterprise risk management program, and to explore the value of leveraging independent risk assurance beyond finance and compliance risks.

# Assessments

The Human Resources and Governance Committee (HRG Committee) conducts a biennial assessment of the effectiveness of the Commission, its standing committees, and its Members. This assessment took place in fiscal 2021-2022. As part of the process, a questionnaire asking for quantitative and qualitative ratings on a number of areas is circulated to the Members. The responses to the questionnaires from Members are submitted anonymously to the Chair of the HRG Committee, who prepares a report for the HRG Committee, which ultimately reports back to the Commission. Finally, a report on the results of the assessment is provided to the Chief Executive Officer so that any concerns and opportunities for improvement are considered in the coming year's work plan.

For the purposes of assessing individual Members, the Chair holds private meetings with each of the Members from time to time, but also has a formal discussion with individual Members on a yearly basis. This discussion is guided by a series of questions, which are shared with Members ahead of the meeting and which also ensure consistency in the assessment process. The process is also intended to assist in identifying the educational needs of the Members. Every second year, the content of the private meetings with Members is expanded to include a peer assessment component guided by a set of pre-established questions, which are also shared with Members ahead of the meeting. The peer review component took place this year.

The Commission recognizes that feedback from senior management is important. As part of the 2021 assessment process, the Chair also met with individual members of the Commission's executive management committee to discuss management's comments on the board.

## Commission Chair and CEO Assessments

The HRG Committee conducts an annual evaluation of the Commission Chair. The HRG Committee circulates a formal questionnaire to all Members, which covers the Commission Chair's leadership skills with both the Members and senior management. It also evaluates the Commission Chair's effectiveness in communicating, fostering a good board culture, reporting to the Minister and managing meetings as well as conflicts of interest.

In terms of the Chief Executive Office's performance, it is assessed by the Chair of the Commission, in consultation with Members. The annual assessment is based on the Chief Executive Officer's goals set at the beginning of the fiscal period.

## Skills and Experience

The Commission maintains a profile for the ideal composition of the Commission as a whole, which is regularly updated. The profile sets out the mix of backgrounds, skills and experience required to guide the Commission's strategy and ongoing business operations. When there is a vacancy, the skills for a replacement candidate are set by doing an analysis of that profile.

# Attendance

Attendance at Commission and committee meetings is reflected in the chart below:

Members	Commission Meetings (11) <sup>1</sup>	Audit and Risk Management Committee Meetings (4) <sup>2</sup>	Human Resources and Governance Committee Meetings (6) <sup>3</sup>	Joint Committee Meetings (1)	Facilitated Governance Session <sup>4</sup>
Peter Klohn	11	4	6	1	1
Donald French	11	1	6	1	1
Lucie Boucher <sup>5</sup>	4	N/A	1	1	N/A
Vincent L. Duff <sup>6</sup>	6	1	4	N/A	1
Marilyn Evans Born	11	4	1	1	1
Yves Gagnon <sup>6</sup>	6	3	N/A	N/A	1
Norma Kelly	11	4	1	1	1
I. Gérald Lévesque	11	1	6	1	1
Tania Morris <sup>5</sup>	4	1	N/A	1	N/A
Paul Van Iderstine	11	4	1	1	1
Michael D. Wennberg	11	1	6	1	1

1. Commission meetings include special meetings as well as a facilitated strategic planning session led by Governance Solutions Inc.
2. Non-Committee Members were invited to attend the June 22, 2021 Audit and Risk Management Committee meeting to review the Annual Audit Report.
3. Special Human Resources and Governance Committee meetings were held on July 28, August 9 and on November 10, 2021. Non-Committee Members were invited to attend the November 10, 2021 Human Resources and Governance Committee meeting to review the consultants' recommendations arising from the compensation and benefits review and the performance management program review.
4. A facilitated governance session led by Governance Solutions Inc. was held on July 13, 2021 to review the recommendations stemming from the Governance review.
5. Ms. Lucie Boucher and Ms. Tania Morris were appointed to the Commission on November 4, 2021 and respectively appointed to the Human Resources and Governance Committee and to the Audit and Risk Management Committee on November 23, 2021.
6. Mr. Yves Gagnon and Mr. Vincent L. Duff's terms ended on November 3, 2021. They were Members of the Audit and Risk Management Committee and of the Human Resources and Governance Committee, respectively until such date.



# Committees

The Commission's structure is comprised of two standing committees: Audit and Risk Management; and Human Resources and Governance. The terms of reference for each of the committees are available in our *Governance Policy*. Commission Members are expected to have the time, experience and education to serve on a committee. A member's ability to participate must not be compromised by service on other external boards or committees. Members of the standing committees are all independent from the Commission. The Commission Chair attends committee meetings as an ex officio and non-voting member.

## Audit and Risk Management Committee

The Audit and Risk Management Committee is responsible for reviewing the Commission's risk management policies and procedures, financial reporting and public disclosure, the audit processes, and systems of internal control that management and the Commission have established for the Commission. It meets at least five times each year.

The Members of the Audit and Risk Management Committee are required to be financially literate and able to understand the financial statements of the Commission.

### **Annual Report of Audit and Risk Management Committee**

The Audit and Risk Management Committee (the Committee) held a total of five meetings during the fiscal year, consisting of four regular meetings and one joint meeting with the Human Resources and Governance Committee. The Committee's work covered nine major areas:

#### **Financial Review, Reporting and Public Disclosure**

The Committee conducted regular reviews of the Commission's quarterly financial statements and recommended, for approval by the Commission, the year-end audited financial statements and management's discussion and analysis of the statements. The Committee also reviewed the draft budget for recommendation to the Commission, and reviewed members' expense claims quarterly. The Committee reviewed and approved the Chair's and the Chief Executive Officer's expenses quarterly. All reviews and other activities of the Committee were reported to the Commission.

## **Risk Management**

Due to the ongoing reality of the COVID-19 pandemic, the Committee continued with a focused risk monitoring review related to business continuity. In 2020, during the first phase of the pandemic, Executive Management assembled a Business Continuity Plan very specific to that phase of the pandemic, addressing how we would continue to function in the event we saw our normal operations impacted. The Pandemic Business Continuity Plan, which includes a pandemic-specific risk register, was updated thereafter regularly in anticipation of the second, third and fourth waves of COVID-19 and its associated variants. The pandemic specific risk register lists the risks identified during the pandemic and business continuity planning process, assesses their impact on the Commission's ability to meet strategic and operational objectives and considers risk mitigation strategies. The Pandemic Response Risk Register was updated on a regular basis and reviewed by the Committee at its regular meetings and compliments the traditional perpetual risk matrix, which is used by the Committee to review financial, reputational, operational and human capital risks. The Committee also reviewed financial and other risks of the Commission during the budget process and reassessed the risks during its periodic financial statement reviews.

## **Internal Controls**

The Committee reviewed management's annual report on internal controls and reported their findings to the Commission. The Committee confirmed with management during each of its meetings that the Commission remained current on all statutory withholdings and remittances.

## **External Auditors**

For the 2020-2021 audit period, the Committee met with representatives of Deloitte LLP (Deloitte) to review the Commission's audited financial statements and, in accordance with the Commission's governance practice, met with Deloitte without management. Following the completion of the Commission's 2020-2021 audit, the Committee, with input from management, undertook an assessment of its external auditors using an auditor assessment tool modeled after guidelines published by Chartered Professional Accountants of Canada, the Canadian Public Accountants Board and the Institute of Corporate Directors, and personalized for the Commission's structure.

## **Insurance Assessment**

In May 2021, the Committee reviewed the annual assessment for 2020-2021 for the insurance sector, as prepared by staff of the Commission's Insurance Division, and recommended its approval to the Commission.

## **Credit Union Annual Levies**

In June 2021, the Committee reviewed the costs and expenses to administer the *Credit Unions Act* for 2020-2021, as prepared by staff of the Financial Institutions Division. The Committee recommended their approval to the Commission and that they be recovered from the Deposit Protection Fund pursuant to s. 280(2) of the *Credit Unions Act*. Additionally, the Committee reviewed the proposed amount of money to be levied and collected from the New Brunswick's credit union system for maintaining the Deposit Protection Fund during the calendar year 2021 and recommended its approval to the Commission.

## **Financial Policies**

The Committee completed a review of the Commission's Financial Policies. Changes included terminology updates, updates to the information to be included in reporting to the Committee and the Board, and updates to reflect the impact of the new *Unclaimed Property Act* regime on funds received by the Commission.

## **Commission's IT Systems, Projects, and Cybersecurity**

The Committee received quarterly reports from the chief information officer (CIO) concerning the Commission's cybersecurity posture identifying areas of potential risk and associated controls. Additionally, the Committee received regular updates from the CIO concerning the Commission's Information Technology and Regulatory Informatics Division operations and ongoing projects as well as a report from the CIO on the Commission's controls related to common scams that impact organizations and how to mitigate the risk of falling prey to these scams.

## **Privacy Designate Report**

In January 2022, the Committee received a report from the Commission's Privacy Designate. This initial report in this form covered a reporting period of two years and provided a comprehensive overview of the types of requests and issues FCNB regularly addresses relating to access and privacy, as well as some of the unique challenges faced in the past 22 months related to the COVID-19 pandemic.

# Human Resources and Governance Committee

The Human Resources and Governance Committee is responsible for human resources policies and for setting management's compensation structure. It is also responsible for the Commission's governance-related matters. It meets at least four times each year.

## **Annual Report of the Human Resources and Governance Committee**

The Human Resources and Governance Committee (the Committee) held a total of seven meetings during the fiscal year, consisting of three regular meetings, three special meetings and one joint meeting with the Audit and Risk Management Committee. The Committee's work covered eight major areas:

### **Appointment of New Committee Member**

Ms. Lucie Boucher was appointed as member of the Human Resources and Governance Committee on November 23, 2021.

### **Member and Tribunal Member Nomination Process**

The Human Resources and Governance Committee and the Commission play an active role in the nomination process that leads to recommendations of candidates to be appointed by the Lieutenant-Governor in Council as Commission Members and Financial and Consumer Services Tribunal Members.

Candidates for Commission member positions are recommended for appointment based on a profile contained in the *Governance Policy*. The profile reflects the need for appropriate skills and experience among members as a group, as well as geographic, gender and linguistic representation.

During the fiscal year, the term of two members expired and two new members were appointed to the Commission for terms of three years.

Vacancies and detail of appointments to the Tribunal are included in the Tribunal's Annual Report available on the Tribunal's [website](#).

## **Review of Performance Management and Compensation and Benefits Programs**

The Committee received the final recommendations from the external consultants retained in 2020 to carry out the Commission's periodic review of its performance management program and compensation and benefits structure for employees. Based on the findings, the Committee presented a number of recommendations for the Commission's consideration. The final recommendations were approved in November 2021 and led to the implementation of a new step-increment remuneration program and a new development-focused performance management program in the next fiscal year.

## **Review of Governance Practices**

The Committee reviewed the recommendations stemming from the Governance Review conducted in 2020-2021 and endorsed staff's proposed approach for the phased implementation of the recommendations over time.

Some of the recommendations put forward by the Committee and adopted by the Commission in 2021-2022 included the addition of private sessions with the CEO at the beginning and end of each Commission and Committee meeting to assess, among other things, the effectiveness of the meeting, as well as a revised more streamlined approach regarding the presentation of materials to the board in relation to securities regulatory instruments.

## **Diversity, Equity, and Inclusion**

The Committee undertook its sixth annual review of trends on the topic of diversity, equity, and inclusion (EDI). This year's report included an overview of regulatory developments and issued reports as well as advancements made around EDI in leadership, research around best practices amongst crown corporations, and industry trends.

## **Review of Commission Policies**

The Committee undertook a fulsome review of the Human Resources policies to support the transition to the new Compensation and Performance Management programs. The Committee recommended changes to a total of six HR policies as a result. The Committee also received for information an update on amendments made to nine related HR Directives. The Committee also recommended the approval of amendments to the HS1-100 *Health and Safety Policy* as a result of recent amendments to the *Occupational Health and Safety Act*.

As part of its regular review cycle, the Committee also reviewed a number of governance-related policies applicable to Members and recommended changes to the following policies: CM5-101 *Potential Conflicts regarding appointments to external boards, organizations, or committees* and CM1-104 *Members' Travel and Expenses*.

## **Management Succession Planning**

The Committee reviewed staff's research on best practices in the area of CEO and leadership succession planning. Based on the findings, the Committee recommended to the Commission the adoption of an effective succession planning framework for the CEO and the leadership, including a new *Succession Planning Policy*. The Commission approved the framework in May 2021.

In October 2021, the Committee received its first report from the CEO on the refreshed succession planning process for the leadership and key positions which was conducted over the summer. The report summarized steps undertaken to carry out the new *Succession Planning Policy* and covered activities related to the short, medium, and long-term succession planning.

## **Board Assessment**

A fulsome Commission evaluation process, led by the Committee, was conducted this year. This process is undertaken every other year and consists of evaluating the performance of the Commission as a whole, its Members and its standing committees.

While the performance of the Commission and its standing committees is evaluated through a Members' Questionnaire, the Commission Members are assessed through private meetings with the Chair, which include self-evaluation and peer review components.

## **Chair Assessment**

The Committee led the annual Commission Chair evaluation process. The Committee Chair circulated a questionnaire to all Commission Members to assess the Commission Chair's competencies in four key areas: leadership; board culture; relationships/communication; and other responsibilities as set out in the *Governance Policy*. The Committee Chair assembled the results, which were presented to the Committee and the Commission and communicated to the Commission Chair.

# Remuneration

FCNB Bylaw No. 3, *Commission and Tribunal Remuneration*, provides the remuneration, retainers and service fees, as applicable, for the Chair, Members, Vice-Chair and committee Chairs as set out below:

Position	Remuneration	Annual Retainer	Service Fees
Chair	Up to \$137,000	N/A	N/A
Members	N/A	\$10,000	\$350

Note: The Vice-Chair and committee Chairs each receive an additional retainer of \$2,000 per year.

The Commission Members' remuneration model is reviewed every four years through a staff-led comparative analysis of the different compensation models and levels used by other New Brunswick agencies, boards, and commissions. The next Commission Members' remuneration review is scheduled to take place in 2024.

## Chair

The role of the Chair requires a substantial commitment of time with the organization, including participating in policy discussions, as well as acting as an advisor to the board. This model is supported by a compensation structure that is intended to recognize the broad mandate of the Commission, the active participation of the Chair, and the Chair's expertise.

Mr. Klohn received an annual compensation of \$137,000 for his services for the period April 1, 2021 to March 31, 2022. He is eligible to be reimbursed by the Commission for a health and dental plan up to the amount that the Commission pays for an employee's participation in the Commission's health and dental plan. In lieu of pension, he received a payment of \$12,330 (on an annual basis, nine per cent of the total annual compensation earned for the period to a maximum of 50 per cent of the registered retirement savings plan annual contribution limit as established by the Canada Revenue Agency for the taxation year). The Chair's annual expenses, which mainly include business travel and training, were in the amount of \$742.

## Members' Remuneration and Expenses

The Members' retainers, service fees and expenses related to travel, meals, hotel, parking and education for the fiscal year 2021-2022 are included below. Members receive a service fee for each activity performed on behalf of the Commission, which includes preparation for each Commission meeting.

Members	Appointed or reappointed	Term end	Retainer	Service fees	Allotment for travel time <sup>1</sup>	Total remuneration <sup>1</sup>	Expense reimbursement and allowances
<b>Michael D. Wennberg (Rothsay)</b>	August 21, 2013, reappointed on August 21, 2018	August 20, 2022	\$12,000	\$11,900	N/A	\$23,900	\$2,381
<b>Yves Gagnon (Campbellton)</b>	February 6, 2014; reappointed on August 16, 2018	August 15, 2021	\$7,109	\$5,950	N/A	\$13,059	\$80
<b>Vincent L. Duff (Hampton)</b>	August 16, 2018	August 15, 2021	\$5,924	\$6,300	N/A	\$12,224	\$80
<b>Norma Kelly (Saint John, Sussex)</b>	October 31, 2019	October 30, 2022	\$12,000	\$11,200	N/A	\$23,200	\$1,746
<b>Donald French (Dieppe)</b>	October 31, 2019	October 30, 2023	\$10,712	\$11,550	N/A	\$22,262	\$2,171
<b>Paul Van Iderstine (Moncton)</b>	October 31, 2019, reappointed on November 4, 2021	November 3, 2026	\$10,000	\$10,850	N/A	\$20,850	\$1,679
<b>Marilyn Evans Born (Fredericton)</b>	January 1, 2020, reappointed on November 4, 2021	December 31, 2023	\$10,000	\$10,850	N/A	\$20,850	\$5,684
<b>I. Gérald Lévesque (Edmundston)</b>	January 21, 2021	January 20, 2024	\$10,000	\$11,550	N/A	\$21,550	\$2,512
<b>Lucie Boucher (Grand-Barachois)</b>	November 4, 2021	November 3, 2024	\$4,076	\$4,550	N/A	\$8,626	\$504
<b>Tania Morris (Dieppe)</b>	November 4, 2021	November 3, 2024	\$4,076	\$4,550	N/A	\$8,626	\$524

1. All meetings were held virtually due to the pandemic. Therefore, no allotment for travel time was made during the fiscal year.



## Staff Remuneration

The Commission's Human Resource philosophy embodies the fundamental principles in the areas of employment and pay equity, diversity and inclusion, employee recognition, fair compensation, and opportunities for career and professional development. The Commission is committed to addressing rapidly changing employment conditions and responding to employee needs.

In general, the Commission employee remuneration and benefit practices are generally consistent with the Province of New Brunswick's own policies and directives regarding remuneration and benefits. However, the Commission and the Department of Finance and Treasury Board recognize the specialized skillsets required of Commission staff and the competitive job market that the Commission operates in. As such, to ensure the remuneration and benefits program remains competitive, a comprehensive review of the program is performed every four years. The review includes the remuneration of the executives.