



# Report on Governance Practices

Prepared by the Financial and  
Consumer Services Commission

June 2023



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 of New Brunswick (GNB) through the Minister of Finance and Treasury Board (Minister). Members of the Commission perform two distinct functions in support of the Commission's mandate – making policies and rules (regulatory) and serving as a board of directors (governance).

In their policy and rule-making role, the members approve and oversee policy proposals, such as recommend changes to financial and consumer services legislation and regulations, and make rules that have force of law. In their governing role, the members oversee the management of the financial and operational affairs of the Commission. As a whole, the board is responsible for the overall stewardship of the Commission, including strategic planning, annual budgeting, risk assessment and internal controls, financial review, reporting and disclosure and board governance. 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 upon the recommendation of the Minister and Cabinet. Candidates for appointment are recommended to the Minister by the Commission following a recruitment process led by the Human Resources and Governance (HRG) Committee. The board is comprised of at least five and not more than 10 members. The initial term of a member cannot exceed five years, but a member may be eligible for reappointment for a second term of up to five years, resulting in a possible overall term of 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 2022-2023 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, February 2020 and January 2023, he was awarded certificates of completion for the Strategic Management of Regulatory and Enforcement Agencies and Leadership Decision Making: Optimizing Organizational Performance and Leadership for the 21<sup>st</sup> Century, 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 up to February 7, 2023)

**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 (Chair since February 8, 2023)

**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, including 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 Treasurer for Fundy Funeral Home Cooperative, as well as serving on other boards.

**Appointed:** October 31, 2019

**Reappointed:** December 15, 2022

**Term ends:** December 14, 2025

**Committee:**

- Audit and Risk Management (Chair)

**Professional and industry experience:**

- Accounting
- Financial Institutions
- Management

- Internal Audit
- Risk Management
- Strategic Planning

**Education:**

- Audit Committee Certificate, Chartered Professional Accountants of Canada
- 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. Lévesque is an experienced lawyer who has dedicated the past 35 years to practising law in the Edmundston area. With expertise in both civil and criminal litigation, he has represented clients at all levels of court in the province. In addition to his litigation skills, he has held positions on administrative tribunals, including that of chairman of the Board of Referees for Employment Insurance and adjudicator for the Department of Justice.

He actively contributes to the legal profession by participating in boards and committees, such as the Law Society of New Brunswick and the Canadian Bar Association (CBA). He has also served as a member of the New Brunswick Law Foundation and the Practice Review Committee, demonstrating his commitment to maintaining his professional standards.

In addition to his legal expertise, Mr. Lévesque has gained a comprehensive understanding of commercial banking process and financial analysis through his involvement in private industry.

He has recently completed the Osgoode Certificate in Pension Law from Osgoode Law School, further enhancing his expertise in this specialized area.

Mr. Lévesque is also actively involved in the community. Over the years, he has generously donated his time and expertise to the steering committee of the Centre Maillet and its Foundation, as well as to the Children’s Wish Foundation, the regional library and youth sports programs.

**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 (Vice-Chair since February 8, 2023)

**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 the 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

- 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

**Professional and industry experience:**

- Accounting
- Education and Communication



## 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



## Catherine Lahey, K.C.

**Residence:** Saint John

Ms. Lahey is a Senior Partner at the Stewart McKelvey law firm with a diverse practice in banking and financing, securities, insurance, bankruptcy and receivership, corporate formation, labour and employment and more. She was named “Lawyer of the Year” in 2021 for her work in corporate and commercial litigation.

Ms. Lahey has presented and published widely on issues of workplace law, health law and litigation. Since 1995, she has been an instructor for the New Brunswick Law Society Bar Admission course and a frequent speaker for the New Brunswick branch of the Canadian Bar Association.

She is also an active volunteer through her work with many local charities. For nearly 20 years, she has worked with the local United Way, first as a campaign cabinet volunteer in 2004 to serving as chair of the United Way of Saint John, Kings and Charlotte County’s 2022 annual campaign. She has also contributed her time to the Saint John Region Chamber of Commerce and the Business Community Anti-Poverty Initiative.

**Appointed:** December 15, 2022

**Term ends:** December 14, 2027

**Committee:**

- Human Resources and Governance (since February 8, 2023)

**Professional and industry experience:**

- Legal
- Securities
- Insurance
- Financial Institutions
- Human Resources
- Risk Management

**Education:**

- Dalhousie University, LL.B.
- University of New Brunswick, B.A. (honours)

The term of Michael D. Wennberg, who had been a member for a total tenure of 10 years, ended on December 14, 2022.

# 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. All educational resources and programs are available in both official languages. We strive 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 in 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.

The *Accountability and Continuous Improvement Act (ACIA)* requires the Commission to enter into a [Memorandum of Understanding \(MOU\)](#) with the Minister 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. The ACIA provides that the MOU must be reviewed every three years and published on our website. The MOU was reviewed this past fiscal year and came into force on January 31, 2023. The ACIA also requires the Commission to prepare, submit to the Minister and publish a 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. As a Crown corporation, the Commission must also prepare and submit to the Minister and the legislature an annual report on its preceding fiscal year, which is required to be published online, as per the ACIA.

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 2022-2023.

# 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. On an annual basis, the Commission receives a Privacy and Right to Information Management Report, providing an overview of access and privacy issues addressed by the Commission over the past year.

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. One new member participated in orientation sessions in the 2022-2023 fiscal year, which were held in January and February 2023. Detailed documentation about the organization and the industries we regulate was made available to the member 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 2022-2023 is set out below:

### Common Education Sessions

Date	Topic	Presenters	Attendees
<b>June 23, 2022 (3 hours)</b>	The Machinery of Government	Jamie Yeamans, Senior Policy Advisor, Finance and Treasury Board, GNB	Peter Klohn Lucie Boucher Marilyn Evans Born Donald French
	Key Principles for Regulatory Policy Development	Angela Mazerolle, Vice President Regulatory Operations, FCNB	Norma Kelly Gérald Lévesque Tania Morris
	Open Banking	Representatives from Finance Canada	Paul Van Iderstine Michael D. Wennberg
<b>October 21, 2022 (3 hours)</b>	Roles and Responsibilities of Leaders to Promote Equity, Diversity and Inclusion in Organizations	Dr. Manju Varma and Jill Esson, Engaging Matters Diversity Consultants Inc.	Peter Klohn Lucie Boucher Marilyn Evans Born Donald French Norma Kelly Gérald Lévesque Tania Morris Paul Van Iderstine Michael D. Wennberg
<b>March 29, 2023 (1 hour)</b>	Dialogue regarding the initiatives undertaken at the OSC to foster and improve Equity, Diversity and Inclusion (EDI) and the implementation of its EDI Strategy	Manager, Diversity & Inclusion, Ontario Securities Commission (OSC)	Peter Klohn Lucie Boucher Marilyn Evans Born Donald French Norma Kelly Catherine Lahey Gérald Lévesque Tania Morris Paul Van Iderstine

The total amount of hours allocated to group sessions for fiscal 2022-2023 was seven 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>	January 22-27, 2023	Harvard Kennedy School – Leadership for the 21 <sup>st</sup> Century
	July 21, 2022	International Credit Union Regulators' Network (ICURN) Conference
<b>Lucie Boucher</b>	January 17-19, 2023	The Canadian Institute – 18 <sup>th</sup> Annual Conference on Crown Corporate Governance, incl. Workshops A and B
<b>Marilyn Evans Born</b>	November 22, 2022	Deloitte – Director's Series – An Evolving Risk Landscape: what audit committees need to know
<b>Donald French</b>	May 10, 2022	Chartered Professional Accountants of New Brunswick – Key issues and trends in governance
	September, 2022	Governance Solutions – How Boards Oversee ESG
	September, 2022	Governance Solutions – C-Suite Succession: The Great Resignation
	November 22, 2022	Institute of Corporate Directors – Enterprise Risk Oversight for Directors
	November 22, 2022	Deloitte – Director's Series – An Evolving Risk Landscape: what audit committees need to know
<b>Norma Kelly</b>	February, 2023	Governance Solutions – Professional Directors Certification Program (3 of 6 modules)
<b>Gérald Lévesque</b>	February-March, 2023	Osgoode Professional Development – Certificate in Pension Law
<b>Tania Morris</b>	May 5, 2022	Institute of Corporate Directors – National Director Conference 2022
	May 11, 2022	Institute of Corporate Directors – Cyber Risk Oversight – Transforming the Board Agenda from Cybersecurity to Cyber Resilience
	June 16, 2022	Institute of Corporate Directors – Audit Committee Effectiveness
	November 7, 2022	Chartered Professional Accountants of New Brunswick – Ethics and the Changing Role of Corporations in Society
<b>Paul Van Iderstine</b>	March 21, 2023	Institute of Corporate Directors – Crown Directors Effectiveness

This year, as part of the Commission's strategic plan, members also committed to completing a total of two hours of self-study in Equity, Diversity and Inclusion. All members completed their mandatory two hours of self-study.

# Equity, Diversity and Inclusion (EDI)

The Commission believes that EDI 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 EDI. 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 plan.

To achieve this strategic goal, FCNB has implemented a target of six hours of training in EDI for all staff and members, which includes two hours of self-study. The Commission has also committed to offer four hours of training as part of the members' group education sessions on the topic of EDI.

This past year, FCNB also became an Employer Partner with Canadian Centre for Diversity and Inclusion (CCDI), a registered charity with a purpose to help those they work with be inclusive, free of prejudice and discrimination.

## Governance review

This past year, the Commission continued to focus on implementing the recommendations arising from a comprehensive review of its governance practices, leading to more effective governance processes. During the year, the Commission prioritized and completed the implementation of eight of the 10 overarching recommendations from the 2021 comprehensive review of its governance practices, including the implementation of a strategic scorecard, the refresh of its enterprise risk management program, the development of a succession plan for the Chair position, and the identification of efficiencies in reporting to the board.

Efforts continue to be made to keep our *Governance Policy* current and in line with best governance practices. Research into options for an independent assessment of the effectiveness of our programs is also underway.

# 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. The next assessment will take place in fiscal 2023-2024. 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 will take place in fiscal 2023-2024.

## 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 HRG Committee regularly reviews the qualifications, attributes, skills and experience of the members to ensure that members, individually and collectively, meet the standards necessary to exercise their responsibilities effectively. The Commission applies a competency matrix to identify any gaps in attributes, skills and qualifications that may arise due to an upcoming vacancy.

# 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 (5) <sup>[3]</sup>	Joint Committee Meetings (1)
Peter Klohn	11	4	5	1
Donald French	11	1	5	1
Lucie Boucher	10	1	5	1
Marilyn Evans Born	11	4	1	1
Norma Kelly	11	4	1	1
I. Gérald Lévesque	9	1	5	1
Tania Morris	11	4	1	1
Paul Van Iderstine	11	4	1	1
Michael D. Wennberg <sup>[4]</sup>	8	1	3	1
Catherine Lahey <sup>[5]</sup>	3	N/A	1	N/A

1. Commission meetings included a special meeting on October 3, 2022, a special meeting on March 13, 2023, as well as a facilitated strategic planning session led by Governance Solutions Inc on November 24, 2022.
2. Non-Committee members were invited to attend the June 22, 2022 Audit and Risk Management Committee meeting to review the Annual Audit Report.
3. Special Human Resources and Governance Committee meetings were held on April 20, 2022 and August 17, 2022. Non-Committee members were invited to attend the April 20, 2022 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. Mr. Wennberg's term was scheduled to end on August 20, 2022. However, as provided under the *Financial and Consumer Services Commission Act*, he continued to serve until his position was filled on December 15, 2022. He was the Chair of the Human Resources and Governance Committee until such date. He did not attend the special August 17 Committee meeting as the purpose of the meeting was to assess the candidates for his replacement.
5. Ms. Lahey was appointed to the Commission on December 15, 2022 and appointed to the Human Resources and Governance Committee on February 8, 2023.

# 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 described 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, audit processes, and systems of internal control as established by management and 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 11 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**

At each meeting the Committee undertook a review of risk exposures in the areas of financial, reputational, operational (including systems security/cyber), and human capital along with management's plan to address risks, using a perpetual risk matrix showing the likelihood of occurrence, potential impacts, and strategic responses to mitigate the 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 2021-2022 audit period, the Committee met with representatives of Deloitte LLP (Deloitte) in the Spring of 2022 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 2021-2022 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 Accountability Board, and the Institute of Corporate Directors, which is tailored for the Commission's structure.

## **Insurance Assessment**

In May 2022, the Committee reviewed the annual assessment for 2021-2022 for the insurance sector, as prepared by staff of the Commission's Insurance Division in accordance with the *Insurance Act*, and recommended its approval to the Commission.

## **Unclaimed Property**

In May 2022, the Committee reviewed and recommended approval of the annual assessments for the costs associated with the administration of the unclaimed property program for fiscal year ending March 31, 2022, in accordance with s. 20 of the *Unclaimed Property Act*.

## **Credit Union Annual Levies**

In June 2022, the Committee reviewed the proposed amount of money to be levied and collected from the New Brunswick credit union system for maintaining the Deposit Protection Fund (DPF) during the calendar year 2022 and recommended its approval to the Commission. In October 2022, the Committee reviewed the annual analysis of the DPF under s. 194 of the *Credit Unions Act* and reported to the Commission that the DPF was not impaired nor was it about to be impaired. The Committee further recommended to the Commission that it retain a third-party consultant every three (3) years to complete the analysis and prepare the DPF Impairment Assessment Report.

## **Financial Policies**

The Committee completed a review of the Commission's financial policies. Changes included terminology updates, updates to the administrative tasks for spending authority and approvals and an update to the Commission's Stabilization Reserve. The Committee also recommended to the Commission approval of the repayment of the Restructuring Reserve to the Provincial Consolidated Fund in the amount of \$10 million.

## **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 February 2023, the Committee received its second annual report from the Commission's Privacy Designate. This report provided a comprehensive overview of the types of requests and issues FCNB regularly addresses relating to access and privacy.

## **Forward-Looking Agenda and Annual Work Plan for Next Fiscal**

In February 2023, the Committee approved the Forward-Looking Agenda and Annual Work Plan for 2023-2024. This document reflects the Committee's meeting schedule and sets the basis for Committee meeting agendas for the upcoming year. A key change to the Committee's Work Plan included how risk will be reported as part of the refreshed risk management program. The Forward-Looking Agenda and Annual Work Plan provides that the Committee will be responsible for two of the 10 strategic risks to be reviewed annually, namely (i) Data and Systems, and (ii) Finances. In addition, the Committee will receive quarterly heat maps reporting on all 10 strategic risks and will be responsible to review the overarching *Risk Policy* on a biennial basis.

## Human Resources and Governance Committee

The Human Resources and Governance Committee is responsible for reviewing and approving 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 six meetings during the fiscal year, consisting of three regular meetings, two special meetings and one joint meeting with the Audit and Risk Management Committee. The Committee's work covered 10 major areas:

#### Appointment of New Commission Vice-Chair, Committee Chair and Committee Member

On February 8, 2023, Ms. Tania Morris was appointed Vice-Chair of the Commission. On the same date, Ms. Lucie Boucher and Ms. Cathy Lahey were appointed Chair of the Committee and member of the Committee, respectively.

#### Member Nomination Process

The 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.

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. One new member was appointed to the Commission for a term of five years and the term of one existing member was renewed for a period of three years.

#### Organization Review

With the assistance of internal expertise in human resources, the Committee reviewed a proposed organizational structure designed to enhance the organization's ability to achieve its short-term operational needs and longer-term strategic priorities. Based on the Committee's recommendation, the Commission approved the proposed structure in May 2022, effective June 1, 2022.

## Review of Governance Practices

The Committee continued its work with respect to the implementation of the recommendations arising from the Governance Review conducted in 2020-2021.

Some of the recommendations put forward by the Committee and adopted by the Commission in 2022-2023 included a proposed succession plan for the role of the Chair, including changes to the *Governance Policy* to support the transition to a redefined role and associated responsibilities. The Committee also began considering options for a revised compensation model for the Chair to support the restructured role. The review of options, in consultation with government, will continue in fiscal 2023-2024.

To modernize its practice in relation to the succession planning of members, the Committee also adopted a refreshed competency matrix reflecting diversity and other competency considerations to identify any attributes, skills and qualifications that may be needed to best complement the composition of the board and identify training requirements.

The Report on Governance Practices was also enhanced to include greater disclosure to reflect the members' independence, the Commission's disclosure practices and accountability, and remuneration practices for the Chair, members and staff.

## Equity, Diversity and Inclusion

The Committee undertook its seventh annual review of trends on the topic of equity, diversity, and inclusion (EDI). The report included an overview of developments, media coverage, and reports on board diversity, as well as a summary of regulatory developments and advancements made around EDI in leadership. This year, the report also included an overview of the Commission's EDI initiatives.

## Review of Human Resources and Commission Policies

The Committee recommended the approval of amendments to the *Health and Safety Policy* as a result of recent amendments to the *Occupational Health and Safety Act*.

The Committee also reviewed and recommended amendments to the *Members' Travel and Expenses Policy* to increase the kilometric rate to align with allowance rates provided to government employees.

## **Management Succession Planning**

The Committee received its second report from the CEO on management succession planning, in accordance with the *Succession Planning Policy*. The report summarized the activities undertaken to carry out the multi-step succession planning process, including short-, medium-, and long-term succession planning for identified key positions.

## **Employee Engagement Survey**

The Committee received and discussed the results of the 2021-2022 employee engagement survey conducted in May 2022.

## **CEO Compensation and Benefits**

The Committee reviewed the recommendations from the external consultant regarding the compensation and benefit structure of the CEO. Based on the findings, the Committee presented a recommendation for the Commission's consideration of the CEO's salary range, future compensation adjustments and pension benefits. The recommendation was approved in May 2022, and the CEO's employment contract was amended to reflect these changes.

## **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.

Unless directed by the Minister, 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.

## 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, 2022 to March 31, 2023. 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 \$12,388.

## Members' Remuneration and Expenses

The members' retainers, service fees and expenses related to travel, meals, hotel, parking, and education for the fiscal year 2022-2023 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>[6]</sup>	Total remuneration <sup>[6]</sup>	Expense reimbursement and allowances
<b>Michael D. Wennberg (Rothsay)</b>	August 21, 2013, reappointed on August 21, 2018	December 15, 2022	\$8,446	\$7,875	-	\$16,321	\$843
<b>Norma Kelly (Sussex)</b>	October 31, 2019, reappointed on December 15, 2022	December 15, 2025	\$12,000	\$9,625	\$300	\$21,925	\$5,060
<b>Donald French (Dieppe)</b>	October 31, 2019	October 30, 2023	\$11,711	\$9,975	\$600	\$22,286	\$4,003
<b>Paul Van Iderstine (Moncton)</b>	October 31, 2019, reappointed on November 4, 2021	November 3, 2026	\$10,000	\$9,625	\$600	\$20,225	\$3,627
<b>Marilyn Evans Born (Fredericton)</b>	January 1, 2020, reappointed on November 4, 2021	December 31, 2023	\$10,000	\$9,625	\$600	\$20,225	\$3,071
<b>I. Gérald Lévesque (Saint-Basile)</b>	January 21, 2021	January 20, 2024	\$10,000	\$8,575	\$1,200	\$19,775	\$7,452
<b>Lucie Boucher (Grand-Barachois)</b>	November 4, 2021	November 3, 2024	\$10,289	\$9,450	\$600	\$20,339	\$6,829
<b>Tania Morris (Dieppe)</b>	November 4, 2021	November 3, 2024	\$10,289	\$9,625	\$600	\$20,514	\$4,047
<b>Catherine Lahey (Saint John)</b>	December 15, 2022	December 14, 2027	\$2,962	\$3,150	-	\$6,112	-

6. Variation in expenses reflects in part the distance to travel to Commission-related events.

## Staff Remuneration

The Commission's human resource philosophy embodies employment and pay equity, diversity and inclusion, employee recognition, fair compensation, safe working environment, and opportunities for career and professional development. The Commission is committed to responding appropriately to evolving employment conditions and employee expectations.

In general, the Commission employee remuneration and benefit practices are 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.