

# Report on Governance Practices

Prepared by the  
**Financial and Consumer  
Services Commission**

June 2024



FINANCIAL AND  
CONSUMER SERVICES  
COMMISSION



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# 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 and make rules that have the 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, including the Chair, are independent of management and are appointed by the Lieutenant-Governor in Council on 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 the 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 2023-2024 were:



## **Paul Van Iderstine (Chair since January 1, 2024)**

### **Residence: Moncton**

Mr. Van Iderstine has been a member of the Financial and Consumer Services Commission since October 31, 2019. He was appointed Chair of the Commission effective January 1, 2024.

Mr. Van Iderstine is a former audit and business advisory partner of a national chartered professional accounting firm. He is also a senior cybersecurity professional who retired as the Chief Information Security Officer of 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 Treasurer for the Codiac Regional Police Association and Moncton Headstart Inc.

**Appointed:** October 31, 2019

**Reappointed as Commission Member:** November 4, 2021

**Appointed as Commission Chair:** January 1, 2024

**Term ends:** November 3, 2026

### **Committee:**

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

### **Professional and industry experience:**

- Financial and business oversight
- Strategic planning
- Risk management
- Cybersecurity and change management
- Regulatory oversight
- Governance
- Audit and advisory
- Internal and system controls

### **Education:**

- Chartered Professional Accountant (CPA, CA), CPA Nova Scotia
- Various CPA certificates including: Audit Committee Fundamentals, Audit Committee, Oversight of Enterprise Risk Management, Financial Reporting and Internal Control, Internal and External Audit, Not for Profit, CPA Canada
- Certificate of Reconciliation Education, First Nations University of Canada
- Certified Information Systems Security Professional (CISSP), ISC2
- GIAC Security Essentials Certification (GSEC), SANS Institute
- GIAC Critical Controls Certification (GCCC), SANS Institute
- Bachelor of Civil Engineering (B. Eng.), Technical University of Nova Scotia
- Diploma of Engineering, University of Prince Edward Island



## Tania Morris (Vice-Chair)

### 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 boards 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

### 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), CPA New Brunswick



## Lucie Boucher

**Residence: Moncton**

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 licence through the Investment Industry Regulatory Organization of Canada (IIROC) and her insurance licence 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 a member of the Fondation Louis-J.-Robichaud's investment committee.

**Appointed:** November 4, 2021

**Term ends:** November 3, 2024

### **Committee:**

- Human Resources and Governance (Chair)

### **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



## 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), CPA New Brunswick
- 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



## 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

### **Professional and industry experience:**

- Legal
- Securities
- Insurance
- Financial institutions
- Human resources
- Risk management

### **Education:**

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





## Ginny MacDonald

**Residence: Fredericton**

Ms. MacDonald is an accomplished global professional, having served roles in various corporate environments, including leading the development of two Alberta power generation projects. She brings a wealth of knowledge of commercial growth in international and domestic markets and enterprise risk management with a focus on environmental social governance and policy. She currently serves as President of MMCI (21) LTD, a private consulting firm providing board governance, interim leadership and consulting advice.

Ms. MacDonald completed the ICD-Rotman Directors Education Program as well as the Competent Boards ESG Designation Program in 2007 and 2021, respectively. She is a member of several other professional associations, including the Women on Boards. She also applies her wide range of skills and experiences sitting on various corporate, Crown, municipal and not-for-profit boards. She also sits on the boards of the New Brunswick Housing Corporation and of the Union Club.

**Appointed:** December 8, 2023

**Term ends:** December 7, 2026

### **Committee:**

- Human Resources and Governance (since February 12, 2024)

### **Professional and industry experience:**

- Risk management and strategy
- Governance, including Environment, Social and Governance (ESG)
- Human resources
- Public policy
- Audit

### **Education:**

- BSc. (General Science - Biology-Chemistry focused), University of New Brunswick
- MBA (General Management, Operations, Marketing & E-commerce), Strathclyde Graduate Business School
- ICD.D, Corporate Director
- GCB.D, ESG Corporate Director Board Certification



## Michèle Hébert

### **Residence:** Shippagan

Ms. Hébert is a lawyer with more than 24 years of experience in various areas of law. Throughout her career, she held various legal positions in government, including that of Crown Prosecutor, and spent some time working in New Brunswick financial institutions.

She began her career practising law for the New Brunswick Department of Justice and the Office of the Attorney General of New Brunswick. She then spent seven years working in various roles at UNI Financial Cooperation, gaining experience in the compliance and governance of New Brunswick Financial Institutions. She now holds the position of Executive Director at KortoJura Inc., a non-profit organization offering online language assessment services in a legal context.

Ms. Hébert is a current member of several legal associations, including the Canadian Bar Association, the Law Society of New Brunswick and the Association des juristes d'expression française du Nouveau-Brunswick. She served as president of the parent-teacher association at two Shippagan schools for 14 years, and is currently serving as the Education Advisor on the Conseil d'éducation de district francophone Nord-Est.

**Appointed:** December 8, 2023

**Term ends:** December 7, 2027

### **Committee:**

- Audit and Risk Management (since February 12, 2024)

### **Professional and industry experience:**

- Legal
- Financial institutions
- Governance
- Regulatory compliance
- Human resources

### **Education:**

- LL.B., Faculty of Law, Université de Moncton
- BA in psychology, Université de Moncton



## Greg McKim

**Residence: Moncton**

Mr. McKim is an accomplished executive senior operations and sales leader, who has successfully led organizations across multiple industries in Eastern Canada and Ontario, in addition to owning small businesses.

He has experience in transitional and change management. As President of McKim and Associates, he is a recognized consultant in the private and public sectors, in areas such as planning, leadership development and evaluation.

Mr. McKim has extensive experience in community-based health services and has co-chaired both the New Brunswick Home Support Association and the Nova Scotia Health Association Home Care Network and has represented home care for the Nova Scotia Continuing Care Council.

He served as a committee chair for the Horizon Health Network and currently serves as Secretary of the Athol Coop Forestry Board.

**Appointed:** December 8, 2023

**Term ends:** December 7, 2025

**Committee:**

- Human Resources and Governance (since February 12, 2024)

**Professional and industry experience:**

- Human resources
- Strategic planning
- Governance
- Cooperatives

**Education:**

- BComm. (Business, Management, Marketing), Mount Allison University



## Sylvain Raymond

**Residence:** Campbellton

Mr. Raymond began his career in the Canadian Forces as a logistic and finance officer, gaining valuable experience in various positions domestically and internationally. Very early, he was entrusted with people and resources in the fields of finance, administration, project and program, comptrollership and logistics. He later transitioned into the private sector and held senior executive positions, including senior partner of consulting firms where he provided support and oversight on diverse strategic files, programs and projects.

With his extensive scope of experience, adaptability and analytical skills, he brings a wealth of knowledge in financial management, internal controls and strategic planning.

Mr. Raymond completed the ICD-Rotman Directors Education as well as the Crown Director Effectiveness programs in 2017-18. In addition to his wide professional experience, Mr. Raymond served as co-chair, treasurer and executive secretary on various committees.

**Appointed:** February 22, 2024

**Term ends:** February 21, 2027

### Committee:

- TBD

### Professional and industry experience:

- Economic development
- Financial management
- Governance
- Internal and system controls
- Logistics
- Strategic planning

### Education:

- Chartered Professional Accountant (CPA), CPA New Brunswick
- Certified Management Accountant (CMA), CMA Ontario
- MBA, Royal Military College of Canada, Kingston
- BAdm., Collège Militaire Royal de Saint-Jean (Québec)
- ICD.D, Corporate Director
- Professional Logician (P.Log.)
- Certificates in Project Management PRINCE2® Foundation and Practitioner
- Certificate in International Public Sector Accounting Standards (IPSAS)
- Certificate in Data Analytics
- Certificate in Rights and Results Based Management

The term of Peter Klohn, Chair, ended on Dec. 31, 2023, after serving in the position for 10 years.

The term of Marilyn Evans Born ended on Dec. 31, 2023.

The term of Donald French ended on Dec. 7, 2023.

The term of Gérald Lévesque ended on Jan. 20, 2024.

## 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 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 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 we received no disclosures or claims against any employee of the Commission under the *PID Act* in 2023-2024.

# 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, regulated areas, strategic direction, operations, key initiatives, financial affairs, governance practices, as well as information technology and cybersecurity practices. Three new Members participated in an orientation session in the 2023-2024 fiscal year, which was held in January 2023. Detailed documentation about the organization and the industries we regulate was made available to the Members in preparation for and throughout the program.

In January 2023, the incoming Chair also took part in an orientation session specifically tailored to the role and responsibilities of the Chair.

The Commission places high value on continuing education and its programs are comprised of 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 2023-2024 is set out below:

## Common Education Sessions

Date	Topic	Presenters	Attendees
May 25, 2023 (2 hours)	Pension Basics & Role of Pensions Regulator	Angela Mazerolle, Vice President Regulatory Operations, Commission and Maryse Gagnon-Ouellette, Director, Commission	Peter Klohn Marilyn Evans Born Donald French Paul Van Iderstine Norma Kelly Gérald Lévesque Lucie Boucher Tania Morris Catherine Lahey
	An Introduction to Generative AI	Jake van der Laan, Chief Information Officer and Interim Executive Enforcement Lead, Commission	
October 18, 2023 (3 hours)	ESG Workshop	Professor Margaret McKee, Sobey School of Business, Saint Mary's University	Peter Klohn Marilyn Evans Born Donald French Paul Van Iderstine Norma Kelly Gérald Lévesque Lucie Boucher Tania Morris Catherine Lahey
February 12, 2024 (2 hours)	Unclaimed Property: Past, Present, and Future in NB	Erin Toole, Director Unclaimed Property, Commission	Paul Van Iderstine Tania Morris Norma Kelly Lucie Boucher Catherine Lahey Ginny MacDonald Michèle Hébert Greg McKim
	Navigating People Trends: FCNB's People Plan 2023-2026	Natasha Arseneault, Director, HR Business Planning & Accountability, Commission	

The total amount of hours allocated to group sessions for fiscal 2023-2024 was 7 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
Gérald Lévesque	September - October 2023	Osgoode - ESG, Climate, Risk, and the Law
Tania Morris	April 2023	ICD Program - Rotman Directors Education Program - Mod 1
	June 2023	ICD Program - Rotman Directors Education Program - Mod 2
Paul Van Iderstine	December 2023	CPA Course - Not-For-Profit Certificate 1: Foundation Concepts
	December 2023	CPA Course - Canadian Business Ethics
Ginny MacDonald	March 2024	ICD Course - Human Resources & Compensation Committee Effectiveness
	March 2024	Governance Solutions - AI in the Boardroom: Catch Up to Keep Up

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.

# Inclusion, Diversity, Equity and Accessibility (IDEA)

The Commission believes that equity, diversity, and inclusion (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. As part of the Commission's ongoing journey to grow understanding and practice in EDI, this past year, the Commission expanded its approach so that accessibility is included in the conversation. With an IDEA focus, the Commission considers people's personal experiences to reduce barriers to access opportunities to promote participation, which can create a more diverse, equitable, and inclusive workplace.

The Commission believes that increased knowledge of IDEA principles and practices enhances both individual and organizational actions. Implementing an IDEA approach promotes organizational excellence and positive change by incorporating accessibility alongside inclusion, diversity, and equity.

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.

Since 2015, staff at the Commission have been monitoring developments on the topic of EDI (now IDEA). 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, inclusion, and accessibility 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, the Commission has implemented a target of four hours of self-study in IDEA for all staff and two hours for all members. The Commission has also committed to offer three hours of training as part of the members' group education sessions on the topic of ESG.

The Commission has been an Employer Partner with Canadian Centre for Diversity and Inclusion (CCDI) since 2022, 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 its work on implementing the recommendations from its 2021 governance review, among them succession planning for the outgoing Chair, operationalization of its enterprise risk management (ERM) program and substantive work on the establishment of an internal audit function.

Through its HRG Committee, the Commission reviewed the chair's role, responsibilities and compensation model in consultation with government, culminating in a revised compensation structure for the chair and members, effective July 1, 2023. This year also marked the Commission's inaugural oversight for the newly implemented ERM program. Concurrently, as part of its commitment to robust governance practices and following research of various models, the Commission approved the organization's first internal audit policy and charter, based on an outsourced model that will provide the Commission independent assessment of the effectiveness of its programs and objective assurances.

# Assessments

The HRG Committee conducts a biennial assessment of the effectiveness of the Commission, its standing committees, and its members. This assessment took place in fiscal 2023-2024. As part of the process, the members are asked to evaluate a number of areas, both qualitatively and numerically, via an online survey. The responses from the members are directed 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 organizational work plan, if any.

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 2023 assessment process, the Chief Executive Officer collected feedback from members of the executive management committee and relayed the information to the Chair of the Commission to be considered as part of the assessment process.

## 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 Officer's performance, it is assessed by the Chair of the Commission, in consultation with Members, using a questionnaire. The annual assessment is based on the Chief Executive Officer's priorities set at the beginning of the fiscal period, as well as performance in areas such as strategy, leadership, stakeholder relations and people management.

# 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

The Commission held a total of 10 meetings during the fiscal year, consisting of eight regular meetings, two special meetings and one strategic planning session.

Attendance at Commission and committee meetings is reflected in the chart below. Figures show the total number of meetings attended compared to the total number of meetings that could have been attended during the Member's tenure:

Members	Commission Meetings	Audit and Risk Management Committee Meetings <sup>[1]</sup>	Human Resources and Governance Committee Meetings <sup>[2]</sup>	Joint Committee Meetings
Peter Klohn	8/8	3/3	4/4	1/1
Donald French	7/7	1/1	4/4	N/A
Lucie Boucher	10/10	1/1	5/5	1/1
Marilyn Evans Born	8/8	3/3	N/A	1/1
Norma Kelly	10/10	4/4	2/2	1/1
I. Gérald Lévesque	6/7	1/1	2/2	0/1
Tania Morris	10/10	4/4	N/A	1/1
Paul Van Iderstine	9/9	4/4	1/1	1/1
Catherine Lahey	9/10	1/1	5/5	1/1
Ginny MacDonald <sup>[3]</sup>	3/3	N/A	1/1	1/1
Michèle Hébert <sup>[3]</sup>	3/3	1/1	N/A	1/1
Greg McKim <sup>[3]</sup>	3/3	N/A	1/1	1/1
Sylvain Raymond	N/A	N/A	N/A	N/A

1. Non-Committee members were invited to attend the June 27, 2023 ARM Committee meeting to review the Annual Audit Report.
2. Special HRG Committee meetings were held on August 31, 2023 and September 28, 2023 to address Members and Chair succession planning. Ms. Kelly was invited to attend part of both special Committee meetings as a member of the selection panel for the Chair position. Conflicted Members did not attend.
3. Ms. MacDonald and Mr. McKim were appointed to the HRG Committee and Ms. Hébert to the ARM Committee on February 12, 2024.

# 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 ARM 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 ARM 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 ARM Committee (the Committee) held a total of five meetings during the fiscal year, consisting of four regular meetings and one joint meeting with the HRG 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 2024-2025 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 and Review of Strategic Risks**

As part of this year's strategic initiatives, the Commission operationalized its refreshed enterprise risk management program. As part of the program, the Commission identified 10 key strategic risks. To ensure appropriate oversight of these risks, the program provides that each risk must be reviewed and discussed annually by the relevant board risk owner group, consisting of the Commission and its two standing committees. At each meeting, the Committee undertook a review of risk exposures in the strategic areas identified under the enterprise risk management program. These risks were monitored using heatmaps on a quarterly basis.

Additionally, the Committee was responsible for reviewing the risk registers for two of the 10 strategic risks, namely Data and Systems Risk and Finance Risk. The Committee received comprehensive reports on both these risk areas from the Chief Information Officer (CIO) and the Privacy Designate, respectively.

The Committee also reviewed financial and other risks of the Commission during the budget process.

## **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 2022-2023 audit period, the Committee met with representatives of Deloitte LLP (Deloitte) in the Spring of 2023 to review the Commission's audited financial statements and, in accordance with the Commission's governance practices, met with Deloitte without management. Following the completion of the Commission's 2022-2023 audit, the Committee, with input from management, undertook an assessment of its external auditors using an auditor assessment tool modeled after guidelines published by the Chartered Professional Accountants of Canada, the Canadian Public Accountability Board, and the Institute of Corporate Directors, which is tailored for the Commission's structure.

In October 2023, the Committee recommended to the Commission to continue with the appointment of Deloitte for the 2023-2024 audit. In February, the Committee met with representatives of Deloitte to review the audit plan for 2023-2024 and recommended for approval by the Commission the 2023-2024 audit engagement.

### **Insurance Assessment**

In May 2023, the Committee reviewed the annual assessment for the insurance sector for fiscal year ending March 2023, 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 2023, 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, 2023, in accordance with s. 20 of the *Unclaimed Property Act*.

### **Credit Union Annual Levies & Assessment of the Deposit Protection Fund**

In June 2023, 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 (Fund) during the calendar year 2023 and recommended its approval to the Commission.

In October 2023, the Committee reviewed the annual analysis of the Fund under s. 194 of the *Credit Unions Act* and reported to the Commission that the Fund was not impaired nor was it about to be impaired. The Committee further recommended to the Commission that it retain a third-party consultant to complete an independent analysis of the Fund in 2024.

### **Financial Policies**

The Committee completed a review of the Commission's financial policies. Changes included terminology updates, updates to administrative tasks that incorporate the new accounting system, as well as changes due to amendments to the *Financial and Consumer Services Commission Act* and the *Insurance Act*.



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

The Committee received quarterly reports from the 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 frauds that impact organizations and how to mitigate the risk of falling prey to these scams.

### **Privacy Designate Report**

In February 2024, the Committee received its third annual report from the Commission's Privacy Designate. This report provided a comprehensive overview of the types of requests and issues the Commission regularly addresses relating to access and privacy.

### **Internal Audit**

In May 2023, the Commission decided to proceed with the development of an internal audit function based on an outsourced model, with the Committee responsible for overseeing the new program. In October 2023, the designated staff for the new role of internal audit coordinator reported to the Committee and worked with the Committee Chair in drafting the Commission's first internal audit policy.

In February 2024, the Committee recommended for approval the *Internal Audit Policy* and Charter. This new policy sets out the responsibilities for the internal audit coordinator, the Commission through the Committee, the CEO and senior management. The Charter sets the framework for scope and status of the internal audit activity within the Commission, with an objective to add value and to contribute to improved governance by providing authority to conduct audits, issue reports, make recommendations and evaluate corrective action.

## Human Resources and Governance Committee

The HRG 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 HRG 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 ARM Committee. The Committee's work covered 12 major areas:

#### Appointment of new Committee Members

On February 12, 2024, Ginny MacDonald and Greg McKim were appointed Members of the Committee.

#### Member Nomination Process

The Commission, through the Committee, plays 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 four Members expired. The Committee assisted the Commission in the nomination process by assessing and interviewing candidates to provide recommendations to government. As a result of the nomination process, four new Members were appointed to the Commission for terms ranging from two to four years.

### **Chair Succession Planning**

With the Chair's 10-year term ending on December 31, 2023, the Committee developed a chair succession plan, which led to the development of a position description for the role of the chair and a public appointment process. The position description was published on the Commission website, the GNB website and various other media outlets. The Committee was actively involved, along with the Chair of the Audit and Risk Management Committee, in reviewing the applications, conducting interviews and formulating a recommendation to government. As a result, incumbent Commission member Paul Van Iderstine was appointed as the new Chair, effective January 1, 2024.

### **Members and Chair Compensation Structure**

To provide a smooth transition to the Chair successor in 2023, the Commission, through the Committee, undertook a review of the role of the chair and associated responsibilities. To support the restructured role, the chair's succession plan also included a review of options for a revised compensation model. The review of options started in fiscal 2022-2023, in consultation with government, and, as a result, the Committee reviewed and recommended to the Commission amendments to Bylaw no. 3 and the *Compensation for Members' Policy*. The revised compensation structure for the chair and the members was made effective July 1, 2023.

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

The Committee undertook its eighth 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. 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 housekeeping amendments to the *Succession Planning Policy* and to the *Health and Safety Policy*.

The Committee also reviewed and recommended amendments to the *Members' Travel and Expenses Policy* regarding the process for reviewing and approving Members' expenses, and to increase the meal allowances and the kilometric rate to align with allowance rates provided by government.

### **Management Succession Planning**

The Committee received its third 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 critical positions.

### **Three-Year People Plan**

The Committee received for information a report on the most pivotal human resources trends likely to shape the years ahead, as well as the Commission's three-year People plan, outlining the key initiatives proposed over the next three years to respond to these changes.

### **Review of Strategic Risks**

As part of the refreshed risk management program, the Committee was responsible for reviewing the risk registers for two of the 10 strategic risks, namely Governance Risk and People Risk. The Committee received comprehensive reports on both these risk areas from the Corporate Secretary and the Director of Human Resources, respectively.

## **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. This year, the performance of the Commission and its standing committees was evaluated through an online survey. The Commission Members were assessed through private meetings with the Chair, which included self-evaluation and peer review components.

## **CEO Assessment and Salary Adjustment**

This year, the CEO assessment process, led by the Chair, included a self-evaluation by the CEO, an assessment of the CEO by each Commission Member using a questionnaire, and a review of the results of the assessment, as well as the CEO's proposed priorities for the coming fiscal year by the Committee.

Based on the results of the CEO's assessment and the financial information provided, the Committee also formulated a recommendation for the Commission's consideration of the CEO's salary adjustment for fiscal 2023-2024.

## **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

Members, including the Chair, are remunerated in accordance with Commission Bylaw No. 3, *Commission Remuneration*, (Bylaw No. 3) which is subject to ministerial approval.

This fiscal year, as directed by the Minister, the Commission reviewed its remuneration model, which resulted in amendments to Bylaw No. 3. On June 30, 2023, the Minister approved changes to Bylaw No. 3 to support the transition to a restated role and responsibilities of the Commission Chair and move from a service fee to a per diem compensation model for the Members and the Chair, effective July 1, 2023.

Revised Bylaw No. 3 provides the annual retainers and per diems for the Chair, Vice-Chair, committee Chairs and Members, as set out below:

Position	Annual Retainer	Per Diems
Chair	Up to \$30,000	Up to \$500 per day
Vice Chair	Up to \$12,000	Up to \$500 per day
Committee Chair	Up to \$12,000	Up to \$500 per day
Members	Up to \$10,000	Up to \$500 per day

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

Under the previous remuneration model, the Chair was eligible to receive an annual compensation of up to \$137,000 for services. The Chair was also 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.

For the period of April 1, 2023, to June 30, 2023, Mr. Klohn received a compensation of \$34,250 for his services. In lieu of pension, he received a payment of \$3,083 (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).

Under the revised remuneration model, for the period of July 1, 2023 to the end of his mandate on December 31, 2023, Mr. Klohn received a compensation of \$27,050, for a total compensation of \$61,300 in fiscal 2023-2024.

The Chair's annual expenses, which mainly include business travel and training, were in the amount of \$987 in fiscal 2023-2024.

## Members' Remuneration and Expenses

The members' retainers, service fees, per diems and expenses related to travel, meals, hotel, parking and education for the fiscal year 2023-2024 are included below. Up to June 30, 2023, Members received a service fee for each activity performed on behalf of the Commission, which included preparation for each Commission meeting. From July 1, 2023, Members received per diems for attendance at meetings or duties performed for the Commission, also including preparation for each Commission meeting, in accordance with revised Bylaw No. 3.

Members	Appointed or reappointed	Term end	Retainer	Service fees (up to June 30, 2023)	Per Diems (from July 1, 2023)	Allotment for travel time <sup>41</sup>	Total remuneration <sup>41</sup>	Expense reimbursement and allowances
Paul Van Iderstine, Chair (Moncton)	January 1, 2024	November 3, 2026	\$7,500	N/A	\$4,500	\$200	\$12,200	\$422
Paul Van Iderstine, Member (Moncton)	October 31, 2019, reappointed on November 4, 2021	November 3, 2026	\$7,500	\$2,450	\$3,250	\$600	\$13,800	\$3,097
Norma Kelly (Sussex)	October 31, 2019, reappointed on December 15, 2022	December 15, 2025	\$12,000	\$2,450	\$5,750	\$300	\$20,500	\$925
Donald French (Dieppe)	October 31, 2019	October 30, 2023	\$6,827	\$2,450	\$3,500	\$600	\$13,377	\$814
Marilyn Evans Born (Fredericton)	January 1, 2020, reappointed on November 4, 2021	December 31, 2023	\$7,500	\$2,450	\$3,000	N/A	\$12,950	\$309
I. Gérald Lévesque (Saint-Basile)	January 21, 2021	January 20, 2024	\$8,038	\$2,450	\$2,500	\$800	\$13,788	\$5,785
Lucie Boucher (Moncton)	November 4, 2021	November 3, 2024	\$12,000	\$2,450	\$6,250	\$800	\$21,500	\$1,991
Tania Morris (Dieppe)	November 4, 2021	November 3, 2024	\$12,000	\$2,450	\$3,750	\$600	\$18,800	\$7,918
Catherine Lahey (Saint John)	December 15, 2022	December 14, 2027	\$10,000	\$2,450	\$5,000	N/A	\$17,450	\$556
Ginny MacDonald (Fredericton)	December 8, 2023	December 7, 2026	\$3,172	N/A	\$2,500	\$200	\$5,872	\$1,820
Michèle Hébert (Shippagan)	December 8, 2023	December 7, 2027	\$3,172	N/A	\$2,500	\$400	\$6,072	\$671
Greg McKim (Moncton)	December 8, 2023	December 7, 2025	\$3,172	N/A	\$2,500	\$200	\$5,872	\$414
Sylvain Raymond (Campbellton)	February 22, 2024	February 21, 2027	\$1,065	N/A	N/A	N/A	N/A	N/A

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

## **CEO Remuneration**

The CEO's compensation and benefit structure is set by the Commission, in accordance with the recommendations of an external consultant. Compensation adjustments are approved annually by the Commission, based on the CEO's performance evaluation, as set out in his employment contract.

## **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.