POLICY NUMBER: POL-40

Chapter:
BOARD OF DIRECTORS

Subject:
BOARD - CHIEF EXECUTIVE OFFICER (CEO) RELATIONSHIP, DELEGATION TO THE CEO

Effective Date:
April 4, 1995

Last Update:
December 11, 2025

PURPOSE:

The purpose of this policy is to set out the authorities and duties that have been delegated from the Board of Directors to the CEO.

REFERENCE:

Workers Compensation Act, R.S.P.E.I. 1988, c W-7.1, Section(s) 28(1), 29, 30 and 31
Occupational Health and Safety Act, R.S.P.E.I. 1988, c O-1.01, Section(s) 1(a), 4(1), and 5 (1)
Workers Compensation Board Policy, POL-121, Policy Development and Maintenance

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DEFINITION:

POLICY:

1. All authority of the Board of Directors that is delegated to staff is delegated through the CEO. The CEO is accountable to the Board of Directors for all authority exercised by staff.

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2. The Board of Directors retains inclusive powers, duties, authority, and discretion for the following:

   - approval of Workers Compensation Board (WCB) governance and program policies;
   - approval of annual operating and capital budgets;
   - approval of the creation and abolishment of staff positions;
   - appointment of external auditors;
   - approval of the WCB annual financial statements;
   - approval of the WCB Strategic Plan;
   - approval of purchase or sale of real property or construction of buildings;
   - approval of annual employer assessment rates;
   - approval of a surplus distribution to employers.

3. The Board of Directors will direct the CEO to achieve results as established by the *Ends* policies. The Board of Directors will limit the latitude of the CEO through establishment of *Executive Limitations* policies.

4. As long as the CEO uses any reasonable interpretation of the *Ends* and *Executive Limitations* policies, the CEO is authorized to approve all operational policies, establish all further procedures, make all decisions, take all actions, establish all practices, and develop all activities.

5. The CEO, although retaining accountability, may delegate to other WCB staff members or to external service providers the responsibility for exercising any of the decision-making or other powers delegated under this policy.

6. The Board of Directors may change its *Ends* and *Executive Limitations* policies, thereby shifting the boundary between the Board of Directors' and CEO'S domains. But so long as any particular delegation is in place, the Board of Directors will respect and support the CEO'S choices. This does not prevent the Board of Directors from obtaining information in the delegated areas.

7. Only decisions of the Board of Directors acting as a body are binding upon the CEO. Individual Board members, officers, or committees shall not instruct or impose decisions that are binding on the CEO except when the Board of Directors has specifically authorized such exercise of authority.

HISTORY:

December 11, 2025 – Editorial changes made to the policy as a result of a review by the Governance Committee and Board of Directors.

May 12, 2022 – Editorial changes made to the policy as a result of a review by the Governance Committee and Board of Directors.

May 9, 2019 – Added purpose statement.

January 23, 2014 – Amended to reflect that the Board of Directors has delegated approval of operational policies to the Chief Executive Officer. Removed the last two bullets in section #4 to be consistent with the Audit and Finance Committee Terms of Reference.

October 24, 2013 – Amended to clarify section #2 and remove the list of specific delegated duties to the CEO.

January 23, 2013 – Editorial changes to be made to the policy as a result of a review by the Board of Directors.

October 28, 2010 - Amended to provide clarity with respect to the delegation of the IRO process to the CEO and to clarify that the Workers Compensation Board can enter into agreements with the Workers Compensation Board or similar body in other jurisdictions as set out in the *Workers Compensation Act.*

June 24, 2009 - Amended to clarify approval for abolishment of positions, annual report, and terms and conditions of employment for excluded employees.

September 25, 2008 - Amended to add the development, approval, implementation, and maintenance of a business continuity program as a responsibility delegated to the Chief Executive Officer.

April 24, 2008 – Amended section #6 to add the delegation to external service providers.

April 4, 2006 – Amended to delete “reconsideration under Section 56 of the Workers Compensation Act” in section #2 and other editorial changes as a result of a review by the

Board of Directors.

January 23, 2003 - Amended to combine “delegation of powers” policy with new policy on “Delegation to the Chief Executive Officer”. Replaces POL 01-03.

May 30, 2002 - Amended to delegate negotiation of exchange of information agreements to Chief Executive Officer.

February 23, 2001- Statement "Approval of new staff positions" under Board of Directors powers was in error not included in amended text version May 18, 2000. Added to section #1.

May 18, 2000 - Board of Directors review. Amended text and format.

December 22, 1994 - Amended text. "Delegation of Powers", Workers Compensation Board, Policy and Practice Manual, December 22, 1994.

Board of Directors Approval Date - April 4, 1995