

POLICY NUMBER: POL-100

Chapter:
BOARD OF DIRECTORS

Subject:
EXECUTIVE LIMITATIONS, FINANCIAL CONDITIONS AND ACTIVITIES

Effective Date:
January 23, 2003

Last Update:
December 5, 2024

PURPOSE:

The purpose of this policy is to set out Chief Executive Officer (CEO) responsibilities related to financial conditions and activities.

REFERENCE:

Workers Compensation Act, R.S.P.E.I.1988, Cap. W-7.1, Section(s) 30
Occupational Health and Safety Act, R.S.P.E.I.1988, Cap. O-1.01, Section(s) 5(1)
Workers Compensation Board (WCB) Policy, POL-36, Investment of Board Funds
WCB Policy, POL-40, Board - CEO Relationship, Delegation to the CEO
WCB Policy, POL-101, Executive Limitations -Financial Planning and Budgeting
WCB Policy, POL-136, Funding Policy
WCB Policy, POL-112, Board – CEO Relationship, Monitoring CEO Performance

DEFINITION:

POLICY:

1. With respect to the actual, ongoing financial condition and activities, the CEO shall not cause or allow risk to financial stability or approve expenditures that deviate materially from WCB priorities established in *Ends* policies.
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Accordingly, they shall not:

- A. Fail to settle payroll and debts in a timely manner.
- B. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
- C. Fail to provide timely financial reporting to the Board about operating and capital expenditures compared to budget.
- D. Acquire, encumber, or dispose of real property.
- E. Fail to aggressively pursue receivables after a reasonable grace period.

Monitoring

- 2. This policy will be monitored by the Board of Directors three times per year and reviewed in accordance with the annual monitoring schedule as set out in WCB policy, POL-112, Board - CEO Relationship, Monitoring CEO Performance.

HISTORY:

December 5, 2024 – Amended section 1(C) to clarify the CEO’s obligation to keep the Board informed about operating and capital expenditures compared to budget as well as non-substantive amendments throughout policy.

May 9, 2019 – Added a purpose statement and reference to the annual monitoring schedule.

February 25, 2016 - Amended to reflect a monitoring frequency of four times annually.

October 23, 2013 – Amended section 1(C).

November 1, 2012 – Editorial changes made to the policy as a result of a review by the Board of Directors.

April 6, 2006 – Amended this policy by removing section 1(A) which stated: “Expend more funds than have been received in the fiscal year” as this is not attainable on an annual basis.

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Board of Directors Approval Date: January 23, 2003