

II. Structure of Board

Section 5 – Operation of Board

5.1 Composition of the Board

The Public Service Superannuation Act states the criteria and process for the appointment of members to the Public Service Superannuation Board.

Subsection **3(1)** of the Act mandates that the Board consists of three members appointed by the Lieutenant Governor in Council. At least one member of the Board shall be a member and representative of the public service.

Once the Members have been appointed, the Board members shall nominate and elect one member of the Board to act as Chair.

5.2 Process for Appointment of Board Members

The Public Service Superannuation Act does not specify how the Lieutenant Governor in Council is to appoint Board members.

5.3 Appointment of New Board Members

The Executive Secretary shall provide each new member of the Board with the following material:

- Public Service Superannuation Plan Governance Manual;
- Last Annual Report;
- Minutes from the last four Board Meetings; and
- Schedule of Board Meetings during current Fiscal Year.

5.4 Removal of Board Members

Board members serve at the pleasure of the Lieutenant Governor in Council.

5.5 Resignation

A member of the Board may resign at any time by providing written notice thereof to the Minister of Finance. The resigning member shall return all materials related to Board business to the Executive Secretary.

5.6 Executive Secretary

In terms of the operation of the Board, the Board's Executive Secretary, in consultation with the Chair, is responsible for:

- Maintaining the integrity of the governance framework;
- The organization of all Board meetings and business;
- Setting and distributing the agenda and related materials for all Board meetings;
- Taking and distributing the minutes of all Board meetings and maintaining custody of the minutes and materials from Board meetings;
- Keeping Board business confidential;
- Ensuring that Board decisions are communicated and acted upon;
- Corresponding with service providers and other stakeholders and preparing reports on the Board's behalf;
- Preparing and filing returns and other statutory reporting;
- Executing documents as a signing authority;
- Coordinating the strategic planning and risk management processes and overseeing the execution of plans developed by the Board with respect to same.

5.7 Information to be Received by the Board

The purpose of providing the Board with periodic reports is to ensure the Board can manage the Plan effectively and monitor the service providers it retains.

The reports required by this section are to be delivered to the Executive Secretary who is to table the reports at the next available meeting of the Board.

In the event the Board requires additional information beyond that which had been provided, the Board will provide direction to the Executive Secretary regarding the information required.

Information provided by the Public Employees Benefits Agency (PEBA)

The Board requires information to support decision-making from its administrator in the form of quarterly administration reports. The report will contain the following information:

- Performance information regarding service standards established for the Plan.
- Financial highlights and status of the budget.
- Reporting of any governance or legislative issues related to Plan design and delivery and the status of any special projects.
- Plan demographic information.

The Board also requires information documents it needs to make decisions on governance and risk management issues. These documents include:

- The Periodic Checklist;
- The Goals and Objectives for the Public Service Superannuation Plan (annual) Plan and Review;
- The Governance Self-Assessment Questionnaire;
- The Annual Report;
- Market Trends and Developments Newsletter;
- The Risk Management Plan for the current Plan year; and
- The Risk Management Review for the preceding Plan year.

5.8 Rules & Procedures for Reviewing and Acting on Information

The information received by the Board is to be reviewed and acted upon in a timely and professional manner.

Actions required for the various items may include:

1. *Information Item*: Item is reviewed, background information is researched and a discussion relating to the subject takes place.
2. *Decision Item*: Item is reviewed, background information is researched and a decision relating to the subject takes place.
3. *Action Item*: Item is reviewed, background information is researched and an identified task is undertaken.

The following tables provide a summary of information provided and the purpose, key points, action required and results of action.

Meeting Items

Meeting Package			Frequency: Prior to Meetings Provider: Executive Secretary
Purpose	Key Points	Action Required	Result of Action
Package is delivered to Board members prior to meeting. Ensures that members are given time to review items.	All items in package are for the Boards' review and vary given the time of year and information required.	<u>Board</u> <i>Information Item</i>	Board members are prepared for the meeting.

Meeting Minutes			Frequency: 1 week after meeting Provider: Executive Secretary
Purpose	Key Points	Action Required	Result of Action
Ensures an accurate permanent record of the discussions and decisions of the previous meeting.	<ul style="list-style-type: none"> • Attendance • Approval of Agenda • Approval of Minutes • Service Delivery • Risk Management • Governance Items • Communication Items • Plan Design Items 	<u>Board</u> <i>Decision Item</i> <u>Administrator</u> <i>Action Item</i>	Board reviews and confirms accuracy of minutes. PEBA carries out decisions or causes the decisions to be carried out.

Agenda			Frequency: 1 week prior to meetings Provider: Executive Secretary
Purpose	Key Points	Action Required	Result of Action
Ensures an orderly and timely meeting. Provides attendees with an opportunity to add or delete items.	Full listing of the meeting topics.	<u>Board</u> <i>Decision Item</i> <u>Administrator</u> <i>Action Item</i>	Board reviews and confirms the agenda. Items can be added, deleted or deferred. Agenda is approved as is or with amendments. PEBA uses draft agenda to prepare materials for the Board meeting.

Risk Management

Service Provider Evaluations		Frequency: Annually Provider: PEBA	
Purpose	Key Points	Action Required	Result of Action
Ensures that the service providers are being evaluated.	<ul style="list-style-type: none"> Evaluation of service providers 	<u>Board</u> <i>Decision Item</i> <u>Administrator</u> <i>Action Item</i>	<p>The service providers are evaluated and documentation of the evaluation is recorded.</p> <p>PEBA prepares and reviews the evaluation to ensure that service provider performance is satisfactory.</p>

Risk Management Plan - Current Year		Frequency: Annually Provider: PEBA	
Purpose	Key Points	Action Required	Result of Action
Ensures possible risks to the Plan are considered and actions are put in place to manage the identified risks.	<ul style="list-style-type: none"> Strategic Risk Financial Risk Regulatory Risk Operational Risk 	<u>Board</u> <i>Information Item</i> <u>Administrator</u> <i>Action Item</i>	<p>The Risk Management Plan (RMP), as approved, is used for the upcoming year to manage identified risks.</p> <p>PEBA uses the RMP to ensure that processes are in place to manage the identified risks.</p>

Risk Management Review - Previous Reporting Period		Frequency: Annually Provider: PEBA	
Purpose	Key Points	Action Required	Result of Action
Ensures that the identified risk management strategies were implemented for the year.	<ul style="list-style-type: none"> Strategic Risk Financial Risk Regulatory Risk Operational Risk 	<u>Board</u> <i>Information Item</i> <u>Administrator</u> <i>Action Item</i>	<p>The Board ensures that the administrator is managing the identified risks throughout the previous year.</p> <p>PEBA prepares the review and outlines what actions were taken throughout the previous year to manage risks. The review is then used to develop the following year's Risk Management Plan.</p>

Risk Management (continued)

PEBA Administration Report		Frequency: Quarterly Provider: PEBA	
Purpose	Key Points	Action Required	Result of Action
Provides an update regarding the administrative operations of the Plan.	<ul style="list-style-type: none"> • Financial and Budget Update • Service Standards Performance • Legislative, Legal Update, Governance, Risk Management, and Compliance Issues • Special Project Status • Plan Communications • Exception Reporting • Plan Demographics 	<p><u>Board</u></p> <p><i>Information Item</i></p> <p><i>Action Item</i></p>	<p>Board reviews and discusses:</p> <ul style="list-style-type: none"> • Budget and financial statements; • Administrators' service standards performance; • Status of Plan amendments and policies; • Compliance with regulatory authorities; • Status of any risk management issues; and • Plan demographics. <p>Board uses item to measure service provider performance.</p>

Governance

Education Events			Frequency: At meetings Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
Provides Board with a list of upcoming education events.	Lists education providers, offerings, locations and dates.	<u>Board</u> <i>Information Item</i>	The Board members are kept informed of upcoming educational events.

Operational Goals and Objectives – Plan Current Year			Frequency: Annually Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
Provides direction for the Plan in regard to the Board’s Goals and Objectives.	<ul style="list-style-type: none"> Plan Background Goals Objectives 	<u>Board</u> <i>Decision Item</i>	The operational goals and objectives for the Plan are developed and approved by the Board.
		<u>Administrator</u> <i>Action Item</i>	PEBA develops the plan based on input from the Board.

Operational Goals and Objectives – Review Previous Year			Frequency: Annually Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
Provides an update regarding the status of the various agreed upon objectives.	<ul style="list-style-type: none"> Progress towards goals Status of objectives 	<u>Board</u> <i>Information Item</i>	The Board reviews and discusses the status of each objective.
		<u>Administrator</u> <i>Action Item</i>	PEBA updates the Board regarding the status of objectives. PEBA uses the update to ensure that delegated tasks are progressing as planned.

Governance (continued)

Periodic Checklist			Frequency: Semi-Annually Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
The Board ensures that the delegated duties are being performed in a timely and effective manner. The Board confirms whether an activity was completed, when it was completed or when it is to be completed.	<ul style="list-style-type: none"> • Legislative Compliance • Administration • Communication • Reporting, Guidelines and Standards • Governance • Service Provider Contracts 	<u>Board</u> <i>Information Item</i> <u>Administrator</u> <i>Action Item</i>	<p>The Board is able to review the document to ensure that the delegated duties are being completed.</p> <p>PEBA completes the checklist to ensure that tasks are being completed as planned. The checklist is used to monitor the review and evaluation schedules.</p>

Legislative Compliance Review			Frequency: Annually Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
A review of the Plan's compliance with applicable legislation.	Plan documents are reviewed.	<u>Board</u> <i>Information Item</i> <u>Administrator</u> <i>Action Item</i>	<p>The Board is made aware of the Plan's compliance with applicable legislation. Action may be required to comply with legislation.</p> <p>PEBA reviews compliance with the Act and ensures that the Board is made aware of necessary changes.</p>

Market Trends E-Newsletter			Frequency: Weekly Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
Board members have the opportunity to review pension and business news, monitor case law, and review market trends and developments.	<ul style="list-style-type: none"> • Pension Fund News • Business News • Legislation and Regulation • Surveys, Studies and Reports • Benefit News 	<u>Board and Administrator</u> <i>Information Item</i>	The Board and Administrator's staff reviews the e-newsletter to remain current in pension and business trends and developments.

Governance (continued)

Code of Conduct/Conflict of Interest Form			Frequency: Annually Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
Ensures Board maintains guidelines for conduct.	<ul style="list-style-type: none"> • Fiduciary Duties • Duty of Care • Ethical Standards • Procedures • Consequences • Avoidance of Bias • Acknowledgement 	<p><u>Board</u></p> <p><i>Action item</i></p>	The Board members are aware of the guidelines for their conduct. This item is reviewed and signed annually.

Governance Self-Assessment Review			Frequency: Annually Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
Assists the Board in assessing performance and recognizing weaknesses and strengths.	<ul style="list-style-type: none"> • Fiduciary Responsibility • Governance Framework • Roles and Responsibilities • Performance Measures • Knowledge and Skills • Governance Information • Risk Management • Oversight and Compliance • Transparency and Accountability • Code of Conduct and Conflict of Interest • Governance Review 	<p><u>Board</u></p> <p><i>Decision Item</i></p> <p><u>Administrator</u></p> <p><i>Action Item</i></p>	<p>The Board is made aware of the performance, weaknesses and strengths of its Governance Model.</p> <p>PEBA prepares the self-assessment review for the Board. Actions identified by the Board to strengthen the governance process are implemented.</p>

Annual Report		Frequency: Annually	
		Provider: PEBA	
Purpose	Key Points	Action Required	Result of Action
Provides Board and Stakeholders with a comprehensive view of Plan's operations and financial statements.	Communicates the initiatives, operations and financials of the Plan.	<u>Board</u> <i>Decision Item</i>	The Annual Report is available on the website. Stakeholders are provided with a transparent view of the operations and financial statements of the Plan.

5.9 History

Approval date: November 30, 2012, November 24, 2014, and December 9, 2015

Last review: November 22, 2018

Next scheduled review: November 2019