

III. Duties and Responsibilities

Section 9 – Charter of Expectations

9.1 Board Responsibilities

The Board has adopted a Charter of Expectations, which sets out the specific responsibilities of the Board and the individual roles of the members of the Board.

The Charter stipulates the personal and professional characteristics of the members of the Board.

The Minister of Finance has the authority to delegate to the Board management of the assets of the Public Service Superannuation Plan (the Plan). Under subsection **60.1(9.3)** of *The Public Service Superannuation Act*, the Minister may delegate the authority to invest the assets of the Anti-Tuberculosis League Employees Superannuation Fund (which at present has no assets) and under subsection **60.2(11.3)** of that Act, the Minister may delegate the authority to invest the assets of the Saskatchewan Transportation Company Employees Superannuation Fund (which at present has no assets).

In accordance with section **3** of *The Public Service Superannuation Act* the Board is explicitly responsible for the administration of the Plan. To discharge this obligation and those delegated to it by the Minister, the Board assumes responsibility in the areas listed below and the Board has, in turn, delegated responsibilities for those areas to various service providers (more information as to the nature and scope of that delegation can be found in Section 10 of this Governance Manual).

Administration

- Ensure the timely payment of benefit entitlements to Plan members/beneficiaries.
- Monitor and review the performance of PEBA and other Service Providers.
- Make decisions affecting the operational costs of the Plan.

Communication

- Promote the communication, awareness and understanding of the Plan among Plan members.
- Ensure that all relevant information is provided to Plan members/beneficiaries which affects their rights, benefits and entitlements.

Funding and Custody

- Appoint actuary, review performance on a periodic basis and terminate their services when necessary.
- Approve the assumptions for actuarial valuations.
- Appoint custodian, review performance on a periodic basis and terminate their services when necessary.

Compliance

- Recommend changes to the Plan that are required by the *Income Tax Act* (Canada) or, with respect to investments, by *The Pension Benefits Act, 1992* (and accordingly, by the *Pension Benefits Standards Act, 1985* (Canada)).
- Ensure timely reporting to Canada Revenue Agency in accordance with the *Income Tax Act* (Canada).
- Review reports from the auditor, determine appropriate action and implement the recommendations contained therein.
- Monitor plan administration to ensure compliance with *The Public Service Superannuation Act* and *The Superannuation (Supplementary Provisions) Act*.
- Monitor plan administration to ensure compliance with the *Income Tax Act* (Canada).
- Ensure that statutory disclosure regulations are being met and exceeded for the benefit of Plan members/beneficiaries.

Governance

- Conduct a self-assessment review of the governance process on a periodic basis.
- Monitor and confirm the governance framework, and implement changes as deemed necessary.

Goals and Objectives

- Develop and implement operational goals and objectives for the Plan.
- Review and approve the Plan's operational goals and objectives annually.

Board Effectiveness

- Evaluate the effectiveness of the Board in fulfilling its responsibilities on a periodic basis.
- Monitor the effectiveness and contribution of individual members of the Board.

Risk Assessment

- Identify business risks which would adversely or positively affect the operation of the Plan.
- Ensure that appropriate systems and actions are in place to manage such risks.

Integrity

- Ensure the integrity of the Plan's internal controls and information systems.
- Ensure ethical behavior of all participants involved in the administration of the Plan.

Orientation / Ongoing Education

- Ensure the establishment and implementation of an appropriate, formal orientation program for new members of the Board.
- Ensure that resources are available for an appropriate and practical ongoing educational program for all members of the Board.

9.2 Appointment of Associate Deputy Minister and Senior Management

Senior Level Staffing

- Selection, appointment, evaluation and, if necessary, termination of the Associate Deputy Minister of PEBA, is the sole jurisdiction of the Ministry of Finance, Government of Saskatchewan.
- Succession planning, appointment, training, evaluation and, if necessary, termination of senior management at PEBA is the responsibility of the Associate Deputy Minister of PEBA in conjunction with the Ministry of Finance, Government of Saskatchewan.
- The Board's Chair is selected by the Board. It is recognized that the Chair may concurrently be the Associate Deputy Minister of PEBA. The Chair is subject to the same Code of Conduct and Conflict of Interest Procedures as are all other members of the Board.

9.3 Board Member Attributes

To execute the Board responsibilities, members of the Board must, collectively and/or individually, possess certain characteristics and traits:

Integrity and Accountability

- Members of the Board must demonstrate high ethical standards and integrity in their personal and professional dealings, and be willing to act on and remain accountable for their boardroom decisions.
- Members of the Board must act solely in the best interest of Plan members/beneficiaries and are required to exercise the care, skill and diligence of a prudent person in carrying out their duties.
- Members of the Board must be seen to possess the qualities of integrity and accountability by being able to demonstrate they are individuals who conduct themselves at all times in accordance with the law as specified in section 11 of this Governance Manual in the Board's Code of Conduct and Conflict of Interest Procedures.

Informed Judgment

- Members of the Board must develop a depth of knowledge of pension related matters in order to understand and question the assumptions upon which the strategic and operational plans are based, and to form an independent judgment regarding the probability that such plans can be achieved.

Financial Literacy

- An important function of the Board is to monitor financial performance. Members of the Board should have a high level of financial literacy including knowledge of financial statements and reports.

Actuarial Literacy

- The pension plan actuary undertakes a vital role in determining the plan's funding requirements. A significant function of the Board is to review the recommendations and performance of the actuary. Members of the Board should possess a sound knowledge of actuarial principles. They should be familiar with the methodology, practices and terminology in order to accurately evaluate actuarial assumptions and advice.

Mature Confidence

- Members of the Board who value Board and team performance over individual performance, and who possess respect for others, facilitate superior Board performance.
- Members of the Board should demonstrate openness to the opinions of others, and the willingness to listen should rank as highly as the ability to communicate persuasively.
- Members of the Board must approach others assertively, responsibly and supportively, and be willing to raise difficult questions in a manner that encourages open discussion.

9.4 Board Member Responsibilities

To discharge their collective obligation, individual Board members assume responsibility in the following areas:

Duty of Due Diligence

Members shall:

- Be informed of *The Public Service Superannuation Act and Regulations, The Superannuation (Supplementary Provisions) Act, The Pension Benefits Act, 1992 and Regulations, 1993, and The Trustee Act, 2009*, which define the Board's responsibilities and powers.
- Keep generally informed about issues that affect the Plans and about general trends in the sector in which the Plan operates;
- Develop a depth of knowledge of pension plan-related matters in order to understand and question the assumptions upon which operational plans are based;
- Develop a high level of financial literacy. They should know how to read financial statements and reports, and understand appropriate terminology for the evaluation of investment performance; and
- Regularly attend Board meetings and contribute to the work of the Board.

Duty of Loyalty

Members shall:

- Act with honesty and good faith in what they believe to be the best interests of the Plans;
- Maintain solidarity with fellow Board members in support of decisions that have been made in good faith in a legally constituted meeting by members in reasonably full possession of the facts; and

- Exercise vigilance for and declare any apparent or real personal conflict of interest in accordance with the Board’s conflict of interest procedures.

Duty of Care

Members shall:

- Exercise the same degree of care, diligence, and skill that a reasonably prudent person would show in comparable circumstances;
- Demonstrate high ethical standards and integrity in their personal and professional dealings, and be willing to act on and remain accountable for their boardroom decisions;
- Offer their personal perspective and opinions on issues that are the subject of Board discussion and decision;
- Demonstrate openness to the opinions of others; the willingness to listen should rank as highly as the ability to communicate persuasively;
- Voice, clearly and explicitly at the time a decision is being made, any opposition to a decision being considered by the Board;
- Ask that the Board review any decision made if he or she has reasonable grounds to believe that the Board acted without full information or in a manner inconsistent with its trusteeship responsibilities; and
- Work cooperatively with the staff of the Public Employees Benefits Agency, respecting the distinction between the roles of Board and staff consistent with generally established principles of governance.

9.5 Chair Responsibilities and Duties

Primary Responsibilities:

- Consult with the Board regarding the frequency and dates of regular meetings;
- Call special meetings of the Board whenever the Chair considers it necessary;
- Preside over the meetings of the Board;
- Approve the agenda for Board meetings;
- Approve draft minutes of Board meetings for distribution to the Board;
- Approve/release the communication of Board business;
- Receive and table before the Board notices of conflicts of interest;
- In consultation with the Board, determine the appropriate course of action regarding the resolution of conflicts of interest;
- Receive and table before the Board notices of circumstances that may contribute to a perception of bias;
- In consultation with the Board, determine the appropriate course of action regarding the resolution of situations of bias;
- Authorize individuals to represent the Board at meetings of the Public Accounts Committee or attend if required;

- Act as spokesperson and representative of the Board to management;
- Authorize individuals to speak on behalf of the Board with respect to outside parties;
- Communicate recommended amendments to the Plan to the Minister of Finance;
- In conjunction with the other members of the Board ensure that the contract with the Public Employees Benefits Agency is appropriately carried out;
- Authorize or approve the timely and appropriate execution of Board business;
- Ensure business planning is carried out; and
- Be available for consultation with management when required.

9.6 History

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