

III. Duties and Responsibilities

Section 10 – Responsibilities and Accountabilities/Performance Measurement and Reporting

10.1 Purpose

In order to ensure the responsibilities listed in the Charter of Expectations (Section 9.1 of this Governance Manual) are being carried out, it is necessary for the Liquor Board Superannuation Commission (the Commission) to delegate some of its authority to a number of service providers. This is in keeping with the CAPSA pension plan governance principles in general (itemized in Section 1 of this manual), and in particular with the following of those principles:

- the plan administrator should clearly describe and document the roles, responsibilities, and accountability of all participants in the governance process;
- the plan administrator should provide for the establishment of performance measures and for monitoring the performance of participants who have decision-making authority in the governance process;
- the plan administrator should provide for the establishment of an internal control framework, commensurate with the plan's circumstance, which addresses the plan's risks; and.
- the plan administrator should provide for the establishment of appropriate mechanisms to oversee and ensure compliance with the legislative requirements, pension plan documents and administrative policies;

The chart on the following pages is designed to provide a reference guide to Commission members as to how the roles and responsibilities have been delegated by the Commission in order to fulfill its Charter of Expectations.

10.2 Administration

Ensure the timely payment of benefit entitlements to Plan members/beneficiaries

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENTS | REPORTING |
|------------------------------------|----------------------|--|--|---|---|
| PEBA | Commission | Order in Council | Maintenance of member accounts, benefit calculations, benefit payments, customer service | Yes – Standards set by Commission | Quarterly Reports |
| Actuary – Aon Hewitt Inc. | Commission/PEBA | Through the 2019 valuation | Pension administration system verification | Yes - Letters certifying calculations | Annual performance review |
| Employer | Commission/PEBA | <i>Liquor Board Superannuation Act</i> (the Act) | Collecting & remitting contributions, liaise between members & PEBA | N/A | N/A |
| RBC Investor and Treasury Services | PEBA | Paying Agency Agreement Effective November 5, 2012 | Pension payments, issue tax forms | Yes - Semi-annual evaluation by PEBA / must be in compliance with ITA | Semi-annual report, monitored by PEBA and reported to Commission in Quarterly Reports |

10.2 Administration Cont'd ...

Monitor and review the performance of PEBA and other administration Service Providers

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|--------------------------|-----------------------------|---|--|---|------------------|
| PEBA | Commission | Order in Council | Select service providers, negotiate their contracts and evaluate their performance and self-report performance | No – Must meet with Commission satisfaction | Quarterly Report |
| Provincial Auditor | Commission | Independent Officer of the Legislative Assembly | Audit reports | N/A | Annual Reports |

Make decisions affecting the operational costs of the Plan

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|--------------------------|-----------------------------|----------------------------------|--|---|-------------------|
| PEBA | Commission | Order in Council | Select service providers, negotiate their contracts and evaluate their performance, plan accounting, financial statements, annual budget | Yes – must meet with Commission satisfaction and comply with CICA Guidelines / <i>Executive Government Administration Act</i> | Quarterly Reports |

10.3 Plan Design

Review the design of the Plan from time to time, recommend changes to the Plan when and/or where required, and implement changes to the Plan

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|---------------------------|----------------------|----------------------------|--|--|---------------------------------------|
| PEBA | Commission | Order in Council | Perform Review/Provide Recommendations/Report on Administrative Issues/Plan Amendments Re: Legislative Changes/Communication Strategies Development | Yes – Must meet with Commission satisfaction and comply with ITA | Commission Meetings/Quarterly Reports |
| Legal-Ministry of Justice | Commission/PEBA | Crown Agency | Research Legal Issues/Draft Plan Amendments | Yes – Must comply with ITA | N/A |
| Actuary – Aon Hewitt Inc. | Commission | Through the 2019 valuation | Actuarial Advice/Financial Implications | No - Must meet with Commission/PEBA satisfaction | N/A |

Review market place statistics, imminent trends and analysis to ensure that the fund is competitive with/comparable to similar trusted pension plans

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|-------------------|----------------------|---------------------------|----------------|---|-------------------|
| PEBA | Commission | Order in Council | Perform Review | No – Must meet with Commission satisfaction | Quarterly Reports |

10.4 Communication

Promote the communication, awareness and understanding of the Plan among Plan members

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|-------------------|----------------------|---------------------------|--|---|-------------------|
| PEBA | Commission | Order in Council | Develop and distribute communication material, communication strategies, member education, sessions, website development & maintenance | No – Must meet with Commission satisfaction | Quarterly Reports |

Ensure that all relevant information is provided to Plan members/beneficiaries which affects their rights, benefits and entitlements

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|---------------------------|----------------------|--|--|--|-------------------|
| PEBA | Commission | Order in Council | Develop and distribute communication material, communication strategies, member education, sessions, website maintenance & member counseling | Yes - Must meet with Commission satisfaction | Quarterly Reports |
| Employer | Commission/PEBA | <i>The Liquor Board Superannuation Act</i> | Distribution of informational materials to employees, answer basic queries | N/A | N/A |
| Legal-Ministry of Justice | Commission/PEBA | Crown Agency | Legal advice | No - Must meet with Commission/PEBA satisfaction | N/A |

10.5 Funding & Custody

Appoint Actuary, review performance on a periodic basis and terminate their services when necessary

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|-------------------|----------------------|---------------------------|--|---|------------------|
| PEBA | Commission | Order in Council | Select service providers, negotiate their contracts and evaluate their performance | No – Must meet with Commission satisfaction | Quarterly Report |

Approve the assumptions for actuarial valuations

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|---------------------------|----------------------|--|-------------------------|---|------------------|
| PEBA | Commission | Order in Council | Provide Recommendations | No – Must meet with Commission satisfaction | Quarterly Report |
| Actuary – Aon Hewitt Inc. | Commission | Through the 2019 valuation | Provide Assumptions | No – Must meet with Commission satisfaction | Quarterly Report |
| Provincial Auditor | Commission | Independent Office of the Legislative Assembly | Audit Reports | Nil | Annual Reports |

Appoint Custodian, review performance on a periodic basis and terminate their services when necessary

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|--------------------|----------------------|---------------------------------|-----------------------|---|--|
| Investment Manager | Commission | Investment Management Agreement | Pooled fund custodian | No – The Investment Manager retains the Custodian | No reporting as the Investment Manager retains the Custodian |

10.6 Investment

Manage the assets of the Superannuation Fund

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|--------------------|----------------------|---------------------------------|---|------------------------------|--|
| Investment Manager | Commission | Investment Management Agreement | Perform transactions, provide transaction reports, performance analysis of managed assets | Yes – must comply with SIP&G | Semi-annual investment review by Investment Services - PEBA /Quarterly Reports |

Develop and review the Statement of Investment Policies and Goals regarding the appropriateness of the investment objectives and approve recommendations for amendments that are deemed necessary

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|-------------------|----------------------|---------------------------|-----------------|--|---------------|
| PEBA | Commission | Order in Council | Recommend SIP&G | No - Must receive Commission approval on an annual basis | Annual Review |

10.6 Investment Cont'd ...

Appoint Investment Manager(s), review their performance and that of the assets under their management, and terminate their services when necessary

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|-------------------|----------------------|---------------------------|---------------------------------------|---|---------------|
| PEBA | Commission | Order in Council | Execute Investment Manager agreements | Search, selection & evaluation of Investment Manager(s), monitor and analyze investment performance | Annual Review |

Select asset classes for the investment of the Plan funds

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|-------------------|----------------------|---------------------------|-----------------|----------------------------|--------------------|
| PEBA | Commission | Order in Council | Recommend SIP&G | Yes – SIP&G is appropriate | Operations Reports |

Review PEBA's co-ordination of the cash management of the Superannuation Fund and make appropriate changes, if necessary

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|--------------------|----------------------|---|---------------|-------------------------|----------------|
| Provincial Auditor | Commission | Independent Officer of the Legislative Assembly | Audit Reports | Nil | Annual Reports |

10.7 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))

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|--|----------------------|---------------------------|---|--|-------------------|
| PEBA | Commission | Order in Council | Compliance with ITA, plan document compliance | Yes – plan must be at all times in compliance with ITA and PBA | Quarterly Reports |
| Legal-Ministry of Justice and Attorney General | PEBA/Commission | Crown Agency | Draft plan amendments, legal issues, advice | Yes – amendments and advice must be at all times consistent with ITA and PBA | N/A |

Ensure timely reporting to Canada Revenue Agency in accordance with the Income Tax Act (Canada)(ITA)

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|--|----------------------|--|----------------------|--|---|
| PEBA | Commission | Order in Council | Compliance with ITA | Yes – ITA | Quarterly Reports |
| Legal-Ministry of Justice and Attorney General | PEBA/Commission | Crown Agency | Legal issues, advice | Yes – amendments and advice must be at all times consistent with ITA | N/A |
| RBC Investor and Treasury Services | PEBA | Paying Agency Agreement effective November 5, 2012 | Issue tax forms | Yes – ITA | Annual Report – monitored by PEBA and reported in Quarterly Reports |

10.7 Compliance Cont'd ...

Monitor the Statement of Investment Policies and Goals compliance reporting from the Investment Manager(s) and the Custodian of the Pooled Funds

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|--|-----------------------------|-------------------------------------|--|---|-------------------|
| PEBA | Commission | Order in Council | Monitor SIP&G, compliance reporting from investment manager, custodian | Yes – Task verification | Quarterly Reports |
| Pooled Fund Custodian – State Street Global Advisors | Investment Manager/PEBA | Contract is with Investment Manager | Compliance Reporting | Yes - SIP&G | N/A |
| Investment Managers | Commission | Investment Management Agreements | Compliance reporting | Yes – compliance with SIP&G and applicable securities legislation | Quarterly Reports |

Review reports from the Auditor, determine appropriate action and implement the recommendations contained therein

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|--------------------------|-----------------------------|---|-----------------|--------------------------------|------------------|
| Provincial Auditor | Commission | Independent Officer of the Legislative Assembly | Audit reports | N/A | Annual Reports |

10.7 Compliance Cont'd ...

Monitor plan administration to ensure compliance with The Liquor Board Superannuation Act (the Act) and The Superannuation (Supplementary Provisions) Act (SSPA)

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|-------------------|----------------------|---------------------------|--|---------------------------------|-------------------|
| PEBA | Commission | Order in Council | Maintenance of member accounts, benefit calculations and payments, Plan changes, legislative amendments, Orders in Council | Yes – the Act / SSPA compliance | Quarterly Reports |

Monitor plan administration to ensure compliance with The Income Tax Act (Canada)

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|-------------------|----------------------|---------------------------|--|-------------------------|-------------------|
| PEBA | Commission | Order in Council | Maintenance of member accounts, benefit calculations and payments, Plan changes, legislative amendments, Orders in Council | Yes – ITA compliance | Quarterly Reports |

10.7 Compliance Cont'd ...

Ensure that statutory disclosure regulations are being met and exceeded for the benefit of Plan members and beneficiaries

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|-----------------------------|----------------------|---|---|--|-------------------|
| PEBA | Commission | Order in Council | Compliance with ITA, Plan document compliance | Yes – plan must be at all times in compliance with ITA and PBA | Quarterly Reports |
| Legal - Ministry of Justice | PEBA/Commission | Crown Agency | Draft Plan amendments, legal issues, advice | Yes – amendments and advice must be at all times consistent with ITA and PBA | N/A |
| Provincial Auditor | Commission | Independent Officer of the Legislative Assembly | Audit reports | N/A | Annual Reports |
| Actuary – Aon Hewitt Inc. | Commission | Through the 2019 valuation | Monitor actuarial rules & principles | Yes – compliance with Canadian Institute of Actuaries practices | |

10.8 Governance

Conduct a self-assessment review of the governance process on a periodic basis

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|---------------------------|----------------------|---------------------------|---|---|-----------|
| PEBA | Commission | Governance Manual | Provide recommendations in governance self-assessment process | Yes – Annual governance self-assessment must meet Commission approval | Annually |
| Legal-Ministry of Justice | PEBA/Commission | Crown Agency | Legal issues, advice | N/A | N/A |

10.8 Governance Cont'd ...

Monitor and confirm the governance framework, and implement changes as deemed necessary

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|-----------------------------|----------------------|---------------------------|--|---|-----------|
| PEBA | Commission | Governance Manual | Monitor, confirm, and amend governance framework | Yes – Annual Governance Self-Assessment must meet Commission approval | Annually |
| Legal - Ministry of Justice | PEBA/Commission | Crown Agency | Legal issues, advice | N/A | N/A |

10.9 Goals and Objectives

Develop, implement and track goals and objectives

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|-------------------|----------------------|---------------------------|---|--|--|
| PEBA | Commission | Order in Council | Provide recommended plan to meet goals and objectives | No – must meet Commission satisfaction | Regular Commission meetings, Quarterly Reports |

Monitor performance against goals and objectives

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|-------------------|----------------------|---------------------------|------------------------------|--|---|
| PEBA | Commission | Order in Council | Provide review of activities | No – must meet Commission satisfaction | Regular Commission Meetings/Quarterly Reports |

10.9 Goals and Objectives Cont'd ...

Review and approve annual capital allocations and operating plans, and monitor performance against those plans

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|-------------------|----------------------|---------------------------|-------------------------|--|--|
| PEBA | Commission | Order in Council | Provide recommendations | No – must meet Commission satisfaction | Regular Commission Meetings, Quarterly Reports |

Ensure, to the extent possible, that necessary resources will be available to pursue strategies, establish priorities and achieve objectives

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|-------------------|----------------------|---------------------------|-------------------------|--|---|
| PEBA | Commission | Order in Council | Provide recommendations | No – must meet Commission satisfaction | Regular Commission Meetings/Quarterly Reports |

10.10 Commission Effectiveness

Evaluate the effectiveness of the Commission in fulfilling its responsibilities on a periodic basis

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|-------------------|----------------------|---------------------------|--|---|-------------------------------------|
| PEBA | Commission | Order in Council | Maintenance of Commission meeting minutes and records, provide recommendations in governance self-assessment process | Yes - Governance Self-Assessment must be approved by Commission | As required, annual self-assessment |

10.10 Commission Effectiveness Cont'd ...

Monitor the effectiveness and contribution of individual members of the Commission

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|-------------------|----------------------|---------------------------|--|---|-------------------------------------|
| PEBA | Commission | Order in Council | Maintenance of Commission meeting minutes and records, provide recommendations in governance self-assessment process | Yes - Governance Self-Assessment must be approved by Commission | As required, annual self-assessment |

10.11 Risk Assessment

Identify business risks which would adversely or positively affect the operation of the Plan

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|-------------------|----------------------|---------------------------|---|---|-------------|
| PEBA | Commission | Order in Council | Provide recommendations and report progress of risk management activities | No – must meet with Commission satisfaction | As required |

Ensure that appropriate systems and actions are in place to manage such risks

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|-------------------|----------------------|---------------------------|---|---|-------------|
| PEBA | Commission | Order in Council | Maintenance of Commission meeting minutes and records, report progress of risk management initiatives | No - must meet with Commission satisfaction | As required |

10.12 Integrity

Ensure the integrity of the Plan's internal controls and information systems

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|---------------------------|----------------------|---|--|---|---|
| PEBA | Commission | Order in Council | Maintenance of member accounts, benefit calculations, benefit payments, customer service | Yes – Standards set by Commission | Quarterly Reports, triennial Administration Agreement renewal |
| Legal-Ministry of Justice | PEBA/Commission | Crown Agency | Legal issues, advice | Yes – advice must be consistent with applicable legislation | N/A |
| Provincial Auditor | Commission | Independent Officer of the Legislative Assembly | Audit reports | N/A | Annual Reports |

Ensure ethical behavior of all participants involved in the administration of the Plan

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|---------------------------|----------------------|---|-------------------------|---|-------------------|
| PEBA | Commission | Order in Council | Provide recommendations | No – must meet with Commission satisfaction | Quarterly Reports |
| Legal-Ministry of Justice | PEBA/Commission | Crown Agency | Legal issues, advice | Yes – advice must be consistent with applicable legislation | N/A |
| Provincial Auditor | Commission | Independent Officer of the Legislative Assembly | Audit reports | N/A | Annual Reports |

10.13 Orientation/Ongoing Education

Ensure the establishment and implementation of an appropriate, formal orientation program for new members of the Commission

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|-------------------|----------------------|---------------------------|---|---|-------------------|
| PEBA | Commission | Governance Manual | Monitor, confirm, amend orientation program | Yes – program and amendments must be approved by the Commission | Quarterly Reports |

Ensure that resources are available for an appropriate and practical ongoing educational program for all members of the Commission

| SERVICE PROVIDERS | SERVICE PROVIDED FOR | CONTRACTUAL DOCUMENTATION | SERVICES | PERFORMANCE MEASUREMENT | REPORTING |
|-------------------|----------------------|---------------------------|---|---|-------------------|
| PEBA | Commission | Order in Council | Monitor, confirm, amend orientation program | Yes – program and amendments must be approved by the Commission | Quarterly Reports |

10.14 History

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|-----------------------|--------------------------------------|
| Approval Date: | March 15, 2006 and November 25, 2015 |
| Last Review: | November 29, 2017 |
| Next scheduled review | November 2018 |