

II. Structure of Commission

Section 5 – Operation of Commission

5.1 Composition of the Commission

The Liquor Board Superannuation Act (the Act) states the criteria and process for the appointment of members to the Liquor Board Superannuation Commission (the Commission).

Subsection **3(1)** of the Act mandates that the Commission consists of three members appointed by the Lieutenant Governor in Council. One member of the Commission is to be nominated as Chairperson and at least one member shall be an employee and a representative of the employees of the Liquor Board.

5.2 Process for Appointment of Commission Members

The Act does not specify how the Lieutenant Governor in Council is to appoint Commission members.

5.3 Appointment of New Commission Members

The Executive Secretary shall provide each new member of the Commission with the following materials:

- Liquor Board Superannuation Plan (LBSP, the Plan) Governance Manual;
- Last Annual Report;
- Statement of Investment Policies & Goals (SIP&G);
- Minutes from the last four Commission meetings; and
- Schedule of Commission meetings during current fiscal year.

5.4 Removal of Commission Members

Commission members serve at the pleasure of the Minister responsible for *The Liquor Board Superannuation Act*.

5.5 Resignation

A member of the Commission may resign at any time by providing written notice thereof to the Minister responsible for *the Act*. 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 Commission, the Commission's Executive Secretary, in consultation with the Chairperson, is responsible for:

- the organization of all Commission meetings and business;
- setting and distributing the agenda and related materials for all Commission meetings;
- taking and distributing the minutes of all Commission meetings and maintaining custody of the minutes and materials from Commission meetings;
- ensuring that Commission decisions are communicated and acted upon;
- corresponding with service providers and other stakeholders and preparing reports on the Commission's behalf;
- preparing and filing returns and other statutory reporting;
- executing documents as a signing authority; and
- coordinating the strategic planning and risk management processes and overseeing the execution of plans developed by the Commission with respect to same.

5.7 Information to be Received by the Commission

The purpose of providing the Commission with periodic reports is to ensure the Commission 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 Commission.

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

Information provided by the Public Employees Benefits Agency (PEBA)

The Commission will receive information 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;
- Status of special projects;
- Reporting of any governance or legislative issues related to LBSP design and delivery;
- Exception reporting in the areas of compliance or investment performance;
- Demographic information as of the end of the Plan year;

The Commission will also receive information documents it needs to make decisions on governance and risk management issues. These documents include:

- The Periodic Checklist;
- The Goals and Objectives;
- The Governance Self-Assessment Questionnaire;
- The Annual Report;
- Market Trends E-Newsletter; and
- The Risk Management Plan for the current Plan year and The Risk Management Review for the preceding Plan year.

The Commission will receive information it needs to make decisions regarding investments in the form of semi-annual reports regarding:

- Investment manager update;
- Policy compliance;
- Capital markets performance;
- Total fund analysis; and
- Asset class analysis.

Information Provided by the Commission's Investment Manager

The Commission will receive quarterly reports from the investment manager regarding analysis of the Fund.

5.8 Rules & Procedures for Reviewing and Acting on Information

The information received by the Commission 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 Commission members prior to meeting. Ensures that members are given time to review items.	All items in package are for the Commissions' review and vary given the time of year and information required.	<u>Commission</u> <i>Information Item</i>	Commission members are prepared for the meeting.

Meeting Minutes			Frequency: 1 week after meetings 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>Commission</u> <i>Decision Item</i> <u>Administrator</u> <i>Action Item</i>	<p>Commission reviews and confirms accuracy of minutes.</p> <p>PEBA carries out decisions or causes the decisions to be carried out.</p>

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>Commission</u> <i>Decision Item</i> <u>Administrator</u> <i>Action Item</i>	<p>Commission reviews and confirms the agenda. Items can be added, deleted or deferred. Agenda is approved as is or with amendments.</p> <p>PEBA uses draft agenda to prepare materials for the Commission meeting.</p>

Risk Management

Investment Manager Report			Frequency: Semi-annually Provider: Invst. Manager
Purpose	Key Points	Action Required	Result of Action
Provides investment manager performance reporting.	<ul style="list-style-type: none"> Investment Performance Benchmark Relationship Market Update Exception Reporting 	<u>Commission</u> <i>Information Item</i> <u>Administrator</u> <i>Action Item</i>	<p>Commission reviews and discusses the overall performance of the investment manager.</p> <p>PEBA reviews the reports to monitor the service provider and take action when necessary.</p>

Investment Monitoring Review (Performance and Manager Evaluation)			Frequency: Semi-annually Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
Provides a review of the investment managers and investment performance.	<ul style="list-style-type: none"> Executive Summary Market Commentary Trailing Period Performance Annual Performance Cash Flow Summary 	<u>Commission</u> <i>Information Item</i> <u>Administrator</u> <i>Action Item</i>	<p>Commission reviews and discusses:</p> <ul style="list-style-type: none"> Investment Manager Performance and Compliance with SIP&G Investment Performance and Objectives Capital Markets <p>PEBA reviews the report to monitor performance and compliance with the SIP&G.</p> <p>Actions may be required based on the information received and discussions that take place.</p>

Risk Management

Custodian and Actuary 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>Commission</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 potential risks to the Plan are considered and actions are put in place to manage the identified risks.	<ul style="list-style-type: none"> Financial Risks Service Provider Failure Risks Compliance Risks Plan Design Risks Communication Risks 	<u>Commission</u> <i>Decision 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"> Financial Risks Service Provider Failure Risks Compliance Risks Plan Design Risks Communication Risks 	<u>Commission</u> <i>Decision Item</i> <u>Administrator</u> <i>Action Item</i>	<p>The Commission ensures that the administrator is managing the identified risks throughout the previous year.</p> <p>PEBA prepares the Risk Management Review (RMR) and outlines what actions were taken throughout the previous year to manage risks. The RMR is then used to develop the following year's Risk Management Plan.</p>

Risk Management

Investment Policy Review		Frequency: Annually Provider: PEBA	
Purpose	Key Points	Action Required	Result of Action
<p>Provides an update regarding the administrative operations of the Plan, is compliant and reflects current beliefs, values and goals.</p>	<ul style="list-style-type: none"> • Executive Summary • Plan background • Current goals and activities in the Quarter • Investment beliefs • Service Standards • Assess the investment manager structure • Financial Statements • Plan Statistics • Update and finalize the SIP&G 	<p><u>Commission</u></p> <p><i>Information Item and Decision Item</i></p> <p><u>Administrator</u></p> <p><i>Information Item and Action Item</i></p>	<p>Commission reviews and discusses:</p> <ul style="list-style-type: none"> • Budget and financial statements; • Administrators' service standards performance; • Status of Plan amendments and PEBA policies; • PEBA administers the Plan at compliance with regulatory authorities; • PEBA implements changes as identified by the risk management investment Policy. <ul style="list-style-type: none"> • Investment performance;
			<ul style="list-style-type: none"> • Investment manager reporting; and • Plan demographics. <p>Commission uses item to measure service provider performance.</p>

Governance Manual for the Liquor Board Superannuation Commission

Governance

Goals and Objectives – Plan and Review			Frequency: Annually Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
Provides direction for the Plan in regards to the Commission's goals and the activities identified to meet objectives. Review activities for the past year and outlines the plan for the upcoming year.	<ul style="list-style-type: none"> • Financial Management; • Service Delivery and Communications; and • Performance Measurement. 	<u>Commission</u> <i>Decision Item</i> <u>Administrator</u> <i>Action Item</i>	<p>Objectives identified to fulfill the goals of the Commission are outlined in a plan for the upcoming year.</p> <p>PEBA includes a review of activities undertaken in the past year to satisfy the identified goals and objectives.</p>

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

Periodic Checklist			Frequency: Semi-Annually Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
The Commission ensures that the delegated duties are being performed in a timely and effective manner. The Commission 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; • Investment Management; • Administration • Communication; • Reporting, Guidelines and Standards; • Governance; • Service Provider Contracts 	<u>Commission</u> <i>Decision Item</i> <u>Administrator</u> <i>Action Item</i>	<p>The Commission 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>

Governance Manual for the Liquor Board Superannuation Commission

Governance

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>Commission</u> <i>Information Item</i> <u>Administrator</u> <i>Action Item</i>	The Commission is made aware of the Plan's compliance with applicable legislation. Action may be required to comply with legislation. PEBA reviews compliance with the Act and ensures that the Commission is made aware of necessary changes.

Market Trends E-Newsletter			Frequency: Weekly Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
Commission 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"> • Education Events • Pension Fund News • Business News • Law and Legislation • Surveys, Studies and Reports • Benefit News, Trends and Reports 	<u>Commission and Administrator</u> <i>Information Item</i>	The Commission and Administrator's staff reviews the e-newsletter to remain current in pension and business trends and developments.

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

Governance Manual for the Liquor Board Superannuation Commission

Governance

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

Annual Report			Frequency: Annually Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
Provides Commission and Stakeholders with a comprehensive view of Plan's operations and financial statements.	Communicates the strategic plan and initiatives, operations and financials of the Plan.	<p><u>Commission</u></p> <p><i>Decision Item</i></p>	The Annual Report tabled in the Saskatchewan Legislature annually and is made 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 25, 2014, November 26, 2012, October 8, 2009, November 18, 2008, November 30, 2007, March 15, 2006, November 29, 2017
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