

II. Governance

Section 13 – Governance: Periodic Self-Assessment

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13.1 Purpose

An effective governance system is a good method of overall risk management. Controlling legal and other risks facing the Municipal Employees’ Pension Commission is one of the benefits of good governance practices. An equally important and transparent benefit of effective governance is the reliable assurance to members of the Plan that the plan is capable of providing benefits presently and into the future.

The MEPP Governance Self-Assessment and Performance Evaluation Questionnaires have been designed to assist members of the Commission in assessing their own performance and determining where weaknesses that require corrective measures exist.

The self-assessment process also offers an opportunity for the Commission to share responsibility for the pension benefit delivery with other stakeholders. Transparency of information about existing conditions, decisions and actions is integrally related to accountability. Reporting the Governance self-assessment results provides accountability to interested stakeholders and is consistent with the recommendation by the Joint Task Force on Pension Plan Governance and with CAPSA’s *Pension Plan Governance Guidelines* for industry best practices.

13.2 About the Questionnaires

Three questionnaires form the basis of the governance self-assessment process. The objective of these evaluations is to enhance the performance of individual Commission members in an effort to strengthen the MEPP governance capabilities of the Commission as a whole.

The questionnaires are as follows:

1. Commission Self-Assessment Survey
2. Pension Plan Governance Self-Assessment Questionnaire
3. Pension Plan Prudent Investment Practices Guideline

1. Commission Self-Assessment Survey

Annually, at the end of each fiscal year of the Plan, the Commission Self-Assessment Survey will be completed by each member of the Commission. Commission members will complete the questionnaire within 30 days of receipt of the notice of the questionnaires being ready. All individual surveys completed by members of the Commission will be held in strict confidence by the Executive Secretary, or another person designated by the Commission.

A report of the results of the first questionnaire will be provided to the Commission for its own personal use. This report is intended solely for internal use by the Commission.

2. Pension Plan Governance Self-Assessment Questionnaire

The Pension Plan Governance Self-Assessment Questionnaire is modeled on and reflects the principles contained in CAPSA's *Pension Plan Governance Guidelines and Self Assessment Questionnaire* and is recommended as a useful tool for pension plan trustees and administrators in assessing their own plan's performance. Responses to the questions should be thorough and analytical in order to reflect the current situation of the plan, thus pointing out areas that require improvement.

This questionnaire will be completed by a person who possesses the best knowledge of the answer to each question, and will be approved by the Commission. The questionnaire will be completed annually, at the end of each fiscal year of the Plan.

A report of the results of the second questionnaire, once approved by the Commission, will be made available to all interested stakeholders through the Plan's website.

3. Pension Plan Prudent Investment Practices Guideline

The Pension Plan Prudent Investment Practices Guideline is recommended as a useful tool for pension plan trustees and administrators in assessing their investment management processes. The assessment questionnaire will be completed on an exception reporting basis as investment processes change and there is a requirement to re-examine the Commission's compliance with the CAPSA guideline.

13.3 History

Approval date: February 18, 2005; September 21, 2007; April 17, 2009;
and October 16, 2009
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