

**I. Mandate and Roles**

**Section 5 – Responsibilities and Accountabilities**

---

**Contents**

5.1 Introduction ..... 1

5.2 Plan Design ..... 3

5.3 Compliance..... 3

5.4 Administration..... 6

5.5 Communication ..... 7

5.6 Funding..... 8

5.7 Investment and Custody ..... 10

5.8 Governance ..... 12

5.9 Strategic Planning Process ..... 13

5.10 Risk Management ..... 13

5.11 Integrity..... 14

5.12 Orientation/Ongoing Education ..... 15

5.13 Commission Effectiveness ..... 16

5.14 History..... 16

---

**5.1 Introduction**

In order to ensure the responsibilities listed in the Charter of Expectations (Section 4 of this Governance Manual) are being carried out, it is necessary for the Commission to delegate some of its authority to a number of service providers. This section is in keeping with the CAPSA pension plan governance principles in general, and with the following of those principles, in particular:

- 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 and 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.

An explanation of the status of the reporting of the activities outlined in Section 4 can be found in the Periodic Checklist.

For each service provider, the services provided are either statutorily prescribed or set out in a contractual arrangement. The table below documents the nature of the service relationship the Commission has with each service provider.

<i>Service</i>	<i>Provider</i>	<i>Contractual Documentation</i>
Administration	Public Employees Benefits Agency (PEBA)	Statutory/ Administration Agreement
Legal (primary)	Ministry of Justice	Statutory
Independent Legal	Stevenson, Hood, Thornton, Beaubier, LLP	Ad hoc basis
Investment Legal	Torys LLP	Contract
Actuary	Aon Hewitt Inc.	Contract
Custodian	RBC Investor and Treasury Services	Contract
Auditor	KPMG	Contract
Employers	Employers	Statutory
Disability Adjudicator	Great West Life Assurance Company	Contract
Strategic Investment Consultant	Aon Hewitt Consulting Inc.	Contract

## 5.2 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	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	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 PBA/ITA	Commission meetings; PEBA Admin Reports
Legal – Ministry of Justice	Research legal issues; draft plan amendments	Yes – must comply with PBA/ITA	Commission meetings
Independent Legal	Research legal issues; provide advice	Yes – must comply with MEPA	Commission meetings
Actuary	Actuarial advice; financial implications	Yes – Annual Evaluation of services	Commission meetings

*Review market place statistics, imminent trends and analysis, to ensure that the Plan design is competitive; comparable to similar trustee plans*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Perform review	Yes – Executive Management Services Evaluation	Commission meetings; PEBA Admin Reports

## 5.3 Compliance

*Recommend changes to the Plan that arise from the PBA or are required by the ITA*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Monitor Compliance with PBA; ITA	Yes – must comply with PBA/ITA	PEBA Admin Reports
Legal – Ministry of Justice	Research legal issues; draft plan amendments	Yes – must comply with PBA/ITA	Commission meetings

### 5.3 Compliance (continued)

*Ensure timely reporting to CRA in accordance with the ITA*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Monitor compliance with PBA; ITA	Yes – must comply with PBA/ITA	PEBA Admin Reports

*Ensure timely reporting to the Financial and Consumer Affairs Authority, in accordance with the PBA and The Municipal Employees’ Pension Act*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Monitor compliance with PBA; ITA	Yes – must comply with PBA/ITA	PEBA Admin Reports

*Monitor the Statement of Investment Policies and Procedures compliance reporting from the Investment Managers and the Custodian*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Monitor compliance with SIP&P	Yes – task verification	PEBA Admin Reports
Custodian	Monitor SIP&P compliance	Yes – SIP&P	Monthly Reports to PEBA; Reported by PEBA at Commission meetings

*Appoint Auditor, review performance and terminate their services when necessary*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Carry out Request for Proposal process, negotiate service provider contracts and evaluate their performance	Yes – Executive Management Services Evaluation	Annual Review

### 5.3 Compliance (continued)

*Review reports from the Auditor, determine appropriate action and implement the recommendations contained therein (statutorily, the Provincial Auditor remains as the Auditor of the Plan)*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Review reports, provide recommendations and implementation plan; execute implementation plan	Yes – Executive Management Services Evaluation	Annual Review
Auditor	Audit reports	Yes – Evaluation of Auditor	Annual Reports
Provincial Auditor	Audit reports	N/A – Statutory review of audits	Annual Reports

*Monitor plan administration to ensure compliance with The Municipal Employees’ Pension Act*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Maintenance of member accounts; benefit calculations and payments; Plan amendments regarding legislative changes; Orders in Council	Yes – MEPA Compliance	PEBA Admin Reports
Auditor	Audit reports	Yes – Evaluation of Auditor	Annual Reports
Provincial Auditor	Audit reports	N/A – Statutory review of audits	Annual Reports

## 5.4 Administration

*Ensure the timely payment of benefit entitlements to plan members; beneficiaries*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Maintain member accounts; benefit calculations, payments; customer service	Yes – Schedule A to Admin. Agreement, MEPA	PEBA Admin Reports
Actuary – Aon Hewitt	Pension Administration System verification	Letters Certifying Calculations	Annual Performance Evaluation
Employers	Member enrolment; collecting and remitting contributions; liaise between members and PEBA	N/A	Results of activity tracked in PEBA Admin Reports
Disability Adjudicator	Disability adjudication services	Task verification	Annual Renewal

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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Commission	Evaluate performance of PEBA	Yes – Executive Management Services Evaluation	Shared with PEPB
PEBA	Carry out Request for Proposal process; negotiate service provider contracts and evaluate service providers and self-report performance	Yes – Executive Management Services Evaluation	PEBA Admin Reports

*Make decisions resulting in an increase to the funding and operational costs of the Plan and any changes in the interim on an incremental basis*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Make recommendations regarding operational costs	Yes – Executive Management Services Evaluation	PEBA Admin Reports
Actuary	Actuarial advice; financial implications	No – must meet with Commission/ PEBA satisfaction	N/A

#### 5.4 Administration (continued)

*Make decisions regarding the eligibility of an employer; employee to join the Plan*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Provide research; recommendations	Yes – must comply with MEPA and Commission Policy	PEBA Admin Reports
Independent Legal	Research legal issues; provide advice	Yes – must comply with MEPA and Commission Policy	Commission Meetings
Legal – Ministry of Justice	Research legal issues; provide advice	Yes – must comply with MEPA and Commission Policy	Commission Meetings

#### 5.5 Communication

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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Develop and distribute communication material and strategies; education and training seminars; website development and maintenance	Yes – Executive Management Services Evaluation	PEBA Admin Reports Commission meetings

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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Perform disclosure, file documents with regulatory authorities	Yes – must comply with PBA/ITA	PEBA Admin Reports
Independent Legal	Research legal issues; provide advice	Yes – must comply with PBA/ITA	Commission Meetings
Legal – Ministry of Justice	Research legal issues; provide advice	Yes – must comply with PBA/ITA	Commission Meetings

## 5.5 Communication (continued)

*Ensure that all relevant information is provided to plan members; beneficiaries which affects their rights, benefits and entitlements*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Provide research; recommendations	Yes – must comply with PBA/ITA	PEBA Admin Reports
Legal – Ministry of Justice	Research legal issues; provide advice	Yes – must comply with MEPA	Commission Meetings

## 5.6 Funding

*Review PEBA’s co-ordination of the asset management of the Plan and make appropriate changes, if necessary*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Cash management, fund rebalancing	Yes – task Verification	PEBA Admin Reports

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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Carry out Request for Proposal process, negotiate service provider contracts and evaluate their performance	Yes – Executive Management Services Evaluation	PEBA Admin Report

*Approve the assumptions for actuarial valuations*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Review assumptions, <u>data and gain/loss analysis for accuracy/reasonability</u>	Yes – Executive Management Services Evaluation	PEBA Admin Report
Actuary	Provide assumptions and recommendation	Yes – Evaluation of Actuary	No Less Than Triennial Valuations



## 5.6 Funding (continued)

### *Approve the assumptions for actuarial valuations Cont'd*

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
Auditor	Audit reports	Yes – Evaluation of Auditor	Annual Reports
Provincial Auditor	Audit reports	Nil	Annual Reports

### *Review and approve the actuarial valuation, at least triennially*

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Review assumptions, data and gain/loss analysis for accuracy/reasonability	Yes – Executive Management Services Evaluation	PEBA Admin Report
Actuary	Funding and solvency valuations	Yes – Evaluation of Actuary	Commission meeting annually, filing at least triennially

### *Recommend changes to contribution levels required to fund the Plan*

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Provide recommendations	Yes – Executive Management Services Evaluation	Commission Meetings
Actuary	Funding and solvency valuations	Yes – Evaluation of Actuary	As required, Commission meetings

## 5.7 Investment and Custody

### *Appoint Investment Managers and terminate their services when necessary*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Carry out Request for Proposal process; recommend retention and termination of investment managers; facilitate implementation and execution of service provider contracts; evaluate performance of investment managers	Yes – Executive Management Services Evaluation	Annual Review

### *Review the performance of the Investment Managers and the assets under their management*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Co-ordinate monitoring of investment manager performance and compliance with SIP&P with operational investment consultant	Yes – Executive Management Services Evaluation	Annual Review

### *Recommend Strategic Investment Consultant (SIC), review performance and terminate their services when necessary*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Carry out Request for Proposal process, negotiate service provider contracts and evaluate their performance	Yes – Executive Management Services Evaluation	Annual Review

## 5.7 Investment and Custody (continued)

***Collaborate with Commission and its SIC, review recommendations of the SIC, and determine the implementation of decisions made by Commission and its SIC.***

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Collaborate with Commission and SIC on decisions, review SIC recommendations for completeness, and determine implementation.	Yes – Executive Management Services Evaluation	Annual Review

***Appoint Custodian, review performance and terminate their services when necessary***

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Carry out Request for Proposal process, negotiate service provider contracts and evaluate their performance	Yes – Executive Management Services Evaluation	Annual Review

***Review the Statement of Investment Policies and Procedures and subsequent amendments that are deemed necessary***

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Commission		N/A	Annual Review
PEBA, with its Operational Investment Consultant	Provide analysis of SIP&P, recommendations for changes to SIP&P	Yes – Executive Management Services Evaluation	Annual Review; Reported at Commission Meetings

***Conduct a review of the investment asset mix on a periodic basis***

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Strategic Investment Consultant	Facilitate the Commission’s review of asset mix as necessary	Yes – performance of Consultant reviewed pursuant to Consulting Agreement	Commission Meetings

## 5.7 Investment and Custody (continued)

### *Conduct a review of private markets contracts*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Investment Legal	Independent due diligence legal review of private markets investment contracts	No – must meet Commission satisfaction	Commission Meetings PEIC Meetings

## 5.8 Governance

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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Monitor, confirm, and/or amend governance framework	Self-assessment	Annually
Legal – Ministry of Justice	Research legal issues; provide advice	No – must meet Commission satisfaction	Commission Meetings
Independent Legal	Research legal issues; provide advice	No – must meet Commission satisfaction	Case by Case Basis

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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Monitor, confirm, and/or amend governance framework	Self-assessment	Annually
Legal – Ministry of Justice	Research legal issues; provide advice	No – must meet Commission satisfaction	Commission Meetings
Independent Legal	Research legal issues; provide advice	No – must meet Commission satisfaction	Case by Case Basis

## 5.9 Strategic Planning Process

*Develop, implement and assess short and long-term measurable directions and objectives*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Provide recommendations	Yes – Executive Management Services Evaluation	Commission Meetings PEBA Admin Reports

*Monitor performance against adopted directions and objectives*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Provide recommendations	Yes – Executive Management Services Evaluation	Commission Meetings PEBA Admin Reports

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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Provide recommendations	Yes – Executive Management Services Evaluation	Commission Meetings PEBA Admin Reports

## 5.10 Risk Management

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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Provide recommendations	Yes – Executive Management Services Evaluation	Commission Meetings PEBA Admin Reports

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

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Provide recommendations and report progress of risk management initiatives	Yes – Executive Management Services Evaluation	As required; annual risk management plan

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

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Provide recommendations and report progress of risk management initiatives	Yes – Executive Management Services Evaluation	As required; annual risk management plan

**5.11 Integrity**

***Ensure the integrity of the Plan’s internal controls and information systems***

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Maintenance of member accounts; benefit calculations and payments; customer/Plan member service	Yes – Schedule A to Admin Agreement, MEPA	PEBA Admin Reports, triennial Admin Agreement renewal
Legal – Ministry of Justice	Legal issues and advice	Yes – advice must be consistent with applicable legislation	Commission Meetings on a Case-by-Case Basis
Independent Legal	Legal issues and advice	No – Commission satisfaction	Commission Meetings on a Case-by-Case Basis
Provincial Auditor	Audit reports	N/A	Annual Reports
Auditor	Audit reports	Yes – Evaluation of Auditor	Annual Reports

### 5.11 Integrity (continued)

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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Provide recommendations	No – must meet with Commission satisfaction	PEBA Admin Reports
Legal – Ministry of Justice	Legal issues and advice	Yes – advice must be consistent with applicable legislation	Commission Meetings on a Case-by-Case Basis
Provincial Auditor	Audit reports	N/A	Annual Reports

### 5.12 Orientation; Ongoing Education

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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Monitor, confirm, and/or amend orientation program	Yes – program and amendments must be approved by the Commission	PEBA Admin Reports

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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Monitor, confirm, and/or amend orientation program	Yes – program and amendments must be approved by the Commission	PEBA Admin Reports

### 5.13 Commission Effectiveness

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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Maintenance of Commission meeting minutes and records; assist in and provide recommendations in governance self-assessment process	Yes – Governance Self-assessment must be approved by Commission	As required; Annual self-assessment

*Monitor the effectiveness and contribution of individual members of the Commission*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Maintenance of Commission meeting minutes and records; assist in and provide recommendations in governance self-assessment process	Yes – Governance Self-assessment must be approved by Commission	As required; Annual self-assessment

### 5.14 History

Approval date: October 21, 2005; September 21, 2007; November 21, 2008; November 26, 2010; November 25, 2011; November 13, 2014; and March 16, 2018

Last review: March 16, 2018

Next scheduled review: November 2019