

# I. Mandate and Roles

## Section 5 – Responsibilities and Accountabilities/Performance Measurement and Reporting

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## 5.01 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 Board to delegate some of its authority to a number of service providers. This is in keeping with the Canadian Association of Pension Supervisory Authorities (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 Board members as to how the roles and responsibilities have been delegated by the Board 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 following table 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
Legal (independent)	Stevenson, Hood, Thornton, Beaubier, LLP	Ad hoc basis
Legal (investment)	Torys LLP	Contract
Custodian	RBC Investor and Treasury Services	Contract
Auditor	KPMG	Contract
Employers	Employers	Statutory
Strategic Investment Consultant	Aon Hewitt Consulting Inc.	Contract

## 5.02 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	Facilitate Review of Plan Design / / Report on Administrative Issues / Recommend Plan Amendments Re: Legislative Changes / Communication Strategies Development	Yes – Must meet with Board satisfaction and comply with PBA/ITA	Board meetings/PEBA Admin Reports
AON Hewitt Consulting Inc.	Review Plan Design / Recommend Plan Amendments	Yes – Must meet with Board satisfaction and comply with PBA/ITA	Board meetings
Legal – Ministry of Justice	Research Legal Issues / Draft Plan Amendments	Yes – Must comply with PBA/ITA	Board meetings
Legal – Stevenson Hood Thornton Beaubier	Research Legal Issues / Provide Advice	Yes – Must comply with PEPP ACT	Board meetings

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

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Perform Review	Yes – Executive Management Services Evaluation	Board meetings/PEBA Admin Reports

### **5.03 Compliance**

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

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
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	Board meetings

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

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
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 Pension Benefits Act and The Public Employees Pension Plan Act***

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Monitor Compliance with PBA / ITA	Yes – Must comply with PBA/ITA	PEBA Admin Reports

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

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Monitor Compliance with SIP&G	Yes – Task Verification	PEBA Admin Reports
Custodian – RBC Global Services and Treasury	Monitor SIP&G Compliance	Yes – SIP&G	Monthly reports to PEBA / Reported by PEBA at Board meetings and in PEBA Admin Reports

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

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

***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)***

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

***Monitor plan administration to ensure compliance with The Public Employees Pension Plan Act***

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Maintenance of Member Accounts, Benefit Calculations/Payments, Plan Amendments Re. Legislative Changes, Orders in Council	Yes – PEPP Act Compliance	PEBA Admin Report
Auditor – KPMG	Audit Reports	Yes – Evaluation of Auditor	Annual Report
Provincial Auditor	Audit Reports	N/A	Annual Report

## 5.04 Administration

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

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Maintenance of Member Accounts, Benefit Calculations/Payments, Customer/Plan Member Service	Yes – Schedule A to Admin. Agreement, PEPP Act	PEBA Admin Report
Employers	Member Enrolment, Collecting & Remitting Contributions, Liaise between Members & PEBA	Yes – <i>The Public Employees Pension Plan Act.</i>	Results of activity tracked in PEBA Admin Report

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

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
Board	Evaluate performance of PEBA	Yes – Executive Management Services Evaluation	to be determined
PEBA	Carry out the Request for Proposal process, negotiate service provider contracts and evaluate service provider performance and self-report performance	Yes – Executive Management Services Evaluation	PEBA Admin Report



***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***

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Make recommendations regarding operational costs	Yes – Executive Management Services Evaluation	PEBA Admin Report

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

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Provide research/recommendations	Yes – Must comply with PEPP Act and Board Policy	PEBA Admin Report
Legal – Stevenson Hood Thornton Beaubier	Research Legal Issues/Provide Advice	Yes – Must comply with PEPP Act and Board Policy	Board meetings
Legal – Ministry of Justice	Research Legal Issues/Provide Advice	Yes – Must comply with PEPP Act and Board Policy	Board meetings

## 5.05 Communication

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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Develop/Distribute Communication Material/Strategies, Education/Training Seminars, Website Development & Maintenance	Yes – Executive Management Services Evaluation	PEBA Admin Report

*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 Report
Legal – Stevenson Hood Thornton Beaubier	Research Legal Issues/Provide Advice	Yes – Must comply with PBA/ITA	Board meetings
Legal – Ministry of Justice	Research Legal Issues/Provide Advice	Yes – Must comply with PBA/ITA	Board meetings

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

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Provide research/recommendations	Yes – Must comply with PBA/ITA	PEBA Admin Report
Legal – Stevenson Hood Thornton Beaubier	Research Legal Issues/Provide Advice	Yes – Must comply with PEPP Act	Board meetings
Legal – Ministry of Justice	Research Legal Issues/Provide Advice	Yes – Must comply with PEPP Act	Board meetings

#### **5.06 Funding & Custody**

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

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Cash management, fund rebalancing	Yes – Task Verification	PEBA Admin Report

**5.07 Investment**

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

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Provide recommendation in Investment Manager selection and facilitate implementation and execution of service provider contracts	Yes – Executive Management Services Evaluation	Annual review
PEBA	Carry out Request for Proposal process and evaluate performance of investment managers	Yes – Executive Management Services Evaluation	Board meetings

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

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Coordinate monitoring of Investment Manager performance and compliance with SIP&G with General Investment Consultant	Yes – Executive Management Services Evaluation	Annual review

***Recommend Strategic Investment Consultant, review performance, and recommend termination of agreement when necessary***

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Carry out Request for Proposal process, provide recommendation to Board, negotiate service provider contracts and evaluate performance of consultant	Yes – Executive Management Services Evaluation	Annual review

***Review the recommendations of the Strategic Investment Consultant and determine appropriate action***

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Review recommendations	Yes – Executive Management Services Evaluation	Annual review

***Review the Statement of Investment Policies and Goals for any necessary amendments***

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Review SIP&G and recommend amendments	Yes – Executive Management Services Evaluation	Annual review

***Recommend appointment of Custodian, review performance and recommend termination when necessary***

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

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

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

## 5.08 Governance

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

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Monitor/Confirm/Amend Governance Framework	Self-Assessment	Annually
Legal – Ministry of Justice	Legal Issues/Advice	No – must meet Board satisfaction	Board meetings
Legal – Stevenson Hood Thornton Beaubier	Legal Issues/Advice	No – must meet Board satisfaction	Case by case basis

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

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Monitor/Confirm/Amend Governance Framework	Self-Assessment	Annually
Legal – Ministry of Justice	Legal Issues/Advice	No – must meet Board satisfaction	Board meetings
Legal – Stevenson Hood Thornton Beaubier	Legal Issues/Advice	No – must meet Board satisfaction	Case by case basis

## 5.09 Strategic Planning Process

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

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Provide Recommendations	Yes – Executive Management Services Evaluation	Regular Board meetings/PEBA Admin Report

*Monitor performance against adopted directions and objectives*

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Provide Recommendations	Yes – Executive Management Services Evaluation	Regular Board meetings/PEBA Admin Report



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

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Provide Recommendations	Yes – Executive Management Services Evaluation	Regular Board meetings/PEBA Admin Report

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

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Provide Recommendations	No – must meet Board satisfaction	Regular Board meetings/PEBA Admin Report

#### **5.10 Risk Assessment**

***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

***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

**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/Payments, Customer/Plan Member Service	Yes – Schedule A to Admin Agreement, PEPP Act	PEBA Admin Report, triennial Admin Agreement renewal
Legal – Ministry of Justice	Legal Issues/Advice	Yes – advice must be consistent with applicable legislation	Board meetings on a case-by-case basis
Legal – Stevenson Hood Thornton Beaubier	Legal Issues/Advice	Board satisfaction	Board meetings on a case-by-case basis

***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>
Provincial Auditor	Audit Reports	N/A	Annual Report
Auditor – KPMG	Audit Reports	Yes – Evaluation of Auditor	Annual Report

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

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Provide Recommendations	No – must meet with Board satisfaction	PEBA Admin Report
Legal – Ministry of Justice	Legal Issues/Advice	Yes – advice must be consistent with applicable legislation	Board meetings on a case-by-case basis
Provincial Auditor	Audit Reports	N/A	Annual Report

## 5.12 Orientation/Ongoing Education

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

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Monitor/Confirm/Amend Orientation Program/Provide Investment Education	Yes – program and amendments must be approved by the Board	PEBA Admin Report

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

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
PEBA	Monitor/Confirm/Amend Orientation Program	Yes – program and amendments must be approved by the Board	PEBA Admin Report

### 5.13 Board Effectiveness

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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Maintenance of Board Meeting Minutes and Records, Assist/Provide Recommendations in Governance Self-Assessment Process	Yes – Governance Self-Assessment must be approved by Board	As required / Annual self-assessment

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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Maintenance of Board Meeting Minutes and Records, Assist/Provide Recommendations in Governance Self-Assessment Process	Yes – Governance Self-Assessment must be approved by Board	As required / Annual self-assessment

## 5.14 History

Approval date: September 27, 2006; November 26, 2008; September 23, 2009; October 27, 2010;  
November 28, 2012; October 23, 2013

Last review: March 28, 2018

Next scheduled review: November 2019