

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 accountabilities of all participants in the pension plan governance process;
- the plan administrator should establish and document performance measures to monitor the performance of participants in the governance and administration of the plan;
- the plan administrator should establish and document a framework and ongoing processes, appropriate to the pension plan, to identify and manage the plan’s risks; and
- the plan administrator should establish and document appropriate processes to ensure compliance with the legislative requirements and pension plan documents.

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 Board 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	CIBC Mellon	Contract
Auditor	KPMG	Contract
Employers	Employers	Statutory
Strategic Investment Consultant	Aon Hewitt Inc.	Contract
Private Markets Consultant	Hamilton Lane Advisors LLC	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
Strategic Investment Consultant	Review Plan design/ Recommend Plan amendments	Yes – Must meet with Board satisfaction and comply with PBA/ITA	Board meetings
Legal (primary)	Research legal issues/Draft plan amendments	Yes – Must comply with PBA/ITA	Board meetings
Legal (independent)	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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Monitor compliance with PBA/ITA	Yes – Must comply with PBA/ITA	PEBA Admin Reports
Legal (primary)	Research legal issues/Draft plan amendments	Yes – Must comply with PBA/ITA	Board meetings

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 Pension Benefits Act, 1992 and The Public Employees Pension Plan 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 Goals compliance reporting from the Investment Managers and the Custodian

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Monitor compliance with SIP&G	Yes – Task Verification	PEBA Admin Reports
Custodian	Monitor SIP&G compliance	Yes – SIP&G	Monthly reports to PEBA/Reported by PEBA at Board meetings and in PEBA Admin Reports.

Recommend Auditor, review performance and terminate their services when necessary

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Carry out request for proposal process, recommend a provider and once appointed, 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)

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 Report
Provincial Auditor	Audit Reports	N/A	Annual Report

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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Maintenance of member accounts, Benefit calculations/payments, Plan amendments re. legislative changes, Orders in Council	Yes – PEPP Act Compliance	PEBA Admin Report
Auditor	Audit Reports	Yes – Evaluation of Auditor	Annual Audit Report
Provincial Auditor	Audit Reports	N/A	Annual Report

5.04 Administration

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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
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 and termination, 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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Board	Evaluate performance of PEBA	Yes – Executive Management Services Evaluation	Shared with PEBA and the MEPC
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	Annual Evaluations, 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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Provide research/recommendations	Yes – Must comply with PEPP Act and Board Policy	PEBA Admin Report
Legal (independent)	Research legal issues/Provide advice	Yes – Must comply with PEPP Act and Board Policy	Board meetings
Legal (primary)	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
Employers	Inform Employees about the Plan and Plan changes	N/A	N/A

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 (independent)	Research legal issues/Provide advice	Yes – Must comply with PBA/ITA	Board meetings
Legal (primary)	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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Provide research/recommendations	Yes – Must comply with PBA/ITA	PEBA Admin Report
Legal (independent)	Research legal issues/provide advice	Yes – Must comply with PEPP Act	Board meetings
Legal (primary)	Research legal issues/provide advice	Yes – Must comply with PEPP Act	Board meetings
Employers	Inform employees about the Plan and Plan changes	N/A	N/A

5.06 Funding & Custody

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 Report

5.07 Investment and Custody

Recommend Investment Managers and terminate their services when necessary

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Coordinate monitoring of investment manager performance and compliance with SIP&G with Operational Investment Consultant	Yes – Executive Management Services Evaluation	Annual review

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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
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

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

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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
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

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

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

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

Conduct a review of private markets contracts

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Legal (investment)	Independent due diligence legal review of private markets investment contracts	No – must meet Board satisfaction	Board Meetings, Private Investment Committee Meetings

5.08 Governance

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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Monitor/Confirm/Amend governance framework	Self-Assessment	Annually
Legal (primary)	Legal issues/Advice	No – must meet Board satisfaction	Board meetings
Legal (independent)	Legal issues/Advice	No – must meet Board 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/Amend Governance Framework	Self-Assessment	Annually
Legal (primary)	Legal Issues/Advice	No – must meet Board satisfaction	Board meetings
Legal (independent)	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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Provide Recommendations	Yes – Executive Management Services Evaluation	Strategic Business Plan/ Strategic Business Plan Update

Monitor performance against adopted directions and objectives

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Provide Recommendations	Yes – Executive Management Services Evaluation	Strategic Business Plan Update

Review and approve annual budget and operating plans, and monitor performance against those plans

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Provide Recommendations	Yes – Executive Management Services Evaluation	Board Meetings, Annual Review

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	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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Provide recommendations, facilitate risk process, 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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Provide recommendations and report progress of risk management initiatives	Yes – Executive Management Services Evaluation	As required; Review of annual Risk Management Plan

5.11 Integrity

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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Maintenance of member accounts, Benefit calculations/Payments, Customer/Plan member service	Yes – Performance, Confidentiality, Privacy, and Security Policy, PEPP Act	PEBA Admin Report, Admin Agreement renewal every five years or earlier upon mutual agreement
Legal (primary)	Legal issues/Advice	Yes – advice must be consistent with applicable legislation	Board meetings on a case-by-case basis
Legal (independent)	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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Provincial Auditor	Audit Reports	N/A	Annual Report
Auditor	Audit Reports	Yes – Evaluation of Auditor	Annual Report

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 Board satisfaction	PEBA Admin Report
Legal (primary)	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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Monitor/Confirm/Amend orientation program/Provide investment education	Yes – program and amendments must be approved by the Board	Annual review

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

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
PEBA	Monitor/Confirm/Amend orientation program	Yes – program and amendments must be approved by the Board	Annual review

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; and May 27, 2020
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