

II. Governance

Section 13 – Governance: Periodic Self-Assessment

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13.01 Purpose

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

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

The self-assessment process also offers an opportunity for the Board 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 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 the Canadian Association of Pension Supervisory Authority's (CAPSA's) *Pension Plan Governance Guidelines* for industry best practices.

13.02 About the Questionnaires

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

The questionnaires are as follows:

1. Board Self-Assessment Survey.
2. Board Chair Assessment Survey.
3. Pension Plan Governance Self-Assessment Questionnaire.
4. Pension Plan Prudent Investment Practices Guideline.
5. Capital Accumulation Plan Guidelines.

1. Board Self-Assessment Survey.

Annually, at the end of each fiscal year of the Plan, the Board Self-Assessment Questionnaire will be completed in writing by each member of the Board. Board members will complete the questionnaires within 30 days of receipt of notice of the questionnaires being ready. A person designated by the Board will, if necessary, conduct confidential interviews with each member of the Board regarding key points made in the evaluations. PEBA will then provide the Board with a summary of the Board member comments edited such that the identities of the commenters will remain confidential.

All individual questionnaires completed by members of the Board will be held in strict confidence.

2. Board Chair Assessment Survey.

The Board Chair Assessment Survey is completed at the same time as the Board Self-Assessment Survey. The dual purpose of this survey is to provide Board members with the opportunity to provide candid commentary on the performance of the Chair and also to provide the Chair with the opportunity to receive feedback from Board members on his or her performance of the duties of Board Chair.

All individual questionnaires completed by members of the Board will be held in strict confidence.

3. Pension Plan Governance Self-Assessment Questionnaire

CAPSA's *Pension Plan Governance Guidelines and Self-Assessment Questionnaire* 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 the person or persons who possesses the best knowledge of the answer to each question, and will be approved by the Board, after due consultation with the Board. The questionnaire will be completed annually, at the end of each fiscal year of the Plan.

A report of the results of this questionnaire, approved by the Board, will be made available to all interested stakeholders on the Plan website.

4. Pension Plan Prudent Investment Practices Guideline.

The Pension Plan Prudent Investment Practices Guideline is recommended by CAPSA 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 practices change and there is a requirement to re-examine the Board's compliance with this guideline.

5. The Capital Accumulation Plan Guidelines

The intent of CAPSA's *Capital Accumulation Plan (CAP) Guidelines* is to outline and clarify the rights and responsibilities of CAP sponsors, service providers, and CAP members.

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

13.03 History

Approval date:	February 23, 2005; June 27, 2007; November 26, 2008; September 23, 2009; November 28, 2012; and May 27, 2020
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