

## SASKATCHEWAN PENSION ANNUITY FUND CAPSA GOVERNANCE SELF-ASSESSMENT QUESTIONNAIRE

### 1. Fiduciary Responsibility

**The plan administrator has fiduciary responsibilities to plan members and beneficiaries. The plan administrator may also have other responsibilities to other stakeholders.**

- a) Have you identified your fiduciary and other responsibilities to plan members and beneficiaries (i.e., those members currently accruing a pension, those who are in receipt of a pension, and any others who may be entitled to a benefit from the plan)?

Yes.

#### Comments/Reference/Actions

Section 2.03 of the Board's Governance Manual specifies the responsibilities *The Saskatchewan Pension Annuity Fund Act* confers on the Saskatchewan Pension Annuity Fund Board (the Board).

Section 2.03 of the manual also includes a listing of the Board's generic fiduciary responsibilities:

- Acting solely in the best interest of pensioners and beneficiaries;
- Treating pensioners and beneficiaries impartially;
- Acting with the care, skill, and diligence of a prudent person;
- Interpreting the plan terms fairly, impartially, and in good faith;
- Preventing personal interests from conflicting with those of the Saskatchewan Pension Annuity Fund (SPAF, the Fund); and
- Within the scope of its authority, ensuring that pensioners and beneficiaries receive the benefits promised.

Section 9.04 of the manual outlines the specific responsibilities of Board members in regard to the duties of due diligence, loyalty, and care.

- b) Have you identified any responsibilities to other stakeholders?

Yes.

Comments/Reference/Actions

Section 2.03 of the Board's Governance Manual includes its responsibilities to other stakeholders:

"In addition to its primary fiduciary responsibilities, the Board also bears responsibilities to the following:

- The Minister of Finance;
- The Legislative Assembly of Saskatchewan; and
- Organizations and individuals employed by the Board to provide services to the Board."

- c) Do any delegates have fiduciary duties? If yes, has the fiduciary role been clearly identified and communicated to the delegates?

Yes.

Comments/Reference/Actions

Section 2.03 of the Board's Governance Manual outlines the duties and responsibilities of the Board. Section 1.01 of the Governance Manual indicates that the Fund administrator has fiduciary and other responsibilities to Plan members and beneficiaries, and that the Fund administrator may also have fiduciary and other responsibilities to other stakeholders.

- d) Is there a clear delineation between the plan administrator and other roles?

Yes.

Comments/Reference/Actions

Section 10 of the Board's Governance Manual outlines the Duties and Responsibilities of all service providers.

2. Governance

**The plan administrator should establish and document a governance framework for the administration of the plan.**

- a) Have you established and documented a governance framework for the administration of the pension plan?

Yes.

Comments/Reference/Actions

The Board has a mission statement and goals and objectives (section 3 of the Governance Manual). The Board also has a delegation matrix (section 10 of the Governance Manual)

The Board reviewed a status report for the year ended March 31, 2021 on its Operational Goals and Objectives for the Administration of the Saskatchewan Pension Annuity Fund at its meeting of June 24, 2021. The Board approved Operational Goals and Objectives for 2021-2022 at the same meeting.

3. Roles and Responsibilities

**The plan administrator should clearly describe and document the roles, responsibilities and accountabilities of all participants in the pension plan governance process.**

- a) Have you identified your roles and responsibilities, including any necessary delegation, for the effective governance of the pension plan?

Yes.

Comments/Reference/Actions

Section 9 of the Governance Manual, the Charter of Expectations, identifies the roles and responsibilities of the Board. Section 10 of the Governance Manual identifies the delegation of the Board's roles and responsibilities. Sections 5.07 and 5.08 of the Governance Manual outline the information to be received by the Board from its service providers.

Section 5.08 of the Board's Governance Manual includes the "Rules and Procedures for Reviewing and Acting on Information", which outlines the responsibilities of the Board and its administrator the Public Employees Benefits Agency (PEBA), for reviewing and acting on information provided to the Board by its service providers.

Section 9.04 of the Board's Governance Manual defines the responsibilities of individual Board members in regard to the duties of due diligence, loyalty, and care.

- b) Have you clearly documented expectations for yourself and each of your delegates?

Yes.

Comments/Reference/Actions

Section 9 of the Governance Manual, the Charter of Expectations, identifies the roles and responsibilities of the Board and individual Board members. Section 10 of the Governance Manual identifies the delegation of the Board's roles and responsibilities.

PEBA reviews each service provider contract in accordance with the timelines outlined in the Periodic Checklist to ensure that they accurately reflect the services being provided.

PEBA reports on service standards to the Board on a quarterly basis.

- c) Do you appropriately document decisions related to the pension plan?

Yes

Comments/Reference/Actions

Section 8 of the Governance Manual outlines the conduct of meetings of the Board. Section 8.07 indicates that PEBA shall record written minutes of each Board meeting.

4. Performance Monitoring

**The plan administrator should establish and document performance measures to monitor the performance of participants in the governance and administration of the plan.**

- a) Have you established and documented clear measures for assessing the performance of all participants in the governance process?

Yes.

Comments/Reference/Actions

The Board's administrator and investment manager, are the service providers that have decision-making authority within the scope of the Board's policies and contracts which retain the service providers.

The contract between the Board and PEBA specifies performance measures.

The Board's Statement of Investment Policies and Goals (SIP&G) specifies the performance measures for the Board's investment manager. The Board reviewed and amended its SIP&G on June 24, 2021.

In terms of other service providers:

- The Board's custodian provides regular reports of its performance in relation to its corporate standards; and
- The Board evaluates the performance of its actuary and custodian annually,

b) Do you have a regular performance monitoring, review and remedial process for all participants in the governance process?

Yes.

Comments/Reference/Actions

The Board reviews the Fund's investments on a semi-annual basis and receives SIP&G compliance reporting from its investment manager on a quarterly basis.

The quarterly administration reports provided to the Board by PEBA provide reporting on PEBA's performance with regard to its administrative responsibilities for the Fund. PEBA will continue to self-report on its administrative responsibilities.

The Board reviewed the evaluation of its actuary at its meeting of December 1, 2021.

The Board is scheduled to review the evaluation of its custodian at its meeting of March 30, 2022.

5. Knowledge and Skills

**The plan administrator, directly or with delegates, has the duty to apply the knowledge and skills needed to meet the plan administrator's responsibilities.**

- a) Have you established an ongoing process to identify and fill any gaps in the knowledge and skills needed for the effective governance and administration of the pension plan?

Yes.

Comments/Reference/Actions

Sections 9.03 and 9.04 of the Board's Governance Manual, sets out the Board Member Attributes and Board Member Responsibilities. This section is reviewed annually as part of the annual Governance Manual review process.

PEBA has an education policy for management and staff.

- b) Do you, together with all delegates, have the necessary qualifications, resources and experience?

Yes.

Comments/Reference/Actions

The Board has set out an education program for Board members (section 7 of the Governance Manual).

The Board's administrator has an education policy for management and staff.

6. Governance Information

**The plan administrator should establish and document a process to obtain and provide to governance participants appropriate information to meet fiduciary and other responsibilities.**

- a) Have you established and documented a process to obtain and provide to governance participants appropriate information to carry out your fiduciary and other responsibilities?

Yes.

Comments/Reference/Actions

PEBA's quarterly reports to the Board also report on PEBA's performance with regard to its administrative responsibilities for the Fund.

Section 5.07 of the Board's Governance Manual outlines the information to be received by the Board from its service providers.

Section 5.08 outlines the rules and procedures for receiving, reviewing, and acting on information and reports, and specifies the reports to be provided by the Board's administrator, investment consultant, and investment manager(s).

The Board's Governance Manual provides rules and procedures for the provision of information to the Board. The Governance Manual includes documentation of the process the Board is to follow in requesting additional information beyond the regularly provided documents listed in section 5.07.

7. Risk Management

**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.**

a) Have you identified, assessed and prioritized the pension plan's risks?

Yes.

Comments/Reference/Actions

The Board received its Risk Management Review for 2020-2021 and approved the Risk Management Plan for 2021-2022 on June 24, 2021.

b) Do you have a continuous process to monitor and manage these risks?

Yes.

Comments/Reference/Actions

See response to item 7a.

8. Oversight and Compliance

**The plan administrator should establish and document appropriate processes to ensure compliance with the legislative requirements and pension plan documents.**

- a) Have you identified the legislative requirements, plan documents and any regulatory or plan-specific policies that apply to the pension plan?

Yes.

Comments/Reference/Actions

Sections 2.02 and 2.03 of the Governance Manual identify the legislative requirements that apply to the Fund.

The Board's Governance Manual also outlines the relevant provisions of *The Trustee Act, 2009*.

- b) Do you have a documented process to ensure you comply with legislative requirements and pension plan documents and policies? If yes, does this process include a regular review to monitor changes and support future compliance.

Yes.

Comments/Reference/Actions

Under the Board's contract with PEBA, among the services to be provided by PEBA the contract states:

"PEBA shall provide all services required to operate, administer, and manage the Fund in a manner consistent with and according to all statutory provisions and regulations that apply to the Fund ..."

The Periodic Checklist, which is received by the Board mid-year and at year-end, is the mechanism used to ensure compliance. The Periodic Checklist was completed on June 24, 2021 for the twelve-month period ending March 31, 2021, and was completed on December 1, 2021 for the six-month period ending September 30, 2021. These reviews indicate that efforts are being undertaken to ensure compliance with legislative requirements.

9. Transparency and Accountability

**The plan administrator should establish and document a communication process with the aim to be transparent and accountable to plan members, beneficiaries and other stakeholders.**

Have you established and documented a communication process that:

- a) Provides plan members, beneficiaries and other stakeholders with access to information about the pension plan as required by applicable legislation, as well as any other information that you have identified as appropriate?

Yes.

Comments/Reference/Actions

The Fund's website and the Board's Annual Report contain information about the Fund as required by applicable legislation, and as specified by the Board.

- b) Informs plan members and beneficiaries about the process for asking questions and raising complaints?

Yes.

Comments/Reference/Actions

Prior to acquiring an annuity through SPAF, annuitants are members of the Public Employees Pension Plan (PEPP). The PEPP website contains information about the processes to address member questions and complaints. Contact information for PEBA is included on the Overview page of the SPAF website.

Members can contact PEBA with questions and may be advised about the process for raising complaints, as appropriate.

- c) Communicates how important decisions are made?

Yes.

Comments/Reference/Actions

Information about Governance, including the SPAF Governance Self-Assessment Questionnaire is posted on the Fund website.

- d) Informs members about the risks, benefits, options and responsibilities of membership in the pension plan?

Yes.

Comments/Reference/Actions

Prior to acquiring an annuity through SPAF, annuitants are members of the Public Employees Pension Plan (PEPP). The PEPP website contains information about the risks, benefits, options and responsibilities of membership in the pension plan.

10. Code of Conduct and Conflict of Interest

**The plan administrator should provide for the establishment of a code of conduct and a policy to address conflicts of interest.**

- a) Do you have a code of conduct that sets out the expected behaviours for you and your plan administrator and delegates?

Yes.

Comments/Reference/Actions

Section 11 of the Governance Manual outlines the Board's Code of Conduct and Conflict of Interest procedures. This code of conduct is reviewed and signed annually by the Board members, was last reviewed on December 1, 2021 and was signed by all Board members.

PEBA employees abide by the Government of Saskatchewan's Conflict of Interest Policy.

- b) Does your code of conduct incorporate a conflict of interest policy that identifies and addresses potential conflicts of interest that may arise in particular circumstances of your pension plan, whether actual or perceived?

Yes.

Comments/Reference/Actions

See response to item 10a.

11. Governance review

**The plan administrator should establish and document a process for the regular review of the pension plan's governance framework and processes.**

- a) Have you established and documented a process for a regular review of your pension plan's governance?

Yes.

Comments/Reference/Actions

Section 12 of the Governance Manual (which regards this questionnaire) provides for an annual review of the Fund's governance.

In addition, the Board reviews its Governance Manual on an annual basis. The Board is scheduled to conduct a review of its Governance Manual at its meeting of March 30, 2022.

- b) Does your governance review process include methods to address identified governance shortfalls?

Yes.

Comments/Reference/Actions

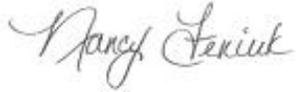
The Board is required to review the Fund's governance annually. The review ensures that inconsistencies or inadequacies in the Fund's governance are addressed.

In addition, the Board reviews its Governance Manual on an annual basis. The Board is scheduled to conduct a review of its Governance Manual at its meeting of March 30, 2022.

**Completed by:**

Nancy Feniuk  
Name

Governance Analyst  
Title



13 Apr, 2022 11:37:37 AM CST

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Signature

**Approved by:**

Jeremy Phillips  
Name

Chair, Saskatchewan  
Pension Annuity Fund Board  
Title



13 Apr, 2022 11:51:23 AM CST

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Signature