

II. Structure of Commission

Section 5 – Operation of Commission

5.1 Composition of the Commission

Subsection **3(1)** of *The Liquor Board Superannuation Act* (the Act) specifies that the Minister responsible for the administration of the Act is the sole member of the Commission.

The Minister, in his/her capacity as the Commission, has the authority to delegate the duties of the Commission to a delegate (the Delegate).

Any exceptions to the delegation will be noted within the delegation document.

Within this governance manual, any reference to the Commission also applies to the Delegate unless otherwise noted.

5.2 Information provided upon change of the Commission or the Delegate

The Public Employees Benefits Agency (PEBA) shall provide the following materials for the Minister in his/her capacity as the Commission (through the Delegate) or to the Delegate whenever the person holding one of these position changes:

- The Commission's Governance Manual;
- The last Annual Report;
- The Statement of Investment Policies & Goals (SIP&G);
- The minutes from the last four Commission meetings; and
- The schedule of Commission meetings for the current fiscal year.

5.3 Minister or Delegate Change

If the Minister responsible for the Act or the Delegate changes, or if the delegation is revoked and the duties are delegated to another party, the person(s) leaving that or those position(s) shall return all materials related to Commission business to the Public Employees Benefits Agency.

5.4 Executive Secretary Services

PEBA provides Executive Secretary services to the Commission. In consultation with the Commission, PEBA is responsible for:

- the organization of all Commission meetings and business;
- setting and distributing the agenda and related materials for all Commission meetings;
- taking and distributing the minutes of all Commission meetings and maintaining custody of the minutes and materials from Commission meetings;
- ensuring that Commission decisions are communicated and acted upon;
- corresponding with service providers and other stakeholders and preparing reports on the Commission's behalf;
- preparing and filing returns and other statutory reporting;
- preparing other documentation as requested by the Commission or the Delegate;
- executing documents as a signing authority; and
- coordinating the strategic planning and risk management processes and overseeing the execution of plans developed by the Commission with respect to same.

5.5 Information to be Received by the Commission

The purpose of providing the Commission with periodic reports is to ensure the Commission can manage the Plan effectively and monitor the service providers it retains.

The reports required by this section are to be delivered to, or prepared by PEBA. PEBA will table the reports at the next available meeting of the Commission.

In the event the Commission requires additional information beyond that which had been provided, the Commission will provide direction to PEBA regarding the information required.

Information provided by PEBA

The Commission will receive information from its administrator in the form of quarterly administration reports. The report will contain the following information:

- Performance regarding service standards established for the Plan;
- Financial highlights and status of the budget;
- Status of any special projects;
- Reporting of any governance or legislative issues related to LBSP design and delivery;
- Exception reporting in the areas of compliance or investment performance; and
- Demographic information.

The Commission will also receive information documents it needs to make decisions on governance and risk management issues. These documents include:

- The Periodic Checklist;
- The Goals and Objectives;
- The Governance Self-Assessment Questionnaire;
- The Annual Report;
- Market Trends E-Newsletter; and
- The Risk Management Plan for the current Plan year and The Risk Management Review for the preceding Plan year.

The Commission will receive information it needs to make decisions regarding investments in the form of semi-annual Investment Monitoring reports. Information from the Commission's Investment Manager is summarized in the Investment Monitoring reports.

5.6 Rules and Procedures for Reviewing and Acting on Information

The information received by the Commission is to be reviewed and acted upon in a timely and professional manner.

Actions required for the various items may include:

1. *Information Item*: Item is reviewed, background information is researched and a discussion relating to the subject takes place.
2. *Decision Item*: Item is reviewed, background information is researched and a decision relating to the subject takes place.
3. *Action Item*: Item is reviewed, background information is researched and an identified task is undertaken.

The following tables provide a summary of information provided and the purpose, key points, action required and results of action.

Meeting Items

Meeting Package			Frequency: 1 week prior to Meetings Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
Information is delivered to the Commission prior to meeting. Ensures that Commission is given time to review items.	All items in package are for the Commission review and vary given the time of year and information required.	<u>Commission</u> <i>Information Item</i>	Commission is prepared for the meeting.

Meeting Minutes			Frequency: 1 week after meetings Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
Ensures an accurate permanent record of the discussions and decisions of the previous meeting.	<ul style="list-style-type: none"> • Attendance • Approval of Agenda • Approval of Minutes • Service Delivery • Risk Management • Governance Items • Communication Items • Plan Design Items 	<u>Commission</u> <i>Decision Item</i> <u>Administrator</u> <i>Action Item</i>	<p>Commission reviews and confirms accuracy of minutes.</p> <p>Delegate briefs Minister on any decisions that must be made by him/her.</p> <p>PEBA carries out decisions or causes the decisions to be carried out.</p>

Agenda			Frequency: 1 week prior to meetings Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
Ensures an orderly and timely meeting. Provides attendees with an opportunity to add or delete items.	Full listing of the meeting topics.	<u>Commission</u> <i>Decision Item</i> <u>Administrator</u> <i>Action Item</i>	<p>Commission reviews and confirms the agenda. Items can be added, deleted or deferred. Agenda is approved as is or with amendments.</p> <p>PEBA uses draft agenda to prepare materials for the Commission meeting.</p>

Investment Monitoring

Investment Monitoring Review (Performance and Manager Evaluation)			Frequency: Semi-annually Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
Provides a review of the investment managers and investment performance.	<ul style="list-style-type: none"> • Executive Summary • Market Commentary • Trailing Period Performance • Annual Performance • Cash Flow Summary 	<p><u>Commission</u></p> <p><i>Information Item</i></p> <p><u>Administrator</u></p> <p><i>Action Item</i></p>	<p>Commission reviews and discusses:</p> <ul style="list-style-type: none"> • Investment Manager Performance and Compliance with SIP&G • Investment Performance and Objectives • Capital Markets <p>PEBA reviews the report to monitor performance and compliance with the SIP&G.</p> <p>Actions may be required based on the information received and discussions that take place.</p>

Risk Management

Custodian and Actuary Evaluations			Frequency: Annually Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
Ensures that the service providers are being evaluated.	<ul style="list-style-type: none"> Evaluation of service providers 	<u>Commission</u> <i>Decision Item</i> <u>Administrator</u> <i>Action Item</i>	<p>The service providers are evaluated and documentation of the evaluation is recorded.</p> <p>PEBA prepares and reviews the evaluation to ensure that performance is satisfactory.</p>

Risk Management Plan - Current Year			Frequency: Annually Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
Ensures potential risks to the Plan are considered and actions are put in place to manage the identified risks.	<ul style="list-style-type: none"> Strategic Risk Financial Risk Regulatory Risk Operational Risk 	<u>Commission</u> <i>Decision Item</i> <u>Administrator</u> <i>Action Item</i>	<p>The Risk Management Plan (RMP), as approved, is used for the upcoming year to manage identified risks.</p> <p>PEBA uses the RMP to ensure that processes are in place to manage the identified risks.</p>

Risk Management Review - Previous Reporting Period			Frequency: Annually Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
Ensures that the identified risk management strategies were implemented for the year.	<ul style="list-style-type: none"> Strategic Risk Financial Risks Regulatory Risk Operational Risk 	<u>Commission</u> <i>Decision Item</i> <u>Administrator</u> <i>Action Item</i>	<p>The Commission ensures that the administrator is managing the identified risks throughout the previous year.</p> <p>PEBA prepares the Risk Management Review (RMR) and outlines what actions were taken throughout the previous year to manage risks. The RMR is then used to develop the following year's Risk Management Plan.</p>

Risk Management

PEBA Administration Report			Frequency: Quarterly Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
Provides an update regarding the administrative operations of the Plan.	<ul style="list-style-type: none"> • Executive Summary • Activities in the Quarter • Service Standards • Financial Statements • Plan Statistics 	<p><u>Commission</u></p> <p><i>Information Item</i></p> <p><i>Action Item</i></p>	<p>Commission reviews:</p> <ul style="list-style-type: none"> • Budget and financial statements; • Administrators' service standards performance; • Status of Plan amendments and policies; • Compliance with regulatory authorities; • Status of any risk management issues; and • Plan demographics. <p>Commission uses item to measure service provider performance.</p>

Investment Policy Review			Frequency: Annually Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
A review of the policy to ensure it is meeting the needs of the Plan, is compliant and reflects current beliefs, values and goals.	<ul style="list-style-type: none"> • Overview • Asset Mix and Diversification Policy • Permitted and Prohibited Investments • Monitoring and Control • Administration • Compliance Report 	<p><u>Commission</u></p> <p><i>Information Item and Decision Item</i></p> <p><u>Administrator</u></p> <p><i>Information Item and Action Item</i></p>	<p>Commission reviews the Statement of Investment Policies and Goals and makes changes as required.</p> <p>PEBA administers the Plan according to the Investment Policy. PEBA implements changes as identified by the Commission to the Investment Policy.</p>

Governance

Goals and Objectives – Plan and Review			Frequency: Annually Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
Provides direction for the Plan in regards to the Commission's goals and the activities identified to meet objectives. Review activities for the past year and outlines the plan for the upcoming year.	<ul style="list-style-type: none"> Financial Management Service Delivery and Communications Performance Measurement. 	<u>Commission</u> <i>Decision Item</i> <u>Administrator</u> <i>Action Item</i>	<p>Objectives identified to fulfill the goals of the Commission are outlined in a plan for the upcoming year.</p> <p>PEBA includes a review of activities undertaken in the past year to satisfy the identified goals and objectives.</p>

Education Events			Frequency: At meetings Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
Provides Commission with a list of upcoming education events.	Lists education providers, offerings, locations and dates.	<u>Commission</u> <i>Information Item</i>	The Commission is kept informed of upcoming educational events.

Periodic Checklist			Frequency: Semi-Annually Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
The Commission ensures that duties required to administer the Plan are being performed in a timely and effective manner. The Commission confirms whether an activity was completed, when it was completed or when it is to be completed.	<ul style="list-style-type: none"> Legislative Compliance Investment Management Administration Communication Reporting, Guidelines and Standards Governance Service Provider Contracts 	<u>Commission</u> <i>Decision Item</i> <u>Administrator</u> <i>Action Item</i>	<p>The Commission is able to review the document to ensure that the duties required to administer the Plan are being completed.</p> <p>PEBA completes the checklist to ensure that tasks are being completed as planned. The checklist is used to monitor the review and evaluation schedules.</p>

Governance

Legislative Compliance Review			Frequency: Annually Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
A review of the Plan's compliance with applicable legislation.	Plan documents are reviewed.	<u>Commission</u> <i>Information Item</i> <u>Administrator</u> <i>Action Item</i>	The Commission is made aware of the Plan's compliance with applicable legislation. Action may be required to comply with legislation. PEBA reviews compliance with the Act and ensures that the Commission is made aware of necessary changes.

Market Trends Newsletter			Frequency: Weekly Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
The Commission has the opportunity to review pension and business news, monitor case law, and review market trends and developments.	<ul style="list-style-type: none"> • Education Events • Pension News • Business News • Legislation, Litigation and Regulation • Surveys, Studies and Opinions • Benefits News 	<u>Commission and Administrator</u> <i>Information Item</i>	The Commission and Administrator's staff reviews the newsletter to remain current in pension and business trends and developments.

Code of Conduct/Conflict of Interest			Frequency: Annually Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
Ensures Commission maintains guidelines for conduct.	<ul style="list-style-type: none"> • Fiduciary Duties • Duty of Care • Ethical Standards • Conflict of Interest Procedures • Consequences of a Breach • Avoidance of Bias • Commission Member's Acknowledgement 	<u>Commission</u> <i>Action item</i>	The Commission is aware of the guidelines for its conduct. This item is reviewed and signed annually.

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Governance

Governance Self-Assessment Review			Frequency: Annually Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
Assists the Commission in assessing performance and recognizing weaknesses and strengths.	<ul style="list-style-type: none"> • Fiduciary Responsibility • Governance Framework • Roles and Responsibilities • Performance Monitoring • Knowledge and Skills • Governance Information • Risk Management • Oversight and Compliance • Transparency and Accountability • Code of Conduct and Conflict of Interest • Governance Review 	<p style="text-align: center;"><u>Commission</u></p> <p style="text-align: center;"><i>Decision Item</i></p> <p style="text-align: center;"><u>Administrator</u></p> <p style="text-align: center;"><i>Action Item</i></p>	<p>The Commission is made aware of the performance, weaknesses and strengths of its Governance Model.</p> <p>PEBA prepares the self-assessment review for the Commission.</p> <p>Actions identified by the Commission to strengthen the governance process are implemented.</p>

Annual Report			Frequency: Annually Provider: PEBA
Purpose	Key Points	Action Required	Result of Action
Provides Commission and Stakeholders with a comprehensive view of the Plan's operations and financial statements.	Communicates initiatives, operations and financials of the Plan.	<p style="text-align: center;"><u>Commission</u></p> <p style="text-align: center;"><i>Decision Item</i></p>	The Annual Report is tabled in the Saskatchewan Legislature annually and is made available on the website. Stakeholders are provided with a transparent view of the operations and financial statements of the Plan.

5.7 History

Approval Date:	November 25, 2014, November 26, 2012, October 8, 2009, November 18, 2008, November 30, 2007, March 15, 2006, November 29, 2017, and September 24, 2019
Last Review:	September 24, 2019
Next scheduled review:	November 2020