

CAPSA Pension Plan Governance Guideline #4 - Redux

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On December 22 2016, the Canadian Association of Pension Supervisory Authorities (CAPSA) released their revised Governance Guideline #4, together with the accompanying Pension Plan Administrator Governance Self-Assessment Questionnaire and FAQ document. The original Guideline #4 was published in 2004 to help Canadian plan administrators maintain strong pension plan governance practices. With input from many stakeholders, these guidelines were updated to reflect recent industry developments and updated best practices.

While these are not law, they represent a collection of fundamental governance best practices for pension plan administrators.

The new guidelines and questionnaire outline the following eleven principles:

1. Fiduciary responsibility
2. Governance framework
3. Roles and responsibilities
4. Performance monitoring
5. Knowledge and skills
6. Governance information
7. Risk Management
8. Oversight and compliance
9. Transparency and accountability
10. Code of conduct and conflict of interest
11. Governance review

A brief description of each principle is provided within the CAPSA document available via the following link:

https://www.capsa-acor.org/en/guidelines/PUBLISH%201.%20Guideline%20No%204_CAPSA_20161129.pdf

The Pension Plan Administrator Governance Self-Assessment Questionnaire is a supporting tool that can help plan administrators assess how well their governance processes adhere to the above principles. While the questionnaire contains 26 key questions (see link below) that CAPSA suggests reviewing annually, they serve as a suggested list. A plan administrator may wish to alter or add to the list.

https://www.capsa-acor.org/en/guidelines/PUBLISH%202.%20Self-Assessment%20Questionnaire_CAPSA_20161121.pdf