

SOUTH AUSTRALIAN SUPERANNUATION BOARD

TERMS OF REFERENCE AND CHARTER OF OBLIGATIONS AND RESPONSIBILITIES

TERMS OF REFERENCE

Membership of the Board

The membership of the Board is set out in Section 6 of the *Superannuation Act 1988* (the Act) as:

- a presiding member (who must not be an employee) appointed by the Governor
- two members elected by the contributors and members of the superannuation schemes
- two members appointed by the Governor on the Minister's nomination.

Meeting Procedures

Board meetings are usually scheduled for the last Wednesday of every month as agreed by the Board from time to time. A meeting may be rescheduled with the agreement of the Presiding Member. Papers will be made available to members at least a week prior to each meeting. Papers will be posted on the Board Effect portal and Board members and deputies (attending the meeting) will be advised by email when the papers are available. Hard copy sets of papers will be provided on request.

A meeting will be chaired by the Presiding Member, or in his or her absence by a member chosen by those present. Three members constitute a quorum. Where a Board member is unable to attend a meeting, their deputy, if one is appointed, will be notified so that they can attend in their place. A decision in which a majority of the members present at a meeting concur is a decision of the Board. The Board must keep minutes of its meetings. The Board Secretary is responsible for taking the minutes of each meeting and ensuring the safe keeping of those minutes.

A conference by telephone or other electronic means between members of the Board is allowed by the Act and will constitute a meeting of the Board providing notice of the conference is given to all members and each participating member is capable of communicating with every other participating member during the conference.

Resolutions in writing ("circular resolutions") are permitted by the Act. The proposed resolution will be provided to all Board members in the form of a Board paper allowing reasonable time for members to read the paper and any supporting documentation and to ask questions or seek further information. This proposal may be sent by email to an address normally used by the Board member. Any written response from a member indicating their concurrence, or otherwise with the resolution will be accepted as the members decision. A response by letter, email or any other written communication setting out, or referring to, the terms of the resolution will be accepted. A circular resolution is a valid decision of the Board if it is approved by a majority of members.

Minutes for electronic meetings will be kept and decisions made by circular resolution will be minuted at the next sitting of the Board to ensure that appropriate records are maintained.

Board Policy SUP 78 *Access to Board Papers* details the access of Board members and deputies to Board papers during and following their term of appointment.

Conflicts of Interest

The Board has adopted a Conflict of Interest Policy SUP 76, which sets out the responsibilities of Board members in relation to conflicts of interest and how those conflicts will be managed.

Stakeholders

The major stakeholders of the Board are:

- The contributors and members of the superannuation schemes administered by the Board.
- The Treasurer
- Department of Treasury and Finance
- Funds Management Corporation of South Australia (Funds SA)
- State public sector unions
- Superannuation Federation
- Regulators (eg Australian Prudential Regulation Authority)
- SA Auditor General etc)
- SA Government Agencies.

Resources

The Department of Treasury and Finance provides, through the State Superannuation Office, the staff and administrative services to allow the Board to carry out its responsibilities. A Service Level Agreement is in place between the Board and the Department which sets out the services to be provided and the service level standards to be met. The provision of resources by the Department will be reviewed by the Board when the Service Level Agreement is due to be renewed.

Functions of the Board

The Board is responsible to the Treasurer for all aspects of the administration and governance of the superannuation schemes established by the Superannuation Act 1988, and the Southern State Superannuation Act 1994, except the management and investment of the funds. The Board is also Trustee of the SA Ambulance Service Superannuation Scheme.

The functions are addressed in more detail in the Charter of Obligations and Responsibilities below.

To assist it in undertaking its functions the Board may form sub-committees. Each sub-committee will have its own terms of reference, which will be reviewed annually and approved by the Board.

Review

Department of Premier and Cabinet Circular PC022 *Improving the Effectiveness of Government Boards and Committees* has a requirement that the effectiveness and ongoing need for the functions of government boards and committees be reviewed regularly.

The Board and sub-committees will undertake an annual performance self-appraisal to meet the requirements of the Financial Management Compliance Program.

CHARTER OF OBLIGATIONS AND RESPONSIBILITIES

Strategic Direction

- Determine the strategic direction for administration of the schemes and review reporting against achievement of the plan
- Establish an effective communication and marketing strategy for both contributory and non-contributory members.
- Review long-term resourcing and scheme sustainability
- To approve any revised or enhanced products.

Individual Board Member Obligations

- To act honestly in all matters concerning the schemes
- To take the same care, skill and diligence as an ordinary prudent person would take in dealing with the property of another for whom that person felt a moral obligation
- To ensure all duties and powers are performed and exercised in the best interests of scheme members and/or their dependants
- Not to enter into any contract, or do anything else, that would prevent a Board Member from, or hinder a Board Member in, properly performing or exercising all functions or powers
- To allow a beneficiary access to certain information or documents (which includes the fund's governing rules, its audited accounts and other information to enable the member to evaluate the fund's management and financial condition)
- To identify and declare anything that would be a conflict of interest to their position as a Board Member
- To comply at all times with the requirements of the Public Sector Act 2009 and the Public Sector (Honesty and Accountability) Act 1995
- To undertake any relevant training and to maintain skills and knowledge to ensure continued effective performance of their role as a Board member.

Administration/Service Providers

- Recommend to the Treasurer as to who should be the administration service provider
- Ensure a Service Level Contract is in place for administrative services, which clearly defines the duties and responsibilities of the service provider, performance expectations and the fees to be paid
- Review and approve the service provider's Strategic Plan for achieving outcomes required under the Service Level Contract
- Review and monitoring of the service provider's actual performance against the Service Level Contract
- Liaise with the Funds SA Board providing input and comments on its yearly Performance Plan.
- Review and monitor adequacy of the IT Governance structure.

Delegation of Powers

- Ensure that delegation of decision-making powers (including any limits on these delegations) are in place and clearly documented
- Ensure that the powers so delegated are being properly and effectively exercised, through periodic review.

Review and Decision

- Determine Board Policy on all matters relating to the administration of the schemes and recommend appropriate amendments to the Treasurer where difficulties or inequities arise
- Resolve any doubts or difficulties in the administration of the schemes
- Act as an appellant body in respect of all decisions, which have been made by the service provider under delegation, in accordance with a defined complaint and review procedure
- Determine income reserving policies for the schemes.

Reporting

- Ensure Annual Reports, Financial Statements and such other reports that the Treasurer may require, are prepared each year as required by legislation.

Fiduciary Control

- Be the single entity operating independently that is responsible for the prudential management of the Schemes
- Ensure the establishment of an Audit, Risk and Finance Committee, to review and report to the Board on the adequacy and application of internal and financial controls, and systems and procedures in administration of the schemes
- Ensure the adequacy of the Tax Governance framework
- Review and approve the internal audit work program
- Ensure adequate reporting is available in respect of:-
 - the exercise of powers delegated to the service provider

- financial and prudential information
- performance against standards in the Service Level Contract.
- Approve and monitor the implementation of budgets and plans for all major projects and capital developments
- Approve the Anti-Money Laundering and Counter-terrorism Financing Program
- Implement and monitor an effective risk management policy and program
- The Board or each of its members must not do anything that would be a conflict of interest to the Board or their position as a Board member.