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Agenda Item 20

April 13, 2011

TO: MEMBERS OF THE BOARD OF ADMINISTRATION

I. SUBJECT: Committee Delegations of Authority: Board Governance Committee and Risk Management Committee

II. PROGRAM: Administration

III. RECOMMENDATION: That the Board adopt:

- The Delegation Resolution establishing the Risk Management Committee (Attachment A); and
- The Delegation Resolution establishing the Board Governance Committee (Attachment B).

IV. ANALYSIS:

The Board has, from time to time, formed an ad hoc board governance committee to review the Board's internal governance procedures and analyze specific issues that could improve the ability of Board members to fulfill their fiduciary responsibilities. The Board President has indicated a desire to create a permanent board goverance committee to continue these important purposes. A proposed Delegation Resolution to form a permanent Board Governance Committee is attached as Attachment A.

In 2009, the Board commenced a Risk Management Initiative to take an enterprise-wide review of CalPERS existing governance and risk management framework and processes to ensure compliance with best practice standards of a public pension system. An ad hoc risk management committee was formed to assist the Board in fulfilling its oversight responsibilities with respect to implementation of the Risk Management Initiative. The Board President has indicated a desire to create a permanent Risk Management Committee to continue to assist the Board in fulfilling its oversight responsibilities with respect to the implementation of the Risk Management Initiative and to ensure that the Board's governance and risk management framework and processes continue to meet or exceed best practices standards in the future. A proposed Delegation Resolution to form a permanent Risk Management Committee is attached as Attachment B.

V. STRATEGIC PLAN:

This agenda item supports:

- Strategic Plan Goal I – Exercise global leadership to ensure the sustainability of CalPERS pension and health benefit systems.

- Strategic Plan Goal II – Foster a work environment that values quality, respect, diversity, integrity, openness, communication, and accountability.

VI. RESULTS/COSTS:

There are no costs associated with this agenda item.

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