



Agenda Item 6b

March 18, 2014

ITEM NAME: Review of the Finance & Administration Committee Delegation

PROGRAM: Administration

ITEM TYPE: Action

RECOMMENDATION

Recommend the proposed changes to the Finance & Administration Committee (Committee) Delegation Resolution for Board consideration and approval at the April Board meeting.

EXECUTIVE SUMMARY

Attachment 1 displays the current Committee Delegation Resolution (Delegation) with the proposed changes. These changes will strengthen the alignment between the Committee's authority and CalPERS long-term objectives.

STRATEGIC PLAN

This item supports Goal B of the CalPERS 2012-2017 Strategic Plan (Strategic Plan) which is to cultivate a high-performing, risk-intelligent and innovative organization. It also supports the specific objectives: use a focused approach to generate, test, refine and implement new ideas, to deliver superior end-to-end customer services that is adaptive to customer needs, and to actively manage business risks with an enterprise-wide view.

BACKGROUND

In December 2011, the Board approved the Committee's Delegation Resolution. With consideration to the evolving Strategic Plan and change in Enterprise needs, this item brings to the Committee the opportunity to update its authority, enhancing the overall role of the Committee from an enterprise-wide perspective.

ANALYSIS

The most notable proposed changes include the following:

- Conduct the selection of the Board's independent actuary and recommend the finalist to the Board.
 - This change supports the Committee's oversight for financial soundness of the overall CalPERS system and approval of actuarial policies and valuations.
- Oversee management of risks related to the duties delegated to this Committee.
 - This change acknowledges the Committee's oversight for risks related to the duties within the Committee's authorization.

BENEFITS/RISKS

The benefits of approving this item include:

- Ensuring the Committee has appropriate authority to maintain strategic oversight of Enterprise operations and needs.
- Maintaining Committee authorities that align with the Strategic Plan.

The risks of not approving this item include:

- The Committee not having the required authority to take action on or oversee mission critical objectives.

ATTACHMENTS

Attachment 1 – Finance & Administration Committee Delegation Resolution:
Proposed Changes

Attachment 2 – Finance & Administration Committee Delegation Resolution:
Original Delegation

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