



## Consent

### Agenda Item 4c

May 20, 2014

**ITEM NAME:** Summary Report on Board Fiduciary Training

**PROGRAM:** Enterprise Compliance Division

**ITEM TYPE:** Information

#### **EXECUTIVE SUMMARY**

This agenda item confirms that all Board members and their designees have completed the 2013 Annual Board Fiduciary Training either by attending the live workshop held on December 17, 2013, or by viewing the approved online training. All certifications for Fiduciary Training have been recorded.

#### **BACKGROUND**

In September 2011, the Board adopted six governance principles and approved recommendations focused on improving the effectiveness, oversight, accountability, and decision-making of the Board and its Committees.

In February 2012, the Board approved and implemented the Governance Policy (Policy), which provides an overall framework for board governance. The Policy specifies that "Board members shall attend fiduciary training, which includes on-line training (if available), as approved by the Board President, annually." (Policy, section X.O., pg. 20 of 27.) The Policy further states "Each Board member will sign a statement acknowledging fiduciary responsibilities in conjunction with self-assessment processes." (Policy, section XI.C., pg. 21 of 27.)

Additionally, CalPERS has conducted the following Board fiduciary workshop sessions since the Policy was implemented:

- February 15, 2012
- December 7, 2012 (workshop video recorded)
- December 17, 2013

#### **ANALYSIS**

Under the Policy, Board members are required to annually attend fiduciary training and certify completion. The Chief Risk & Compliance Officer (CRCO) is responsible for administering and overseeing the process of obtaining and monitoring these certifications.

### **Fiduciary Certification**

To ensure compliance with the Policy and that all Board members fulfill the governing principle to be “effective and capable fiduciaries,” the following are highlights of the fiduciary certification process that has been implemented:

- Board members must attend a fiduciary training and sign the Fiduciary Certification form each calendar year. Board members have the option to attend the “live” CalPERS workshop on fiduciary training or view the recorded session.
- After Board members complete the fiduciary training, they will sign and submit the Fiduciary Certification form to the Board Services Unit (BSU). The BSU will then send the forms to the Enterprise Compliance Division (ECOM).
- The CRCO provides quarterly reminder notices to Board members who have not submitted their signed Fiduciary Certification form and suggests fiduciary training opportunities to meet the annual certification requirement.
- The CRCO provides quarterly status to the Board President, Board Vice President, Chief Executive Officer, General Counsel, and Chief Financial Officer as needed on status of completion for the reporting period.
- The CRCO will present annually the Fiduciary Certification Completion Report for the previous calendar year to the Board Governance Committee. In the future, this report will be presented at the first meeting of the Board Governance Committee of the calendar year.

### **ATTACHMENTS**

Attachment 1 – Matrix 2013 Board Compliance Requirements: Fiduciary Certification

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