



Finance and Administration Committee Agenda Item 10c

April 18, 2017

Item Name: Proposed Revision of the Discharge from Accountability Policy (First Reading)

Program: Financial Office

Item Type: Information

Executive Summary

The proposed revisions to the Finance and Administration Committee Delegation of Authority (Agenda Item 5a) will include the Committee's delegated authority regarding Discharge from Accountability. The CalPERS team recommends the existing policy for the Discharge from Accountability (Attachment 1) be revised. Operational procedures will be maintained by the Financial Office

Enclosed are the following attachments:

- Attachment 1 - Current version of Board of Administration, Statement of Policy, Discharge from Accountability
- Attachment 2 - Black-lined version of proposed changes to Board of Administration, Statement of Policy, Discharge from Accountability
- Attachment 3 - Final version of Board of Administration, Statement of Policy, Discharge from Accountability

Strategic Plan

This item supports CalPERS' Strategic Plan goals to reduce complexity and cultivate a risk-intelligent organization.

Background

In conformance with the CalPERS Policy and Delegation Standards, revisions are recommended to the Board of Administration, Statement of Policy, Discharge from Accountability (November 1, 2000) in order to establish clear authority in Board Committee and staff delegations and to streamline policy content.

Analysis

The revision of this policy, in coordination with proposed revisions to the Finance and Administration Committee Delegation of Authority, does not represent a substantive change in approach; rather, this is part of CalPERS' ongoing efforts to streamline and consolidate policy requirements to strengthen compliance. The Board's authority is being outlined in the Finance and Administration's delegation of authority and the operational procedures will be maintained by the Financial Office.

The proposed revision removes references to the delegated authority to CalPERS division chiefs. Discharge from accountability below \$20,000 will be reviewed and approved by a centralized committee. The exception are those discharge from accountability that exceed the Statute of Limitation specified in Government Code, section 20164(b)(1). The policy will

continue to retain annual reporting for all discharges from accountability to the FAC and preserves the requirement to comply with the constitutionally-mandated standards of diligence, care, prudence, and skill, strong internal controls and thorough review.

Budget and Fiscal Impacts

Not Applicable.

Benefits and Risks

Approval of this agenda item will reduce administrative complexity, improving clarity and compliance.

Attachments

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- Attachment 3 - Final version of Board of Administration, Statement of Policy, Discharge from Accountability

Marlene Timberlake D'Adamo
Interim Chief Financial Officer