



Finance and Administration Committee

Agenda Item 4d

April 16, 2019

Item Name: Review of the Finance and Administration Committee Delegation

Program: Financial Office

Item Type: Action Consent

Recommendation

Approve the proposed amendments to the Finance & Administration Committee Delegation Resolution (FAC Delegation) as part of the annual Board Committee Delegation review process to align with current strategic plan and strategic performance metric reporting practices and budgeting oversight.

Executive Summary

The Delegation Resolution is reviewed on an annual basis to ensure alignment with the CalPERS Strategic Plan and Board direction. Proposed changes to the current FAC Delegation are shown in attachment 1.

Strategic Plan

This item supports the Reduce Complexity and Risk Management Strategic Goals from the CalPERS 2017-2022 Strategic Plan (Strategic Plan), which are to reduce complexity across the enterprise by streamlining operations and cultivate a risk-intelligent organization.

Background

In accordance with the Board Governance Policy, each committee's delegation is reviewed annually and updated as needed. This presents each committee with the opportunity to review and update the authorities delegated to the committee by the full Board, enhancing the overall governance of the Board.

In February 2019, the Committee reviewed the FAC Delegation and approved the removal of Resolution Items 1 & 2 (Resolved B1 & B2) to align with current strategic plan and strategic performance metric reporting practices.

In March 2019, the Pension and Health Benefits Committee discussed adding approval of Budget Change Proposal (BCP) submittals to the Department of Finance for the Contingency Reserve Fund (CRF) and Health Care Fund (HCF) to their delegation. After further consideration, and in alignment with budgetary oversight by FAC, the team recommends amending the FAC Delegation to include the approval of Budget Change Proposals.

Analysis

The FAC Delegation was reviewed to ensure conformance with CalPERS Delegation and Policy Standards, as well as for recommended enhancements. The team recommends revising the FAC Delegation as follows:

- Remove - FAC Delegation Resolution Items 1 & 2 (Resolved B1 and B2)
- Add - Approve Budget Change Proposal (BCP) submittals to Department of Finance for the Contingency Reserve Fund (CRF) and the Health Care Fund (HCF).

Budget and Fiscal Impacts

Not Applicable.

Benefits and Risks

The benefit of approving the revised FAC Delegation Resolution is to continually align the Committee's authority with the needs of our members while keeping CalPERS commitment to its strategic goals and objectives.

Attachments

Attachment 1 – FAC Delegation – Current with proposed changes (FA-17-01)

Attachment 2 – FAC Delegation – Proposed new (FA-19-01)

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