



Board Governance Committee

Agenda Item 7e

August 20, 2019

Item Name: Workstream Five: Insight Tool

Program: Board Governance

Item Type: Action

Recommendation

The board member leads for Workstream 5 (Insight Tool) recommend that the Board Governance Committee approve the following:

- Build out the technology platform “Insight” to provide a new Board Dashboard of “vital signs” which incorporate real time management reporting to improve board oversight and transparency to stakeholders

Executive Summary

Develop New Board Dashboard of Vital Signs

The development of a board dashboard of vital signs would help the board identify the essential information necessary for their oversight responsibilities. This new platform will allow this information to be easily accessible inside the new Insight Tool. The board will be able to easily access necessary information, both past and present, in a timely manner.

Strategic Plan

This agenda item supports the 2017-2022 Strategic Plan goal “Fund Sustainability”. The outcomes of the Board Workstream Evaluation and recommendations put forward will improve the decision making of the board and strengthen their overall fund governance.

Background

At the January 2019 Board Offsite, Anne Simpson, CalPERS Director of Board Governance and Strategy, and Cari Dominguez, the faculty member leading the 2018 Board Self-Evaluation for the National Association of Corporate Directors (NACD), presented the findings of the Board Self-Evaluation completed in the fall of 2018. Subsequently the CalPERS Board President established five workstreams to follow-up on the findings: Board Curriculum; Roles and

Responsibilities; Meeting Materials; Code of Conduct; and Insight Tool Prototype. In March 2019, the board received an update on the workstreams and their progress. In June 2019, the board received an additional update on workstream progress and approved the identified recommendations to be moved forward for discussion. In July 2019, the board had a first review and 4-hour discussion on the recommendations being put forward by 4 of the 5 workstreams. Also, the board received a prototype viewing of the Insight program that was created based on feedback from the 5th workstream's beta tests.

Analysis

The goal of the Insight Tool is to complement the efforts of the other four workstreams. This will ultimately enable board members to have easy access to key information and board decisions, as well as the relevant materials created by the other workstreams.

A prototype was demonstrated at the January and July 2019 Board Offsites. Based upon feedback provided at these demonstrations as well as guidance from the workstream 5 participants, this web-based platform is being designed to assist board members in their role, supporting activities prior to, during, and following meetings. Early releases will provide fundamental functionality; most notably access to historic and upcoming agenda items as well as a centralized repository for board administrative items. As board content development evolves via workstreams 1-4, Insight will assist in better automating and enhancing the authoring process, resulting in greater efficiencies and developing relationships between various board items and materials. The platform will also emphasize timely access to “vital signs” - a variety of real to near-real time reports on significant operational and strategic measures.

Currently under development, Insight will be updated iteratively over the course of the 19/20 fiscal year. An early release with core functionality will be made available to a pilot group by the end of 2019. Once the pilot group is satisfied with the platform, production use can be extended to all board members. Insight will run in parallel with any existing tools until functionality meets current expectations. This approach will provide board members with early access to the tool, providing the opportunity to incorporate real use feedback to guide the delivery of future functionality.

Budget and Fiscal Impacts

N/A

Benefits and Risks

This recommendation will benefit the organization by improving board members access to essential information in a timely manner to improve strategic oversight.

Attachment 1 – Workstream 5 7e August 2019 – PowerPoint

Anne Simpson
Director, Board Governance and Strategy

Matthew Jacobs
General Counsel

Marcie Frost
Chief Executive Officer