

**STATE OF CALIFORNIA
BOARD OF
ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

DELEGATION RESOLUTION

Subject: Risk and Audit Committee Delegation No: RA-20-01

Pursuant to California Government Code section 20099, the Board of Administration of the California Public Employees' Retirement System (Board) hereby authorizes the annual appointment by the Board President of a Risk and Audit Committee to be comprised of not fewer than seven members of the Board.

Except as otherwise provided within this Resolution, the Risk and Audit Committee (Committee) is authorized to:

- (1) Approve positions on legislation affecting enterprise risk, compliance, ethics, and audits.
- (2) Approve regulations affecting enterprise risk, compliance, ethics, and audits.
- (3) Approve annual internal audit, risk, and compliance plans.
- (4) Approve key risk management activities including: the enterprise risk management framework and risk management strategy.
- (4) Oversee key risk management activities including: the enterprise risk management framework and risk management strategy.
- (5) Approve enterprise risk appetite and tolerances (excluding investment risk).
- (6) Oversee enterprise risk appetite and tolerances (excluding investment risk).
- (7) Oversee the effectiveness of processes and controls for enterprise risk management, enterprise and Board-approved policy compliance, and enterprise operating risk management.
- (8) Oversee key compliance and ethics activities and reports to include: enterprise program compliance, enterprise and Board policy compliance, service provider compliance, and privacy and security compliance.

¹ The System means, collectively, the Public Employees' Retirement System, the Legislators' Retirement System, the Judges' Retirement System, the Judges' Retirement System II, the Public Employees' Long-term Care Program, the Public Employees' Deferred Compensation Program, the Replacement Benefit Plan, the Old Age and Survivors' Insurance Program, the Public Employees' Medical and Hospital Care Act Program, the Annuitants' Health Care Coverage Fund, the Supplemental Contributions Program, and the Employers' Pension Prefunding Program.

- (9) Oversee ethics-related complaints, processes, and findings.
- (10) Oversee key internal auditor activities to include: internal audits, real estate audits, public agency reviews, financial audits, actuarial parallel valuations, and audit findings resolution.
- (11) Conduct the selection of the Board's independent financial statement auditor and recommend the finalist to the Board.
- (12) Approve the Independent Auditor's Annual Audit Plan, Independent Auditor's Report, Independent Audited Financial Statements, and Management Letter.
- (13) Conduct the selection of the Board's independent actuary for performing parallel valuations and recommend the finalist to the Board.
- (14) Set the benchmarks and triggers for information that comes to the Committee for review, as well as approve performance metrics to be reported to the Committee.

Notwithstanding any other provision of this Resolution, all acts of the Risk and Audit Committee shall be reported to the Board, at its next regular meeting, and shall be subject to review and ratification or reversal by the Board.

This Resolution is effective immediately upon adoption, and supersedes all previous delegations of authority to this, or any predecessor, committee.

I hereby certify that on the 19th day of February 2020, the Board of Administration of the California Public Employees' Retirement System made and adopted the foregoing Resolution.

HENRY JONES
President, Board of Administration
California Public Employees' Retirement
System