



Finance and Administration Committee

Agenda Item 5e

February 17, 2021

Item Name: Review of Finance and Administration Committee Delegation

Program: Financial Office

Item Type: Action Consent

Recommendation

Approve the current Finance & Administration Committee Delegation Resolution with no proposed changes.

Executive Summary

Each board committee annually reviews and revises their delegation resolution as necessary. Attachment 1 is the current Finance & Administration Committee Delegation Resolution, no edits are being proposed at this time.

Strategic Plan

This item supports the reduce complexity and risk management strategic goals from the CalPERS 2017-2022 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, improving the overall governance of the board.

Analysis

The financial office has reviewed the delegation resolution for the Finance and Administration Committee (FAC) and recommends no revisions at this time. Any revisions to the delegation resolution that the committee wishes to make will be incorporated and brought back for board consideration and approval at a subsequent meeting.

Budget and Fiscal Impacts

The Budget and Fiscal Impacts Section should identify the immediate one-time and ongoing fiscal operating and capital cost implications of the agenda item, if applicable. This section should also address if existing resources have been identified to fund this agenda item. Costs should be broken down by major expense category (Salaries and benefits, consulting, capital costs, as examples). If funding has been identified within existing budgetary resources, then so state. If there is no Budget and Fiscal impact, then so state that it is Not Applicable.

Benefits and Risks

The benefits of accepting this item include:

- Appropriately defined guidance to the FAC and team members to manage the effectiveness and integrity of the board's processes, including oversight, accountability, transparency, efficiency, and decision-making.
- Maintaining FAC authorities that support and align with the Strategic Plan and the Board Governance Policy.
- Clearly defining and distinguishing between the roles of the board, FAC, and team members.
- Ensuring FAC has appropriate authority to maintain strategic oversight of Enterprise operations and needs.

The risks of not accepting this item include:

- Reduced effectiveness of the FAC and team members in operating in accordance with the board's processes, including oversight, accountability, transparency, efficiency and decision-making.
- Reduced clarity between the roles of the board, FAC, and team members.
- The FAC not having the required authority to take action on or oversee mission critical objectives.

Attachments

Attachment 1 – Finance & Administration Committee Delegation Resolution

Michael Cohen
Chief Financial Officer