

BOARD OF DIRECTORS MEETING (OPEN)

AGENDA ITEM 17c(iii)

ATTACHMENT 17c(iii)-I

PROPOSED BOARD TRAINING PROGRAM

PRESENTED BY: Jeanne Cain

March 13, 2009



1275 Market Street
San Francisco, CA 94103
(415) 565-1456
www.scif.com

Date: March 2, 2009

BOARD AGENDA ITEM 17c(iii)--MARCH 13

TO: MEMBERS OF THE BOARD OF DIRECTORS

- I. SUBJECT: RECOMMENDATION FOR BOARD TRAINING PROGRAM & ACCEPTANCE OF BOARD ORIENTATION MANUAL**
- II. PROGRAM: EXECUTIVE/OFFICE OF THE GENERAL COUNSEL**
- III. RECOMMENDATION: ADOPT A TRAINING PROGRAM & AUTHORIZE STATE FUND TO SECURE PROVIDERS AND ADOPT THE BOARD ORIENTATION MANUAL**
- IV. ANALYSIS: (See attachments)**
- V. RESULTS/COSTS:**

Training Program

Training Proposal was completed by using in-house resources. Training will be provided at the most favorable terms and cost.

Board Orientation Manual

Manual was completed by in-house resources with support from a certified Project Management Professional (PMP).

CAROL R. NEWMAN, General Counsel

Attachments

**Recommendation
to the
Governance Committee and Board of Directors
for
Board of Director Training
Presented at the March 12, 2009 Committee and March 13, 2009 Board Meetings

Approach and Strategy**

Overview

Recently enacted legislation SB 1145 increased the State Fund Board of Directors from 5 to 11. This legislation also mandated specific Board training that must be conducted by persons or entities not affiliated with State Fund in the areas of:

- Duties and Obligations of members of a Board of Directors
- Corporate Governance
- Ethics
- Board of Directors Legal issues
- Insurance
- Finance and Investments and
- Information Technology

Training Objective

The objective of the training is to increase the effectiveness of the Board with continuous training to ensure Board best practices are being utilized.

Training Format Options

As an initial matter, all training must be noticed to the public and be open for the public's attendance. Other public boards hold their training in open session and it is rare for any media or public to attend.

1. Focused presentation for all Board members in a 1.5-2 day session to be held in San Francisco in April 2009. This option would provide the foundational basis for Board training for State Fund's current Board members at the earliest possible opportunity. Note, these sessions could be unbundled and structured for presentations as individual modules through webinars of 1.5-2 hours each over a set period of time though the public would need to be invited and the lines would be open for their participation. State Fund is evaluating whether this option is possible given the need for opportunity for the public to participate.

If possible, the webinar option should be considered as new Board members are appointed. If this option were chosen, the recommendation is to locate various providers from public accounting firms, law firms, universities or other qualified professionals. It is recommended the Board authorize State Fund to negotiate the most favorable terms and costs. If this option were chosen, it is expected to be the least expensive and under State Fund's competitive bidding threshold guidelines. Nevertheless, if so authorized, State Fund would request recommended training modules and cost from at least 3 providers. (Refer to **Attachment 1** for the Proposed Training Schedule with overview of the training objectives for each module.)

2. Each Board member could attend a specific conference event. This option would likely result in higher costs than option 1 because of the required travel, registration fees and attendance for longer durations. In addition, the events are structured as intense training for boards which immerse the participant in specific topics and/or several topics but they would not be all inclusive of the legislatively mandated training. This would likely result in needing to attend more than one conference event, or combining with Option 1 for select modules. This

approach would result in different perspectives which the Board may desire but could also have unintended consequences of misaligning the Board around a particular topic. Board members may attend the same conference events so long as they are careful not to conduct or be perceived as conducting State Fund business in violation of Bagley-Keene requirements. This option does not require posting to the public.

If this option were chosen, it is recommended that the Board authorize State Fund to receive Board member attendance records as self-reported or from the provider of the conference. See **Attachment 2** for Board Training Conferences in 2009.

3. Engage a single provider who would develop and customize the training to cover all the legislatively mandated topics. This option most likely would trigger State Fund's competitive bidding process and, as such, if this option is chosen it is recommended that the Board authorize State Fund to proceed with a competitive bidding process and negotiate the most favorable terms and cost.

It is expected that this option would be the most expensive because the:

- (i) Scope of the training should consider the need to train the current Board as well as additional members as they are appointed, and
- (ii) Board may wish to add future training to the scope of work in order to have the complete cost of the training were this option selected.

This option would take more time to engage a single provider because of the bidding process which would result in delaying the delivery until June at the earliest. This approach may not provide optimal diversity of thought, as there would be a single provider covering all topics, rather than identifying experts from the respective fields for the topics. This option could be more limiting for future training considerations on these topics.

Recommended Providers

State Fund recommends contacting the following caliber of providers to be considered for the Board Training:

Education Services

- ◆ UC Berkeley – Professors
- ◆ IMS-online (Institute for Management Studies)
- ◆ Stanford University – Executive Program

Financial Services

- ◆ Conning & Company
- ◆ Deloitte Touche Tohmatsu
- ◆ Ernst & Young
- ◆ KMPG
- ◆ Price Waterhouse Coopers

Law Firms

- ◆ Dewey & LeBoeuf
- ◆ Gibson, Dunn & Crutcher, LLP
- ◆ Locke Lord Bissell & Liddell LLP
- ◆ Manatt, Phelps & Phillips, LLP

Professional Associations

- ◆ ISACA – Information Systems Audit & Control Association
- ◆ IIA (Institute of Internal Auditors)

- ◆ PMI (Project Management Institute)
- ◆ ITGI (IT Governance Institute)
- ◆ AICPA (American Institute of Public Accountants)

Continuous Training

The Board should consider additional training that could be part of the Open Board and Committee meetings every other month or as stand-alone sessions through webinars. Please note: this would require public notice and opportunity for the public to participate in the training.

Compliance

It is recommended that the Board track the training and an update be provided to the Governance Committee regarding Board Member participant, training topic, provider, and date. The Training Report would be first presented at the May 2009 Governance Committee meeting, and then presented at September and November 2009 Governance Committee meetings.

Board of Directors – Proposed Training Schedule
1.5 → 2 day local approach
Month nn, 2009

DAY 1

- 8:30 to 9:00am** **Opening Comments/Agenda**
Speaker Name - TBD
 ♦ **What is State Fund?** History, Statutory Framework, Vision, and Public Mission
- 9:00 to 10:30am** **Insurance**
Speaker Name(s) – TBD
 ♦ **Overview of Industry**
 - Summary of Property & Casualty insurance; Distribution Channels
 ♦ **State Fund and the WC industry**
 - Other Providers; Market share; WC Associations
 ♦ **Regulatory Agencies**
 - Department of Insurance (DOI)
 - Workers' Compensation insurance Rating Bureau (WCIRB)
 - Workers' Compensation Appeals Board (WCAB)
 ♦ **Rates and Policy Forms**
 - How rates and forms are regulated
- 10:30 to 10:45am** **BREAK**
- 10:45 to 12:00pm** **Workers' Compensation Laws and Regulations**
Speaker Name(s) – TBD
 ♦ **Statutory**
 - Privacy, Gramm-Leach Bliley, etc
 ♦ **Regulatory**
 - California & NAIC
 ♦ **Case Law**
 - Important Decisions
- 12:00 to 1:00pm** **LUNCH**
- 1:00 to 2:30pm** **Board Duties, Obligations and Legal issues**
Speaker Name(s) - TBD
 ♦ **Board Form and Function**
 - Key Functions (Oversight, Compensation, etc)
 - Aligning the Board and Senior Management
 - Committee use to maximize Board productivity
 ♦ **Fiduciary Duties** (Care, Loyalty, and Disclosure)
 - Board Responsibilities – Impact of legislation, regulation, and litigation.
 - Director Vulnerability – New and raised expectations
 - Business Judgment Rule

Board of Directors – Proposed Training Schedule
1.5 → 2 day local approach
Month nn, 2009

2:30 to 3:45pm

Ethics

Speaker Name - TBD

◆ **Conflicts of Interest**

- Fair Political Practices Commission (FPPC)
- Gifting (meals, miscellaneous items, vacations, money, etc)
- Recusal rules and procedures

◆ **Board of Director Ethics**

- Fostering an ethical culture through leadership
- Improving communications and the Ethics investigation processes
- Audit of Ethics processes

◆ **SB1145 Requirements**

- Bagley-Keene Open Meeting Act
- California Public Records Act (CPRA)

3:45 to 4:00pm

BREAK

4:00 to 5:30pm

Corporate Governance

Speaker Name(s) – TBD

◆ **Enterprise Risk Management (ERM)**

- Best Practices for establishing strategy
- Integration of Governance with Risk Management
- Driving to a “risk awareness” corporate culture

◆ **Best Practices**

- Governance Committee role and responsibilities
- Governance in relationship to Compliance
- Minimum legal and financial policy oversight and reporting
- Emerging Requirements and Needs
- Audit Process

Board of Directors – Proposed Training Schedule
1.5 → 2 day local approach
Month nn, 2009

DAY 2

- 9:00 to 10:30am** **Finance and Investment**
Speaker Name – TBD
- ◆ **Investment**
 - Investment Committee role and responsibilities
 - Overview of Insurance Investment Laws and Regulations
 - Understanding Investment strategies in turbulent economic conditions
 - ◆ **Finance**
 - Reading the Financial Statements
 - Insurance Company Financial Statements
 - Not-for-Profit Tax Rules
 - ◆ **Audit Requirements**
 - Audit Committee role and responsibilities
 - Duties to third party auditors (external, DOI, and DOL)
- 10:30 to 10:45am** **BREAK**
- 10:45 to 12:00pm** **Information Technology**
Speaker Name – TBD
- ◆ **Overview of Information Technology today and in the future**
 - ◆ **IT Governance and Controls**
 - Compliance/Control Practices
 - Performance Metrics
 - ◆ **Privacy and Security**
 - Role of IT

POTENTIAL TRAINING PROVIDERS

Provider	Date	Cost	Topics
BOARD TRAINING PROVIDERS			
Directors' Consortium: Stanford Graduate School of Business , Palo Alto, California	February 23-27, 2009. Will be offered in subsequent years.	\$7,500 to \$8,700 pp for 3-4 day session	<p>Course Elements:</p> <p>(1) directors' roles and responsibilities in current corporate governance environment</p> <p>(2) frameworks and strategies for critical decisions about corporate strategy, CEO evaluation and succession, compensation, financial policy, and financial reporting</p> <p>(3) frameworks for legal and prudent strategies to navigate today's litigious environment.</p> <p>Optional Finance Day: Financial Accounting Foundations</p> <p>Optional full-day session at the beginning of the program provides foundation in finance and accounting basics to expand existing background or as concentrated refresher from a board-level perspective. Topics include basic accounting principles, such as the relationships among the balance sheet, the income statement, and the statement of cash flows.</p>
The Conference Board: The Mid-American Club, 200 E. Randolph Street, #80, Chicago, IL 60601	March 26, 2009	\$3,500 pp	<p>(1) Directors' Forum: Oversight & Ethics in a Time of Crisis: Preparing to meet challenges that arise focusing on oversight and monitoring in a changed environment, ethics, sustainability, and reputational risk. (1 hr 15m).</p> <p>(2) Compensation Committee: Compensating Executives During Economic Downturn. (1 hr 15m).</p> <p>(3) Recent Developments for Audit Committees: Oversight priorities for audit committees, interactions with auditors in financial reporting; preparation for IFRS, keys to committee effectiveness and efficiency; advance planning for unexpected crisis.</p> <p>(4) Sustainability and Governance for the Long Term: Creating long term prosperity and value. How to approach sustainability issues and the issues involved. (1hr 15m)</p> <p>(5) Enterprise Risk Management & Strategize Performance: Addressing concerns about quality of risk intelligence; board role in enterprise risk assessment; identifying chief risks companies face in today's business environment; making risk awareness part of corporate culture.</p> <p>(6) Improving Board Effectiveness: Board and committee evaluation tools; aligning board and senior management with long and short-terms company strategies; optimizing board and management working relationships; s</p> <p>(7) Director Liability and D&O Insurance: Protecting directors from liability and risk of loss; indemnification arrangements, D&O insurance policy coverage and exclusions; state of the D&O insurance markets. (1 hr, 15m).</p> <p>(8) Shareholder Forum. (1 hr, 15m).</p>
Harvard Business School Executive Education: The Ritz-Carlton, Half Moon Bay, California	March 30 to April 2, 2009	\$7,750 pp	<p>(1) Board Composition, Roles, and Responsibilities: Designing board structure; selecting directors; choosing the right number and type of outside directors; committee use to maximize board productivity and cooperation between board and management team; directors' legal responsibilities; enhancing board's role in strategic planning, goal setting, and initiating positive change; formulating external financial reporting and disclosure strategy; handling company opportunities or crises.</p> <p>(2) Effective Meetings, Informed Decision Making: identifying information and metrics enabling board to understand and monitor company strategy; structuring board/committee meetings; leading efficient dynamic, constructive board meetings.</p> <p>(3) Monitoring, Measurement, and Compensation: evaluating CEO performance and compensation; succession planning; evaluating board and its members; determining director compensation and stock ownership.</p>

POTENTIAL TRAINING PROVIDERS

Provider	Date	Cost	Topics
<p>UCLA Anderson School of Management: 110 Westwood Plaza, Los Angeles, California</p>	<p>May 18-20, 2009 and October 19-21, 2009</p>	<p>Day 1: \$1,295 Day 2-3: \$3,950</p>	<p>Day 1: <u>Day 1 Foundational Topics - Becoming a Director:</u> Current governance challenges; responsibilities of today's boards of directors; monitoring SEC reporting requirements; understanding director reporting & trading rules; building and leveraging effective board of directors; bulletproofing and documenting director actions; reviewing key accounting considerations.</p> <p><u>Program Core Days 2 & 3:</u> Involving board in corporate strategy; maintaining director and chair independence; globalization and governance; identifying, disclosing, and managing enterprise risk; detecting and preventing accounting fraud; managing mergers, acquisitions, joint venture, and alliances; ensuring effective audit, compensation, and nomination and governance committees; when social issues become strategic.</p>
<p>Director Training Academy ("DTA"), Ontario Canada: www.directortrainingacademy.com or call us at (519) 259-5296. DTA has developed a one day seminar and two-day program in director training to provide strategies and tools to assist directors in fulfilling their responsibilities to make informed board decisions.</p>	<p>Two (2) day course. Upcoming training dates not currently available.</p>	<p>\$1,979.25 pp</p>	<p>(1) <u>Module 1 – Board Structure and Responsibilities:</u> Board structure, mandate, protocol and responsibilities; Board information reports and communication; Requirements for Board training; committees and responsibilities; Ethics and social responsibility;</p> <p>(2) <u>Module 2 - Legal & Regulatory Requirements:</u> Incorporated v. unincorporated organizations; Directors legal responsibilities and liabilities; Indemnification issues; D&O liability insurance; Mitigating liability through risk management;</p> <p>(3) <u>Module 3 - Risk Management & Governance:</u> Governance in context of directors' responsibilities; Concepts of governance, risk assessment and risk management; Internal control systems supporting good governance; Best practices for risk management and governance; Ethic and conflicts of interest.</p> <p>(4) <u>Module 4 - Financial Reporting Oversight and Compliance:</u> Financial reporting and regulatory compliance requirements; Certification requirements: Internal control and risk assessment;</p> <p>(5) <u>Module 5 - Strategy & Planning:</u> Strategic planning and its benefits; Board's role in strategic planning; Strategic planning cycles, process and models.</p> <p>(6) <u>Module 6 - Communication:</u> Efficient and effective communications; Key uses of information flow; communicating in emergency circumstances; Effective communications in external Board and corporate public announcements;</p> <p>(7) <u>Module 7 - Ethics and Business Conduct:</u> Preparing, communicating and enforcing conflict of interest and ethics policies supporting good governance; Approaches and tools to enforce and monitor ethical practices; Importance of ethics in promoting positive corporate culture; Corporate ethical conduct in external relationships - community interaction, business reputation, media relations;</p> <p>(8) <u>Module 8 - Information Technology Governance:</u> Defining IT governance, its responsibilities/benefits; IT governance measurables; Best IT governance practices; IT security; Business continuity/disaster recovery.</p>
<p>Program includes course delivery, case studies and final examination leading to training certification. Interactive experience will challenge participants' business perspectives and enhance board participation.</p>			

POTENTIAL TRAINING PROVIDERS

Provider	Date	Cost	Topics
<p>Corporate Compliance and Ethics Institute PLI (Practicing Law Institute) California Center, 685 Market Street, San Francisco, California 94105. (415) 498-2800.</p>	<p>April 30 to May 1, 2009</p>	<p>\$1,595 pp Group Disc 4 to 14.</p>	<p>(1) What Makes Compliance Program Successful: Key elements of a best practices compliance program - risk assessment, policies, training, documentation, auditing, Federal Sentencing Guidelines' definition, program enhancement with fewer resources; Ethics and compliance strategy and practices; Ethical underpinnings of compliance program (1 hr). (2) New Legal Issues and Hot Topics in corporate Compliance: Case update; Insights from Siemens case; Standards for director and officer liability; Prosecutors and compliance programs - standards of corporate prosecutions, attorney-client privilege waiver, deferred prosecution agreements; Rules for government contractors, Regulatory update; Records management, e-discovery and litigation (1 hr). (3) Compliance Risk Assessments: Design risk assessment to obtain highest value information; Who should be at table; Effective interview and fact gathering techniques; Assessing risks created by third party agents, suppliers, consultants; Avoiding risks identified, considering ethical consequences, legal privilege, litigation; Risk assessment hypotheticals (1 hr 15m). (4) Elements of an Effective Compliance Program: Codes of conduct, effective policy writing, certifications and questionnaires, creating policy content (1 hr). (5) Effective Communications and Training: Communication functions, compliance officer's communications and training, e-learning techniques, communication tools shaping a more ethical environment; budget sensitive training, "tone at the top," training hypotheticals (1 hr 15 min). (6) Program Structure and Partnering with Other Departments: Dealing with compliance violations, working with Communications and HR to create culture of ethics, Internal Audit and other department involvement, program structure best practices (1 hr). (7) Role of the Board: reporting procedures, oversight of compliance program and internal investigations, board training requirements (1 hr 15 min). (8) Dealing with Concerns through Investigation: managing help lines and dealing with whistleblowers, guidelines for internal and governmental investigations, adopting protocols to avoid risk, promoting compliance program to government investigators, maintaining attorney-client and other privileges (1 hr 15m). (9) Cross-Border Governance, Compliance & Regulatory Trends (1hr 15 min); (10) Effective Audits, Measuring Effectiveness of Compliance Program: role of Internal Audit, assess audit results, reporting and follow-up, privilege and other considerations, compliance metrics, ethics surveys, compliance issues and annual goal setting (1 hr 15m).</p>
<p>National Association of Corporate Directors ("NADC"), Laguna Beach, California</p>	<p>September 17- 18, 2009</p>	<p>\$3,500 pp (member) or \$4,500 pp (non-member)</p>	<p><u>Curriculum Elements</u>: Comprehensive 2-day course basic background for effective directorship. (1) board evaluation and reign in current environment (2) director roles and responsibilities in contact of building board value (3) Audit committee quality, composition and performance (4) effective principles for evaluating executive compensation and managing CEO succession (5) directors' fiduciary duties (6) evolving director liability issues (7) how to scrutinize financials and spot red flags (8) framework for improving communications (9) what to ask independent auditors and outside consultants and when use of consultants appropriate (10) improve board effectiveness through governance practices in board evaluations, transparency and disclosure and right "tone at the top."</p>

POTENTIAL TRAINING PROVIDERS

Provider	Date	Cost	Topics
Directors Forum (Corporate Directors' Forum at the University of San Diego): 5998 Alcalá Park, San Diego, CA 92110 (619) 260-4600	Last offered January 25-26, 2009. Courses available again in 2010	\$1,995 per person	<u>Course Topics:</u> (1) Shareholder Hot Topics (1 hr 15 min); (2) Do you know who your shareholders are? (1 hr 15 min) (3) The future of corporate governance in the next five years (1 hr 15 min) (4) IFRS Sound Principles (37 min) (5) Compensation - pay practices under fire (37 min) (6) Risk assessment and the questions directors should be asking (1 hr 15 min) (7) Selecting and training directors - role of governance and nominating committees (1 hr 15 min).
Corporate Directors Enterprise: Center for UC Berkeley Executive Education, Haas School of Business. Berkeley, California	April 6-7, 2009	\$2,000 pp	<u>Day One Course Topics:</u> (1) Duties of directors and effective board leadership (2) Sarbanes-Oxley and corporate governance rules (3) Effective crisis management (4) Director and executive recruiting and board composition (5) Litigation and director liability issues. <u>Day Two Course Topics:</u> (1) Audit committee (2) Compensation Committee (3) Corporate social responsibility and shareholder activism (4) Enterprise Risk management - the board's first priority (5) Succession planning
Kellogg School of Management: Northwestern University, James L. Allen Center, Evanston, Illinois	May 3-6, 2009 or December 6-9, 2009	\$8,950 pp	<u>Course Topics:</u> (1) <u>Improving Director's Financial Literacy:</u> Strategic understanding of inter-relationships of financial reports, Improve decision-making skills concerning disclosures, strategy formulation, and compensation; (2) <u>Corporate Governance:</u> Board organization and functions, Functions of important committees; (3) <u>Accounting and the Audit Function:</u> Duties of the audit committee, Dealing with internal and external auditors, and management, Case analysis of a recent audit failure; (4) <u>Corporate Finance and Capital Budgeting:</u> How investment decisions are made, Basics of mergers and acquisitions; (5) <u>Responding to Crises:</u> Strategic thinking and communication in high-stress situations, Scanning business practices for political and social risks, Managing stakeholders, public opinion, media relations, and public officials Integrating crisis management into overall business strategy; (6) <u>Group Interaction and Negotiation:</u> Getting your perspective "on the table," Strategies for resolving conflict, focusing on value creation and claiming, Important parameters of a negotiation, Strategies to influence other board members, Taking full advantage of the board's expertise; (7) <u>Compensation:</u> Roles, responsibilities and policy development of the compensation committee; (8) <u>Legal Liabilities and Corporate Law:</u> Fiduciary responsibilities, Directors and Officers insurance.

POTENTIAL TRAINING PROVIDERS

Provider Board Training Individual Topic Modules	Date	Cost	Topics
ETHICS MODULE Society of Corporate Compliance & Ethics, Planet Hollywood Resort & Casino, Las Vegas, NV	September 13-16, 2009	\$1,174 pp	Course Topics: (1) Compliance 101 - methods for implementing and managing compliance programs; (2) Risk assessments; (3) Managing FCPA Issues in Global Organizations/Due Diligence; (4) Measuring Program Effectiveness – What Works and What Doesn't; (5) Compliance Programs for Government and Municipalities; (6) Compliance Officers Roundtable; (7) Optimize Your Code of Conduct; (8) Conducting Internal Investigations; (9) Compliance 101 for Federal Contractors; (10) Privacy Officers Roundtable.
Corporate Compliance and Ethics Institute, PLI (Practicing Law Institute) California Center, 685 Market Street, San Francisco, California 94105. (415) 498-2800.	April 30-May 1, 2009	\$1,595 pp	(1) What Makes Compliance Program Successful :(1 hr); Group Disc (2) New Legal Issues and Hot Topics in corporate Compliance (1 hr) ; when booking 4 (3) Compliance Risk Assessments (1 hr 15 min); or more. (4) Elements of an Effective Compliance Program (1 hr); (5) Effective Communications and Training (1 hr 15 min) ; (6) Program Structure and Partnering with Other Departments (1 hr); (7) Role of the Board (1 hr 15 min); (8) Dealing with Concerns through Investigation (1 hr 15 min); (9) Cross-Border Governance, Compliance and Regulatory Trends (1hr 15 min); (10) Effective Audits, Measuring Effectiveness of Compliance Program (1 hr 15 min).
FINANCE MODULE Santa Clara University, Leavey School of Business, Santa Clara, California	March 10-11, 2009 June 9-10, 2009	\$975 pp	Finance and financial reporting for non-financial managers. Role financial information plays in resource allocation; function of financial reporting and environment in which it operates; key issues involving accounting for business combinations; how to read and analyze corporate financial statements; basic managerial and cost accounting terms and concepts; relationship among costs, volume, and profitability; identify the relevant costs in incremental decision making
National Association of Corporate Directors ("NACD"), Omni Shoreham Hotel 2500 Calvert Street, NW Washington, DC 20008	Oct. 18, 2009	\$1,645 pp	Scrutinizing Financial Statements Seminar: Details of financial statements and their analysis in order to monitor performance, challenge results, assess projected performance, and drive value creation. Review of both traditional accrual-based financial statements and analysis, as well as modified "economic" (cash-based) statements and analysis (7 hr)

POTENTIAL TRAINING PROVIDERS

Provider	Date	Cost	Topics
<p>Corporate Directors Enterprise: Center for UC Berkeley Executive Education, Haas School of Business. Berkeley, California</p>	<p>April 6-10, 2009 November 2-6, 2009</p>	<p>\$5,100 pp (Send 3 for cost of 2)</p>	<p><u>Financial Analysis for Non Financial Executives:</u> (1) Financial Insight: What past financial results reveal about your firm and your competitors - Linking business decisions and strategy to financial statements; Financial Statements - Income Statement, Balance Sheet, Cash Flow Statement; Financial Statement Analysis - Returns, Ratios, and Trends; Competitor Analysis - Strengths and weaknesses; Stock market response to financial results. (2) Financial Foresight: How to make decisions that maximize your firm's future profitability - Valuation, net present value, discounted cash flow, and cost of capital. Forecasting pro forma financial statements; Operating Leverage, cost allocation and capacity utilization; Evaluating investment projects and business opportunities; Decisions such as outsourcing, product mix, pricing, and capital budgeting; Valuing acquisitions and companies. (3) Financial Oversight: How to use financial tools to control operations and track your firm's current financial results - Evaluating business unit and managerial performance; Tracking customer and business segment profitability; Analyzing budget results and adjusting operations; Balanced Scorecards for long-run synergistic focus; Managing growth, productivity, and risks. (7 hr / day).</p>
AUDIT MODULE			
<p>KPMG Audit Committee Institute, Chicago IL http://www.kpmg.com/aci/events.asp</p>	<p>May/June 2009 June 25-26, 2009</p>	<p>Price not Set</p>	<p><u>Audit Committee Practices/Processes</u> <u>Upcoming Events:</u> Audit Committee Roundtable Series (Spring 2009) May/June 2009 Registration Details coming soon Audit Committee Fundamentals Save Date: June 25-26, 2009 Four Seasons Hotel, Chicago, IL Registration Details coming soon</p>

POTENTIAL TRAINING PROVIDERS

Provider	Date	Cost	Topics
Harvard Business School - Executive Education , Western Avenue, Boston MA	July 27-29, 2009 November 16-18, 2009	\$5,000 pp	<u>Course Topic: Audit Committees in a the New Era of Governance:</u> (1) Dealing with heightened demand for greater oversight and higher level of financial and accounting expertise. (2) Audit committees improving transparency for investors. (3) How to meet expectations for improved financial reporting and disclosure. (4) How to better manage their relationships with directors, corporate management, and internal and external auditors. (5) What should audit committee charters contain, and how can these committees be designed to fulfill their responsibilities?
UCLA Anderson School of Management , Los Angeles, California	May 20, 2009	\$395 pp	<u>Advanced Audit Committee Module:</u> (1) <u>The Basics - a Review of Roles and Responsibilities:</u> Audit committee reform - Sarbanes-Oxley recommendations; Stock Exchange Governance Listing Standards; PCAOB Auditing Standard No. 2; SEC Proposal Item 407 - increased disclosure. (2) <u>Beyond the Basics: Practices for Improved Effectiveness:</u> Risk intelligence, risk profiles, organizational risk, financial risks vs. financial reporting risks; Fraud risk factors and assessment, anti-fraud programs, monitoring activities; Assessing earnings quality - risk of restatement, "fuzziness" of financial reporting, continuum of earnings quality; Monitoring corporate culture - communicating the company code of ethics, board and senior management commitments, cultural risk assessment. (3) <u>Hard Lessons:</u> SEC overview - Sarbanes-Oxley 404 reporting; Recent enforcement actions and investigations; Top 10 reporting issues; Blocks to audit effectiveness. (2.5 hr)
National Association of Corporate Directors ("NACD") , Omni Shoreham Hotel 2500 Calvert Street, NW Washington, DC 20008	Oct. 28, 2009	\$1,570 pp	<u>Audit Committee Effectiveness Seminar:</u> (1) Examine principles of audit committee excellence to provide the necessary tools for practicing proactive risk oversight in both good times and bad. (2) Implementing the right standards for audit accountability ensures the corporation's viability is well-protected over time. (3) Review of leading practices for structure, member criteria, agenda-setting, risk oversight and execution. (7 hr)
INFO TECHNOLOGY MODULE KPMG Audit Committee Institute, Chicago IL http://www.kpmg.com/aci/it.asp#2007_it_governance	May/June 2009 June 25-26, 2009	Price not Set	<u>Exploring Audit Committee's Role in IT Governance</u> <u>Upcoming Events:</u> Audit Committee Roundtable Series (Spring 2009) May/June 2009 Registration Details coming soon Audit Committee Fundamentals Save Date: June 25-26, 2009 Four Seasons Hotel, Chicago, IL Registration Details coming soon

POTENTIAL TRAINING PROVIDERS

Provider	Date	Cost	Topics
Corporate Compliance and Ethics Institute, PLI (Practicing Law Institute) California Center, 685 Market Street, San Francisco, California 94105. (415) 498-2800.	June 1-2, 2009	\$1,595 pp	Privacy and Data Security Law Institute (Tenth Annual) - critical issues of information privacy, security and data protection. (1) Federal and state legislation, regulations and decisions regarding privacy and security. (2) International developments in data protection law and impact on U.S. companies. (3) Privacy in the workplace, workplace communications and monitoring. (4) Best practices in managing security breach risks. (5) Legislative developments in information security requirements. (6) Responding to government requests for information; Liability for privacy breaches. (7) Ethical and privilege issues for lawyers in using information technology. (8) Implementation of Red Flags Rules, identity management and online authentication. (9) Privacy law and evolving online data collection and marketing techniques. (10) Privacy and security law five years from now.
MIT Sloan School of Management , Cambridge, MA	March 30-31, 2009 July 13- 14, 2009 November 9-10, 2009	\$2,600 pp	<u>IT for the Non-IT Executive</u> Course Topics: (1) Context and Key IT Concepts & Managing the IT Portfolio (3.5 hr) (2) Business-IT Alignment IT Risk, Business Consequences (3.5 hr) (3) Sourcing Strategies for 21st Century Organizations IT Enabled Change: The Human and Cultural Dimension (3.5 hr) (4) How Top Performing Firms Govern IT, What Makes CIOs (and their units) Effective (3.5 hr)

Customized Training – Potential Provider Listing

Provider:	MIS Training Institute 498 Concord Street Framingham, MA 01702-2357 508-879-7999
Contact:	1) Anthony Belleza, Principle 2) Daniel Carney, Coordinator 508-532-3629 DCarney@mistin.com
Price:	\$10,000 to \$20,000
Comment:	Highly recommended by the executive officers, many of whom have attended previous training sessions with this firm. Mr. Belleza states that he has a library of written materials to supplement his presentation.
Provider:	The Directors Network, Inc. New York 212-754-3086 212-754-3087 Fax
Contact:	Stephanie Joseph, President 917-327-8000 (Cell) sjoseph@directorsnetwork.com
Price:	TBD
Comment	Associated with Deloitte and the Michigan Ross School of Business. Offers comprehensive training for Board of Directors
Provider:	The Conference Board, Inc. 845 Third Avenue New York, New York 10022-6679 212-759-0900 212-980-7814 (Fax)
Contact:	Paul DeNicola, Associate Director 212-339-0345
Price:	\$35,000 to \$38,000
Comment:	This is a membership organization that also provides services to non-members at higher prices. Membership fees start at \$10,000 for companies making \$1 billion per year, and rise from there. It offers comprehensive training.

Customized Training – Potential Provider Listing

Provider:	Practicing Law Institute 810 Seventh Avenue New York, New York 10019 800-260-4754 800-321-0093
Contact:	Larry Fleischman lfleischman@pli.edu
Price:	TBD
Comment:	This organization claims to be the world's largest provider of executive education. The "private Label" customized programs are directed toward very large audiences, typically on line. However, Mr. Fleischman indicated that our project could be outsourced to one of the many smaller training groups that he does business with.
Provider:	Stanford Directors Forum Stanford Graduate School of Business 518 Memorial Way Stanford, CA 94305-5015 650-723-3341 650-723-3950 (Fax)
Contact:	Clara Dye 650 387-7572 dyeclara@gsb.stanford.edu
Comment:	Also provides boot camp at \$7,500 each
Provider:	Harvard Business School Executive Education Morgan Hall 337 Soldiers Field Road Boston, MA 02163 617-495-6413 617-496-6413 (Fax)
Contact:	Professor Jay Lorsch 617-495-6413 jlorsch@hbs.edu
Price:	TBD
Comment:	The school provides customized training programs, but indicates it expects groups of between 50 to 70 participants. It also provides boot camps at \$7,750 each.

Customized Training – Potential Provider Listing

Provider:	Kellogg School of Management Executive Education James L. Allen Center 2169 Campus Drive Evanston, IL 60208-2800 847-467-7000
Contact:	Stephen Burnett, Associate Dean Of Executive Education 847-467—7000 Execed@kellogg.northwestern.edu
Price:	TBD
Comment:	The school offers customized training covering all of the subject areas we require
Provider:	UCLA – Anderson School of Business Collins Center for Executive Education 110 Westwood Plaza, Suite A101D Box 951464 Los Angeles, CA 90095-1464 310-206-7539
Contact:	Ron Richards 310-825-2356
Price:	TBD
Comment:	The school provides customized training programs, but usually for larger audiences. However, Mr. Richards seemed quite willing to work with whatever needs we have. The school also provides a 3 day boot camp for \$5,245.00.