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Date: November 3, 2017

TO: MEMBERS, GOVERNANCE COMMITTEE

I. AGENDA ITEM # AND TITLE	Open Agenda Item 3d – Consent Calendar: Review and Approval of 2018 Board and Committee Agenda Items
II. NAME AND PROGRAM:	Hilda Padua, Board Liaison – Executive Office
III. ACTIVITY:	<input type="checkbox"/> Informational <input type="checkbox"/> Request for Direction <input checked="" type="checkbox"/> Action Proposed <input type="checkbox"/> Exploratory
IV. JUSTIFICATION:	<input checked="" type="checkbox"/> Standard/Required Item <input type="checkbox"/> Board Request – New Item <input type="checkbox"/> New Topic from Staff

V. EXECUTIVE SUMMARY:

It is a useful practice to construct a board agenda for the year ahead (annual calendar) indicating the substantive items to be addressed for each meeting, yet providing flexibility to consider other issues as they arise.

Part of the Board process is to set-up the annual calendar of agenda items for Board and Committee meetings, to be presented and approved at every November meeting.

Normally the four meetings are set for February, May, August and November with an April placeholder for Board Continuing Education but there is flexibility to accommodate scheduling conflicts and for 2018 the first meeting is February.

VI. ANALYSIS:

The annual agenda provides a useful starting point to ensure that all the standing items and key issues will be covered throughout the year, and leaves room for ongoing changes and flexibility. Moreover, it indicates when each key topic is coming up for discussion, which can be used in the preparation of Board information.

As the year progresses, and the annual agenda is translated into a series of meeting agendas, the annual agenda should be reviewed and appropriate modifications should be made to ensure that the individual agendas are as useful as possible.

VII. RECOMMENDATION:

To recommend to the Board approval of the attached Board and Committee 2018 agenda items as presented during the Board Open session on November 16, 2017 under Consent Calendar agenda item 3d.

2018 Audit Committee Substantive Agenda Items				
<u>Standing Items</u>	Feb	May	Aug	Nov
Report of External Auditor	X	X	X	X
Report on Completed Audits	X	X	X	X
Quarterly Internal Audit Report	X	X	X	X
Update on Personnel Investigations	X	X	X	X
Update on Pension and Other Post Employment Benefits (OPEB) - if needed	X	X	X	X
Special Investigation Unit Update (one-way communication, unless presentation is requested)	X	X	X	X
Audit Considerations Related to the Strategic Plan	X	X	X	X
Report to the Board	X	X	X	X
<u>Audit Topics</u>	Feb	May	Aug	Nov
Model Audit Rule (MAR)	X	X		X
Review of Internal Audit Charter and Compliance with International Internal Audit Standards		X		
Review of Audit Committee Charter		X		
Review and Approval of Revised Internal Audit Plan			X	
Review and Approval of 2019-2021 Audit Plan				X
Ratification of Engagement of External Auditor for 2019 Audit			X	
Report of External Auditor: 2018 Audit Plan				X
Enterprise Risk Management		X		X
Review and Approval of 2019 Audit Committee Agenda and Schedule				X
Cyber Risk presentation	X			
Total Substantive Items	10	12	10	13
<i>Note: Normally the 4 meetings are set for February, May, August & November with an April placeholder for Board Continuing Education but there is flexibility to accommodate scheduling conflicts and for 2018 the first meeting is in February.</i>				

2018 Investment Committee Substantive Agenda Items				
<u>Standing Items</u>	Feb	May	Aug	Nov
Approval of Investment Transactions	X	X	X	X
Market Outlook/Economic Update	X	X	X	X
Portfolio Performance Results	X	X	X	X
Investment Manager's Investment Strategy	X	X	X	X
Financial and Investment Considerations related to the Strategic Plan	X	X	X	X
Report on Investment Audits <i>(if applies)</i>	X	X	X	X
Legislation Affecting the Portfolio <i>(if applies)</i>	X	X	X	X
State Fund Pension Obligations and Profitability	X	X	X	X
Report to the Board	X	X	X	X
<u>Investment Topics</u>	Feb	May	Aug	Nov
Annual Review of Charter		X		
Report on Bank Accounts and Cash Management Holdings - (Preread)		X		
Report on Long-term Investment Holdings Held by the State Treasurer's Office - (Preread)		X		
Annual Review of Investment Manager's Performance, Services and Results		X		
Investment Benchmarks		X		
Peer Analysis on 2017 Investment Results - (Preread)			X	
Review of Investment Policy Statement and Guidelines (includes Benchmark)				X
Review and Approval of 2019 Investment Agenda and Schedule				X
Total Substantive Items	9	14	10	11
<p><i>Note: Normally the 4 meetings are set for February, May, August & November with an April placeholder for Board Continuing Education but there is flexibility to accommodate scheduling conflicts and for 2018 the first meeting is in February.</i></p>				

2018 Governance Committee Substantive Agenda Items				
<u>Standing Items</u>	Feb	May	Aug	Nov
Governance and Compliance Update (preread)	X	X	X	X
Update on Key Corporate Policies (preread unless action required)	X	X	X	X
Board Continuing Education	X	X	X	X
Board Member Upcoming Speeches or Articles (preread)	X	X	X	X
Governance Considerations Related to the Strategic Plan	X	X	X	X
Governance Considerations Related to CDI Triennial Audit	X	X	X	X
Report to the Board	X	X	X	X
<u>Governance Topics</u>	Feb	May	Aug	Nov
Performance Award Program	X		X	
Review and Approval of Board Committee Assignments for 2019 (preread)				X
Enterprise Risk Management	X		X	
Review of the Internal Audit Plan and Report from the CRO as it relates to Enterprise Risk Management	X			
Review of Corporate Governance documents (preread unless action required): Code of Conduct/Conflict of Interest (mandated annual review); State Fund By-Laws (annual); Annual Review of Committee Charter; Charter of Audit and Risk and Investment Committees (as requested); Review of Board Delegated Authority and Approval Levels (annual)		X		
Compliance Training/Integrity in Action Hotline		X		
Reporting Obligations Compliance (annually)		X		
Planning for Board Strategic Meeting		X		
Review of Senior Management Succession Plans	X		X	
Specialized Governance Continuing Education			X	
Approval of 2019 Board and Committee Meeting Schedule and Location (preread)				X
Review and Approval of 2019 Agenda Board and Committee Agendas (preread)				X
Preliminary Review of President 2019 Performance Objectives				X
Total Substantive Items	11	11	11	11
<i>Note: Normally the 4 meetings are set for February, May, August & November with an April placeholder for Board Continuing Education but there is flexibility to accommodate scheduling conflicts and for 2018 the first meeting is in February.</i>				

2018 Board of Directors Substantive Agenda Items						
Standing Items (OPEN)	Jan (if needed)	Feb	April	May	Aug	Nov
Consent Calendar: Approve Minutes, Pre-Approved Board Continuing Education, Travel Expense Reimbursement, Retirement Resolutions, Renewal of Expiring Insurance; Ratification of Appointments		X		X	X	X
Personnel Matters		X		X	X	X
Financial Update (2017 Financial Statement, 2018 Quarterly reports) (preread)		X		X	X	X
Legislation Report (read only)		X		X	X	X
President's Report		X		X	X	X
Committee Reports		X		X	X	X
Chairperson's Report		X		X	X	X
Board Member Reports		X		X	X	X
Standing Items (CLOSED)	Jan (if needed)	Feb	April	May	Aug	Nov
Pending and Potential Litigation		X		X	X	X
Significant Open Audits Report and Fraud Litigation Report		X		X	X	X
Board Considerations Related to the Strategic Plan		X		X	X	X
Governance Considerations Related to the Strategic Plan		X				
Financial and Investment Considerations Related to the Strategic Plan		X		X	X	X
General Topics	Jan (if needed)	Feb	April	May	Aug	Nov
Financials, Investments, Underwriting & Pricing						
Investments Portfolio Benchmark and Mgmt of Investment		X				
Loss and Loss Adjustment Expense Reserves		X				
Independent Auditors Report (EY)				X		
Independent Actuarial Reserves Report and Statement of Actuarial Opinion				X		
Review and Approval of Rate Filing					X	X
Annual Dividend Evaluation						X
Strategic Plan						
Update on 2018-2020 Strategic	X	X	X	X	X	X
2019-2021 Pre-Strategic Planning				X	X	
Approval of 2019-2021 Strategic Plan						X
Operational Effectiveness* (Quarterly Update: One-Way Communication)						
Claims		X		X	X	X
Workplace Safety and Loss Prevention		X		X	X	X
Information Technology		X		X	X	X
Legislation		X		X	X	X
Special Investigation Unit (SIU)		X		X	X	X
Other Corporate Programs						
Personnel Matters						
Review and Approval of 2017 Performance Awards	X	X				
Review and Approval of 2017 President and Executive Leadership Performance Against Plans	X	X				
Review and Approval of President and Executive Leadership 2018 Performance Objectives	X	X				
Review and Approval of 2017 Exempt Executives Compensation	X	X				
Staffing Leadership & Succession Planning		X				X
Preliminary Review of President's 2019 Performance Objectives						X
Governance						
Cyber Risk	X	X	X	X	X	X
Board Strategic Planning Agenda				X		
Review of Corporate Governance documents (preread unless action required): Code of Conduct/Conflict of Interest (mandated annual review); State Fund By-Laws (annual); Annual Review of Committee Charter; Charter of Audit and Investment Committees (as requested); Review of Board Delegated Authority and Approval Levels (annual)				X		
Insurance & Reinsurance Strategy					X	X
Approval of Amendments to Key Corporate Policies		X		X		X
Enterprise Risk Management				X		X
Review and Approval of 2019 Agenda and Schedule						X
Review and Approval of Board Committee Assignments for 2019						X
Continuing Education						
Board Continuing Education 2018			X			
CA Economy & WC Market		X			X	X
Current or Emerging WC Issues						X

Total Substantive Items	6	29	3	26	23	31
*Updates will be sent as one-way communication to the Board. However, there is a placeholder on the Board agenda to allow for Board discussion needed.						
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