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Date: November 4, 2016

TO: MEMBERS, GOVERNANCE COMMITTEE

I. AGENDA ITEM # AND TITLE	Open Agenda Item 3d – Consent Calendar: Review and Approval of 2017 Board and Committee Agenda Items
II. NAME AND PROGRAM:	Hilda Padua, Board Liaison
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 a March/April placeholder for Board Continuing Education but there is flexibility to accommodate scheduling conflicts and for 2017 the first meeting is in March.

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 approve the attached Board and Committee 2017 agenda items as presented during the Board Open session on November 18, 2016 under agenda item 28.

2017 Audit Committee Substantive Agenda Items				
<u>Standing Items</u>	Mar	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>	Mar	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 2017-2019 Audit Plan				X
Ratification of Engagement of External Auditor for 2017 Audit			X	
Report of External Auditor: 2017 Audit Plan				X
Enterprise Risk Management		X		X
Review and Approval of 2018 Audit Committee Agenda and Schedule				X
Cyber Risk presentation	X			
Total Substantive Items	10	12	9	13
<i>Note: Normally the 4 meetings are set for February, May, August & November with a March placeholder for Board Continuing Education but there is flexibility to accommodate scheduling conflicts and for 2017 the first meeting is in March.</i>				

2017 Investment Committee Substantive Agenda Items				
<u>Standing Items</u>	Mar	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>	Mar	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 2016 Investment Results - (Preread)			X	
Review of Investment Policy Statement and Guidelines (includes Benchmark)				X
Review and Approval of 2018 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 a March placeholder for Board Continuing Education but there is flexibility to accommodate scheduling conflicts and for 2017 the first meeting is in March.</i></p>				

2017 Governance Committee Substantive Agenda Items				
<u>Standing Items</u>	Mar	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>	Mar	May	Aug	Nov
Performance Award Program	X		X	
Review and Approval of Board Committee Assignments for 2018 (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 (as needed); Annual Review of Committee Charter; Charter of Audit and Investment Committees (as requested); Review of Board Delegated Authority and Approval Levels		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 2018 Board and Committee Meeting Schedule and Location (preread)				X
Review and Approval of 2018 Agenda Board and Committee Agendas (preread)				X
Preliminary Review of President 2018 Performance Objectives				X
Total Substantive Items	11	11	11	11
<i>Note: Normally the 4 meetings are set for February, May, August & November with a March placeholder for Board Continuing Education but there is flexibility to accommodate scheduling conflicts and for 2017 the first meeting is in March.</i>				

2017 Board of Directors Substantive Agenda Items						
Standing Items (OPEN)	Jan (if needed)	Mar	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 (2016 Financial Statement, 2017 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)	Mar	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				
General Topics	Jan (if needed)	Mar	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 (KPMG)				X		
Independent Actuarial Reserves Report and Statement of Actuarial Opinion				X		
Review and Approval of Rate Filing					X	X
Annual Dividend Evaluation						X
Operational Effectiveness						
Strategic Planning 2017-2019				X	X	
Strategic Plan Update		X		X	X	X
• Update on Claims		X		X	X	X
• Update on Information Technology Initiatives		X		X	X	X
• Update on Legislation		X		X	X	X
• Update on Other Corporate Programs						
Personnel Matters						
Review and Approval of 2016 Performance Awards	X	X				
Review and Approval of 2016 President and Executive Leadership Performance Against Plans	X	X				
Preliminary Review of President's 2017 Performance Objectives	X					
Review and Approval of President and Executive Leadership 2017 Performance Objectives	X	X				
Review and Approval of 2016 Exempt Executives Compensation	X	X				
Staffing Leadership & Succession Planning		X				X
Preliminary Review of President 2018 Performance Objectives						X
Governance						
Board Strategic Planning Agenda				X		
Approval of Amended Committee Charters (if needed)				X		
Review of Committee Assignments		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 2018 Agenda and Schedule						X
Continuing Education						
Board Continuing Education 2017			X			
CA Economy & WC Market		X			X	X
Current or Emerging WC Issues*						X
Total Substantive Items	5	27	1	22	19	25

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