

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD FINANCE AND RISK MANAGEMENT COMMITTEE CHARTER**

Last amended: May 4, 2011

Last amended: November 5, 2014

Reviewed: November 8, 2017

Amended: December 12, 2018

INTRODUCTION

The Board Finance and Risk Management Committee has been established to support the MCERA Board in fulfilling its fiduciary oversight responsibilities for the:

Financial Reporting Process,
System of Risk Management, and
External Audit of the Financial Statements.

COMPOSITION

The Committee will typically consist of three (3) to five (5) Board members who shall be appointed by the Chairperson of the Board. The Chairperson may, upon consultation with the full Board, appoint more than five (5) members to the Committee. The Chairperson may, but need not, appoint himself or herself to the Committee.

Each Committee member shall endeavor to become financially literate and shall be familiar with at least one of the following areas of expertise: finance, economics, law, business, pension administration, accounting, risk management, or other relevant field of study.

MEETINGS

The Committee will meet at least quarterly, with authority to convene additional meetings, as circumstances warrant. The Committee will invite members of management, auditors, and/or others to attend meetings and provide pertinent information, as necessary. Members of the Board who are not Committee members may attend Committee meetings as members of the public. In accordance with MCERA Bylaws, if a quorum of the Committee is not present for a particular meeting, such attending Board members who are not appointed members of the Committee may vote in an ex-officio capacity to establish a quorum.

RESPONSIBILITIES

The Board Finance and Risk Management Committee shall have the responsibility for the following:

1. To oversee the integrity of MCERA financial reporting.
2. To provide the policy and framework for an effective system of risk management, and provide the mechanisms for periodic assessment of the system of risk management.
3. To ensure that management maintains an effective system of internal controls and provides the mechanisms for periodic assessment of the system of internal controls.
4. To review MCERA's annual budget, and to direct staff with respect to variances from the budget.
5. To develop an effective compliance policy and effective compliance training program for Trustees and staff, including appropriate introductory training for new Trustees and staff, and to ensure that the compliance policy is reviewed periodically for effectiveness such that compliance

issues and concerns within the organization are being appropriately evaluated, investigated and resolved.

6. To serve as the primary liaison and provide the appropriate forum for handling all matters related to audits, examinations, investigations or inquiries from the appropriate State or Federal agencies.
7. To report to the Board on all activities, findings and recommendations of the Committee.
8. To direct investigations, as appropriate.
9. To review and recommend solutions to specific issues raised by the Administrator or the Board that relate to finances and risk management at MCERA.
10. To analyze how the depreciation and annual operating costs of MCERA's headquarters building at One McInnis Parkway compare to the costs that MCERA would incur and the possible benefits that it could receive by relocating its headquarters to another property, and thereby continue to determine whether using the building as its headquarters is prudent from an ongoing cost/benefit perspective. This fiduciary analysis should occur approximately every three years, or as directed otherwise by the Board.
11. To work with staff and MCERA's engaged professional advisors, including counsel to assist the Board in its finance and risk management activities. All communications with MCERA's professional advisors regarding this Committee's activities shall occur through the Retirement Administrator or this Committee's Chair.

AUTHORITY

All Committee actions must be ratified or adopted by the Board.

CHARTER REVIEW

This Charter will be reviewed by the Board at least every three (3) years to ensure that it remains relevant and appropriate. The Charter may be amended from time to time by majority vote of the Board.